

**(Translation)**

**Annual Registration Statement**

**(Report form 56-1)**

**For the Year 2012**

**True Corporation**

**Public Company Limited**

**true**

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## Glossary and acronyms

3G	3 <sup>rd</sup> Generation of Mobile Telecommunications Technology
AC	Access charge
ADC	Advance Datanetwork Communications Company Limited
Agreement for Joint Venture	Agreement for Joint Venture in the Membership Television between MCOT (the Mass Communications Organization of Thailand, at that time) and TrueVisions Cable (Thai Cable Vision Plc., at that time) dated June 6, 1994, with subsequent additions and/or amendments, or the Agreement for Joint Venture in the Membership Television between MCOT (the Mass Communications Organization of Thailand, at that time) and TrueVisions (International Broadcasting Corporation Plc., at that time) dated April 17, 1989, with subsequent additions and/or amendments, whichever applies in the relevant context.
Agreement to Operate	Agreement to Operate and Provide Services under the Digital PCN 1800 System between CAT Telecom (Communication Authority of Thailand, at that time) and TrueMove (Wireless Communication Service, at that time) dated June 20, 1996.
AI or Asia Infonet	Asia Infonet Company Limited
AIS	Advanced Info Service Public Company Limited
AWC	Asia Wireless Communication Company Limited
BFKT	BFKT (Thailand) Limited
BITCO	Bangkok Inter Teletech Public Company Limited
BMA	Bangkok Metropolitan Area
BPL or EPL	Barclays Premier League (previously English Premier League)
Broadcasting Committee	Broadcasting Committee of the NBTC
CAT or CAT Telecom	CAT Telecom Public Company Limited
CDR	Call Detail Record
DSI	Department of Special Investigation
DTAC	Total Access Communication Public Company Limited
Frequency Allocation Act	Act on Organization to Assign Radio Frequencies and to Regulate the Broadcasting and Telecommunications Services B.E. 2553
Frequency Allocation Act B.E. 2543	Act on Organization to Assign Radio Frequencies and to Regulate the Broadcasting and Telecommunications Services B.E. 2543
FTTH	Fiber to the Home

HD/ HDTV	high definition/ high-definition television
HSPA	High Speed Packet Access
HSPA wholesale agreement	A wholesale agreement for HSPA mobile services between CAT Telecom as a wholesale operator and Real Move as a reseller, dated 27 January 2011 with subsequent additions and/or amendments
HutchCAT	Hutchison CAT Wireless Multimedia Limited
IC	Interconnection
IC Regulation	Interconnection Regulation B.E. 2549
IFC	International Finance Corporation
IM	Information Memorandum
IMT	International Mobile Telecommunications
IMT 2.1 GHz spectrum license	License to operate international mobile telecommunications on the 2.1 GHz spectrum
JAS or Jasmine	Jasmine International Public Company Limited
Joint Operation Agreement	Agreement for Joint Operation and Joint Investment for Expansion of Telephone Service between TOT (previously Telephone Organization of Thailand) and the Company (CP Telecommunication, at the time) dated August 2, 1991 with subsequent additions and/or amendments
Joint-Venture Act	Public-Private Joint Venture Act B.E.2535
KfW	Kreditanstalt fur Wiederaufbau
KSC	KSC Commercial Internet Company Limited
MKSC	MKSC World Dot Com Company Limited
MNP	Mobile Number Portability
MOA	Memorandum of Agreement
MOU	Memorandum of Understanding
MVNO	Mobile Virtual Network Operator
NACC	National Anti-Corruption Commission
NBC	National Broadcasting Commission
NBTC	National Broadcasting and Telecommunications Commission
NOC	Network Operation Center
NTC	National Telecommunications Commission

NVDR	Thai NVDR Company Limited
PCN	Personal Communication Network
PCT	Personal Communication Telephone
Real Future	Real Future Company Limited
Real Move	Real Move Company Limited
Telecom Committee	Telecom Committee of the NBTC
Telecom Business Act	Telecommunications Business Act B.E. 2544
The Company or True	True Corporation Public Company Limited
TI or True Internet	True Internet Company Limited
TIC	True International Communication Company Limited
TIG	True International Gateway Company Limited
TLS	True Leasing Company Limited
TM or True Multimedia	True Multimedia Company Limited
TOT	TOT Corporation Public Company Limited
TPC	True Public Communication Company Limited
TrueMove	True Move Company Limited
TrueVisions Cable or TVC	True Visions Cable Public Company Limited
TrueVisions Group or TVG	True Visions Group Company Limited
TrueVisions or TVS	True Visions Public Company Limited
True Group or the Group	True Corporation Public Company Limited and its subsidiaries
TUC	True Universal Convergence Company Limited
UCOM	United Communication Industry Public Company Limited
UIH	United Information Highway Company Limited
USO	Universal Service Obligation
Verizon	Verizon Communications Inc.
VoIP	Voice over Internet Protocol
WCS	Wireless Communication Services Limited

**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 13<sup>th</sup> 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 11<sup>th</sup> February 1993. The Public Company Registration No. 0107536000081

As at 31<sup>st</sup> December 2012, the Company's authorized capital is Baht 153,332,070,330, divided into 15,333,207,033 ordinary shares with a par value of Baht 10 per share. The Company's paid-up capital is Baht 145,031,791,510 divided into 14,503,179,151 ordinary 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 (662) 699-2515 Fax (662) 643-0515  
E-mail: ir\_office@truecorp.co.th

**1.2 Information of the Company's subsidiaries, associated companies and other investments as of 31<sup>st</sup> December 2012**

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.	90.00
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 11,441.85 million divided into 1,144.18 million ordinary shares with a par value of Baht 10 each and fully paid up.	100.00
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 148,928.29 million divided into 59,571.31 million ordinary shares with a par value of Baht 2.50 each and fully paid up.	99.40
BFKT (Thailand) Limited	1768 Thai Summit Tower, 14 <sup>th</sup> Floor, New Petchburi Road, Bangkapi, Huai Khwang, Bangkok 10310 Tel. (662) 643-1111 Fax. (662) 643-1651	Mobile equipment Lessor Operator	THB 12,458.32 million divided into 124.58 million ordinary shares with a par value of Baht 100 each and fully paid up	100.00
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.	100.00
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.	99.31
Hutchison CAT Wireless MultiMedia Limited	1768 Thai Summit Tower, 23 <sup>rd</sup> Floor, New Petchburi Road, Bangkapi, Huai Khwang, Bangkok 10310 Tel. (662) 643-1111 Fax. (662) 643-1651	Reseller of cellular Digital AMPS 800 Band A	THB 950 million divided into 95 million ordinary shares with a par value of Baht 10 each and fully paid up	67.96
Hutchison MultiMedia Services (Thailand) Limited	539/2 Gypsum Metropolitan Tower, 18 <sup>th</sup> Floor, Sri-Ayudhya Road, Phayathai, Rajdhavee, Bangkok 10400 Tel. (662) 643-1111 Fax. (662) 643-1651	Distribution Center Services	THB 230 million divided into 23 million ordinary shares with a par value of Baht 10 each and fully paid up	100.00

Company Name	Address	Type of Business	Paid-up Capital	% of investment
Hutchison Telecommunications (Thailand) Company Limited	539/2 Gypsum Metropolitan Tower, 18 <sup>th</sup> Floor, Sri-Ayudhya Road, Phayathai, Rajdhavee, Bangkok 10400 Tel. (662) 643-1111 Fax. (662) 643-1651	Call Center Services	THB 54 million divided into 3.6 million ordinary shares with a par value of Baht 15 each and fully paid up	100.00
Hutchison Wireless MultiMedia Holdings Limited	1768 Thai Summit Tower, 23 <sup>rd</sup> Floor, New Petchburi Road, Bangkapi, Huai Khwang, Bangkok 10310 Tel. (662) 643-1111 Fax. (662) 643-1651	Holding company	THB 10 million divided into 590,000 ordinary shares and 410,000 preferred shares with a par value of Baht 10 each and fully paid up	91.94
Internet Knowledge Service Center Company Limited	2/4 Siam Commercial Samaggi Insurance Tower, 10 <sup>th</sup> Floor, Vibhavadee-Rangsit Road, Thungsonghong, Laksi, Bangkok 10210 Tel. (662) 979-7000 Fax. (662) 979-7111	Non-government telecommunication	THB 50 million divided into 12 million ordinary shares with a par value of Baht 10 each, 2.67 million ordinary shares fully paid up and 9.33 million ordinary shares call-up Baht 2.50 each	56.93
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 192.70 million divided into 11.75 million ordinary shares with a par value of Baht 16.40 each and fully paid up.	100.00
KSC Commercial Internet Company Limited	2/4 Siam Commercial Samaggi Insurance Tower, 10 <sup>th</sup> Floor, Vibhavadee-Rangsit Road, Thungsonghong, Laksi, Bangkok 10210 Tel. (662) 979-7000 Fax. (662) 979-7111	Internet services provider	THB 153.04 million divided into 15.30 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 <sup>th</sup> Floor, Vibhavadee-Rangsit Road, Thungsonghong, Laksi, Bangkok 10210 Tel. (662) 979-7000 Fax. (662) 979-7111	Internet services and distributor	THB 139.64 million divided into 13.95 million ordinary shares and 0.01 million preferred shares with a par value of Baht 10 each fully paid up.	91.08
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 75 million divided into 7.5 million ordinary shares with a par value of Baht 10 each and fully paid up.	99.77
Real Future Company Limited	18 True Tower, Ratchadapisek Road, Huai Khwang, Bangkok 10310 Tel. (662) 643-1111 Fax. (662) 643-1651	Invested in telecommunication business	THB 22,844.39 million divided into 2,284.44 million ordinary shares with a par value of Baht 10 each and fully paid up.	100.00

Company Name	Address	Type of Business	Paid-up Capital	% of investment
Real Move Company Limited	18 True Tower, Ratchadapisek Road, Huai Khwang, Bangkok 10310 Tel. (662) 643-1111 Fax. (662) 643-1651	Reseller of mobile phone service	THB 3,001 million divided into 30.01 million ordinary shares with a par value of Baht 100 each and fully paid up.	99.40
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.	99.34
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 1,338 million divided into 223 million ordinary shares with a par value of Baht 6 each and fully paid up.	99.31
SM True Co., Ltd.	118/1 Tipco Tower, Rama VI Road, Samsen Nai, Phayathai, Bangkok 10400 Tel. (662) 615-9000 Fax. (662) 615-9900	Artist management and related business	THB 20 million divided into 0.2 million ordinary shares with a par value of Baht 100 each and fully paid up.	51.00
Song Dao 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.	99.33
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.	100.00
Telecom Holding Company Limited	18 True Tower, Ratchadapisek Road, Huai Khwang, Bangkok 10310 Tel. (662) 643-1111 Fax. (662) 643-1651	Holding Company	THB 21,233.82 million divided into 2,132.62 million ordinary shares with a par value of Baht 10 each, 2,007.72 million ordinary shares fully paid up and 124.90 million ordinary shares call-up Baht 9.26 each.	100.00
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.	100.00

Company Name	Address	Type of Business	Paid-up Capital	% of investment
Telecom KSC Company Limited	2/4 Siam Commercial Samaggi Insurance Tower, 10 <sup>th</sup> Floor, Vibhavadee-Rangsit Road, Thungsonghong, Laksi, Bangkok 10210 Tel. (662) 979-7000 Fax. (662) 979-7111	Non-government telecommunication	THB 250,000 divided into 100,000 ordinary shares with a par value of Baht 10 each and call-up Baht 2.50 each	34.39
Thai News Network (TNN) Co., Ltd.	118/1 Tipco Tower, Rama VI Road, Samsen Nai, Phayathai, Bangkok 10400 Tel. (662) 615-9000 Fax. (662) 615-9900	News channel	THB 240 million divided into 2.4 million ordinary shares with a par value of Baht 100 each and fully paid up.	100.00
True Digital Content & Media Company Limited	121/102-103, RS Tower, Ratchadapisek Road, Din Dang, Bangkok 10400	Digital content and marketing media	THB 54 million divided into 5.4 million ordinary shares with a par value of Baht 10 each and fully paid up.	98.52
True Digital 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.	100.00
True Digital Plus Company Limited	121/72 RS Tower, Ratchadapisek Road, Din Dang, Bangkok 10400 Tel. (662) 686-2255	Online game	THB 357 million divided into 35.70 million ordinary shares with a par value of Baht 10 each and fully paid up.	100.00
True Distribution and Sales Company Limited	18 True Tower, Ratchadapisek Road, Huai Khwang, Bangkok 10310 Tel. (662) 643-1111 Fax. (662) 643-1651	Distribution Center Services	THB 1,501 million divided into 15.01 million ordinary shares with a par value of Baht 100 each and fully paid up.	99.32
True Information Technology Company Limited	18 True Tower, Ratchadapisek Road, Huai Khwang, Bangkok 10310 Tel. (662) 643-1111 Fax. (662) 643-1651	IT services and training	THB 688.22 million divided into 84.7 million ordinary shares with a par value of Baht 10 each, 38 million ordinary shares fully paid up and 46.7 million ordinary shares call-up Baht 6.6 each.	100.00
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.	99.32
True International Gateway Company Limited	1 Fortune Town Building, 15 <sup>th</sup> Floor, Ratchadapisek Road, Din Dang, Bangkok 10400 Tel. (662) 641-1800	Telecommunication and internet services	THB 436 million divided into 4.36 million ordinary shares with a par value of Baht 100 each and fully paid up.	100.00

Company Name	Address	Type of Business	Paid-up Capital	% of investment
True Internet Company Limited	1 Fortune Town, 14 <sup>th</sup> , 27 <sup>th</sup> Floors, Ratchadapisek Road, Din Dang, Bangkok 10400 Tel. (662) 641-1800	Internet solution provider	THB 752.80 million divided into 75.28 million ordinary shares with a par value of Baht 10 each, and fully paid	100.00
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.	100.00
True Life Plus Company Limited	18 True Tower, Ratchadapisek Road, Huai Khwang, Bangkok 10310 Tel. (662) 643-1111 Fax. (662) 643-1651	Telecommunication services reseller	THB 1,775 million divided into 257.5 million ordinary shares with a par value of Baht 10 each, 97.5 million ordinary shares fully paid up and 160 million ordinary shares call-up Baht 5 each	100.00
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 217 million divided into 21.7 million ordinary shares with a par value of Baht 10 each and fully paid up.	100.00
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.	100.00
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.	100.00
True Move Company Limited	18 True Tower, Ratchadapisek Road, Huai Khwang, Bangkok 10310 Tel. (662) 643-1111 Fax. (662) 643-1651	Cellular operator	THB 41,281.25 million divided into 4,128.13 million ordinary shares with a par value of Baht 10 each and fully paid up.	99.32
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.	99.29
True Music Radio Company Limited	23/6-7, 2 <sup>nd</sup> - 4 <sup>th</sup> 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

Company Name	Address	Type of Business	Paid-up Capital	% of investment
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.	100.00
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.	100.00
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.	100.00
True United Football Club Company Limited	18 True Tower, Ratchadapisek Road, Huai Khwang, Bangkok 10310 Tel. (662) 643-1111 Fax. (662) 643-1651	Football Club and related activities management	THB 20 million divided into 2 million ordinary shares with a par value of Baht 10 each and fully paid up.	70.00
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 4,000 million divided into 40 million ordinary shares with a par value of Baht 100 each, and fully paid up.	100.00
True Visions Public Company Limited	118/1 Tipco 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.	99.31
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.	98.99
True Visions Group Company Limited	118/1 Tipco Tower, Rama VI Road, Samsen Nai, Phayathai, Bangkok 10400 Tel. (662) 615-9000 Fax. (662) 615-9900	Holding company	THB 1,422.2 million divided into 14.22 million ordinary shares with a par value of Baht 100 each and fully paid up.	100.00
Wire & Wireless Company Limited	Ayothaya Tower, 26 <sup>th</sup> Floor, 240/64-67, Ratchadapisek Road, Huai Khwang, Bangkok 10310 Tel. (662) 673-4522 Fax. (662) 692-72000	Construction	THB 100 million divided into 10 million ordinary shares with a par value of Baht 10 each and fully paid up.	87.50
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.	69.52

Company Name	Address	Type of Business	Paid-up Capital	% of investment
K.I.N. (Thailand) Company Limited	P.O. Box 957, Offshore Incorporation Centre, Road Town, Tortola, British Virgin Islands	Holding Company	USD 1 divided into 1 ordinary share with a par value of USD 1 each and fully paid up.	100.00
Gold Palace Logistics Limited (formerly "Nilubon Company Limited")	P.O. Box 71, Craigmuir Chambers, Road Town, Tortola, British Virgin Islands	Holding Company	USD 8,000 divided into 8,000 ordinary shares with a par value of USD 1 each and fully paid up.	100.00
TA Orient Telecom Investment Company Limited	21 <sup>st</sup> 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.	100.00
Dragon Delight Investments Limited	P.O. Box 957, Offshore Incorporations Centre, Road Town, Tortola, British Virgin Islands	Holding Company	USD 4.97 divided into 4.97 million ordinary shares with a par value of USD 1 each and fully paid up.	100.00
Gold Palace Investments Limited	P.O. Box 957, Offshore Incorporations Centre, Road Town, Tortola, British Virgin Islands	Holding Company	USD 6 million divided into 6 million ordinary shares with a par value of USD 1 each and fully paid up.	100.00
Golden Light Company Limited	Suite 308, St James Court, St Denis Street, Port Louis, Republic of Mauritius	Holding Company	USD 6 million divided into 6 million ordinary shares with a par value of USD 1 each and fully paid up.	100.00
Goldsky Company Limited	Suite 308, St James Court, St Denis Street, Port Louis, Republic of Mauritius	Holding Company	USD 4.97 divided into 4.97 million ordinary shares with a par value of USD 1 each and fully paid up.	100.00
Rosy Legend Limited	P.O. Box 957, Offshore Incorporations Centre, Road Town, Tortola, British Virgin Islands	Holding Company	USD 1 divided into 1 ordinary share with a par value of USD 1 each and fully paid up.	99.40
Prospect Gain Limited	P.O. Box 957, Offshore Incorporations Centre, Road Town, Tortola, British Virgin Islands	Holding Company	USD 1 divided into 1 ordinary share with a par value of USD 1 each and fully paid up.	100.00
True Internet Technology(Shanghai) Company Limited (formerly "True Software Application ("Shanghai") Co., Ltd.")	Room 2202-05, Johnson Building, No. 145 Pujian Road, Shanghai 200127, P.R.China Tel. (86)21 5889 0800 - 8049 Fax.(86)21 5889 0800 - 8033	Developing, designing, producing and sale of software products	USD 6 million divided into 6 million ordinary shares with a par value of USD 1 each and fully paid up.	100.00
GP Logistics Company Limited	P.O. Box 71, Craigmuir Chambers, Road Town, Tortola, British Vergin Island	Holding Company	USD 1 divided into 1 ordinary share with a par value of USD 1 each and fully paid up.	100.00

Company Name	Address	Type of Business	Paid-up Capital	% of investment
Asia Infonet Company Limited	1 Fortune Town, 14 <sup>th</sup> , 17 <sup>th</sup> 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
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
True Internet Data Center Company Limited	18 True Tower, 14 <sup>th</sup> 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
NC True Company Limited	18 True Tower, 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 preferred shares with a par value of Baht 10 each and fully paid up.	51.00 Shareholding but 40.00 Voting Rights
Channel [V] Music (Thailand) Company Limited	6 <sup>th</sup> Floor, Siam Discovery, Unit No. 608-609, 989 Rama I Road, Pathumwan, Bangkok 10330 Tel. (662) 207-6788 Fax. (662) 207-6789	Music and sound	THB 84.70 million divided into 1.1 million ordinary shares with a par value of Baht 77 each and fully paid up.	25.82
True GS Company Limited	18 True Tower, Ratchadapisek Road, Huai Khwang, Bangkok 10310 Tel. (662) 643-1111 Fax. (662) 643-1651	Home shopping	THB 240 million divided into 2.4 million ordinary shares with a par value of Baht 100 each and fully paid up.	45.00
NEC Corporation (Thailand) Company Limited	159 Sermmit Tower, 2 <sup>nd</sup> and 24 <sup>th</sup> Floor, Sukumvit 21, Klongtoey Nua, Wattana, Bangkok	Telecommunication 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
Thai Smart Card Company Limited	191 Silom Complex Building, 27 <sup>th</sup> Floor, Room No. 2, Silom Road, Bangrak, Bangkok	Central Service Bureau for clearing electronic payment transactions	THB 1,600 million divided into 160 million ordinary shares with a par value of Baht 10 each and fully paid up.	15.76
Clearing House for Number Portability Co., Ltd.	10/97, 6 <sup>th</sup> Floor, The Trendy Condominium, Soi Sukhumvit 13 (Saeng Chan), Klongtoey Nua, Wattana, Bangkok	provide mobile number portability service	THB 2 million divided into 20,000 ordinary shares with a par value of Baht 100 each and fully paid up.	20.00

**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  
Website: <http://www.tsd.co.th>
- Auditor : Mr. Kajornkiet Aroonpirodkul  
Certified Public Accountant (Thailand) No. 3445  
PricewaterhouseCoopers ABAS Limited  
179/74-80 Bangkok City Tower, 15<sup>th</sup> Floor,  
South Sathorn Road, Sathorn, Bangkok 10120  
Telephone: (662) 286-9999, (662) 344-1000  
Fax: (662) 286-5050
- Debenture Registrar/ : Secured Debentures  
Debentureholders' Representative TMB Bank Public Company Limited  
3000 5<sup>th</sup> floor, Phahonyothin Rd., Chomphon,  
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(662) 299-2465  
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- Unsecured Debentures  
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1222 AA Floor Rama III Road, Bang Phongphang,  
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## 2. RISK FACTORS

True Group sees substantial growth opportunities in year 2013 for each of its core business segments especially the mobile business after being granted a 2.1 GHz telecom license in December 2012. Meanwhile, True Group's broadband services, via DOCSIS 3.0 and ADSL technologies, have been expanded to cover 3.6 million households in 53 provinces at the end of 2012 while TrueVisions successfully upgraded set-top boxes for its entire premium subscriber base and rolled out a new, more secure broadcasting system. The foregoing notwithstanding, True Group and/or its subsidiaries could possibly face a variety of risks that may impact on operations as follows:

### **Risks related to business operations**

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

The Company and its subsidiaries will continue to face intensifying competition. The cellular voice market is nearing saturation and competition in the non-voice market has increased. In 2011, after the Hutch acquisition and the launch of TrueMove H as a commercial reseller of CAT 3G+ services, pursuant to agreements executed between True Group and CAT, other operators started developing and launching in-band 3G services as well as expanding their coverage, albeit 3G network investment was limited to their existing frequencies; therefore their 3G coverage was less extensive than that of TrueMove H. Meanwhile, TOT, the first operator to have been granted a 3G 2.1 GHz license is gradually rolling out its 3G network with the intention of launching 4G LTE services on a limited scale in the first half of 2013. TOT may allow new operators to join its business as MVNOs or resellers, which may result in greater competition.

Moreover, on December 7, 2012 the NBTC issued Type-3 telecom licenses and IMT 2.1 GHz spectrum licenses to Real Future, a True Group subsidiary, as well as to DTAC Network Co., Ltd and Advanced Wireless Network Co., Ltd, which are subsidiaries of DTAC and AIS, respectively. The issuance of these licenses will likely heighten the competition in the mobile non-voice market from the second half of 2013 onwards (assuming that operators typically require approximately 6 months to attain proper network coverage for the official service launch). Nevertheless, the fact that True Group can provide 3G services on the 2.1 GHz frequency in addition to the existing 3G services on CAT's 850 MHz frequency enables True Group to offer services with great coverage and efficiency. The 2.1 GHz network, which offers relatively higher capacity per area, best supports customers in cities and business areas, while the 850 MHz network offer greater geographic coverage, allowing True Group to effectively serve customers nationwide. This gives True Group a competitive advantage in terms of savings on investment.

In the broadband Internet market, True Group's major competitors are TOT and 3BB which have continued to expand their services in the BMA, which is TrueOnline's core market. However, all high-speed Internet providers are primarily serving customers using ADSL technology which is now nearing the limits of its capacity. True Group foresaw that new technologies such as DOCSIS 3.0 would help meet the rising demands for higher connection speeds and that it had an opportunity to significantly increase its revenue growth and market share by upgrading its existing Hybrid Fiber Coaxial network to DOCSIS 3.0 technology and expanding network coverage further into provincial areas which represent a larger market and greater potential for revenue growth than the BMA alone. DOCSIS 3.0 technology also supports cable TV services, potentially enabling True Group to generate a higher return on investment than its competitors.

In addition, the Company's fixed-line business faces growing competition from mobile phone businesses and VoIP services, whose tariffs are lower than those for traditional fixed-line services although the quality of such services is not comparable.

While True Group expects overall competition across all of its businesses to remain intense, True Group has a competitive advantage given the strength of its brand and its ability to provide fully-integrated services and diverse content via its convergence strategy, which differentiates True Group from other operators. In addition, True Group will maintain and enhance the quality of its customer services and its network services by continuing to expand network coverage and capacity. Moreover, True Group's subsidiaries have applied for additional licenses to take advantage of new opportunities offered by regulatory liberalization and to compete fairly with other operators.

### ***Risks unique to TrueVisions***

Key risks relating to TrueVisions' operations include relying on third-party suppliers for international content, and the unauthorized access to its programming signals, or piracy.

If TrueVisions is unable to obtain attractive programming or if the cost of this programming substantially increases in the future, its performance would be adversely affected. Subscribers who are interested in overseas programs typically subscribe to premium packages (i.e., Platinum, Gold and Gold Lite). At the end of 2012, there were 435,498 subscribers to these packages representing 21.3 percent of TrueVisions Group's customer base. In addition, the cost of international content in 2012 was approximately 21.1 percent of TrueVisions Group's service revenue (compared with 20.1 percent in 2011).

Moreover, the Frequency Allocation Act has enabled more operators to enter the market and increased competition in the pay-TV business as new players moved to attain their market share. The competition to acquire the right to broadcast major international content, especially sports content has become increasing intense and may result in higher content-acquisition expenses for TrueVisions.

Meanwhile, in an auction held in November 2012, TrueVisions did not win the bidding for rights to broadcast the Barclays Premier League season 2013/14 through 2015/16. This puts TrueVisions at risk of losing some customers who subscribe to TrueVisions for the primary purpose of viewing the BPL. However, True Group believes that the potential impact from this particular situation should be rather minimal. The most recent survey suggested that the majority of TrueVisions' subscribers intend to continue subscribing to the services regardless of the absence of the BPL. Around 15 percent of customers who subscribe to TrueVisions' premium packages expressed concern over the issue and indicated that they may consider terminating their services if TrueVisions could not produce satisfactory measures to retain customers. TrueVisions will provide greater value to its subscribers by developing and aggregating content of at least equivalent attractiveness, especially content in HD format, as a substitute.

True Group believes that TrueVisions' superior-quality content, most of which is exclusive, is its key competitive advantage. TrueVisions' large subscriber base and its extensive experience in the pay TV industry assure content providers that it can provide a stable revenue stream. This has kept the business relationships content providers have established with TrueVisions attractive and reliable.

Unauthorized access to TrueVisions' programming signals is difficult to prevent and it adversely affects the business's operational results, cash flow and programming arrangements. However, the establishment of the NBTC, which was commenced in September 2011 and completed in October 2011, led to the drafting of regulations governing TV broadcasting operators including terrestrial TV, satellite TV and cable TV operators. Once those regulations become effective, all operators will come under the supervision of the NBTC and will have to engage in business under the same regulatory framework as TrueVisions. They will all be required to purchase content legally, which will reduce the competitiveness of many. Meanwhile, in January 2013, the Broadcasting Committee approved the issuance of satellite TV licenses to a number of operators including TrueVisions. These matters provide more clarity towards the regulatory environment of the TV industry.

To mitigate risks relating to the unauthorized accessing of TrueVisions' signal, in October 2011 the business started its initiative to upgrade to a more secure broadcasting system. This began with a campaign to incentivize premium subscribers to replace their existing set-top box for a hybrid set-top box which includes MPEG-4 compression. The new system was activated in mid-July 2012, a move which not only enhances customers' viewing experience by offering HD content and supporting various value-added services such as on-demand and pre-programmed recording of content broadcast on TrueVisions, but also helps to subdue the piracy threat as all premium content is now encoded in the MPEG-4 format.

TrueVisions has invested more than Baht 2 billion to replace approximately 500,000 existing set-top boxes with HD-quality set-top boxes to combat the piracy issue. The investment affects TrueVisions' cash flow. However, the new encryption and MPEG-4 technology have proven to effectively prevent the unauthorized accessing of TrueVisions' signal and encourage illegitimate viewers to subscribe to the services. This supported strong subscription revenue in the fourth quarter of 2012.

***Risks of TrueVisions relating to the potential collection of royalty fees for broadcasting content with musical work***

It is TrueVisions' policy to broadcast (video and/or audio) content that was produced in-house or for which it has obtained the broadcasting rights from the original publishers. It is TrueVisions' understanding that when granted broadcasting rights to any content, it also obtains rights to the accompanying musical work published as part of that content. However, TrueVisions has been notified by the Royalty Collection Organization that TrueVisions is liable to pay royalties totaling approximately Baht 6 million for musical work which was broadcasted with TrueVisions' content. The organization claims that TrueVisions' broadcasting rights did not include the separate right to broadcast musical work accompanying the content. The dispute is currently being processed in court. If the final court ruling goes against TrueVisions, the business may have to change its strategy for acquiring content that contains musical work.

**Risks related to the regulatory environment*****Mobile Number Portability risks and limitation***

In December 2010, operators launched Mobile Number Portability or MNP services, allowing customers to change their mobile carriers without changing their phone numbers. Since the MNP launch, True Mobile Group has been attracting high-ARPU postpaid subscribers who are smartphone users interested in accessing its 3G+ services, as the coverage of True Mobile Group's 3G+ services is greater than those provided by other operators. However, the Group has been losing some prepaid customers, especially in the provinces, where its 2G network coverage was not as extensive as that provided by other key operators.

The limitation of daily MNP transaction quotas at the MNP Clearing House places the cap on the rate at which True Mobile Group can acquire customers who are currently subscribing to services of other operators. However, in early 2012 the NBTC asked operators to cooperate and increase their MNP transfer quotas to 40,000 transactions a day. True Group hopes that this new push by the regulator will yield positive results in terms of having all operators providing consumers with the level of service they require. At present, other operators have limited their daily MNP transaction quotas to a maximum 4,800 transactions despite consumer demand for porting being much higher than these quotas. This constraint has dampened subscriber acquisitions at True Mobile Group's subsidiary.

Nevertheless, on November 30, 2012, the Telecom Committee announced its policy to the press that it was ready to push forward to improve the MNP services to accommodate the industry-wide launch of 3G services by carrying out the following operations:

1. Expanding the capacity of the MNP Clearing House to be able to sufficiently and efficiently accommodate consumer demands for MNP services.
2. Increasing the number of MNP service points, improving the MNP procedures to shorten the execution time (from 3 working days, currently) and adding more channels such as online applications or via SMS to enable customers to apply to the MNP service without having to visit the service point.
3. Reviewing the MNP fee, from the current Baht 99 per number, to lower the fee customers have to pay when porting.

On December 19, 2012, the Telecom Committee invited representatives from all mobile operators – AIS, DTAC, TrueMove, CAT and TOT and from the Clearing House to discuss on the 3 aforementioned issues. All the operators and the Clearing House fully support the Telecom Committee's policy and agreed to jointly draft an action plan to present to the Telecom Committee within January 2013. AIS, DTAC and TrueMove have already submitted a revised draft MNP porting manual to the NBTC's secretary-general within January 2013.

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

In accordance with Thailand's commitment to the World Trade Organization 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 B.E. 2543 on March 7, 2000; and the Telecom Business Act, on November 16, 2001.

Under the Frequency Allocation Act B.E. 2543 two regulatory bodies were to be established - the NTC and the NBC - to regulate the telecommunications and broadcasting industries, respectively. The NTC was established in October 2004 as the independent regulator of the telecommunications industry, assuming the regulatory functions previously exercised by the Telephone Organization of Thailand (transformed into TOT on July 31, 2002); the Communications Authority of Thailand (transformed into CAT Telecom on August 14, 2003), and The Post and Telegraph Department (currently, Thailand Post Co., Ltd.).

However, due to political and legal wrangling, two rounds of efforts (in 2001 and 2005) to establish the NBC failed. This led to increased regulatory confusion and delays within the telecommunications and broadcasting sectors.

In December 2010, the Frequency Allocation Act came into force. This paved the way for the establishment of the NBTC to replace the NTC to regulate the radio, television and telecommunication sectors. The process was completed with the formation of the NBTC on October 7, 2011. To perform duties, the law stated that there shall be 2 sub-committees - the Broadcasting Committee and the Telecom Committee - to act on behalf of the NBTC. From the date that the NBTC assumed duty, the Broadcasting Committee and the Telecom Committee have been pushing forward for the setting up of the regulatory framework to govern the broadcasting and telecommunications industries. The Telecom Committee has also amended various regulations to be up-to-date and more conforming with current issues. However, it remains to be seen whether the new body and its 11 commissioners will be effective in driving forward the efficient liberalization and regulation of the telecommunications and broadcasting industries.

True Group will continue to play an active role in discussions with the NBTC, the Ministry of ICT, and the Ministry of Finance (CAT's and TOT's shareholder) regarding the telecommunications industry's regulatory environment and to advocate free-and-fair competition on a level playing field.

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

On October 16, 2012, Real Future, a True Group subsidiary, participated in the auction for IMT 2.1 GHz spectrum licenses, under Notification of NBTC Re: Criteria and Procedures for Spectrum Licensing for International Mobile Telecommunications in the Frequency Band of 2.1 GHz, B.E. 2555 and on October 18, 2012, Real Future was notified that it was one of the winning bidders for the aforementioned spectrum licensees.

In November 2012, the Ombudsman's Office filed a lawsuit against the NBTC at the Central Administrative Court seeking an injunction against the auction results and to halt the issuing of the IMT 2.1 GHz spectrum licenses. It also requested that the court review whether or not the auction was conducted in a free and fair manner under Section 47 of the Constitution and Section 45, in conjunction with Paragraph 1 and 7 of the Frequency Allocation Act. On December 3, 2012, the Central Administrative Court rejected the Ombudsman's petition, on the basis that the Ombudsman lacks authority to sue and, consequently, the court dismissed the case. The NBTC, therefore, proceeded to issue the IMT 2.1 GHz spectrum licenses to Real Future and other winning bidders on December 7, 2012. However, the Ombudsman later appealed the Central Administrative Court's ruling to the Supreme Administrative Court. The case is now before the Supreme Administrative Court, which has yet to decide whether to accept the appeal or not.

The issuance of the IMT 2.1 GHz spectrum licenses is a significant step towards the liberalization of the telecommunications and broadcasting industries that will likely result in intensifying market competition. Moreover, True Group will require additional capital expenditure to acquire the license, and to build and expand its network to support services on 2.1 GHz, in addition to the capital required for the existing budget for the expansion of 850 MHz 3G services. Nevertheless, as mentioned in "Risks related to market competition", True Group believes that obtaining the 2.1 GHz spectrum license will benefit True Group by complementing its business development and marketing plans as well as expanding its mobile subscriber base.

***Risks regarding the NBTC's Notification (to replace the previous notification) on the rules and procedures for revenue collection in order to fund the universal services of basic telecommunications and social services***

On May 30, 2012 the NBTC issued a notification on the rules and procedures for revenue collection to be used for the Universal Service of Basic Telecommunications and Social Services to replace the NTC's Notification on the Criteria, Procedure and Conditions for the Universal Services of Basic Telecommunications and Social Services. The enactment of the NBTC's new notification above may affect True Mobile Group's subsidiaries and TrueOnline Group which, are Type 1 (no network) licensees, by obligating them to pay the USO fee to support the Broadcasting, and Telecommunications Research and Development Fund for the Public Interest at 3.75 percent annum of licensee's net revenue (net revenue after deductible expenses as specified in the NBTC's notification) in order to implement the USO Master Plan (B.E. 2555-2559). This results in higher operating costs for True Group as the USO fee is now levied on all types of licensees, unlike under the NTC's notification when it was only levied on Type 2 (with network) and Type 3 licensees.

***Risks regarding the NBTC's Notification (to replace the previous notification) on telecommunications license fees***

On December 28, 2012, the NBTC's Notification on telecommunications license fees (to replace the previous notification by the NTC which commanded annual collections of telecommunications license fees with the rates varying with the type of licenses) became effective. Under the new notification, the methods to calculate license fees substantially differ from those under the old notification. That is, under the new notification, the fixed annual fees of Baht 20,000 and Baht 25,000 no longer exist for Type 1 and Type 2 (without network) licensees, respectively. The fees for Type 1 and Type 2 licensees are now calculated as a percentage of their revenues, the same basis as that for Type 3. Details on the license fee rates are as follows.

<b>Revenue base</b>	<b>License fee (as % of gross revenue)</b>
Baht 0 to Baht 100 million	0.25%
More than Baht 100 million to Baht 500 million	0.5%
More than Baht 500 million to Baht 1,000 million	1.0%
More than Baht 1,000 million	1.5%

Under the new notification, license fees are calculated on a gross revenue basis (no expense deduction allowed). These will almost certainly lead to higher regulatory costs for those True Group's subsidiaries which are holders of Type 1 or Type 2 licenses.

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

In 2012, service revenue from TrueMove and the fixed-line business contributed Baht 22.3 billion and Baht 6.3 billion to True Group, respectively, equivalent to 36 percent and 10 percent of True Group's consolidated service revenue. As TrueMove's Agreement to Operate is due to expire in September 2013, True Group hope that the NBTC will prioritize the re-farming of the 1800 MHz frequency currently utilized under the Agreement to Operate prior to the expiry of said agreement to ensure there is no disruption of service to customers. If there is no clear direction from the regulator on this matter, the expiry of said agreement may affect TrueMove's services to its 2G customers.

In January 2009 an 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. This, however, will depend on whether the conditions of the MOA have to follow any specified law or not. At the moment, there is no such condition. In addition, TrueMove may incur some fees from the utilization of frequency to be paid to CAT or the NBTC in order to provide 2G 1800 MHz services. As the issue remains unclear, we are currently unable to predict the amount of such expenses.

To further mitigate risks to True Mobile Group from the impending expiry of TrueMove's Agreement to Operate with CAT on the 1800 MHz frequency, on December 30, 2010 True Group signed a Share Purchase Agreement with Hutchison Group and, as a result, on January 27, 2011, True Group and CAT reached an agreement to allow Real Move to become a reseller, under the TrueMove H brand, of CAT's 3G HSPA (3G+) services nationwide until 2025. This has allowed True Group to continue its mobile business operations beyond the term of TrueMove's Agreement to Operate.

TrueMove believes that it will be able to continuously provide mobile phone services to customers even after TrueMove's Agreement to Operate expires in 2013. As indicated in Section 20 and Section 22 of the Telecommunication Business Act B.E. 2544, the NBTC has the power to prescribe certain conditions for the operators to perform in order to prevent any harm to the public interest. In addition, Clause 16 of the NTC's Notification on Rules and Procedures for the Licensing of Type-3 Telecommunications Business stipulates that any concessionaire that would like to continue its service should submit its renewal application to the regulator prior to the expiration date. There are uncertainties regarding whether the NBTC will auction the 1800 MHz spectrum or allow CAT to continue using the spectrum as well as regarding the size of any fee TrueMove will have to pay to utilize the frequency beyond the (annual) licensing fee which is set by the NBTC. In any event, True Group believes that the establishment of the NBTC will not release the regulator from its obligation to ensure continuity of service to consumers.

Concurrently, CAT has asked TrueMove to terminate its trial 3G HSPA mobile services and take action to ensure the continuous provision of services to subscribers. TrueMove has coordinated with CAT and the NBTC to devise measures to take care of this group of subscribers. Until every individual within this group of subscribers can migrate to other networks, TrueMove is obliged to maintain the current services. The eventual termination of the trial service will not substantially impact True Group.

The Joint Operation Agreement between the Company and TOT for fixed-line and value-added services will expire in October 2017. After the Joint Operation Agreement has expired the Company may face risks from higher investment or higher operational expenses because the Company already transferred the network, built according to the conditions in the Joint Operation Agreement, to TOT. However, TUC, which is a True Group's subsidiary (in which the Company holds a stake of 99.99 percent), has been granted a license for nationwide fixed-line and broadband Internet services. To lower True Group's risks, TUC has continuously invested in network expansion which amounted to Baht 8-10 billion from 2010 through 2012. Moreover, the new broadband network, which utilizes DOCSIS 3.0 cable modem technology and will be further expanded, can also be utilized for providing high-quality, cost-efficient voice services.

***Risks related to the fact that TrueMove's Agreement to Operate may be cancelled before the Agreement's expiry date, or that the business may have to pay additional expenses to the government sector from past amendments to the Agreement to Operate***

In January 2007, the Cabinet approved a proposal made to the Council of State to consider legal issues regarding the Joint Venture Act as to whether mobile operators' Agreements to Operate complied with the law.

TrueMove's Agreement to Operate is the agreement that arose from the partial transfer of DTAC's rights and duties to provide services where the agreement on the transfer of rights and duties was amongst CAT, DTAC and WCS, who was the recipient of the rights on June 19, 1996. On June 20, 1996, CAT granted WCS the Agreement to Operate so WCS could be a mobile operator from June 20, 1996 to September 15, 2013. WCS and CAT later agreed to amend the Agreement to Operate on two occasions. The first amendment was made on February 23, 2000, pursuant to which CAT agreed to waive WCS annual revenue-sharing and minimum benefits for the 2<sup>nd</sup> to 4<sup>th</sup> years of operations (September 16, 1997 - September 15, 2000) when operations were temporarily halted (March 15, 1998 - September 30, 2000). The second amendment, made on September 8, 2000, reduced the annual revenue-sharing paid to CAT during the 5<sup>th</sup> to 10<sup>th</sup> years of operations (September 16, 2000 - September 15, 2006) from 25 percent to 20 percent, and from 30 percent to 25 percent during the 11<sup>th</sup> to 15<sup>th</sup> years of operations (September 16, 2006 - September 15, 2011) while increasing the minimum annual payment by a net amount of Baht 1,442 million. This net amount was reached by increasing the minimum annual payment by Baht 1,917 million during the 8<sup>th</sup> to 17<sup>th</sup> years of operations (September 16, 2003 - September 15, 2013); reducing the minimum benefit in the 2<sup>nd</sup> year of operations (September 16, 1997 - September 15, 1998) and during the 5<sup>th</sup> to 7<sup>th</sup> years of operations (September 16, 2000 - September 15, 2003) by a combined amount of Baht 340 million, and waiving the minimum benefit totaling Baht 135 million during the 3<sup>rd</sup> to 4<sup>th</sup> years of operations (September 16, 1998 - September 15, 2000).

On October 31, 2001 True Group purchased shares in WCS (which was later renamed CP Orange Limited) from CP Group and later changed the name to TA Orange Limited and, subsequently, to TrueMove.

On May 18, 2007, the Council of State issued its opinion that CAT's actions regarding certain processes were not in line with the Joint Venture Act. Nevertheless, 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 continue to perform their duties under the Agreement to Operate.

However, the Council of State also considers that the parties to the Agreement to Operate, as well as the co-ordination committees, according to Section 13 and Section 22 of the Joint Venture Act, 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 make the final decision (according to the Joint Venture Act) to cancel or approve the amendments to the agreement. The Cabinet may allow TrueMove to continue its operations considering the benefits to the state and public interest, as well as to ensure the continuity of public services. Regarding TrueMove's Agreement to Operate, the Council of State is of the opinion that it is a new agreement signed on June 20, 1996, after the Joint Venture Act came into effect, so CAT should establish a committee according to the Section 13 of the Joint Venture Act to negotiate accordingly with TrueMove.

In early February 2011, the ICT Minister submitted to the Cabinet the results of negotiations from the committees under Section 13 and Section 22 of the Joint Venture Act. Regarding TrueMove, the committee under Section 13 directed CAT to negotiate with TrueMove to lower the tariff and expand the network coverage as well as to renegotiate the amendments to the agreement that reduced benefits to the government. However, the Cabinet resolved to establish another committee to negotiate with operators to claim damages resulting from past amendments to their agreements. Currently, the negotiations have not been concluded.

Nonetheless, the Council of State's ruling and the Cabinet resolution are only binding on 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 reached a mutual agreement, otherwise the dispute must be settled by the court. If, as a result, TrueMove loses the court case before the Agreement to Operate expires, it is possible that it may not be allowed to operate its telecommunications business or it may have an additional burden to pay to the state.

The Supreme Court's ruling in a case unrelated to the telecommunications industry ruled that a contract between the government and a private operator which failed to comply with the Joint Venture Act was not binding upon the relevant parties according to Section 145 of the Civil Procedural Code. True Group believes the ruling had no effect upon TrueMove's Agreement to Operate. In any case, if this court ruling is applied to TrueMove's Agreement to Operate, and said agreement is interpreted as not binding, then, under such scenario, TrueMove would have the right to claim against CAT reimbursement of revenue sharing paid and return of 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 is not revoked or becomes invalid by the passage of time or any other conditions.

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

In addition to the Agreement to Operate with CAT, which allows TrueMove to operate and provide wireless telecommunications services, TrueMove was also a signatory to an AC agreement with CAT and TOT, under which TrueMove and CAT agreed to pay Baht 200 per mobile phone number per month and half of the benefits that CAT receives from TrueMove, with respect to postpaid subscribers and 18 percent of revenue with respect to prepaid subscribers. In addition, TrueMove agreed to make benefit payments of 25 or 30 percent (depending upon the time frame specified in the agreement) of net revenue, after the access charge payment, to CAT.

In May 2006, the NTC announced its IC regulation which stipulated that telecommunications operators who have telecommunications networks must allow other operators to access their networks on an equal basis. Should any conflicting agreement exist prior to such regulation, the IC regulation shall prevail. The regulation established a new IC system whereby IC charges would reflect actual network usage by each operator. Under the regulation, operators are also required to enter into agreements with one another to establish IC rates, based on each operator's cost. On November 17, 2006 TrueMove signed an IC agreement with DTAC with the contract taking immediate effect. On January 16, 2007 TrueMove signed an IC agreement with AIS.

Following the entry into the IC agreement with DTAC, and in compliance with said IC regulations, TrueMove ceased paying AC under the 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 adoption of the new IC regime stipulated in the IC Regulation introduced by the NTC. In addition, TrueMove has notified TOT of the cancellation of the AC agreement, therefore it is no longer bound by, or legally permitted to make payments under, the AC agreements.

On November 17, 2006 TrueMove notified TOT and CAT that it would cease paying AC on the basis that the rate and collection of AC under the agreement were contrary to various aspects of the law. TrueMove also asked TOT to comply with the NTC's regulations and enter an IC contract in compliance with the law, or to temporarily apply the provisional rate announced by the NTC while negotiations on an IC agreement with TOT proceeded.

On November 23, 2006, TOT issued a letter stating that TrueMove was not entitled under the new law to use or connect its network with TOT's because TrueMove 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 AC under the previous AC agreement continued to apply. TrueMove considers TOT's claim contrary to the Telecommunications Business Act.

In addition, TOT threatened not to integrate TrueMove's 1.5 million new phone numbers, allocated by the NTC to its system because TrueMove did not pay the AC, which would have meant that TOT subscribers would be unable to call TrueMove subscribers who had been allocated those new phone numbers. However, 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 on its network so that all subscribers of TrueMove and TOT 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 at the Supreme Administrative Court, which later confirmed the Central Administrative Court's ruling. Since March 2, 2007, following the Central Administrative Court's injunction, TOT has made a permanent connection to all new TrueMove numbers. In addition, on February 26, 2009 the Central Administrative Court issued a final ruling that TOT must make the connection allowing those numbers to be used to full capacity and compensate TrueMove Baht 1 million. TOT appealed this decision to the Supreme Administrative Court with the verdict still pending as at the time of writing. In addition, on October 9, 2009, the Central Administrative Court ruled against TOT in its dispute with the NTC which ordered TOT to allow 1.5 million new DTAC and TrueMove numbers to connect to its network. TOT also appealed this ruling at the Supreme Administrative Court. On March 2, 2010, TrueMove submitted information to the Supreme Administrative Court in support of the NTC's order. Likewise, the court has not yet rendered a decision on this appeal by TOT.

In June 2007, TrueMove brought the said issue of TOT's refusal to enter into an IC contract before 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 IC regime as the licensee. The NTC unanimously ruled on the dispute ordering TOT to negotiate with TrueMove on the IC contract. On June 23, 2008 TOT agreed to negotiate with TrueMove concerning the IC contract on the condition that the contract will only cover new numbers issued by the NTC and TrueMove agreed with this proposal. With regards to the old numbers, TrueMove is still in dispute with TOT and is awaiting the court's ruling on the matter.

On November 16, 2007 TOT filed a lawsuit against TrueMove with the Civil Court, claiming violation of the AC agreement and requesting AC payments of Baht 4,508.1 million with related interest and value-added tax. On September 16, 2009, it was ruled that the case did not fall under the Civil Court's jurisdiction and it was thus dismissed. On May 9, 2011 TOT filed a lawsuit against CAT and TrueMove with the Central Administrative Court requesting AC payment of Baht 41,540.27 million. The case is currently in the Central Administrative Court's process, and, at the time of writing, the case has not been decided.

If True Group is not successful in resolving this AC payment in its favor, in addition to a penalty equal to 100 percent of any AC that CAT may have paid to TOT on True Group's account and interest thereon, the Group may be required to pay both new IC as well as existing AC, which would result in a material increase in costs.

If a final decision requires TrueMove to pay AC, TrueMove would record additional expenses and be liable to accrue additional AC of Baht 30,323.17 million (or Baht 22,305.15 million, net of benefits paid to CAT) for the period from November 18, 2006 to December 31, 2012. Meanwhile, a provision for this item has not been set.

***TrueMove may have risks from a CAT's dispute requesting TrueMove to hand over and transfer the right of 4,546 antennas and towers to CAT***

On January 29, 2009, CAT filed a plea with the Arbitration Court asking TrueMove to hand over and transfer to CAT the ownership rights to 4,546 towers and tower equipment (of which book value cannot be assessed as CAT has not specified to which towers it is claiming rights). It also asked that if TrueMove does not do so then, TrueMove would have to compensate CAT for damages of Baht 2,766.16 million. However, in True Group's opinion, TrueMove is not required by the Agreement to Operate to hand over and transfer its ownership rights for towers and tower equipment as requested by CAT. On September 3, 2009, True Group submitted a petition to the Arbitration Court and the case is now being arbitrated.

***Risks from disputes over excise tax and revenue sharing***

In January 2007, the Cabinet approved 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 state enterprises, namely TOT and CAT, were responsible for the excise tax in order to avoid a negative impact on consumers. According to the 2003 Cabinet resolution, private telecom operators were instructed to deduct of the amount of the excise tax from the revenue sharing or benefits payable to TOT and CAT and to pay said deducted amount directly to the Ministry of Finance before remitting the remainder to the state counterparties. This resulted in a decrease in revenue

sharing or benefits 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, the zero-rate excise tax was implemented allowing TOT and CAT to receive full revenue share or benefits. During the implementation of the excise tax regime the total amount paid by the private operators to government agencies (Ministry of Finance and TOT/CAT) remained the same. There are currently a number of disputes between private telecom firms and state counterparties relating to this issue including the shortfall in benefits payable to TOT and CAT. On a number of occasions, CAT has requested TrueMove to reimburse the shortfall in revenue sharing. In January 2008, CAT submitted a dispute against TrueMove to the arbitration court claiming (as at the submission date) approximately Baht 9.0 billion, including interest. On September 16, 2011 the arbitrator rejected CAT's claim against TrueMove, so TrueMove will not have to pay CAT's claim. On November 25, 2011 CAT filed a dispute to the Central Administrative Court to revoke the arbitration ruling. The case is currently pending.

Moreover, in March 2012, CAT also asked TrueMove for indemnification of value added tax relating to the excise tax's part of the benefits, penalty fees and additional payments evaluated by the Excise Department, claims for which CAT had already lost the case in the tax court as well as the cost of litigation and the fees which were the damages for not performing according to the Agreement, totaling Baht 1,302.8 million (calculated till the end of March 2012) and for which CAT may bring before the Arbitration Court.

In September 2011, CAT filed another arbitration case against TrueMove claiming for benefits (on gross IC revenue) of Baht 11,946.2 million. The case is currently in arbitration.

On January 22, 2008, TOT filed an arbitration case claiming shared revenue from the fixed line business from which the Company received more than its right, of Baht 1,479.6 million, including a 7.5-percent interest and value-added tax as required by law. The Company later on April 18, 2008 filed an appeal. The case is currently in arbitration. On February 9, 2011, TOT demanded that the money TOT provided to the Company from January, 2003 through December, 2006, to pay excise tax and additional tax to the Ministry of Interior on behalf of TOT, be returned within February 15, 2011. In this case, the Company asserts that it is not bound to return the money to TOT because it had paid excise tax and additional tax to the Ministry of Interior per the direction of TOT. The Excise Department has already issued a tax invoice under TOT's tax ID. Hence, True Group neither breached the contract nor broke the law and therefore is not bound to return the money to TOT. In addition, the claim requests the same money TOT seeks in the arbitration. The dispute is currently in arbitration.

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

Hutchison CAT Wireless Multimedia Limited which was one of the companies that True Group acquired from the Hutchison Group has ongoing disputes with CAT that may result in True Group booking expenses of Baht 1,445.0 million and could have further negative impacts on other business relationships between True Group and CAT.

In late 2008 and 2009, CAT filed for arbitration against HutchCAT claiming under the Agreement for Marketing Services of Cellular Digital AMPS 800 Band A system minimum revenue assurance and excise tax together with value added tax, license fees, numbering fees, service revenue subjected to bad debt provision, litigation costs, penalties relating to the late payment of both monthly service revenue and other fees totaling Baht 1,445.0 million. While arbitration was commenced, the proceedings were temporarily suspended and removed from the case list before being reopened. The case is now in arbitration.

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

On September 14, 2011, a True Group subsidiary, TrueMove, filed a lawsuit against the NTC, acting on behalf of the NBTC and the NBTC's secretary-general, at the Central Administrative Court on the disputes relating to the collection of data and details of prepaid customers under the NTC's Notification Re: Rules on the allocation and management of telecommunications number B.E. 2551. TrueMove requested revocation of Clause 38 and Clause 96 of the notification and of the resolution and ruling by the NTC, acting on behalf of the NBTC, to enforce the regulation against TrueMove. However, the Central Administrative Court rejected TrueMove's request for revocation of the notification on the ground that the submission of the case was made not within the statute of limitations and that the case was not related to the protection of the public interest, given that such notification does not affect the mobile customers. Subsequently, TrueMove submitted an appeal to the Supreme Administrative Court for the charges that were dismissed in the lower court. The Supreme Court is now considering whether to accept the appeal. In regard to the other disputes that were accepted by the Central Administrative Court, the case is proceeding.

On January 25, 2012, the NBTC's secretary-general delivered to TrueMove a warning letter and on May 30, 2012, a notification letter stating that TrueMove continued to breach, or was not in compliance with, the NBTC's secretary-general's order, the NTC's decision to uphold secretary-general's order and the warning letter. By virtue of Section 66 of the Telecom Business Act, the NBTC's secretary-general took an administrative enforcement measure to impose a fine on TrueMove of Baht 80,000 per day, starting the thirtieth day after receiving the notification letter. TrueMove, therefore, requested a stay of execution from the Central Administrative Court. On September 19, 2012, the Central Administrative Court issued a before-judgment injunction which temporarily suspended the enforcement measure of the NBTC's secretary general. The court's ruling relieved TrueMove of its obligation to pay the Baht 80,000 per-day fine until ruled otherwise by the court. However, on October 17, 2012, the NBTC and the NBTC's secretary-general submitted an appeal against the ruling by the Central Administrative Court at the Supreme Administrative Court. The Supreme Administrative Court has not yet decided whether to accept the appeal.

However, the Central Administrative Court rejected TrueMove's request to suspend the execution of the administrative orders for TrueMove to collect customer data and usage details. This was on the ground that if the court granted the suspension of the administrative orders only with respect to TrueMove, it might create an unlevel playing field amongst telecom operators which could obstruct state operations or public services. Pursuant to the court's ruling, TrueMove has continued collecting customer data and usage details.

If the Supreme Court decides that the disputed notification, order, resolution and ruling were indeed lawful, TrueMove might be subject to fines and have to follow the orders of the NBTC's secretary-general. If TrueMove continued to ignore or incurred substantial risk to the public interest, the NBTC could consider suspending or confiscating TrueMove's Agreement to Operate. However, Section 66 of the Telecom Business Act stipulates that any wrongdoings which could lead to the suspension or the confiscation of a license would have to be as defined under the NBTC's regulation; although such regulation has not yet been enacted.

***Risks relating to promotional campaigns with fixed validity periods for mobile prepaid services***

On February 7, 2012, the NBTC's secretary-general sent a notification letter, requesting that TrueMove revise the terms and conditions of its existing prepaid promotions – so as to no longer force customers to use up their credit within the validity period – and to no longer create any promotion with a fixed validity period. On May 8, 2012, TrueMove filed a lawsuit against the NBTC and the NBTC's secretary-general with the Central Administrative Court requesting for revocation of the NBTC's order and the resolution as well as of the NBTC's secretary-general's order which prohibits cellular operators to set any marketing promotions for prepaid services in the way that require customers to exhaust their credit within the validity period. TrueMove also requested that the court issue an injunction, which is now pending. On May 31, 2012, the NBTC's secretary-general sent TrueMove a letter requesting that TrueMove pay an administrative fine of Baht 100,000 per day starting May 30, 2012. TrueMove then filed a petition with the Central Administrative Court asking for a stay of execution or an injunction. The court, however, rejected TrueMove's petition, placing TrueMove under an obligation to settle the fine. Subsequently, the Telecom Committee issued a resolution that upheld the order of the NBTC's secretary-general to impose fines on TrueMove. TrueMove, therefore, lodged a case against the Telecom Committee's resolution at the Administrative Court, seeking an injunction.

Later, the Office of the NBTC sent out letters, dated January 7, 2013, inviting all mobile operators to discuss on the matter. It notified all mobile operators to follow its administrative order by, starting from January 18, 2013, terminating all fixed validity periods until the NBTC finalizes on the appropriate validity periods.

On January 18, 2013, TrueMove notified the Telecom Committee that as of January 18, 2013 it had begun to allow new customers and existing customers who top-up their prepaid services in any amount to continue receiving TrueMove services without discontinuation until the NBTC finalizes the matter of validity periods.

On January 29, 2013, the NBTC notified TrueMove that because TrueMove had been using validity periods for its services up until January 17, 2013, TrueMove is considered to have been in breach of its order. Therefore, the Office of the NBTC requested that TrueMove settle the Baht 100,000 per day fine for the period from May 30, 2012 until January 17, 2013, totaling Baht 23,300,000. If TrueMove does not settle such fine, the NBTC's secretary-general may consider heightening the enforcement measures such as increasing the amount of daily fines. TrueMove is currently seeking revocation of the NBTC's secretary-general order by the Central Administrative Court. If the court rules that such order is legitimate, TrueMove may have to pay or settle the fines.

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

In April 2010, the NTC approved the temporary IC rate for fixed line at Baht 0.36 per minute. This placed True Group at risk of being charged IC from other mobile operators because the number of calls from fixed-line subscribers to mobile subscribers is normally higher than the number of calls from mobile subscribers to fixed-line subscribers. In terms of the Company's fixed line business, this also means the Company may incur increased expenses in the future. A certain operator has petitioned the NTC to force True Group to enter an IC agreement for fixed-line business and later petitioned for the collection of IC revenue from True Group's fixed line business. However, True Group believes it is not bound

to pay the IC charges because the Joint Operation Agreement for fixed line businesses required True Group to invest, provide, install and maintain the equipment and for TOT to collect revenues from customers and share the revenues with the Company at the rate stipulated in the Joint Operation Agreement. On August 3, 2010, True Group filed an appeal with the Central Administrative Court opposing the NTC's notification of the temporary IC rate. The appeals process is ongoing.

On February 4, 2011, DTAC filed a petition with the Central Administrative Court asking the Company and TOT to pay network usage and telecommunications connection fees of Baht 3.28 billion. However, in the Company's opinion, DTAC has no right to charge the Company the telecommunications connection fee, and furthermore, this case should come under the jurisdiction of the Court of Justice. The Company has filed a dispute on the jurisdiction according to the Act on the Adjudication the Power and Duty of Courts B.E. 2542. The Central Administrative Court and the Civil Court are currently deciding which court has jurisdiction over the case.

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

On December 30, 2010, True Group signed a Share Purchase Agreement with Hutchison Group companies, and on January 27, 2011, True Group reached an agreement with CAT authorizing Real Move as a reseller of mobile phone services on CAT's HSPA nationwide network until 2025. In addition, BFKT, one of the companies purchased by True Group under this deal, signed a contract with CAT to be the lessor of telecommunications network equipment and accessories to CAT, and to provide maintenance services for said telecommunications network equipment and accessories with a focus on the 3G HSPA equipment for CAT's nationwide network. Subsequently, certain government agencies, such as the NBTC, the Auditor General of Thailand and the NACC, have investigated certain aspects of the deal including whether the deal falls under the Joint Venture Act and whether the deal violated Article 46 of the Frequency Allocation Act. Apart from the resolution of the NBTC's Telecom Committee which will be discussed in the following paragraph, other parties are currently investigating this matter.

On February 3, 2011, CAT reported the findings of its investigation into the recent mobile business transaction between CAT and True Group to the ICT Ministry under Prime Minister Yingluck Shinawatra's government, explaining that the transaction was made in accordance with all related laws and was in line with guidance issued by the Attorney General. On February 11, 2011, the ICT Ministry discussed with the Attorney General whether CAT's report was accurate, complete and in compliance with its contractual procedures and to establish if any additional legal issues needed to be considered. On July 8, 2011, the Attorney General submitted a letter in response to a request by the ICT Minister to investigate whether or not the agreements between CAT and True Group's subsidiaries, Real Move and BFKT (one of the four companies acquired by True Group from Hutchison Group Thailand in late 2010), were lawful. In the letter, the Attorney General clearly stated that the True-CAT transaction neither falls under the Joint Venture Act nor does it violate Article 46 of the Frequency Allocation Act. Rather, the contract between Real Move and CAT is a wholesaling and reselling contract which is in line with the NTC's regulation on wholesaling/reselling effective from December 29, 2006. As the reseller of the telecommunications services, Real Move purchases part of the packaged telecommunications services from CAT, by minutes for voice service and by megabytes for data service, to resell to customers without using properties or rights which belong to the state. The frequency and mobile phone network remain the property of CAT. BFKT, meanwhile, is the lessor of electronic telecommunications equipment to CAT. As part of its normal business operations,

CAT is allowed to rent properties or equipment from other operators in accordance with CAT's procurement regulations.

DTAC filed a lawsuit against CAT and CAT's Board of Directors at the Central Administration Court in April 2011, claiming it was unlawful for the CAT's Board to have issued a resolution for CAT to sign the contracts with True Group for new mobile business using 3G HSPA technology and also that CAT had failed to perform its duty in accordance with the law by unlawfully signing the contract. DTAC asked the Administrative Court to withdraw the resolution of the CAT Board and suspend the entire 3G HSPA project. In addition, DTAC sought an injunction along with the petitions. However, the court rejected the claim that CAT had failed to perform its legal duties and, therefore, denied DTAC's injunction request. True Group acknowledges that the result of this case may have an impact on True Group as a CAT-contract-party to the project; therefore it has requested the Administrative Court to add BFKT and Real Move as co-parties to the case. The Administrative Court accepted True Group's request and the case is now proceeding at the Central Administrative Court.

On October 7, 2011 the NBTC via its secretary-general sent a letter to the Company and Real Move to inform them of the resolution of the NTC, acting on behalf of the NBTC, asking that amendments be made to parts of the contract related to the merger and acquisition of shares in Hutchison Group in order to conform to the NTC's Notification on Criteria and Procedures for Mergers and Cross-holdings in Telecommunications B.E. 2553, as well as amending the parts related to the agreement with CAT regarding the provision of CDMA and HSPA mobile businesses in order to conform to the Committee's notification on Measures to Prevent Some Certain Acts which lead to Monopolies or Cause Unfair Competition in Telecommunications Business B.E. 2549 and the Frequency Allocation Act. However, it is the opinions of the Company and Real Move that the resolution of the NTC, acting on behalf of the NBTC, is unclear and unlikely to be lawful. Therefore, the Company and Real Move have appealed against the actions of the NBTC and the NBTC's secretary-general to the Central Administrative Court, asking the court to revoke the resolution and order. The case is pending before the Central Administrative Court.

Currently, certain government agencies and relevant bodies such as the Senate Standing Committee on Corruption and the Promotion of Good Governance, NACC, the ICT Ministry and the Finance Ministry are investigating the transaction. However, due to the fact that the agreement was entered into by CAT's former management, which has since been replaced by a new management team and board, CAT's current management may prefer to see all investigations of the transaction completed before continuing with the 3G business. Any delays by CAT in the 3G business may have some impact on True Group's plan to expand its 3G services and may limit its opportunity to acquire new subscribers. Lost opportunities could arise by delays in applying for system installation licenses, delays in requesting additional mobile numbers to expand TrueMove H's prepaid service, and delays in applying for radio communications station licenses and radio communications equipment licenses. True Group is coordinating with CAT to find agreeable solutions; however, it may have to evaluate the potential impact if CAT does not act in accordance to the contract and to consider whether any legal action is necessary.

On March 26, 2012, the ICT Ministry released the findings from its investigative committee's review of the CAT-True 3G HSPA transaction. The five major claims are as follows:

1. Prior to CAT's attempts to acquire the CDMA business from Hutchison Group, efforts were made by an unnamed related party to instruct CAT that the purchase price should not exceed Baht 4 billion, which resulted in unsuccessful negotiations with Hutchison Group.

2. CAT terminated two contracts related to the CDMA project without conducting a full financial analysis of the business and assessing cost/benefits for the state prior to terminating those contracts.
3. Submission of information to the Cabinet relating to the project involved a conspiracy by outside parties to target particular individuals to utilize certain relevant steps and procedures in order to justify why the project should be presented to the Cabinet. This involved the providing of false evidence and expediting of relevant procedures in an urgent manner even though the matter was itself not urgent. All these actions were viewed as contravening governmental regulations and laws.
4. CAT terminated two contracts under the CDMA project without consulting the Office of the National Economic and Social Development Board and the Office of the Council of State.
5. CAT ignored standard codes of practice according to Article 12 (2) and Article 13 of the National Economic and Social Development Act B.E. 2521 and No. 5 of the Office of the Prime Minister's Regulation on State Enterprises Budgets B.E. 2550.

However, True Group believes that the investigation was a preliminary investigation conducted by an internal investigative committee and the investigation has not yet been concluded. The findings of the investigation apportioned blame with government officers who are not involved with the Company's subsidiaries which are CAT's contract counterparties. True Group believes that all parties (related to the True-CAT contracts) have operated within the law and that the contracts have been endorsed by the Office of the Attorney General which has direct authority to perform such an investigation. Therefore, the above investigation should not have a negative impact on True Mobile Group's 3G business operations.

On June 20, 2012, the NBTC's Telecom Committee, which was established according to the Frequency Allocation Act and given the authority to perform on behalf of the NBTC any tasks related to telecommunications, reviewed a sub-committee's report on the investigation of the True-CAT transaction regarding the new mobile phone service on the 800 MHz spectrum. After considering the contracts, associated legal matters and related regulations, the Telecom Committee endorsed the findings of the sub-committee's investigation report. On June 28, 2012, the Office of the NBTC sent a letter to CAT informing it of the Telecom Committee's resolution, a summary of which is as follows:

1. The contract between CAT and the companies under True Group was an "administrative contract" and the telecommunications regulator has to take "public interest" into consideration. Therefore the NBTC ordered CAT (who is the spectrum grantee) to operate in accordance with Article 46 of the Frequency Allocation Act by amending six areas in the relevant contracts and also asked CAT to report the results back to the Telecom Committee within 30 days upon receiving the order. The six areas to be amended are:
  - 1.1 CAT shall be able to use the 800 MHz frequency band (Band V) with its own equipment or that belonging to any other third parties.
  - 1.2 CAT shall have a full control and management of the network through the NOC and must have full access to equipment installed at BFKT premises.
  - 1.3 CAT shall have full access to the CDR on its network.

- 1.4 It must be made clear that CAT shall be able to manage its frequency via the Operation Supervision Committee.
- 1.5 CAT shall have full control of its frequency management via BFKT's process of building and procuring capacity, especially in terms of frequency planning, network roll-out and operations. At the same time, the definition of "capacity according to the contract" in Item no. 1 of the HSPA wholesale agreement should be amended so that it would be driven by market mechanisms.
- 1.6 CAT shall hold the full rights to manage its frequency through negotiations on inbound domestic roaming and IC agreements with other operators.

On December 4, 2012, BFKT and Real Move, which are members of True Group, and CAT Telecom executed two MOUs containing the following key provisions: 1) BFKT and CAT agree on the revised terms and conditions to be made to the HSPA network equipment leasing as directed by the Telecom Committee; 2) Real Move and CAT Telecom agree on the revised terms and conditions to be made to the HSPA wholesale agreement as directed by the Telecom Committee. The counterparties also agreed to leave other remaining issues to be discussed separately in order to get the key issues quickly resolved. On the same date, BFKT and Real Move submitted the MOUs to the Telecom Committee. The counterparties will proceed to make the amendments that have been mutually agreed to the contracts after receiving an approval from relevant authorities. True Group believes that the contractual amendments will have no significant negative impact on True Mobile Group's 3G business because of the following reasons:

- (1) CAT has always been able to manage its 800 MHz frequency band (Band V). So amendment no. 1.1 above will only serve to clarify this in the contract. Meanwhile, the amendment to clarify the contract may lead to higher competition because it is now known to all parties/public that CAT is performing this function. Nevertheless, True Group is confident that the strength of its business plan and service quality will enable it to retain customers.
- (2) Currently, CAT can fully control and manage the network via 3 sets of NOCs which were installed specifically for CAT. In addition, CAT already has full access to equipment installed at BFKT. Therefore, amendment no. 1.2 above will have no negative impact on BFKT's operations.
- (3) CAT already has full access to customer CDRs (on its network). Amendment no. 1.3 above will therefore have no negative impact on BFKT's operations.
- (4) CAT already has the ability to manage its frequency. Amendment no. 1.4 above will only make this matter clearer in the contract by specifying that the management of the frequency is done via the Operations Supervision Committee, which is part of CAT's operations. Therefore, this amendment will have no negative impact on BFKT's operations.
- (5) CAT already controls its frequency management via BFKT's process of building and procuring capacity especially in terms of frequency planning, network roll-out and operations. So amendment no. 1.5 above will serve to make it clearer in the contract and will have no negative impact on BFKT's operations. On the conditions to purchase capacity according to the HSPA wholesale agreement, the parties have already met and amended some parts of the contract. In addition, the definition of

“capacity according to the contract” in Item no. 1 of the HSPA wholesale agreement may be changed from “will not exceed 80 percent of the initial (target) capacity and capacity expansion” to “according to the market mechanisms” to make it clearer that other service providers can purchase network capacity from CAT without any impact on Real Move’s right to purchase capacity from CAT. Because CAT has the right to order capacity to serve all service providers’ demands at all time, the negotiation to amend the contract is to make the contract clearer according to the Committee’s resolution. Currently Real Move and CAT are obligated in terms of the wholesaling and purchasing of capacity according to the HSPA wholesale agreement which already covers the target specified in the business plan. Therefore, these contract amendments will not reduce True Group’s competitiveness and neither will they impact on the future expansion of numbering nor future operation plans.

- (6) CAT currently manages its frequency in terms of negotiating inbound domestic roaming and IC with other operators, therefore amendment no. 1.6 above serves to make this clearer in the contract. While the amendment to clarify the contract may lead to higher competition, because it will be known to all parties/public that CAT is managing its frequency on the above matters, True Group is confident that the strength of its business plan and service quality will enable it to retain customers.
2. On the issue of whether the contracts for the 3G HSPA project are considered to be in line with other relevant telecommunications laws, the NBTC’s Telecom Committee would not issue additional resolutions on this issue as it sees that the NTC, which has performed the duty on behalf of the NBTC, has already resolved this matter (according to the resolution from meeting no. 30/2554). Moreover, the Company and Real Move have already submitted an appeal with the NBTC and its secretary-general to withdraw the NTC’s said resolution. The case is now before the Central Administrative Court.
3. The Telecom Committee neither ruled that BFKT had violated the law with regard to operating a telecommunications business without a license, nor that it failed to obtain a license to use the spectrum, which otherwise would be deemed unlawful according to Article 67 of Telecommunications Business Act B.E. 2544. The Telecom Committee has only ordered the Office of the NBTC to scrutinize whether BFKT has breached the law and report back on the matter within 30 days (the deadline was later extended by another 15 days). True Group is ready to provide clarifications to the Telecom Committee and the Office of the NBTC to show that BFKT is not breaching any laws. If the investigation finds that BFKT has breached the law, BFKT may be ordered to obtain a license which would result in additional costs to its existing operations. In addition, if BFKT is prosecuted and the final court ruling concludes that it has breached Article 67 of the Telecommunications Business Act, BFKT’s relevant equipment and machinery could be confiscated by a court order, which confiscation will negatively affect the network in which BFKT has already invested because it may not be able to fully use the network as it currently does. The Office of the NBTC may then propose for consideration by the Telecom Committee additional procedures for criminal. As of December 31, 2012, BFKT’s net PP&E (property, plant and equipment) totaled Baht 17,542 million. Meanwhile, True Group recorded net intangible assets from BFKT’s service contract, totaling Baht 12,550 million as at the end of 2012. (See details in Note 22 to the Consolidated and Company Financial Statements for the year ended December 31, 2012). On July 26, 2012, BFKT met with the Office of the NBTC’s working group upon receiving an invitation to clarify facts regarding legal issues relating to the deal between BFKT and CAT. True Group believes that BFKT has not breached any laws and that the investigations will have no significant negative impact on True Mobile Group’s 3G business, but that any outcomes will also depend on the Committee’s rulings and that of the relevant government agencies which have legal authority.

The Telecom Committee's resolution stated that the contracts between CAT and the companies under True Group were "administrative contracts" which related to the public interest. The resolution has no effect on the completeness of the contracts for the 3G HSPA project and the contracts remain fully binding and in force so the companies under True Group can continue to provide 3G HSPA service to the public without any interruption.

On June 25, 2012, the DSI sent letters to Hutchison Multimedia Service Thailand Limited, Hutchison Telecommunications (Thailand) Limited, Hutchison CAT Wireless Multimedia Limited and BFKT (which are the four subsidiaries True Group acquired from the Hutchison Group) referring to the letter from the ICT minister to the DSI asking the department to investigate the 3G HSPA mobile business between CAT and True Group. In the letter from the DSI to the four subsidiaries, the department asked the subsidiaries to send copies of all relevant documents (including documents relating to the sale and purchase of the subsidiaries where CAT was the buyer) to the DSI as supporting evidence in the investigation. On July 4, 2012 the Company's subsidiaries sent copies of the documents and a letter of clarification to the DSI. In True Group's understanding, the DSI is investigating an issue relating to CAT's obligation under its sale and purchase agreement concerning four Hutchison Group subsidiaries, which issue arose prior to True Group's acquisition of the four subsidiaries from Hutchison Group in December 2011. True Group has checked with Hutchison Group, which was the seller, and was informed that any obligation between CAT and Hutchison Group had expired prior to the acquisition. True Group believes that the investigation by the DSI will have no significant negative impact to True Mobile Group's 3G business.

A resolution from the Telecom Committee's meeting No. 3/2556 on January 17, 2013 directed the working team to seek additional information and to present the results from its study to the Telecom Committee for consideration within 30 days from the date of said resolution. It is True Group's understanding that the Telecom Committee has recently allowed the working team to extend the period of investigation until mid March 2013.

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

Following its investigation of the 3G HSPA contracts between CAT and True Group, the Telecom Committee ordered CAT and True Group to amend the contracts. CAT and True Group have agreed to make the amendments in six areas in the forms of Memorandum of Understanding to express their intention to fully comply with the Telecom Committee's order. On December 4, 2012, CAT and True Group submitted the signed MOU to the NBTC. Subsequently, CAT drafted joint letters, dated January 25, 2013, on behalf of CAT and its contract-counterparties, BFKT and Real Move. The letters have been submitted to the Office of the NBTC to confirm that apart from preparing the aforementioned MOU, CAT and its contract-counterparties have performed as described in the MOU and that they have fully complied with the Telecom Committee's orders.

However, these actions require CAT to follow relevant procedures such as submitting the draft contract amendments to the Attorney General and proposing the 3G HSPA project to the Cabinet for approval. During this period that CAT's budget relating to the 3G HSPA project has not been approved, CAT has maintained that it will not make payments or receive payments to settle any liabilities under to the 3G HSPA contracts even if the liabilities have been incurred between CAT and True Group's subsidiaries. These include making or receiving IC payments from the traffic between TrueMove's network and CAT's 3G HSPA network. This is despite the clear intention of True Group's subsidiaries to honor its obligations under the contracts. Once the 3G HSPA project is approved by related authorities, CAT may be liable to other operators for the accrued IC charges. And, there is a

risk that CAT will seek reimbursement from Real Move for any interest charges applied to its accrued IC charges. However, True Group cannot estimate the amount of this potential interest burden upon CAT because the relevant IC agreements are between CAT and other operators. Also, True Group cannot predict when CAT will decide to settle the IC charges with other operators.

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

The Company and its subsidiary TrueMove operate under the Joint Operation Agreement and the Agreement to Operate, granted by TOT and CAT, respectively. A dispute with either TOT or CAT over compliance and the interpretation of the law concerning either of the Joint Operation Agreement and the Agreement to Operate, or the NBTC's announcements, rules and regulations could affect the ability of the Company and its subsidiaries to conduct business. The Joint Operation Agreement and the Agreement to Operate could also be terminated. In the case of the Joint Operation Agreement for the Company's fixed-line service, TOT has to submit a dispute to the Arbitration Court and request an Arbitration Tribunal for adjudication should it wish to terminate the agreement. TOT can terminate the agreement only if True Group violates certain laws, is placed under receivership by a court in a bankruptcy case, or willfully and continually breaches the agreements in any material respect.

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

As well as TOT and CAT being a party to the Joint Operation Agreement and the Agreement to Operate, respectively, with True Group, they are also competitors of True Group. This has led, and could continue to lead, to disputes between the Company and TOT or between TrueMove and CAT. Previously certain disputes among these entities have been brought to the courts and the Arbitration Tribunal for resolution. True Group may not be able to successfully resolve all of these disputes in its favor, and if it is unsuccessful, its business and financial situation could be affected. To date, decisions have been issued both in favor of and against cases brought by True Group, most of which have not yet been concluded.

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

In December 2010 the Frequency Allocation Act was enacted resulting in the formation of the NBTC which was completed in October 2011. The NBTC is responsible for regulating the radio, television and telecommunication sectors. Currently, the NBTC has revised and improved the rules and regulations for the telecommunications sector issued and enacted by the former regulator, the NTC. At the same time, the NBTC is also preparing to issue new rules and regulations as well as underlying principles and guidelines for regulating the telecommunications sector in a clearer way. True Group may face risks concerning the application or the renewal of licenses for the operation of television and/or telecommunications businesses, or be exposed to risks from case where there may be different interpretations of laws which currently have no clear definition. If the NBTC makes a decision on not to issue the licenses or not to renew the related licenses to True Group's subsidiaries, the subsidiaries who have not received all licenses or whose licenses are expired will have to pay penalties or face legal action.

**Risks relating to the financial situation*****Risks related to True Group's highly-leveraged position and restrictions from financial agreements***

The Company and its subsidiaries have high debt with long-term borrowing (including the current portion of long-term borrowing) totaling Baht 96.3 billion as of December 31, 2012 while the shareholders' equity totaled Baht 14.0 billion. Due to its highly leveraged position, True Group may be at risk of not being able to obtain reasonable funding for principal repayments and/or interest payments and its business expansion plan could be affected. However, the Company and/or its subsidiaries should be able to negotiate with their creditors or raise new loans to repay existing loans and adjust their principal repayments to be in line with their cash flows.

True Group may face operational limitations from some debt covenants under various credit facility agreements. These limitations could become obstacles to True Group in realizing business opportunities or lead to accelerated debt repayments if some of the debt ratios are not in compliance with those in the agreements, or if a contract party (e.g., TOT) under a major contract (e.g., the Joint Operation Agreement) which is vital to True Group's business operations terminates the contract. However, any termination of a contract must be done according to the terms and conditions of the contract. For example, TOT must seek an arbitration decision in order to cancel the Joint Operation Agreement and a court must render a final decision accordingly.

**Financial Obligations:**

- The Company and its subsidiaries have complied with the financial covenants imposed by the financial institution creditors. If the Company is unable to comply with the financial covenants, it may be required to seek a waiver and consent from said creditors. If the Company or its subsidiaries, as an issuer, is unable to obtain the waiver and consent and an event of default occurs, the financial institution creditors would be able to redeem all outstanding bonds, which may result in other financial creditors of the Company or of its subsidiaries (including the bondholders holding some of the Company's bonds) having the right to redeem all outstanding bonds or their investment (as applicable) before the due date.
- The Company has complied with the financial covenants imposed by bondholders, as indicated in the table below. If the Company is unable to comply with the financial covenants, it will be required to seek a waiver and consent from the bondholders. If the Company, 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 the Company and relevant conditions under the Company's finance documents have been met.

**The following table presents covenants for True Group’s outstanding local debentures**

Debentures	Covenant ratios (Maintenance Basis)	Actual ratios (as of December 31, 2012)*
TRUE144A	Net debt to EBITDA <= 5	3.63
TRUE151A	Net debt to EBITDA <= 5	3.63
TRUE 13NA (1/2553)	-	-
TRUE 144B (1/2554)	-	-
TRUE 160A (1/2555)	-	-

Note: \*Based of the audited financial statements of True Group and preliminary financial statements of six affiliate guarantors.

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

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

The ratios are based on True Group, the parent company, and six affiliate guarantors: True Leasing Co., Ltd., Asia Wireless Communication Co., Ltd., True Internet Co., Ltd., True International Gateway Co., Ltd., True Public Communication Co., Ltd. and True Universal Convergence Co., Ltd. based on the financial statement of each company which the auditors have already audited or verified.

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

Past financial performance of True Group was subject to significant exchange rate fluctuations, mainly because a large proportion of the Group’s liabilities were denominated in foreign currencies. However, this foreign exchange exposure was significantly reduced during 2011 with the early repayment of TrueMove’s secured loans from IFC and the scheduled prepayment of a loan from KfW in 2Q11, followed by the tender offer for all of its US Dollar bonds in September 2011. In October 2011, approximately 99 percent of the outstanding 2013 tranche and 95 percent of the 2014 tranche of US Dollar bonds were tendered and True Group settled all relevant transactions on October 12, 2011. The repurchase of US Dollar bonds has significantly reduced the Group’s foreign exchange exposure and refinancing risk.

As at December 31, 2012, approximately 7.2 percent of True Group’s consolidated liabilities were denominated in foreign currencies, substantially lower than the 40.2 percent as at December 31, 2010.

As of December 31, 2012, approximately 70.9 percent or around Baht 65.0 billion of True Group’s consolidated debt (excluding finance leases) was subject to floating interest rates. Should there arise any increment in the interest rate, True Group will have the burden of higher interest expenses. However, interest rates on part of True Mobile Group’s debts will reduce over time if it is able to achieve the conditions set out in loan agreements.

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

As at March 15, 2013, the group of majority shareholders in True Group comprises CP Group and affiliated companies which hold combined shares of 63.33 percent of the total allocated shares. In this regard, investors may be exposed to a risk from the circumstance in which majority shareholders hold more than a 50-percent stake in True Group. This is because the group of majority shareholders may control agendas which require majority votes, such as appointments of directors. Therefore, retail shareholders may not be able to accumulate sufficient votes to check and balance agendas proposed by the majority shareholders. However, the Board of Directors focuses on operating the business guided by the principles of corporate governance. The Company has provided the opportunity for minority shareholders to propose the Annual General Meeting's agenda and nominate candidates to be selected as directors of the Board prior to the Annual General Meeting. In regard to matters related to major shareholders and transactions that may result in a conflict of interest with the Company, the Company processes the matter in accordance with procedures set forth in the "Connected Transaction Regulation" which strictly follows the legal framework.

### 3. NATURE OF BUSINESS

#### Company Background

True Group, one of Thailand's strongest and most recognizable brands, is the only fully-integrated, nationwide telecom operator providing services to some 26 million subscribers.

True Group's strength is its ability to offer the convergence benefits of its networks, products and services. Its three core business segments are: **True Mobile Group**, which includes TrueMove, Thailand's third-largest mobile operator; Real Move, a reseller of CAT Telecom's 3G+ HSPA services on the 850 MHz spectrum under the TrueMove H brand; and Real Future, a True Group's subsidiary that recently obtained an IMT 2.1 GHz spectrum license from the NBTC; **TrueOnline**, the largest fixed-line phone provider in the BMA and the Broadband and WiFi operator with the most comprehensive nationwide network using ADSL, DOCSIS 3.0 cable modem and FTTH technologies; and **TrueVisions**, the only nationwide pay TV and HD TV operator. The results of its digital convergence and other businesses, which include digital commerce under **TrueMoney**, convergence packages and digital content and media which are grouped under the **TrueLife** brand, and the lifestyle venture **TrueCoffee**, are reported under TrueOnline.

True Group seeks to promote the development of the country through innovation and technology. True Group works to bridge the digital divide and build a sustainable knowledge-based society by delivering 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 its work as True Group seek to enhance value for shareholders, customers, the organization, society and employees alike.

True Group's convergence strategy allows it to meet the demands of its subscribers' lifestyles by building upon the complementary strengths of its communications services and solutions. This in turn helps drive subscriber growth and loyalty. Packages bundling TrueOnline with True Mobile Group or TrueVisions services, or TrueVisions with True Mobile Group services, have proven to be successful in terms of customer acquisitions and retention. Meanwhile, its digital content and e-commerce offerings add value across the Group.

The Company is backed by the Charoen Pokphand Group ("CP Group") - Asia's largest agro-conglomerate – with a shareholding of 63.33% of the total registered and paid-up capital of Baht 145,032 million as at March 15, 2013.

At the end of 2012, True Group had an annual turnover of Baht 89.4 billion, infrastructure investments of Baht 245.4 billion, and employed 15,021 permanent staff.

#### Business background

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

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

In addition to its traditional fixed-line phone, public phone, and WE PCT services, True Group started providing hi-speed data communication services, including ADSL and cable modems, in 2001, WiFi services in 2003, International Internet Gateway services in 2007, and International Data Gateway and International Direct Dialing services in 2008. During 2011, True Group's cable modem network was expanded and upgraded using DOCSIS 3.0 technology, which enables True Group to offer the fastest consumer broadband service in Thailand. At the end of 2012, TrueOnline's broadband services covered approximately 3.6 million households in 53 provinces via DOCSIS 3.0 and ADSL technologies.

True Group extended its services into the mobile telecommunications segment through a subsidiary, BITCO (the parent company of TA Orange), by acquiring a 41.1% equity interest in BITCO in October 2001. TA Orange's mobile services were fully launched in March 2002. TA Orange was subsequently rebranded "TrueMove" at the beginning of 2006. True Group gradually increased its stake in BITCO and as at December 31, 2012, its indirect shareholding in BITCO was 99.4%.

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

In October 2012, Real Future participated in the auction for IMT 2.1 GHz spectrum licenses and was granted the license by the NBTC in December 2012. This not only extends the Group's mobile businesses at least until 2027, but also strengthens True Mobile Group, allowing it to offer great coverage and high quality 3G services nationwide by combining the unique advantages of the 2.1 GHz spectrum and CAT Telecom's 850 MHz spectrum.

In January 2006, True Group purchased shares of the United Broadcasting Corporation ("UBC") from MIH and completed the tender offer for UBC shares held by the public in March 2006, allowing the Company to own 91.8% (effective holding) of UBC. The pay TV operator was renamed "TrueVisions" at the beginning of 2007. After the restructuring of TrueVisions Group in the first half of 2010 and the repurchasing of shares from minority shareholders from November 2010 to February 2011, the Group's effective holding in TrueVisions Group Company, which is a holding company for True Group's pay TV business, has been 100.0% while True Group's indirect holding in TrueVisions Plc. and TrueVisions Cable Co., Ltd increased to 99.31% and 98.99% respectively at the end of 2012. While TrueVisions' main revenue source comes from monthly subscription fees, MCOT in 2009 authorized the Company to carry advertising which presented a new opportunity to drive revenue growth and profitability at the business. Throughout 2011, TrueVisions also focused on combating piracy. TrueVisions in October 2011 launched a campaign to replace old set-top boxes with new boxes featuring MPEG-4 encryption and activated a new, enhanced, more secure broadcasting system in mid-July 2012 which effectively prevents the illegal accessing of TrueVisions' content and helps stimulate sales and improve subscription revenue.

True Group's convergence and other businesses underpin the strength of its core operations - True Mobile Group, TrueOnline and TrueVisions – by providing a diverse range of products and services which integrates the Group's telecommunications, content and media services into a single, seamless offering. Since 2010, this section has been organized

into three main businesses. True Life Plus offers convergence bundles of products and services drawn from True Group's core businesses. True Digital Plus is True Group's gaming and E-sports operation which publishes online games. True Group also operates an online game business through NC True, a joint-venture with NC Soft, Korea's largest developer and publisher of online games. Lastly, True Digital Content and Media produces key content, media and publishing (such as e-books and e-magazines). It also operates the True App Center, an application training center aimed at stimulating content development and driving mobile non-voice revenue. Presently, True App Center has developed around 250 custom applications for leading smartphone platforms including iOS, Android and BlackBerry. TrueCoffee, is the Group's chain of coffee shops which provides a key touchpoint with customers and act as a prime venue for showcasing its new services and products, including smartphones and tablet devices.

To complement its convergence offering, True Group has, since December 2003, offered a digital payment gateway via its brand TrueMoney, which received a 10-year license from the Electronic Transactions Commission in July 2009 to operate electronic payment services. Since then TrueMoney has significantly expanded its payment platforms to enable customers to make purchases online via a mobile E-wallet services, including the payment of utility bills. True Group launched TrueMoney self-service kiosks which enable customers to access a wide range of the Group's products and payment services 24 hours a day. Currently, there are approximately 4,800 kiosks that are being serviced by TrueMoney.

## **Major developments in 2012**

### True Group

- January: True Group introduced TrueYou to enhance its customer relationship management and launched True Card, offering special privileges to its premium customers. The privileges include 24/7 personal assistant, privileged parking at leading department stores and community malls, etc.
- April: Bangkok Metropolitan Administration and True Group launched a free WiFi service under the "Bangkok WiFi" banner via 20,000 hotspots around Bangkok.
- July: True Group reaffirmed its commitment to follow the NBTC's resolution to amend the six areas in the CAT-True Group contracts. True Group and CAT Telecom have made progress on the contract amendment by preparing and signing an MOU that reflects all the regulator's orders. The aforementioned MOU was submitted to the Telecom Committee in December.
- November: True Group in collaboration with the Ministry of Information and Communication Technology launched a free WiFi service under the "ICT Free WiFi by TRUE" banner, starting in Nakhonratchasima province. This helped support the campaign "One Tablet per Child", enabling easier Internet access to Thai students with the connection speed of up to 2 Mbps via over 50,000 hotspots.
- December: Real Future, a subsidiary of True Group, was granted the 2.1 GHz IMT Spectrum License and the Type Three Telecommunication Business License by the NBTC.

### True Mobile Group

- February: TrueMove H launched the "Only You...Only True" promotion offering TrueOnline and TrueVisions (Platinum and Gold) subscribers up to 50% discount when purchasing an iPhone 4 or iPhone 4S and signing up to the XL 899 package for 18 months. The campaign was expanded to other customer segments from April.
- March: TrueMove H launched "NET SIM 3G+", a prepaid SIM (validation added on every service usage) targeting customers who access the Internet via aircards and tablets. Also in March, TrueMove hosted the 25th Conexus Mobile Alliance conference for Conexus's network of 10 leading mobile phone operators in Asia. The conference aimed to strengthen the regional telecommunications industry and enhance value creation for customers of the allied operators.
- April: TrueMove H and Samsung launched a new and unique smartphone promotion the "100% Refund Bonus" for customers purchasing a Samsung Galaxy Y with a TrueMove H 3G+ PrePay SIM. Also in April, TrueMove H launched the New iPad in Thailand which highlighted its nationwide 3G+ coverage with a range of attractive data plans and the Group's premium content. "H TV" was also launched during the month. The service enabled subscribers to watch HD-quality content from TrueVisions and programs from other channels (more than 90 channels in total) on their handsets via TrueMove H.
- May-July: TrueMove H opened bookings and started selling Samsung Galaxy S3 handsets and HTC One S. A special promotion was launched in July for four new smartphones from Samsung's Galaxy series to attract younger customers.
- July: TrueMove expanded the coverage of its Baht 499 per day Data Roaming Flat Rate offering to Europe and Oceania (with no restrictions on the number of networks and countries accessed per day) with outgoing calls costing Baht 25 per minute, inbound calls at Baht 28 per minute and SMS for Baht 11 per message.
- July: TrueMove H launched an affordable 3G phone, "GO Live", with attractive mobile packages, giving Thai people across the country an easier access to 3G service. Subscribers, both postpaid and prepaid, are eligible for free call time and mobile Internet usage of up to the handset price.
- December: TrueMove H introduced "Smart Data Roaming Alert", allowing customers to better control their mobile expenses. This service will notify customers (via SMS) and suspend their mobile Internet usage temporarily when their data charges are up to the specified level. The service will also suggest Mobile networks in the country that has "Data Roaming Flat Rate" promotion.

### TrueOnline

- January: TrueOnline expanded its ULTRA hi-speed Internet service to cover more than 20 provinces and launched new promotions offering a free WiFi router to new ULTRA hi-speed Internet (xDSL and DOCSIS 3.0) subscribers.
- April: TrueOnline introduced 200 Mbps ULTRA hi-speed Internet (using DOCSIS 3.0 technology) in 14 provinces, offering free subscription to TrueVisions' Gold package and 11 HD channels for 12 months as well as free ULTRA WiFi by TrueMove H with a maximum speed of 100 Mbps throughout the period of subscription.

- June: TrueOnline launched Thailand's first "Up Speed" service enabling ULTRA hi-speed Internet subscribers nationwide to upgrade their download speed by a maximum of 5 Mbps for only Baht 100 per month for the required month.
- August: True Group and Pattaya City announced their collaboration to provide free "Pattaya WiFi" (from WiFi by TrueMove H) for tourists and Pattaya residents with a maximum speed of 2 Mbps via more than 800 hotspots throughout the city.
- August: TrueOnline launched an additional service for its ULTRA hi-speed Internet customers by collaborating with TrueVisions to transmit live broadcasts from the English Premier League 2012/2013 season in Thailand in high-definition (HD) format online for a Baht 350 monthly fee.
- September: TrueOnline upgraded standard speed for ULTRA hi-speed Internet subscribers from 7 Mbps to a maximum speed of 10 Mbps with the same monthly fee of Baht 599.

### TrueVisions

- February: TrueVisions launched four new BBC channels; BBC Knowledge (Channel 22), BBC Lifestyle (Channel 58), BBC Entertainment (Channel 149) and Cbeebies (Channel 150) to serve all family members.
- April: TrueVisions launched a new set-top-box promotion to penetrate the mass market. The Baht 1,590 TrueLife Plus and the Baht 999 limited edition set-top boxes can be used with all type of satellite dishes. The promotion includes access to the largest TV offering of more than 200 free-to-air channels plus major English Premier League matches and all 306 Thai League matches free for three months.
- June: TrueVisions won the rights to broadcast "NFL" season 2012/13 for American football fans, which will be aired in HD format on TrueVisions' ASN Channel. Apart from NFL, TrueVisions will also air other world-class sports programs such as the "NHL" National Hockey League, "NBA" Basketball and "Major League" Baseball.
- July: TrueVisions expanded its HD offering via cable and satellite platforms to 17 channels, the largest number in Thailand. During the same month, TrueVisions also launched the "Super Sports Pack" which enables subscribers to watch the English Premier League in HD format for Baht 650 a month.
- August: TrueVisions joined with PSI, the market leader for satellite dishes, to launch the Baht 890 "PSI TrueTV" set-top box with no monthly fee offering 95 channels of entertainment programs from PSI and TrueVisions free of charge. Later in the month, TrueVisions further expanded its nationwide mass-market coverage by offering nine quality entertainment and sports channels (from both Thai and international producers) to cable TV subscribers across the country via a new partnership with CTH.
- December: TrueVisions in collaboration with 150 leading local cable operators launched the "True Cable Partners Pack", offering 30 channels of TrueVisions' quality content, both Thai and International. The package starts with 12 channels with no monthly fee while customers can subscribe for additional 18 exclusive channels, including HD channels.

Convergence and others:

- May: True Digital Plus launched "Battery Online", a new FPS (first person shooting) online game.
- May: TrueLife launched the new "WeLoveShopping App" on iOS and Android platforms to provide greater convenience for users of WeLoveShopping.com, the largest e-commerce website in Southeast Asia.
- July: TrueLife launched a new "Beauty Mall" zone on WeLoveShopping.com to provide a full range of beauty items.
- September: New TrueMove H and ULTRA hi-speed Internet subscribers receive a free set-top box from TrueLife Plus to watch 60 quality channels from TrueVisions with no obligation and no additional monthly fee. In the same month, ULTRA hi-speed Internet by TrueOnline and TrueVisions launched the "Combo Set", offering a maximum download speed of 15 Mbps, free viewing of 72 channels from TrueVisions and Baht 200 of free airtime per month on Fixed Line Plus, all for a Baht 899 monthly fee.

**Awards received in 2012**

- True Group was awarded an honorary plaque "2012 Contributor to National Education" from the Prime Minister for its support and contributions to national education. The event was organized by the Teachers' Council of Thailand to commemorate Teachers' Day on January 16, 2012.
- True Internet Data Center won the "Frost & Sullivan Awards 2011" in the "Thailand Data Center Services Provider of the Year" category from Frost & Sullivan for data center business excellence, technology innovation, customer services, and strategic development of products and services.
- True Group was awarded the "Sufficiency Economy Award (in the large-scale enterprise category)" by the Office of the Royal Development Projects Board for practicing Sufficiency Economy in its business operations and organization development. The award was presented by HRH Princess Maha Chakri Sirindhorn and was part of the Celebrations on the Auspicious Occasion of His Majesty the King's 7th Cycle Birthday Anniversary.
- The "ICT Good for Society Award" was presented to True Group by the Thailand Management Association (TMA) for its WhiteNet project which uses technology to benefit society. Whitenet is a centrally controlled system that helps filter out offensive websites.
- TrueMove H was the 2012 winner of the Consumer Protection Board Awards in the service category organized by the Office of the Consumer Protection Board of Thailand. The award was presented to TrueMove H in recognition of its advertisement campaign titled "Momo" which highlights the importance of technology during the flood crisis.
- True Group received two "Trusted Brand" awards from Reader's Digest Thailand: "Trusted Brand 2011 Platinum Award" in the Internet service provider category and "Trusted Brand 2012 Gold Award" in the phone service category (fixed line or mobile). The awards were based on results of consumer surveys on brand trust carried out in 8 Asian countries which included Thailand, Singapore, Malaysia, India, Taiwan, Hong Kong, China, and The Philippines.

- For the 4th consecutive year, True Group received the HRH Princess Maha Chakri Sirindhorn award in the "Marketing Excellence" category at the Thailand Corporate Excellence Awards 2011" held by the Thailand Management Association and Sasin Graduate Institute of Business Administration. True Group was also nominated in the "Innovation Excellence" category.
- TrueMove H received the "2012 WBA WiFi Industry Awards" in the "Best Next Generation Hotspot (NGH) Initiative" category from the Wireless Broadband Association (WBA) for its pilot project to test automatic WiFi and 3G connectivity. Judged by a panel of distinguished analysts, journalists and industry experts, the awards event was held during the WBA Wi-Fi Global Congress in San Francisco, USA.
- True Group led by Mr. Suphachai Chearavanont, President & CEO, True Corporation Plc was honored as a role model in the management of human resources both within and outside the organization with the award "Best Human Resource Professional of Thailand 2012" in the "President & CEO category" of the Thailand Top 100 HR awards organized by the Human Resource Institute, Thammasat University. Mr. Suphachai Chearavanont was recognized for his management and development of human resources within the organization and in society through various activities focusing on education and environment conservation.

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

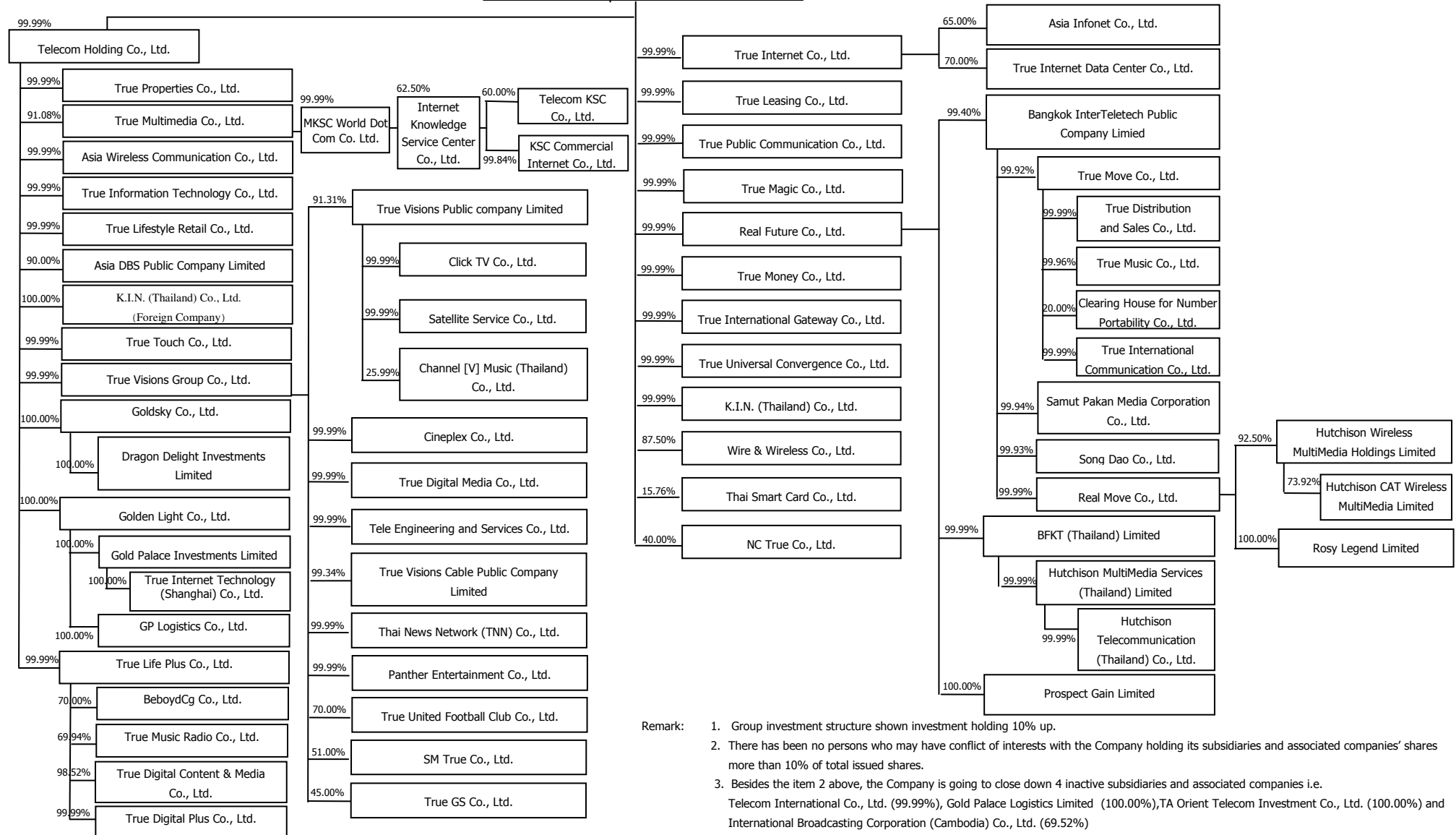
The Company group report our financial results in three segments: True Mobile Group, TrueOnline, and TrueVisions. Results for TrueMoney and TrueLife are included in TrueOnline business.

- 1) TrueOnline consists of the Company and its 31 active subsidiaries, 3 joint venture and 1 associate
- 2) True Mobile Group consists of 16 active subsidiaries
- 3) TrueVisions consists of 12 active subsidiaries and 2 Associate.

**GROUP INVESTMENT STRUCTURE**

As at 31<sup>st</sup> December 2012

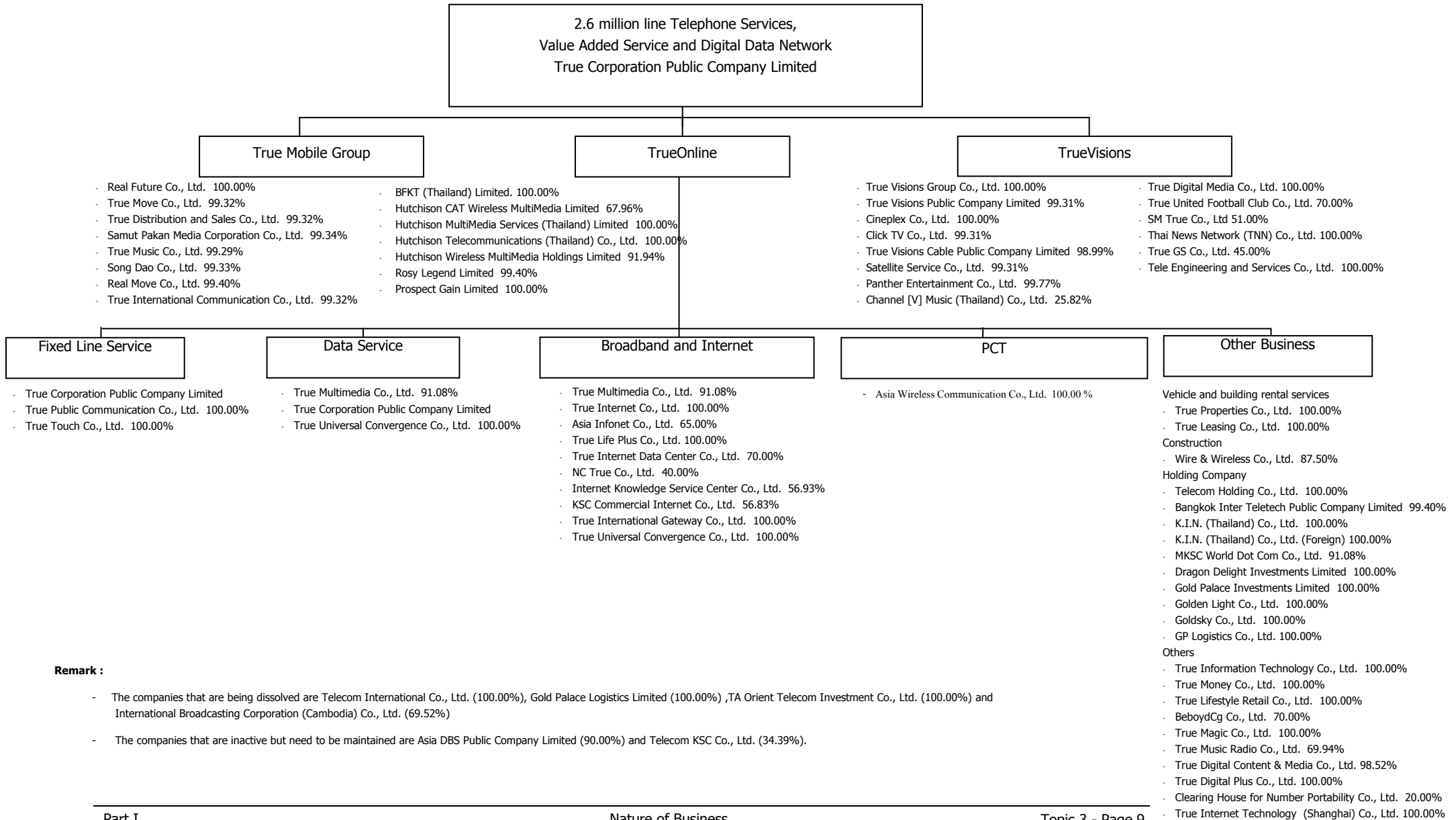
True Corporation Public Company Limited



- Remark:
1. Group investment structure shown investment holding 10% up.
  2. There has been no persons who may have conflict of interests with the Company holding its subsidiaries and associated companies' shares more than 10% of total issued shares.
  3. Besides the item 2 above, the Company is going to close down 4 inactive subsidiaries and associated companies i.e. Telecom International Co., Ltd. (99.99%), Gold Palace Logistics Limited (100.00%), TA Orient Telecom Investment Co., Ltd. (100.00%) and International Broadcasting Corporation (Cambodia) Co., Ltd. (69.52%)

**INVESTMENT STRUCTURE BY BUSINESS GROUP**

As at 31<sup>st</sup> December 2012



**Revenues breakdown by business group**

Business Group	Full year of 2012		Full year of 2011		Full year of 2010	
	Baht Million	%	Baht Million	%	Baht Million	%
<b>1. TrueOnline</b>	23,295	26.3%	22,440	31.2%	21,935	35.1%
<b>2. True Mobile Group</b>	56,124	62.6%	40,102	55.7%	30,981	49.7%
<b>3. TrueVisions</b>	9,963	11.1%	9,396	13.1%	9,462	15.2%
<b>Total Revenues</b>	<b>89,382</b>	<b>100.0%</b>	<b>71,938</b>	<b>100.0%</b>	<b>62,378</b>	<b>100.0%</b>

**Revenues for the year ended breakdown by company**

Business Group / Operation by	Full year of 2012		Full year of 2011		Full year of 2010	
	Baht Million	%	Baht Million	%	Baht Million	%
<b>1. TrueOnline</b>						
True Corporation Public Company Limited	6,636	7.5%	7,216	10.0%	7,840	12.6%
True Multimedia Co., Ltd.	97	0.1%	127	0.2%	209	0.3%
True Internet Co., Ltd.	8,485	9.6%	7,186	10.0%	6,167	9.9%
True Leasing Co., Ltd.	1,668	1.9%	1,591	2.2%	1,071	1.7%
True Life Plus Co., Ltd.	1,196	1.3%	1,592	2.2%	1,929	3.1%
KSC Commercial Internet Co., Ltd.	418	0.5%	415	0.6%	423	0.7%
Wire & Wireless Co., Ltd.	775	0.9%	644	0.9%	813	1.3%
Asia Wireless Communication Co., Ltd.	1	0.0%	73	0.1%	199	0.3%
True Public Communication Co., Ltd.	46	0.1%	74	0.1%	122	0.2%
True Touch Co., Ltd.	291	0.3%	195	0.3%	173	0.3%
True Digital Content & Media Co., Ltd.	260	0.3%	230	0.3%	214	0.3%
True International Communication Co., Ltd.	-	-	-	-	96	0.2%
True International Gateway Co., Ltd.	310	0.3%	302	0.4%	254	0.4%
True Lifestyle Retail Co., Ltd.	223	0.2%	188	0.3%	161	0.3%
True Money Co., Ltd.	326	0.4%	303	0.4%	223	0.4%
True Universal Convergence Co., Ltd.	1,682	2.0%	1,609	2.2%	1,443	2.2%
True Internet Data Center Co., Ltd.	88	0.1%	82	0.1%	69	0.1%
True Digital Plus Co., Ltd.	478	0.5%	546	0.9%	488	0.7%
True Properties Co., Ltd.	39	0.0%	32	0.0%	33	0.1%
True Internet Technology (Shanghai) Co., Ltd.	273	0.3%	21	0.0%	-	-
Others	3	0.0%	14	0.0%	8	0.0%
<b>Total</b>	<b>23,295</b>	<b>26.3%</b>	<b>22,440</b>	<b>31.2%</b>	<b>21,935</b>	<b>35.1%</b>
<b>2. True Mobile Group</b>						
BITCO Group of companies	39,336	43.9%	35,165	48.8%	30,981	49.7%
BFKT (Thailand) Co., Ltd.	5,394	6.0%	1,559	2.2%	-	-
Hutchison CAT Wireless MultiMedia Co., Ltd.	546	0.6%	2,717	3.8%	-	-
Real Move Co., Ltd.	10,848	12.1%	661	0.9%	-	-
<b>Total</b>	<b>56,124</b>	<b>62.6%</b>	<b>40,102</b>	<b>55.7%</b>	<b>30,981</b>	<b>49.7%</b>
<b>3. TrueVisions</b>						
True Visions Group of companies	9,963	11.1%	9,396	13.1%	9,462	15.2%
<b>Total Revenues</b>	<b>89,382</b>	<b>100.0%</b>	<b>71,938</b>	<b>100.0%</b>	<b>62,378</b>	<b>100.0%</b>

## 4. DETAILS OF EACH BUSINESS LINE

### 4.1 Products and Services

True Group is Thailand's only integrated communications solutions provider. True Group facilitates subscriber lifestyles through the convergence of its voice (fixed-line and mobile), pay TV, data, content and e-commerce services. By offering a comprehensive selection of networks, services and content, True Group is also well placed to seize future growth opportunities.

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

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

- Online business under TrueOnline, consisting of fixed-line phone and value-added services, business data services, Internet and Broadband Internet services, WiFi, WE PCT plus the lifestyle venture, TrueCoffee;
- Cellular business under True Mobile Group comprising TrueMove, TrueMove H and Hutch;
- Pay TV business under TrueVisions

True Group also operates "Convergence and other businesses", which includes a retail business for True Group's bundled packages, e-commerce under TrueMoney and digital content under TrueLife.

For the purpose of financial reporting, the performance of the "Convergence and other businesses" segment is reported under TrueOnline.

The tables below present Group service revenue and EBITDA profile

Service revenue <sup>1/</sup> :								
<i>Unit: Baht million</i>	2009	%	2010	%	2011	%	2012	%
TrueOnline	21,245	40	21,267	40	21,433	38	21,891	35
True Mobile Group (ex. IC and network rental)	22,055	42	22,076	42	26,113	46	30,187	49
TrueVisions	9,305	18	9,305	18	9,256	16	9,788	16
Total	52,605	100	52,649	100	56,802	100	61,865	100
EBITDA <sup>2/</sup> :								
<i>Unit: Baht million</i>	2009	%	2010	%	2011	%	2012	%
TrueOnline	9,804	50	9,751	53	9,973	58	10,089	60
True Mobile Group	7,226	37	6,233	34	4,974	29	4,852	29
TrueVisions	2,622	13	2,322	13	2,236	13	1,966	11
Intersegment elimination	(70)	-	87	-	(80)	-	-169	-
Total	19,582	100	18,392	100	17,104	100	16,738	100

Remark: <sup>1/</sup> After intersegment elimination; <sup>2/</sup> Before intersegment elimination.

## (1) TrueOnline

TrueOnline comprises fixed-line telephone and its value-added services such as public phones and WE PCT, as well as Broadband Internet, business data services, Internet, data gateways and International Direct Dialing which was successfully transferred to True Mobile Group at the beginning of 2011. The Group's Broadband Internet businesses have continued to grow rapidly and help to maintain overall revenue generated by TrueOnline.

### i) Fixed-line phone, WE PCT and public phone services

TrueOnline is the largest fixed-line telephone service provider in the BMA with a fixed-line capacity of 2.6 million lines, of which approximately 1.8 million lines are in commercial use. It also provides 26,000 public phones in the BMA under the approval of the Telephone Organization of Thailand (later renamed TOT).

True Group operates WE PCT through its subsidiary, AWC, in which it holds a 100.00 percent equity interest. Together with AWC, the Group officially launched its PCT service in November 1999 as a value-added service of its traditional fixed-line services.

WE PCT is a cordless fixed-line 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.

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

As for the WE PCT service, the Group is entitled to 82.0 percent of the revenue generated from such service and AWC is entitled to approximately 70.0 percent of this amount. The PCT service is also available to TOT subscribers. TOT shares with True Group approximately 80.0 percent of revenue received from its subscribers as a PCT network rental fee.

### Value-Added Services

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

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

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

- Direct Inward Dialing or DID;
- Hunting Lines service, which bundles two or more telephone lines at one location into a single number;

- Integrated Service Digital Network or ISDN, which can carry all forms of voice, data and image communications simultaneously on the same telephone line;
- Televoting;
- Free Phone 1-800, allowing businesses to provide their customers with a free contact call service;
- Voice Conferencing; and
- VoIP service, called NetTalk by True.

**Network and PCT service area**

True Group’s core fixed-line network is Thailand’s most modern and fiber-rich, including more than 176,000 kilometers of fiber-optic cables. This enables the Group to minimize the use of copper cables (averaging 3 to 4 kilometers) and provide high-quality voice and data communications services.

At the end of 2012, True Group had 1,766,141 fixed-line subscribers comprising 1,185,053 residential subscribers and 581,088 business customers. This reflected a 2.2 percent decline from last year. The decline in fixed-line subscribers and revenue is in line with the global trend. However, the decline in revenue has continually slowed over the past few years, dropping from double-digits to single-digits starting from 2010 onward. The average revenue per user (ARPU) for 2012 was Baht 265 per month, a 2.7 percent decline from 2011. The majority of revenue (58.2 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,				
	2008	2009	2010	2011	2012
Subscribers	1,902,507	1,858,310	1,834,694	1,805,892	1,766,141
ARPU (Baht/month)	331	303	285	272	265

The WE PCT service covers 1,500 square kilometers of the inner area of the BMA. In line with global trend, subscribers to the PCT service have substantially declined in recent years due to competition from mobile operators as well as a new tariff scheme aimed at mitigating risks associated with the PCT service having to pay IC charges in the same manner as mobile operators. Some WE PCT customers have migrated to other services within the Group such as TrueMove and TrueMove H. At the end of 2012, WE PCT had 28,885 subscribers down from 45,599 at the end of 2011.

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

WE PCT	As of December 31,				
	2008	2009	2010	2011	2012
Subscribers	273,623	177,970	89,698	45,599	28,885
ARPU <sup>1/</sup> (Baht/ month)	171	155	160	117	223

<sup>1/</sup> including PCT Buddy (prepaid service)

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

### ***Broadband Internet***

True Group is Thailand's leading Broadband or hi-speed Internet operator with an estimated 36.1 percent share of the Broadband market in Thailand as of 4Q12 (source: True Group's estimate). The Group provides the service using cable modem (DOCSIS 3.0 technology), DSL (Digital Subscriber Line) and FTTx technologies. By consistently expanding coverage, bringing in new technologies and higher speeds with an increased focus on customer service, TrueOnline continues to lead the Broadband market in terms of innovation and service quality.

In 2003, True Group and certain other service providers started offering WiFi services. The Group's extensive WiFi network is one of the key differentiators for products and services under True Group and helps drive Broadband growth. At present, True Group's WiFi network featured approximately 100,000 domestic hotspots with the fastest download speed of up to 100 Mbps. As a result, its network is currently unmatched by the competition.

True Group's subsidiary, TUC, was 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 the Group's subsidiaries including True Internet Co., Ltd., and True Multimedia Co., Ltd. These provide hi-speed Internet services to end-customers and non-voice services to consumers and business customers, respectively.

True Group's modern fixed-line network allows it to provide a faster, more stable Broadband service and to realize efficient operations and maintenance. The network not only provides ADSL, but also ADSL2+, VDSL2, G.SHDSL, Gigabit Ethernet and DOCSIS 3.0 services, and is well positioned for the eventual evolution into an IP-based NGN. The Group also offers rich content catering for consumer lifestyles, including music, gaming, sports and e-books, as well as a variety of value-added services, such as White Net filtering (allowing parents to control their children's Internet access).

In August 2010, TrueOnline became the first operator to upgrade standard speeds (for the Baht 599 per month package) from 4 Mbps to 6 Mbps on a mass scale. This further fueled subscriber growth, resulting in net subscriber additions more than doubling during the year.

TrueOnline soft-launched its new cable modem technology, DOCSIS 3.0, in December 2010, offering 10 Mbps to 100 Mbps download speeds starting from 699 Baht per month. The service was officially launched in March 2011 together with the launch of the 8 Mbps WiFi service. TrueOnline further expanded its cable modem network and rebranded its Broadband services as "ULTRA hi-speed Internet" via ADSL and DOCSIS 3.0 technologies, with the standard speed increased to 7 Mbps from 6 Mbps in June 2011.

TrueOnline has continued to bring greater value to subscribers with more attractive offerings. In June 2012, TrueOnline launched Thailand's first "Up Speed" service enabling ADSL and DOCSIS hi-speed Internet subscribers nationwide to upgrade their download speed by a maximum of 5 Mbps. In September 2012, TrueOnline further strengthened its offering by launching the "Combo Set" promotion which offers ULTRA hi-speed Internet starting at 15 Mbps for Baht 899 per month, with 72 free channels from TrueVisions and

Baht 200 Fixed Line Plus calltime per month with no additional monthly fee through the same cable network. The standard speed was later upgraded to 10 Mbps from 7 Mbps, positioning the ULTRA hi-speed Internet 10 - 200 Mbps service as the most extensive consumer Broadband service available in Thailand.

Furthermore, the Group's Broadband capacity was expanded to cover around 3.6 million homepasses in 53 key provinces by the end of 2012. TrueOnline's expansion to upcountry, especially via DOCSIS 3.0 technology, continued to receive strong response from the market. DOCSIS 3.0 technology not only can support download speeds of over 400 Mbps but also makes triple-play, a combination of high-speed Internet, Pay TV, and voice services through the same router and cable network, a reality. These unique and competitive offerings cemented the Group's position as Thailand's only lifestyle convergence operator offering fully integrated services that meet the requirements of customers' lifestyles while maintaining True Group's leadership in terms of speed, service quality and innovation. At the end of 2012, TrueOnline expanded its Broadband subscriber base to 1,569,555 subscribers, achieving a record yearly net adds of 234,619 subscribers.

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

Broadband	As of December 31,				
	2008	2009	2010	2011	2012
Subscribers <sup>1/</sup>	927,260	1,025,517	1,175,391	1,334,936	1,569,555
ARPU (Baht/month) <sup>1/</sup>	N/A	728	701	707	699

Remark: <sup>1/</sup> In 2011, subscriber numbers and ARPU figures for 2008 and onwards were restated to include Corporate Internet and Business data subscribers.

True Group also targets the hi-end segment. In 2009, the Group launched the "ULTRA Broadband" service, which offered a connection speed of up to 50 Mbps via VDSL. In September 2011, the ULTRA hi-speed Internet premium offering was expanded beyond DOCSIS 3.0 to incorporate FTTH (Fiber to the home) technology which is offered to ultra-premium customers with guaranteed maximum upload and download speeds of 50 Mbps to more than 100 Mbps. In April 2012, True Group also expanded its premium offering by launching ULTRA hi-speed Internet with a connection speed of 200 Mbps via DOCSIS 3.0 technology, which is currently the fastest download speed for a consumer Broadband service in Thailand. These hi-end services provide stable connections for downloading and uploading high-definition content as well as supporting audio-visual streaming.

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

True Group is one of the major players in the data transmission business in Thailand while its modern network gives it a competitive advantage. The Group seeks to differentiate itself

from competitors through a focus on service quality and by meeting customer needs. The Group also benefits from combining various products and services (e.g. content, VoIP and Internet) as well as by providing services with its business partners (e.g. the collaboration with Cisco to roll out a high quality IP network). As a result, True Group does not have to compete solely on price.

True Group was 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 at the time. In 2008, the Group’s service quality to our partner, Cisco, was rated “excellent” by Cisco customers.

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

In 2011, True Group launched True Ethernet Fiber service, an advanced IP network which enables the secure transferring of large multi-format files over fiber-optic cables with download speeds of 2 Mbps to 10 Gbps. It is the first in Thailand to have attained global service quality assurance from the Metro Ethernet Forum.

In 2012, the Group further launched a new data communication solution, using Multiprotocol Label Switching technology, to better respond to specific needs of online game stores across the country. This solution gives a competitive advantage to these stores by highlighting its strengths on stability, high speed with the same upload and download speed as well as an automatic backup.

In addition, True Group’s recent focus has been on the fiber market which presents high growth opportunities. True Group has invested in the fiber-optic network via Gigabit-capable Passive Optical Network (GPON) technology, and reached corporate clients in 166 buildings on 25 key roads in the BMA as well as 15 provincial industrial estates and six tourist destinations by the end of 2012. There were 25,552 circuits in operation with average revenue per circuit of Baht 8,593 a month at the end of 2012.

The following table shows the number of circuits and ARPU, during the periods indicated:

	As of December 31,				
	2008	2009	2010	2011	2012
No. of circuits	17,741	19,940	21,566	22,533	25,552
Average revenue per circuit (Baht/month)	9,808	8,696	9,035	9,266	8,593

***Other Internet services and VAS***

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

- (1) True Internet, in which True Group has a 100.00 percent equity interest, is the Group’s main subsidiary which operates high-speed Internet or Broadband and additional Broadband services. 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;
- (2) KSC, in which True Group has a 56.8 percent equity interest, is an ISP which provides services to the Group's corporate customers. In June 2009, KSC's Type One ISP license, granted by the NTC, was extended for another five years to expire on June 22, 2014. The license is renewable every five years; and
  - (3) AI, in which True Group has a 65.0 percent equity interest, under an Agreement to Operate whereby CAT Telecom (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, AI'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.

True Group is Thailand's No.1 Internet Service Provider ("ISP") offering Internet access to both consumers and business customers, along with a range of value-added services, including an Internet Data Center, and the provision of security services for corporate customers. In addition, the Group's Internet and Broadband services took full advantage of the international Internet gateway license granted to one of its subsidiaries, True International Gateway, in 2006 which has allowed True Group to provide a better quality and less costly service to its customers.

### **iii) International Gateway services**

TIG, previously known as True Internet Gateway, a subsidiary of True Corp, received an International Internet Gateway and Domestic Internet Exchange License (Type Two with Network) from the 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 international Internet and international data services. Currently, TIG has Points of Presence in Bangkok, Singapore, Hong Kong, the UK and the US which enhance the efficiency of international connections and service quality.

Since its launch, TIG has considerably expanded its capacity to support the growth of Internet and international data services which have grown annually. At the end of 2012, TIG's capacity reached approximately 55 GB while it aims to increase to 120 GB by the end of 2013. Most of TIG's international Internet bandwidth capacity is utilized within True Group with the rest utilized by external customers including local ISPs, local and multinational corporations, and international telecom operators.

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

In November 2009, TIG became 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 to access submarine cable capacity currently available in the market. The submarine cable capability combined with its existing terrestrial connectivity gives TIG competitive advantages over its competitors both commercially and technically.

In 2010, TIG signed a number of contracts to provide both Virtual Node services as well as license coverage for leading international carriers from the US, Germany, Taiwan, Japan, India and China. True Group also continued to expand its Internet and data gateway operations into Laos, Cambodia, Vietnam and Myanmar as part of a new focus to develop its business in neighboring countries. These developments not only help generate more revenue but also facilitate continual growth for the Group.

#### **iv) Other services**

In May 2010, True IDC positioned itself on the cutting edge of technology and services in Thailand with the introduction of True Cloud Services, which offer private, public and hybrid clouds through two packages: Cloud Server, a virtual server accessible via the Internet; and Cloud Storage, which offers unlimited storage via the Internet. Both packages are charged on a daily, per-use basis. These services were expanded in 2011 with the introduction of "True Cloud Protection", which provides cloud-based backup and recovery solutions for corporate customers. True IDC further strengthened its offering with the launch of the new Disaster Recovery Solutions in 2012. This service not only provides tailor-made solutions according to customers' usage and budget but also ensures their business continuity with the real-time data retrieving from the backup servers despite any service disruptions.

### **(2) True Mobile Group**

True Mobile Group consists of Real Future which is a holding company (in which True Group holds 100 percent of the shares). Real Future's subsidiaries operate 2G, 3G and CDMA mobile businesses under the brands TrueMove, TrueMove H and Hutch, respectively. True Group indirectly holds an equity interest in TrueMove (previously TA Orange) and Real Move (a CAT Telecom's 3G+ reseller under the flagship brand, TrueMove H) through a subsidiary, BITCO. True Group's shareholding in BITCO was 99.4 percent at the end of 2012.

TrueMove operates under the Agreement to Operate, dated June 20, 1996, granted by CAT Telecom. This allows for the provision of services under the Digital PCN 1800 system until September 2013. Under the agreement, TrueMove shared 25 percent of its revenue, after deducting access charge payments and other deductible expenses (e.g. content), with CAT Telecom until September 2011, after which the proportion of revenue shared with CAT Telecom was increased to 30 percent until the end of the agreement.

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

In January 2009, TrueMove signed a Memorandum of Agreement with CAT Telecom to use the transferred network and equipment for another five years following the end of its

agreement to operate in 2013. CAT also granted TrueMove permission to trial-launch third-generation (3G) wireless services on the 850 MHz spectrum on a non-commercial basis.

In January 2011, True Group completed the purchase of shares of four local companies from Hutchison Group which increased its business scale through the acquisition of approximately 800,000 subscribers. In April 2011, under the reseller agreement between Real Move and CAT Telecom, which is effective until 2025, the TrueMove H brand was established to facilitate the launch of nationwide commercial 3G+ services using HSPA technology on the 850 MHz spectrum. The official launch of TrueMove H in the BMA and 16 provinces under the FREEYOU campaign, offering 3G+ services with speeds of up to 42 Mbps and WiFi connectivity of up to 8 Mbps, on August 30, 2011 effectively gave the Group's 3G services a nationwide first-mover advantage.

Shareholders at True Corporation's 2011 Annual General Meeting, held in April, approved the restructuring of the mobile business by re-organizing TrueMove, TrueMove H and Hutch under the umbrella of the "True Mobile Group", the entirety of which comes under Real Future, a Group subsidiary, to improve operational efficiency and facilitate future funding opportunities.

Real Future participated in the auction of the 2.1 GHz IMT Spectrum License being held in October 2012. It was later granted the 2.1 GHz IMT Spectrum License and the Type Three Telecommunication Business License dated 7th December 2012 by the NBTC in December 2012. This not only extends the Group's mobile business until 2027 but also strengthens its mobile portfolio with the perfect combination of the 2.1 GHz and CAT Telecom's 850 MHz spectrums, allowing it to offer great coverage and high quality mobile Internet services nationwide.

### ***Subscribers***

TrueMove has grown rapidly since it launched full commercial operations in March 2002. However, its subscriber base started to decline in 2012 as high-value subscribers continued migrating to TrueMove H. At the end of 2012, TrueMove had 18.0 million subscribers, of which 3.4 percent were postpaid subscribers.

After purchasing the shares of four local companies under Hutchison Group and launching a 3G+ service under TrueMove H in 3Q11, TrueMove H subscribers have grown continuously, reaching 2.9 million subscribers at the end of 2012. Although subscriber acquisition at TrueMove H was obstructed by limited supply of mobile numbers in 2012, high-value postpaid subscribers, whose ARPU is significantly higher than prepaid subscribers, continued to dominate its subscriber base, accounting for 67.1 percent.

At the end of 2012, True Mobile Group expanded its subscriber base to 21.0 million, with 18.4 million prepaid and 2.6 million postpaid subscribers. This accounted for 25.6 percent of Thailand's mobile market by subscribers (excluding CAT Telecom, TOT and its MVNOs).

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

TrueMove	As of December 31,				
	2008	2009	2010	2011	2012
Subscribers					
- Prepaid	13,786,283	14,575,094	15,804,698	16,880,422	17,420,965
- Postpaid	970,551	1,226,070	1,313,166	1,276,840	615,837
Total Subscribers	14,756,834	15,801,164	17,117,864	18,157,262	18,036,802
Blended ARPU	130	115	105	101	86
- Prepaid ARPU	105	90	79	72	68
- Postpaid ARPU	510	428	424	454	420
TrueMov H					
- Prepaid	-	-	-	68,213	950,721
- Postpaid	-	-	-	425,597	1,938,391
Total Subscribers	-	-	-	493,810	2,889,112
Blended ARPU	-	-	-	690	466
- Prepaid ARPU	-	-	-	50	149
- Postpaid ARPU	-	-	-	717	621

## Services

### Pre Pay

Most of True Mobile Group’s revenue is derived from sales of prepaid airtime, which does not require a monthly subscription fee. Subscribers purchase a SIM card with an initial credit balance and can top-up their credit balance through various means, including cash cards, top-up cards, ATMs, the transfer of credit from other True Mobile Group phone accounts, and “over-the-air” top-ups.

TrueMove and TrueMove H prepaid subscribers can top-up as little as Baht 10 at approximately 30,000 phone booths. True Mobile Group also provides subscribers with a mobile payment channel via TrueMoney to meet a new generation of lifestyle needs.

### Post Pay

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

### Voice Services

True Mobile Group’s subscribers have access to local, domestic and international long-distance dialing. In addition, it offers a variety of value-added services in different combinations according to the airtime package selected. These services include call waiting, call forwarding, call conferencing and caller ID. True Mobile Group also offers its voice subscribers international roaming services, enabling them to make and receive calls when they are outside of Thailand.

### Non-Voice Services

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

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

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

In 2012, revenue from non-voice services increased 70.0 percent from a year earlier, accounting for 29.0 percent of True Mobile Group's service revenue (excluding IC and network rental), due to accelerated growth in mobile Internet usage. Service revenue from mobile Internet, messaging and content contributed 72.0 percent, 10.6 percent and 17.4 percent of total non-voice revenue, respectively. Revenue from mobile Internet services has grown rapidly due to the increased usage of social networks and the rising popularity of smartphones and smart devices as well as True Mobile Group's attractive device-bundling promotions. True Mobile Group's mobile Internet revenue grew significantly by 137.0 percent year-on-year to Baht 6.5 billion in 2012.

### Mobile Handsets and Accessories Sales

The Group offers a broad range of mobile handsets and related accessories. Its key handset products are high-quality smartphones including iPhone, Samsung and BlackBerry. True Group also offers affordable 3G phone and smartphone to facilitate accessibility to 3G services among a wider range of Thai consumers. In addition, the Group leads the sales of other smart devices, such as tablets and aircards. Handsets are either sold outright (untied to any service) or tied with TrueMove or TrueMove H's monthly (postpaid) packages.

### International Roaming Services

International Roaming Services are value-added services that enable True Mobile Group subscribers to use the networks of international operators with whom it has entered into international roaming agreements (Outbound Roaming Service). The roaming services True Mobile Group offers include voicemail, SMS, MMS, mobile Internet (via EDGE/GPRS/3G),

Email, Caller Identification, Missed Call Alerts, Short Code service, BlackBerry roaming and WiFi. These services ensure True Mobile Group customers to stay in touch with both business and personal contacts in more than 230 destinations worldwide.

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

In June 2008, TrueMove joined the Conexus Mobile Alliance, whose subscriber base reaches approximately 350 million at present. As a result, these subscribers can use roaming services in Thailand on True Mobile Group's network. True Mobile Group subscribers also have more options on the roaming services, both voice and non-voice, when traveling in the Asia Pacific region. True Mobile Group and the Conexus Mobile Alliance also rolled out a mobile data roaming plan for smartphones among alliance members. This offers a high mobile-data-access ceiling in most markets, allowing corporate email access and convenient wireless Internet access as well as providing cost benefits to active business travelers who use the alliance's services.

In 2009, True Group launched the "Data Roaming Flat Rate" promotion, where TrueMove subscribers pay up to a maximum charge of Baht 399 per day for their mobile data roaming on the Conexus Mobile Alliance networks. Due to its popular demand, this promotion has been continued every year. In July 2012, True Mobile Group re-launched the promotion, offering a maximum charge of Baht 499 per day in Europe and Oceania, or roaming in Asia via Conexus Mobile Alliance networks for only Baht 333 per day. Currently, True Mobile Group subscribers can benefit from the Data Roaming Flat Rate on 54 mobile networks in 39 countries worldwide. Additionally, True Mobile Group offers SMS sending worldwide for a maximum of Baht 11 per message.

#### International Direct Dialing service

IDD was originally introduced, operated and reported under TrueOnline. At the 2010 AGM, shareholders approved the transfer of TIC to be under TrueMove. TIC was granted a Type Three license from the NTC to provide overseas call services. The IDD service uses Time Division Multiplexing (TDM) technology with the "006" dialing prefix. Currently, True Group's IDD services are available only to subscribers to its fixed-line and True Mobile Group services. TIC is currently negotiating with other mobile and fixed-line operators in order to expand the international calling service to wider users. True Group also introduced the "Inter SIM" promotion with two alternatives for customers to choose from. Our premium service, the "006" dialing prefix via Time Division Multiplexing technology, offers excellent voice quality and fast connection with no dropped call during conversation. Meanwhile, another IDD service via VoIP technology with the "00600" dialing prefix offers customers with more affordable and competitive rates. Currently, Inter SIM can be used to call 230 destinations worldwide via True Mobile Group's International Roaming Service.

Since its inception, True Group's IDD service has grown well. It also facilitated an expansion of True Mobile Group's subscriber base. TIC has continued to promote its IDD services in major communities, such as J-Avenue and along the BTS Sukhumvit. In addition, TIC focused on improving its offerings to better respond to customers' lifestyles. By reaping the benefit of smartphone's rising popularity, in August 2012, TIC introduced "NetTalk by True" application, offering customers with greater value and convenience. The service can be used on both iOS (iPhone and iPad) and Android platforms.

### Network

True Mobile Group 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 its GSM network rollout. This has made its network relatively more efficient and cost-effective. True Mobile Group's 2G network coverage is now on a par with other major mobile operators. However, its 3G+ service coverage (available in 928 *amphoe* (districts) and 6,779 *tambon* (sub-districts) in 77 provinces at the end of 2012) is the most extensive in Thailand.

True Mobile Group has consistently sought to develop and market innovative non-voice products and services. For example, it was the first in Thailand to offer voice SMS, remixable ring tones (through the IRemix service), and "over-the air" top-ups to its subscribers. True Mobile Group also provides 3G, EDGE and other multimedia content-based services, along with comprehensive wireless Internet services using WiFi technology. TrueMove launched the Game SIM to attract online gamers and 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 2011, the Group launched iSim, an innovative data-only package for tablets and aircards, to attract data-centric customers. In 2012, True Group launched "H-perience" including "H TV", a new mobile application for TrueMove H subscribers to access world-class TV content from more than 90 TrueVisions channels, and "H MUSIC", a warehouse of all kinds of digital music content enabling subscribers to enjoy exclusive and latest hits by world-class artists.

Following the successful launch of the Apple iPhone 3G and 3G S models in the Thai market, TrueMove performed extremely well on the launch of the Apple iPhone 4 in late September 2010. Success continued with the launch of iPad 2 in September 2011, iPhone 4 S in December 2011, Samsung Galaxy S3 in mid-2012 and iPhone 5 in November 2012. True Mobile Group also tapped the entry-level 3G and smartphone users by launching campaigns with affordable 3G phone and smartphone like GO Live and GO Live S1 as well as with popular smartphone manufacturers and distributors such as Samsung and HTC. In addition, TrueMove H's most extensive 3G+ service coverage in Thailand, attractive device-bundling campaigns and innovative applications and content across True Group continue to provide True Mobile Group with a competitive edge and help position it as the 3G and premium smartphone leader in Thailand.

### **(3) TrueVisions**

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

TrueVisions was formed in 1998 by a merger of UBC (formerly IBC) and UBC Cable (formerly UTV). TrueVisions operates pay TV services under a 25-year Agreement for Joint Venture in the Membership Television (and Cable Television) Services with 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 service using Ku-band and C-band transmission and MPEG-2 and MPEG 4 video compression. This enables TrueVisions to increase the number of channels, improve sound and picture quality, control access to its signal, and distribute its service everywhere in Thailand. This service is now transmitted via the Thaicom 5 satellite. TrueVisions provides its cable TV services, both digital and analog, using the HFC network of True Multimedia (True Group's subsidiary) in the BMA.

At the beginning of 2006, TrueVisions was successfully integrated into the Group following the acquisition of TrueVisions shares which increased True Group's effective shareholding to 91.8 percent. TrueVisions has since shifted its marketing strategy to penetrate the mass market, a move which has seen the business almost double its subscriber base.

In 2010, TrueVisions was restructured into TrueVisions Group. This was aimed at facilitating operations, especially the obtaining of pay TV licenses from the regulator whenever they are available, and business growth opportunities. True Group's effective holding in TrueVisions Group Company, which is a holding company for the Group's pay TV business, was 100.00 percent. True Group indirectly held 99.31 percent in True Visions Public Company Limited and 98.99 percent in True Visions Cable Public Company Limited, as at December 31, 2012.

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 the viewer experience was not impacted. In 2012 advertising contributed Baht 869 million of revenue to TrueVisions, increasing from Baht 707 million in 2011, mainly due to an expanding audience base, especially in the free-to-air segment, as well as an increase in the number of channels carrying advertising. By the end of 2012, 29 of the 136 channels in TrueVisions' portfolio carried advertising.

TrueVisions conducted various strategies to facilitate future business opportunities as well as to pave the way for an expanding subscriber base. In May 2010, TrueVisions became the first cable or satellite operator in Thailand to offer HD-format channels targeting premium subscribers with the enhanced viewing experience. In October 2011, TrueVisions launched early-bird incentives for premium subscribers to replace their set-top boxes with a new hybrid model, which not only supports high-definition content with greater viewing experience but is also equipped with MPEG-4 encryption and secured silicon technology. The new, more secure MPEG-4 broadcasting system was successfully activated in mid-July 2012. This effectively eradicated the unauthorized access of TrueVisions' premium content, resulting in an increase in premium subscribers since 3Q12. Its HD content offering was also expanded to 17 channels for both satellite and cable subscribers from the initial launch of three channels.

TrueVisions has expanded into the mass market, offering bundled service packages with True Mobile Group called "TrueLife FreeView" (previously, "TrueVisions-UBC TrueMove FreeView"). TrueLife FreeView facilitated TrueVisions' expansion into the mass market, resulting in an increased penetration of the provincial market, which accounted for 43.5 percent of total subscribers at the end of 2012. In addition, FreeView customers can upgrade to the Knowledge package which has 13 additional channels. TrueVisions also penetrated the provincial market through the sales of satellite dishes outright, with a basic offer of 59 free channels, while customers have the option of upgrading to the Knowledge package in a similar way to TrueLife FreeView subscribers.

In 2012, TrueVisions strengthened its mass-market strategy by collaborating with leading local companies, such as PSI and several cable TV operators. This paves the way to increase its subscriber base, enhances advertising revenue and creates opportunity to market TrueVisions' content through its partners' large viewer base.

In addition, TrueVisions launched attractive/ customized packages with its exclusive content to match consumers’ diverse lifestyles and preferences, such as Super Sports Pack in July and Super Entertainment Pack in October 2012.

At the end of 2012, TrueVisions had 2,042,260 customers, of which 743,005 subscribed to normal (premium and standard) packages while the rest were FreeView and Free-to-Air customers.

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

TrueVisions	As of December 31,				
	2008	2009	2010	2011	2012
Customers – normal package					
- Cable TV	129,659	123,349	118,784	114,925	128,046
- DStv	670,178	805,207	810,708	711,995	614,459
Total normal packages <sup>1/</sup>	799,837	928,556	929,492	826,590	743,005
FreeView <sup>2/</sup>	527,096	536,324	519,727	525,816	564,198
Free to air box <sup>2/</sup>	142,538	198,527	255,835	289,592	735,057
Total customers	1,469,471	1,663,407	1,705,054	1,641,998	2,042,260
Blended ARPU <sup>3/</sup> (Baht/month)	988	806	744	765	870

<sup>1/</sup> Including customers in the premium and standard packages

<sup>2/</sup> Excluding upsold customers who pay additional fees to view normal packages

<sup>3/</sup> Excluding FreeView and Free-to-Air customers

TrueVisions offers a variety of top local and international channels including movies (e.g., HBO, Cinemax and Star Movies); 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.

TrueVisions’ four packages along with the number of non-standard channels (standard channels include six free TV channels and 20 educational channels) included in each package are presented below.

Package:	No. of channels	Monthly fee (Baht)
Platinum	136	2,000
Gold	108	1,413
Gold Lite	103	590
True Knowledge	78	299

In addition to the above packages, TrueVisions provides A-La-Carte packages with a maximum of 26 channels where subscribers can choose according to their subscribed packages.

Other key products/services include:

- High Definition Personal Video Recorder (HD PVR): providing advanced features (e.g, recording, zooming, instant-replay) that enhance the viewing experience;
- DStv dish as part of the Satellite Selling Kit or SSK promotion: allowing subscribers to watch 59 TrueVisions channels with no monthly fee; and
- The popular reality TV show, *Academy Fantasia*, which runs annually (normally from May to September). The show has helped retain subscribers during the low-season while generating key content for other parts of True Group.

TrueVisions remains committed to building on its content leadership. Its premium packages offer access to highly popular and almost entirely exclusive international programming. TrueVisions ensures its content is locally relevant by providing Thai-language dubbing and subtitles, and in-house content to match Thai tastes.

#### **(4) TrueMoney**

In 2005 TrueMoney received approval from the Bank of Thailand to offer an electronic money service. The business also acts as a payment agent with the approval of the Revenue Department. It offers complete financial services for consumers under the concept of "Refill-Pay-Transfer-Withdraw". TrueMoney's key products and services include:

- *TrueMoney Cash Card* which allows True Group customers to top up their selected True Group services, including TrueMove/TrueMove H Pre Pay, True WiFi, and many online games.
- *Payment and Collection Service* provided through some 4,800 TrueMoney counters nationwide (in True and TrueMove shops and TrueMoney Express).
- *TrueMoney Express* offers various payment services such as bill payment, E-Cash Card sales and direct top-ups for True Group prepaid 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 True Mobile Group***

This service, launched at the beginning of 2006, allows True Mobile Group subscribers to perform commercial and financial transactions using their mobile phone, anytime and anywhere, under an international-standard high-security system. Subscribers can:

- Top up their credit balance for many True Group prepaid services, such as TrueMove/TrueMove H Pre Pay, Internet airtime and online gaming and WE PCT service;
- Top up their TrueLife FreeView package, with the fee automatically deducted each month from subscribers' TrueMoney accounts. Subscribers can also upgrade to TrueVisions' higher-tier A-La-Carte packages or pay for prepaid programs;
- Pay bills for True Group products and services as well as for services outside the Group, such as utility bills, insurance payments, e-commerce merchants, and annual car tax;
- 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 via mobile phone or website, and use an SMS code provided by a bank to withdraw money from Bank of Ayudhya ATMs; 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 via 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-ups for True Group prepay products, at around 4,000 locations across the country. In November 2007 True Group announced the successful development of Touch SIM, the world's first intelligent contactless mobile payment system using a TrueMoney RFID SIM, in collaboration with China's Watchdata Technologies Co., Ltd. The system became operational early in 2008.

TrueMoney was granted a 10-year license from the Electronic Transactions Commission in July 2009 to operate electronic payment services.

In May 2010, TrueMoney became the first Thai brand to receive US\$250,000 from the GSM Association to help fund the expansion of TrueMoney Express in Thailand. In November 2010, the business signed a Memorandum of Understanding with the Bank of Thailand to promote the implementation of a national payment message standard (NPMS) to replace current message systems and reduce transaction costs through electronic payments. In November 2011, TrueMoney launched "True kiosks", offering complete payment solutions under the "Top-up, Pay, Transfer, Purchase, Reserve" concept to provide more convenience for customers who prefer self-service transactions.

By the end of 2012, some 11 million True Mobile Group subscribers were using TrueMoney services, up from 9 million at the end of 2011.

## **(5) TrueLife**

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

TrueLife comprises Digital content and community services, e-commerce/ online payment and TrueLife+ (True Group's convergence bundling packages).

Since 2006, the online portal Truelife.com has been providing 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 connects people with similar lifestyles or interests. Main content categories are Music, Sports, TV and Movies.

True Digital Plus, the Group's gaming and E-sports operation, became a key market player in 2007 on the publication of its flagship game "Special Force", a First Person Shooting online game, which quickly became popular and has remained highly popular with Thai gamers. FIFA Online, which gained significant momentum during 2010 thanks to the FIFA World Cup 2010, continues to be well received by the Thai gaming community due to the popularity of soccer, which is one of the most popular sports in the world. In addition, True Digital Plus formed a strategic alliance with leading Korean games provider, Dragonfly, in 2009 in order to introduce more exciting new games to the Thai market.

Although the Group has been pressured by rising competition in the gaming market as well as a change in consumer behavior, True Digital Plus continues to explore the market while

launching new games to meet various needs of customers. In addition, True Group plans to expand its online games to various platforms such as personal computer and smartphones.

True Group also publishes online games through NC True, a joint-venture with NCsoft, a world-class online games maker from Korea. NC True offers various types of games, including Lineage II, Guild Wars and Love Beat. These games have continued their popularity among gamers.

TrueLife+ was launched in 2010 as the umbrella under which True Group bundles its products and services. TrueLife+ offers customers greater value through packages that suit their lifestyles.

### ***Bundled Packages***

- The TrueLife FreeView promotion which offers free airtime for TrueMove/ TrueMove H subscribers, depending on the monthly fee and length of service contract (see "TrueVisions" section for more details);
- A single set-top box that can receive both Ku- and C-band signals, priced at Baht 1,590 with no additional monthly charge. This provided up to 240 quality TV shows from TrueVisions and free-TV channels with a better signal quality, even during rain, plus a special offer of an additional 12 TrueVisions channels for TrueMove/TrueMove H customers as well as an upgrade to higher-tariff packages up to and including the Platinum package, depending on the customer's requirements;
- A free "TrueLife Plus" set-top box for customers who apply for the Baht 399+ TrueMove H package or the Baht 599+ ULTRA hi-speed Internet package from TrueOnline. Members can enjoy 60 quality TrueVisions channels, including 70 English Premier League matches for free with no monthly fees. Customers can also upgrade to the True Knowledge package to enjoy 13 additional channels;
- Customers who use two products of True Group are eligible for additional privileges such as, unlimited free Wifi, free HD PVR service, and free HD channels;
- Customers who use three products of True Group for at least Baht 599 per month are eligible for a 10 percent discount on all services; and
- The "Combo Set", a new convergence triple-play package, offers subscribers on a 12-month contract ULTRA hi-speed Internet via DOCSIS 3.0 technology with a minimum speed of 15 Mbps for Baht 899 per month, free viewing of TrueVisions' 72 channels and free fixed-line calls worth Baht 200 per month for 12 months from the Fixed Line Plus service.

True Group is focusing on convergence as its key long-term strategy for driving sustainable growth across all ranges of products and services.

In addition, TrueLife revamped its online shopping service, [www.weloveshopping.com](http://www.weloveshopping.com), after its merger with [www.marketathome.com](http://www.marketathome.com) in 2007. Currently, [www.weloveshopping.com](http://www.weloveshopping.com) features more than 320,000 online stores with around 8.4 million products and services. It is the largest e-commerce website in Thailand and Southeast Asia.

In June 2009, True Group launched the "True App Center" to train Thai developers in the major mobile operating systems including iOS, Windows Mobile and Android. This helps support both handset sales and mobile Internet packages. The center had developed around 250 applications by the end of 2012.

## 4.2 Marketing Strategy

True Group is now one of Thailand's leading lifestyle brands with an aim to provide tailored solutions and a range of bundled telecommunications services across its voice, video and data platforms that match with all customer lifestyles. The Group believes that demand has been shifting towards convergence services that can fulfill all lifestyle needs. All True Group products and services are marketed under the "True" brand. These marketing strategies differentiate the Group from its competitors while facilitating a greater market share and lowering churn rates. Given rising competition in True Group's core businesses, retention marketing is also its key strategy.

## 4.3 Distribution and Sales

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

*Our conventional distribution channels include:*

- Wholesale partners who purchase deactivated SIM cards and top-up cards, mobile devices and accessories from the Group for distribution onto sub-dealers, manage sub-dealers and provide logistical support. Wholesale partners primarily sell True Group's prepaid SIM cards and top-up cards. Sub-dealers also provide other services such as mobile handset repairs as well as music and games downloads;
- The direct sales channel markets True Group's services to SME and corporate clients. It also plays an important role in customer acquisitions for True Mobile Group. The Group further categorizes the direct sales channel into direct sales teams, direct sales agents, and freelancers;
- Multi-retailers located in hypermarkets, specialty stores, and convenience store chains;
- Retail shops, which refer to True shops, True Group partners' shops and kiosks, located in high visibility and high traffic locations, such as shopping malls, hypermarkets, office buildings, etc. TrueLife shops and TrueCoffee also fall into this category; and
- Retail channel partners who comprise retail partners and mobile sales vans, or "Move Up Vans", which are mobile sales points for True Group sales agents nationwide.

True Group's prepaid services (mainly mobile telecommunications services) are normally sold through the first three channels – wholesale partners, direct sales 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 services (to refill TrueMove/TrueMove H prepaid airtime, TrueMoney credit, or topping up TrueLife FreeView packages), the Group offers several electronic channels in addition to using physical cards (i.e., Cash card and Top-up card) as follows:

- ATM – Subscribers can transfer funds directly from their bank account to top up either a TrueMove/TrueMove H or TrueMoney account;
- TrueMoney – Mobile payment services (see details in "TrueMoney services via True Mobile Group);

- E-cash card – Airtime purchases can also be made over the counter at our partners such as Kasikornbank and 7-Eleven;
- Direct top up – Customers can use a device installed at several of the Group’s own locations as well as its partners, such as 7-Eleven, to directly top-up their accounts (an online top up transaction is also categorized as a direct top-up); and
- Public phone booths – since 2007, TrueMove prepaid subscribers can top-up by as little as Baht 10 at over 30,000 public phone booths in the BMA.

In addition, TrueMove/TrueMove H airtime can be sold through independent non-mobile agents or “over-the-air” airtime resellers such as individuals or small shops who are provided with a special SIM card to allow airtime transfer to end-users. These agents can refill their airtime credit through several means (e.g., Cash card, Top up card and ATM). Approximately 100,000 resellers were registered on True Group’s system at the end of 2012.

Although physical cards make the greatest contribution to the Group’s top-up revenues, electronic channels have become increasingly popular among its customers due to the variety of payment methods and the increased number of electronic top-up locations. Since 2009, True Group has boosted profitability by pushing top-up sales through electronic channels to save costs associated with physical cards (production, logistics and warehousing, etc.). It also continued to manage its sales mix so that revenues are generated through channels that are subject to low commission (i.e., via ATM).

The Group arranges 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***

True Group 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 the entire service area, which enables True Group to utilize other routes should one suffer any malfunction.

True Mobile Group 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***

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

### **Technical and Management Support**

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

## **4.5 Thai Telecom Industry**

### **Mobile Business**

The following table shows the breakdown of mobile subscribers over Mobile operators in Thailand which are AIS, and its majority-owned subsidiary, Digital Phone Company Limited or DPC; DTAC; True Group's majority-owned subsidiaries, TrueMove, Real Move (under which the TrueMove H brand operates) and Hutchison-CAT Wireless Multimedia Company Limited; and CAT Telecom and TOT, both Thai state-owned telecommunications enterprises.

Thailand's mobile market has grown substantially from approximately 7.9 million subscribers in 2001 to over 82.0 million at the end of 2012, excluding TOT, CAT Telecom and the Mobile Virtual Network Operators (MVNOs) using TOT's network. This increased Thailand's mobile penetration rate to about 120.7 percent at the end of 2012 (based on a 2012 population of 67.9 million as estimated by the National Economic and Social Development Board). This high penetration rate was led by the increasing trend of mobile users carrying more than one handset and/or having Internet-ready devices such as feature phones, smartphones, tablets and netbooks.

This is comparatively low when compared to other countries in the region with high mobile penetration such as Hong Kong (223.7 percent of the population) and Singapore (149.4 percent of the population); (source: BuddeComm's estimation on mobile subscribers as of 2012 and Internet World Stat's estimation on population figures as of 2012)

The Group's two largest competitors, AIS (together with its majority-owned subsidiary, DPC) and DTAC held a 43.5 percent and 30.9 percent market share of subscribers (excluding subscribers of CAT Telecom, TOT and its MVNOs), respectively while True Mobile Group had 21.0 million subscribers, accounting for 25.6 percent of the market, at the end of 2012.

	As of December 31,				
	2008	2009	2010	2011	2012
AIS	27,310,200	28,772,900	31,200,700	33,459,900	35,743,700
DTAC	18,682,076	19,657,049	21,620,397	23,216,508	25,307,795
True Mobile Group <sup>2/</sup>	14,756,834	15,801,164	17,117,864	18,940,263	20,972,320
Total Subscribers <sup>1/</sup>	60,749,110	64,231,113	69,938,961	75,616,671	82,023,815
True Mobile Group market share (%)	24.3	24.6	24.5	25.0	25.6

Source: Company filings of respective mobile operators (AIS, DTAC, TrueMove and Real Move)

Remark: <sup>1/</sup> Excluding TOT, CAT Telecom and TOT's MVNOs. <sup>2/</sup> Starting from 2011, True Mobile Group includes subscribers from TrueMove, TrueMove H and Hutch.

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 growth in non-voice services, which has been facilitated by the launch of new feature-rich handset models with an expanding range of services.

After intense price competition from 2005 to 2008, the situation started to stabilize in 2009, especially for voice tariffs. The Big Three either grew or sustained their revenue by focusing on non-voice services, especially mobile Internet, the usage of which has grown strongly in Thailand supported by the increasing popularity and affordability of smartphones such as iPhone, as well as from the continued development of content and applications.

Competition increased slightly in 2010 as operators started cutting prices to counter a softening demand in the first half of the year caused by political uncertainty. The competition was mostly concentrated in the on-net segment, where competitors reduced tariffs leading to an overall reduction in price-per-minute charges. This had an impact on TrueMove's performance. However, voice revenue started to recover in August that year after new "per-call" and "single-rate" promotions targeting medium to light users were launched.

Since 2011, the mobile service industry grew mainly on the rising popularity of data services, the introduction of commercial 3G and increasing usage of smartphones, smart devices and social networks. Competition among mobile operators remained high. Several campaigns and new services, most notably 3G, were launched to attract data-centric users by bundling mobile Internet packages with mobile devices, providing ongoing development of attractive content and applications, offering data-only SIMs, and introducing several new data-usage price plans. Mobile operators paid more attention to service quality/network coverage and customer relationship management given the increased ease for customers to switch mobile operators while retaining their phone numbers due to the implementation of Mobile Number Portability ("MNP"). The Thai mobile industry was affected by flooding in the fourth quarter of 2011 with the launches of many campaigns postponed and the purchasing power of some customers reduced as a result.

In 2012, after recovering from the flood, mobile competition in Thailand had risen again due to continued popularity of mobile internet and smartphone usages. In addition, more varieties of smartphones and smart devices had been introduced to the Thai market, especially affordable smartphones targeting entry-level smartphone users. This enabled operators to offer diverse mobile packages and attractive applications in order to better respond to customers' various preferences.

### ***Fixed-line Telephone Business***

The fixed-line market in Thailand is currently serviced by three companies. TOT, the state-owned enterprise that formerly regulated the provision of fixed-line telephone services, is still the only nationwide provider of local and domestic long-distance fixed-line telephone services in Thailand. Two other operators, True and TT&T Public Company Limited or TT&T are providing fixed-line telephone services under agreements to operate granted by TOT. While the Group's service coverage concentrates in the BMA, TT&T covers certain provinces of Thailand.

Thailand's fixed-line penetration rate has been stable at approximately 10-12 percent of the total population (or approximately 30-33 percent of nationwide households) for several years. At the end of 3Q12, fixed-line subscribers in Thailand declined slightly to 6.2 million subscribers (source: NBTC), representing approximately 9 percent of the Thai population. The decline was due to rising popularity of wireless and mobile Internet services. True Group was the largest fixed-line operator in the BMA with approximately 1.8 million subscribers, accounting for 28.9 percent of the market.

True Group's fixed-line telephone business has been mostly affected in recent years by the continuing migration of traffic to mobile, which is a global trend. In addition, its fixed-line telephone business is expected to face growing competition from VoIP services whose tariffs are lower than those of traditional fixed-line operators. Rising Internet usage and the growing availability of personal computers and smart devices are also expected to be factors driving the increasing usage of these devices by Thai consumers for making VoIP calls.

### ***Business Data Services***

The business data market in Thailand continues to grow at about 7 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. The major players in the data communications market in Thailand currently include TOT, CAT, UIH and UCOM, ADC under Intouch (formerly Shin Corporation Group), TT&T and True Group. All these carriers provide leased line, frame relay and Multiprotocol Label Switching (MPLS) services. The Group's principal competitors are TOT (which has the widest coverage throughout Thailand) and UCOM (which has broader coverage outside of the BMA than True Group). New market entrants such as Symphony have recorded tremendous growth since 2008 by targeting the very high-end fiber segment.

At the end of 2012, True Group was the second largest business data provider with a 24 percent share of the nationwide market value of approximately Baht 16.6 billion (Source: True Group's estimation). TOT remained the market leader with a 25 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 about 21.5 percent of some 20.3 million households (source: National Statistical Office), compared to rates in other countries in the region such as Hong Kong (98.5 percent; source: BuddeComm's estimation on Broadband Internet subscribers and Census and Statistics department of Hong Kong's estimation on population figures as of 2012). There are several operators in the Thai Broadband market, including TOT, CAT, JAS operating under the "3BB" brand, CS Loxinfo Public Company Limited ADC, and True Group.

True Group has experienced significant growth in its Broadband subscriber base, from 3,708 subscribers at the end of 2002 to 1.57 million at the end of 2012. The Group is the largest Broadband service provider in Thailand based on the number of subscribers, and have approximately a 36.1 percent share of Thailand market (Source: True Group's estimation) as of 2012.

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 social networks, 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.

In November 2010, the Cabinet approved the Information and Communication Technology Ministry's National Broadband Plan, which aims to spend Baht 20 billion over the next five years to provide hi-speed Internet coverage to 80 percent of the population with a targeted top download speed of 100 Mbps. The policy aims to provide free hi-speed Internet to selected schools, hospitals and low-income earners. TrueMove joined five other operators, including TOT and CAT Telecom, in signing a Memorandum of Understanding to support the policy which is in-line with True Group's mission to help reduce the digital divide in Thailand and transform the kingdom into a knowledge-based society. This initiative, when fully implemented, would support the mission of the Asean Economic Community (AEC), due to be formed in 2015, to promote wider coverage and increased access to Broadband. True Group therefore believes that growth in the Thai Broadband market will continue to grow strongly.

### ***Pay TV Business***

Thailand had roughly 4.8 million pay TV subscribers at the end of 2012, representing a household penetration rate of approximately 23.6 percent. Including satellite and free-to-air subscribers, total subscriber numbers at the end of 2012 were around 12.4 million households with a household penetration rate of approximately 61 percent (Source: True Group's estimate). This is relatively low when compared with other Asian countries: Singapore 66 percent, Hong Kong 86 percent, and Taiwan 94 percent (Source: CASBAA). This presents high growth potential.

TrueVisions is the only nationwide pay TV provider. However, its position as the principal provider is not secured by regulation and it continues to face the threat of new entrants as well as intensifying competition.

Following the enactment of the Radio and Television Broadcasting Act on March 5, 2008, pay TV operators are allowed to advertise, creating opportunities to generate additional revenues from existing content. This adds value to TrueVisions' business; however, it could also strengthen the financial position of small pay TV operators and help them compete more aggressively. Nevertheless, TrueVisions' superior content provides it with a strong advantage.

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 and free-to-air market subscribers. Furthermore, the nature of TrueVisions content allows it to clearly define the viewer characteristics for each channel to the benefit of advertisers.

Starting in 2010, TrueVisions strategically expanded into the mass and free-to-air market to tap its lucrative, high-margin advertising revenue. Increasing the number of eyeballs or audience size is crucial to the business' success in the mass and free-to-air market, which is highly competitive. The overall TV advertising market was valued at about Baht 68 billion in 2012 (Source: AGB Nielsen). The pay TV segment accounts for a relatively small percentage of the overall TV advertising market. This relatively low penetration provides long-term growth opportunities for the industry.

Unauthorized access of TrueVisions' programming signals had pressured its financial performance for the past years. Meanwhile, TrueVisions had worked toward the rolling out of initiatives to protect the intellectual property rights relating to content deployed on its platforms. In October 2011, TrueVisions started replacing old set-top boxes with new ones which support an enhanced/more secure broadcasting system (using MPEG-4 encryption). Given the strong response from its subscribers, TrueVisions activated the system in July 2012, earlier than initial target of October 2012. Once activated, the new broadcasting system effectively eradicated the piracy of TrueVisions' content.

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

The investment in infrastructure necessary to provide a high-quality pay TV service is significant. In addition, TrueVisions has to compete indirectly with the national free-to-air television stations in Thailand. However, TrueVisions' unique programming, including popular first-run movies, knowledge content and sporting events, gives it a distinct advantage over these indirect competitors.

#### **4.6 Regulatory Update**

The regulatory landscape continues to evolve. The Thai telecommunication regulatory regime was set up by the 1997 Constitution, the Frequency Allocation Act B.E. 2543, and the Telecommunication Business Act.

There are several pending regulatory issues in which True Group hopes to see progress. These include the issue of the re-farming of frequencies that are utilized by operators who are approaching the expiry of their agreements to operate and an increase in the number of MNP transactions processed by each operator on a daily basis. The current Constitution was enacted in August 2007. Key laws and regulations remain essentially in effect. In addition, Section 47 of the Constitution indicates that the NBTC be set up to regulate the telecom and broadcasting industry.

On March 5, 2008, the Radio and Television Broadcasting Act B.E. 2551 or Broadcasting Act came into force, giving authority to the NTC to temporarily regulate and grant (one-year) licenses for community radio and non-frequency use services before the establishment of the NBTC. A regulation allowing the granting of such licenses was enacted on November 9, 2009 and the regulator started to grant licenses to small local operators from mid-2010. The Frequency Allocation Act which paved the way for the establishment of the NBTC was passed into law in December 2010 while the formation of the NBTC was completed in October 2011.

From its establishment to its replacement by the NBTC, the NTC issued several regulations prescribing, among other things, the Interconnect Regulation B.E. 2549, bringing the Thai mobile industry into the IC regime since 2007.

In addition, during 2Q10, the NTC proposed the IC rate between fixed-line and mobile network with fixed-line operators charging mobile operators Baht 0.36 per min and mobile operators charging fixed-line operators Baht 0.50 per min. True Group, as one of Thailand's fixed-line

operators which disagrees with such a proposed rate, has filed an appeal with the Administrative Court opposing the NTC’s regulation.

MNP regulations were introduced in August 2009 and the service was launched on December 5, 2010. The service was expanded throughout 2011. In early 2012, in a move fully supported by True Group, the NBTC asked operators to cooperate and increase their MNP transactions to 40,000 per day.

In 2009, the NTC progressed towards the granting of 3G 2.1 GHz licenses by trying to formulate an IM on 3G Licensing Framework, and by holding two public hearings to gather opinions/comments on the matter from all interested parties. The final IM was published in the Royal Gazette in July 2010 empowering the NTC to open the application process for 3G 2.1GHz licensing to interested parties. True Group, along with other key mobile operators – AIS and DTAC – passed the NTC’s pre-qualification process for the 3G auction which was set for September 20, 2010. Unfortunately, a few days before the auction was due to take place, CAT Telecom filed a lawsuit with the Central Administrative Court, questioning the NTC’s authority to allocate frequency. On September 16, the Central Administrative Court ruled in favor of CAT and ordered a suspension to the NTC’s 3G auction.

The process for auctioning 3G licenses has re-started since the complete formation of the NBTC in October 2011. The three master plans (spectrum master plan, telecommunications master plan and broadcasting master plan) and the final draft of the IM were published in the Royal Gazette in April and August, 2012, respectively. Real Future, a subsidiary of True Corp was one of the bidding winners in the auction of the 2.1 GHz frequency auction, being held on October 16, 2012. The results of the auction was endorsed by the telecom committee of the NBTC on October 18 while the 2.1 GHz IMT Spectrum Licenses were granted to the three winning bidders on December 7, 2012.

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

	<b>True’s subsidiaries/ associates</b>	<b>Type</b>	<b>Business</b>	<b>Validity</b>	<b>Date of Board approval</b>	<b>Expiry date</b>
<b>Internet Service Provider (ISP) license</b>						
1	KSC Commercial Internet (KSC)	1	ISP	5 years	23 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 International Gateway (TIG)	2	International Internet Gateway & Internet Exchange (IIG & IX)	5 years	19 May 2011	18 May 2016
5	TrueMove (TMV)	1	ISP	5 years	25 Aug 2009	24 Aug 2014
<b>Telecommunications license</b>						
6	True Life Plus (formerly, True Digital Entertainment)	1	Resale Internet & mobile* services	5 years	2 Aug 2009	1 Aug 2014
7	True Internet (TI)	1	International Calling Card (ICC)	5 years	11 Oct 2009	10 Oct 2014

	True's subsidiaries/ associates	Type	Business	Validity	Date of Board approval	Expiry date
8	True Public Communication (TPC)	1	Public Phone Service	5 years	29 Jun 2009	28 Jun 2014
9	Asia Wireless Communication (AWC)	1	Resale PCT & mobile	5 years	23 Feb 2010	22 Feb 2015
10	True Internet Data Center (TIDC)	1	Resale Internet/ data center/ video conference services	5 years	20 May 2009	19 May 2014
11	True International Gateway (TIG)	3	International Private Leased Circuit (IPLC)	15 years	11 Nov 2009	10 Nov 2024
12	True International Communication (TIC)	3	International Direct Dialing (IDD)	20 years	25 Jan 2007	24 Jan 2027
13	True Universal Convergence (TUC)	3	Fixed Line Service	20 years	8 Dec 2006	7 Dec 2026
14	True Universal Convergence (TUC)	1	Resale PSTN (GPRS, DSL) & leased circuit/channel services	5 years	26 Aug 2009	25 Aug 2014
15	Samut Pakan Media Corporation (SAMUT)	3	Mobile service	15 years	23 Sep 2009	22 Sep 2024
16	KSC Commercial Internet (KSC)	1	Resale IPLC	5 years	11 Nov 2009	10 Nov 2014
17	True Distribution and Sales (TD&S)	1	Resale mobile services	5 years	1 Dec 2010	30 Nov 2015
18	Real Move (RMV)	1	Resale mobile services	5 years	16 Dec 2010	15 Dec 2015
19	Real Future	3	Wireless network service	15 years	7 Dec 2012	6 Dec 2027

	True's subsidiaries/ associates	Type	Business	Validity	Date of Board approval	Expiry date
<b>Broadcasting and Television license</b>						
20	Cineplex Co., Ltd.	Broadcasting and Television Service	Subscription Television Service	1 year	21 Jan 2013	20 Jan 2014
21	Panther Entertainment Co., Ltd.	Broadcasting and Television Service	Subscription Television Service	1 year	21 Jan 2013	20 Jan 2014
22	True Visions Group Co., Ltd.	Broadcasting and Television Service	Subscription Television Service	1 year	21 Jan 2013	20 Jan 2014
23	True Visions Group Co., Ltd.	Broadcasting and Television Network	Subscription Television Network Service	15 years	21 Jan 2013	20 Jan 2028

**5. OPERATING ASSETS**

**The Company and its subsidiaries' major 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, Cellular Mobile phone, Internet services and Pay TV, the Company and True's Group must be transferred to TOT Public Company Limited ("TOT" ), CAT Telecom Public Company Limited ("CAT") and MCOT Public Company Limited ("MCOT").

Unit: Million Baht

	Network equipment			
	31 December 2012		31 December 2011	
	Consolidated	Company	Consolidated	Company
Land and land improvement	1,849	1,849	1,849	1,849
Building and construction	449	398	521	478
Telephone network equipment	6,655	6,657	7,726	7,730
Mobile phone network equipment	40,977	321	33,587	427
Public Phone	49	49	99	99
Multimedia network equipment	10,544	-	7,278	-
Power supply and computer	126	100	154	114
Pay - TV	5,186	-	7,314	-
Work in progress	11,611	15	7,564	15
<b>Total</b>	<b>77,446</b>	<b>9,389</b>	<b>66,092</b>	<b>10,712</b>

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 2012		31 December 2011	
	Consolidated	Company	Consolidated	Company
TOT	8,329	6,646	8,325	7,782
CAT	7,030	-	10,459	-
<b>Total</b>	<b>15,359</b>	<b>6,646</b>	<b>18,784</b>	<b>7,782</b>

Unit: Million Baht

	Network equipment under the Agreements			
	31 December 2012		31 December 2011	
	Consolidated	Company	Consolidated	Company
Land and land improvement	1,849	1,849	1,849	1,849
Building and construction	370	370	447	447
Telephone network equipment	4,142	4,142	5,104	5,104
Mobile phone network equipment	8,998	285	11,384	382
<b>Total</b>	<b>15,359</b>	<b>6,646</b>	<b>18,784</b>	<b>7,782</b>

According to the agreements, the True's Group has the right to operate and maintain these assets over the agreements periods. The True's group assigns the right to operate network equipment which transfer to TOT and CAT (according to the conditional assignment over the Agreement for Joint Operation and Joint Investment, Agreement for operation and licenses) to secure of the Thai Baht borrowings. As at 31 December 2012 the rights to operate network equipment of the Group are secured the borrowings in amount of Baht 14,982.80 million.

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

Unit: Million Baht

	Non-network equipment			
	31 December 2012		31 December 2011	
	Consolidated	Company	Consolidated	Company
Land and land improvement	581	-	546	-
Leasehold right & improvement	1,158	25	1,132	18
Furniture, fixture and equipment	1,526	81	1,316	56
Vehicle	3,295	2	3,312	2
Power Supply & computer	1,392	55	943	91
Work in progress	1,281	23	479	-
<b>Total</b>	<b>9,233</b>	<b>186</b>	<b>7,728</b>	<b>167</b>

Buildings in non-network equipment are secured the borrowings in amount of Baht 843.88 million.

### Intangible assets

Unit: Million Baht

	Intangible assets			
	31 December 2012		31 December 2011	
	Consolidated	Company	Consolidated	Company
Computer Software	2,658	206	2,267	313
Trademark, Copyright and licence	13,554	-	86	-
Leased transponder equipment	2,448	-	2,863	-
Film and Program right	957	-	774	-
Rights to operate	3,755	-	3,975	-
Service contract	12,550	-	13,546	-
Work in progress	296	-	242	1
<b>Total</b>	<b>36,218</b>	<b>206</b>	<b>23,753</b>	<b>314</b>

**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<sup>st</sup> December 2012 net book value was Baht 2,658 million.

**Leasehold right**

Leasehold right represent the consideration paid by a subsidiary to building rental. At 31<sup>st</sup> December 2012 net book value was Baht 65 million.

**Other rights**

Other rights represent the consideration paid by subsidiaries to operating expense. At 31<sup>st</sup> December 2012 net book value was Baht 23 million.

**IMT 2.1 GHz Bandwidth Licence**

IMT 2.1 GHz Bandwidth licence was granted by the National Broadcasting and Telecommunication Commission ("NBTC") to a subsidiary. At 31<sup>st</sup> December 2012 net book value was Baht 13,466 million.

**Right to use transponder**

Right to use transponder is under long-term lease agreement. At 31<sup>st</sup> December 2012 net book value was Baht 2,448 million.

**Film and program rights**

Film and program right represent the rights acquired and obligation incurred under licence agreements the subsidiary, the cost of each program and the program material are accepted and it is available for the first showing. At 31<sup>st</sup> December 2012 net book value was Baht 957 million. (Include right in 1 year)

**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<sup>st</sup> December 2012 net book value was Baht 175 million.

**Rights to operate**

Rights to operate represent the present value of agreements for operation. At 31<sup>st</sup> December 2012 net book value was Baht 3,580 million.

**Service contract**

Service contract represent the present value of service revenue receivable over the agreement period. At 31<sup>st</sup> December 2012 net book value was Baht 12,550 million.

## 6. LEGAL DISPUTES

These are the summaries of the important pending litigation or claims whether by or against True and its subsidiaries as of 31 December 2012.

### Litigations outstanding at the Administrative Court

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

On 23 July 2004, TOT filed an arbitration claim against the Company alleging that the Company failed to comply with 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 favor. 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.

#### **2. Dispute in relation to interconnection charges**

- (1) On 10 November 2008, the Company filed a complaint against the NTC with the Central Administrative Court, requesting a revocation of the verdict of the NTC regarding KorWorPor dispute No. 1/2551, in which DTAC requested the Company to enter into an agreement on telecommunications network connection with DTAC and request for interconnection charge rates to be determined. The Company also requested the NTC to retry Dispute No. 1/2551 by summoning TOT to become a party of the dispute and requested a suspension of the administrative order of the NTC. The Company also submitted a motion requesting for provisional measure to suspend the enforcement of NTC's order. DTAC interpleaded. The Central Administrative Court ruled to dismiss the complaint. The Company filed an appeal against such ruling with the Supreme Administrative Court.
- (2) On 27 May 2010, the Company filed a complaint against the NTC and the Secretary-General of the NTC, requesting for a revocation of the resolution of the NTC referred to in the letter dated 9 April 2010 regarding the determination of temporary interconnection charge rates. Currently, the Central Administrative Court ruled to dismiss the case, True is required to appeal the decision to the Supreme Administrative Court.

- (3) On 3 August 2010, the Company filed a complaint against the NTC, requesting for a revocation of the NTC's order according to the letter dated 29 June 2010, in which the NTC ordered to dismiss the Dispute No. 1/2552 from the dispute resolution process of the Dispute Committee, and ordered the Company and DTAC to use the same interconnection charge rates as determined in Order No. 11/2553, according to the letter dated 9 April 2010. The case is currently pending in the Central Administrative Court.
- (4) On 4 February 2011, DTAC filed a complaint with the Central Administrative Court, requesting the Company and TOT to jointly pay for the interconnection tariff according to the Reference Interconnection Offer of DTAC, i.e., Baht 1.00/minute for Call Termination and Baht 0.50/minute for Call Transit, from 17 November 2006, in the amount of Baht 3,283.05 million. The Company filed a motion challenging the court's jurisdiction under the Act on the Determination of Powers and Duties among Courts B.E. 2542. The case is currently pending the consideration on the jurisdiction of the Central Administrative Court and the Civil Court.

### **3. Dispute in relation to the resolution and order of the NTC acting as the NBTC with respect to the acquisition of shares of the Hutchison Group and the entering into an agreement with CAT Telecom regarding CDMA and HSPA mobile phone services**

On 2 December 2011, the Company filed a complaint against the NBTC and the Secretary-General of the NBTC requesting for a revocation of the resolution and order of the NTC acting as the NBTC according to the letter dated 7 October 2011, issued by the Office of the NBTC. The Secretary-General of the NBTC sent a letter to the Company advising the resolution and order of the NTC acting as the NBTC in which the Company was ordered to make amendments to the agreement for the merger and acquisition by purchasing shares of Hutchison Group, to be in accordance with the Notification of the NTC re: Rules and Procedures for Mergers and Cross-shareholdings of Telecommunications Businesses B.E. 2553, and make amendments to the agreement with CAT Telecom regarding CDMA and HSPA mobile phone services, to be in accordance with the Notification of the NTC re: Measures to Prevent Actions Amounting to a Monopoly or Unfair Competition in the Telecommunications Business B.E. 2549 and the Act on the Organization to Assign Radio Frequency Spectrum and to Regulate Sound Broadcasting and Telecommunication Services B.E. 2553. The Company believed that such resolution and order were unclear and likely to be illegal. The case is currently pending in the Central Administrative Court.

### **4. Dispute in relation to the numbering fee**

On 11 May 2012, TOT filed a complaint with the Central Administrative Court requesting the Company to pay numbering fee in the amount of Baht 407.60 million. On 22 November 2011, the Central Administrative Court ordered to struck out the case. The Company requested the party to regarding the dispute by the Arbitral Proceeding.

The ultimate outcome of the aforementioned lawsuits are presently unable to determine and accordingly, no recognition for possible liabilities have been made in the financial statements unless otherwise stated.

## **Arbitration disputes pending at the Thai Arbitration Institute**

### **1. Arbitration cases filed by the Company**

(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 Joint Operation Agreement. The Company claimed damages in the amount of Baht 5,000.00 million for failure of TOT to calculate and separate the income acquiring from international calls via the Company's network and TOT's network, and damages of Baht 3,407.68 million for the incorrect calculation including interest. The case is currently pending in the arbitration process.

(2) Dispute in relation to the Article 38 of the Joint Operation Agreement.

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 authorization limits of TOT on the Agreement Article 38 as a separate case. The case is currently within the arbitration process.

(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 unauthorized 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 Joint Operation and Joint Investment Agreement. The case is currently within the arbitration process.

- (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 Joint Operation and Joint Investment Agreement by allowing other parties to provide high speed internet service (ADSL). TOT claimed the compensation amount of Baht 2,010.21 million plus interest. In addition, TOT has claimed continuous damages from July 2005 at the rate of Baht 180.00 million per month, plus interest. TOT also requested an order prohibiting the Company from providing ADSL service or allowing any other parties to provide ADSL service. The case is currently within the arbitration process.

- (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 within the arbitration process.

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.

(6) Dispute in relation to remuneration of the Gateway for international long distance telephone service.

On 1 August 2011, TOT filed arbitration against the Company claimed for Baht 91.88 million including VAT and interest regarding to the remuneration of the Gateway for international long distance telephone services through code 007 for the period of July 2004 to May 2011. And claim for occurring interest until payment has been made. Moreover, claiming for outstanding invoice for the month of June 2011, plus interest and VAT. As of 31 December 2012, the Company has accrued expenses amount of Baht 76.57 million. This dispute is in the process of arbitration.

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.

### **3. Assessment from Excise Department**

(1) Dispute in relation to penalties and surcharge for excise tax

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. However, on 2 March 2010, the Company appealed other points which are the results of the judgment. The case is currently in the appealing process.

(2) Dispute in relation to excise tax refund

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 the 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.

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 to refund the request. The Company filed an appeal on 13 May 2009. Accordingly, on 24 February 2009, the excise department had informed the company by letter, by this reason, the Company has a right to file a lawsuit against the excise department with the Central Tax Court for an excise tax refund within 10 years, period of time, after tax was submitted.

(3) Dispute in relation to penalties on value added tax on compensation for excise tax

On 21 March 2011, the Company filed a complaint against the Minister of Finance with the Central Administrative Court requesting for a revocation of the order of the Minister of Finance regarding value added tax on compensation for excise tax in the event of an extension of the period for tax statement filings and remittance of value added tax, dated 15 December 2010. In this regard, the Minister of Finance did not grant approval for the extension of the period for filing value added tax statements to exempt the Company from liability to pay surcharge in the rate of 0.75% per month or fraction of a month pursuant to paragraph 2 of section 89/1 of the Revenue Code, which amounts to Baht 7.31 million. The Court was also requested to rule or order the Minister of Finance to approve the extension for filing the value added tax statement for the period of February 2003 to May 2005, to be on 15 August 2005 to prevent the burden of such surcharges. This lawsuit is currently pending in the Central Administrative Court.

The ultimate outcome of the aforementioned lawsuits are presently unable to determine and accordingly, no recognition for possible liabilities have been made in the financial statements unless otherwise stated.

#### **4. Litigations and arbitration disputes of subsidiaries**

- (1) On 23 July 2001, a complaint claiming damages was filed by a natural person against a subsidiary, Hutchison CAT as a co-defendant with other five defendants to the Civil Court, for breach of a brokerage agreement to claim the amount of Baht 438,579,804.75. The Court of First Instance dismissed the Plaintiff's complaint with respect to Hutchison CAT and certain defendants. Subsequently, the Court of Appeal reversed the judgment and dismissed the entire complaint of the Plaintiff. The case is currently pending in the Supreme Court.
- (2) On 30 December 2003, Bo Bae Inn Co., Ltd. filed a complaint against a subsidiary, Hutchison CAT, with the Civil Court for breach of the base station lease agreement, claiming for payment of rent and expenses on property transporting. On 29 November 2004, it was ruled that Hutchison CAT is responsible for the Plaintiff's expenses in the amount of Baht 10,000. On 24 December 2004, Hutchison CAT filed an appeal, but Bo Bae Inn Co., Ltd. did not. On 19 September 2009, the Court of Appeal reversed the judgment by dismissing the complaint of Bo Bae Int Co., Ltd. On 19 November 2009, Bo Bae Inn Co., Ltd. filed a Dika appeal which was accepted by the Supreme Court. However, Bo Bae Inn Co., Ltd. failed to request the officer to deliver the Dika appeal to Hutchison CAT

without providing a reason for such failure. Currently, the order of the Supreme Court in relation to the issue that Bo Bae Inn Co., Ltd. abandoned its Dika appeal is being awaited.

- (3) In March 2005, a distribution agency of True Visions 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 favor 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. The case is currently in the appealing process.
- (4) On 23 August 2006, CAT Telecom filed a lawsuit against a subsidiary, True Move 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 Telecom. However, CAT Telecom 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.
- (5) On 3 October 2006, a subsidiary, Hutchison CAT, filed a complaint against ProLink International Co., Ltd. with the Civil Court, claiming for service fees regarding the CDMA digital cellular service of CAT Telecom, from 28 January 2006 to 27 June 2006, in the amount of Baht 28,428,740.20. On 29 November 2007, the Civil Court ruled that ProLink International Co., Ltd. had to pay service fees in the amount of Baht 25.60 million together with interest at the rate of 7.5% per annum, from the date of filing the complaint until full payment is made. On 28 March 2010, ProLink International Co., Ltd. filed an appeal and applied for a stay of execution of the case. The Court dismissed the petition regarding the stay of execution because Pro-Link International Co., Ltd. had failed to appear at the hearing on the motion for the stay of execution. On 1 December 2011, the Court of Appeal ruled to affirm the judgment of the Court of First Instance. However, as Pro-Link International Co., Ltd. already closed down and no property has been found for execution purposes, execution cannot take place.
- (6) On 13 October 2006, CAT Telecom filed an arbitration claim against a subsidiary, True Move to claim for a numbering fee amount of Baht 113.58 million. Subsequently, on 15 August 2008, the Arbitration ruled in favor of CAT Telecom 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. On 23 February 2011, the Central Administrative Court has judged that the Arbitrator's ruling is illegal. Thus, the Court ordered to repeal that ruling. On 22 March 2011, CAT Telecom appealed to the Supreme Administrative Court. Subsequently, on 16 June 2011, CAT Telecom filed a petition to the Central Administrative Court to enforce the award of the arbitral tribunal and asked for resolving compliant from the subsidiary. The subsidiary will oppose the claim since the award of the arbitral tribunal has been revoked by the Court and being under consideration of the

Supreme Administrative Court. CAT Telecom is not entitled to file such petition. The case is currently under the judicial process of the Court.

- (7) On 1 December 2006, a subsidiary, True Move was filed a civil case by a group of person claiming damages amount of Baht 44.37 million. 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. The court ruled on 29 September 2011 that True Move paid the amount of Baht 1.06 million (excluding default interest), so the plaintiff filed an appeal against the Court judgment.

Subsequently, on 22 January 2013, Mahasarakham Court made an appointment for a hearing with the fourth Court of Appeal judgment reversing the decision by the Court of First Instance that True Move won the case in which the injured party may file an appeal to the Supreme Court.

- (8) On 30 April 2007, TOT filed a complaint against the NTC and the Secretary-General of the NTC to seek revocation of the NTC's order which ordered TOT to make all numbers of TOT connectable to all networks. A subsidiary, True Move interpleaded to be a party in the case. On 9 October 2009, the Central Administrative Court rendered a judgment to dismiss TOT's complaint. On 6 November 2009, TOT appealed the judgment to the Supreme Administrative Court. The case is now pending in the Supreme Administrative Court.
- (9) On 28 May 2007, the Provincial Electricity Authority filed a complaint against a subsidiary, True Move with the Maha Sarakham Provincial Court. The ground of lawsuit is tort due to the fire of True Move's network which damaged the equipment of the Provincial Electricity Authority. Damages of Baht 350,396.50 were claimed. On 8 August 2008, the Maha Sarakham Provincial Court rendered a judgment to dismiss the complaint of the Provincial Electricity Authority. The Provincial Electricity Authority later filed an appeal against such judgment. On 23 December 2010, the Court of Appeal, Region 4, affirmed the judgment of the Court of First Instance. On 15 February 2011, the Provincial Electricity Authority filed its Dika appeal. The case is now pending in the Supreme Court. The Supreme Court issued a judgment on 21 January 2012, the Court confirmation of the judgment of the Civil Court.
- (10) On 9 August 2007, CAT Telecom notified four banks which issued the letters of guarantee to a subsidiary, True Move 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 Telecom 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 Telecom from claiming bank guarantees and to prohibit the four banks to pay for until the arbitration award are issued. The Courts ruled in favor of the subsidiary. On 27 September 2007, the subsidiary submitted a claim against CAT Telecom through the Thai Arbitration Institute and the case is currently under consideration of the Arbitration Office.

- (11) On 9 January 2008, CAT Telecom 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. On 16 September 2011, the arbitrator decided to withdraw the claim. Consequently, the subsidiary is not required to pay the claim. On 25 November 2011, CAT Telecom has filed a petition to revoke the arbitration award with the Central Administrative Court. The case is currently under the court process.
- (12) On 19 February 2008, CAT Telecom filed an arbitral dispute against a subsidiary, True Move, claiming for additional revenue sharing amount of Baht 45.95 million. (fine regarding delay of additional revenue sharing for the 6<sup>th</sup> -8<sup>th</sup> year). On 6 March 2012, the tribunal issues award that the subsidiary is required to pay the claim in amount of Baht 7.0 million. However, the subsidiary has already filed a petition to revoke the award with the Central Administrative Court since 29 June 2012. CAT Telecom has also applied for revocation of the arbitral award. And True Move asked the Court to order to consolidation of cases, The Court has the agreed orders. Now this case is under Central Administrative Court's consideration.
- (13) On 6 August 2008, CAT Telecom filed an arbitration against a subsidiary, True Move, 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. On 19 March 2010, CAT Telecom has filed amendment claim from Baht 689.84 million to Baht 1,379.68 million. On 16 July 2010, the arbitrators have unanimous made an award to dismiss CAT Telecom's claiming. On 27 October 2010, CAT Telecom brought the case to the Central Administrative Court asked to revoke the arbitration's award. The case is under consideration of the Central Administrative Court.
- (14) On 30 December 2008, CAT Telecom submitted a complaint of arbitration against a subsidiary, Hutchison CAT is claiming for the service charges which CAT Telecom was unable to collect, license fees, numbering fees, additional minimum revenue guarantee, and excise tax which CAT Telecom paid together with the value added tax, under the Marketing Service Agreement for Cellular Digital AMPS 800 Band A System, totaling Baht 1,204.0 million. The proceedings for such dispute were temporarily suspended and the case was struck out from the case directory. However, the arbitration proceedings for such dispute have resumed and the case is now pending arbitration.
- (15) On 29 January 2009, CAT Telecom filed an arbitral dispute against a subsidiary, True Move, claiming for transfer and conveyance of 4,546 units of masts and towers together with their accessories to CAT Telecom. If, in any event, the transfer and conveyance of the subsidiary are impracticable, the subsidiary shall pay to CAT Telecom for the amount of Baht 2,766.16 million. True Move filed a statement of objection to the Arbitration Office on 3 September 2009. The case is currently under the process of Arbitration.
- (16) On 15 May 2009, CAT Telecom filed an arbitral dispute against a subsidiary, True Move claiming for reimbursement of numbering fee for four-digit special number "1331", which CAT Telecom 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 Telecom had paid the numbering fee to NTC to the date that the subsidiary fully reimburses to CAT Telecom. The subsidiary made a statement of objection on 11 December 2009. The case is currently under the process of Arbitration.

- (17) On 22 May 2009, a subsidiary, TIC filed a complaint against the NTC with the Central Administrative Court. The lawsuit concerns the Notification of the NTC re: Approval for Telecommunications Business-Related Contracts Made with Foreign Governments, which determined that the licensee (in this case is TIC) must submit to the NTC a copy of the contract to be made with a foreign government at least seven days in advance, for the NTC's consideration and approval. In this regard, NTC resolved that TIC has to amend the contract to materially read that "for any action which, pursuant to the law of telecommunications business in Thailand, is subject to Thai laws, the parties shall also comply with such laws." Although the NTC did not force the parties on the matter of the choice of law or court in relation to civil dispute resolution, anyway to force TIC to put such content into the agreement, would put unreasonable burden on TIC. This is because it will cause the oversea party to not agree to execute the contract which will cause grievance or damages to TIC. On 29 March 2012, the Central Administrative Court ruled to dismiss the complaint as it deemed that the NTC's resolution was legal. On 26 April 2012, TIC filed an appeal against the judgment of the Central Administrative Court with the Supreme Administrative Court. The case is now pending in the Supreme Administrative Court.
- (18) On 14 October 2009, CAT Telecom filed a complaint of arbitration, demanding a subsidiary, Hutchison CAT to pay license fees, numbering fees, minimum revenue guarantees for the period of October 2007 and September 2008, and penalties for delays in payments of monthly service fees to CAT Telecom under the Marketing Service Agreement for Cellular Digital AMPS 800 Band A System, totaling Baht 241.0 million. The proceedings for such dispute were temporarily suspended and the case was struck out from the case directory. However, the arbitration proceedings for such dispute have resumed and the case is now pending arbitration.
- (19) On 11 June 2010, AIS filed with arbitration against the subsidiary, True Move, claiming for interconnection charges payment amount of Baht 88.60 million. The case is currently under the process of Arbitration.
- (20) On 15 June 2010, the Office of the Consumer Protection Board (OCPB), as the plaintiff, filed a complaint against a subsidiary, Hutchison CAT Wireless Multimedia, as co-defendant with CAT Corporation Co., Ltd. with respect to the breach of contract which demands the defendants to pay compensation to the petitioner, who was unable to use the mobile phone service free of charge for 10 years as per the offer made by CAT Corporation Co., Ltd. The amount of claim is Baht 138,604.65. The Court of First Instance ruled that both defendants are jointly liable to pay compensation of Baht 138,604.65, together with interest in the rate of 7.5% per annum. The case is in the appeal process.

- (21) On 16 June 2010, Mr. William Lyle Monson filed against a subsidiary, TVS as the first Defendant and the three defendants as the second to the fourth defendant in charges tort to pay compensation and damages of Bath 660,000,000. The plaintiff alleged that TVS and all defendant co-corruption of the equipment and the Transmitter from the plaintiff, the first and the third defendant requested the dispute of Preliminary provision ,to be lapsed by prescription and Double jeopardy. The Court of First Instance decision to dismissed the case on 15 November 2009. And the Court of Appeal issued a judgment confirming the judgment of the court of First Instance on 22 November 2011 by a decision that claims arising from tort to precluded by prescription at the expiration of one year from the date that the plaintiff who knew about the tortuous actions and liability to pay the compensation. The plaintiff has filed a petition to extension of time to file a Dika on 7 February 2013.

Furthermore, the plaintiff also filed TVS on two criminal charges. In First Charge is giving the false statement and claiming damages , the second Charge is provide false evidence. Court of First Instance and the Court of Appeal issued a judgment dismissing the case because lapse by prescription. Which the Court of First Instance and Court of Appeal dismissed the plaintiff, is not allowed to dika in fact and regulations unless the judge who considered or signed in the judgment made the dissenting opinion in the first instance or on appeal deem expedient to High Court or Supreme Court or Director General (Attorney General) have signed to certify in Dika . For the first charge. Plaintiff filed a Dika appeal on 26 November 2012 but Supreme Court was not accepted it. The second charge, on 9 January 2013, the Plaintiff filed the petition to the court for certify in dika. Now pending on the order.

- (22) On 5 July 2010, CAT Telecom filed a complaint against the NTC with the Central Administrative Court requesting for a revocation of the NTC's Adjudication No. 1/2553 in the case filed by Advanced AIS, Total DTAC, and a subsidiary is True Move with respect to CAT Telecom's price fixing considered as market dumping. This is by fixing the interconnection charge at Baht 0.50 per minute. The Court later summoned AIS, DTAC and True Move to the case. The case is now pending in the Central Administrative Court.
- (23) On 8 October 2010, a natural person filed a complaint against two subsidiaries, True Visions and True Visions Cable, as co-defendants, with the Central Intellectual Property and International Trade Court on the ground of copyright infringement. It was claimed that the broadcasting copyright obtained by these subsidiaries did not include the audio broadcast of musical work. Damages was claimed in the amount of Baht 6,000,000. The case is now undergoing mediation process in the Central Intellectual Property and International Trade Court.
- (24) On 14 October 2010, a subsidiary, True Move filed a complaint against the NTC with the Central Administrative Court regarding the on-net, off-net dispute in which the NTC passed its Resolution No. 10/2553 and Order No. 19/2553 prohibiting business operators from collecting different fee rates between off-net calls and on-net calls from customers. The dispute is currently pending in the Central Administrative Court.

- (25) On 25 February 2011, CAT Telecom has filed an arbitration against a subsidiary, True Move Co., Ltd., claiming for the minimum bank guarantee amount of Baht 646.00 million and Baht 679.00 million, totaling of Baht 1,325.00 million to guarantee the performance of 14<sup>th</sup> year and 15<sup>th</sup> year. On 7 October 2011, the subsidiary has made a counterclaim against CAT Telecom request for returning a minimum bank guarantee for year 11<sup>th</sup> to year 13<sup>th</sup> and claim the amount of Baht 56.19 million. The dispute is currently under consideration by the tribunal.
- (26) On 8 April 2011, a subsidiary, True Move filed a complaint against the NTC acting as the NBTC and the Secretary-General of the NBTC with the Central Administrative Court in relation to the dispute of administrative penalties imposed regarding the mobile number portability (MNP) services. The amount of claim is approximately Baht 13 million. The NTC claimed that business operators delayed in providing the MNP service. The dispute is pending in the Central Administrative Court.
- (27) On 25 April 2011, DTAC filed a lawsuit against CAT Telecom and the board of CAT Telecom with the Central Administrative Court, claiming that the board of CAT Telecom unlawfully passed a resolution obligating CAT Telecom to enter into a contract to carry out business regarding mobile phone service in technology 3G HSPA with True. According to this CAT Telecom is alleged that it had neglected official duties required by the law to be performed, and that the contract of 3G HSPA project had been concluded against the law. Therefore, DTAC requested the Court to revoke CAT Telecom board's decision and to halt all operations of the project. DTAC filed a motion requesting the court to determine a provisional remedial measure prior to the final judgment, together with the complaint. However, on 19 May 2011, the Central Administrative Court dismissed the second claim of the case (the claim that CAT Telecom had neglected official duties required by the law to be performed) which is essential for the Court's consideration whether or not to prescribe a provisional remedial measure. As such, the motion requesting for provisional remedial measures was also dismissed. Nevertheless, on 17 June 2011, DTAC filed an appeal against such order of the Central Administrative Court. The appeal is now pending in the Supreme Administrative Court. As for other claims admitted by the Central Administrative Court, True's subsidiaries, BFKT and Real Move had interpleaded to become parties of the case since the final outcome of the case may affect True Group due to the fact that they are a party of the contract of the said project. The Central Administrative Court has already admitted both companies to become parties in this case. Later, DTAC requested to withdrawn the lawsuit. On 24 October 2012, the Central Administrative Court had ordered to withdrawn and was struck out from the case directory.
- (28) On 9 August 2011, a subsidiary, True Move issued a letter to the board of NTC acting as the board of NBTC, requesting it to order an adjustment of interconnection charge rate between True Move and AIS and between True Move and DTAC, has the order to AIS and DTAC enter into an interconnection agreement using the same charges rate as determined in the contract entered with CAT Telecom according to the adjudication of board of NTC in the dispute No. 2/2553 and No. 1/2553. On 26 April 2012, the board of NTC and NBTC had

ordered to struck out this complaint and negotiate through the Joint Committee under the interconnection Contract. By consideration of the Notification of the NBTC, regarding the maximum rate of services. And reported the results to the NBTC. True Move did not agree with the issued Order. On 19 September 2012, True Move had filed a lawsuit against the Central Administrative Court to request an order to revoking such as Black Case No. 2292/2555 which is now pending in the Central Administrative Court.

Respectively, on 22 March 2012, True Move sent a letter to NBTC, requesting it to order an adjustment of interconnection charge rate or to allow it to terminate the interconnection contract concluded with AIS and DTAC in order to comply with the order of the board of NBTC No. 14.1/2554 on 8 July 2011 and No. 11/2553 on 20 April 2010 is the rate of the interconnection charge reference (Reference Rate) by adding points that AIS and DTAC are dominant Firms and NBTC had called AIS and DTAC to explain the facts, and to order True Move filed an objection in fact of AIS and DTAC to NBTC before 8 October 2012, True Move already filed, later NTC had the order to set up an inquiry Committee for consideration of the issued of Anti-Trust Measures and True Move to filed the document to explain the facts to that Board on 19 December 2012 and explaining the fact to an inquiry Board on 11 January 2013, is currently in the process of investigation the facts.

- (29) On 8 September 2011, CAT Telecom filed an arbitration claim against a subsidiary, True Move regarding to revenue sharing amount of Baht 11,946.15 million. The case in the arbitration process.
- (30) On 14 September 2011, a subsidiary, True Move filed a lawsuit against the board of the NTC acting as the board of the NBTC and the secretary-general of NBTC to the Central Administrative Court on the issue regarding the collection of information and details on pre-paid mobile phone customers as stated of Notification of the NTC re: Number allocation and administration B.E. 2551 (2008). By filing to revoked the notification in the Article 38 and Article 96 and withdraw the resolutions and decisions of the NTC. The Central Administrative Court dismissed the claim in the part regarding the revocation of the notification of the NTC due to the fact that the claim was submitted over limitation and the merit of the case was not of the public interest, as it did not have any effect on mobile phone customers. True Move appealed against the Court's order to partially accept the complaint. Currently, the appeal is pending in the Supreme Administrative Court. The other dispute of case is pending in the Central Administrative Court. In addition, on 25 January 2012, the secretary of NBTC issued a warning letter to True Move, and on 30 May 2012, the secretary of NBTC issued another notice to True Move advising that it still fails to comply with the order of the secretary-general of NBTC, the adjudication of the board of NTC acting as the board of NBTC, and the warning letter. The secretary-general of NBTC, therefore exercised its power according to Section 66 of the telecommunications business act, B.E. 2544, by determining an administrative fine of Baht 80,000 per day from the date that the period of 30 days since receiving the warning letter lapsed. Later, on 19 September 2012, the Central Administrative Court had the order to stipulate in measures or a provisional remedial measure prior to the final judgment by withhold the administrative regulations according with the Secretary-General of

the NBTC's order has a penalty at the rate of 80,000 per day temporarily until final dated of the case or until the court has changed judgment. This above order causes True Move to be forced to pay the fine at a daily rate 80,000 baht until the final of the case or until the court changes the judgment or the order. Otherwise, on 17 October 2012 NBTC and the Secretary-General of the NBTC appeal against an order of the Central Administrative court to the Supreme Administrative Court within 30 days. Currently, the appeal is pending in the Supreme Administrative Court. If the Supreme Administrative Court has ordered to admit the appeal that to be continue to the Supreme Administrative Court proceedings. In the addition, The Central Administrative court has order to suspend of the Administrative's order in which to store data and information about the user. Because that if the suspension of True Move as the above order. It'll be cause the advantage among telecommunications operators and will cause obstruction to the administration of the State or the public. As a result of the above order, True Move further need to store data and the information about the user. If the final judgment of the court is the orders, resolutions and decisions of the dispute that legality may be True Move having to pay fines and have to comply with the order, and if True Move is ignored and not treated properly or there is a serious risk to the public, The Board of NBTC has the right to suspend or revoke a license. However, the section 66 of the Telecommunications Act 2544, requires that the offender shall be suspension or revocation of a license that made by the notifications of the Board of Directors of the NBTC, but at present there is no such notifications.

- (31) On 2 December 2011, a subsidiary, Real Move filed a lawsuit against the board of NBTC and the secretary-general of the NBTC to the Central Administrative Court requesting for a revocation of resolution and administrative order of the board of NTC acting as board of NBTC notified to Real Move according to the letter from the office of NBTC, by the secretary-general of the NBTC dated 7 October 2011. Real Move was ordered to amend the agreement on merger of companies by purchasing shares of Hutchison group to be in accordance with Notification of the NTC re: Rules and Procedures for Mergers and Cross-shareholdings of Telecommunications Businesses B.E. 2553, and to amend the agreement entered with CAT Telecom with respect to the mobile phone service in CDMA and HSPA technology to be in accordance with the Notification of the NTC re: Measures to Prevent Actions Amounting to a Monopoly or Unfair Competition in the Telecommunications Business B.E. 2549 and the Act on the Organization to Assign Radio Frequency Spectrum and to Regulate Sound Broadcasting and Telecommunication Services B.E. 2553. However, Real Move is of the opinion that the resolution and the order of the board of NTC acting as the board of NBTC is vague and illegal. Currently, the case is pending in the Central Administrative Court.
- (32) On 7 November 2011, a subsidiary, TIC requesting the dispute committee to order Advance Info Service Public Company Limited to enter into an interconnection agreement by using the interconnection charge rate of Baht 0.50 which is the same rate that AIS agreed in the interconnection agreement entered with CAT, and requesting for urgent temporary network connection. On 14 June 2012, the dispute committee passed its decision obligating True Communication and AIS to negotiate on the interconnection agreement according to the Reference

Interconnection Offer of AIS. Nevertheless, the parties could not find an agreement on the matter within 90 days from the date AIS received the letter requesting for the interconnection which is timeframe prescribed in the Interconnection Charge Regulation B.E. 2549. Thus, the interconnection charge rate between TIC and AIS shall be as stated in the order of the board of National Broadcasting and Telecommunications Commission in the amount of Bath 0.50 per minute. Therefore, the interconnection charge rate between TIC and AIS has to be as determined according to the board of NBTC i.e. 0.50 Baht per minute. The NTC's adjudication is TIC will executed the contract with AIS in the rate of 0.50 Baht per minute. Currently, the Contract is pending on the negotiating

- (33) On 7 November 2011, ,a subsidiary, TIC requested the dispute committee to order DTAC to enter into an interconnection agreement by using the connection charge rate of Bath 0.50 which is the same rate as DTAC agreed in the interconnection agreement with CAT Telecom, and requesting for urgent temporary network connection. On 14 June 2012, the dispute committee ruled to dismiss the complaint of TIC and the request for urgent temporary network connection. Currently, the dispute is pending the board of NBTC's consideration.
- (34) On 8 May 2012, a subsidiary, True Move filed a lawsuit against the board of NBTC and the secretary-general of NBTC to revoke the administrative order and the resolution of the board of NBTC and the Order of secretary-general of NBTC which prohibit the mobile phone operators in regard to pre-paid type to promote sales in such a manner that obligates customers to use the service within fixed period of time (Validity). And also request the Court to order a provisional remedial measure. The case is now pending the Central Administrative Court's consideration. Moreover, on 8 May 2012, the secretary-general of the NBTC issued a warning letter to True Move to amend its terms on pre-paid mobile phone service type to no longer obligate the customers to use the service within any fixed period of time. Lastly, on 31 May 2012, the secretary-general of NBTC issued a letter imposing an administrative fine to True Move in the amount of Baht 100,000 per day since 30 May 2012 onwards. Later on 19 June 2012, True Move has filed an appeal against the ruling of the Secretary-General of the NBTC., And on 16 July 2012, True Move is submitting a motion to the Court requesting for a suspension of the enforcement of the order and the resolution of the board of NBTC and the order of secretary-general of NBTC, or prescribe any provisional remedial measure before the delivery of judgment. On 9 November 2012, The Central Administrative Court revoke the above request, As a result, True Move had to abide by the orders of the Secretary-General of the NBTC. Then True Move should still be forced to pay a fine in the amount 100,000 per day until True Move should to operate properly lawful.

Later on 25 September 2012, Under Resolution No. 35/2555 of NTC. by the Secretary-General of NBTC. Therefore they had the letter to True Move on dated 11 October 2012 to report the result of considerate an appeal to affirmed the orders of the Secretary-General of NBTC, that True Move to pay the fine of Baht 100,000 per day.

As a result of the appeal is dated 10 January, 2013 True Move has filed a lawsuit against Secretary NBTC. to the Central Administrative Court to revoke the order to an administrative fine on 100,000 baht and petition the court to determine the measures and procedures for the temporary relief before the judgment . Present, This case is depending on the consideration of the Central Administrative Court.

- (35) On 30 August 2555, CAT Telecom has filed an arbitration against to Institute of Arbitration, Office of Dispute Resolution, Office of the Judiciary. A dispute no black 112/2555 to requested for a subsidiary, True Move deliver the Bank guarantee to guarantee the 16<sup>th</sup> year operation as the clause 6.4 of the contract. CAT Telecom claim that True Move send the guarantees a minimum income in 1<sup>st</sup> year- 13<sup>rd</sup> year, but True Move does not deliver the Bank guarantees the 14<sup>th</sup> year and 15<sup>th</sup> year, CAT has filed a dispute to arbitration as a dispute no. 14/2554, until the expiry dated that True Move did not deliver the Bank guarantee of the 16<sup>th</sup> year. Currently, The case is in the arbitration process.

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

### **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 Telecom may require the Thai Cabinet's approval, pursuant to the Act on Private Sector Participation in State Undertaking, In the case that CAT Telecom did not obtain the approval, it would cause the subsidiary to be subject to less favorable conditions. The Group's legal counselor 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 Joint Operation and Joint Investment Agreement between the Company and TOT. The terms of the Joint Operation and Joint Investment 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 Telecom and other mobile telecommunications service providers to use this network for mobile telecommunications services and obtained access charges from CAT Telecom and the other mobile telecommunications service providers. However, TOT disagreed that the use of the Company's wire line network for mobile telecommunications services was a "special service" and therefore refused to provide the Company with the additional considerations. The Company claimed for its portion of revenue sharing regarding

access charges received by TOT starting from October 1992 to June 2003 amount of Baht 25,419.40 million. On 21 February 2006, the Arbitration delivered to the Company rulings of the arbitration dated 17 January 2006. The arbitral rulings are as follows:

- (1) The Company is entitled to benefits derived from TOT's provisions of special services on the Company's network or from TOT's permission for other parties to provide special services on the Company's network.
- (2) With respect to benefits from the beginning until 22 August 2002, TOT must pay the Company the sum of Baht 9,175.82 million plus interest at the rate of 7.5% per annum from 22 August 2002. The payment must be made within 60 days from the receipt of the arbitral award. As at 31 December 2011, TOT has not paid any amount. The amount included interest as at 31 December 2011 was Baht 15,620.26 million
- (3) As from 23 August 2002, TOT must pay to the Company 50% of the benefit derived by TOT from the portion accessing to the Company's network.

On 20 April 2006, TOT filed a motion with the Central Administrative Court requesting an order to revoke the Arbitration 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 Award. The Central Administrative Court ordered to combine the case with the case of TOT requesting the Court to revoke the Arbitration Award.

On 19 September 2012, the Central Administrative Court passed its judgment to revoke the Arbitration Award of the Arbitration Panel. The request of the Company to execute the Arbitration Award was declined due to the reason that the Award of the Arbitration Panel is contrary to the Joint Operation and Joint Investment Agreement. The execution of the Award will be against the public order and good moral, as such the Court is entitled to revoke the Award of the Arbitration Panel. However, the Company will further proceed to protect the interest of the Company by filing an appeal against the judgment to the Supreme Administrative Court. Present, this case is depending on the consideration of the Supreme Administrative Court.

## **2. A subsidiary's access charges**

On 5 October 2006, a subsidiary, True Move 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, True Move issued a written notification informing TOT and CAT Telecom 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. True Move 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 True Move that True Move was not entitled to interconnect its network with the TOT network because True Move 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.

On 24 January 2007, True Move filed a lawsuit against TOT with the Central Administrative Court, requesting TOT to manage for the connection of network to enable the numbers of True Move's customers newly allocated from NTC totaling 1.5 million numbers to be usable including claiming compensation in the amount of 84 million Baht. True Move also submitted a motion requesting for provisional measure to have all numbers of True Move's customer be able to connect with TOT's numbers. On 26 January 2007, the Central Administrative Court ordered the motion in favor of True Move. On 30 January 2007, TOT appealed against such court's order in which the Supreme Administrative Court sustained the order on the provisional measure of the Central Administrative Court. On 26 February 2012, the Central Administrative Court rendered its judgment to have TOT arrange for network connection so that the numbers are completely usable and further ordered TOT to pay damages to True Move in the amount of one million Baht. TOT appealed against the judgment to the Supreme Administrative Court. The case is now pending in the Supreme Administrative Court.

Pertaining to the NTC's announcement regarding the dispute resolution in respect of uses and interconnection of telecommunication network (IC), True Move 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 True Move 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 True Move on the condition that specific only the numbers allocated by NTC. On 23 June 2008, True Move notified to agree with TOT's offering. For the old numbers, True Move will carry on the case and depend on judgment of the Civil Court.

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

On 9 May 2011, TOT filed a lawsuit with Central Administrative Court against CAT Telecom jointly and True Move claiming for an access charge amounting of Baht 41,540.27 million. The case is currently pending in the Central Administrative Court.

If True Move has to pay such access charges, True Move would record additional expense and be liable to accrue additional access charges for the period from 18 November 2006 to 31 December 2012 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 2011	25,774.29	19,092.97
For the year 2012 ended 31 December 2012	4,548.88	3,212.18
Total	<u>30,323.17</u>	<u>22,305.15</u>

The management and its external lawyer have opined that True Move 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 31<sup>st</sup> December 2012, the Company's authorized capital is Baht 153,332,070,330 consisting of 15,333,207,033 ordinary shares with a par value of Baht 10 per share. The Company's paid-up capital is Baht 145,031,791,510 comprising of 14,503,179,151 ordinary 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) 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 the 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 15<sup>th</sup> March 2012, Thai NVDR Company Limited invested in the Company's ordinary shares in the amount of 404.90 million shares, which represents 2.79 percent of the total issued and paid-up capital of the Company.

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

As at 31<sup>st</sup> December 2012 the Company has one tranche of unexpired warrants which is the warrants to purchase the Company's ordinary shares issued to certain directors and employees at executive level under the ESOP 2007 Project. The details are as follows:

#### The ESOP 2007 Project

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

Number of Warrants Issued and Outstanding	: 38,000,000 units
Date of Issuance	: 15 <sup>th</sup> May 2008
Maturity	: 5 years from the issuance date
Date of Expiry	: 14 <sup>th</sup> May 2013
Exercise Period	: 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 <sup>st</sup> Certificate: Warrant Holders can start exercising from the last business day of May 2008 until its expiration. The 2 <sup>nd</sup> Certificate: Warrant Holders can start exercising from the last business day of February 2009 until its expiration. The 3 <sup>rd</sup> Certificate: Warrant Holders can start exercising from the last business day of February 2010 until its expiration.
Exercise Price and Ratio	: One unit of warrants entitles purchase of one ordinary share at Baht 7.00

## **Obligation in stock issuance in the future**

### **1) 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 27<sup>th</sup> 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.

The warrants expired on 9<sup>th</sup> June 2010, therefore the shares reserved for this purpose will be canceled according to legal procedures in the future.

### **2) 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 23<sup>rd</sup> September 2004 has approved the issuance and offering 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 10<sup>th</sup> 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 6<sup>th</sup> February 2010, therefore the shares reserved for this purpose will be canceled according to legal procedures in the future.

### **3) 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 15<sup>th</sup> July 2005 has resolved to approve the issuance and offering 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.

The warrants were expired on 27<sup>th</sup> April 2011, therefore the shares reserved for this purpose will be canceled according to legal procedures in the future.

### **4) 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 11<sup>th</sup> April 2006 has approved the issuance and the offering 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.

The warrants were expired on 30<sup>th</sup> January 2012, therefore the shares reserved for this purpose will be canceled according to legal procedures in the future.

**5) 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 24<sup>th</sup> April 2007 and the Extraordinary General Meeting of the Shareholders No. 1/2550 held on 16<sup>th</sup> July 2007 has resolved to approve the issuance and the offering 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.

**6) For offering to the existing shareholders**

The Extraordinary General Meeting of the Shareholders No. 1/2551 of the Company held on 19<sup>th</sup> December 2008 passed a resolution to allot 10,000,000,000 new ordinary shares for offering.

The Company had offered the shares for two periods, firstly during 2<sup>nd</sup> - 6<sup>th</sup> February 2009 and secondly, during 30<sup>th</sup> May - 3<sup>rd</sup> June 2011, the number of total shares subscribed is 9,999,999,996 shares

Consequently, there are 4 shares remaining from the aforesaid offering which will be canceled according to legal procedures in the future.

**7) For offering to IFC**

The Extraordinary General Meeting of the Shareholders No. 1/2551 of the Company held on 19<sup>th</sup> 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 16<sup>th</sup> 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.

**8) For reserving the exercise of convertible debentures**

The General Meeting of the Shareholders No. 1/2551 held on 29<sup>th</sup> April 2008 had resolved to approve the issuance and offering of convertible debentures with the principal amount not exceeding Baht 4,000 million. In this regard, the said General Meeting of the shareholders had approved the allocation of 630,000,000 new ordinary shares to be reserved for the exercise of the convertible debentures where the conversion price may be lower than the par value (Baht 10) but not less than Baht 6.35 per share.

However, the Company does not issue such convertible debentures, therefore, ordinary shares reserved for this purpose will be canceled according to legal procedures in the future.

## 7.2 Shareholders

### True Corporation Public Company Limited Major Shareholders <sup>1/</sup> (as of 15<sup>th</sup> March 2013)

	NAME	No. of Shares (Million Shares)	% of Total Issued Shares
1.	CP Group <sup>2/</sup>	9,184.47	63.33
2.	THAI NVDR COMPANY LIMITED <sup>3/</sup>	548.60	3.78
3.	UBS AG LONDON BRANCH <sup>4/</sup>	420.32	2.90
4.	MR. WICHAI WACHIRAPONG	245.94	1.70
5.	UOB KAY HIAN (HONG KONG) LIMITED - Client Account <sup>5/</sup>	178.24	1.23
6.	CORE PACIFIC - YAMAICHI INTERNATIONAL (H.K.) LIMITED - CLIENT <sup>5/</sup>	162.70	1.12
7.	MAYBANK KIM ENG SECURITIES PTE. LTD. <sup>6/</sup>	151.88	1.05
8.	MRS. WORAPHAN JUNGSAAPPAISARN	122.18	0.84
9.	MR. SIRISAK SONSOPON	121.00	0.83
10.	MR. JAKAPHAN WACHIRAPONG	90.05	0.62

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

<sup>2/</sup> Consisting of

- (1) Charoen Pokphand Group Company Limited ("CPG"), where the Chearavanont Family is a major shareholder by holding 91.65% of the shares (The first ten shareholders are Mr. Sumet Jiaravanon 12.96%, Mr. Dhanin Chearavanont 12.96%, Mr. Jaran Chiaravanont 12.75%, Mr. Montri Jiaravanont 12.63%, Mr. Kiat Chiaravanont 5.76%, and Mr. Phongthep Chiaravanont 3.65% with the following shareholders each holding 3.62%: Mrs. Yupa Chearavanont, Mr. Prathip Chiaravanond, Mrs. Phataneek Lekrisompong, Mr. Watcharachai Chiaravanond, Mr. Manu Chiaravanond and Mr. Manas Chiaravanond), held 36.53% of TRUE's shares
  - (2) Bangkok Telecom Holding Company Limited (99.99% held by Charoen Pokphand Holding Company Limited), held 2.53% of TRUE's shares
  - (3) Bangkok Produce Merchandising Public Company Limited (99.44% held by Charoen Pokphand Foods Public Company Limited ("CPF"), held 1.76% of TRUE's shares
  - (4) Kasetphand Industry Company Limited (99.99% held by CPG), held 1.23% of TRUE's shares
  - (5) Unique Network Company Limited (41.06% held by Thana Holding Company Limited and 58.94% held by Art Telecom Service Company Limited), held 9.08% of TRUE's shares
  - (6) Wide Broad Cast Company Limited (58.55% held by Thana Holding Company Limited and 41.45% held by Telecommunication Network Company Limited), held 7.00% of TRUE's shares
  - (7) C.P. Interfood (Thailand) Company Limited (99.99% held by CPG), held 4.13% of TRUE's shares
  - (8) Charoen Pokphand Holding Company Limited (99.99% held by CPG), held 0.67% of TRUE's shares
  - (9) Charoen Pokphand International Company Limited (99.99% held by Charoen Pokphand Holding Company Limited) held 0.39% of TRUE's shares and
  - (10) 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), held 0.01% of TRUE's shares
- (All 10 companies do not undertake the same business and compete with TRUE GROUP)

<sup>3/</sup> 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.

<sup>4/</sup> The company is registered in Switzerland 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.

<sup>5/</sup> 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.

<sup>6/</sup> 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.

### 7.3 Dividend Policy

The Company has a policy 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 conditions of its credit facilities.

However, there has been no dividend payment since the establishment of the Company because the Company still has accumulated loss. Pursuant to the law, the Company cannot declare dividend payment to the 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 31<sup>st</sup> December 2012, the total liabilities of the Company and its subsidiaries according to the consolidated financial statements is Baht 96,327 million. The details are as follows:

(Unit: million Baht)

Liabilities of the Company on consolidated basis	Amount
<i>Current liabilities</i>	
Short-term borrowings	5,096
Trade account payable	44,722
Current portion of long-term borrowings	9,522
Income tax payable	348
Other current liabilities	3,299
Total current liabilities	62,987
<i>Non-current liabilities</i>	
Long-term borrowings	86,805
Deferred income tax liabilities	3,579
Trade account payable	14
Liabilities under agreements for operation	3,080
Employee benefits obligations	914
Other non-current liabilities	8,980
Total non-current liabilities	103,372
<b>Total liabilities</b>	<b>166,359</b>

As of 31<sup>st</sup> December 2012, 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 96,327 million. This consisted of the borrowings and long-term trade account payable that were denominated in Baht currency of Baht 89,425 million; denominated in US Dollar currency of Baht 2,836 million (or USD 92 million); denominated in Yen currency of Baht 4,066 million (or Yen 11,357 million);

Since the debt restructuring on 22<sup>nd</sup> 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 3,223 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 5 years the Company has done the following major measures in liability management:

- June 2007 As of 6<sup>th</sup> June 2007, the Company issued 3 tranches of secured Baht debentures i.e., 1<sup>st</sup> series due in 2009 in the amount of Baht 1,000 million, 2<sup>nd</sup> series due in 2011 in the amount of Baht 2,000 million; and 3<sup>rd</sup> 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 2<sup>nd</sup> April 2009, the Company issued 1 tranche of secured 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 28<sup>th</sup> August 2009, the Company issued 1 tranche of secured 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
  - 4) all remaining of the Secured Debenture with periodic Payments No.2/2545 in the amount of Baht 1,566 million (prepaid in November 2009)
- November 2010 As of 17<sup>th</sup> November 2010, the Company issued 1 tranche of unsecured Baht debentures in the amount of Baht 1,100 million. The Company used the proceeds received from the debentures to repay the short-term debentures and the bill of exchange
- March 2011 As of 31<sup>st</sup> March 2011, the Company issued 1 tranche of unsecured Baht debentures in the amount of Baht 1,800 million. The Company used the proceeds received from the debentures for operation

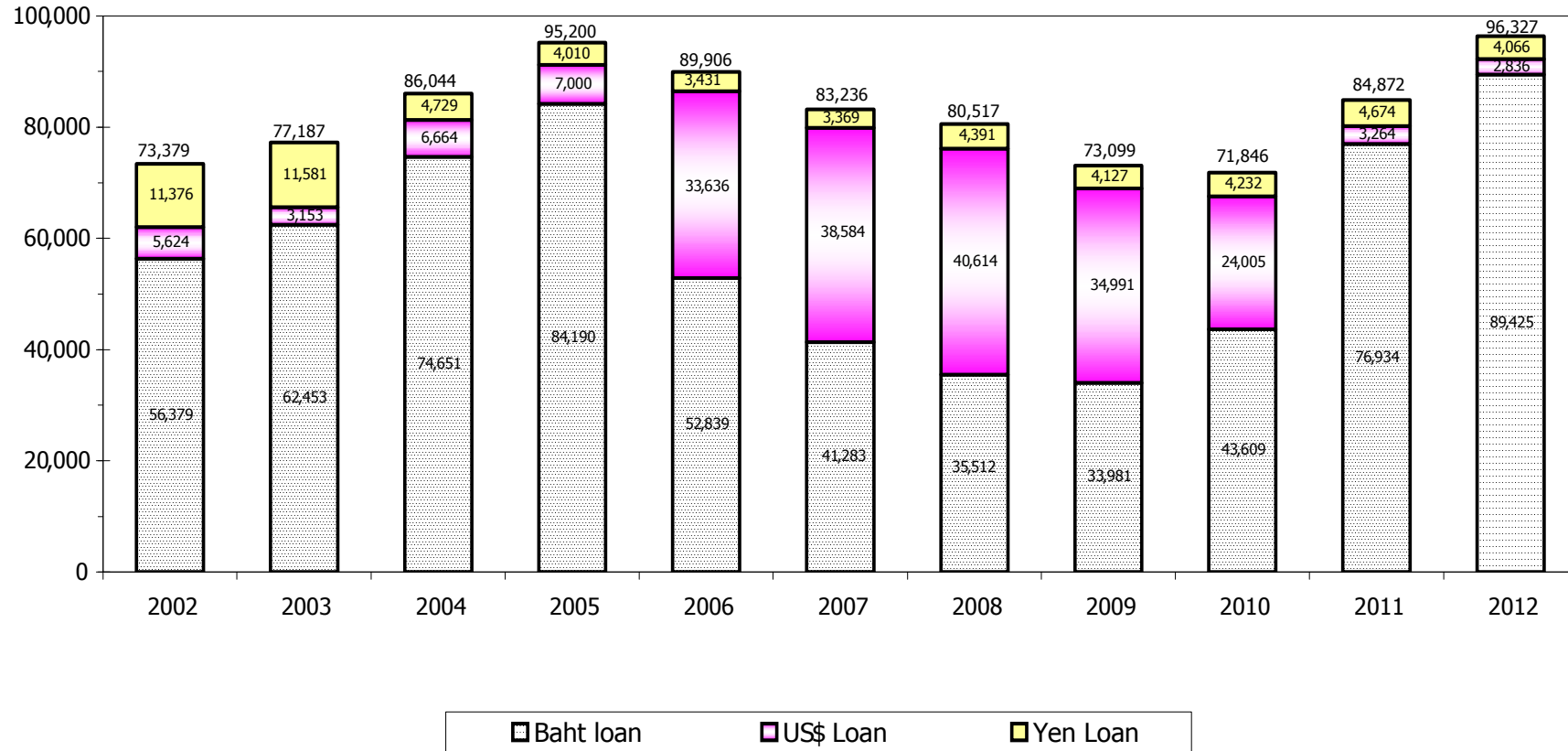
October 2012      As of 5<sup>th</sup> October 2012, the Company issued 1 tranche of unsecured Baht debentures in the amount of Baht 6,000 million. The Company used the proceeds received from the debentures for operation, debt repayment and investment

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 5.04% as of 31<sup>st</sup> December 2012.

**Chart : Loan Structure Movement**

**Unit: million Baht**



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 other group of secured creditors, i.e., local financial institutions; and (b) debt under each tranche of secured debentures which are the debenture No. 1/2547, No. 1/2552 and No. 2/2552.

\*\* Terms used in Attachment 1 of the Security Agreement Amendment and Restatement Agreement except those in item 25 are 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. 1/2547, No. 1/2552, and No. 2/2552.

## Debentures

1. The Extraordinary General Meeting of the Shareholders No. 1/2544 held on 28<sup>th</sup> 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") with 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") with 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") with 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 16<sup>th</sup> 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") with 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 19<sup>th</sup> December 2006 with amount that shall not exceed Baht 3,000,000,000 (three billion Baht)
  - (3) Secured Debenture No. 1/2550 series 1, Due 2009 ("TRUE097A") with 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") with 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") with 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 Annual General Meeting of the Shareholders for the Year 2008 held on 29<sup>th</sup> 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 No. 1/2552, Due 2014 ("TRUE144A") with 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 No. 2/2552, Due 2015 ("TRUE151A") with 7,000,000 units, valuing in the amount of Baht 7,000,000,000 (seven billion Baht) par value per unit 1,000 Baht

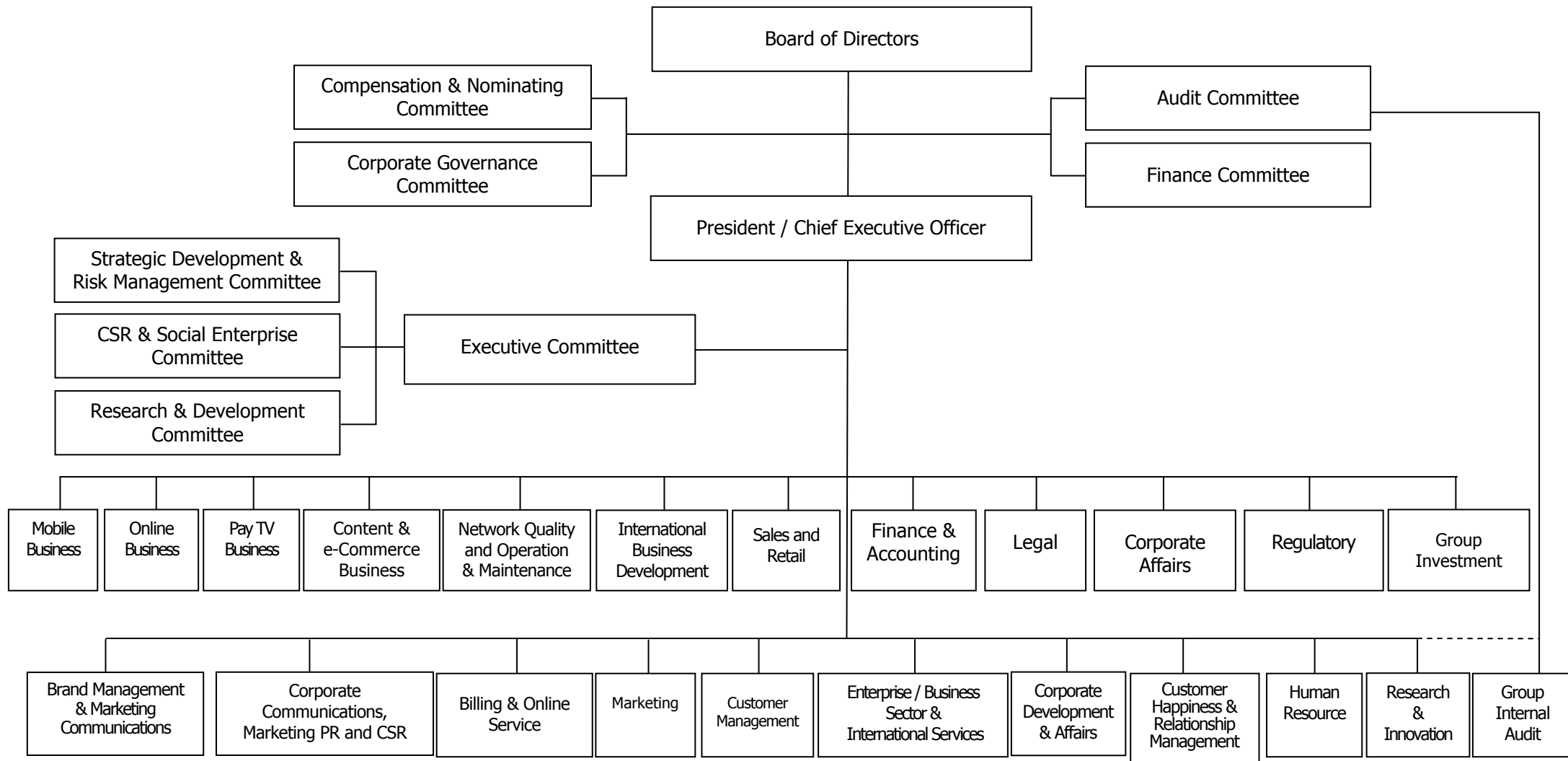
4. The Annual General Meeting of the Shareholders for the Year 2010 held on 23<sup>rd</sup> April 2010 has approved the issuance and offer to sell various types of debentures. The principal amount of debentures will not exceed Baht 30,000 million. Therefore, the Company offered the Thai Baht Debenture as follows:
- (1) Short-term Debenture No. 1/2553, Due 18<sup>th</sup> November 2010 ("TRUE10N18A") with 900,000 units, valuing in the amount of Baht 900,000,000 (nine hundred million Baht) par value per unit 1,000 Baht
  - (2) Unsecured Debenture No. 1/2553, Due 18<sup>th</sup> November 2013 ("TRUE13NA") with 1,100,000 units, valuing in the amount of Baht 1,100,000,000 (one thousand one hundred million Baht) par value per unit 1,000 Baht
  - (3) Unsecured Debenture No. 1/2554, Due 7<sup>th</sup> April 2014 ("TRUE144B") with 1,000,000 units, valuing in the amount of Baht 1,800,000,000 (one thousand eight hundred million Baht) par value per unit 1,000 Baht
  - (4) Unsecured Debenture No. 1/2555, Due 5<sup>th</sup> October 2016 ("TRUE16OA") with 1,000,000 units, valuing in the amount of Baht 6,000,000,000 (Six billion Baht) par value per unit 1,000 Baht

**Summary of outstanding long-term debenture as of 31<sup>st</sup> December 2012**

Symbol	Issue Date	Amount as of Issue Date (million)	Value as of 31 Dec 2012 (million)	Period of time	Maturity Date	Interest Rate (per annum)	Offer	Credit Rating As at 1 Oct 2012
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
TRUE13NA	17 Nov 10	1,100	1,100	3.00	18 Nov 13	6.20%	Public Offering	BBB-
TRUE144B	31 Mar 11	1,800	1,800	3.00	7 Apr 14	6.30%	Public Offering	BBB-
TRUE16OA	5 Oct 12	6,000	6,000	4.00	5 Oct 16	6.00%	Public Offering	BBB-
<b>Total</b>		<b>22,083</b>	<b>22,083</b>					

**8. MANAGEMENT**

**8.1 Management Structure**



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 31<sup>st</sup> December 2012, the Company's Board of Directors consists of 15 members as follows:

- 1) 4 Executive Directors
- 2) 11 Non-Executive Directors consisting of:
  - 5 Independent Directors accounting for one-third of the total numbers of the board which is in compliance with the regulation of the Capital Market Supervisory Board.
  - 6 Directors from various organizations irrelevant to the Company's business management, including representatives of the major shareholders.

#### **Definitions:**

##### **Executive Director** means

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

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

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

##### **Independent Director** means

A director who is independent of any major shareholder, 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 percent of the total number of voting rights of the Company, its parent company, subsidiary, affiliate, principal shareholder or controlling person of the Company, including the shares held by related persons of the independent director;
- (2) *neither* being *nor* having been an executive director, employee, staff, or advisor who receives salary, or a controlling person of the Company, its parent company, subsidiary, affiliate, same-level subsidiary, principal shareholder or controlling person of the Company unless the foregoing status has ended *not* less than two years prior to the date of appointment;
- (3) *not* being a person related by blood or registration under laws i.e. father, mother, spouse, sibling, and child, including spouse of the children; of other directors, executives, major shareholders, controlling persons, or persons to be nominated as director executive or controlling persons of the Company or its subsidiary;

- (4) *not* having a business relationship with the Company, its parent company, subsidiary, affiliate, major shareholder or controlling person of the Company, in the manner which may interfere with his or her independent 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 31<sup>st</sup> December 2012) is as follows:

	<u>Name</u>	<u>Position</u>	<u>Attendance of Board Meeting In the Year 2012<sup>3/</sup></u>
1.	Mr. Vitthya Vejajiva	Independent Director, Chairman of the Audit Committee and Member of the Corporate Governance Committee	8/8
2.	Dr. Kosol Petchsuwan	Independent Director, Member of the Audit Committee and Chairman of the Corporate Governance Committee	8/8
3.	Mr. Joti Bhokavanij	Independent Director, Member of the Audit Committee, Member of the Finance Committee and Member of the Compensation and Nominating Committee	8/8
4.	Mr. Harald Link	Independent Director	4/8
5.	Prof. Rawat Chamchalerm	Independent Director	6/8
6.	Mr. Dhanin Chearavanont	Chairman of the Board and Chairman of the Compensation and Nominating Committee	2/8
7.	Dr. Ajva Taulananda	Vice Chairman of the Board, Chairman of the Finance Committee and Member of the Corporate Governance Committee	8/8
8.	Prof. Athueck Asvanund	Vice Chairman of the Board and Group General Counsel	6/8
9.	Prof. Dr. Warapatr Todhanakasem <sup>1/</sup>	Director and Member of the Finance Committee	6/6 <sup>2/</sup>
10.	Mr. Umroong Sanphasitvong	Director, Member of the Finance Committee and Member of the Compensation and Nominating Committee	7/8
11.	Mr. Vichaow Rakphongphairoj	Director and Group Chief Operating Officer - Network Quality and Operation & Maintenance	7/8
12.	Mr. Chatchaval Jiaravanon	Director and Managing Director - Group Investment	4/8
13.	Mr. Soopakij Chearavanont	Director and Member of the Compensation and Nominating Committee	1/8
14.	Mr. Narong Chearavanont	Director	5/8
15.	Mr. Suphachai Chearavanont	Director, President and Chief Executive Officer	7/8

**Remark:** 1/ The Board of Directors Meeting No. 2/2555 held on 28<sup>th</sup> February 2012 passed a resolution to appoint Prof. Dr. Warapatr Todhanakasem as a Director and Member of the Finance Committee to replace the late Mr. Chaleo Souvannakitti. The appointment was effective on 1<sup>st</sup> March 2012  
2/ The Company held 2 Board of Directors meetings before Prof. Dr. Warapatr Todhanakasem joined.  
3/ In the year 2012, the Board of Directors held 8 meetings.

Furthermore, the Company has stated in its Policy on Corporate Governance that the Company allows non-executive directors to hold meetings amongst themselves without participation from executive directors and management, if they would like to have a discussion on management issues or any issues they are interested in. In 2012, non-executive directors had such meetings, in an unofficial form, after finishing the Board Meetings.

All Directors have qualifications as prescribed by law. None are prohibited persons under the laws and shall not possess any untrustworthy characteristics under regulations of the Securities and Exchange Commission.

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 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 regulations of the Capital Market Supervisory Board and the Policy on Corporate Governance of the Company.

### **Authorized Directors**

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

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

- Oversee compliance of the conducting of the Company's business with the applicable laws, objectives and Articles of Association of the Company and resolutions of shareholders' meetings. In this regard, the Board shall perform their duty with prudence, due care, in good faith to preserve the interests of the Company and shareholders, and disclose information to the shareholders in an accurate, adequate, transparent and timely manner;
- approves strategic, business plans and financial objectives;
- evaluates the performance of the Company and the Chief Executive Officer (the "CEO");
- ensures senior management succession;
- adopts policies regarding business ethics and codes of conduct, disclosure, related party transactions and insider trading, and monitors compliance with those policies adhering to moderation, reasonableness and self-immunity system;
- oversees compliance with accounting, risk management, financial and other controls and applicable laws;
- recommends to shareholders Board nominees.

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

## **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 right to appoint directors. Each shareholder is entitled to one vote for each share held and shall exercise all the votes he or she holds to appoint one or several person(s) to be director(s), provided that he or she cannot divide his or her votes to any person to any extent.

## **B. The Committees of the Board of Directors**

### **1) Audit Committee**

The Audit Committee of the Company has three years and four months term consisting of 3 persons as follows:

<u>Name</u>	<u>Position</u>	<u>Attendance of the Audit Committee Meeting In the Year 2012<sup>1/</sup></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: <sup>1/</sup> In the year 2012, the Audit Committee held 8 meetings, one of which was a meeting with the external auditor without the presence of management.

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

- 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 regulations of the Stock Exchange of Thailand, 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 regulations of the Stock Exchange of Thailand, 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 creditability of the Company's financial report,
  - an opinion on the adequacy of the Company's internal control system,
  - an opinion on the compliance with the law on securities and exchange, the regulations of the Stock Exchange of Thailand, or the laws relating to the Company's business,
  - an opinion on the suitability of an auditor,
  - an opinion on the transactions that may lead to conflicts of interests,
  - the number of Audit Committee meetings, and the attendance of such meetings by each committee member,
  - an opinion or overview comment received by the Audit Committee from its performance of duties in accordance with the charter, and

- h) other transactions which, according to the Audit Committee's opinion, should be known to the shareholders and general investors, subject to the scope of duties and responsibilities assigned by the Company's Board of Directors; and
7. To perform any other acts as required by law or as delegated by the Board of Directors.

## **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 2012</u> <sup>1/</sup>
1. Mr. Dhanin	Chearavanont	1/2
2. Mr. Soopakij	Chearavanont	0/2
3. Mr. Umroong	Sanphasitvong	2/2
4. Mr. Joti	Bhokavanij	2/2

Remark: <sup>1/</sup> In the Year 2012, the Compensation and Nominating Committee held 2 meetings.

## **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 2012</u> <sup>1/</sup>
1. Dr. Ajva	Taulananda	7/7
2. Prof. Dr. Warapatr	Todhanakasem <sup>2/</sup>	5/6 <sup>3/</sup>
3. Mr. Umroong	Sanphasitvong	4/7
4. Mr. Joti	Bhokavanij	7/7

Remark: <sup>1/</sup> In the Year 2012, the Finance Committee held 7 meetings.

<sup>2/</sup> The Board of Directors Meeting No. 2/2555 held on 28<sup>th</sup> February 2012 passed a resolution to appoint Prof. Dr. Warapatr Todhanakasem as a Director and Member of the Finance Committee to replace the late Mr. Chaleo Souvannakitti. The appointment was effective on 1<sup>st</sup> March 2012.

<sup>3/</sup> The Finance Committee held 1 meeting before Prof. Dr. Warapatr Todhanakasem joined.

## **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 in the Year 2012</u> <sup>1/</sup>
1. Dr. Kosol	Petchsuwan	5/5
2. Mr. Vitthya	Vejjajiva	5/5
3. Dr. Ajva	Taulananda	5/5

Remark: <sup>1/</sup> In the year 2012, the Corporate Governance Committee held 5 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 B.E. 2535 and its amendment.

### C. **The Executive Officers**

As of 31<sup>st</sup> December 2012, 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.	Prof. Athueck Asvanund	Vice Chairman and Group General Counsel
3.	Mr. Vichaow Rakphongphairoj	Director and Group Chief Operating Officer - Network Quality and Operation & Maintenance
4.	Mr. Chatchaval Jiaravanon	Director and Managing Director - Group Investment
5.	Mr. William Harris	Executive Director - International Business Development and Assistant to CEO
6.	Mr. Noppadol Dej-Udom	Group Chief Financial Officer
7.	Mr. Kachorn Chiaravanont	Group Executive Director - Corporate Affairs
8.	Mr. Thiti Nantapatsiri	Group Executive Director - Regulatory
9.	Mr. Adhiruth Thothaveesansuk	Managing Director - Mobile Business
10.	Mr. Songtham Phianpattanawit	Group Executive Director - Enterprise / Business Sector & International Services
11.	Mr. Anat Mekpaiboonvatana	Managing Director - Pay TV Business
12.	Mr. Chareon Limkangwanmongkol	Managing Director - Online Business
13.	Dr. Papon Ratanachaikanont	Group Chief Commercial - Sales & Retail

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

All the Executive Officers have qualifications as prescribed by law and the Officers themselves are not forbidden individuals under the laws and shall not possess any untrustworthy characteristics under regulations of the Securities and Exchange Commission.

### **Authority and Responsibility of the CEO and President**

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

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

The authority and responsibility of the CEO and President are as follows:

1. Establish the business direction, mission, business plan and budget of the Company and submit to the Board of Directors for approval.
2. Formulate business strategies and action plans for the Company according to the Company's business direction and mission as approved by the Board of Directors.
3. Ensure the strategic alignment of the Company and the effective implementation of the Company's business plan.

4. Direct, control and monitor the Company's day-to-day business and risk management according to the Company's business direction, business plan and budget as approved by the Board of Directors.
5. Ensure that the Company conducts its business in accordance with relevant laws and regulations.
6. Submit reports on the Company's business activities and operating performance to the Board of Directors on a regular basis. If the Board of Directors provides comments or suggestions to management, the CEO and President will be responsible for executing those comments or suggestions in order to achieve an effective outcome.
7. Has the power to engage in any contract or agreement and to approve any expenses as a delegation of authority as defined in the Company's policy and guideline on Signing Authority. However, in the case of entering into any related party transaction or transaction which may have conflicts of interest with the Company or its subsidiaries, such transaction must be carried out according to relevant laws and regulations.
8. Execute any other tasks assigned by the Board of Directors

### 8.3 Remuneration of the Company's Directors and the Executive Officers

#### (1) Remuneration

##### (1.1) Remuneration of Directors

During 1<sup>st</sup> January - 31<sup>st</sup> December 2012, the 16 directors of the Company were remunerated Baht 27,438,710, details are as follows:

	Remuneration per person (Baht)	Total (Baht)
Group 1		
- Chairman		
• Mr. Dhanin Chearavanont	3,600,000	
- Independent Directors who are also the Chairman of the Committee		
• Mr. Vitthya Vejjajiva and Dr. Kosol Petchsuwan	3,600,000	
Total		10,800,000
Group 2		
- Independent Directors who are also Committee members		
• Mr. Joti Bhokavanij	2,400,000	
Total		2,400,000
Group 3		
- Vice Chairman		
• Dr. Ajva Taulananda and Professor Athueck Asvanund	1,800,000	
• Mr. Chaleo Souvannakitti (1 <sup>th</sup> - 8 <sup>th</sup> January 2012)	38,710	
Total		3,638,710
Group 4		
- Independent Directors		
• Mr. Harald Link and Professor Rawat Chamchalerm	1,200,000	
- Directors		
• Mr. Suphachai Chearavanont, Mr. Soopakij Chearavanont, Mr. Chatchaval Jiaravanon, Mr. Vichaow Rakphongphairoj, Mr. Umroong Sanphasitvong and Mr. Narong Chearavanont	1,200,000	
• Prof. Dr. Warapatr Todhanakasem (Since 1 <sup>st</sup> March 2012)	1,000,000	
Total		10,600,000
Grand Total		27,438,710

In addition, Mr. Joti Bhokavanij, Independent Director and Member of the Audit Committee of the Company, also holds a position of Director in two subsidiaries of the Company, as a representative of the Company's Audit Committee. He received remuneration from the Company's subsidiaries in 2012 as follows:

	<u>Total remuneration</u> (in the Year 2012)
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 13 executives received remuneration totaling Baht 163.44 million for the year 2012 (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 provided under the Employee Stock Option Plan. Currently, there is a non-expired plan which is Employee Stock Option Plan 2007 (The Company has also disclosed detailed information of the Employee Stock Option Plan 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	
	No. of units	% of project
1. Mr. Soopakij Chearavanont	1,400,000	3.68
2. Mr. Suphachai Chearavanont	1,875,000	4.93
3. Prof. Athueck Asvanund	1,875,000	4.93
4. Mr. Vichaow Rakphongphairoj	1,875,000	4.93
5. Mr. Chatchaval Jiaravanon	300,000	0.79
6. Mr. William Harris	1,875,000	4.93
7. Mr. Noppadol Dej-Udom	1,000,000	2.63
8. Mr. Kachorn Chiaravanont	1,000,000	2.63
9. Mr. Thiti Nantapatsiri	1,400,000	3.68
10. Mr. Adhiruth Thothaveesansuk	1,400,000	3.68
11. Mr. Songtham Phianpattanawit	1,400,000	3.68
12. Mr. Anat Mekpaiboonvatana	571,646	1.50
13. Dr. Papon Ratanachaikanont	1,248,828	3.29

## **8.4 Report on Corporate Governance**

The Company fully recognizes the importance of corporate governance and established its "Policy on Corporate Governance" in 2002. This is regularly modified to take account of changes in the Company's business. It is also kept in line with the corporate governance-related laws

and regulations issued by the Stock Exchange of Thailand ("SET") to international standards. The details of Policy on Corporate Governance are posted on the Company's website at [www.truecorp.co.th](http://www.truecorp.co.th).

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

In 2012, the Company carried out its operations according to the Policy on Corporate Governance 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. Therefore, the Board of Directors established the policy on Corporate Governance, taking the rights of all shareholders into consideration, as much as possible, without being limited to the rights specified only by law.
2. In 2012, the Company held one shareholder meeting: the Annual General Meeting of the Shareholders (the "AGM") for the year 2012 on April 27, 2012. 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 issued the AGM 2012 invitation letter with related documents in both Thai and English as the Company has done in past years. 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, background information and rationale in each agenda item. 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, the opinions of the Board and the vote required for resolution of each agenda item listed in the meeting agendas as indicated in the invitation letter, and rules and regulations for the meeting, type of shares and rights to vote and its voting processes, and it was sent to shareholders 30 days prior to the meeting date. All information regarding the shareholder meeting both in Thai and English was posted on the Company's website 43 days prior to the AGM Day, in order for shareholders to have sufficient time to study all information before receiving the printed document sending together with the invitation letter. The Company also announced via the SET's electronic media that it had disclosed the said documents on the Company's website.
4. For the AGM 2012, the Company strictly carried on the meeting according to the agenda's orders as specified in the invitation letter, which was sent to the Shareholders in advance of the meeting, and did not add other agenda items that were not specified in the invitation letter.
5. The Company proposed the remuneration of directors based on each position to the AGM 2012 for approval. The agenda to consider and approve the Directors' remuneration is proposed regularly to the AGM as one of the agenda items separating from the agenda to consider and approve the election of the Directors. At the AGM 2012, the Compensation and Nominating Committee reviewed the appropriateness of directors' remuneration taking into account compensation within the industry in which the Company operates, experience, obligations and responsibilities of directors. The Compensation and Nominating Committee proposed the recommendation to the Board of Directors that the existing remuneration of directors approved at the AGM 2011 should be proposed to the AGM 2012 for approval. Remuneration of directors has remained unchanged since 2002.

6. The Board of Directors concurred with the Audit Committee's recommendation to propose the appointment of the Company's auditor and the determination of the auditor's remuneration for the Year 2012 to the AGM 2012 for approval as the Company has done in past years. To provide auditor information for shareholders prior to the AGM Day, the Company disclosed the following auditor information in the AGM invitation letter: name of the auditor, age, company name, educational background, working experience, experience in conducting the audit and expressing an opinion on the financial statements (if any), family relationship with the Company's management, any relationship or conflicts of interests, which would affect the independence of their performing as well as the audit remuneration proposed for the year 2012 and its remuneration in the previous year.
7. Regarding the proposal to consider the dividend, information and rationale were clearly provided to shareholders. For the AGM 2012, the Company proposed the meeting to consider approving neither paying dividend for the year 2011 nor appropriating annual net profit as a legal reserve by explaining in the AGM invitation letter that the Company still had accumulated loss, which under the law, the Company could not pay a dividend and did not have to reserve the profit appropriation as required by law.
8. Regarding the agenda to consider the election of the directors, the Company provided details of the nominees proposed in the AGM invitation letter. The details of the nominees proposed for the election of the directors consisted of director's name and surname, current position, type of director to be elected, nomination criteria and procedure, family relationship (to the Company's management or major shareholders), period of directorship, no. of board or committee meetings attended during the year (if applicable), age, nationality, educational background, director training programs attended, working experience, positions in other organizations (listed and non-listed company) that may have any conflicts of interests to the Company and no. of the Company's shares holding by the director. The Company also allows shareholders to vote on individual nominees (to be selected as the Directors). The Company nominated directors to shareholders to vote one by one, to give shareholders rights to elect the Directors they really want.
9. The Company encourages all shareholders including institutional shareholders to participate and vote in the meetings. In order to facilitate faster and smoother registration process at the AGM Day, the Company provides several check-points to verify shareholders' name and no. of shares holding separated by the type of shareholders. Moreover, technology has been used during the registration, vote counting and vote result announcement so the meeting is done promptly and accurately.
10. 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. The Company also provides channels for shareholders to send their questions before the meeting date. Questions via e-mail can be submitted to [ir\\_office@truecorp.co.th](mailto:ir_office@truecorp.co.th) seven days in advance while questions via registered mail can be sent 15 days in advance to: Investor Relations Department, True Corporation Public Company Limited, 18 True Tower, Ratchadapisek Road, Huai Khwang, Bangkok 10310.
11. For the sake of transparency and historical record, the Company encourages the use of voting cards for every agenda that need to be voted. The Company also arranges an independent law office to verify the vote counting where the name of the independent law office and its representatives are introduced to shareholders before starting the agenda session. The voting cards will be kept as evidence if there is any dispute over the results after the meeting.
12. The AGM's resolutions which consisted of the number of approved, objected and abstained votes in each agenda item is notified to the SET on the AGM Day and posted on the Company's website on the next business day to provide shareholders and investors a chance to review the AGM's resolutions in a timely manner.

## Section 2 Equitable Treatment of Shareholders

1. The Company granted equitable rights to shareholders in the voting process where one share is equal one vote.
2. Prior to the AGM's agenda session, the secretary of the meeting will notify shareholders regarding meeting rules, type of shares, voting rights, voting method, vote counting and vote result announcement. This process has regularly been done in the past years.
3. The Company allows shareholders who cannot attend meetings to cast a proxy vote, without any conditions that will make it difficult for shareholders to appoint their proxy. Moreover, the Company allows shareholders to submit their proxy form to the Company Secretary and Securities Department in advance of the meeting date for verification to save the shareholders' time on the meeting date
4. The Company encourages the use of proxy forms on which shareholders can specify their voting preferences. The proxy forms are attached together with the invitation letter to the shareholder meeting. The Company provides options for shareholders to appoint 2 independent directors as their proxy (with their background information provided).

The Company has notified the shareholders of documents or other evidence needed to identify themselves in order to participate at the 2012 AGM as well as providing clear guidelines and advice on proxy voting in the invitation letter as the Company has done in past years.

5. The Company allowed minority shareholders to propose any issues to be added to the AGM agenda as well as submitted nominations for directors in advance as the Company has done in past years. Shareholder can submit the issues according to the submission process specified by the Company and using the form provided. The process and form are also posted on the Company's website.

At the AGM 2012, proposed issues were sent via registered mail to the Company from December 1, 2011 to January 31, 2012. The Company posted the above proposals on its website and through the SET's electronic media. Nevertheless, shareholders did not propose any issues or nominations for directors.

In 2012 the Board of Directors approved the proposal of the Corporate Governance Committee to revise criteria to allow shareholders to propose agenda and nominate candidates to be elected as directors of the Company as follows a) changing the minimum requirement of shareholding proportion for shareholder in order to propose the AGM agenda and nominate candidates to be elected as directors of the Company from less than 5% to less than 4% of the Company's total voting rights (shareholding held by one or more shareholders in combination) and b) changing proposing timeframe from two months to three months prior to the end of the fiscal year (1<sup>st</sup> October - 31<sup>st</sup> December). The revised criteria will be used at every AGM starting from AGM 2013 until there is any future change.

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 2012, there were no Board members or executives violating this practice.

7. In 2012, there were also no Board members or executives violating the rule on conflict of interest in proposed Company transactions.
8. In 2012, the Company did not conduct transactions which provided financial assistance to companies which were not subsidiaries of the Company.
9. 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 2012, the Company continued to strictly follow the rules concerning entering into related party transactions. Details of related party transactions that occurred in the year 2011 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

#### Competitors

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

Creditors

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

Investors

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

Government agencies

- ◆ The right to regulate, monitor and punish according to laws and regulations and the government agency's standard practice.
2. The Company has focused on safety and occupational health at work by putting in place its "Safety, Occupational Health and Work Environment Policy" and also announced its "True Employee's Health Promotion Policy" where the Company's management of safety, occupational health and the work environment as well as promoting employee' health consists of:
    - 1) Providing procedures and operational instructions relating to safety, occupational health and the work environment in the Company's Procedure Manual System (PMS). For example, the procedure for assessing the safety of the workplace and conducting fire evacuation drills, etc.
    - 2) Provide safety instructions (in an e-Book format) for office workers and technicians so they can easily access, study, understand the instructions and put them into practice.
    - 3) Establishing safety rules and regulations for the Company's employees and contractors.
    - 4) Establishing preventive plans and evacuation plans in case of an emergency at each of the Company's offices and also providing employees with the relevant instructions videos and manuals.
    - 5) Provide safety and basic life support training courses for employees and contractors.
    - 6) Providing various support to promote employee's health and sanitation in both Bangkok and provinces. Providing support to activities hold by the Company's sport clubs to encourage more exercise amongst employees.
  3. Employee remuneration in both short-term and long-term is considered in accordance with the Company's business operation results. Balanced Scorecard (BSC) is a management tool to drive the Company's strategy into action while key performance indicators (KPI) are used as a guideline to evaluate employees' performance. Summary of employee's remuneration and benefits is disclosed in the annual report and Form 56-1 under the "Personnel" topic.
  4. The Company has established a provident fund for employees.
  5. The Company focuses on improving and modernizing its management and human resource system to be in line with changes in technology and to meet with international standards. The Company encourages both internal and external training for the continual development of its employees. The Company also provides distance learning programs for employees who work outside Bangkok. The Learning & Development Center was established to design and develop proper training programs for employees. The center has provided an approximately of 350 to 400 in-house training programs per year with a total of 32,000 training mandays in 2012. The Company disclosed its information regarding employee training and development in the annual report and Form 56-1 under the "Personnel" topic.

6. The Company recognizes the importance of combating corruption and the receiving and paying of bribes. The "Code of Conduct" states that employees are prohibited from the soliciting or paying of any incentives to themselves or others from the party that they do business with. Employees are also prohibited from making any payment or giving any assistance that could be considered to be a bribe or benefit.
7. The Company provided channels for any stakeholder to make complaints or provide information concerning fraud, wrongdoing or violations of the Company's Code of Conduct to the Board of Directors via the Audit Committee. The information about the said channels are on the Company's website [www.truecorp.co.th](http://www.truecorp.co.th), the details are as follows;

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

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

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

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

Conditions for processing complaints and information:

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

In 2012, The Audit Committee did not receive any complaint or information concerning fraud, wrongdoing or violations of the Company's Code of conduct. But there were three complaints regarding the Company's services which the Audit Committee had already submitted to the relevant Departments where appropriated actions were taken and all issues were already solved.

8. The Board of Directors has approved a Corporate Social Responsibility (CSR) policy which is available on the Company's website in English and Thai. In addition, the Company operates its business while adopting the sufficiency economy philosophy and taking into consideration environmental and social matters with a focus on promoting a knowledge-based society as a path to sustainable development for Thailand. The Company places emphasis on using modern telecommunications technology to develop educational projects which help with the development of youth and underprivileged children in Thai society.

Over the year 2012 True Group undertook a comprehensive program of CSR and environmental activities as summarized in Attachment to the Report on Corporate Governance.

9. The Company has provided a training program regarding environmental knowledge to its employees through a nature conservation photography contest project by giving opportunities for its employees to attend a nature photo training course and submit their photos to join the nature photography contest. This training aims to build the nature conservation awareness amongst its employees. Regarding the photography contest, True collaborated with the Department of National Parks, Wildlife and Plant Conservation Group organize the "National Nature Photography Contest" every year for 18 years since the Year 1995. Environmental experts and scholars are invited to join a forum holding during the contest to provide environmental knowledge in order to cultivate the ownership and collaboration amongst Thais in terms of wildlife rehabilitation by aiming to maintain the balance of nature in a sustainable way.
10. In order to boost its employees' innovative ideas and allow them to take part in creating innovative works, the "True Innovative Award for True" project is held on a yearly basis. The project does not only encourage employees to realize the importance and benefit of innovation but also allow them to implement and apply those innovative ideas to solve customer's problem and concretely develop the better products and services to benefit its customers, corporate and society as a whole in terms of increasing customer satisfaction, increasing revenue, improving work process and adding more value etc.

Apart from organizing internal innovation contest, the Company also has a determination to help creating innovative inspiration amongst Thais by joining with Chulalongkorn University (Technopreneurship and Innovation Management Program) and CNBC Asia Pacific to host the "True Innovation Awards" contest which is held annually since the year 2010. It allows contestants to present their ideas and develop innovative works to benefit society and country as a whole as well as an opportunity to leverage Thais' potential to meet with international standards.

#### **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 financial statements, investor news, etc. in order to allow analyst and investors to access and download all interested information. In this regard, the Company also specify telephone number, fax, and e-mail address for providing contacting channels to the Investor Relations Department.
2. The Company submitted its 2012 financial reports both quarterly and annually to the SEC and SET in a timely manner. The Company has focused on providing accurate financial statements according to accounting standards under the appropriate accounting policy. The Company is also strict in terms of meeting deadlines for the submission of financial statements and financial reports to the SEC and the SET. The Company, in its history, has never been asked by the SEC to make any correction to its financial statements, neither has it submitted the financial report late.
3. The Company provides summaries of the Corporate Governance Policy and the Corporate Social Responsibility Policy approved by its Board and reports on both practices through various channels such as its annual report and website.
4. The Company provides a statement of the Board's responsibilities concerning the Company's financial report. This statement is presented in the Company's annual report.

5. The Company has disclosed the auditor's remuneration for 2012 in its annual report and Form 56-1. The auditor's remuneration is clearly shown as an audit fee which is separated item from other non-audit fees.
6. The Company discloses the roles and responsibilities of the Board of Directors and its committees, the total number of meetings and the number of meetings each member attends, the results of tasks performed as well as any ongoing training courses and occupation knowledge development programs each member attends during the year in the annual report, according to the SET and the SEC regulations.
7. The Company paid Directors remuneration in the year 2012 according to rates approved by shareholders at the 2011 AGM, which are the same rates approved by the 2010 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.

8. In 2012, the Company paid senior executives remuneration according to their contributions and responsibilities, comparable with that paid by other companies in the same industry.
9. 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.
10. 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](mailto:ir_office@truecorp.co.th). In 2012, Investor Relations held analyst and investor meetings following the release of the Company's quarterly results at the Company's headquarters. For analysts and investors who cannot attend the meeting in person, a Webcast is provided. The Company also held roadshows to meet with local and international investors and provided equal opportunities for investors, both institutional and retail, to call the Company for additional information/discussion on the Company's outlook and strategies.

## **Section 5 Responsibilities of the Board**

### **1. Board Structure**

- 1.1 As of 31 December 2012, the Board of Directors consisted of 15 members; four members are executive directors and 11 members are non-executive directors, five of which are independent directors. The proportion of independent directors was one-third of the board as required by the Capital Market Supervisory Board's regulations. The Company has clearly disclosed each director's major background and working experience in its annual report and Form 56-1 and on its website at [www.truecorp.co.th](http://www.truecorp.co.th)

- 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. 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](http://www.set.or.th) or from the Company website at [www.truecorp.co.th](http://www.truecorp.co.th).
- 1.5 None of the Company's directors or executives is or was an employee or partner of the external auditing company providing services to True Group.
- 1.6 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 (which is disclosed on the Company's website) 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. Regarding the number of companies that each director can be appointed a board member of, the Board of Directors of the Company encourages its directors to limit their board positions to no more than five listed companies.
- 1.7 The Chairman of the Board is a non-executive director and the CEO is not the same person as the Chairman. The roles and responsibilities of the Chairman are in accordance with the law. The roles and responsibilities of the CEO are determined by the Board of Directors and is disclosed in the annual report which is also posted on the Company's website.
- 1.8 The Company's Internal Audit Department reports directly to, and is accountable to, the Audit Committee.
- The Company has disclosed the name and profile of the head of Internal Audit Department in the annual report and Form 56-1 which is also posted on the Company's website.
- 1.9 The function of Company Secretary is in place to serve the Board of Directors in area of providing advice on laws and regulations related to the Board, helping organize the Board's activities, and monitoring compliance with the Board's resolutions. The Company also encourages the Company Secretary's personnel to continuously attend training courses and enhance legal and accounting knowledge as well as participating in any company secretary-related training courses.
- The Company has disclosed company secretary's job description, working experience and related training courses attended in the annual report and Form 56-1 which is also posted on the Company's website.
- 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, reviewing the Company's compliance with the law and regulation on securities and exchange including the laws relating to the Company's business, determining an internal audit unit's independence, considering and 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. Details of the nomination of directors have been disclosed under the "Management" topic.

### 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 and investors can download the information regarding each committee, such as responsibilities and name lists, from the Company's website at [www.truecorp.co.th](http://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, 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.

The Company in its history including the Year 2012 has not done anything to violate or contravene the SEC and SET's regulations.

- 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 where compliance with the code is closely monitored by the Board. The Company has also disclosed the details of the Code of Conduct on its website.
- 3.4 The Board of Directors has officially established "The Criteria and Procedures for Reporting the Interests of Directors and Executives" where all directors and executives complied with the established criteria and procedures.
- 3.5 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.
- 3.6 The Board of Directors ensures that internal control systems are in place, including financial, compliance and policy controls, and assigns the Audit Committee to monitor and review the major system on annual basis. The Audit Committee's opinion has disclosed in the Company's annual report under "Report from the Audit Committee" topic.
- 3.7 The Company has established its "Strategy Development and Risk Management Committee" and also officially announced "Risk Management Policy and Framework", in order to integrate risk management with its business strategy and operations. The Internal Audit Department is responsible for reviewing the Company's various operational systems by using a Risk-based Audit Approach and presents its Internal Audit Report to the Audit Committee on a regular basis. The said procedure was disclosed in the Company's annual report under "Report from the Audit Committee" topic.

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

#### **4. Board Meetings**

- 4.1 The Company sets its meeting schedule and agenda in advance and notifies each director of this schedule and agenda. However, in an emergency the Company can also call for an additional Board meeting.
- 4.2 The Company has stated in its Corporate Governance policy that the Company allows non-executive directors to hold meetings amongst themselves without participation from executive directors and management, if they would like to have a discussion on the management issues or any issues they are interested in. In 2012, non-executive directors had held such meetings, in an unofficial form, after finishing the Board Meetings.
- 4.3 In 2012, the Company held eight Board meetings respectively which are appropriate to the obligations and responsibilities of the Board and the nature of the Company during the year.
- 4.4 The Chairman and/or Vice Chairman of the Board and the CEO jointly set the agenda for each Board meeting. Moreover, each Board member is free to suggest agenda items.
- 4.5 Meeting documents are sent to each director at least five days prior to the meeting day. These documents are concise but contain all relevant information. Any confidential issues are discussed during the meeting.

- 4.6 The Chairman of the Board allocates enough time for the meeting to receive full presentations from management and host comprehensive discussions by directors.
- 4.7 The Board is able to access additional information, under a prearranged agreement, via the CEO or the Company Secretary or the executive designated as a contact person. If necessary, the Board and each committee can also acquire any independent opinions from external consultants or experts under the Company's expenses.
- 4.8 The Board of Directors encourages the CEO to invite the top executives to attend Board meetings in order to present details on the issues that they are directly responsible for.

## **5. Board 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 2012 the Company disclosed the remuneration of each director in its annual report and Form 56-1 which also posted on the Company's website.

- 6.2 Remuneration of the CEO and top executives is set in accordance with Board policy, within the limits approved by shareholders (for the types of remuneration that require such approval). Executives' salaries, performance pay, and other long-term compensation reflect the Company's performance and that of each executive.
- 6.3 The Compensation and Nominating Committee 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 update their knowledge for performing their duties.
- 7.2 The Board encourages directors to enhance their knowledge for performing their duties by regularly attending training courses and joining seminars. In 2012 two directors carried on attending training courses and seminars where one of the directors attended the "IOD National Director Conference 2012 – Moving Corporate Governance Forward : Challenge for Thai Directors" hosted by Thai Institute of Directors (IOD) and the other director attended the "Audit Committee Effectiveness Seminar : What Best - Global Practices vs. Practices in Thailand" (hosted by the SET, the SEC, IOD and Federation of Accounting Professions under the Royal Patronage of His Majesty the King and PwC) and the "2012 Training course on Innovative Approaches to Create Value for Business and Society" hosted by the Asian Forum on Corporate Social Responsibility

- 7.3 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.
- 7.4 The Company has established an official executive "Succession Plan" because the Company is aware that succession planning is a key component of sustainable business success. In light of this, the Company has established processes and procedures to appropriately identify and select candidates for succession at all levels of significant management position. The succession process is consisting of:
- 1) Establish the list of candidates to enter the succession process:  
where top executives and management select the candidates and conduct the evaluation of these candidates by descending order. The candidates have to undergo the followings performance evaluations:
    - Employee and its performance evaluation which are consisting of:
      - Past performance and the anticipation of their performance in the future
      - The decision-making ability, strength, what to improve or what to provide for further development and career path
      - Employee's capability assessment
    - 360 Degree Feedback Surveys in relation to the Company's corporate value
    - 9-Cell Charts evaluation which is a review of the performance and behavior of candidates in relation to the Company's corporate values
  - 2) Establish candidate slate:  
where the person who is currently in the post has to make his or her candidate slate by specifying three (which can be more or less) potential successors and listed those candidates in the order of their readiness.
  - 3) Review the candidate slate and establish the Company's Succession Plan:  
where the President, top executives and Human Resources executive have to work together in order to review the candidate slate and establish the Company's overall succession plan which will be based on the following key elements; business unit overview, organization chart, candidate slate, 9-cell charts evaluation, employee evaluation and 360 degree feedback surveys
  - 4) Establish the personal development plan for each of the candidates, execute the development plan and follow up
  - 5) Perform an evaluation and a review of the Succession Plan on an annual basis

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

Attachment to the Report on Corporate Governance**2012 Corporate Social Responsibility (CSR) Summary****COMMUNITY AND EDUCATION****Broadening the Learning Experience for Schools Nationwide**

In 2012, True Group selected and added another 500 schools and 5 prototype schools to its True Plook Panya project. True Group also delivered additional learning equipment to schools which included a training video on how to install, use, and maintain digital media, and a USB device to capture and record educational programs broadcast on TrueVisions to be saved as digital files for knowledge archives. At the end of 2012, a total of 4,000 schools and 31 prototype schools were under the True Plook Panya project.

During the year, True Group organized a training session on how to use digital media with True Plook Panya for teachers from 4,000 schools in 70 areas across the country. Moreover, True Group also conducted workshops for management and teachers of 26 True Plook Panya prototype schools under the topic "Leveraging True Plook Panya Media for Prototype Schools." This included site visits to Wat Donsai School located in Ratchaburi province, a prototype school that was able to successfully use and integrate True Plook Panya media in its school curriculum.

True Group employees also joined educational activities of the True Plook Panya project by helping to introduce and guide management and teachers of Wat Koh Chantaram School in Chaochengsao province on how to use digital media.

True Plook Panya conducted a contest for teachers on "Techniques for the Learning Process with True Plook Panya Media" where the 25 winners were flown to Singapore on an educational trip to visit and learn about information technology at Pei Hwa Presbyterian School and also about the Singapore Ministry of Education's ICT policy on the use of communications technology in schools and education.

True Group supported the "Kamlang Jai" project under HRH Princess Bajrakitiyabha by donating True Plook Panya digital media equipment to the women's prison in Songkhla province.

True Internet, a subsidiary of True Group, donated Baht 120,000 each to 19 True Plook Panya prototype schools to be used for hiring IT staff to operate and maintain digital learning media and equipment for efficient use in the schools.

The website [www.trueplookpanya.com](http://www.trueplookpanya.com) launched its own application which can be used on the iPhone, iPod Touch and iPad to easily access knowledge and information from the website. A competition titled "Creating a Knowledge Hub with Trueplookpanya.com" was held for the 2<sup>nd</sup> time where participants had a chance to win the HRH Princess Maha Chakri Sirindhorn Royal Trophy.

**3G+ for Schools and Communities Project**

True Group extended its TrueMove H 3G+ service to support schools, local health centers and provincial hospitals in remote areas that lack Internet access or have low connection speeds. TrueMove H provided these establishments with a 3G+ air card along with an unlimited airtime package which can be used daily between 6.00 – 18.00 hrs. This project has provided both students and teachers with high-speed online access to knowledge, and has also helped improve public health services in remote rural areas.

By the end of 2012, True Group had delivered 3G+ air cards complete with SIM card to 900 schools in rural Thailand under the True Plook Panya project. The air cards were also equipped with White Net, a filtering program to protect students from inappropriate content and websites. In addition, 141 3G+ air cards were allotted for public health services nationwide. The air cards enabled small local health centers to link up with and seek immediate consultation or diagnosis from physicians of major hospitals over a fast 3G network. With this service, patients no longer need to travel long distances for preliminary medical attention while also saving on transportation costs.

TrueMove H 3G+ organized the “Good Life Good Community with TrueMove H 3G+” campaign which aimed to help promote local products as well as arts & culture of rural villages with QR Codes via the H Travel application. The ongoing campaign took place nationwide.

True Group donated 85 the New iPads along with TrueMove H 3G+ WiFi packages to the Parent Teacher Association of Chulalongkorn University Demonstration School. Along with product usage training, this was part of an educational pilot project to help teachers improve efficiency in teaching methods.

**Cultivating Knowledge Projects under True Plook Panya**

True Group organized a contest through the True Plook Panya channel where youths and the general public were encouraged to submit video clips of their special skills and abilities by uploading them via the website [www.trueplookpanya.com](http://www.trueplookpanya.com). The winner will have the opportunity to be a presenter of short programs on the True Plook Panya Channel airing on TrueVisions 9 as well as receive a scholarship of over Baht 50,000.

In its 17<sup>th</sup> year, the True Young Scientist Award held a national science and technology project contest under the theme “Sustainable Living – Surviving Daily Catastrophes.” The contest was open to elementary school students nationwide and received a total of 288 entries from 183 schools in 58 provinces across Thailand. The winning 15 entries were exhibited at the 2012 National Science Week event.

The 15<sup>th</sup> Pirab Noi journalist training for 2012 was attended by over 60 journalism and mass communications students from universities all over the country. Training involved teaching professional journalism skills as well as newspaper production.

The 10<sup>th</sup> Sai Fah Noi broadcast journalism training for 2012 was attend by 63 students from mass communications and communication arts programs of various higher educational institutions. Students learned how to produce radio and television news programs. The 8<sup>th</sup> Sai Fah Noi contest was also organized enabling students to submit their television documentaries and news clips with sound. A total of 65 submissions were received.

True Group held the TrueVisions – BBC World News Future Journalist Award 2012 contest where the winner had the chance to train at BBC World News Head Quarter in the UK for 3

weeks as well as an internship at TNN 24 for 1 month. The winner received a per diem throughout the training period and was also entitled to attend preparation English courses at the British Council.

True Group launched a knowledge-with-virtue TV channel named "True Plook Panya Channel" in July 2012 broadcasting educational and entertainment programs to promote morals and ethics on TrueVisions 9. The channel is also available as free to air via THAICOM5 for viewers to watch without any charges from various KU band satellite dish TV systems.

Plook magazine, launched in January 2010, is the first magazine in Thailand for youths focusing on knowledge and morality by presenting how both can be applied to daily lifestyles. On a current print run of 40,000 per month, the magazine is distributed free at schools, hospitals, temples, libraries and other educational centers amounting to 3,000 locations.

True Group organized the True Scouting Program: True Academy Project which gave 38 3-4<sup>th</sup> year students from various universities the opportunity of on-the-job training at True as well as the possibility to join the company when they graduate.

True Group collaborated with Rangsit University to organize the Good Game Developer Projects 2012, a contest to encourage the development of creative and quality games and to help new generation developers attain a professional level. The grand prize amounted to Baht 500,000 and offered the chance for the winning game entry to be commercialized and the opportunity for the game developer to work at True Digital Plus.

To help with learning via the Internet, True Group installed an Ultra Hi Speed network and donated TrueMove H iSIM cards for Internet access to Ayudhaya Vocational College, Ayudhaya Technical College, Phitsanilok University, and Puttashinaratpittaya School.

True Group in collaboration with Mahidol University opened the True Lab @ Mahidol, a research and innovation center for students and teachers. A research scholarship of Baht 1,250,000 was also donated to the university and made available to students and faculty who enrolled in the research and innovation development project with True Group.

### **Cultivating Virtues under True Plook Panya**

True Group joined with various foundations and charitable institutions to invite Thais all over the country to do good deeds in honor of HM the King on the occasion of his 85<sup>th</sup> Birthday Anniversary and as a continuation of the "I Will Do For King" project, now in its 7<sup>th</sup> year under the theme "Bringing Together the Power of Good for the King." The activities were organized according to "The Virtues of a King or the 10 Dharma Principles" which could be applied to everyday life. The activities included a charity run focusing on "patience and tolerance" to reach a distance of 9,000 meters; joining soldiers who are "fair and honest" to handover winter supplies donated by the public and True Group amounting to 9,000 pieces to the Air Force which undertook to distribute these to the needy in remote areas; and showing "gentleness and kindness" by organizing a charity lunch and prize draw for elderly residents of Ban Bang Khae Social Welfare Development Center for Older Persons.

True Group launched the "Novice Monks Cultivate Dharma Wisdom" TV program in April 2012 which live broadcast the daily lives of youths aged 9 – 12 years who chose to be ordained as novice monks. The program was on air 24 hours a day for 1 month and served

as an inspiration for other youths to do good deeds according to Buddhist principles and practices.

The True Youth Camp was held for the 6<sup>th</sup> consecutive year under the theme "Good Thoughts and Good Deeds Together Make A Community" with 4-5<sup>th</sup> year students from 130 high schools in 48 provinces nationwide participating.

The 8<sup>th</sup> True Young Producer Award was held this year under the theme "Doing Good Together" and was participated by 860 student teams from 48 educational institutions across the country.

### **OTHER SOCIAL CONTRIBUTION ACTIVITIES**

True joined 11 major private companies in the "Power of Thai" project to help finance and rehabilitate 84 schools that were affected by the floods.

True employees donated blood to the Thai Red Cross Society in honor of HM the Queen's 80<sup>th</sup> Birthday Anniversary.

True Group once again collaborated with the Thai Red Cross' Organ Donation Center and Eye Center in holding the "Let Them See Love campaign." A total of Baht 1,254,030 in SMS donations from TrueMove and TrueMove H subscribers was handed over to the centers.

The website [www.helplink.net](http://www.helplink.net) joined with Ramathibodi Foundation to encourage True employees to make merit by purchasing specially produced shirts "The Word Giving Has No Limits" to help raise funds for the Organ Transplant Center of the Queen Sirikit Medical Center at Ramathibodi Hospital. The website also collaborated with the Thai Red Cross' Organ Donation Center and Eye Center to invite True employees to make donations via SMS to help with medical expenses related to organ and eye donations. Helplink.net further invited True employees to join UNICEF Thailand's activities to improve the quality of life for underprivileged children in the country, as well as to participate in a charity 6-legged race organized by the World Society for the Protection of Animals (WSPA) to raise funds to help animals from disasters.

True Internet collaborated with the Bangkok Metropolitan Administration (BMA) to provide free wireless Internet access at more than 20,000 hotspots around Bangkok. The Bangkok WiFi project offers 2 free WiFi options: 5 hours per month at a speed of 2 Mbps/512 Kbps or unlimited usage at a speed of 256 Kbps/128 Kbps.

True Group joined the "Pattaya WiFi" project to provide free WiFi access at over 1,000 hotspots throughout the city. Tourists and Pattaya residents can enjoy 5 hours of free WiFi access per month at a speed of 2 Mbps for as long as 3 months.

The Ministry of Information and Communication Technology and True Group launched the "ICT Free WiFi by True" service with a speed of 2 Mbps at over 50,000 hotspots across Thailand. The free service can be accessed at any location with the ICT Free WiFi by TrueMove H signage and can be used for 30 minutes daily up to a total of 15 hours per month. The service can already be used in many major provinces such as Songkhla and Nakorn Ratchasima.

True Group handed over Baht 486,590 received from donations made by TrueMove customers via SMS to The Cardiac Children Foundation of Thailand under the Royal Patronage of HRH the late Princess Galyani Vadhana Krom Luang Naradhiwas Rajanagarindra.

True Group organized the "The Story of Mom & Me" project under the theme "Together Mom & Me Forever" where the public was encouraged to share their experiences about their relationship with their mothers through sharing of pictures. True Group also joined with the Queen Sirikit National Institute of Child Health (children's hospital) to help raise funds for the "The Children's Medical Center in Honor of HM the Queen's 80th Anniversary" where the public could make donations via TrueMove and TrueMove H SMS or by direct bank account transfer.

True Group donated Baht 18 million received from votes during True Academy Fantasia Season 8 to various charities which included the Rajaprajanugroh Foundation under Royal Patronage, Chaipattana Foundation, Thai Red Cross Eye Bank, Ramathibodi Hospital Foundation, Somdet Chaopraya Hospital Foundation under Royal Patronage, The Mirror Foundation, Don't Drive Drunk Foundation, Foundation for the Better Life of Children, and Foundation for Children. In addition, proceeds amounting to Baht 234,945.50 from the auction of items belonging to True Academy Fantasia Season 8 artists were donated to the Rajaprajanugroh Foundation under Royal Patronage to help flood victims.

True Corporation Plc donated various True Group products and services to Thai athletes who won medals at the 30<sup>th</sup> Olympic Games and also at the 2012 Paralympic Games held in London, UK. A donation of Baht 2 million was also made to help support the Sports Association For The Disabled of Thailand Under Royal Patronage.

## **ENVIRONMENT AND ENERGY CONSERVATION**

True Group organized an energy-saving month campaign within the organization as well as held various Earth Hour activities to help create awareness on reducing global warming.

### **Cultivating Love of the Environment under True Plook Panya**

True Group and the Department of National Parks, Wildlife and Plant Conservation Group organized the 18<sup>th</sup> Annual National Nature Photography Contest 2012 to create awareness of environment conservation among youths and the general public by using photography under the theme of "Nature and Wildlife Photography" as a medium. A total of 1,911 photos were submitted and there was an increase in the number of submissions from students from various education institutions amounting to 44 this year. A photography workshop on "Techniques for Nature and Wildlife Photography" was organized as well as the development of the True Photo Contest smartphone application which features a collection of pictures and information about wildlife and places of interest.

## **CUSTOMERS**

True Group established the True Family Care Center to specially handle problems and quickly restore TrueOnline Internet connections and TrueVisions signals, as well as help check electrical systems in homes in flooded areas around Bangkok, free of charge.

## **SUPPLIERS**

True Group organized safety training for its supplier, Thai Furukawa Unicomm Engineering Co., Ltd, to ensure greater work safety and reduce accidents.

**EMPLOYEES**

True Group set up the True Special Force team with the cooperation of staff to help employees and their families in the event of evacuation. A Safety Walk Rally was organized for the 3<sup>rd</sup> time to create awareness on safety and help reduce work related accidents. A health campaign was also held under the concept of Good Life and Good Health in all 4 areas: good health, good exercise, nutritious food and a healthy mind.

True Group awarded annual scholarships totaling 630 scholarships as well as the privilege to use its 10 Mbps Ultra High Speed Internet service free for 12 months to employees' children. The scholarship program is now in its 12<sup>th</sup> year.

**AWARDS AND CERTIFICATES OF HONOR**

True Group was the proud recipient of the following awards and recognitions in 2012:

- True Group received 2 "Trusted Brand Awards" from Reader's Digest Thailand: "Trusted Brand 2011 Platinum Award" in the Internet service provider category and "Trusted Brand 2012 Gold Award" in the phone service category (fixed line or mobile). The awards were based on results of consumer surveys on brand trust carried out in 8 Asian countries.
- True Internet Data Center won the "Frost & Sullivan Awards 2011" in the "Thailand Data Center Services Provider of the Year" category from Frost & Sullivan.
- True Group led by Mr. Suphachai Chearavanont, President & CEO, True Corporation Plc was honored as a role model in the management of human resources both within and outside the organization with the award "Best Human Resource Professional of Thailand 2012" in the "President & CEO category" of the Thailand Top 100 HR awards organized by the Human Resource Institute, Thammasat University. Mr. Suphachai Chearavanont was recognized for his management and development of human resources within the organization and in society through various activities focusing on education and environment conservation.

## 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 31<sup>st</sup> December 2012, the total number of employees was as follows:

Work Group and Classification	No. of Employees
Management	90
Service Area & Network Operation	1,079
Marketing & Sales	542
Information Technology	147
Customer Services	106
Finance & Accounting	115
Support	226
Total	2,305

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 2012, the total remuneration for employees was approximately Baht 1,962.60 million comprising of wages, salaries, social security fund, provident fund and other benefits.

**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's focus on employee training and employee development led to the establishment of the "Learning & Development Center". The main objective of the Learning & Development Center is to build the employees' competence, which will be the cornerstone of individual and professional development and career opportunities for employees. The Learning & Development Center provides various learning options for the continual development of employees to help them fulfill their current assignments and achieve their career goals. People development will ultimately strengthen organizational performance.

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

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

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

Currently, the Learning & Development Center has developed Distance Learning via MPLS for employees who work outside Bangkok in order to add more learning channels to facilitate their sustainable and continual career development.

There are approximately 350 to 400 in-house training programs per year. In 2012, the company emphasizes on Customer Centric & High Productivity Organization. The total training manday is 32,000, with a budget of Baht 48 million. The core competency program includes courses such as the 4Cs, Corporate Culture, Effective Communication, Planning to Increase Work Efficiency and Effective Self Development.

The executive development program includes courses such as Leadership Development, Motivation, Team Building, Problem Solving and Decision Making, Change Management, Successful Negotiation, Project Management, Risk Management, Conflict Management and Sales & Service Management (Operation Management), etc. The core business and new technologies program includes courses such as 3G Technology, GPRS & EDGE, Broadband Network, NGN Network, VOIP Technology and DOCSIS Technology. Also, we provide a 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, True technology, Professional Service Skill, Managing Your Image, Business Presentation, True Dialogue and IT Training, both customer service systems and all supporting systems for the company.

Furthermore, the Learning & Development Center cooperates with the both public and private universities / academic institutes to provide courses in ICT and related technology, such as Master of Engineering in Enterprise Architecture with Mahidol University, Master of Science in Innovation Technology with Chulalongkorn University, Master of Business Administration in Retail Management with Assumption University and Bangkok University, and Bachelor of Business Administration in Customer Management with Suan Dusit Rajabhat University. In addition, the Learning & Development Center also arranges training for students, which we consider as a part of our Corporate Social Responsibility and Social Enterprise, in order to be a good model for the large enterprises to create value for our society and our country.

**9. INTERNAL CONTROLS**

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

**10. CONNECTED TRANSACTIONS**

i) During 2012, 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 2012 (Note 41). 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	2012 (Baht'000)	Rationale and necessity
1. The Company				
1.1	Charoen Pokphand Group of companies (CPG)*	CPG is a major shareholder of the Company.		
		Sale : - Coin distribution service and service other	1,227	- The transactions arose in ordinary course of business that the Company proposed to the third party.
		Purchase : - Office rental and related services	22,909	- 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.
		- Development purchasing system	6,003	- The transactions arose in ordinary course of business.
		- Repair and maintenance Air Condition system	24,138	- The transactions arose in ordinary course of business.
		- Other services	5,417	- The transactions arose in ordinary course of business.
		- Purchase of goods	4,492	- The transactions arose in ordinary course of business.
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.		
		Purchase : - Repair and maintenance network services.	59	- The transactions arose in ordinary course of business.

\*Remark: Charoen Pokphand Group of companies where the Chearavanont Family is a major shareholder. Please see detail in Topic 7 - Investment structure Page 4.

Company Name		Relationship	Details of transactions	2012 (Baht'000)	Rationale and necessity
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	347  2,918  2,722	- 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.
<b>2. Bangkok Inter Teletech Group of companies (BITCO) (The Company directly and indirectly holds 99.40%)</b>					
2.1	Charoen Pokphand Group of Companies (CPG)*	CPG is a major shareholder of the Company. The Company indirectly holds 99.40% 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 - Advertising and other services - Handset	342,462  1,782,020  40,961  67,734 117,875 385,493	- 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.

\* Remark: Charoen Pokphand Group of companies where the Chearavanont Family is a major shareholder. Please see detail in Topic 7 - Investment structure Page 4.

Company Name		Relationship	Details of transactions	2012 (Baht'000)	Rationale and necessity
2.2	True Internet Data Center Co., Ltd. (TIDC)	The Company indirectly holds 99.40% 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  Purchase : - Internet server rental	144  538	- The transactions arose in ordinary course of business that the Company proposed to the third party.  - The transactions arose in ordinary course of business.
2.3	BeboydCg Company Limited (Bboyd)	The Company indirectly holds 99.40% 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	216	- The transactions arose in ordinary course of business.
2.4	NC True Co., Ltd. (NC True)	The Company indirectly holds 99.40% in BITCO's equity interest and directly holds 40.00% in NC True's equity interest.	Purchase : - Content	803	- The transactions arose in ordinary course of business.
2.5	True GS Co., Ltd. (TGS)	The Company indirectly holds 99.40% in BITCO's equity interest and indirectly holds 45.00% in TGS's equity interest.	Sale : - Mobile services	644	- The transactions arose in ordinary course of business that the Company proposed to the third party.

\*Remark: Charoen Pokphand Group of companies where the Chearavanont Family is a major shareholder. Please see detail in Topic 7 - Investment structure Page 4.

Company Name		Relationship	Details of transactions	2012 (Baht'000)	Rationale and necessity
3. True Multimedia Co., Ltd. (TM) (The Company indirectly holds 91.08%)					
3.1	Charoen Pokphand Group of companies (CPG)*	CPG is a major shareholder of the Company. The Company indirectly holds 91.08% in TM's equity interest.	Sale : - Digital Data Network services  Purchase : - Other services	8  347	- The transactions arose in ordinary course of business that the Company proposed to the third party.  - The transactions arose in ordinary course of business.
3.2	NEC Corporation (Thailand) Co., Ltd. (NEC)	The Company indirectly holds 91.08% in TM's equity interest and 9.62% in NEC's equity interest, respectively.	Purchase : - Purchase of equipment	249	- The transactions arose in ordinary course of business.
4. True Internet Co., Ltd. (TRUE_I) (The Company directly holds 100.00%)					
4.1	Charoen Pokphand Group of companies (CPG)*	CPG is a major shareholder of the Company. The Company directly holds 100.00% in TRUE_I's equity interest.	Sale: - Internet services  Purchase : - Purchase of goods  - Office rental and related services	11,879  7,220  23,274	- The transactions arose in ordinary course of business that TI proposed to the third party.  - The transactions arose in ordinary course of business.  - 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	True Internet Data Center Co., Ltd. (TIDC)	The Company directly holds 100.00% in TRUE_I's equity interest and indirectly holds 70.00% in TIDC's equity interest.	sale : - Internet services  Purchase : - Internet server rental	2,604  32,558	- The transactions arose in ordinary course of business that TI proposed to the third party.  - The transactions arose in ordinary course of business.

\*Remark: Charoen Pokphand Group of companies where the Chearavanont Family is a major shareholder. Please see detail in Topic 7 - Investment structure Page 4.

Company Name		Relationship	Details of transactions	2012 (Baht'000)	Rationale and necessity
4.3	NC True Co., Ltd. (NC True)	The Company directly holds 100.00% in TRUE_I's equity interest and 40.00% in NC True's equity interest.	sale : - Internet services	6,454	- The transactions arose in ordinary course of business that TI proposed to the third party.
5. True Properties Co., Ltd. (TP) (The Company indirectly holds 100.00%)					
5.1	Charoen Pokphand Group of Companies (CPG)*	CPG is a major shareholder of the Company. The Company indirectly holds 100.00% in TP's equity interest.	Sale : - Office rental and related services  Purchase : - Other services	9,756  1,385	- 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 100.00% in TP's equity interest and directly holds 40.00% in NC True's equity interest.	Sale : - Office rental and related services	5,776	- 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.
5.3	True Internet Data Center Co., Ltd. (TIDC)	The Company indirectly holds 100.00% in TP's equity interest and 70.00% in TIDC's equity interest. These companies are related through directorships, i.e. Mr. Chatchaval Jiaravanon.	Sale : - Office rental and related services	6,748	- 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.

\*Remark: Charoen Pokphand Group of companies where the Chearavanont Family is a major shareholder. Please see detail in Topic 7 - Investment structure Page 4.

Company Name		Relationship	Details of transactions	2012 (Baht'000)	Rationale and necessity
6. True Leasing Co., Ltd. (TLS) (The Company directly holds 100.00%)					
6.1	Charoen Pokphand Group of Companies (CPG)*	CPG is a major shareholder of the Company. The Company directly holds 100.00% in TLS's equity interest.	Sale : - Vehicle rental and related services	523,233	- 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.
6.2	True GS Co., Ltd. (TGS)	The Company directly holds 100.00% in TLS's equity interest and indirectly holds 45.00% in TGS's equity interest.	Sale : - Vehicle rental and related services	1,062	- 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 indirectly holds 100.00%)					
	Charoen Pokphand Group of Companies (CPG)*	CPG is a major shareholder of the Company. The Company indirectly holds 100.00% in TLP's equity interest.	Purchase : - Software license - Office rental and related services	416 2,334	- The transactions arose in ordinary course of business. - The transactions arose in ordinary course of business.
8. Asia Wireless Communication Co., Ltd. (AWC) (The Company indirectly holds 100.00%)					
8.1	Charoen Pokphand Group of Companies (CPG)*	CPG is a major shareholder of the Company. The Company indirectly holds 100.00% in AWC's equity interest.	Purchase : - Other services	92	- The transactions arose in ordinary course of business.
8.2	NEC Corporation (Thailand) Co., Ltd. (NEC)	The Company indirectly holds 100.00% in AWC's equity interest and 9.62% in NEC's equity interest.	Purchase : - Repair and maintenance network services	333	- The transactions arose in ordinary course of business.

\*Remark: Charoen Pokphand Group of companies where the Chearavanont Family is a major shareholder. Please see detail in Topic 7 - Investment structure Page 4.

Company Name		Relationship	Details of transactions	2012 (Baht'000)	Rationale and necessity
9. True Internet Data Center Co., Ltd. (TIDC) (the Company indirectly holds 70.00%)					
9.1	Charoen Pokphand Group of Companies (CPG)*	CPG is a major shareholder of the Company. The Company indirectly holds 70.00% in TIDC's equity interest.	Sale : - Internet server rental and other services  Purchase : - Other services	7,951    510	- The transactions arose in ordinary course of business.  - The transactions arose in ordinary course of business.
9.2	NC True Co., Ltd. (NC True)	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	4,956	- 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 100.00%)					
	Charoen Pokphand Group of Companies (CPG)*	CPG is a major shareholder of the Company. The Company indirectly holds 100.00% TLR's equity interest.	Sale : - Sales of goods  - Copyright  Purchase : - Sponser support  - Purchase of goods	1,229  302  300  26,228	- The transactions arose in ordinary course of business. - The transactions arose in ordinary course of business.  - The transactions arose in ordinary course of business. - The transactions arose in ordinary course of business.
11. True Visions Group of companies (TVG) (The Company indirectly holds 100.00%)					
11.1	Charoen Pokphand Group of Companies (CPG)*	CPG is a major shareholder of the Company. The Company indirectly holds 100.00% in TVG's equity interest.	Sale : - Activities sponsorship True Academy fantacia  Purchase : - Other services	144,206   25,998	- The transactions arose in ordinary course of business that TVG proposed to the third party.  - The transactions arose in ordinary course of business.

\*Remark: Charoen Pokphand Group of companies where the Chearavanont Family is a major shareholder. Please see detail in Topic 7 - Investment structure Page 4.

Company Name		Relationship	Details of transactions	2012 (Baht'000)	Rationale and necessity
11.2	Channel [V] Music (Thailand) Co., Ltd. (Channel V)	The Company indirectly holds 100.00% in TVG's equity interest and directly holds 25.82% in Channel V's equity interest.	Purchase : - Music production	50,608	- The transactions arose in ordinary course of business.
11.3	True GS Co., Ltd. (TGS)	The Company indirectly holds 100.00% in TVG's equity interest and indirectly holds 45.00% in TGS's equity interest. These companies are related through directorships, i.e. Mr. Anat Mekpaiboonvatana.	Sale : - Decoder Equipment  - Advertising	1,683  20,436	- The transactions arose in ordinary course of business. - The transactions arose in ordinary course of business.
11.4	True Internet Data Center Co., Ltd. (TIDC)	The Company indirectly holds 100.00% in TVG's equity interest and 70.00% in TIDC's equity interest. These companies are related through directorships, i.e. Mr. Chatchaval Jiaravanon.	Sale : - Sponsorship  Purchase: - Internet service	3,000  585	- The transactions arose in ordinary course of business that True Visions proposed to the third party. - The transactions arose in ordinary course of business.
<b>12. True Touch Co., Ltd. (TT) (The Company indirectly holds 100.00%)</b>					
12.1	Charoen Pokphand Group of Companies (CPG)*	CPG is a major shareholder of the Company. The Company directly holds 100.00% in TT's equity interest.	Sale : - Call center  Purchase : - Office rental and related services	2,849  30,169	- The transactions arose in ordinary course of business that True Visions proposed to the third party. - The transactions arose in ordinary course of business.
12.2	True GS Co., Ltd. (TGS)	The Company indirectly holds 100.00% in TT's equity interest and indirectly holds 45.00% in TGS's equity interest.	Sale : - Call center	22,176	- The transactions arose in ordinary course of business.

\*Remark: Charoen Pokphand Group of companies where the Chearavanont Family is a major shareholder. Please see detail in Topic 7 - Investment structure Page 4.

Company Name		Relationship	Details of transactions	2012 (Baht'000)	Rationale and necessity
13. True Money Co., Ltd. (TMN) (The Company directly and indirectly holds 100.00%)					
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	554,030	- 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. Adhiruth Thothaveesansuk.	Sale : - Collection agent fee	71,921	- The transactions arose in ordinary course of business that TMN proposed to the third party.
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 service	1,471	- The transactions arose in ordinary course of business.
14. True International Gateway Co., Ltd. (TIG) (The Company directly holds 100.00%)					
14.1	Charoen Pokphand Group of Companies (CPG)*	CPG is a major shareholder of the Company. The Company directly holds 100.00% in TIG's equity interest.	Purchase : - Office rental and other services	1,885	- The transactions arose in ordinary course of business.

\*Remark: Charoen Pokphand Group of companies where the Chearavanont Family is a major shareholder. Please see detail in Topic 7 - Investment structure Page 4.

Company Name		Relationship	Details of transactions	2012 (Baht'000)	Rationale and necessity
14.2	True Internet Data Center Co., Ltd. (TIDC)	The Company directly holds 100.00% 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 and other service	5,813	- The transactions arose in ordinary course of business.
15. True Public Communication Co., Ltd. (TPC) (The Company directly holds 100.00%)					
	Charoen Pokphand Group of Companies (CPG)*	CPG is a major shareholder of the Company. The Company directly holds 100.00% in TPC's equity interest.	Purchase : - Other service	6,813	- The transactions arose in ordinary course of business.
16. Wire and Wireless Co., Ltd. (WW) (The Company directly holds 87.50%)					
	Charoen Pokphand Group of Companies (CPG)*	CPG is a major shareholder of the Company. The Company directly holds 87.50% in WW's equity interest.	Sale : - Sale of equipment  Purchase : - Other service	6,283  991	- The transactions arose in ordinary course of business that WW 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 100.00%)					
17.1	Charoen Pokphand Group of Companies (CPG)*	CPG is a major shareholder of the Company. The Company directly holds 0.03% and indirectly holds 99.97% in TUC's equity interest.	Sale : - Digital Data Network services  Purchase : - Other service  - Purchase of equipment	126,780  16,625  1,469	- The transactions arose in ordinary course of business that the Company proposed to the third party.  - The transactions arose in ordinary course of business.  - The transactions arose in ordinary course of business.

\*Remark: Charoen Pokphand Group of companies where the Chearavanont Family is a major shareholder. Please see detail in Topic 7 - Investment structure Page 4.

Company Name		Relationship	Details of transactions	2012 (Baht'000)	Rationale and necessity
17.2	True Internet Data Center Co., Ltd. (TIDC)	The Company directly holds 0.03% and indirectly holds 99.97% 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 Jiaravanon.	Sale : - Digital Data Network services  Purchase : - Other service	3,267  1,509	- The transactions arose in ordinary course of business that the Company proposed to the third party.  - The transactions arose in ordinary course of business.
17.3	NC True Co., Ltd. (NC True)	The Company directly holds 0.03% and indirectly holds 99.97% in TUC's equity interest and directly holds 40.00% in NC True's equity interest.	Sale : - Digital Data Network services	247	- The transactions arose in ordinary course of business that the Company proposed to the third party.
<b>18. KSC Commercial Internet Co., Ltd. (KSC) (The Company directly and indirectly holds 56.83%)</b>					
18.1	Charoen Pokphand Group of Companies (CPG)*	CPG is a major shareholder of the Company. The Company indirectly holds 56.83% in KSC's equity interest.	sale : - Internet services  Purchase: - Other service	1,548  233	- The transactions arose in ordinary course of business that the Company proposed to the third party.  - The transactions arose in ordinary course of business.
18.2	True Internet Data Center Co., Ltd. (TIDC)	The Company indirectly holds 56.83% in KSC's equity interest and 70.00% in TIDC's equity interest, respectively.	sale : - Internet services  Purchase: - Internet services and other services	259  4,244	- The transactions arose in ordinary course of business that the Company proposed to the third party.  - The transactions arose in ordinary course of business.

\*Remark: Charoen Pokphand Group of companies where the Chearavanont Family is a major shareholder. Please see detail in Topic 7 - Investment structure Page 4.

Company Name		Relationship	Details of transactions	2012 (Baht'000)	Rationale and necessity
19. True Digital Content & Media Co., Ltd. (TDCM) (The Company indirectly holds 98.52%)					
19.1	NC True Co., Ltd. (NC True)	The Company indirectly holds 98.52% in TDCM's equity interest and directly holds 40.00% in NC True's equity interest. These companies are related through directorships, i.e. Mr. Adhiruth Thothaveesansuk and Ms. Monsinee Nakapanant.	Sale : - Advertising  Purchase : - Purchase of goods	2,166  572	- The transactions arose in ordinary course of business that the Company proposed to the third party.  - The transactions arose in ordinary course of business.
19.2	Charoen Pokphand Group of Companies (CPG)*	CPG is a major shareholder of the Company. The Company indirectly holds 98.52% in TDCM's equity interest.	Sale : - Sale of goods  - Advertising  Purchase : - Other services  - Software license	15,073  4,894  10,058  360	- The transactions arose in ordinary course of business that the Company proposed to the third party. - The transactions arose in ordinary course of business that the Company proposed to the third party.  - The transactions arose in ordinary course of business. - The transactions arose in ordinary course of business.
19.3	True Internet Data Center Co., Ltd. (TIDC)	The Company indirectly holds 98.52% in TDCM's equity interest and 70.00% in TIDC's equity interest, respectively.	Purchase: - Internet services and other services	2,156	- The transactions arose in ordinary course of business.
20. True Digital Plus Co., Ltd. (TDP) (The Company indirectly holds 100%)					
20.1	True Internet Data Center Co., Ltd. (TIDC)	The Company indirectly holds 100.00% in TDP's equity interest and 70.00% in TIDC's equity interest, respectively.	Purchase: - Internet services and other services	3,861	- The transactions arose in ordinary course of business.

\*Remark: Charoen Pokphand Group of companies where the Chearavanont Family is a major shareholder. Please see detail in Topic 7 - Investment structure Page 4.

Company Name		Relationship	Details of transactions	2012 (Baht'000)	Rationale and necessity
20.2	NC True Co., Ltd. (NC True)	The Company indirectly holds 100.00% in TDP's equity interest and directly holds 40.00% in NC True's equity interest. These companies are related through directorships, i.e. Mr. Adhiruth Thothaveesansuk and Ms. Monsinee Nakapanant.	Purchase : - Content	8,556	- The transactions arose in ordinary course of business.
20.3	Charoen Pokphand Group of Companies (CPG)*	CPG is a major shareholder of the Company. The Company indirectly holds 100.00% in TDP's equity interest.	Purchase : - Other service	632	- The transactions arose in ordinary course of business.
<b>21. True Information Technology Co., Ltd. (TIT) (The Company indirectly holds 100.00%)</b>					
	Charoen Pokphand Group of Companies (CPG)*	CPG is a major shareholder of the Company. The Company indirectly holds 100.00% in TIT's equity interest.	Purchase : - Purchase of goods - Other service	5,064 8,136	- The transactions arose in ordinary course of business. - The transactions arose in ordinary course of business.
<b>22. BFKT (Thailand) Co., Ltd. (BFKT) (The Company indirectly holds 100.00%)</b>					
	Charoen Pokphand Group of Companies (CPG)*	CPG is a major shareholder of the Company. The Company indirectly holds 100.00% in BFKT's equity interest.	Purchase : - Purchase of equipment - Repair and maintenance	8,964 15,894	- The transactions arose in ordinary course of business. - The transactions arose in ordinary course of business.

\*Remark: Charoen Pokphand Group of companies where the Chearavanont Family is a major shareholder. Please see detail in Topic 7 - Investment structure Page 4.

Company Name	Relationship	Details of transactions	2012 (Baht'000)	Rationale and necessity
<b>23. Real Move Co., Ltd. (RMV) (The Company indirectly holds 99.40%)</b>				
23.1	Charoen Pokphand Group of Companies (CPG)*	CPG is a major shareholder of the Company. The Company indirectly holds 99.40% in RMV's equity interest.	Purchase : - Purchase of goods 2,221 - Other service 4,893	- The transactions arose in ordinary course of business. - The transactions arose in ordinary course of business.
23.2	BboydCg Company Limited (Bboyd)	The Company indirectly holds 99.40% in RMV's equity interest and indirectly holds 70.00% in Bboyd's equity interest. These companies are related through directorships, i.e. Mr.Piroon Paireepairit.	Purchase : - Content 549	- The transactions arose in ordinary course of business.
<b>24. Hutchison CAT Wireless MultiMedia Limited. (HCAT) (The Company indirectly holds 67.96%)</b>				
	Charoen Pokphand Group of Companies (CPG)*	CPG is a major shareholder of the Company. The Company indirectly holds 67.96% in HCAT's equity interest.	Purchase : - Collection agent service and other service 902	- The transactions arose in ordinary course of business.

\*Remark: Charoen Pokphand Group of companies where the Chearavanont Family is a major shareholder. Please see detail in Topic 7 - Investment structure Page 4.

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 2011	Increase (Decrease)	31 December 2012
Asia Infonet Co., Ltd.	7,554	(7,551)	3
True Internet Data Center Co., Ltd.	3,680	3,319	6,999
BeboydCg Company Limited.	21	51	72
NC True Co., Ltd.	57,109	(12,255)	44,854
True GS Co., Ltd.	4,550	3,286	7,836
NEC Corporation (Thailand) Co., Ltd.	165	-	165
CP Group of companies	1,679,118	343,675	2,022,793
Total	1,752,197	330,525	2,082,722

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 2011	Increase (Decrease)	31 December 2012
Asia Infonet Co., Ltd.	974	867	1,841
True Internet Data Center Co., Ltd.	26,214	4,203	30,417
BeboydCg Company Limited.	1,023	(1,016)	7
NC True Co., Ltd.	178,326	(99,917)	78,409
Channel [V] Music (Thailand) Co., Ltd.	22,047	(13,162)	8,885
CP Group of companies	49,194	140,580	189,774
NEC Corporation (Thailand) Co., Ltd.	42	(7)	35
Total	277,820	31,548	309,368

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 2011	Increase (Decrease)	31 December 2012
BeboydCg Company Limited.	8,700	5,551	14,251
Total	8,700	5,551	14,251

## Measures and Procedures for Approving the Entering into of Connected Transactions

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

1. The following related party transactions can be approved by Management without any approval from the Company's Board of Directors and the Shareholders' Meeting under the purpose of clause 89/12 of the Securities and Exchange Act (No. 4) B.E. 2551:
  - 1.1 A transaction under general commercial terms  
"general commercial term" mean a commercial term that a person of ordinary prudence would agree with any unrelated counterparty under the similar circumstances, on the basis of commercial negotiation and without any dependent interest resulted from the status of the director, executive or related person, including the commercial terms with the prices and the conditions or the gross margin as follows:
    - (a) prices and conditions that the Company, or its subsidiary receives from or offers to general persons.
    - (b) prices and conditions that a director, an executive or related person offers to general persons.
    - (c) prices and conditions that the Company, or its subsidiaries can prove that it is same as operators in similar business offer to general persons.
    - (d) in case the comparison of price of goods or services cannot be made because of the distinctiveness or specifically made to order, however the Company or its subsidiaries can prove that
      - the gross margin that the Company or its subsidiaries receive from the related party transaction is similar to the gross margin they receive from transactions with other parties; or
      - the gross margin that the director, executive or related person receive from the related party transaction is similar to the gross margin they receive from transactions with other parties; and there is no difference of condition and terms between them.
  - 1.2 A loan in accordance with the regulations on the welfare of the staff members and employees;
  - 1.3 A transaction in which the counterparty to the Company or both parties are;
    - (a) a subsidiary or subsidiaries whose shares are held by the Company in the amount not less than ninety percent of its total number of shares sold; or
    - (b) a subsidiary or subsidiaries whose shares are held by a director, an executive or a related person or which such person has interest, whether directly or indirectly, not more than the amount, rate or characteristic as specified in the notification of the Capital Market Supervisory Board;

- 1.4 A transaction in particular category or with value not more than the amount or rate as specified in the notification of the Capital Market Supervisory Board.
2. The following related party transactions require approval from the Company's Board of Directors but do not require approval from the Shareholders' Meeting
  - 2.1 A transaction under Clause 1 which requires an approval from the Company's Board of Directors under other internal procedures of the Company such as Procedure for Budget.
  - 2.2 A transaction under Clause 1.3 (b) or 1.4 that may be prescribed by the Capital Market Supervisory Board to require an approval from the Board of Directors, relevant notification shall be prescribed later.
3. Any related party transactions other than those under Clause 1 and 2 require approval from the Company's Board of Directors and the Shareholders' Meeting before entering into such transactions.

**Policy for Future Connected Transactions**

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

## 11. FINANCIAL STATUS AND PERFORMANCE

### 11.1 Summary of Financial Statements

True Corporation Public Company Limited  
Consolidated Statements of Financial Position  
As at 31 December 2012, 2011 and 2010

(Unit: Thousand Baht)

	31 December 2012	Common Size (%)	(Restated) 31 December 2011	Common Size (%)	(Restated) 31 December 2010	Common Size (%)
<b>Assets</b>						
<b>Current assets</b>						
Cash and cash equivalents	6,103,167	3.38	11,447,692	7.62	4,540,535	4.03
Restricted cash	964,823	0.54	997,852	0.66	1,168,321	1.04
Short-term investments	374,406	0.21	400,727	0.27	426,230	0.38
Trade and other receivables	21,424,871	11.88	12,899,586	8.59	9,514,847	8.44
Short-term loans to related parties	14,251	0.01	8,700	0.01	11,900	0.01
Inventories, net	2,761,928	1.53	1,596,738	1.06	997,332	0.88
Income tax deducted at source	3,018,739	1.67	2,630,683	1.75	2,448,598	2.17
Claimable value added tax	2,048,861	1.14	1,030,217	0.69	670,026	0.59
Other current assets	3,321,860	1.84	2,920,369	1.94	1,368,814	1.21
<b>Total current assets</b>	<b>40,032,906</b>	<b>22.20</b>	<b>33,932,564</b>	<b>22.59</b>	<b>21,146,603</b>	<b>18.75</b>
<b>Non-current assets</b>						
Restricted cash	122,231	0.07	126,198	0.08	140,412	0.12
Investments in associates, net	275,708	0.15	215,221	0.14	90,029	0.08
Investment in other companies, net	293,323	0.16	293,323	0.20	293,323	0.26
Investment property, net	54,763	0.03	55,486	0.04	53,357	0.05
Property, plant and equipment, net	86,679,838	48.06	73,938,685	49.26	62,962,537	55.85
Goodwill, net	11,403,094	6.32	11,403,094	7.60	12,428,009	11.03
Intangible assets, net	35,401,781	19.63	23,096,001	15.39	8,395,961	7.45
Deferred income tax assets	5,181,781	2.87	6,081,500	4.05	6,321,457	5.61
Other non-current assets	917,945	0.51	973,552	0.65	899,965	0.80
<b>Total non-current assets</b>	<b>140,330,464</b>	<b>77.80</b>	<b>116,183,060</b>	<b>77.41</b>	<b>91,585,050</b>	<b>81.25</b>
<b>Total assets</b>	<b>180,363,370</b>	<b>100.00</b>	<b>150,115,624</b>	<b>100.00</b>	<b>112,731,653</b>	<b>100.00</b>
<b>Liabilities and shareholders' equity</b>						
<b>Current liabilities</b>						
Short-term borrowings	5,096,095	2.83	365,952	0.24	625,925	0.56
Trade and other payables	44,721,775	24.80	30,217,408	20.14	18,478,374	16.39
Current portion of long-term borrowings	9,521,909	5.28	6,896,129	4.60	7,170,770	6.36
Income tax payable	348,115	0.19	379,434	0.25	346,045	0.31
Other current liabilities	3,299,293	1.83	2,902,171	1.93	3,237,423	2.87
<b>Total current liabilities</b>	<b>62,987,187</b>	<b>34.93</b>	<b>40,761,094</b>	<b>27.16</b>	<b>29,858,537</b>	<b>26.49</b>
<b>Non-current liabilities</b>						
Long-term borrowings	86,804,608	48.13	77,976,290	51.94	64,675,353	57.38
Long-term trade accounts payable	14,040	0.01	36,320	0.02	-	-
Deferred income tax liabilities	3,579,374	1.98	3,279,930	2.19	138,446	0.12
Liabilities under agreements for operation	3,079,521	1.71	3,640,166	2.43	4,123,452	3.66
Employee benefits obligations	914,055	0.51	865,701	0.58	686,638	0.61
Other non-current liabilities	8,980,207	4.98	2,086,780	1.39	2,184,834	1.94
<b>Total non-current liabilities</b>	<b>103,371,805</b>	<b>57.32</b>	<b>87,885,187</b>	<b>58.55</b>	<b>71,808,723</b>	<b>63.71</b>
<b>Total liabilities</b>	<b>166,358,992</b>	<b>92.25</b>	<b>128,646,281</b>	<b>85.71</b>	<b>101,667,260</b>	<b>90.20</b>
<b>Shareholders' equity</b>						
Share capital						
Authorised share capital						
Common shares	153,332,070		153,332,070		153,332,070	
Issued and fully paid-up share capital						
Common shares	145,031,792	80.27	145,031,792	96.57	77,757,424	68.87
Premium on share capital						
Common shares	11,432,046	6.33	11,432,046	7.61	11,432,046	10.13
Discount on share capital						
Common shares	(85,987,466)	(47.59)	(85,987,466)	(57.25)	(31,827,900)	(28.19)
Retained earnings (deficit)						
Appropriated legal reserve	34,881	0.02	34,881	0.02	34,881	0.03
Deficit	(55,634,566)	(30.79)	(48,206,801)	(32.10)	(45,481,619)	(40.28)
Other components of equity	(1,529,867)	(0.85)	(1,527,107)	(1.02)	(1,418,690)	(1.26)
<b>Equity attributable to owners of the parent</b>	<b>13,346,820</b>	<b>7.39</b>	<b>20,777,345</b>	<b>13.83</b>	<b>10,496,142</b>	<b>9.30</b>
Non-controlling interests	657,558	0.36	691,998	0.46	568,251	0.50
<b>Total shareholders' equity</b>	<b>14,004,378</b>	<b>7.75</b>	<b>21,469,343</b>	<b>14.29</b>	<b>11,064,393</b>	<b>9.80</b>
<b>Total liabilities and shareholders' equity</b>	<b>180,363,370</b>	<b>100.00</b>	<b>150,115,624</b>	<b>100.00</b>	<b>112,731,653</b>	<b>100.00</b>

**True Corporation Public Company Limited**  
**Consolidated Statements of Comprehensive Income**  
For the years ended 31 December 2012, 2011 and 2010

	(Unit: Thousand Baht)					
			(Restated)			
	31 December 2012	Common Size (%)	31 December 2011	Common Size (%)	31 December 2010	Common Size (%)
<b>Revenues</b>						
Revenues from telephone and other services	74,298,460	83.12	65,132,462	90.54	59,062,427	94.68
Revenues from product sales	<u>15,083,455</u>	<u>16.88</u>	<u>6,805,156</u>	<u>9.46</u>	<u>3,316,041</u>	<u>5.32</u>
<b>Total revenues</b>	<u>89,381,915</u>	<u>100.00</u>	<u>71,937,618</u>	<u>100.00</u>	<u>62,378,468</u>	<u>100.00</u>
<b>Costs</b>						
Cost of providing services	54,892,586	61.41	46,045,350	64.01	39,976,480	64.09
Cost of sales	<u>13,779,018</u>	<u>15.42</u>	<u>5,881,483</u>	<u>8.18</u>	<u>2,903,936</u>	<u>4.66</u>
<b>Total costs</b>	<u>68,671,604</u>	<u>76.83</u>	<u>51,926,833</u>	<u>72.19</u>	<u>42,880,416</u>	<u>68.75</u>
<b>Gross profit</b>	20,710,311	23.17	20,010,785	27.81	19,498,052	31.25
Other income	847,835	0.95	12,838,087	17.85	640,153	1.03
Selling expenses	(8,475,378)	(9.48)	(6,247,834)	(8.69)	(4,466,128)	(7.16)
Administrative expenses	(10,634,727)	(11.90)	(9,689,443)	(13.47)	(7,892,997)	(12.65)
Other expenses	(2,183,994)	(2.44)	(1,283,684)	(1.78)	(447,849)	(0.72)
Share of results in associates	41,417	0.05	46,922	0.07	40,406	0.06
Finance costs	<u>(6,154,422)</u>	<u>(6.89)</u>	<u>(14,971,146)</u>	<u>(20.81)</u>	<u>(5,693,410)</u>	<u>(9.13)</u>
<b>Profit (loss) before income tax</b>	(5,848,958)	(6.54)	703,687	0.98	1,678,227	2.68
Income tax	<u>(1,598,740)</u>	<u>(1.79)</u>	<u>(3,439,601)</u>	<u>(4.78)</u>	<u>(577,981)</u>	<u>(0.93)</u>
<b>Profit (loss) for the year</b>	<u>(7,447,698)</u>	<u>(8.33)</u>	<u>(2,735,914)</u>	<u>(3.80)</u>	<u>1,100,246</u>	<u>1.75</u>
<b>Other comprehensive income (expense):</b>						
Exchange differences on translating financial statements	(2,760)	0.00	11,561	0.02	27	0.00
Actuarial loss	<u>-</u>	<u>-</u>	<u>(31,567)</u>	<u>(0.04)</u>	<u>-</u>	<u>-</u>
<b>Total comprehensive income (expense) for the year</b>	<u>(7,450,458)</u>	<u>0.00</u>	<u>(2,755,920)</u>	<u>(0.02)</u>	<u>1,100,273</u>	<u>1.75</u>
<b>Profit (loss) for the year attributable to:</b>						
Owners of the parent	(7,427,765)	99.73	(2,693,688)	98.46	1,210,517	110.02
Non-controlling interests	<u>(19,931)</u>	<u>0.27</u>	<u>(42,226)</u>	<u>1.54</u>	<u>(110,271)</u>	<u>(10.02)</u>
<b>Profit (loss) for the year</b>	<u>(7,447,696)</u>	<u>100.00</u>	<u>(2,735,914)</u>	<u>100.00</u>	<u>1,100,246</u>	<u>100.00</u>
<b>Total comprehensive income (expense) for the year attributable to:</b>						
Owners of the parent	(7,430,525)	99.73	(2,713,633)	98.47	1,210,556	110.02
Non-controlling interests	<u>(19,931)</u>	<u>0.27</u>	<u>(42,287)</u>	<u>1.53</u>	<u>(110,283)</u>	<u>(10.02)</u>
<b>Total comprehensive income (expense) for the year</b>	<u>(7,450,456)</u>	<u>100.00</u>	<u>(2,755,920)</u>	<u>100.00</u>	<u>1,100,273</u>	<u>100.00</u>
<b>Basic and diluted earnings (loss) per share</b>						
<b>attributable to owner of the parent</b>						
-Basic	(0.51)		(0.23)		0.17	
-Diluted	(0.51)		(0.23)		0.17	

**True Corporation Public Company Limited**  
**Consolidated Statements of Cash Flows**  
**For the years ended 31 December 2012, 2011 and 2010**

(Unit: Thousand Baht)

	<b>31 December</b>	<b>(Restated)</b>	<b>(Restated)</b>
	<b>2012</b>	<b>31 December</b>	<b>31 December</b>
		<b>2011</b>	<b>2010</b>
<b>Cash flows from operating activities</b>			
Profit (loss) before income tax	(5,848,958)	703,687	1,678,227
Adjustments for:			
Depreciation and amortisation	17,151,752	14,883,121	12,989,595
Interest income	(259,566)	(335,742)	(59,727)
Interest expense	6,551,433	9,290,503	6,100,499
Gain on disposals of property, plant and equipment	(43,026)	(62,766)	(175,767)
Doubtful accounts	1,415,186	1,124,722	1,235,140
Impairment charge of property, plant and equipment and intangible assets	2,123,848	73,168	49,967
Impairment charge of investment property	724	-	-
Impairment charge of goodwill	-	1,024,915	-
Other operating assets and liabilities written-off	17,093	3,866	(13,062)
Gain on sale investment in subsidiaries and associate	-	(146,135)	-
Gain on liquidation of subsidiaries	-	-	(873)
Increase in retirement benefits obligations	48,354	74,471	-
Gain from bargain purchase	-	(12,077,098)	-
Unrealised loss (gain) on foreign exchange	(864,711)	737,425	(2,520,654)
Foreign exchange loss on repayments of borrowings	-	3,416,411	924,783
Share of results in associates	(41,417)	(46,922)	(40,406)
Changes in operating assets and liabilities			
- Trade and other receivables	(10,331,060)	(4,581,556)	(1,518,788)
- Short-term investments	50,908	20,399	(23,179)
- Inventories	(1,252,658)	(1,926,517)	(896,769)
- Other current assets	(734,543)	406,199	442,764
- Film and program rights	(1,935,571)	(1,819,550)	(1,465,746)
- Cars for lease	197,531	202,219	-
- Other non-current assets	55,607	24,869	(264,404)
- Trade and other payables	7,573,846	6,178,940	(735,571)
- Other current liabilities	397,122	(105,046)	991,240
- Other non-current liabilities	145,000	(122,170)	(169,450)
Cash generated from operations	14,416,170	16,941,413	16,527,819
Add : Interest received	313,430	333,162	52,536
Less: Interest paid	(5,786,497)	(8,829,835)	(5,539,827)
Income tax paid	(1,631,246)	(1,687,448)	(1,771,977)
Net cash from operating activities	7,311,857	6,757,292	9,268,551
<b>Cash flows from investing activities</b>			
Withdrawal in restricted cash	36,996	184,682	169,755
Withdrawal (deposit) in short-term investments	(24,587)	5,105	(317,631)
Loans made to joint venture	(6,320)	-	(4,400)
Acquisition of subsidiaries, net of cash acquired	-	(6,015,869)	-
Proceeds from sale of investment in associate	-	146,135	-
Proceeds from liquidation of investment in subsidiary	-	-	1,572
Investments in associate	(27,000)	(81,000)	-
Investment in other company	-	-	(400)
Acquisition of property, plant and equipment	(19,313,715)	(12,495,892)	(7,154,361)
Acquisition of intangible assets	(7,812,497)	(652,239)	(328,325)
Proceeds from loans to joint venture	770	-	-
Acquisition of investment property	-	(2,130)	-
Proceeds from decrease in share capital of associate	6,578	-	-
Proceeds from disposals of property, plant and equipment and intangible assets	178,686	274,343	696,880
Dividends received	1,352	2,730	-
Net cash used in investing activities	(26,959,737)	(18,634,135)	(6,936,910)
<b>Cash flows from financing activities</b>			
Issue of common shares	-	13,114,802	-
Capital contributions from holder of non-controlling interest	-	9,847	6,001
Dividend paid to non-controlling interest	(14,509)	(12,954)	-
Addition investment in subsidiary by purchasing shares from non-controlling interest	-	(114,822)	(35,513)
Proceeds from short-term borrowings	9,120,978	7,885,337	2,901,233
Proceeds from borrowings, net of cash paid for debt issuance cost	17,482,493	40,750,941	15,982,188
Repayments on short-term borrowings	(4,393,083)	(8,115,856)	(4,605,308)
Repayments on borrowings	(7,888,830)	(34,745,495)	(16,955,424)
Net cash received from (used in) financing activities	14,307,049	18,771,800	(2,706,823)
<b>Net (decrease) increase in cash and cash equivalents</b>	(5,340,831)	6,894,957	(375,182)
Opening balance	11,447,692	4,540,535	4,916,296
Effects of exchange rate changes	(3,694)	12,200	(579)
Closing balance	6,103,167	11,447,692	4,540,535

**FINANCIAL RATIOS**

**True Corporation Public Company Limited and Subsidiaries**

		<b>2012</b>	<b>2011 (restated)</b>	<b>2010 (restated)</b>
<b>Liquidity Ratios</b>				
Current Ratio	Times	0.64	0.83	0.74
Quick Ratio-Accrual Basis	Times	0.42	0.59	0.49
<b>Activity Ratios</b>				
Receivable Turnover Ratio	Times	5.92	7.28	7.39
Average Collection Period	Days	60.78	49.44	48.70
Average Collection Period *	Days	20.11	20.19	23.39
* 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	Times	31.51	40.04	49.18
Average Inventory Turnover Period	Days	11.42	8.99	7.32
Payable Turnover Ratio	Times	3.90	4.80	6.07
Average Payment Period	Days	92.36	75.06	59.29
Cash Cycle	Days	(20.15)	(16.63)	(3.27)
Fixed Assets Turnover Ratio	Times	1.11	1.03	0.93
Total Assets Turnover Ratio	Times	0.54	0.54	0.54
<b>Leverage Ratios</b>				
Debt to Equity Ratio	Times	11.88	5.99	8.76
EBITDA to Interest Coverage Ratio	Times	2.43	2.41	2.82
<b>Profitability Ratios</b>				
Gross Profit Margin	%	23.17%	27.82%	31.26%
Net Profit Margin	%	-8.31%	-3.74%	1.94%
Return on Assets <sup>1/</sup>	%	0.97%	3.08%	6.19%
Return on Equity	%	-41.88%	-16.24%	10.83%
Dividend Ratio	%	-	-	-
<b>Per Share Analysis</b>				
Book Value per Share	Baht	0.97	1.48	1.51
Earnings (Loss) per Share (Basic)	Baht	(0.51)	(0.23)	0.17
Dividend per Share	Baht	-	-	-
<b>Growth Ratios</b>				
Total Assets	%	20.15%	31.36%	-1.84%
Total Liabilities	%	29.32%	25.42%	-3.03%
Total Revenue	%	24.25%	15.32%	-0.15%
Total Operating Expenses <sup>2/</sup>	%	29.35%	22.85%	2.82%
Net Profit	%	-172.22%	NM	-9.15%

Note :

<sup>1/</sup> Return on Assets = (Gross profit - selling and administrative expenses) / average total assets

<sup>2/</sup> Total Operating Expenses include Costs of Providing Services, Cost of Sales and Selling and Administrative Expenses

**FINANCIAL HIGHLIGHTS**

	<b>Unit: Baht (million)</b>		
	<b>2012</b>	<b>2011</b>	<b>2010</b>
		<b>(restated)</b>	<b>(restated)</b>
<b>Consolidated Financial Results</b>			
Service revenues <sup>1/</sup>	61,865	56,802	52,649
Total revenues	89,382	71,938	62,378
EBITDA	16,738	17,104	18,392
Operating profit	1,600	4,074	7,139
Results from ongoing operations	(6,632)	(5,399)	(1,358)
Results from ongoing operations before deferred income tax	(5,354)	(3,200)	264
Net profit (loss) to equity holders of the Company	(7,428)	(2,694)	1,211
<b>Consolidated Balance Sheets and Cash Flows</b>			
Total assets	180,363	150,116	114,276
Total liabilities	166,359	128,646	102,569
Total shareholders' equity	14,004	21,469	11,707
Cash flow from operations <sup>2/</sup>	7,312	6,757	9,269
Free cash flow <sup>2/, 3/</sup>	(19,814)	(6,391)	1,786
<b>Key Financial and Efficiency Ratios</b>			
EBITDA margin (on revenue excl. IC and network rental)	21.8%	26.9%	32.9%
Operating profit margin (on revenue excl. IC and network rental)	2.1%	6.4%	12.8%
Asset turnover (times)	0.5	0.5	0.5
EBITDA / Interest coverage ratio (times) <sup>4/</sup>	2.4	2.4	2.8
Net debt / EBITDA (times) <sup>4/</sup>	5.0	3.9	3.3
<b>Per Share Data and Others</b>			
Profit (loss) per share (Baht)	(0.51)	(0.23)	0.17
Book value per share (Baht)	0.97	1.48	1.51
Share price at year end (Baht)	5.45	3.14	7.10
No. of outstanding shares at year end (million shares)	14,503	14,503	7,776
Market capitalization	79,042	45,540	55,208

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

<sup>2/</sup> In 4Q12, True Group changed the presentations of FY2011 financial results (see "Note 3.2: Change in presentation" of the FY2012 financial statements).

The reclassification of some items such as "advances to contractors" affected cash flows from operations and cash flows used in investing activities.

<sup>3/</sup> Cash flows from operations less capital expenditure

<sup>4/</sup> Excluding liabilities under finance leases

## 11.2 Management's Discussion and Analysis

### OVERVIEW

True Group achieved a number of milestones during 2012. These include maintaining TrueMove H's leadership in the 3G market by highlighting its extensive coverage and quality of service. The acquisition of the 2.1 GHz IMT Spectrum License will complement our existing 3G+ services, resulting in an even greater 3G experience both in terms of speed and coverage. In addition, the success of expanding ULTRA hi-speed Internet into the provinces saw TrueOnline's yearly net adds achieve an all-time high of over 230,000 subscribers in 2012. The DOCSIS 3.0 expansion, especially upcountry, not only continued to receive strong feedback but also facilitated triple-play service, a combination of hi-speed Internet, cable TV and voice services through the same router. This attractive offering differentiates our services as well as brings greater value to our subscribers. Meanwhile, TrueVisions implemented a new and more secure broadcasting system which effectively prevented unauthorized access of our content while also enhancing the viewing experience with more HD channels.

In 2012, True Group's **consolidated service revenue** (which excludes interconnection and network rental revenue) grew 8.9 percent Y-on-Y to Baht 61.9 billion with strong revenue growth in all key business segments. The key growth drivers were mobile Internet services at TrueMove H, consumer Broadband services at TrueOnline as well as advertising and music entertainment services at TrueVisions.

**EBITDA** declined slightly Y-on-Y to Baht 16.7 billion while EBITDA margin lowered to 21.8 percent (from 26.9 percent in 2011) mainly from increases in cash opex (especially SG&A expenses and cost of providing services) at True Mobile Group and TrueVisions as well as higher net IC cost at True Mobile Group. Meanwhile, **NIOGO excluding deferred income tax** was a loss of Baht 5.4 billion, compared with a Baht 3.2 billion loss in 2011 from lower EBITDA and higher D&A which offset declines in interest and income tax expenses while **net loss to shareholders of the parent company** was Baht 7.4 billion with impairment losses (mainly impairment of TrueMove's network assets) totaling Baht 2.1 billion and a foreign exchange gain of Baht 889 million from the mark-to-market of foreign-denominated debt.

**True Mobile Group's** cellular revenue grew strongly (14.4 percent) Y-on-Y to Baht 31.2 billion on its expanding 3G subscriber base and rising mobile Internet usage which grew upon increasing adoption of smartphones and smart devices. True Mobile Group's attractive device-bundling campaign and smartphone packages saw revenues from product sales (majority of which came from smartphone sales) surged 137.1 percent Y-on-Y to Baht 13.7 billion. Meanwhile, TrueMove H gained approximately 2.4 million net adds during the year, taking its subscriber base to 2.9 million and True Mobile Group's total subscribers to 21.0 million subscribers at the end of 2012.

**TrueOnline's** service revenue grew 4.7 percent Y-on-Y to Baht 28.1 billion as the strong growth in consumer broadband revenue offset continued declines in revenues from PCT and public phone services. In 2012, the continued momentum of ULTRA hi-speed Internet campaign, of which success was driven by expanding Broadband coverage drove solid broadband net adds of 234,619, taking the broadband subscriber base to 1.57 million at the end of 2012. At the end of 2012, TrueOnline's broadband network (via DOCSIS & ADSL technology) covered 3.6 million homepasses in 53 provinces.

**TrueVisions'** service revenue grew strongly by 8.2 percent Y-on-Y to Baht 10.5 billion, driven mainly by the solid growth of advertising and music entertainment revenue. Meanwhile, the rollout of the MPEG-4 broadcasting system in July 2012 not only improves customers' viewing experience from a larger number of TrueVisions HD channels but it also eliminated unauthorized access to TrueVisions signal, encouraging legitimate subscription to TrueVisions services. These together with the partnership with satellite and local cable TV operators drove TrueVisions subscribers to 2.04 million (from 1.64 million at the end of 2011). Meanwhile, ARPU expanded 13.7 percent Y-on-Y to Baht 870 from the increasing proportion of premium subscribers.

**Looking forward to 2013**, the company targets a high single-digit growth for the consolidated service revenue and budgeted Baht 26.5 billion of cash capex for the Group (Baht 15 billion for True Mobile, Baht 10 billion for TrueOnline and Baht 1.5 billion for TrueVisions).

**Consolidated Results of Operations - Normalized Basis**

(Unaudited) (Baht in millions unless otherwise indicated)	2012	2011 (restated)	% Change
<b>Revenues</b>			
Revenues from providing services	74,298	65,132	14.1
- Interconnection revenue	6,538	6,633	(1.4)
- Network rental revenue	5,895	1,697	247.3
- Service revenue	61,865	56,802	8.9
Revenues from product sales	15,083	6,805	121.6
<b>Total revenues</b>	<b>89,382</b>	<b>71,938</b>	<b>24.2</b>
<b>Operating expenses</b>			
Total cost of providing services	54,893	46,045	19.2
Regulatory costs	6,596	8,615	(23.4)
Interconnection cost	7,720	6,730	14.7
Cost of providing services exclude IC	27,978	19,917	40.5
Depreciation and amortization	12,598	10,783	16.8
Cost of sales	13,779	5,881	134.3
Selling and administrative expenses	19,110	15,937	19.9
Depreciation and amortization*	2,539	2,247	13.0
Cash SG&A	16,571	13,690	21.0
<b>Total operating expenses</b>	<b>87,782</b>	<b>67,864</b>	<b>29.3</b>
<b>EBITDA</b>	<b>16,738</b>	<b>17,104</b>	<b>(2.1)</b>
Depreciation and amortization	(15,138)	(13,030)	16.2
<b>Operating profit</b>	<b>1,600</b>	<b>4,074</b>	<b>(60.7)</b>
Interest income	260	336	(22.7)
Interest expense*	(6,551)	(6,658)	(1.6)
Other financial fees*	(324)	(446)	(27.3)
Income tax (expense) revenue	(1,678)	(2,793)	(39.9)
Current tax	(400)	(595)	(32.8)
Deferred income tax*	(1,278)	(2,199)	(41.9)
<b>Income (loss) from continuing operations</b>	<b>(6,693)</b>	<b>(5,488)</b>	<b>(22.0)</b>
Share of results in subsidiaries and associates	41	47	11.7
(Income) loss attributable to non-controlling interests	20	42	(52.8)
<b>Net income (loss) from continuing operations including share of results in associates (NIOGO)</b>	<b>(6,632)</b>	<b>(5,399)</b>	<b>(22.8)</b>
<b>Non recurring items</b>	<b>(796)</b>	<b>2,705</b>	<b>NM</b>
Foreign exchange gain (loss)	889	(1,625)	NM
One-time expenses from the tender offer of TrueMove's USD bonds	-	(6,293)	100.0
Adjustment for deferred tax due to changes in corporate tax rates	79	(646)	NM
Impairment of goodwill/intangible assets	(143)	(1,025)	86.0
Impairment of network assets	(1,972)	-	NM
Gain (loss) on sales of long-term investments	-	146	(100.0)
Gain on bargain purchase	-	12,077	(100.0)
Other (expense) income	352	71	393.0
<b>Net profit (loss) to equity holders of the Company</b>	<b>(7,428)</b>	<b>(2,694)</b>	<b>(175.7)</b>
Non-controlling interests	(20)	(42)	52.8
<b>Net profit (loss) for the year</b>	<b>(7,448)</b>	<b>(2,736)</b>	<b>(172.2)</b>
<b>NIOGO before deferred income tax</b>	<b>(5,354)</b>	<b>(3,200)</b>	<b>(67.3)</b>

Note: \* See details in "Key accounting changes and other issues"

## CONSOLIDATED RESULTS OF OPERATIONS – FY2012

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.

- **True Group's consolidated service revenue** (which excludes interconnection and network rental revenue) grew 8.9 percent Y-on-Y to Baht 61.9 billion in 2012 with strong revenue growth in all key business segments. Key growth drivers were mobile Internet services at TrueMove H, consumer Broadband services at TrueOnline as well as advertising and music entertainment services at TrueVisions.
- **Cash opex** (which includes cash cost of providing services, net 3G wholesale cost, and cash SG&A) rose 21.1 percent Y-on-Y to Baht 38.7 billion mainly from significant increases in selling and marketing expenses at True Mobile Group and TrueVisions to support customer acquisition.
- Cash cost of providing services increased 15.2 percent due to higher network O&M expenses at TrueOnline and True Mobile Group as the coverage of broadband and 3G services expanded. Meanwhile TrueVisions' cost of providing services increased mainly from higher content cost.
- **EBITDA** declined slightly (2.1 percent) Y-on-Y to Baht 16.7 billion while EBITDA margin lowered to 21.8 percent (from 26.9 percent in 2011) mainly from the substantial increases in cash opex and higher net IC cost at True Mobile Group.
- **Depreciation and amortization expenses** increased 16.2 percent Y-on-Y to Baht 15.1 billion mainly from the ongoing expansion of the 3G and the Broadband service coverage.
- **Interest expenses** declined 1.6 percent Y-on-Y to Baht 6.6 billion due mainly to the reverse of provisional interest expenses at TrueVisions and lower effective interest rate at True Mobile Group following the repurchase of TrueMove's USD bonds in 4Q11. This offset the impacts from debt increases at True Mobile Group as well as True Universal Convergence which invests in the transmission network to support consumer and corporate Broadband services.
- **Income tax expenses** decreased to Baht 1.7 billion from Baht 2.8 billion in 2011 mainly from decreases in deferred income tax due to the lower utilizations of the tax losses carried forward. Current tax also declined 32.8 percent Y-on-Y to Baht 400 million due partly to the lower taxable income and the government's policy of new, lower corporate tax rates.
- **Net income from ongoing operations (NIOGO) excluding deferred income tax** was a loss of Baht 5.4 billion, compared with a Baht 3.2 billion loss in 2011 from lower EBITDA and higher D&A which offset declines in interest and income tax expenses.
- **Net loss to shareholders of the parent company** was Baht 7.4 billion with impairment losses totaling Baht 2.1 billion booked in 4Q12 (see "Note 8: Expenses by nature" and "Note 20: Property, plant and equipment, net" of the FY2012 financial statements) and a foreign exchange gain of Baht 889 million mainly from the mark-to-market of foreign-denominated debt. In 4Q12, TrueOnline booked a foreign exchange

gain of Baht 499 million mainly from the mark-to-market of its JPY deferred payment notes as the Yen weakened substantially during the quarter (from Baht 40.1574/JPY 100 at the end of 3Q12 to Baht 35.7960/JPY 100 at the end of 4Q12). At the end of 2012, TrueOnline's deferred payment notes totaled JPY 11,400 million while TrueMove's bonds totaled USD 15.6 million.

**Key accounting changes and other issues:**

- In 4Q12, True Mobile Group booked **impairment losses** totaling Baht 2.1 billion, consisting mainly of Baht 2.0 billion of TrueMove's network assets under Agreement to Operate with CAT (See details in "Note 8: Expenses by nature" and "Note 20: Property, plant and equipment, net" of the FY2012 financial statements) and Baht 143.3 million of intangible assets (mainly computer software).
- In 4Q12, True Group and its subsidiaries changed the presentations of FY2011 financial results (see "Note 3.2: Change in presentation" of the FY2012 financial statements) i.e., the "Advances to contractors" account, previously booked under the "Trade and other receivables", was reclassified as part of "Property, plant and equipment".
- True Mobile Group settled the **tender offer for TrueMove US Dollar bonds** during September-October 2011. This resulted in one-time expenses (cash and non-cash) in 4Q11 as listed below. In this section of the Annual Report, the results from ongoing operations for 4Q11/FY2011 have been normalized to exclude these one-time items.

<b>Adjustments</b>	<b>Related accounts</b>	<b>Amount (Baht million)</b>
1. Premium & withholding taxes to bondholders	Interest expense	2,632
2. Hedging unwinding cost & other fees	Other financial cost	980
3. Reversal of unrealized FX gains & others	FX gain (loss)	2,681
<b>Total</b>		<b>6,293</b>

- In 2011, the net identifiable assets from the purchase of 4 companies from Hutchison Group were assessed to be Baht 18.3 billion. This resulted in one-time **gains from the bargain purchase** totaling Baht 12.1 billion at True Mobile Group and the consolidated level. At the same time, the rental contract for network equipment to provide HSPA and CDMA cellular services and the right to operate CDMA business ("Service contract and right to operate"), which were valued at Baht 15.8 billion, was capitalized under the intangible assets account and will be amortized over the period from 2011 to 2025 (see details in "Note 40: Business acquisition" of the FY2012 financial statements).
- In 4Q11, **impairment of goodwill** amounting Baht 1,025 million was recognized at the consolidated level. Due to declines of cash generated at TrueMove, the Group consider of impairment of goodwill derived from acquisition of BITCO's shares from Orange Personal Communication Services Ltd.
- On December 29, 2011, True Group divested its entire investment in Chongqing Communication Equipment for USD 4,668,530 and recorded a **gain from sales of long-term investment** totaling Baht 146 million in its 4Q11 results.

- On December 21, 2011, a Royal Decree was published adopting a **reduction in the corporate income tax rate** - from 30 percent to 23 percent for the period beginning on or after January 1, 2012 and to 20 percent for the next 2 accounting period beginning on or after January 1, 2013. After that the rate will return to 30%. These had impacts on True Group's results in FY2011 and FY2012. In this report, the results from ongoing operations for 4Q11/FY2011 and 4Q12/FY2012 have been normalized to exclude the below one-time impacts:
  - Impacts to True Group's consolidated and segment results in 4Q12/FY2012:
    - Decreases in deferred income tax expenses at the consolidated level of Baht 79 million, True Mobile Group Baht 117 million and TrueOnline Baht 33 million
    - Increases in deferred income tax expenses at TrueVisions of Baht 40 million
  - Impacts to True Group's consolidated and segment results in 4Q11/FY2011:
    - Increases in deferred income tax expenses at the consolidated level of Baht 646 million, TrueOnline Baht 1,525 million and TrueVisions Baht 240 million
    - Decreases in deferred income tax expenses at True Mobile Group of Baht 1,009 million

**Results by Segment**

(Unaudited) (Baht in millions unless otherwise indicated)	True Mobile			TrueOnline			TrueVisions			Eliminations		Consolidated		
	2012	2011 (restated)	% Change	2012	2011	% Change	2012	2011	% Change	2012	2011	2012	2011 (restated)	% Change
<b>Revenues</b>														
Revenues from providing services	43,617	35,579	22.6	28,126	26,876	4.7	10,463	9,669	8.2	(7,908)	(6,991)	74,298	65,132	14.1
- Interconnection revenue	6,538	6,633	(1.4)	-	-	NM	-	-	NM	-	-	6,538	6,633	(1.4)
- Network rental revenue	5,895	1,697	247.3	-	-	NM	-	-	NM	-	-	5,895	1,697	247.3
- Service Revenue	31,184	27,249	14.4	28,126	26,876	4.7	10,463	9,669	8.2	(7,908)	(6,991)	61,865	56,802	8.9
Revenues from product sales	13,720	5,787	137.1	1,782	1,226	45.3	204	188	8.2	(622)	(397)	15,083	6,805	121.6
Total revenues	57,337	41,366	38.6	29,908	28,102	6.4	10,667	9,857	8.2	(8,530)	(7,388)	89,382	71,938	24.2
<b>Operating expenses</b>														
Total cost of providing services	34,241	27,027	26.7	17,766	16,867	5.3	7,900	6,975	13.3	(5,015)	(4,823)	54,893	46,045	19.2
Regulatory costs	4,890	6,570	(25.6)	1,184	1,516	(21.9)	523	530	(1.4)	(1)	(1)	6,596	8,615	(23.4)
Interconnection cost	7,720	6,730	14.7	-	-	NM	-	-	NM	-	-	7,720	6,730	14.7
Cost of providing services exclude IC	15,699	9,187	70.9	10,856	9,708	11.8	6,201	5,583	11.1	(4,777)	(4,561)	27,978	19,917	40.5
Depreciation and amortization	5,932	4,540	30.7	5,727	5,643	1.5	1,176	861	36.6	(237)	(261)	12,598	10,783	16.8
Cost of sales	12,954	5,334	142.9	1,239	826	50.0	168	115	45.9	(581)	(393)	13,779	5,881	134.3
Selling and administrative expenses	12,942	10,079	28.4	7,160	6,550	9.3	1,863	1,527	22.0	(2,855)	(2,219)	19,110	15,937	19.9
Depreciation and amortization*	1,720	1,508	14.1	619	471	31.3	54	135	(60.1)	147	133	2,539	2,247	13.0
Cash SG&A	11,222	8,571	30.9	6,541	6,079	7.6	1,809	1,392	30.0	(3,002)	(2,352)	16,571	13,690	21.0
<b>Total operating expenses</b>	<b>60,137</b>	<b>42,440</b>	<b>41.7</b>	<b>26,165</b>	<b>24,243</b>	<b>7.9</b>	<b>9,932</b>	<b>8,617</b>	<b>15.3</b>	<b>(8,451)</b>	<b>(7,436)</b>	<b>87,782</b>	<b>67,864</b>	<b>29.3</b>
<b>EBITDA</b>	<b>4,852</b>	<b>4,974</b>	<b>(2.4)</b>	<b>10,089</b>	<b>9,973</b>	<b>1.2</b>	<b>1,966</b>	<b>2,236</b>	<b>(12.1)</b>	<b>(169)</b>	<b>(80)</b>	<b>16,738</b>	<b>17,104</b>	<b>(2.1)</b>
Depreciation and amortization	(7,652)	(6,048)	26.5	(6,346)	(6,114)	3.8	(1,230)	(996)	23.5	90	128	(15,138)	(13,030)	16.2
<b>Operating profit</b>	<b>(2,800)</b>	<b>(1,074)</b>	<b>(160.7)</b>	<b>3,743</b>	<b>3,859</b>	<b>(3.0)</b>	<b>735</b>	<b>1,240</b>	<b>(40.7)</b>	<b>(78)</b>	<b>48</b>	<b>1,600</b>	<b>4,074</b>	<b>(60.7)</b>
Interest income	135	202	(33.4)	137	126	8.9	195	209	(6.7)	(207)	(201)	260	336	(22.7)
Interest expense*	(3,628)	(3,656)	(0.8)	(2,300)	(2,266)	1.5	(793)	(937)	(15.4)	169	201	(6,551)	(6,658)	(1.6)
Other financial fees*	(203)	(273)	(25.7)	(87)	(136)	(36.1)	(34)	(37)	(6.7)	-	-	(446)	(446)	(27.3)
Income tax (expense) revenue	(823)	(1,383)	(40.5)	(1,048)	(1,186)	(11.7)	(45)	(165)	(72.9)	238	(60)	(1,678)	(2,793)	(39.9)
Current tax	(64)	(20)	(215.9)	(250)	(470)	(46.8)	(86)	(105)	(18.3)	-	-	(400)	(595)	(32.8)
Deferred income tax*	(759)	(1,362)	(44.3)	(798)	(717)	11.4	41	(60)	NM	238	(60)	(1,278)	(2,199)	(41.9)
<b>Income (loss) from continuing operations</b>	<b>(7,320)</b>	<b>(6,184)</b>	<b>(18.4)</b>	<b>446</b>	<b>398</b>	<b>12.3</b>	<b>58</b>	<b>310</b>	<b>(81.1)</b>	<b>121</b>	<b>(11)</b>	<b>(6,693)</b>	<b>(5,488)</b>	<b>(22.0)</b>
Share of results in subsidiaries and associates	-	-	-	58	63	(7.2)	(17)	(16)	6.3	-	-	41	47	(11.7)
(Income) loss attributable to non-controlling interests	11	11	7.50	(43)	(33)	(29.5)	(5)	0	NM	57	65	20	42	(52.8)
<b>Net income (loss) from continuing operations including share of results in associates (NIOGO)</b>	<b>(7,308)</b>	<b>(6,173)</b>	<b>(18.4)</b>	<b>462</b>	<b>427</b>	<b>8.1</b>	<b>37</b>	<b>294</b>	<b>(87.5)</b>	<b>178</b>	<b>53</b>	<b>(6,632)</b>	<b>(5,399)</b>	<b>(22.8)</b>
<b>Non recurring items</b>	<b>(1,710)</b>	<b>5,759</b>	<b>NM</b>	<b>1,374</b>	<b>(1,264)</b>	<b>NM</b>	<b>69</b>	<b>(402)</b>	<b>NM</b>	<b>(528)</b>	<b>(1,387)</b>	<b>(796)</b>	<b>2,705</b>	<b>NM</b>
Foreign exchange gain (loss)	125	(1,018)	NM	654	(464)	NM	109	(143)	NM	-	-	889	(1,625)	NM
One-time expenses from the tender offer of TrueMove's USD bonds	-	(6,293)	(100.0)	-	-	NM	-	-	NM	-	-	-	(6,293)	100.0
Adjustment for deferred tax due to changes in corporate tax rates	117	1,009	(88.4)	33	(1,525)	NM	(40)	(240)	83.4	(31)	109	79	(646)	NM
Impairment of goodwill/intangible assets	(143)	-	NM	-	-	NM	-	-	NM	-	(1,025)	(143)	(1,025)	86.0
Impairment of network assets	(1,972)	-	NM	-	-	NM	-	-	NM	-	-	(1,972)	-	NM
Gain (loss) on sales of long-term investments	-	-	NM	-	146	(100.0)	-	-	NM	-	-	-	146	(100.0)
Gain on bargain purchase	-	12,077	(100.0)	-	-	NM	-	-	NM	-	-	-	12,077	(100.0)
Other (expense) income	164	(17)	NM	687	579	18.6	(1)	(20)	94.5	(497)	(471)	352	71	393.0
<b>Net profit (loss) to equity holders of the Company</b>	<b>(9,019)</b>	<b>(415)</b>	<b>(2,074.7)</b>	<b>1,836</b>	<b>(837)</b>	<b>NM</b>	<b>105</b>	<b>(108)</b>	<b>NM</b>	<b>(350)</b>	<b>(1,334)</b>	<b>(7,428)</b>	<b>(2,694)</b>	<b>(175.7)</b>
Non-controlling interests	(11)	(11)	7.5	43	33	29.5	5	(0)	NM	(57)	(65)	(20)	(42)	(52.8)
<b>Net profit (loss) for the year</b>	<b>(9,030)</b>	<b>(425)</b>	<b>(2,023.6)</b>	<b>1,879</b>	<b>(804)</b>	<b>NM</b>	<b>110</b>	<b>(109)</b>	<b>NM</b>	<b>(407)</b>	<b>(1,398)</b>	<b>(7,448)</b>	<b>(2,736)</b>	<b>(172.2)</b>
<b>NIOGO before deferred income tax</b>	<b>(6,550)</b>	<b>(4,811)</b>	<b>(36.1)</b>	<b>1,260</b>	<b>1,144</b>	<b>10.2</b>	<b>(4)</b>	<b>354</b>	<b>NM</b>	<b>(60)</b>	<b>113</b>	<b>(5,354)</b>	<b>(3,200)</b>	<b>(67.3)</b>
<b>EBITDA margin (gross IC basis)</b>	<b>8.5%</b>	<b>12.0%</b>		<b>33.7%</b>	<b>35.5%</b>		<b>18.4%</b>	<b>22.7%</b>				<b>18.7%</b>	<b>23.8%</b>	
<b>EBITDA margin (on net IC and network rental)</b>	<b>10.8%</b>	<b>15.1%</b>		<b>33.7%</b>	<b>35.5%</b>		<b>18.4%</b>	<b>22.7%</b>				<b>21.8%</b>	<b>26.9%</b>	

Note: \* See details in "Key accounting changes and other issues"

## Normalized Revenue Profile

(Unaudited) (Baht in millions unless otherwise indicated)	Consolidated Revenues (Before Intersegment Eliminations)				
	2012		2011		% Change
	Revenue	% of revenue after eliminations	Revenue	% of revenue after eliminations	
<b>TrueVisions</b>	<b>10,667</b>		<b>9,857</b>		<b>8.2</b>
- Service revenue	10,463		9,669		8.2
- Product sales	204		188		8.2
Intersegment elimination	(704)		(461)		52.7
TrueVisions after elimination	9,963	11.1%	9,396	13.1%	6.0
<b>TrueMobile</b>	<b>57,337</b>		<b>41,366</b>		<b>38.6</b>
- Service revenue	31,184		27,249		14.4
- Network rental revenue & IC	12,433		8,330		49.3
- Product sales	13,720		5,787		137.1
Intersegment elimination	(1,213)		(1,264)		(4.0)
TrueMobile after elimination	56,124	62.8%	40,102	55.7%	40.0
<b>TrueOnline</b>	<b>29,908</b>		<b>28,102</b>		<b>6.4</b>
- <b>Traditional voice</b>	<b>6,517</b>		<b>6,812</b>		<b>(4.3)</b>
- Fixed line (excl. IDD & VOIP)	6,325		6,491		(2.5)
- Public phone	129		203		(36.5)
- PCT	63		119		(47.2)
- <b>Broadband, Internet and Business Data Service</b>	<b>14,336</b>		<b>13,021</b>		<b>10.1</b>
- Broadband Internet & business data	12,258		10,659		15.0
- Other Internet & VAS	2,078		2,363		(12.0)
- <b>New revenue stream, convergence &amp; others</b>	<b>7,274</b>		<b>7,043</b>		<b>3.3</b>
- New revenue stream	344		369		(6.9)
- International call	224		217		3.1
- Others	120		152		(21.2)
- Convergence & others	6,930		6,674		3.8
<b>TrueOnline service revenue</b>	<b>28,126</b>		<b>26,876</b>		<b>4.7</b>
<b>TrueOnline product sales</b>	<b>1,782</b>		<b>1,226</b>		<b>45.3</b>
Intersegment elimination	(6,613)		(5,663)		16.8
TrueOnline after elimination	23,295	26.1%	22,440	31.2%	3.8
<b>Normalized consolidated revenues</b>	<b>97,912</b>		<b>79,325</b>		<b>23.4</b>
Total intersegment elimination	(8,530)		(7,388)		15.5
<b>Normalized consolidated revenues - net</b>	<b>89,382</b>	<b>100.0%</b>	<b>71,938</b>	<b>100.0%</b>	<b>24.2</b>

## SEGMENT RESULTS

### True Mobile Group

- True Mobile Group's **cellular service revenue** in 2012 grew 14.4 percent Y-on-Y to reach Baht 31.2 billion, driven by the expanding 3G subscriber base at TrueMove H as well as the strong growth in non-voice revenues, which was in line with the increasing adoption of smartphones and smart devices (i.e., iPad, iPad mini, aircards).
- **Non-voice revenue** increased strongly by 70.0 percent Y-on-Y to Baht 9.0 billion, representing 29.0 percent of True Mobile Group's cellular service revenue. The key driver for the impressive non-voice revenue growth was rising data or mobile Internet usage (mobile Internet revenue grew 137.0 percent Y-on-Y to Baht 6.5 billion). These were supported by TrueMove H's attractive mobile Internet packages and various device-bundling campaigns.
- **Product sales** was exceptionally strong in 2012, growing 137.1 percent Y-on-Y to Baht 13.7 billion, driven by the TrueMove H's attractive device-bundling campaigns which offer competitive price plans while allowing customers to experience high quality 3G service as well as the success of iPhone 5 which drove record quarterly product sales of Baht 5.7 billion in 4Q12, growing 197.7 percent Y-on-Y. In 2012, product sale margin decreased to 5.6 percent from 7.8 percent in 2011 mainly due to special discounts offered as part of True Mobile Group's device-bundling campaign.
- **Net IC costs** expanded to Baht 1.2 billion in 2012 (from Baht 98 million in 2011) as off-net traffic increased, in line with the shift in core strategy to generate top-line revenue growth by focusing on all-net campaigns.
- **Cash opex** rose 30.9 percent Y-on-Y to Baht 21.0 billion in 2012 due mainly to continued aggressive marketing campaigns at TrueMove H to drive 3G subscriber acquisitions. This saw cash selling expenses increase 38.9 percent Y-on-Y to Baht 7.4 billion in 2012.
- Meanwhile, cash cost of providing services, which excludes IC and 3G wholesale fees, increased 16.2 percent Y-on-Y to Baht 9.0 billion, mainly network O&M expenses. These were in line with the continued expansion of TrueMove H's 3G service coverage.
- **Cash administrative expenses** increased 18.0 percent Y-on-Y to Baht 3.8 billion in 2012 mainly from increases in personnel expenses to support the expanding subscriber base as well as higher bad debt which was partly due to some aggressive marketing campaigns.
- **EBITDA** softened 2.4 percent Y-on-Y to Baht 4.9 billion as the increases in cash opex and net IC expenses outweighed incremental revenues from cellular services and product sales.

- **Depreciation and amortization expenses** increased 26.5 percent Y-on-Y to Baht 7.7 billion from the ongoing expansion of TrueMove H's 3G service coverage.
- **Interest expenses** decreased slightly (0.8 percent Y-on-Y) to Baht 3.6 billion as the impacts from the lower effective interest rate (after the tender offer for TrueMove's US Dollar bonds in 4Q11) offset increases in borrowings to support the expansion of the 3G business.
- **Income tax expenses** lowered to Baht 823 million in 2012 (from Baht 1.4 billion in 2011) mainly due to decreases in deferred income tax expenses from lower utilization of tax losses carried forward during 2012. Meanwhile, True Mobile Group's current income tax increased 215.9 percent Y-on-Y to Baht 64 million mainly due to strong handset sales at TD&S.
- **Net loss from ongoing operations excluding deferred income tax** expanded Y-on-Y to Baht 6.6 billion from losses of Baht 4.8 billion in 2011 as the 3G business was still in the early phase which required high capex and opex to expand the business to gain economies of scale.
- **TrueMove H** gained approximately 2.4 million net adds during the year, taking its subscriber base to 2.9 million at the end of 2012. This fell short of the original target which was to have 4 million subscribers by the year-end due mainly to the limited supply of mobile numbers available for TrueMove H. However, the business exceeded its revenue-growth target as it readily adjusted its strategy by focusing on acquiring high-value postpaid subscribers which generally generate higher ARPU than prepaid customers. The strong performance of TrueMove H in the postpaid segment saw True Mobile Group gain market share both in terms of revenue and subscribers during 2012.
- At the end of 2012, True Mobile Group served a total of 21.0 million subscribers (18.0 million at TrueMove, 2.9 million at TrueMove H, 46,400 at Hutch CDMA).
- True Mobile Group further strengthened its leadership in Thailand's mobile Broadband market with continued investments to expand its 3G service coverage. At the end of 2012, TrueMove H's 3G+ services covered all (928) amphoe and 6,779 tambon in 77 provinces.
- Meanwhile, the successful bidding of the 2.1 GHz spectrum license in October 2012 will see True Mobile Group strengthen its mobile Internet offerings with the optimization of services on 2.1 GHz frequency and CAT's 850 MHz frequency. This enables True Mobile Group to offer services with great coverage and capacity while optimizing its investment budget.

**TrueOnline**

- TrueOnline's **service revenue** grew 4.7 percent Y-on-Y to Baht 28.1 billion in 2012 from the strong growth in broadband Internet and non-core businesses (i.e., installation and subcontracting). These compensated impacts from lower multimedia revenue from TrueVisions (as TrueVisions demands less bandwidth after upgrading its cable network from analog to digital) and the continued declines in revenue from public phone and PCT.
- Meanwhile, **fixed-line phone** revenue has become more stable with the rate of declines lowered to 2.5 percent Y-on-Y from 6.9 percent Y-on-Y in 2011.
- **Broadband Internet** revenue grew 15.0 percent Y-on-Y to Baht 12.3 billion, driven mainly by strong growth in consumer and corporate broadband services. The ULTRA hi-speed Internet campaign continued to gain momentum as the service coverage further expanded into key provincial areas while the standard speed was upgraded to 10 Mbps (from 7 Mbps). Moreover, the "Combo set" campaign which was launched in September 2012 to offer comprehensive triple-play services (hi-speed Internet, fixed-line and cable TV) through the same network. These campaigns led to solid broadband net adds for the year at 234,619, taking the broadband subscriber base up to 1.57 million.
- At the end of 2012, our broadband capacity was expanded (mainly via DOCSIS 3.0) to cover 3.6 million households in 53 key provinces nationwide with the target to cover 61 provinces by the end of 2013.
- **Cash opex** increased 10.2 percent Y-on-Y to Baht 17.4 billion mainly personnel and network O&M expenses which was in line with the provincial expansion of the broadband service coverage.
- Meanwhile, **cash selling expenses** increased 7.5 percent Y-on-Y to Baht 1.8 billion from localized marketing activities to promote the ULTRA hi-speed Internet campaign to new service areas, particularly in upcountry.
- **Regulatory cost** declined 21.9 percent to Baht 1.2 billion mainly due to the reversal of accrued USO fees for the period from Jan'11 until May'12 as the NBTC's USO regulation became effective on May 30, 2012.
- **EBITDA** increased by 1.2 percent Y-on-Y to Baht 10.1 billion as the solid revenue growth and the decreases in regulatory cost outweighed the increases in core opex.
- **Interest expenses** increased 1.5 percent Y-on-Y to Baht 2.3 billion mainly from additional borrowings at True Universal Convergence to support the expansion of the broadband network.
- **Income tax expenses** decreased 11.7 percent Y-on-Y to Baht 1.0 billion partly from the lower corporate income tax rate as well as the losses from sale of investment in a

subsidiary (See "Note 18: Investments in subsidiaries, associates and joint ventures, net" of the FY2012 financial statements).

- **NIOGO** excluding deferred income tax improved Y-on-Y to Baht 1.3 billion (from Baht 1.1 billion in 2011) as the increases in EBITDA and the lower income tax offset the impact from higher depreciation and the slight increase in interest expenses.

### **TrueVisions**

- TrueVisions' **service revenue** grew strongly 8.2 percent Y-on-Y to Baht 10.5 billion, driven mainly by the solid growth of advertising and music entertainment revenue (mainly from The Voice Thailand) while subscription revenue for the full year was relatively flat due mainly to the continued impacts from piracy during 1H12.
- However, in 4Q12, **subscription revenue** picked up strongly QoQ, Y-on-Y after the successful rollout of the MPEG-4 broadcasting system in July 2012 which effectively eliminates unauthorized access to TrueVisions signal, encouraging legitimate subscription to TrueVisions services.
- **Advertising revenue** grew 22.9 percent Y-on-Y to Baht 869 million from the expanding audience base and the number of channels. This, however, fell short of its Baht 1 billion target for 2012 as a result of competition in the free-to-air segment. Nevertheless, strategies such as increasing tie-in advertising in popular channels and outsourcing some ad sales function to experts will be keys to support ad revenue growth in 2013.
- **Cash opex** rose 14.8 percent Y-on-Y to Baht 8.0 billion mainly from higher content cost (including the acquisition of UEFA Champions League broadcasting rights from Season 2012/13 until 2014/15) and increases in selling, advertising and publicity expenses.
- **EBITDA** softened 12.1 percent Y-on-Y to Baht 2.0 billion as opex growth outpaced revenue growth.
- **Interest expenses** lowered 15.4 percent Y-on-Y to Baht 793 million due partly to lower debt levels from the scheduled repayments. Meanwhile, in 4Q12, TrueVisions won a court case over TOT on the utilization of TOT's transmission conduits. This allowed TrueVisions to reverse provisional interest expenses (totaling Baht 128 million) booked in the previous periods.
- **NIOGO excluding deferred income tax** dropped Y-on-Y to a Baht 4 million loss from lower EBITDA and higher depreciation expenses
- **TrueVisions customer base** expanded Y-on-Y to 2.04 million (from 1.64 million in 2011) with a strong pickup in premium subscription. Free-to-air customer base also expanded significantly supported by partnership with free-to-air operators (i.e., PSI). Meanwhile, ARPU (on the paying-subscriber base, which includes subscribers to the Standard

packages and above) rose 13.7 percent Y-on-Y to Baht 870 from the expanding premium subscriber base, more subscription to HD channels and additional service points.

- In 2013, TrueVisions will revamp its premium content portfolio in the absence of the Premier League by offering high-quality channels, with the targets to expand its HD offerings (from currently 17 channels) for both the satellite and the cable platform.
- Meanwhile, TrueVisions will continue to explore opportunities in the mid-tier segment following the launch of customized lifestyle packages (i.e., “Super Sports Pack” and “Super Entertainment Pack”) in 2H12.

**Consolidated Balance Sheet and Cash Flows**

(Unaudited) (Baht in millions unless otherwise indicated)	2012	2011 (restated)	% Change
<b>Balance Sheets</b>			
Cash and cash equivalents	6,103	11,448	(46.7)
Trade and other receivables*	21,425	12,900	66.1
Other current assets	12,505	9,585	30.5
<i>Total current assets*</i>	<i>40,033</i>	<i>33,933</i>	<i>18.0</i>
Property, plant and equipment, net*	86,680	73,939	17.2
Goodwill, net	11,403	11,403	(0.0)
Intangible assets, net*	35,402	23,096	53.3
Deferred income tax assets*	5,182	6,081	(14.8)
Other non-current assets	1,664	1,664	0.0
<i>Total non-current assets</i>	<i>140,330</i>	<i>116,183</i>	<i>20.8</i>
<b>Total assets*</b>	<b>180,363</b>	<b>150,116</b>	<b>20.1</b>
Trade and other payables*	44,722	30,217	48.0
Current portion of long-term borrowings	9,522	6,896	38.1
Other current liabilities	8,744	3,647	139.7
<i>Total current liabilities*</i>	<i>62,987</i>	<i>40,761</i>	<i>54.5</i>
Long term borrowings	86,805	77,976	11.3
Deferred income tax liabilities*	3,579	3,280	9.1
Liabilities under agreements for operation	3,080	3,640	(15.4)
Other non-current liabilities	9,908	2,989	231.5
<i>Total non-current liabilities*</i>	<i>103,372</i>	<i>87,885</i>	<i>17.6</i>
<b>Total liabilities</b>	<b>166,359</b>	<b>128,646</b>	<b>29.3</b>
<b>Total shareholder's equity</b>	<b>14,004</b>	<b>21,469</b>	<b>(34.8)</b>
<b>Total liabilities and shareholder's equity*</b>	<b>180,363</b>	<b>150,116</b>	<b>20.1</b>
<b>Cash Flows</b>			
Cash flows from operating activities	7,312	6,757	8.2
Cash flows (used in) from investing activities	(26,960)	(18,634)	44.7
- Capex*	(27,126)	(13,148)	106.3
Cash flows (used in) from financing activities	14,307	18,772	(23.8)
<b>Net (decrease) increase in cash and cash equivalents</b>	<b>(5,341)</b>	<b>6,895</b>	<b>NM</b>
Beginning cash balance and effects of exchange rate changes	11,444	4,553	151.4
<b>Ending cash balance</b>	<b>6,103</b>	<b>11,448</b>	<b>(46.7)</b>
<b>Free cash flows*<sup>†</sup> **</b>	<b>(19,814)</b>	<b>(6,391)</b>	<b>210.0</b>

Remark:

- \* In 4Q12, True Group and its subsidiaries changed the presentations of FY2011 financial results (see "Note 3.2: Change in presentation" of the FY2012 financial statements) i.e., the "advances to contractors" accounts, previously booked under the "trade and other receivables", was reclassified as part of PP&E.
- \*\* Free cash flows equal cash flows from operating activities minus capex.

## FINANCIAL POSITION

### Assets

- **True Group's assets** increased 20.1 percent from 2011 to Baht 180.4 billion on the back of continued investments in mobile 3G+, Broadband (via DOCSIS 3.0 and ADSL technologies) as well as **MPEG-4 set-top boxes and broadcasting system**.
- **Property, plant and equipment, net** increase 17.2 percent from 2011 to Baht 86.7 billion from additional investments for the business expansions as earlier discussed.
- **Trade and other receivables** rose 66.1 percent from 2011 to Baht 21.4 billion mainly consisting of network rental revenue that has been booked at BFKT.
- **Intangible assets, net** increased 53.3 percent from 2011 to Baht 35.4 billion, mainly from the acquisition of the 2.1 GHz spectrum license totaling Baht 13.5 billion, net of Baht 61.7 million amortization (see details in "Note 22: Intangible assets, net" of the FY2012 financial statements).

### Liabilities

- **True Group's total liabilities** expanded 29.3 percent from 2011 to Baht 166.4 billion mainly from increases in borrowings to expand the 3G+ business and to settle the first 50 percent-installment for the 2.1 GHz spectrum license. In addition, a subsidiary placed a letter of guarantee to the NBTC for the unpaid amount of the 2.1 GHz license cost. This was booked under "**other non-current liabilities**" (see "Note 2: Joint Operation and Joint Investment Agreement, Agreements for operation and licences" of the FY2012 financial statements).
- **Trade and other payables** increased 48.0 percent to Baht 44.7 billion in part from a wholesale fee that has been booked at Real Move.
- 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 Corporation, 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 Corporation 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 December 31, 2012)*
TRUE144A	Net debt to EBITDA <= 5	3.63
TRUE151A	Net debt to EBITDA <= 5	3.63
TRUE 13NA (1/2553)	-	-
TRUE 144B (1/2554)	-	-

Note: \* Based on the 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 gains on disposals of property, plant and equipment and any other non-cash income (if any); 3) plus depreciation and amortization, provisions for doubtful accounts, interest expenses (including financial fees), any other non-cash expenses (if any), and taxes.

The ratios are based on True Group, the 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** decreased to Baht 14.0 billion at the end of 2012 from Baht 21.5 billion at the end of 2011 from the operating losses during 2012.

## LIQUIDITY AND CAPITAL RESOURCES

- **True Group's primary capital resources for the year 2012** were cash flows from financing activities, consisting mainly of additional borrowings from financial institutions and local-bond issuances, totaling Baht 26.6 billion. Meanwhile, the repayments of long-term and short-term debt during 2012 totaled Baht 12.3 billion.
- **Cash flows from operating activities** in 2012 increased to Baht 7.3 billion, from Baht 6.8 billion in 2011 mainly from low base effect as there were one-time expenses related to the tender offer of TrueMove's USD bonds during 2011.
- **Cash flows used in investing activities** in 2012 increased to Baht 27.0 billion, from Baht 18.6 billion in 2011 mainly to support the continued expansion of TrueMove H's 3G+ and TrueOnline's broadband coverage as well as TrueVisions's investment to replace existing set-top boxes that were prone to piracy with those equipped with MPEG-4 technology. Meanwhile, True Group spent Baht 7.8 billion of cash to acquire intangible assets, mainly the first 50%-installment of the 2.1 GHz spectrum fee totaling Baht 7.2 billion (see "Note 22: Intangible assets, net" of the FY2012 financial statements)
- The decline in cash flows from operations and the increase in cash capex resulted in negative **free cash flow** totaling Baht 19.8 billion for True Group during 2012.
- **Solvency:** In 2012, True Group repaid its debt according to the schedule while TrueOnline issued local bonds to partly refinance its debt. Meanwhile, the net long-term debt (excluding financial lease) to EBITDA ratio as at the end of 2012 was 5.0 times, increasing from 3.9 times at the end of 2011 mainly from additional borrowings to support the expansion of new businesses while EBITDA declined from expenses to fund the aforementioned expansion.

## **FUTURE PROJECTS**

In 2013, True Group and its subsidiaries plan to invest around Baht 26.5 billion to expand the businesses, mainly mobile HSPA services and Broadband, and to strengthen the convergence platform. The major investments are:

### **True Mobile Group**

True Mobile Group plans to spend around Baht 15 billion in 2013 to expand TrueMove H's mobile Internet services to cover more than 95% of the Thai population using 3G+ technology or beyond.

### **TrueOnline**

For 2013, TrueOnline has budgeted around Baht 10 billion of cash capex, around half of which will be spent to expand its ULTRA hi-speed Internet service (via DOCSIS 3.0 and ADSL technologies) and fiber-optic transmission backbone to cover 61 provinces by year-end. The rest will be invested in non-core businesses including car leasing, subcontracting and tower businesses.

### **TrueVisions**

TrueVisions plans to invest around Baht 1.5 billion of cash capex to expand the capability of its broadcasting system for both the satellite and the cable TV platforms to accommodate substantially more HD channels as well as to support the upgrading of set-top boxes for the mass-market audiences so that the set-top boxes will be capable of handling value-added services such as video on demand and over-the-top (multi-platform content providing) services similar to those of premium customers.

## **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 2012	PricewaterhouseCoopers ABAS Limited	Mr. Kajomkiet Aroonpirodkul	3445
31 December 2011	PricewaterhouseCoopers ABAS Limited	Mr. Pisit Thangtanagul	4095
31 December 2010	PricewaterhouseCoopers ABAS Limited	Mr. Pisit Thangtanagul	4095

According to the three (3) years' Reports of Certified Public Accountant (2010-2012), 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 of the Company and subsidiaries for the Year 2012 totaled Baht 29.92 million comprising the audit fees of Baht 6.10 million for the Company and Baht 23.82 million for its subsidiaries.

**2. Other non-audit fees**

During the year 2012, the appointed auditing firm provided other non-audit services, i.e. agree-upon procedures, tax consulting service and other to the Company. The fees were Baht 4.83 million of which Baht 3.24 million was paid during the year. The remaining of Baht 1.59 million will be paid in the following year.

**12. OTHER RELATED INFORMATION****A. The Board of Directors Meeting No. 1/2556 held on 27<sup>th</sup> February 2013 has passed the following important resolutions:**

1. Concurred with the Finance Committee's recommendation and unanimously resolved to propose the amendment and restatement of the shareholders' resolution in Agenda Item 8 Re: Consideration and approval of the issuance and offering of debentures under the Annual General Meeting of the Shareholders for the Year 2010 in order to increase the debenture issuance limit of the Company to the Annual General Meeting of the Shareholders for the Year 2013 for approval. This is to repay existing debt, to support investment in the expansion of telecommunication network to provide service under the 2.1 GHz IMT Spectrum License and for working capital requirement of the Company. Details of which is as follows:

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

Limit : To increase the limit for the issuance of debentures of another Baht 30,000 million (face value) and when aggregated with the amount of all type and kind of issued debentures of the Company (face value) which are not yet redeemed, at any given time, not to exceed Baht 60,000 million or its equivalent in any other currency.

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 or foreign market to public or through private placement for large investors or local or foreign institutional investors. The debentures may be offered at once or divided into a series of allotments

Purpose : To repay the existing debt, to expand business and for working capital requirement of the Company

In this regarded, the Board of Directors or the authorized directors of the Company or the person(s) entrusted by the Board of Directors or the authorized directors are authorized to have the power to determine and amend details and other terms and conditions of the debentures such as issuance date, face value, offering price, coupon rate, coupon payment, redemption method, underwriter appointment, including, but not limited to the power to enter into or execute the relevant

agreements including application, registration statement, arrange, prepare documents and enter into and execute the underwriting agreement and other relevant agreements necessary for the issuance and offering of debentures; register the debentures in the Stock Exchange of Thailand, any other secondary market, or any related bond market; to submit applications, registration statements, any other documents and evidence to the Government agencies and Securities and Exchange Commission (SEC) and any other authorities in relation to the issuance and offering of the debentures and the registration of the debenture in the Stock Exchange of Thailand, any other secondary market, or any related bond market and to appoint any substitute to perform the same.

2. Unanimously resolved to propose the amendment to Article 31 of the Company's Articles of Association Re: "Prohibitions of Actions Regarded as Business Takeover by Foreigners", to the Annual General Meeting of the Shareholders for the Year 2013 for review and approval in order to be in line with the standard prescribed by the Notification of the National Broadcasting and Telecommunications Commission Re: The Determination of Prohibitions of Actions Regarded as Business Takeover by Foreigners B.E. 2555 by discarding the existing provisions and adopting the proposed provisions as follows:

"Article 31. Prohibitions of Actions Regarded as Business Takeover by Foreigners

Referring to the Notification of the National Broadcasting and Telecommunications Commission Re: The Determination of Prohibitions of Actions Regarded as Business Takeover by Foreigners B.E. 2555, which was announced on 23<sup>rd</sup> July 2012, published in the Government Gazette on 23<sup>rd</sup> July 2012 and became effective on 24<sup>th</sup> July 2012, requires that the telecommunication business licensee shall determine the prohibition of actions regarded as business takeover by foreigners. Whereas True Corporation Public Company Limited (the "Company") is a private entity participating and co-investing with the Telephone Organization of Thailand (at present TOT Public Company Limited) in procuring, installing, controlling and maintaining the equipment of the system in order to transfer and deliver such equipment to the Telephone Organization of Thailand, in order for the Telephone Organization of Thailand to provide service to the public. As such, the Company understands that the Company is not a telecommunications business operator under the Telecommunications Business Act, B.E. 2544, and is not a licensee under the Notification of National Broadcasting and Telecommunications Commission Re: The Determination of Prohibitions of Actions Regarded as Business Takeover by Foreigners B.E. 2555 ("the Notification of NBTC"), which is obligated to comply with the terms and conditions of the Notification of NBTC. Nevertheless, as the Company is a public company which is listed on the Stock Exchange of Thailand, and in order

to show that the Company has not been taken over by foreigners, with respect to the standard prescribed by the National Broadcasting and Telecommunications Commission, the Company has used the standard prescribed in the Notification of NBTC to identify itself and determine the "Prohibitions of Actions Regarded as Business Takeover by Foreigners" in order to certify that the Company will not be taken over by foreigners according to the behavior or facts prescribed in the Notification of NBTC. Therefore, the Company has determined prohibitions of actions regarded as business takeover by foreigners as described below.

(1) In these prohibitions:

"Notification of NBTC" means the Notification of the National Broadcasting and Telecommunications Commission Re: The Determination of Prohibitions of Actions Regarded as Business Takeover by Foreigners B.E. 2555;

"Company" means True Corporation Public Company Limited;

"Foreigner" means foreigner under the Foreign Business Act B.E. 2542;

"Business Takeover" means having control power or influence, regardless of whether it is direct or indirect by foreigners in determining policies, management, operation, appointment of directors, appointment of high-level executives which may affect the management or operation of the telecommunication business of the Company, by holding voting shares from one-half of all voting rights, control power over the Company's majority voting rights in shareholders meeting or appointment or revoke the directors from one-half of all directors.

(2) Business takeovers by foreigners through the following circumstances are regarded as prohibitions of actions regarded as business takeover by foreigners according to the Notification of NBTC.

(2.1) A business takeover by allowing foreigners, their agents, or nominees to hold shares, either directly or indirectly, to avoid the compliance under the Notification of NBTC

(2.2) A business takeover by allowing foreigners to hold shares directly or to hold shares through their representatives or nominees, whereby such shares have special rights by casting votes greater than the proportion of shareholding actually held in a shareholder meeting, or they are shares with preferential rights over shares held by Thai nationals

(2.3) A business takeover by allowing foreigners to have control power or influence, regardless of whether it is direct or indirect in determining policies, management, operation, or appointment of directors or high-level executives

High-level executives refers to chairman, managing director, manager, supervisor, chief executive on purchasing, chief financial officer, or any other person who has controlling power or influence to the management of the business or telecommunication business operation in the business of the Company

(2.4) A business takeover via legal relations with sources of investment money and loans from foreigners or their subsidiary juristic persons, such as, guaranty of loan, lending money at interest rate lower than market rates, guaranty of business risk, or granting of credit of discriminatory description

(2.5) A business takeover through the making of contract concerning intellectual property, franchise contract, or contract giving exclusive rights to foreigners or their subsidiary juristic persons, and such contract rendering an effect of transfer of expenses and benefits in return to foreigners

(2.6) A business takeover through the making of contract of procurement or contract of hire of work of management with foreigners or their subsidiary juristic persons, or with employees or staff of foreigners or of their subsidiary juristic persons, and such contracts rendering an effect of transfer of expenses and benefits in return to foreigners

(2.7) A business takeover through the making of joint business operation with foreigners or their subsidiary juristic persons, by allocating or dividing capital in the business operation in a manner that renders a transfer of expenses and benefits in return to foreigners

(2.8) A business takeover through the execution of transactions in the manner of a transfer pricing or a price collusion with foreigners or their subsidiary juristic persons”

In this regard, the Company’s authorized directors or persons entrusted by the Company’s authorized directors, are authorized to have power to amend any statements in accordance with the recommendations, opinions or orders of the National Broadcasting and Telecommunications Commission (the “NBTC”) or any other relevant governmental authority, in order to be in line with the standard prescribed in the Notification of the NBTC Re: prohibitions of actions regarded as business takeover by foreigners B.E. 2555.

3. Unanimously resolved to approve the convening of the Annual General Meeting of the Shareholders for the Year 2013 on 23<sup>rd</sup> April 2013 at 2.00 p.m. at the Auditorium Room on the 21<sup>st</sup> Floor, True Tower, located at No.18 Ratchadapisek Road, Huai Khwang District, Bangkok and determine the date on which the recorded shareholders have the right to attend the Annual General Meeting of the Shareholders for the Year 2013 (Record Date) to be on 14<sup>th</sup> March 2013. And the closing date of the share registration book for compiling the shareholders' name under Section 225 of the Securities and Exchange Act will be on 15<sup>th</sup> March 2013.

#### **B. Appointment of the Company's New Executive Officer**

The Company appointed Mr. Carl Goodier as a Group Chief Customer Service Officer, effective on 1<sup>st</sup> February 2013. The Company had already submitted the new executive officer' information to the Securities and Exchange Commission.

#### **C. Establishment of the Company's New Subsidiary**

Golden Light Company Ltd ("Golden Light"), a 99.99% owned subsidiary of the Company Group, established a new subsidiary, namely Golden Pearl Global Limited ("Golden Pearl Global"), which will be incorporated in the British Virgin Islands, within January, 2013. As a result, Golden Pearl Global became a new subsidiary of the Company. Details of the new subsidiary are as follows:

Name of the new subsidiary	: Golden Pearl Global Limited
Type of business	: Holding Company
Registered capital and Issued and Paid-up capital	: USD 50,000 Divided into 50,000 ordinary shares at a par value of USD 1 each
Shareholder structure	: Golden Light holds 100% of the total issued and paid-up capital of Golden Pearl Global
Total investment	: USD 50,000 or approximately Baht 1,490,000 (calculated by the exchange rate as of 16 <sup>th</sup> January 2013)
Source of funds	: Working capital of Golden Light

**(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 21<sup>st</sup> February 2013 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. Rangsee 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. Rangsee Sujaritsunchai, it will be deemed that the Company does not certified the information contained in such documents."

<b>Name</b>	<b>Title</b>	<b>Signature</b>
1. Prof. Athueck Asvanund	Vice Chairman and Group General Counsel	.....
2. Mr. Vichaow Rakphongphairoj	Director and Group Chief Operating Officer Network Quality and Operation & Maintenance	.....

**Authorized Person**

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

### Information of Directors and Executive Officers (As of 31<sup>st</sup> December 2012)

Name	Position	Age (year)	True Share Ownership 31 <sup>st</sup> Dec 2012	Family Relationship	Education	Major Experience
Mr. Vitthya Vejajiva	Independent Director, Chairman of the Audit Committee And Member of the Corporate Governance Committee	76	- None -	- None -	<p>Master Degree of Laws, Harvard University, USA</p> <p>Master Degree of Arts, University of Cambridge, England</p> <p>Bachelor of Laws, University of Cambridge, England</p> <p>Barrister-at-law, Gray's Inn</p> <p>Related training programs held by the Thai Institute of Directors Association (IOD)</p> <ul style="list-style-type: none"> <li>- Director Accreditation Program (DAP)</li> <li>- Audit Committee Program (ACP)</li> <li>- Chairman 2000</li> </ul>	<p><u>Companies Listed on the Stock Exchange of Thailand</u></p> <p>1998-Present Independent Director and Chairman of the Audit Committee, True Corporation Public Company Limited</p> <p>Present Member of the Corporate Governance Committee, True Corporation Public Company Limited</p> <p>Independent Director and Member of the Audit Committee, Glow Energy Public Company Limited</p> <p>2002-Present Independent Director and Chairman of the Audit Committee, Finansa Public Company Limited</p> <p><u>Non-listed Companies</u></p> <p>1998-Present Chairman, K Line (Thailand) Company Limited and its subsidiaries</p> <p>1991-1992 Permanent Secretary of the Ministry of Foreign Affairs</p> <p>1988 Ambassador Extraordinary and Plenipotentiary of the United States of America</p> <p>1984 Ambassador Extraordinary and Plenipotentiary of Belgium and the European Community</p> <p>1981 Ambassador Extraordinary and Plenipotentiary of Canada</p> <p>1979 Director, General of Department of Economic Affairs</p>
Dr. Kosol Petchsuwan	Independent Director, Member of the Audit Committee and Chairman of the Corporate Governance Committee	73	- None -	- None -	<p>Doctor of Philosophy (Engineering), Imperial College London</p> <p>Bachelor of Engineering, Imperial College London</p> <p>Related training programs held by the Thai Institute of Directors Association (IOD)</p> <ul style="list-style-type: none"> <li>- Director Accreditation Program (DAP)</li> <li>- Director Certification Program (DCP)</li> <li>- Audit Committee Program (ACP)</li> <li>- Role of the Chairman Program (RCP)</li> <li>- Financial Institutions Governance Program (FGP)</li> <li>- Finance for Non-Finance Directors (FND)</li> <li>- Monitoring Fraud Risk Management (MFM)</li> <li>- Monitoring of the Quality of Financial Reporting (MFR)</li> <li>- Monitoring the internal Audit Function (MIA)</li> <li>- Monitoring the system of Internal Control and Risk Management (MIR)</li> <li>- Chartered Director Class (R-CDC)</li> <li>- Audit Committee Effectiveness Seminar: What Works Best – Global Practices vs. Practices in Thailand</li> <li>- 2012 Theme: Innovative Approaches to Create Value for Business and Society</li> </ul>	<p><u>Companies Listed on the Stock Exchange of Thailand</u></p> <p>Present Independent Director and Member of the Audit Committee, True Corporation Public Company Limited</p> <p>2011-Present Chairman of the Corporate Governance Committee, True Corporation Public Company Limited</p> <p><u>Non-listed Companies</u></p> <p>2004-Present Independent Director and Chairman of the Audit Committee, Industrial and Commercial Bank of China (Thai) Public Company Limited (Formerly named ACL Bank Public Company Limited)</p> <p>2001-2009 Director, Mahidol Wittayanusorn School (Public Organization)</p> <p>2001-2005 President, The Telecommunications Association of Thailand under Royal Patronage</p> <p>2000-2001 Chairman, The Aeronautical Radio of Thailand Limited</p> <p>1986-1992 Rector, King Mongkut's Institute of Technology Ladkrabang</p>

Name	Position	Age (year)	True Share Ownership 31 <sup>st</sup> Dec 2012	Family Relationship	Education	Major Experience
Mr. Joti Bhokavanij	Independent Director, Member of the Audit Committee, Member of the Finance Committee and Member of the Compensation and Nominating Committee	70	- None -	- None -	<p>Fellow of the Association of Chartered Certified Accountants, England</p> <p>Programme for Management Development, Harvard Business School, USA</p> <p>Marketing Management Programme, Stanford University, Graduate School of Business, USA</p> <p>Related training programs held by the Thai Institute of Directors Association (IOD)</p> <ul style="list-style-type: none"> <li>- Director Accreditation Program (DAP)</li> <li>- Chairman 2000</li> <li>- Director Certification Program (DCP)</li> <li>- IOD National Director Conference 2012 - Moving Corporate Governance Forward : Challenge for Thai Directors</li> <li>- Monitoring the Quality of Financial Reporting (MFR)</li> <li>- Successful Formulation &amp; Execution of Strategy (SFE)</li> <li>- How to Measure the Success of Corporate Strategy (HMS)</li> <li>- Monitoring Fraud Risk Management (MFM)</li> <li>- Monitoring the Internal Audit Function (MIA)</li> <li>- Monitoring the System of Internal Control and Risk Management (MIR)</li> </ul>	<p><u>Companies Listed on the Stock Exchange of Thailand</u></p> <p>1999-Present Independent Director and Member of the Audit Committee, True Corporation Public Company Limited</p> <p>Present Member of the Finance Committee and Member of the Compensation and Nominating Committee, True Corporation Public Company Limited</p> <p>2012-Present Independent Director and Member of the Audit Committee, Loxley Public Company Limited</p> <p>2000-2001 Executive Chairman, TISCO Finance Public Company Limited (Presently known as TISCO Bank Public Company Limited)</p> <p>1994-1997 President &amp; CEO, Thai Wah Group of Companies</p> <p>1992-1994 Managing Director and Consul-General of Denmark for Bangkok, The East Asiatic (Thailand) Public Company Limited</p> <p><u>Non- listed Companies</u></p> <p>2002-Present Director, True Move Company Limited</p> <p>Present Director, Bangkok Inter Teletech Public Company Limited Director, Kingfisher Holdings Limited Director, Thai Smart Card Company Limited</p> <p>2004-2006 Chief Executive Officer, ACL Bank Public Company Limited (Presently known as Industrial and Commercial Bank of China (Thai) Public Company Limited)</p>
Mr. Harald Link	Independent Director	58	50,000 shares (0.00%)	- None -	<p>MBA, St. Gallen University, Switzerland</p> <p>Related training programs held by the Thai Institute of Directors Association (IOD)</p> <ul style="list-style-type: none"> <li>- None -</li> </ul>	<p><u>Companies Listed on the Stock Exchange of Thailand</u></p> <p>Mar 2010-Present Independent Director, True Corporation Public Company Limited</p> <p>2000-Feb 2010 Director, True Corporation Public Company Limited</p> <p>1998-Present Independent Director, Siam City Cement Public Company Limited</p> <p><u>Non- listed Companies</u></p> <p>2010-Present Director, G&amp;L Beijer AB (Listed in the Stock Market of Sweden)</p> <p>1987-Present Chairman, B. Grimm Group of Companies</p>

Name	Position	Age (year)	True Share Ownership 31 <sup>st</sup> Dec 2012	Family Relationship	Education	Major Experience
Prof. Rawat Chamchalerm	Independent Director	68	54,435 shares (0.00%)	- None -	Master Degree of Laws, Chulalongkorn University Bachelor of Laws, Thammasat University Barrister, Thai Bar Association Special Certificate: National Defence College, Joint Public-Private Course (Class 1) Related training programs held by the Thai Institute of Directors Association (IOD) - Director Accreditation Program (DAP)	<p><u>Companies Listed on the Stock Exchange of Thailand</u></p> <p>Mar 2010-Present Present</p> <p>Independent Director, True Corporation Public Company Limited Independent Director, Serm Suk Public Company Limited Chairman of the Board, Sino-Thai Engineering and Construction Public Company Limited Chairman and Independent Director, MCOT Public Company Limited Director, Krung Thai Bank Public Company Limited Legal Counsel, Thai Airways International Public Company Limited</p> <p>2004-2006 2003-2005</p> <p><u>Non-listed Companies</u></p> <p>Present</p> <p>Vice Chairman, Don Muang Tollway Public Company Limited Vice Chairman, Siam City Leasing Factoring Public Company Limited Adjunct Professor, Faculty of Law, Chulalongkorn University Adjunct Professor, Institute of Legal Education Thai Bar Association Adjunct Professor, Master Degree, Mahidol University Adjunct Professor, Doctoral, Bangkokthonburi University Adjunct Professor, Faculty of Law, Mae Fah Luang University Expert Member, Board of Special Case, Department of Special Investigation (DSI) Director, The Officer of Board of Royal Thai Police Expert Director, Ministry of Public Health Expert Director, Ministry of Agriculture and Cooperatives Director, Thai National Food Commission Executive Director, National Science and Technology Development Agency Chairman of the Ethics Committee, National Bureau of Agricultural Commodity and Food Standards Director, Board of Directors on Disclosure of Information Member of the Council of State, Office of the Council of State</p> <p>2002-Present</p> <p>2001-Present</p> <p>1995-Present 2003-2004</p> <p>2001-2004 2000-2003 2002-2004</p> <p>2000-2002 1996-2000</p> <p>2000-2006 1996-2009 1987-1993</p> <p>1993-1996</p> <p>1985-1997</p> <p>Director, National Olympic Committee of Thailand Vice Chairman, Thai Bar Association Attorney General, Office of the Attorney General Director, Government Pension Fund Deputy Attorney General, Office of the Attorney General Chairman and Independent Director, The Mass Communication Organization of Thailand Board of Director, The Mass Communication Organization of Thailand Director General, Technical Affairs Department, Office of the Attorney General Director, Provincial Waterworks Authority Director, Saengchai Sunthornwat Foundation Legal Adviser, Commander of the Royal Thai Army Legal Adviser, Supreme Commander Director, The Communications Authority of Thailand (Presently known as CAT Telecom Public Company Limited) Director, Metropolitan Waterworks Authority</p>

Name	Position	Age (year)	True Share Ownership 31 <sup>st</sup> Dec 2012	Family Relationship	Education	Major Experience
Mr. Dhanin Chearavanont	Chairman of the Board and Chairman of the Compensation and Nominating Committee	73	- None -	Mr. Soopakij's, Mr. Narong's and Mr. Suphachai'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)	<u>Companies Listed on the Stock Exchange of Thailand</u> Present Chairman of the Board and Chairman of the Compensation and Nominating Committee, True Corporation Public Company Limited Chairman, Charoen Pokphand Foods Public Company Limited Chairman, CP All Public Company Limited  <u>Non- listed Companies</u> Present Honorary Chairman, True Move Company Limited Director, Bangkok Inter Teletech Public Company Limited Director, Telecom Holding Company Limited Chairman and Chief Executive Officer, Charoen Pokphand Group Company Limited and its subsidiaries
Dr. Ajva Taulananda	Vice Chairman, Chairman of the Finance Committee and Member of the Corporate Governance Committee	74	- None -	- None -	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)	<u>Companies Listed on the Stock Exchange of Thailand</u> 1992-Present Vice Chairman, True Corporation Public Company Limited Present Chairman of the Finance Committee and Member of the Corporate Governance Committee, True Corporation Public Company Limited 1993-1999 Director and President, True Corporation Public Company Limited  <u>Non- listed Companies</u> 1992-Present Vice Chairman, Charoen Pokphand Group 2001-2004 Chairman, Thai Chamber of Commerce and Board of Trade of Thailand 1991-1992 Deputy Minister, Ministry of Agriculture and Cooperatives Present Director, Subsidiaries of True Corporation Public Company Limited Chairman, Board of Trustee of Thailand Management Association Director, Office of the National Economic and Social Development Board Director, National Science and Technology Development Agency

Name	Position	Age (year)	True Share Ownership 31 <sup>st</sup> Dec 2012	Family Relationship	Education	Major Experience
Prof. Athueck Asvanund*	Vice Chairman and Group General Counsel	61	- None -	- None -	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)	<p><u>Companies Listed on the Stock Exchange of Thailand</u></p> <p>1997-Present Vice Chairman and Group General Counsel, True Corporation Public Company Limited Advisor to the Board of Directors, CP All Public Company Limited</p> <p>Aug-Dec 2011 Independent Director, Thoresen Thai Agencies Public Company Limited 2008-Feb 2009 Company Secretary, True Corporation Public Company Limited</p> <p><u>Non- listed Companies</u></p> <p>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 2002-Present Director, True Move Company Limited 2001-2006 Associate Judge, Central Intellectual Property and International Trade Court 1978-1997 Baker &amp; McKenzie Present Part-time Lecturer, Business Law, Faculty of Law, Chulalongkorn University</p>

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Name	Position	Age (year)	True Share Ownership 31 <sup>st</sup> Dec 2012	Family Relationship	Education	Major Experience
Prof. Dr. Warapat Todhanakasem	Director and member of the Finance Committee	63	- None -	- None -	<p>Ph.D. in Business Economics, University of Illinois, Urbana-Champaign, USA</p> <p>M.S. in Economics, University of Illinois, Urbana-Champaign, USA</p> <p>M.B.A. in Finance, Kellogg School of Management, Northwestern University, Evanston, Illinois, USA</p> <p>B.Econ. (1<sup>st</sup> Class Honor), Thammasat University</p> <p>LL.B., Thammasat University</p> <p>Related training programs held by the Thai Institute of Directors Association (IOD)</p> <ul style="list-style-type: none"> <li>- Director Certification Program (DCP)</li> <li>- Director Accreditation Program (DAP)</li> <li>- The Role of Chairman (RCM)</li> <li>- Role of the Compensation Committee (RCC)</li> </ul>	<p><u>Companies Listed on the Stock Exchange of Thailand</u></p> <p>2012-Present Director, True Corporation Public Company Limited</p> <p>2010-Present Independent Director, Khon Kaen Sugar Industry Public Company Limited</p> <p>2009-Present Management Consultants, Amata Corporation Public Company Limited</p> <p>Chairman and Independent Director, Prinsiri Public Company Limited</p> <p><u>Non-listed Companies</u></p> <p>June 2012 - Present Director, Institute of Research and Development for Public Enterprises of Thailand (IRDP)</p> <p>2012-Present Member of Sub-Committee on Performance Assessment of Electricity Development Funds, The Office of the Energy Regulatory Commission of Thailand</p> <p>2010-Present Chairman, Pantavanij Company Limited</p> <p>Member of the Audit Committee, Ministry of Transportation</p> <p>Corporate Governance Center Advisory Committee, The Stock Exchange of Thailand</p> <p>Arbitrator, The Securities and Exchange Commission</p> <p>Expert Director, Faculty of Commerce and Accountancy, Thammasat University</p> <p>2007-Present Arbitrator, The Securities and Exchange Commission</p> <p><u>Experience</u></p> <ul style="list-style-type: none"> <li>- President, TRIS Corporation Limited (TRIS)</li> <li>- President, TRIS Rating Company Limited</li> <li>- First Senior Vice President, Kasikorn Bank Public Company Limited</li> <li>- Member of Committee on Drafting Securitization Act, Ministry of Finance</li> <li>- Member of Committee on Independent Supervisory Agencies Bureau of State Enterprises and Government Securities, Ministry of Finance</li> <li>- Member of Search Committee for Managing Director, The Stock Exchange of Thailand</li> <li>- Member of Corporate Governance Promotion Sub-Committee The Stock Exchange of Thailand</li> <li>- Member of Committee on Manpower Management in Public Sector, The Office of the Civil Service Commission</li> <li>- External Quality Assessor, The Office for National Education Standards and Quality Assessment (Public Organization)</li> <li>- Chairman of Executive MBA Program, Thammasat University</li> <li>- Member of Committee on Development of Corporate Governance Course, Faculty of Commerce and Accountancy, Thammasat University</li> <li>- Expert Member, Education Quality Assurance National Institute of Development Administration</li> </ul>

Name	Position	Age (year)	True Share Ownership 31 <sup>st</sup> Dec 2012	Family Relationship	Education	Major Experience
Mr. Umroong Sanphasitvong	Director, Member of the Finance Committee and Member of the Compensation and Nominating Committee	60	718,800 shares (0.00%)	- None -	<p>Master Degree of Accounting, Thammasat University</p> <p>Bachelor of Accounting, Thammasat University</p> <p>Related training programs held by the Thai Institute of Directors Association (IOD)</p> <ul style="list-style-type: none"> <li>- Director Certification Program (DCP)</li> <li>- IOD National Director Conference 2012 – Moving Corporate Governance Forward : Challenge for Thai Directors</li> </ul>	<p><u>Companies Listed on the Stock Exchange of Thailand</u></p> <p>2001-Present Present Director, True Corporation Public Company Limited Member of the Finance Committee and Member of the Compensation and Nominating Committee, True Corporation Public Company Limited Director, CP All Public Company Limited</p> <p><u>Non- listed Companies</u></p> <p>Present Deputy Group CFO, Charoen Pokphand Group Company Limited Director, CPPC Public Company Limited Director, VinaSiam Bank Director, C.P. Lotus Corporation Director, Thai Smart Card Company Limited</p>
Mr. Vichaow Rakphongphairoj*	Director and Group Chief Operating Officer Network Quality and Operation & Maintenance	55	1,000,000 shares (0.01%)	- None -	<p>Master Degree of Business Administration Pepperdine University, USA</p> <p>Master Degree of Electrical Engineering University of Wisconsin, USA</p> <p>Bachelor of Electrical Engineering Arizona State University, USA</p> <p>Training</p> <ul style="list-style-type: none"> <li>Senior Executives on Justice Administration Program (No. 15)</li> <li>Capital Market Academy Leader Program (No. 14)</li> </ul> <p>Related training programs held by the Thai Institute of Directors Association (IOD)</p> <ul style="list-style-type: none"> <li>- Director Certification Program (DCP No. 16)</li> </ul>	<p><u>Companies Listed on the Stock Exchange of Thailand</u></p> <p>True Corporation Public Company Limited</p> <p>2012-Present Director and Group Chief Operating Officer – Network Quality and Operation and Maintenance</p> <p>2000-2012 Director, Managing Director and Group Chief Operating Officer - Network Quality and Operation &amp; Maintenance</p> <p>1998-2000 E.V.P., Business &amp; Enterprise</p> <p>1997-1998 E.V.P., Central Operation &amp; Information Technology</p> <p>1996-1997 Region Director, Bangkok-Southeast Region</p> <p>1995-1996 Region Director, Bangkok-West Region</p> <p><u>Non- listed Companies</u></p> <p>Present Chairman of Executive Committee, Pantavanij Company Limited Chairman of Executive Committee, Freewill Solutions Company Limited President, True Universal Convergence Company Limited President, True Internet Data Center Company Limited President, True Multimedia Company Limited President, True Internet Company Limited President, Asia Infonet Company Limited Director, Telecom Holding Company Limited Director, True Leasing Company Limited Director, True Lifestyle Retail Company Limited Director, K.I.N. (Thailand) Company Limited Director, True Information Technology Company Limited Director, Wire &amp; Wireless Company Limited Director, True Touch Company Limited Director, True Money Company Limited Director, Asia DBS Public Company Limited Director, Bangkok Inter Teletech Public Company Limited Director, True Move Company Limited Director, Thai Smart Card Company Limited</p>

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Name	Position	Age (year)	True Share Ownership 31 <sup>st</sup> Dec 2012	Family Relationship	Education	Major Experience
Mr. Chatchaval Jiaravanon*	Director and Managing Director Group Investment	50	- None -	- None -	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)	<u>Companies Listed on the Stock Exchange of Thailand</u> 1993-Present Director and Managing Director-Group Investment, True Corporation Public Company Limited 2001-Present Independent Director and Member of the Audit Committee, Ticon Industrial Connection Public Company Limited 2007-Present Chairman of Board and Chairman of the Executive Board, Finansia Syrus Securities Public Company Limited 2005-Present Director, Amanah Leasing Public Company Limited 2000-Present Director, AEON Thana Sinsap (Thailand) Public Company Limited  <u>Non- listed Companies</u> 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

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Name	Position	Age (year)	True Share Ownership 31 <sup>st</sup> Dec 2012	Family Relationship	Education	Major Experience
Mr. Soopakij Chearavanont *	Director and Member of the Compensation and Nominating Committee	49	3,000 shares (0.00%)	Mr. Dhanin's son, Mr. Narong's and Mr. Suphachai's elder brother	Bachelor of Science Degree in the College of Business and Public Administration of New York University, USA  Related training programs held by the Thai Institute of Directors Association (IOD) - Director Accreditation Program (DAP) 92/2011	<p><u>Companies Listed on the Stock Exchange of Thailand</u></p> <p>Present</p> <p>Director and Member of the Compensation and Nominating Committee, True Corporation Public Company Limited                      Director, C.P. All Public Company Limited</p> <p><u>Non-listed Companies</u></p> <p>Present</p> <p>Chief Executive Officer, UTV Cable Network Public Company Limited                      Executive Vice Chairman, Charoen Pokphand Group Company Limited                      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 Land Property Management Company Limited                      Chairman, Chia Tai Real Estate Group Company Limited                      Chairman, Chia Tai Lotus (Shanghai) Company Limited                      Chairman, Fortune Leasing Company Limited                      Chairman, Mass Gain Investment Limited                      Chairman, Beijing Lotus Supermarket Chain Store Company Limited                      Chairman, SM True Company Limited                      Co-Chairman, Shanghai Kinghill Limited – Super Brand Mall                      Chief Executive Officer &amp; Executive Vice Chairman, Marketing and Distribution Business (China), Charoen Pokphand Group Company Limited                      Chief Executive Officer, Real Estate &amp; Land Development Business (China), Charoen Pokphand Group Company Limited                      Executive Chairman &amp; Chief Executive Officer, C.P. Lotus Corporation                      Executive Vice Chairman &amp; Chief Executive Officer, Shaghai Lotus Supermarket Chain Store Company Limited                      Vice Chairman, Marketing and Distribution Business (Thailand), Charoen Pokphand Group Company Limited                      Vice Chairman, Real Estate and Land Development Business (Thailand), Charoen Pokphand Group Company Limited                      Vice Chairman, Telecommunication Business, Charoen Pokphand Group Company Limited                      Vice Chairman, Automotive Industrial Business (China), Charoen Pokphand Group Company Limited                      Vice Chairman, Chia Tai Trading (Beijing) Company Limited                      Vice Chairman, Chia Tai Vision Limited                      Vice Chairman, Chia Tai International Finance Company Limited                      Vice Chairman, Shanghai Fortune World Development Company Limited                      Director, Chia Tai Development Investment Company Limited                      Director, Chia Tai Group Company Limited                      Director, CP Pokphand Company Limited                      Director, True Move Company Limited                      Director, Fortune Shanghai Limited                      Director, Lotus-CPF (PRC) Investment Company Limited</p>

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Name	Position	Age (year)	True Share Ownership 31 <sup>st</sup> Dec 2012	Family Relationship	Education	Major Experience
Mr. Soopakij Chearavanont *						<p style="text-align: right;">(Continue from next page)</p> <p><u>Community Service</u></p> <p>2012 Expert to the Committee on Labour and Social Welfare Group</p> <p>2011 Vice Chairman of Youth Committee of China Overseas Chinese Investment Enterprises Association</p> <p>2010 Chairman of China Thailand Chamber of Commerce</p> <p>2009 Committee Members of The Build Foundation</p> <p>2009 Advisor to the Committee on Education, The House of Representatives</p> <p>2009 Advisor to Minister of Culture</p> <p>2008 Honorary Consul of the Russian Federation for the provinces of Phuket, Krabi and Phang-nga</p> <p>2008 Committeeman of Chinese People's Government Consultant Committee - Wuhan Province No. 10<sup>th</sup></p> <p>2006 Award of Bai Yu Lan from Shanghai Government</p> <p>2006 Member of Fudan Incentive Management Fund Committee of Fudan University</p> <p>2006 Management Committee of Chia Tai International Center of Peking University</p> <p>2006 Advisor of the Standing Committee on Public Health, The House of Representatives</p> <p>2005 Member of Young Thai Entrepreneurs Association (YTEA)</p> <p>2005 Vice President of Thai-Chinese Promotion of Investment and Trade Association</p> <p>2004 Committee on Cultural Promotion Fund of Office of The National Cultural Commission</p> <p>2004 Vice President of Thailand Equestrian Federation</p> <p>2002 Member of Young Thai Entrepreneurs Assembly</p> <p>2002 Vice Chairman of Thailand-China Business Council</p> <p>1995 Honorary Advisor to the Senate Standing Committee on Sports, The House of Representatives</p> <p>1993 Member of Thai-Chinese Culture And Economy Association</p> <p>1993 Committee on Children Youth, Women and The Elderly</p> <p><u>Royal Decorations</u></p> <p>2012 Companion (Fourth Class) of the Most Exalted Order of the White Elephant</p> <p>2010 Companion (Fourth Class) of the Most Noble Order of the Crown of Thailand</p> <p>2008 Companion (Fifth Class) of the Most Exalted Order of the White Elephant</p>

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Name	Position	Age (year)	True Share Ownership 31 <sup>st</sup> Dec 2012	Family Relationship	Education	Major Experience
Mr. Narong Chearavanont	Director	48	161,577 shares (0.00%)	Mr. Dhanin's son, Mr. Soopakij's younger brother and Mr. Suphachai's elder brother	Honorary Doctor of Business Administration Program, Ramkhamhaeng University Bachelor of Science, Major Business Administration, New York University, USA Advance Management Program: Transforming Proven Leaders into Global Executives, Harvard Business School, Harvard University  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> <p>2008-Present Director, True Corporation Public Company Limited 1999-Present Director, CP All Public Company Limited</p> <p><u>Non-listed Companies</u></p> <p>Present Director, SM True Company Limited Director, True Visions Group Company Limited Jun 2011-Present Director, Chia Tai Qingdao Holdings (Hongkong) Limited Director, Chia Tai Qingdao Holdings Limited Chief Executive Officer, Shanghai Litai Logistics Company Limited May 2011-Present Director, Grand River Park Company Limited Director, Grand River Place Company Limited Director, Grand River Front Company Limited Feb 2011-Present Senior Executive Assistant to Chairman, Charoen Pokphand Group "Global talent recruitment" Jan 2010-Present Vice Chairman, Shanghai Kinghill Limited 2010-Present President, CP Corporate University Vice Chairman, Panther Entertainment Company Limited Vice Chairman, Marketing and Distribution Business (Thailand) Vice Chairman, Marketing and Distribution Business (China) Vice Chairman, Real Estate &amp; Land Development Business (China) 2009-Present Director, Cineplex Company Limited 2008-Present Director, Satellite Service Company Limited Legal Representative and Director, Beston Action Utility Wear (Lianyungang) Co., Ltd. 2007-Present Director, True Visions Public Company Limited Director, True Visions Cable Public Company Limited Executive Vice Chairman, CP Lotus Corporation Co., Ltd. Executive Vice Chairman, Chia Tai (China) Investment Co., Ltd. Executive Director, C.P. Pokphand Co., Ltd. 2007-2010 Board of Director, Qingdao Lotus Supermarket Chain Store Co., Ltd. Board of Director, Jinan Lotus Supermarket Chain Store Co., Ltd. Board of Director, Shantou Lotus Supermarket Chain Store Co., Ltd. Board of Director, Guangzhou Lotus Supermarket Chain Store Co., Ltd. Board of Director, Xi'an Lotus Supermarket Chain Store Co., Ltd. Vice Chairman, CP Food Product (Shanghai) Co., Ltd. Board of Director, Beijing Lotus Supermarket Chain Store Co., Ltd. Board of Director, Foshan C.P. Lotus Management Consulting Co., Ltd. Board of Director, Changsha Chulian Supermarket Co., Ltd. Board of Director, Chengdu Ailian Supermarket Co., Ltd. 2002 Director, Business Development Bank 2001-Present Chairman, Yangtze Supermarket Investment Co., Ltd. 1997 President, Ek-Chor Trading (Shanghai) Co., Ltd. 1995-1997 President, Ek-Chor Distribution (Thailand) Co., Ltd.</p>

Name	Position	Age (year)	True Share Ownership 31 <sup>st</sup> Dec 2012	Family Relationship	Education	Major Experience
Mr. Suphachai Chearavanont*	Director, President and Chief Executive Officer	45	2,404,439 shares (0.02%)	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) - Director Accreditation Program (DAP) 92/2011	<p><u>Companies Listed on the Stock Exchange of Thailand</u></p> <p>True Corporation Public Company Limited</p> <p>1999-Present President and Chief Executive Officer</p> <p>1997 Senior Executive Vice President</p> <p>1996 Executive Vice President, Business Operations</p> <p>1995 General Manager, East Region</p> <p>1994 Senior Vice President, Planning and Project Coordination &amp; Support</p> <p>1993 Vice President, the Operation Room</p> <p>1992 Senior Officer, the President's Office</p> <p><u>Non-listed Companies</u></p> <p>2006-Present Chief Executive Officer, True Visions Public Company Limited</p> <p>2002-Present Chief Executive Officer, True Move Company Limited</p> <p>2000-Present Chairman, Freewill Solutions Company Limited</p> <p>1999-Present Chairman, Wire &amp; Wireless Company Limited</p> <p>2001-2010 Chairman, Pantavanij Company Limited</p> <p>1996 President, Asia Multimedia Company Limited</p> <p>1995 Chief Operating Officer, True Visions Cable Public Company Limited</p> <p>Managing Director, Wire &amp; Wireless Company Limited</p> <p>1991 2 Years with Vinythai Company Limited</p> <p>1990 1 Year with Soltex Federal Credit Union, USA</p> <p>1989 1 Year with Siam Makro Company Limited</p> <p><u>Directorships</u></p> <ul style="list-style-type: none"> <li>- True Corporation Public Company Limited</li> <li>- True Move Company Limited</li> <li>- True Visions Public Company Limited</li> <li>- Other subsidiaries of True Corporation Public Company Limited</li> <li>- Pantavanij Company Limited</li> <li>- CPPC Public Company Limited</li> <li>- C.P. Lotus Corporation</li> <li>- Asia Freewill Company Limited</li> <li>- Freewill Solutions Company Limited</li> <li>- C.P. Pokphand Company Limited</li> </ul> <p><u>Social Contributions &amp; Other Experience</u></p> <p>2010-Present Director of The National Electronics and Computer Technology Center Director of Ramathibodi Foundation The Bangkok Art and Culture Centre Foundation Committee</p> <p>2009-Present Board Member of Board of Trustees, Bangkok University</p> <p>2008-Present Member of Management Committee on Nation-wide Strategic Approach Eye Provisioning Project</p> <p>2006-Present Chairman of the Sub Committee for Fund Raising Thai Red Cross Eye Bank Member of the Thai Red Cross Eye Bank Committee</p> <p>1999-Present Director &amp; Advisor of the Telecommunications Association of Thailand under the Royal Patronage (TCT)</p> <p>2008-2009 Member of Fund Raising and Public Relations Committee for the construction of a Medical Facility in Honor of HM The King and the Purchase of Medical Equipments</p> <p>2005-2007 Member of the Listed Companies Association (LCA)</p>

\* Authorized Signatory

Name	Position	Age (year)	True Share Ownership 31 <sup>st</sup> Dec 2012	Family Relationship	Education	Major Experience
Mr. William Harris	Executive Director, International Business Development and Assistant to CEO	51	1,165,767 shares (0.01%)	- None -	<p>Master Degree of Business Administration, Major in Finance and Marketing, Wharton School of the University of Pennsylvania</p> <p>Bachelor of Science in Economics, Wharton School of the University of Pennsylvania</p> <p>Related training programs held by the Thai Institute of Directors Association (IOD)</p> <p>- None -</p>	<p><u>Companies Listed on the Stock Exchange of Thailand</u></p> <p>2008-Present Executive Director, International Business Development and Assistant to CEO, True Corporation Public Company Limited</p> <p>2001-2007 Chief Financial Officer True Corporation Public Company Limited</p> <p>1999-2000 Executive Vice President - Corporate Finance True Corporation Public Company Limited</p> <p><u>Non-listed Companies</u></p> <p>2012-Present Director, GP Logistics Company Limited</p> <p>2011-Present Director, Rosy Legend Limited</p> <p>Director, Prospect Gain Limited</p> <p>2010-Present Director, True Internet Technology (Shanghai) Company Limited</p> <p>Director, True Digital Content and Media Company Limited</p> <p>Director, Dragon Delight Investments Limited</p> <p>Director, Gold Palace Investments Limited</p> <p>Director, Golden Light Company Limited</p> <p>2006-Present Director, Gold Palace Logistics Company Limited</p> <p>Director, True Visions Public Company Limited</p> <p>Director, True Move Company Limited</p> <p>1993-1999 Director, Bangkok Inter Teletech Public Company Limited</p> <p>Director, Credit Policy, Verizon Communications, Philadelphia</p>
Mr. Noppadol Dej-Udom	Group Chief Financial Officer	45	606,773 shares (0.00%)	- None -	<p>Master Degree in Business Administration, Sasin Graduate Institute of Business Administration of Chulalongkorn University</p> <p>Bachelor Degree in Mechanical Engineering, Rensselaer Polytechnic Institute, USA</p> <p>Related training programs held by the Thai Institute of Directors Association (IOD)</p> <p>- Director Certification Program 101/2008</p>	<p><u>Companies Listed on the Stock Exchange of Thailand</u></p> <p>2007-Present True Corporation Public Company Limited</p> <p>Group Chief Financial Officer</p> <p>2003-2007 Director &amp; General Manager - Online</p> <p>2000-2003 Senior Vice President - Corporate Finance</p> <p><u>Non-listed Companies</u></p> <p>Present Director, True Internet Company Limited</p> <p>Director, True International Communication Company Limited</p> <p>Director, True Music Company Limited</p> <p>Director, True Money Company Limited</p> <p>Director, True Leasing Company Limited</p> <p>Director, Real Move Company Limited</p> <p>Director, Real Future Company Limited</p> <p>Director, True Visions Group Company Limited</p> <p>Director, Gold Palace Investment Limited</p> <p>Director, Golden Light Company Limited</p> <p>Director, True Internet Technology (Shanghai) Company Limited</p> <p>Director, Goldsky Company Limited</p> <p>Director, Gold Palace Logistics Limited</p> <p>Director, GP Logistics Limited</p> <p>2009-Present Director, True Information Technology Company Limited</p> <p>2004-Present Director, Asia DBS Public Company Limited</p>

Name	Position	Age (year)	True Share Ownership 31 <sup>st</sup> Dec 2012	Family Relationship	Education	Major Experience
Mr. Kachorn Chiaravanont	Group Executive Director Corporate Affairs	46	- None -	- None -	Bachelor Degree in Management, Fairleigh Dickinson University in New Jersey, USA  Related training programs held by the Thai Institute of Directors Association (IOD) - None -	<p><u>Companies Listed on the Stock Exchange of Thailand</u></p> <p>Present                      Group Executive Director - Corporate Affairs    True Corporation Public Company Limited</p> <p><u>Non- listed Companies</u></p> <p>Present                      Director, Allianz C.P. General Insurance Company Limited    Director, Bangkok Inter Teletech Public Company Limited    Director, True Properties Company Limited    Director, True Leasing Company Limited    Director, CPPC Public Company Limited    Director, Pokphand Enterprise Company Limited    Director, True Information Technology Company Limited    Director, True Move Company Limited    Director, True Visions Public Company Limited    Director, True Distribution &amp; Sales Company Limited    Director, Song Dao Company Limited    Director, True Universal Convergence Company Limited    Director, Cineplex Company Limited    Director, Click TV Company Limited    Director, True Digital Media Company Limited    Director, True Visions Cable Public Company Limited    Director, Satellite Service Company Limited    Director, Panther Entertainment Company Limited    Director, True Visions Group Company Limited</p>

Name	Position	Age (year)	True Share Ownership 31 <sup>st</sup> Dec 2012	Family Relationship	Education	Major Experience
Mr. Thiti Nantapatsiri	Group Executive Director Regulatory	58	- None -	- None -	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 -	<p><u>Companies Listed on the Stock Exchange of Thailand</u></p> <p>Present                      Group Executive Director - Regulatory,                      True Corporation Public Company Limited</p> <p>1999-2003                      Executive Vice President, Loxley Public Company Limited</p> <p>1997-1999                      First Senior Vice President, Loxley Public Company Limited</p> <p><u>Non- listed Companies</u></p> <p>Present                      Director, Tele Engineering and Services Company Limited                      Director, BFKT (Thailand) Limited                      Director, True GS Company Limited                      Director, SM True Company Limited                      Managing Director, True Visions Group Company Limited                      Director, True United Football Club Company Limited                      Director, GP Logistics Limited</p> <p>2008-Present                      Director, Panther Entertainment Company Limited</p> <p>2007-Present                      Director, True Music Radio Company Limited</p> <p>2006-Present                      Director, True Visions Public Company Limited                      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, True Visions Cable Public Company Limited                      Director, Satellite Service Company Limited                      Director, True Music Company Limited</p> <p>2001-2002                      President &amp; CEO,                      Hutchison CAT Wireless Multimedia Company Limited</p> <p>1992-2000                      President &amp; CEO,                      Hutchison Telecommunications (Thailand) Company Limited</p>

Name	Position	Age (year)	True Share Ownership 31 <sup>st</sup> Dec 2012	Family Relationship	Education	Major Experience
Mr. Adhiruth Thothaveesansuk	Managing Director Mobile Business	49	1,635,797 shares (0.01%)	- None -	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	<p><u>Companies Listed on the Stock Exchange of Thailand</u></p> <p>Present                      Managing Director - Mobile Business                      True Corporation Public Company Limited</p> <p>2001                              Executive Vice President, True Corporation Public Company Limited</p> <p><u>Non-listed Companies</u></p> <p>Present                      President, True Money Company Limited                      President, True Digital Plus Company Limited                      President, True Life Plus Company Limited                      President, NC True Company Limited                      President, True Digital Content and Media Company Limited                      Director, BFKT (Thailand) Limited                      Director, True Visions Public Company Limited                      Director, True Visions Group Company Limited                      Director, True United Football Club Company Limited                      Director, Gold Palace Investments Limited                      Director, True Visions Cable Public Company Limited                      Director, Satellite Service Company Limited                      Director, Panther Entertainment Company Limited                      Director, True Music Company Limited                      Director, Golden Light Company Limited                      Director, True Internet Technology (Shanghai) Company Limited</p> <p>2006-Present              Director, True Public Communication Company Limited</p> <p>2003-Present              President, Asia Wireless Communication Company Limited</p> <p>2002                              Chief Commercial Officer, True Move Company Limited</p> <p>1998-2002                  General Manager, Wire &amp; Wireless Company Limited</p> <p>1998-2001                  President, Asia Wireless Communication Company Limited</p>

Name	Position	Age (year)	True Share Ownership 31 <sup>st</sup> Dec 2012	Family Relationship	Education	Major Experience
Mr. Songtham Phianpattanawit	Group Executive Director Enterprise/Business Sector and International Services	54	- None -	- None -	Bachelor of Science (Computer Science), University of South Alabama, USA  Training Capital Market Academy Leader Program (CMA 15)  Related training programs held by the Thai Institute of Directors Association (IOD) - Director Certification Program (DCP no.54)	<u>Companies Listed on the Stock Exchange of Thailand</u> Present      Group Executive Director - Enterprise /Business Sector & International Services, True Corporation Public Company Limited  <u>Non- listed Companies</u> Present      Director, Hutchison Telecommunications (Thailand) Company Limited 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, Pantavanij Company Limited Director, Freewill Solutions Company Limited Director, Clearing House for Number Portability Company Limited 2006-Present      President, True International Gateway Company Limited Director, Bangkok Inter Teletech Public Company Limited 2005-Present      Director, True Internet Data Center Company Limited 2003-2008      Director, True Multimedia Company Limited 2001-2003      Country General Manager / MD, IBM Thailand Company Limited Chairman, IBM Solution Delivery Company Limited 2001-2002      Director, IBM Storage Product Thailand Company Limited 2000      Director, Sales & Marketing, IBM Thailand Company Limited Country Manager System Sales, IBM Thailand Company Limited 1998      Country Manager Finance & Administration and CFO, IBM Thailand Company Limited 1997      Service Business Executive, IBM Thailand Company Limited

Name	Position	Age (year)	True Share Ownership 31 <sup>st</sup> Dec 2012	Family Relationship	Education	Major Experience
Mr. Anat Mekpaiboonvatana	Managing Director Pay TV Business	52	- None -	- None -	Master Degree of Marketing Management, West Coast University, USA  Bachelor of Mechanical Engineering, King Mongkut's University of Technology Thonburi  Related training programs held by the Thai Institute of Directors Association (IOD) - None -	<p><u>Companies Listed on the Stock Exchange of Thailand</u></p> <p>Present      Managing Director - Pay TV Business, True Corporation Public Company Limited</p> <p><u>Non-listed Companies</u></p> <p>Present      Managing Director, True Visions Public Company Limited Director, Wire &amp; Wireless Company Limited Director, True Distribution &amp; Sales Company Limited Director, Samut Pakan Media Corporation Company Limited Director, True United Football Club Company Limited Director, Hutchison MultiMedia Services (Thailand) Limited Director, Tele Engineering and Services Company Limited Director, Cineplex Company Limited Director, True Digital Media Company Limited Director and Managing Director, True Visions Group Company Limited Director, True Visions Cable Public Company Limited Director, Satellite Service Company Limited Director, Panther Entertainment Company Limited Director, True GS Company Limited</p> <p>2009-2012      Deputy Group Chief Commercial Officer, True Corporation Public Company Limited</p> <p>2002-2009      Director &amp; General Manager, True Corporation Public Company Limited</p> <p>1998-2002      President, Wire &amp; Wireless Company Limited</p> <p>1997-1998      General Manager, Tele Engineering and Services Company Limited</p> <p>1996-1997      Vice President, Asia Multimedia Company Limited</p> <p>1995-1996      General Manager, Unet Company Limited</p> <p>1995      Vice President, UBC Cable TV Network Company Limited</p> <p>1994      Vice President, Telecom Holding Company Limited</p>

Name	Position	Age (year)	True Share Ownership 31 <sup>st</sup> Dec 2012	Family Relationship	Education	Major Experience
Mr. Charoen Limkangwanmongkol	Managing Director Online Business	49	- None -	- None -	<p>Mini MBA, Chulalongkorn University</p> <p>Bachelor Degree Business Administration, Assumption University</p> <p>Related training programs held by the Thai Institute of Directors Association (IOD)</p> <p>- None -</p>	<p><u>Companies Listed on the Stock Exchange of Thailand</u></p> <p>Present Managing Director - Online Business, True Corporation Public Company Limited</p> <p><u>Non- listed Companies</u></p> <p>Present Managing Director, True Multimedia Company Limited</p> <p>2003-2006 Marketing Director, Yum Restaurant Company Limited</p> <p>1992-2003 Sales and Marketing Director, Hutchison Telecommunication Company Limited</p> <p>1989-1992 Brand Manager, Unilever (Thailand) Company Limited</p> <p>1986-1989 Account Supervisor, Lintas (Thailand) Company Limited</p>
Dr. Papon Ratanachaikanont	Group Chief Commercial Officer Sales & Retail	46	- None -	- None -	<p>Doctor Degree Doctor of Philosophy Program in Organization Development (International Program)</p> <p>Masters Degree Communication Advertising and Public Relations, Emerson College, Boston, Massachusetts, USA</p> <p>Bachelor Degree Management, Assumption University of Thailand</p> <p>Occupation Certificate Advertising of Public Relations and Print Production, The Advertising Club of Greater Boston</p> <p>Related training programs held by the Thai Institute of Directors Association (IOD)</p> <p>- None -</p>	<p><u>Companies Listed on the Stock Exchange of Thailand</u></p> <p>2012-Present Group Chief Commercial Officer - Sales &amp; Retail, True Corporation Public Company Limited</p> <p>2005-2012 Assistant to President/CEO, Deputy Group Chief Commercial Officer, True Corporation Public Company Limited</p> <p><u>Non- listed Companies</u></p> <p>Present Director, Samut Pakan Media Corporation Company Limited</p> <p>Director, True Magic Company Limited</p> <p>Director, True Music Radio Company Limited</p> <p>Director, Dragon Delight Investment Limited</p> <p>Director, Hutchison Telecommunications (Thailand) Company Limited</p> <p>2005-Present Managing Director, True Lifestyle Retail Company Limited</p> <p>2000-2005 Marketing and Sales Director, Mazda Sales (Thailand) Company</p> <p>1999-2000 Chief Operating Officer, Bakery Music Group Company</p> <p>1998-1999 Group Account Director and General Manager, Grey Advertising Thailand and WhizzbangArts</p> <p>1993-1998 Managing Director, The Print International Co.,Ltd. and Design Arts Co.,Ltd</p> <p>1991-1992 Project Manager (IMC), Ammirati Puris Lintas (Thailand) Company</p>



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.	K.I.N.	K.I.N. (Thailand) Co., Ltd.
TIT	True Information Technology 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 Infnnet Co., Ltd.	TIDC	True Internet Data Center Co., Ltd.
TLP	True Life Plus Co., Ltd.	Gold Palace Logistics <BVI>	Gold Palace Logistics Company Limited (Registered in foreign)
K.I.N. <BVI>	K.I.N. (Thailand) Co., Ltd. (Registered in foreign)	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.
NC True	NC True Co., Ltd.	TDS	True Distribution & Sales Co., Ltd.
SD	Song Dao Company Limited	TIG	True International 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.
TVSC	True Visions Cable Public Company Limited	SSV	Sattellite Service Co., Ltd.
PTE	Panther Entertainment Co., Ltd.	TMS	True Music 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.	TDP	True Digital Plus Co., Ltd.
RMV	Real Move Co., Ltd.	Real Future	Real Future Co., Ltd.
Goldsky	Goldsky Company Limited (Registered in foreign)	TVG	True Visions Group Co., Ltd.
TUFC	True United Football Club Co., Ltd.	DDI	Dragon Delight Investment Limited (Registered in foreign)
GPI	Gold Palace Investments Limited (Registered in foreign)	HM STL	Hutchison MultiMedia Services (Thailand) Limited
HTTCL	Hutchison Telecommunications (Thailand) Co., Ltd.	BFKT	BFKT (Thailand) Limited
Rosy Legend	Rosy Legend Limited (Registered in foreign)	Prospect Gain	Prospect Gain Limited (Registered in foreign)
TGS	True GS Co., Ltd.	SMT	SM True Co., Ltd.
Golden Light	Golden Light Company Limited (Registered in foreign)	TITS	True Internet Technology (Shanghai) Company Limited (Registered in foreign)
GP Logistics <BVI>	GP Logistics Company Limited (Registered in foreign)		

### Information of the Company Secretary and Head of the Internal Audit Department (As of 31<sup>st</sup> December 2012)

Name	Position	Age (year)	Education	Major Experience
Mrs. Ranginee Sujaritsunchai	Company Secretary	48	<p>Master Degree of Science (Accounting), Major in Finance, Thammasat University</p> <p>Bachelor's Degree in Accounting, Major in Accounting, Chulalongkorn University</p> <p><u>Training</u></p> <ul style="list-style-type: none"> <li>- Revision of Listed Companies' Regulations</li> <li>- Corporate Governance Report Workshop</li> <li>- Smart Disclosure Program (SDP)</li> <li>- Moving Corporate Governance Forward: Challenge for Thai Directors</li> <li>- SEC 20<sup>th</sup> Anniversary International Symposium - "Asia: The Dynamic Capital Market Frontier" and SEC 20<sup>th</sup> Anniversary Gala Dinner</li> <li>- "ASEAN CG Scorecard" – Company Secretary Roles in AEC</li> <li>- Guideline for Corporate Governance Report 2012</li> <li>- Corporate Governance</li> <li>- How Capable Auditor Assist the Audit Committee and How to Elect the Auditor</li> <li>- New Change in Board Responsibility Practices: A Step Forward to Value and Sustainability</li> <li>- Improve Corporate Governance Guideline</li> <li>- Listed Companies' Disclosure Against Corruption and Corporate Social Responsibilities and Gatekeepers</li> </ul> <p>Related training programs held by the Thai Institute of Directors Association (IOD)</p> <ul style="list-style-type: none"> <li>- Company Secretary Program 19/2006 (CSP)</li> <li>- Effective Minute Taking 5/2006 (EMT)</li> <li>- Corporate Governance and Social Responsibilities 1/2007 (CSR)</li> </ul>	<p><u>True Corporation Public Company Limited</u></p> <p>2009-Present      Company Secretary</p> <p>2001-Present      Secretary to the Audit Committee</p> <p>Secretary to the Compensation and Nominating Committee</p> <p>Secretary to the Corporate Governance Committee</p> <p>Assistant to the Secretary of the Finance Committee</p> <p>2001-2009      Deputy Company Secretary</p> <p>2000-2001      Assistant General Counsel – SEC &amp; SET Compliance</p> <p><u>Charoen Pokphand Foods Public Company Limited</u></p> <p>1991-2000      Manager – Accounting and SEC &amp; SET Compliance</p> <p>1990-1991      Senior Analyst – Office of the Economic Advisor</p>

Name	Position	Age (year)	Education	Major Experience
Mrs. Daopakay Luksanakulbutr	Deputy Director - Group Internal Audit	56	<p>Master of Science in Taxation, Golden Gate University, USA</p> <p>Bachelor of Business Administration (Accounting), George Washington University, USA</p> <p>Certified Public Account (USA)</p> <p>Certified Internal Auditor</p> <p><u>Outside Training Programs</u></p> <ul style="list-style-type: none"> <li>- BS 25999 : Business Continuity Management</li> <li>- Presentation Skills</li> <li>- Power Trainer</li> <li>- Tools &amp; Techniques for Enterprise Risk Management (ERM)</li> </ul> <p><u>In-House Training Programs</u></p> <ul style="list-style-type: none"> <li>- 3G Network-BFKT</li> <li>- True Leadership</li> <li>- Business Continuity Management (BCM)</li> </ul>	<p>2006-Present Deputy Director – Group Internal Audit, True Corporation Public Company Limited</p> <p>1999-2005 Head of Internal Audit, TA Orange Company Limited (Presently : True Move Company Limited)</p> <p>1992-1999 General Manager, CP Inter Trade Company Limited</p>







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.	K.I.N. (Thailand) Limited	TIT	True Information Technology Co., Ltd.
W&W	Wire & Wireless Co., Ltd.	TMN	True Money 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.
BITCO	Bangkok Inter Teletech Communication Public Company Limited	CHV Music	Channel (V) Music (Thailand) Limited
TVS	True Visions Public Company Limited	TMV	True Move Co., Ltd.
NEC	NEC Corporation (Thailand) Co., Ltd.	TSC	Thai Smart Card Co., Ltd.
TDS	True Distribution & Sales Co., Ltd.	NC True	NC True Co., Ltd.
TIG	True International Gateway Co., Ltd.	SD	Song Dao Company Limited
TPC	True Public Communication Co., Ltd.	SM	Samut Pakan Media Corporation Co., Ltd.
CNP	Cineplex Co., Ltd.	TUC	True Universal Convergence Co., Ltd.
TDM	True Digital Media Co., Ltd.	CTV	Click TV Co., Ltd.
SSV	Satellite Service Co., Ltd.	TVSC	True Visions Cable Public Company Limited
MKSC	MKSC World Dot Com Co., Ltd.	PTE	Panther Entertainment Co., Ltd.
KSC	KSC Commercial Internet Co., Ltd.	IKSC	Internet Knowledge Service Center Co., Ltd.
Beboyd	BeboydCg Co., Ltd.	TKSC	Telecom KSC Co., Ltd.
True Magic	True Magic Co., Ltd.	TIC	True International Communication Co., Ltd.
TDCM	True Digital Content and Media Co., Ltd.	TMR	True Music Radio Co., Ltd.
RMV	Real Move Co., Ltd.	TDP	True Digital Plus Co., Ltd.
TVG	True Visions Group Co., Ltd.	CHNP	Clearing House for Number Portability Co., Ltd.
DDI	Dragon Delight Investments Limited (Registered in foreign)	TUFC	True United Football Club Co., Ltd.
Goldsky	Goldsky Company Limited (Registered in foreign)	GPI	Gold Palace Investments Limited (Registered in foreign)
Rosy Legend	Rosy Legend Limited (Registered in foreign)	Golden Light	Golden Light Company Limited (Registered in foreign)
HWMH	Hutchison Wireless Multimedia Holding Limited	Prospect Gain	Prospect Gain Limited (Registered in foreign)
HMSTL	Hutchison Multimedia Services (Thailand) Limited	HCWML	Hutchison CAT Wireless Multimedia Limited
BFKT	BFKT (Thailand) Limited	HTTCL	Hutchison Telecommunications (Thailand) Limited
TNN	Thai News Network (TNN) Co., Ltd.	TITS	True Internet Technology (Shanghai) Company Limited (Registered in foreign)
SMT	SM True Co., Ltd.	TGS	True GS Co., Ltd.
GP Logistics <BVI>	GP Logistics Limited (Registered in foreign)	Gold Palace Logistics <BVI>	Gold Palace Logistics Limited (Registered in foreign)

**SUMMARY OF AGREEMENTS IN RELATION TO PERMISSION TO OPERATE THE BUSINESSES OF THE GROUP****1. The Joint Operation and Investment Agreement (the "Agreement"), entered into by TOT Public Company Limited (then the Telephone Organization of Thailand) and True Corporation Public Company Limited (then C.P. Telecommunications Company Limited) on 2 August 1991, and amended on 8 September 1995. Such Agreement has a term of 25 years, commencing from 31 December 1992, or the date TOT received the first delivery of system equipment from the Company, whichever is earlier (29 October 1992 - 29 October 2017)**

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

Under such Agreement, the Company has the following rights:

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

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

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

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

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

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

Under the Agreement, the Company has the following right:

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

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

**3. The Agreement to Operate and to Provide Cellular System Radio Telecommunication Services of Digital PCN (Personal Communication Network) 1800 (the "Agreement"), entered into CAT Telecom Public Company Limited (then the Communications Authority of Thailand) and True Move Company Limited (then Wireless Communications Services Company Limited) on 20 June 1996, with a term of 17 years (20 June 1996 - 15 September 2013). The first amendment to the Agreement was on 23 February 2000, and the second amendment was made on 8 September 2000.**

The objective of this Agreement is to provide cellular system radio telecommunication services of digital PCN (Personal Communication Network) 1800 in the radio telecommunication frequency ranges of 1710 MHz to 1722.6 MHz and 1805 MHz to 1817.6 MHz in different areas across the country. The nature of such Agreement is Build-Transfer-Operate (BTO), where True Move Company Limited (the "Company") has a duty to build and transfer all equipment and accessories, comprising exchange equipment, controlling system, billing system, connection system, network station equipment and accessories, fixing tools and equipment, testing equipment and other equipment and accessories for the provision of services under this Agreement, including spare parts thereof. In addition, the Company has a duty to provide an installation location for all equipment and accessories in relation to the provision of services, take out insurance, establish and expand a network, and provide training and field trip services for staff of CAT Telecom Public Company Limited ("CAT"). In this regard, the Company has the right to provide cellular system radio telecommunication services of digital PCN (Personal Communication Network) 1800 nationwide.

With regard to the minimum benefits and the benefits during the term of the Agreement on a yearly basis, the details are as described below.

- The minimum benefits during the term of the Agreement are no less than Baht 5,046.08 million, divided into payment on a yearly basis.
  - Year 1 (16 June 1997 - 15 September 1997) - Baht 4.5 million
  - Year 2 (16 September 1997 - 15 September 1998) - Baht 16.58 million
  - Year 3 (16 September 1998 - 15 September 1999) - Waived
  - Year 4 (16 September 1999 - 15 September 2000) - Waived
  - Year 5 (16 September 2000 - 15 September 2001) - Baht 15 million
  - Year 6 (16 September 2001 - 15 September 2002) - Baht 30 million
  - Year 7 (16 September 2002 - 15 September 2003) - Baht 45 million
  - Year 8 (16 September 2003 - 15 September 2004) - Baht 240 million
  - Year 9 (16 September 2004 - 15 September 2005) - Baht 280 million
  - Year 10 (16 September 2005 - 15 September 2006) - Baht 320 million
  - Year 11 (16 September 2006 - 15 September 2007) - Baht 350 million
  - Year 12 (16 September 2007 - 15 September 2008) - Baht 380 million
  - Year 13 (16 September 2008 - 15 September 2009) - Baht 580 million
  - Year 14 (16 September 2009 - 15 September 2010) - Baht 646 million
  - Year 15 (16 September 2010 - 15 September 2011) - Baht 679 million
  - Year 16 (16 September 2011 - 15 September 2012) - Baht 730 million
  - Year 17 (16 September 2012 - 15 September 2013) - Baht 730 million

- The benefits during the term of the Agreement on a yearly basis represent the percentage of the revenue on the accrual basis derived from the provision of services under this Agreement before deducting the expenses, taxes and fees arising from such provision of services. The expenses payable to TOT will not be calculated as revenue.
  - Years 1 - 4 - 25%
  - Years 5 - 10 - 20%
  - Years 11 - 15 - 25%
  - Years 16 - 17 - 30%

The right to terminate this Agreement is as described below.

- CAT may terminate the Agreement if the Company fails to comply with the Agreement or breaches any of the provisions thereof and thereby causes CAT to suffer damage and the Company fails to take and complete remedial action within 90 days from the date of receipt of written notice from CAT.
- If both parties agree to terminate the Agreement.
- CAT may terminate the Agreement in the case where the Company becomes unqualified in accordance with the law on foreign business and CAT has given at least 90-days' prior written notice to the Company.

If the Agreement is terminated, both in the case where CAT is the terminating party and in the case where the Company is the terminating party:
- the Company has no burden to pay the minimum benefits for the remainder of the term of the Agreement;
- if the termination is not due to the Company's fault, the Company has no obligation to pay the minimum benefits; and
- if the termination is caused by the Company, the Company has no obligation to pay the minimum benefits as the provisions of the Agreement contain a guarantee of revenue to CAT where the method of calculation is uses the percentage (%) of revenue. Therefore, upon termination, the revenue is then zero and the benefits payable to CAT are calculated from zero, so no further benefits can be demanded.

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

The objective of this Agreement is to jointly operate a business providing subscription cable television services, where True Visions Cable Public Company Limited (the "Company") is granted the right to operate a business of providing subscription cable television services.

The Company has a duty to comply with the Agreement by delivering all assets and delivering all receiver equipment to MCOT Public Company Limited ("MCOT"), namely the transmission equipment such as the head-end equipment and broadcast studio equipment. The delivery of such equipment, which is worth no less than Baht 50 million,

shall be made to MCOT by 1 January 1995, and the equipment, which is worth no less than Baht 120 million, shall be delivered to MCOT within five years from the date of the second amendment (9 November 1994). The ownership of the receiver equipment, namely the Set-Top Converter system of the members, shall be vested in MCOT upon the expiry of the Agreement. In this regard, the Company shall invest a total of no less than Baht 100 million for use in the business operation, which are expenses in relation to the supply of equipment and accessories. The Company has a duty to maintain the equipment and tools to ensure they are in good functional condition at all times. In operating under this Agreement, the Company agrees to pay consideration for the joint operation in the amount of 6.5% of gross revenue in each year before the deduction of any expenses.

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

**5. The Joint Operation Agreement for the Provision of Subscription Television Services (the "Agreement"), entered into between MCOT Public Company Limited (then the Mass Communication Organization of Thailand) and True Visions Public Company Limited (then International Broadcasting Corporation Public Company Limited), with a term of 25 years, commencing from 1 October 1989 to 30 September 2014, with the first amendment on 19 May 1994, second amendment on 17 April 1998, and third amendment on 8 October 2009, and the Memorandum of Agreement between MCOT Public Company Limited and True Visions Public Company Limited, dated 8 October 2009.**

The objective of this Agreement is to jointly operate a business providing subscription television services. True Visions Public Company Limited (the "Company") is granted the right to operate a business of providing subscription television services with the duty to make an investment for the operation of the business in a total of no less than Baht 50 million, which are expenses for procuring equipment and accessories. The Company shall deliver all assets, including all the receiver equipment, to MCOT, namely the transmission equipment, such as transmitters, broadcast studio equipment and transmission antennas for the operation of the MMDS system. Such delivery, with a total value of no less than Baht 50 million, shall be made to MCOT within 180 days from the date of the Agreement execution (17 April 1989). The Company shall deliver equipment from the expansion of services under the first amendment to the Agreement, with a total value of no less than Baht 120 million, to MCOT within three years from the date of execution (19 May 1994), and the receiver equipment, such as the members antenna subsystem (Down Converter), including the equipment to prevent non-members from receiving the signal, shall be delivered to be under the ownership of MCOT upon the expiry of the Agreement. In addition, the Company has a duty to assign the right in the 2507-2517 MHz and 2521-2528 MHz frequencies granted to the Company by the National Radio Frequency Management Board and another frequency granted by the Frequency Allocation and Management Board to MCOT within 180 days (from 17 April 1989). With regard to the operation under this Agreement, the Company agrees to pay consideration for the joint operation in the amount of 6.5% of gross revenue in each year before the deduction of any expenses.

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

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

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

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

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

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

## **Report of the Audit Committee for the Year 2012**

The Audit Committee comprising of three Independent Directors, Mr. Vitthya Vejjajiva, Dr. Kosol Petchsuwan and Mr. Joti Bhokavanij, was reappointed by the Board of Directors Meeting No. 2/2555 held on 28<sup>th</sup> February 2012 to perform duties and discharge responsibilities under the Charter for the Audit Committee. During the Year 2012, the Audit Committee proceeded as follows:

1. Held eight meetings in 2012 in order to discharge its functions as assigned by the Board of Directors. The Audit Committee reported its activities to the Board of Directors on a quarterly basis;

Name	Position	Attendance of the Audit Committee In the Year 2012 *
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 2012, the Audit Committee held one meeting with the external auditor without the presence of Management.

2. Reviewed the independence and performance of the external auditor including the external auditor's remuneration. The Audit Committee deemed that the external auditor performed independently and provided useful opinions and recommendations regarding financial reporting and internal controls. Therefore, the Audit Committee recommended the appointment of external auditors from PricewaterhouseCoopers ABAS Limited as the Company's Auditor and the external auditor's remuneration for the Year 2012 to the Board of Directors for approval by the Annual General Meeting of the Shareholders;
3. Discussed with the external auditor the scope of their audits before they commenced and followed up their audits;
4. Acknowledged the audit plan and external auditor's findings and provided recommendations;
5. Reviewed the annual and quarterly financial reports of the Company which included performance of its subsidiaries. The Audit Committee agreed with the external auditor that the Company's financial statements represented the Company's financial position and financial performance fairly, in all material respects, in accordance with generally accepted accounting principles;

6. Reviewed the Company's and its subsidiaries' practices relating to related party transactions to ensure compliance with the Rules of Entering into Related Party Transactions of the Company which is in line with the law and regulation of the Stock Exchange of Thailand. The Audit Committee deemed that the entering into related party transactions of the Company and its subsidiaries complied with the law and the Stock Exchange of Thailand's regulation, was reasonable and most beneficial to the Company;
7. Reviewed the compliance with the Securities and Exchange laws, regulations of the Stock Exchange of Thailand, and other laws related to the Company's business. Based on the reports of external auditor, internal audit and Management, the Audit Committee deemed that the Company has complied with all related laws and regulations;
8. Reviewed the Internal Control System to evaluate the adequacy and effectiveness to reasonably ensure the Company's performance in achieving its goals based on the internal audit report for the Year 2012, which covers key business processes. The Audit Committee deemed that the Company's Internal Control System was adequate and appropriate. Moreover, with the dynamic environment of telecommunication business, the Audit Committee supported continual development of the Internal Control System to suit the changed environment within the Company;
9. Followed up risk management activities under "Risk Management Policy and Framework" of the Company which was an integral part of business strategies and operations to ensure continuous and effective risk management of the Company;
10. Monitored results of providing a channel for any stakeholder to make complaints or provide clues concerning fraud, wrongdoing or violations of the Company's Code of Conduct to the Board of Directors via the Audit Committee;

In the Year 2012, there were no complaints or clues about fraud, wrongdoing or violations of the Company's Code of Conduct but there were three complaints on the Company's service submitted to the Audit Committee. The Audit Committee passed on such service complaint to the relevant business unit for appropriate action and such business unit resolved the issue; and

11. Oversaw the Internal Audit function i.e. approving the Internal Audit Plan based on the risk management guideline (risk-based audit), acknowledging the quarterly and annual Internal Audit results, providing comments to the Internal Audit Department and submitting corrective requirements to be taken by Management including continual follow-up on the progress. In this regard, the Audit Committee reviewed the independence and performance of the Internal Audit Department and deemed that the Internal Audit System was performed independently, adequately, and effectively. Moreover, internal audit quality has been continuously improved both in terms of human resources and operation to meet international professional standards;

Furthermore, in order to ensure the efficiency and effectiveness of the internal audit function, a review of the internal audit work including linkage between the internal audit and risk management function to ensure effectiveness of the linkage was initially conducted in the Year 2011 by outside professional, PricewaterhouseCoopers ABAS Limited, as recommended by the Audit Committee to Management. PwC completed the review in the Year 2012 and opined that the Group Internal Audit Department was found to be generally on par with the benchmark set by the high performing internal audit function internationally. The Audit Committee acknowledged the report and liaised with Management regarding possible implementation of recommendations for improvement contained therein.

The Audit Committee maintains its independence in performing the duties as assigned. In this regard, the Audit Committee has received good cooperation from Management and external auditor. In summary, the Audit Committee is of the opinion that the Board of Directors and Management of the Company have operated business with ethics and were determined to professionally perform duties to achieve the Company's goals, emphasizing on operating business with effective Internal Control and Internal Audit Systems, good corporate governance and continued development on operation systems.

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(Mr. Vitthya Vejjajiva)  
Chairman of the Audit Committee



ที่ สจ.3000898

กรมพัฒนาธุรกิจการค้า กระทรวงพาณิชย์

## หนังสือรับรอง

ขอรับรองว่าบริษัทนี้ ได้จดทะเบียน เป็นนิติบุคคลตามกฎหมายว่าด้วยบริษัทมหาชนจำกัด เมื่อวันที่ 11 กุมภาพันธ์ 2536 ทะเบียนเลขที่ 0107536000081 (เดิมเลขที่ บมจ.82) ปราบกฏข้อความในรายการตามเอกสารทะเบียน ณ วันออกหนังสือนี้ ดังนี้

1. ชื่อบริษัท บริษัท ทู คอร์ปอเรชั่น จำกัด (มหาชน)
2. กรรมการของบริษัทมี 15 คน ตามรายชื่อดังต่อไปนี้

1.นายธนินท์ เจียรวนนท์	2.นายโชติ โภควนิช
3.นายอาชว์ เตาลานนท์	4.นายโกศล เพ็ชรสุวรรณ
5.นายชัชวาลย์ เจียรวนนท์	6.นายสุภกิต เจียรวนนท์
7.นายศุภชัย เจียรวนนท์	8.นายวิทยา เวชชาชีวะ
9.นายอธึก อัสวานันท์	10.นายซาราลด์ ลิงค์
11.นายวิเชาวน์ รักพงษ์ไพโรจน์	12.นายอาร์ง สรรพสิทธิ์วงศ์
13.นายณรงค์ เจียรวนนท์	14.นายเรวัต ฉ่ำเฉลิม
15.นายวรภัทร โทณะเกษม/	

3. ชื่อและจำนวนกรรมการซึ่งมีอำนาจลงลายมือชื่อแทนบริษัทคือ นายศุภชัย เจียรวนนท์ หรือ นายวิเชาวน์ รักพงษ์ไพโรจน์ ลงลายมือชื่อร่วมกับ นายอธึก อัสวานันท์ หรือ นายสุภกิต เจียรวนนท์ หรือ นายชัชวาลย์ เจียรวนนท์ รวมเป็นสองคน และประทับตราสำคัญของบริษัท  
ข้อจำกัดอำนาจของกรรมการ ไม่มี/

4. ทุน จดทะเบียน 153,332,070,330.00 บาท /

(หนึ่งแสนห้าหมื่นสามพันสามร้อยสามสิบสองล้านเจ็ดหมื่นสามร้อยสามสิบบาทถ้วน)

ทุนชำระแล้วเป็นเงิน 145,031,791,510.00 บาท /

(หนึ่งแสนสี่หมื่นห้าพันสามสิบเอ็ดล้านเจ็ดแสนเก้าหมื่นหนึ่งพันห้าร้อยสิบบาทถ้วน)

5. สำนักงานใหญ่ ตั้งอยู่เลขที่ 18 อาคาร ทู ทาวเวอร์ ถนนรัชดาภิเษก แขวงห้วยขวาง เขตห้วยขวาง กรุงเทพมหานคร/

6. วัตถุประสงค์ของบริษัทมหาชน จำกัดมี 48 ข้อ ดังปรากฏในสำเนาเอกสารแนบท้ายหนังสือรับรองนี้



กรมพัฒนาธุรกิจการค้า กระทรวงพาณิชย์  
Department of Business Development  
Ministry of Commerce

"บริการ มีใจให้ประชาชน"  
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ที่ สจ.3000898

กรมพัฒนาธุรกิจการค้า กระทรวงพาณิชย์

## หนังสือรับรอง

จำนวน 8 แผ่น โดยมีลายมือชื่อนายทะเบียนซึ่งรับรองเอกสารและประทับตรากรมพัฒนาธุรกิจการค้าเป็นสำคัญ

ออกให้ ณ วันที่ 21 เดือน กุมภาพันธ์ พ.ศ. 2556



รายการข้อควรทราบของนิติบุคคลมีดังนี้

### ข้อควรทราบ

1. กรณีที่เป็นบริษัทจดทะเบียนในตลาดหลักทรัพย์แห่งประเทศไทย กรรมการและผู้บริหารจะต้องมีคุณสมบัติ และไม่มีลักษณะต้องห้ามตามพระราชบัญญัติหลักทรัพย์และตลาดหลักทรัพย์ พ.ศ.2535 โปรดตรวจสอบรายละเอียดที่สำนักงานคณะกรรมการกำกับหลักทรัพย์และตลาดหลักทรัพย์
2. บริษัทนี้เดิมชื่อ บริษัท เทเลคอมเอเชีย คอร์ปอเรชั่น จำกัด ทะเบียนเลขที่ 0105533134751 ได้จดทะเบียนแปรสภาพเป็นบริษัทมหาชนจำกัด เมื่อวันที่ 11 กุมภาพันธ์ 2536 และได้จดทะเบียนเปลี่ยนชื่อเป็น บริษัท ทรู คอร์ปอเรชั่น จำกัด (มหาชน) เมื่อวันที่ 31 มีนาคม 2547/
3. นิติบุคคลนี้ได้ส่งงบการเงินปี 2554
4. หนังสือรับรองเฉพาะข้อความที่ห้าง/บริษัทได้นำมาจดทะเบียนไว้เพื่อผลทางกฎหมายเท่านั้น ข้อเท็จจริงเป็นสิ่งที่ควรหาไว้พิจารณาฐานะ
5. นายทะเบียนอาจเพิกถอนการจดทะเบียน ถ้าปรากฏว่าข้อความอันเป็นสาระสำคัญที่จดทะเบียน ไม่ถูกต้อง หรือเป็นเท็จ



กรมพัฒนาธุรกิจการค้า กระทรวงพาณิชย์  
Department of Business Development  
Ministry of Commerce

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จัดพิมพ์ เมื่อเวลา 13:08 น.