

TRUE CORPORATION PUBLIC COMPANY LIMITED

**INTERIM CONSOLIDATED AND COMPANY
FINANCIAL INFORMATION
(UNAUDITED)**

31 MARCH 2016

AUDITOR'S REPORT ON REVIEW OF INTERIM FINANCIAL INFORMATION

To the Shareholders and the Board of Directors of True Corporation Public Company Limited

I have reviewed the accompanying consolidated and company statements of financial position as at 31 March 2016, the related consolidated and company statements of comprehensive income, changes in shareholders' equity and cash flows for the three-month period then ended, and condensed notes to interim financial information of True Corporation Public Company Limited and its subsidiaries, and of True Corporation Public Company Limited, respectively. Management is responsible for the preparation and presentation of this interim financial information in accordance with Thai Accounting Standard 34, "Interim Financial Reporting". My responsibility is to express a conclusion on this interim financial information based on my review.

Scope of review

I conducted my review in accordance with Thai Standard on Review Engagements 2410, "Review of interim financial information performed by the independent auditor of the entity". A review consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Thai Standards on Auditing and consequently does not enable me to obtain assurance that I would become aware of all significant matters that might be identified in an audit. Accordingly, I do not express an audit opinion.

Conclusion

Based on my review, nothing has come to my attention that causes me to believe that the interim financial information is not prepared, in all material respects, in accordance with Thai Accounting Standard 34, "Interim Financial Reporting".

Emphasis of matter paragraph

I draw attention to Notes 26.3 and 27 to the interim financial information discussing material uncertainties in respect of outstanding litigations and the significant commercial agreements of which details are not finalised. The ultimate outcome of the litigations and the conclusion regarding the significant agreements cannot presently be determined and no adjustment that may result, has been made in the interim financial information. My review report is not qualified in respect of these matters.

Kajornkiet Aroonpirodkul
Certified Public Accountant (Thailand) No. 3445
PricewaterhouseCoopers ABAS Ltd.

Bangkok
11 May 2016

True Corporation Public Company Limited
Statements of Financial Position
As at 31 March 2016

	Notes	Consolidated		Company	
		Unaudited	Audited	Unaudited	Audited
		31 March 2016	31 December 2015	31 March 2016	31 December 2015
		Baht Thousand	Baht Thousand	Baht Thousand	Baht Thousand
Assets					
Current assets					
Cash and cash equivalents		12,953,052	10,590,382	1,411,237	2,193,900
Restricted cash		48,178	558,973	48,178	558,973
Investments	11	2,843	2,837	1,781	1,775
Trade and other receivables	12	36,494,658	38,628,427	5,631,094	4,694,346
Short-term loans to related parties	28	147,300	147,000	20,790,000	19,815,000
Inventories, net		10,339,551	8,294,579	26,140	28,176
Income tax deducted at sources		6,688,483	5,593,775	299,924	921,918
Claimable value added tax		7,558,158	7,001,952	-	6,515
Other current assets	13	7,549,175	7,042,763	78,740	79,697
Total current assets		81,781,398	77,860,688	28,287,094	28,300,300
Non-current assets					
Restricted cash		26,200	47,962	-	-
Investment in subsidiaries, net	14	-	-	111,489,416	111,484,964
Investment in associates and joint ventures, net	14	17,915,290	14,994,504	16,327,908	16,327,908
General investments, net		325,211	325,211	240,741	240,741
Investment property, net		5,528	5,528	-	-
Property, plant and equipment, net	15	107,102,928	98,456,929	1,947,190	2,017,377
Goodwill, net		11,403,094	11,403,094	-	-
Intangible assets, net	16	138,370,428	69,297,499	2,269,210	2,620,065
Deferred income tax assets	17	5,562,759	5,663,351	391,739	497,856
Other non-current assets		6,323,721	4,789,501	163,389	180,680
Total non-current assets		287,035,159	204,983,579	132,829,593	133,369,591
Total assets		368,816,557	282,844,267	161,116,687	161,669,891

The accompanying notes on pages 8 to 34 are an integral part of these financial information.

True Corporation Public Company Limited
Statements of Financial Position (Cont'd)
As at 31 March 2016

	Notes	Consolidated		Company	
		Unaudited	Audited	Unaudited	Audited
		31 March 2016	31 December 2015	31 March 2016	31 December 2015
		Baht Thousand	Baht Thousand	Baht Thousand	Baht Thousand
Liabilities and shareholders' equity					
Current liabilities					
Short-term borrowings		47,635,579	29,927,210	16,193,498	15,982,280
Trade and other payables	18	70,012,426	65,865,891	2,518,404	3,196,007
Current portion of long-term borrowings	19	12,661,964	12,602,574	6,188,803	6,180,748
Short-term loans from related parties	28	-	-	250,000	555,000
Current income tax payable		75,301	29,099	-	-
Other current liabilities	20	3,796,634	3,375,821	322,325	154,614
Total current liabilities		134,181,904	111,800,595	25,473,030	26,068,649
Non-current liabilities					
Long-term borrowings	19	55,405,814	55,522,317	31,179,542	31,290,335
Deferred income tax liabilities	17	1,947,074	2,074,718	-	-
Liabilities under agreements for operation	21	88,635	86,053	-	-
Employee benefit obligations		1,411,678	1,368,617	381,672	370,857
Other non-current liabilities	22	98,617,922	36,785,434	11,974	23,470
Total non-current liabilities		157,471,123	95,837,139	31,573,188	31,684,662
Total liabilities		291,653,027	207,637,734	57,046,218	57,753,311
Shareholders' equity					
Share capital	23				
Authorised share capital					
Common shares, 24,607,928,150 shares of par Baht 4 each		98,431,713	98,431,713	98,431,713	98,431,713
Issued and fully paid-up share capital					
Common shares, 24,607,928,150 shares of paid-up Baht 4 each		98,431,713	98,431,713	98,431,713	98,431,713
Retained earnings					
Appropriated - legal reserve		275,914	275,914	275,914	275,914
Unappropriated (deficits)		(20,394,855)	(22,362,876)	5,362,842	5,208,953
Other components of equity		(1,797,288)	(1,797,302)	-	-
Equity attributable to owners of the parent		76,515,484	74,547,449	104,070,469	103,916,580
Non-controlling interests		648,046	659,084	-	-
Total shareholders' equity		77,163,530	75,206,533	104,070,469	103,916,580
Total liabilities and shareholders' equity		368,816,557	282,844,267	161,116,687	161,669,891

The accompanying notes on pages 8 to 34 are an integral part of these financial information.

True Corporation Public Company Limited
Statements of Comprehensive Income (Unaudited)
For the three-month period ended 31 March 2016

	Notes	Consolidated		Company	
		31 March 2016	(Restated) 31 March 2015	31 March 2016	31 March 2015
		Baht Thousand	Baht Thousand	Baht Thousand	Baht Thousand
Revenues					
Revenues from telephone and other services		24,717,774	23,106,664	2,377,074	2,713,230
Revenues from product sales		4,295,886	5,194,832	-	1,417,783
Total revenues		29,013,660	28,301,496	2,377,074	4,131,013
Costs					
Cost of providing services		17,833,314	16,535,363	1,165,207	1,182,725
Cost of sales		4,385,037	4,487,742	-	693,353
Total costs		22,218,351	21,023,105	1,165,207	1,876,078
Gross profit		6,795,309	7,278,391	1,211,867	2,254,935
Other income		371,465	869,285	590,329	530,329
Selling expenses		(3,571,047)	(2,899,671)	(195,246)	(255,373)
Administrative expenses		(2,974,597)	(2,852,941)	(710,122)	(645,275)
Other expenses		(207,711)	(230,273)	(3,401)	(2,889)
Finance costs, net	8	(1,478,450)	(664,235)	(633,420)	(581,558)
Share of net result from investments		3,299,297	340,792	-	-
Profit before income tax		2,234,266	1,841,348	260,007	1,300,169
Income tax expenses	9	(277,283)	(280,325)	(106,118)	(119,785)
Profit for the period		1,956,983	1,561,023	153,889	1,180,384
Other comprehensive income (expense):					
Item that will be reclassified subsequently to profit or loss:					
Exchange differences on translation		14	(305)	-	-
Total comprehensive income for the period		1,956,997	1,560,718	153,889	1,180,384
Profit for the period attributable to:					
Owners of the parent		1,968,021	1,569,421	153,889	1,180,384
Non-controlling interests		(11,038)	(8,398)	-	-
Profit for the period		1,956,983	1,561,023	153,889	1,180,384
Total comprehensive income for the period attributable to:					
Owners of the parent		1,968,035	1,569,116	153,889	1,180,384
Non-controlling interests		(11,038)	(8,398)	-	-
Total comprehensive income for the period		1,956,997	1,560,718	153,889	1,180,384
Basic earnings per share attributable to owners of the parent					
- Basic (Baht per share)	10	0.08	0.06	0.01	0.05

The accompanying notes on pages 8 to 34 are an integral part of these financial information.

True Corporation Public Company Limited
 Statements of Changes in Shareholders' Equity (Unaudited)
 For the three-month period ended 31 March 2016

	Consolidated										Baht Thousand
	Attributable to owners of the parent										
	Issued and fully paid-up common shares	Premium on shares	Discount on shares	Legal reserve	Deficits	Other components of equity			Total owners of the parent	Non- Controlling interest	Total
						Change in non-controlling interest	Translating financial statement	Total other components of equity			
Opening balance as at 1 January 2015	246,079,282	11,432,046	(121,995,650)	34,881	(63,424,799)	(1,784,713)	8,591	(1,776,122)	70,349,638	591,087	70,940,725
Total comprehensive income for the period (restated)	-	-	-	-	1,569,421	-	(305)	(305)	1,569,116	(8,398)	1,560,718
Closing balance as at 31 March 2015	<u>246,079,282</u>	<u>11,432,046</u>	<u>(121,995,650)</u>	<u>34,881</u>	<u>(61,855,378)</u>	<u>(1,784,713)</u>	<u>8,286</u>	<u>(1,776,427)</u>	<u>71,918,754</u>	<u>582,689</u>	<u>72,501,443</u>
Opening balance as at 1 January 2016	98,431,713	-	-	275,914	(22,362,876)	(1,806,543)	9,241	(1,797,302)	74,547,449	659,084	75,206,533
Total comprehensive income for the period	-	-	-	-	1,968,021	-	14	14	1,968,035	(11,038)	1,956,997
Closing balance as at 31 March 2016	<u>98,431,713</u>	<u>-</u>	<u>-</u>	<u>275,914</u>	<u>(20,394,855)</u>	<u>(1,806,543)</u>	<u>9,255</u>	<u>(1,797,288)</u>	<u>76,515,484</u>	<u>648,046</u>	<u>77,163,530</u>

The accompanying notes on pages 8 to 34 are an integral part of these financial information.

True Corporation Public Company Limited
Statements of Changes in Shareholders' Equity (Cont'd)
For the three-month period ended 31 March 2016

	Company					Baht Thousand
	Issued and fully paid-up common shares	Premium on shares	Discount on shares	Legal reserve	Retained earnings (deficits)	Total
Opening balance as at 1 January 2015	246,079,282	11,432,046	(121,995,650)	34,881	(37,152,258)	98,398,301
Total comprehensive income for the period	-	-	-	-	1,180,384	1,180,384
Closing balance as at 31 March 2015	<u>246,079,282</u>	<u>11,432,046</u>	<u>(121,995,650)</u>	<u>34,881</u>	<u>(35,971,874)</u>	<u>99,578,685</u>
Opening balance as at 1 January 2016	98,431,713	-	-	275,914	5,208,953	103,916,580
Total comprehensive income for the period	-	-	-	-	153,889	153,889
Closing balance as at 31 March 2016	<u>98,431,713</u>	<u>-</u>	<u>-</u>	<u>275,914</u>	<u>5,362,842</u>	<u>104,070,469</u>

The accompanying notes on pages 8 to 34 are an integral part of these financial information.

True Corporation Public Company Limited
Statements of Cash Flows (Unaudited)
For the three-month period ended 31 March 2016

	Notes	Consolidated		Company	
		31 March 2016	(Restated) 31 March 2015	31 March 2016	31 March 2015
		Baht Thousand	Baht Thousand	Baht Thousand	Baht Thousand
Cash flows from operating activities	24	842,894	12,621,745	(399,927)	(1,207,574)
Cash flows from investing activities					
Withdrawal in restricted cash		532,557	189,646	510,795	190,113
Deposit in investments		-	(17)	-	-
Loans made to subsidiaries and joint venture	28	(300)	-	(7,370,000)	(16,045,000)
Acquisition of property, plant and equipment		(8,143,429)	(8,344,770)	(14,008)	(1,955)
Acquisition of intangible assets		(8,290,446)	(315,690)	(1,762)	(313)
Investment in subsidiaries, associate and joint venture	14	-	(25,000)	(4,452)	(3,000)
Investment in other companies		-	(2,439)	-	-
Cash outflow from reclassification of investment		-	(22,859)	-	-
Repayment received from loan to subsidiaries	28	-	-	6,395,000	15,475,000
Proceeds from sales of telecommunication infrastructure assets	25	-	806,897	-	-
Proceeds from disposals of property, plant and equipment and intangible assets		4,010	7,678	-	19
Dividends received	28	387,788	359,214	387,788	359,214
Net cash used in investing activities		(15,509,820)	(7,347,340)	(96,639)	(25,922)
Cash flows from financing activities					
Proceeds from loans from subsidiaries	28	-	-	1,750,000	5,055,000
Proceeds from short-term borrowings		25,662,052	6,774,422	8,157,352	6,274,422
Repayment to loans from subsidiaries	28	-	-	(2,055,000)	(2,200,000)
Repayments to short-term borrowings		(8,011,878)	(8,100,000)	(8,000,000)	(7,300,000)
Repayments to borrowings	19	(610,852)	(511,328)	(138,449)	(126,977)
Net cash received from (used in) financing activities		17,039,322	(1,836,906)	(286,097)	1,702,445
Net increase (decrease) in cash and cash equivalents		2,372,396	3,437,499	(782,663)	468,949
Opening balance		10,590,382	6,611,594	2,193,900	651,912
Effects of exchange rate changes		(9,726)	(35,067)	-	-
Closing balance		12,953,052	10,014,026	1,411,237	1,120,861

Non-cash transactions

The significant non-cash transactions are as follows:

	Consolidated		Company	
	31 March 2016	31 March 2015	31 March 2016	31 March 2015
	Baht Million	Baht Million	Baht Million	Baht Million
Acquisition of property, plant and equipment using finance leases	477.31	330.65	-	-
Acquisition of property, plant and equipment and intangible assets, not yet paid	110,153.55	23,028.26	-	-

The accompanying notes on pages 8 to 34 are an integral part of these financial information.

True Corporation Public Company Limited
Condensed Notes to the Interim Consolidated and Company Financial Information (Unaudited)
For the three-month period ended 31 March 2016

1. General information

True Corporation Public Company Limited (“the Company”) is a public limited company which is listed on the Stock Exchange of Thailand and is incorporated and domiciled in Thailand. The address of the Company’s registered office is 18 True Tower, Ratchadaphisek Road, Huai Khwang, Bangkok, Thailand.

For reporting purposes, the Company and its subsidiaries are referred to as the Group.

These interim consolidated and company financial information were authorised for issue by the Audit Committee on 11 May 2016.

These interim consolidated and company financial information have been reviewed, not audited.

2. Accounting policies

2.1 Basis of preparation

This interim consolidated and company financial information was prepared in accordance with Thai generally accepted accounting principles under the Accounting Act B.E. 2543, being those Thai Accounting Standards issued under the Accounting Professions Act B.E. 2547, and the financial reporting requirements of the Securities and Exchange Commission. The primary financial information (i.e. statements of financial position, statements of comprehensive income, changes in shareholders’ equity and cash flows) are prepared in the full format as required by the Securities and Exchange Commission. The notes to the financial information are prepared in a condensed format according to Thai Accounting Standard 34 (revised 2014), “Interim Financial Reporting” and additional notes are presented as required by the Securities and Exchange Commission under the Securities and Exchange Act.

The interim financial information should be read in conjunction with the annual financial statements for the year ended 31 December 2015.

An English version of the interim consolidated and company financial information has been prepared from the interim financial information that is in the Thai language. In the event of a conflict or a difference in interpretation between the two languages, the Thai language interim financial information shall prevail.

The accounting policies used in the preparation of the interim financial information are consistent with those used in the annual financial information for the year ended 31 December 2015.

Costs that are incurred unevenly during the financial year are anticipated or deferred in the interim report only if it would also be appropriate to anticipate or defer such costs at the end of the financial year.

Taxes on income in the interim periods are accrued using the tax rate that would be applicable to expected total annual profit.

2. Accounting policies (Cont'd)

2.2 Revised accounting standards and financial reporting standards

Revised accounting standards and financial reporting standards are effective on 1 January 2016. These standards are relevant to the group.

TAS 19 (revised 2015)	Employee benefits
TAS 24 (revised 2015)	Related party disclosures
TAS 27 (revised 2015)	Separate financial statements
TAS 36 (revised 2015)	Impairment of assets
TAS 40 (revised 2015)	Investment property
TFRS 3 (revised 2015)	Business combinations
TFRS 8 (revised 2015)	Operating segments
TFRS 10 (revised 2015)	Consolidated financial statements
TFRS 12 (revised 2015)	Disclosure of interests in other entities
TFRS 13 (revised 2015)	Fair value measurement

TAS 19 (revised 2015), “Employee benefits” is amended to apply to contributions from employees or third parties to defined benefit plans and to clarify the accounting treatment of such contributions. The amendment distinguishes between contributions that are linked to service only in the period in which they arise and those linked to service in more than one period. The Group has assessed the full impact of this standard and considered that there is no impact to the Group.

TAS 24 (revised 2015), “Related party disclosures” includes as a related party an entity that provides key management personnel services to the reporting entity or to the parent of the reporting entity (the “management entity”). Disclosure of the amounts charged to the reporting entity is required. The Group has assessed the full impact of this standard and considered that there is no impact to the Group.

TAS 27 (revised 2015) allows an investment entity that is exempted from consolidating its subsidiaries presenting separate financial statements as its only financial statements. It requires the investment entity to measure its investment in subsidiaries at fair value through profit or loss. The Group has assessed the full impact of this standard and considered that there is no impact to the Group.

TAS 36 (revised 2015), “Impairment of assets” is amended to provide additional disclosure requirement when the recoverable amount of the assets is measured at fair value less costs of disposal. The disclosures include 1) the level of fair value hierarchy, 2) when fair value measurement categorised within level 2 and level 3, disclosures is required for valuation technique and key assumption. The Group has assessed the full impact of this standard and considered that there is no impact to the Group.

TAS 40 (revised 2015), “Investment property” clarifies that TFRS 3 should be applied when determining whether an acquisition of an investment property is a business combination. The Group has assessed the full impact of this standard and considered that there is no impact to the Group.

2. Accounting policies (Cont'd)

2.2 Revised accounting standards and financial reporting standards (Cont'd)

Revised accounting standards and financial reporting standards are effective on 1 January 2016. These standards are relevant to the group. (Cont'd)

TFRS 3 (revised 2015), "Business combinations" clarifies i) an obligation to pay contingent consideration which meets the definition of a financial instrument as a financial liability or equity, on the basis of the definitions in TAS 32, 'Financial instruments: Presentation' (when announced) or other applicable standards. It also clarifies that all non-equity contingent consideration is measured at fair value at each reporting date, with changes in value recognised in profit and loss, and ii) TFRS 3 does not apply to the accounting for the formation of any joint venture under TFRS 11. The Group has assessed the full impact of this standard and considered that there is no impact to the Group.

TFRS 8 (revised 2015), "Operating segments" requires disclosure of the judgements made by management in aggregating operating segments. It is also amended to require a reconciliation of segment assets to the entity's assets when segment assets are reported to chief operating decision maker. The Group has assessed the full impact of this standard and already applied this standard.

TFRS10 (revised 2015) "Consolidated financial statements" is amended to define an investment entity and introduce an exception from consolidation. These amendments mean that many funds and similar entities will be exempt from consolidating most of their subsidiaries. Instead, they will measure them at fair value through profit or loss. The Group has assessed the full impact of this standard and considered that there is no impact to the Group.

TFRS 12 (revised 2015) introduces disclosures that an investment entity needs to disclose. The Group has assessed the full impact of this standard and already applied this standard.

TFRS 13 (revised 2015), "Fair value measurement" is amended to clarify that the portfolio exception in TFRS 13 applies to all contracts (including non-financial contracts) within the scope of TAS 39 (when announced) or TFRS 9 (when announced). The Group has assessed the full impact of this standard and considered that there is no impact to the Group.

3. Change in accounting policy

3.1 Accounting policy for recognition and measuring of derivatives

In order to manage the risks arising from fluctuation in currency exchange rates and interest rates, the Group entered into various forward foreign exchange contracts. Previously, these derivative instruments were not recognised in the financial statements on inception. Any increase or decrease in the amount required to realise an asset or liability was offset by a corresponding movement in the value of the forward exchange contract on the settlement date. The unrealised gain and loss on the derivative instruments at each reporting date were not recognised in the financial information.

During 2015, the management reviewed the related accounting policies and made decision to change the policy applying to derivative instruments so that the financial statements better reflect the financial position. The derivative instruments are recognised at their fair value by referring to a quoted market price at each reporting date. The unrealised gain or loss at each reporting date will be recognised through profit or loss statements and recognised as receivable payable in statement of financial position. For comparison purpose, the Comprehensive income for the three-month period ended 31 March 2015 was retrospectively adjusted, of which the effect is as follows:

	<u>Consolidated</u> <u>31 March 2015</u> <u>Baht Million</u>
Statement of comprehensive income	
Decrease in share of results	37.50
Basic earnings per share	-

3.2 Accounting policy for initial recognition of cost of licences

To comply with TAS 38: Intangible assets, the Group has revisited the accounting treatment regarding the initial recognition of the licences received and remeasured cost of licenses at the cash equivalent price based on present value of the consideration at the time of acquisition. The difference between present value and amount of payments will be recognised as finance costs over the payment period. Cost of licences at present value will be amortised over the licences period. The Group has made retrospective adjustment to reflect the change in accounting treatment, of which the effect is as follows:

	<u>Consolidated</u> <u>31 March 2015</u> <u>Baht Million</u>
Statement of comprehensive income	
Increase in finance costs	36.94
Decrease in cost of providing services (amortisation costs)	(9.73)
Decrease in income tax expenses	(4.83)
Basic earnings per share	-

4. Estimates

The preparation of interim financial information requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

In preparing this interim financial information, the significant judgements made by management in applying the group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated and company financial statements for the year ended 31 December 2015.

True Corporation Public Company Limited
Condensed Notes to the Interim Consolidated and Company Financial Information (Unaudited)
For the three-month period ended 31 March 2016

5. Segment information

The Group Management is the Group's chief operating decision-maker. The Group Management has determined the operating segments based on the information reviewed by the Group Management for the purposes of allocating resources and assessing performance.

Management considers that the Group operates in a single geographic area, namely in Thailand, and has, therefore, only one major geographic segment. The Group Management considers the business from three services categories, Online, Wireless and Pay-TV of which are consisted of the following:

- **Online** to install and provide services of 2.6 million fixed lines including public telephone and related value added service, data service, multimedia services, NON-POTS and broadband service, internet service and other services;
- **Wireless** to provide cellular telephone services, resell of 3G services using HSPA technology, network equipment rental, providing mobile service under the 2.1 IMT GHz Bandwidth licence, 1800MHz. and 900MHz. and sales of handsets and accessories, and other supporting services in the Group; and
- **Pay-TV** to provide pay television services both via cable and satellite platform, rental and trading of related equipment and other related services to the pay television business, advertising sale and agency.

No single customer represents a major customer because the Group has large number of customers, who are end users covering business and individuals.

The Group Management assesses the performance of the operating segments based on a measure of adjusted EBITDA and net income on ongoing operation. This measurement basis excludes discontinued operations and the effects of non-recurring expenditure from the operating segments.

Revenue

Sales between segments are carried out at arm's length. The revenue from external parties reported to the Group Management is measured in a manner consistent with that in the statements of comprehensive income.

	Baht : Million					
	For the three-month period ended 31 March 2016			For the three-month period ended 31 March 2015		
	Total segment revenue	Inter- segment revenue	Revenue from external customer	Total segment revenue	Inter- segment revenue	Revenue from external customer
Online	7,230.44	(1,460.27)	5,770.17	7,833.94	(1,421.84)	6,412.10
Wireless	21,100.98	(325.84)	20,775.14	19,834.52	(209.72)	19,624.80
Pay-TV	3,049.35	(581.00)	2,468.35	2,908.90	(644.30)	2,264.60
Total	31,380.77	(2,367.11)	29,013.66	30,577.36	(2,275.86)	28,301.50

True Corporation Public Company Limited
Condensed Notes to the Interim Consolidated and Company Financial Information (Unaudited)
For the three-month period ended 31 March 2016

5. Segment information (Cont'd)

EBITDA

	Baht : Million					
	For the three-month period ended 31 March 2016			For the three-month period ended 31 March 2015		
	Included inter segment	Inter segment	Excluded inter segment	Included inter segment	Inter segment	Excluded inter segment
Online	2,391.54	(1,079.66)	1,311.88	2,853.10	(1,072.93)	1,780.17
Wireless	3,062.68	1,373.49	4,436.17	2,284.94	1,356.97	3,641.91
Pay-TV	289.15	(379.72)	(90.57)	393.81	(403.58)	(9.77)
Total	5,743.37	(85.89)	5,657.48	5,531.85	(119.54)	5,412.31
Depreciation and amortisation	(5,458.97)	51.16	(5,407.81)	(3,915.35)	28.82	(3,886.53)
Interest income	250.45	(208.36)	42.09	168.70	(125.61)	43.09
Interest expenses	(1,307.65)	208.37	(1,099.28)	(763.47)	125.61	(637.86)
Other finance costs	(223.62)	-	(223.62)	(29.33)	-	(29.33)
Finance costs related to licences	(131.93)	-	(131.93)	(40.55)	-	(40.55)
Gain on sale investment	-	-	-	0.09	(0.09)	-
Income tax (expenses) revenue:	(304.33)	-	(304.33)	(119.62)	-	(119.62)
Current tax						
Deferred income tax	27.05	-	27.05	(160.71)	-	(160.71)
Share of results from investment	3,299.30	-	3,299.30	340.79	-	340.79
Non-controlling interest	7.74	3.30	11.04	7.44	0.96	8.40
Net profit on ongoing operation	1,901.41	(31.42)	1,869.99	1,019.84	(89.85)	929.99
Net profit on ongoing operation before deferred tax	1,874.36	(31.42)	1,842.95	1,180.55	(89.85)	1,090.70
Foreign exchange (loss) gain	(178.88)	-	(178.88)	180.10	-	180.10
Other income (expenses)	277.53	(0.62)	276.91	470.98	(11.65)	459.33
Net profit for the period	2,000.06	(32.04)	1,968.02	1,670.92	(101.50)	1,569.42

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5. Segment information (Cont'd)

Other profit and loss disclosures

	Baht : Million					
	For the three-month period ended 31 March 2016			For the three-month period ended 31 March 2015		
	Depreciation and amortisation	Income tax expenses	Share of result	Depreciation and amortisation	Income tax (expenses) revenue	Share of result
Online	(1,588.83)	(172.41)	3,304.11	(1,380.03)	(230.17)	350.64
Wireless	(3,253.59)	(108.79)	-	(2,014.84)	(50.90)	-
Pay-TV	(565.39)	3.92	(4.81)	(491.66)	0.74	(9.85)
	<u>(5,407.81)</u>	<u>(277.28)</u>	<u>3,299.30</u>	<u>(3,886.53)</u>	<u>(280.33)</u>	<u>340.79</u>

Assets

	Baht : Million					
	At 31 March 2016			At 31 December 2015		
	Total assets	Investment in associates and others	Additions to non-current assets	Total assets	Investment in associates and others	Additions to non-current assets
Online	78,765.50	18,243.26	3,607.97	74,493.95	15,317.67	14,011.49
Wireless	262,460.40	0.40	77,786.09	180,498.36	0.40	57,277.72
Pay-TV	27,590.66	2.37	1,538.26	27,851.96	7.17	4,994.78
	<u>368,816.56</u>	<u>18,246.03</u>	<u>82,932.32</u>	<u>282,844.27</u>	<u>15,325.24</u>	<u>76,283.99</u>

Liabilities

	Baht : Million	
	At 31 March 2016	At 31 December 2015
	Online	83,098.35
Wireless	195,667.85	111,344.97
Pay-TV	12,886.83	13,103.01
	<u>291,653.03</u>	<u>207,637.73</u>

6. Fair value

6.1 Fair value estimation

The table below analyses financial instruments carried at fair value, by valuation method. The different levels have been defined as follows:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1).
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (Level 2).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (Level 3).

The following table presents financial assets and liabilities that are measured at fair value at 31 March 2016.

	Level 2			
	Consolidated		Company	
	31 March 2016 Baht Million	31 December 2015 Baht Million	31 March 2016 Baht Million	31 December 2015 Baht Million
Asset				
Equity securities - mutual fund	1.89	1.89	1.78	1.78
Derivatives receivables	559.06	1,209.51	25.19	12.09
Total asset	<u>560.95</u>	<u>1,211.40</u>	<u>26.97</u>	<u>13.87</u>
Liabilities				
Derivative payables	<u>314.28</u>	<u>22.99</u>	<u>-</u>	<u>-</u>

6.2 Valuation techniques used to derive Level 2 fair values

Level 2 Trading securities are fair valued using a Net Asset Valuation (“NAV”) approach as at period end date. The data is publicly available on the Thai Bond Market Association, which is calculated by fund manager of the mutual fund.

Level 2 derivatives instruments are measured based on inputs that are observable for the types of instruments such as foreign exchange rates observable at commonly quoted in publicly available sources on the statements of financial position date.

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7. Operating profit

The following expenditures, classified by nature, have been charged in arriving at operating profit.

For the three-month periods ended	Consolidated		Company	
	31 March 2016	31 March 2015	31 March 2016	31 March 2015
	Baht Million	Baht Million	Baht Million	Baht Million
Depreciation and amortisation	5,949.32	4,401.22	451.84	458.59
Doubtful accounts	338.51	295.20	53.31	57.42

8. Finance costs, net

For the three-month periods ended	Consolidated		Company	
	31 March 2016	31 March 2015	31 March 2016	31 March 2015
	Baht Million	Baht Million	Baht Million	Baht Million
Interest expense	(1,099.28)	(637.86)	(610.94)	(570.45)
Foreign exchange (loss) gain	(23.61)	43.50	(7.40)	3.92
Finance cost related to licences	(131.93)	(40.55)	-	-
Other financial fees	(223.62)	(29.33)	(15.08)	(15.03)
Finance costs, net	(1,478.45)	(664.24)	(633.42)	(581.56)

9. Income tax

For the three-month periods ended	Consolidated		Company	
	31 March 2016	31 March 2015	31 March 2016	31 March 2015
	Baht Million	Baht Million	Baht Million	Baht Million
Current tax	(304.33)	(119.62)	-	-
Deferred income taxes revenue (expense)	27.05	(160.71)	(106.12)	(119.79)
Income tax expense	(277.28)	(280.33)	(106.12)	(119.79)

10. Basic earnings per share

Basic earnings per share attributable to equity holders of the Company is calculated by dividing the profit attributable to the equity holders of the Company by the weighted average number of common shares outstanding during the period ended 31 March 2016, that is 24,977.05 million shares (2015: 24,977.05 million shares).

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11. Investments

	Consolidated		Company	
	31 March 2016	31 December 2015	31 March 2016	31 December 2015
	Baht Million	Baht Million	Baht Million	Baht Million
Time deposits	0.95	0.95	-	-
Trading securities - equity securities	1.89	1.89	1.78	1.78
Total investments	2.84	2.84	1.78	1.78

Movement of investments can be summarised as follows:

	Consolidated Baht Million	Company Baht Million
For the three-month period ended 31 March 2016		
Opening net book amount	2.84	1.78
Closing net book amount	2.84	1.78

12. Trade and other receivables

	Consolidated		Company	
	31 March 2016	31 December 2015	31 March 2016	31 December 2015
	Baht Million	Baht Million	Baht Million	Baht Million
Receivable from TOT	685.97	688.96	685.97	688.96
Billed customers	18,605.76	17,840.74	2,241.34	2,212.60
Receivable from related parties (Note 28)	9,507.94	8,805.07	3,555.01	2,704.74
Trade accounts receivable	28,799.67	27,334.77	6,482.32	5,606.30
Accrued income	11,461.51	13,031.44	2,136.71	2,042.13
Total trade accounts receivable	40,261.18	40,366.21	8,619.03	7,648.43
<u>Less</u> Allowance for doubtful accounts	<u>(7,854.14)</u>	<u>(7,558.06)</u>	<u>(3,110.88)</u>	<u>(3,067.99)</u>
Trade accounts receivable, net	32,407.04	32,808.15	5,508.15	4,580.44
Prepaid expenses	2,867.47	2,711.99	62.31	50.91
Other receivables	1,152.70	3,067.12	58.84	58.34
Interest receivable	67.45	41.17	1.79	4.66
Trade and other receivables	36,494.66	38,628.43	5,631.09	4,694.35

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12. Trade and other receivables (Cont'd)

Outstanding trade accounts receivable as at 31 March 2016 and 31 December 2015 can be analysed as follows:

	Consolidated		Company	
	31 March 2016 Baht Million	31 December 2015 Baht Million	31 March 2016 Baht Million	31 December 2015 Baht Million
Current	12,241.52	10,420.93	1,115.04	1,122.48
Less than 3 months	5,185.60	6,225.85	2,968.17	920.43
3 - 6 months	2,522.23	1,904.95	70.68	791.22
6 - 12 months	2,842.45	3,234.22	224.51	657.43
More than 12 months	6,007.87	5,548.82	2,103.92	2,114.74
Trade accounts receivable	28,799.67	27,334.77	6,482.32	5,606.30
Accrued income	11,461.51	13,031.44	2,136.71	2,042.13
Total trade accounts receivable	40,261.18	40,366.21	8,619.03	7,648.43
<u>Less</u> Allowance for doubtful accounts	(7,854.14)	(7,558.06)	(3,110.88)	(3,067.99)
Trade accounts receivable, net	32,407.04	32,808.15	5,508.15	4,580.44

As at 31 March 2016, in the interim consolidated and company statements of financial position included accrued income receivable from TOT amounting to Baht 246.35 million (2015: Baht 245.57 million) in respect of interconnection with TOT services. However, TOT has not provided sufficient and clarified information to enable the Company to agree with its fee calculation method. The Company has accounted for interconnection fee based on the Company's information of minutes of international calls. This matter is under negotiation with TOT. The Company's management believes that the accrued income is recoverable.

13. Other current assets

	Consolidated		Company	
	31 March 2016 Baht Million	31 December 2015 Baht Million	31 March 2016 Baht Million	31 December 2015 Baht Million
Value added tax pending for receipt of tax invoices	2,770.20	2,755.05	53.55	67.61
Film and program rights (Note 16)	778.61	530.78	-	-
Subscriber acquisition cost, net	3,441.31	2,547.34	-	-
Forward contract receivables	559.06	1,209.51	25.19	12.09
Others	-	0.08	-	-
Total	7,549.18	7,042.76	78.74	79.70

14. Investments in subsidiaries, associates and joint ventures, net

Movements of investments are as follows:

	Consolidated Baht Million	Company Baht Million
For the three-month period ended 31 March 2016		
Opening net book value	14,994.50	127,812.87
Addition investment	-	4.45
Dividends income (Note 28)	(387.79)	-
Share of net results	3,308.58	-
Closing net book value	17,915.29	127,817.32

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14. Investments in subsidiaries, associates and joint ventures, net (Cont'd)

		Company					
		31 March 2016			31 December 2015		
		Investment - at cost method Baht Million	Impairment Baht Million	Net investment Baht Million	Investment - at cost method Baht Million	Impairment Baht Million	Net investment Baht Million
Business							
Subsidiaries							
Telecom Holding Co., Ltd.	Holding company	34,290.24	10,271.43	24,018.81	34,290.24	10,271.43	24,018.81
True Move H Universal Communication Co., Ltd.	Wireless Telecommunication services	84,843.77	-	84,843.77	84,843.77	-	84,843.77
True Internet Co., Ltd.	Internet solution provider	2,149.88	-	2,149.88	2,149.88	-	2,149.88
True International Gateway Co., Ltd.	Telecommunication and internet services	436.00	-	436.00	436.00	-	436.00
K.I.N. (Thailand) Limited	Holding company	180.40	180.40	-	180.40	180.40	-
True Public Communication Co., Ltd.	Telecommunication services	86.00	86.00	-	86.00	86.00	-
True Vistas Co., Ltd	Production and distribution of movie films	39.95	-	39.95	35.50	-	35.50
True Universal Convergence Co., Ltd.	Telecommunication services	1.00	-	1.00	1.00	-	1.00
Total investment in subsidiaries, net		122,027.24	10,537.83	111,489.41	122,022.79	10,537.83	111,484.96
Associate							
Digital Telecommunications Infrastructure Fund	Invested in telecommunication infrastructure	16,327.91	-	16,327.91	16,327.91	-	16,327.91
Total investment in associate, net		16,327.91	-	16,327.91	16,327.91	-	16,327.91
Total investments in subsidiaries and associate, net		138,355.15	10,537.83	127,817.32	138,350.70	10,537.83	127,812.87

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14. Investments in subsidiaries, associates and joint ventures, net (Cont'd)

Subsidiary undertakings

Name of subsidiaries	% Ownership	Business	Country of incorporation
AP&J Production Co., Ltd. *	70.00	Entertainment	Thailand
Asia Wireless Communication Co., Ltd. *	100.00	PCT operator	Thailand
Bangkok Inter Teletech Public Company Limited *	99.48	Holding company	Thailand
BeboydCG Company Limited *	70.00	Production of animation	Thailand
BFKT (Thailand) Limited *	100.00	Mobile equipment Lessor	Thailand
Cineplex Co., Ltd. *	100.00	Program production	Thailand
Hutchison CAT Wireless MultiMedia Limited *	68.02	Dormant	Thailand
Hutchison MultiMedia Services (Thailand) Limited *	100.00	Dormant	Thailand
Hutchison Telecommunications (Thailand) Company Limited *	100.00	Dormant	Thailand
Hutchison Wireless MultiMedia Holdings Limited *	92.02	Holding company	Thailand
Internet Knowledge Service Center Co., Ltd. *	56.93	Non-government telecommunication	Thailand
KSC Commercial Internet Co., Ltd. *	56.83	Internet services provider	Thailand
MKSC World Dot Com Co., Ltd. *	91.08	Internet services and distributor	Thailand
Panther Entertainment Co., Ltd. *	99.92	Artist management and related business	Thailand
Real Move Co., Ltd. *	99.48	Reseller of mobile phone service	Thailand
Samut Pakan Media Corporation Co., Ltd. *	99.43	Dormant	Thailand
Satellite Service Co., Ltd. *	99.53	Sales and rental of equipment related to Pay Television	Thailand
SM True Co., Ltd. *	51.00	Artist management and related business	Thailand
Song Dao Co., Ltd. *	99.41	Dormant	Thailand
Tele Engineering and Services Co., Ltd. *	100.00	Content provider	Thailand
Telecom Asset Management Co., Ltd. *	100.00	Marketing management	Thailand
Telecom Holding Co., Ltd.	100.00	Holding company	Thailand
Telecom KSC Co., Ltd. *	34.39	Dormant	Thailand
Thai News Network (TNN) Co., Ltd. *	100.00	News Channel	Thailand
True Distribution and Sales Co., Ltd. *	99.44	Distribution Center Services	Thailand
True4U Station Co., Ltd. *	100.00	Television and related business	Thailand
True Icontent Co., Ltd. *	100.00	Contents provider	Thailand
True Incube Co., Ltd. *	100.00	Holding Company	Thailand
True Information Technology Co., Ltd. *	100.00	IT services and training	Thailand
True International Communication Co., Ltd. *	100.00	Telecommunication services	Thailand
True International Gateway Co., Ltd.	100.00	Telecommunication and internet service	Thailand
True Internet Co., Ltd.	100.00	Internet solution provider	Thailand
True Life Plus Co., Ltd. *	100.00	Telecommunication services reseller	Thailand
True Media Solutions Co., Ltd. *	100.00	Advertising sale and agency	Thailand
True Move Co., Ltd. *	99.44	Cellular operator	Thailand
True Move H Universal Communication Co., Ltd.	100.00	Wireless Telecommunication services	Thailand
True Multimedia Co., Ltd. *	91.08	NON-POTS and multimedia services	Thailand
True Music Co., Ltd. *	99.40	Content provider	Thailand
True Music Radio Co., Ltd. *	69.94	Trading and production of advertising media	Thailand
True Public Communication Co., Ltd.	100.00	Telecommunication services	Thailand
True Touch Co., Ltd. *	100.00	Call centre services	Thailand
True United Football Club Co., Ltd. *	70.00	Football Club and related activities management	Thailand
True Universal Convergence Co., Ltd. *	100.00	Telecommunication services	Thailand

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14. Investments in subsidiaries, associates and joint ventures, net (Cont'd)

Subsidiary undertakings (Cont'd)

Name of subsidiaries	% Ownership	Business	Country of incorporation
True Visions Public Company Limited *	99.53	Pay Television	Thailand
True Visions Cable Public Company Limited *	99.10	Pay Television via cable system	Thailand
True Visions Group Co., Ltd. *	100.00	Pay Television	Thailand
True Vistas Co., Ltd.	100.00	Production and distribution of movie films	Thailand
K.I.N. (Thailand) Co., Ltd. *	100.00	Holding company	British Virgin Island
Gold Palace Logistics Limited *	100.00	Holding company	British Virgin Island
Gold Palace Investments Limited *	100.00	Holding company	British Virgin Island
Golden Light Co., Ltd. *	100.00	Holding company	Republic of Mauritius
Goldsky Co., Ltd. *	100.00	Holding company	Republic of Mauritius
Rosy Legend Limited *	99.48	Holding company	British Virgin Island
Prospect Gain Limited *	100.00	Holding company	British Virgin Island
True Internet Technology (Shanghai) Company Limited *	100.00	Developing, designing, producing and sale of software products	China
True Trademark Holdings Company Limited *	100.00	Holding company	British Virgin Island

* indirectly owned by the Company

Even though the Group has investment in Telecom KSC Co., Ltd. (“TKSC”) only at 34.39%, however, the Group has control and power to govern the financial and operating policies of TKSC. Therefore, TKSC is classified as subsidiary of the Group.

Transactions incurred during 2016:

During the three-month period ended 31 March 2016, the Company additionally invested in the wholly owned subsidiary, True Vistas Co., Ltd. amounting to Baht 4.45 million.

During the three-month period ended 31 March 2016, Golden Pearl Global Limited, a wholly owned subsidiary, was liquidated and the Group recognised loss of Baht 24.88 million under “Other expenses”.

Associate undertakings

Name of associates	% Ownership	Business	Country of incorporation
Digital Telecommunications Infrastructure Fund (“DIF”)	28.11	Leasing of telecommunication infrastructure	Thailand
True GS Co., Ltd.*	45.00	Home shopping	Thailand

* indirectly owned by the Company

Joint ventures

Name of joint ventures	% Ownership	Business	Country of incorporation
Asia Infonet Co., Ltd. *	65.00	Internet services provider	Thailand
BEC-TERO True Visions Co., Ltd. *	50.00	Sport and Entertainment	Thailand
Transformation Films Co., Ltd. *	28.57	Manufacturing and filmmaker	Thailand
True Voice Co., Ltd. *	55.00	Voice recognised service and related software and hardware	Thailand

* indirectly owned by the Company

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15. Property, plant and equipment, net

	Consolidated		
	Property, plant and equipment, net		
	Non-Network Baht Million	Network Baht Million	Total Baht Million
For the three-month period ended 31 March 2016			
Opening net book amount	4,459.75	93,997.18	98,456.93
Additions	269.79	11,153.06	11,422.85
Disposals, net	(4.72)	(7.95)	(12.67)
Adjustments/reclassifications (Note 16)	(44.73)	23.26	(21.47)
Depreciation	(305.56)	(2,437.15)	(2,742.71)
Closing net book amount	<u>4,374.53</u>	<u>102,728.40</u>	<u>107,102.93</u>
Company			
Property, plant and equipment, net			
	Non-Network Baht Million	Network Baht Million	Total Baht Million
For the three-month period ended 31 March 2016			
Opening net book amount	162.36	1,855.02	2,017.38
Additions	14.01	-	14.01
Disposals, net	(0.06)	-	(0.06)
Depreciation	(15.55)	(68.59)	(84.14)
Closing net book amount	<u>160.76</u>	<u>1,786.43</u>	<u>1,947.19</u>

Finance cost amount of Baht 83.95 million were capitalised as cost of assets under construction during the period ended 31 March 2016.

Capital commitments

	Consolidated Baht Million	Company Baht Million
As at 31 March 2016	38,125.40	11.94
As at 31 December 2015	17,839.39	4.58

16. Intangible assets, net

	Consolidated		Company	
	31 March 2016 Baht Million	31 December 2015 Baht Million	31 March 2016 Baht Million	31 December 2015 Baht Million
	Current (included in "Other current assets" (Note 13))	778.61	530.78	-
Non-current	138,370.43	69,297.50	2,269.21	2,620.07
Total	<u>139,149.04</u>	<u>69,828.28</u>	<u>2,269.21</u>	<u>2,620.07</u>

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16. Intangible assets, net (Cont'd)

Movements of intangible assets can be analysed as follows:

	Consolidated Baht Million	Company Baht Million
For the three-month periods ended 31 March 2016		
Opening net book amount	69,828.28	2,620.07
Additions	71,509.47	1.76
Disposals, net	(0.07)	-
Adjustments/reclassifications (Note 15)	21.47	-
Amortisation charge	(2,210.11)	(352.62)
Closing net book amount	<u>139,149.04</u>	<u>2,269.21</u>

On 11 March 2016, a subsidiary paid Baht 8,040.00 million (excluded Value Added Tax) to NBTC for the first installment of 900MHz licence to operate telecommunication services and the licence was granted to the subsidiary on 14 March 2016. The licence covers period of 15 years commencing 16 March 2016. The unpaid balance of Baht 62,197.75 million (present value) is presented under "Other non-current liabilities". The cost of spectrum licence will be amortised over the licence period.

17. Deferred income taxes

Deferred income taxes are calculated in full on temporary differences, using the liability method and using a principal tax rate of 20%. The deferred taxation related to the temporary differences between the carrying amounts and the tax bases of assets and liabilities of the Group are summarised as follows:

	Consolidated		Company	
	31 March 2016 Baht Million	31 December 2015 Baht Million	31 March 2016 Baht Million	31 December 2015 Baht Million
Deferred income tax assets				
Depreciation and amortisation	1,628.41	1,728.18	633.74	736.82
Tax loss carry forwards	4,905.33	4,537.20	-	-
Allowances	2,508.99	2,453.53	27.56	27.50
Borrowings	72.82	57.21	57.68	57.21
Unearned income	214.59	195.59	-	-
Accrued expenses	5.65	34.58	-	-
Films and program rights	22.72	22.87	-	-
Employee benefits obligations	57.72	55.88	-	-
Provisions	635.10	694.52	-	-
Derivative payables	29.80	1.99	-	-
	<u>10,076.19</u>	<u>9,781.55</u>	<u>718.98</u>	<u>821.53</u>
Deferred income tax liabilities				
Borrowings	(2,471.42)	(2,521.78)	-	-
Depreciation and amortisation	(1,980.44)	(2,001.85)	(2.64)	(3.12)
Accounts receivable - billed customers	(284.25)	(280.57)	(284.25)	(280.56)
Debt issuance cost	(46.45)	(45.97)	(32.83)	(35.85)
Leased assets	(77.30)	(54.34)	(2.48)	(1.72)
Other current assets	(1,359.08)	(1,049.11)	-	-
Other non-current assets	(159.04)	-	-	-
Derivative receivables	(82.53)	(239.29)	(5.04)	(2.42)
	<u>(6,460.51)</u>	<u>(6,192.91)</u>	<u>(327.24)</u>	<u>(323.67)</u>
	<u>3,615.68</u>	<u>3,588.64</u>	<u>391.74</u>	<u>497.86</u>

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17. Deferred income taxes (Cont'd)

Presentation in the statements of financial position are as follows:

	Consolidated		Company	
	31 March 2016 Baht Million	31 December 2015 Baht Million	31 March 2016 Baht Million	31 December 2015 Baht Million
Deferred income tax assets	5,562.76	5,663.35	391.74	497.86
Deferred income tax liabilities	(1,947.08)	(2,074.71)	-	-
Deferred income tax, net	<u>3,615.68</u>	<u>3,588.64</u>	<u>391.74</u>	<u>497.86</u>

Deferred income tax assets and liabilities are offset when the income taxes related to the same fiscal authority. Deferred tax assets and deferred tax liabilities in the consolidated financial positions are presented at net amount of assets and liabilities incurred in each entity.

18. Trade and other payables

	Consolidated		Company	
	31 March 2016 Baht Million	31 December 2015 Baht Million	31 March 2016 Baht Million	31 December 2015 Baht Million
Trade accounts payable	48,015.37	40,619.90	773.46	1,030.59
Accrued expenses	18,397.36	21,333.81	1,294.54	1,378.20
Unearned income	3,237.93	3,127.85	195.99	140.53
Other payables	361.77	784.33	254.41	646.69
	<u>70,012.43</u>	<u>65,865.89</u>	<u>2,518.40</u>	<u>3,196.01</u>

19. Borrowings

The Group's borrowings are denominated in Thai Baht, United States Dollar and Japanese Yen.

	Consolidated		Company	
	31 March 2016 Baht Million	31 December 2015 Baht Million	31 March 2016 Baht Million	31 December 2015 Baht Million
Current				
- Finance leases	1,479.76	1,437.25	-	6.24
- Debentures	10,911.15	10,906.22	5,917.75	5,915.40
- Supplier credit	271.05	259.11	271.05	259.11
Total current	<u>12,661.96</u>	<u>12,602.57</u>	<u>6,188.80</u>	<u>6,180.75</u>
Non-current				
- Finance leases	4,273.61	4,284.39	-	-
- Debentures	50,997.34	50,979.66	31,044.67	31,032.06
- Suppliers credit	134.87	258.27	134.87	258.27
Total non-current	<u>55,405.82</u>	<u>55,522.32</u>	<u>31,179.54</u>	<u>31,290.33</u>
Total borrowings	<u>68,067.78</u>	<u>68,124.89</u>	<u>37,368.34</u>	<u>37,471.08</u>

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19. Borrowings (Cont'd)

Movements of borrowings can be analysed as follows:

	<u>Consolidated Baht Million</u>	<u>Company Baht Million</u>
For the three-month period ended 31 March 2016		
Opening net book amount	68,124.89	37,471.08
Additions of borrowings		
- non-cash finance leases	477.31	-
- interest	81.31	0.22
Repayments of borrowings		
- cash item	(610.85)	(138.45)
- realised gain on foreign exchange	2.65	2.65
Reclassification	17.71	-
Amortisation of debt issuance costs	22.61	14.97
Currencies translation	(47.85)	17.87
Closing net book amount	<u>68,067.78</u>	<u>37,368.34</u>

20. Other current liabilities

	<u>Consolidated</u>		<u>Company</u>	
	<u>31 March 2016 Baht Million</u>	<u>31 December 2015 Baht Million</u>	<u>31 March 2016 Baht Million</u>	<u>31 December 2015 Baht Million</u>
Output VAT pending tax invoices	2,378.37	2,651.68	262.25	96.23
Others	1,418.26	724.14	60.08	58.38
Total	<u>3,796.63</u>	<u>3,375.82</u>	<u>322.33</u>	<u>154.61</u>

21. Liabilities under agreements for operation

Detail of liabilities under agreements for operation can be summarised as follows:

	<u>Consolidated</u>	
	<u>31 March 2016 Baht Million</u>	<u>31 December 2015 Baht Million</u>
Current (included in "Accrued expenses")	18.58	18.04
Non-current	88.64	86.05
	<u>107.22</u>	<u>104.09</u>

Movement of liabilities under agreements for operation can be analysed as follows:

	<u>Consolidated Baht Million</u>
For the three-month period ended 31 March 2016	
Opening net book amount	104.09
Interest charge	3.13
Closing net book amount	<u>107.22</u>

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22. Other non-current liabilities

	Consolidated		Company	
	31 March 2016 Baht Million	31 December 2015 Baht Million	31 March 2016 Baht Million	31 December 2015 Baht Million
Advance received for long-term operating lease (Note 25)	11,012.57	11,166.23	-	-
Deposit received from customers	1,466.21	1,498.44	-	-
Valued added tax pending receipt of tax invoice related to debt restructuring	8.69	16.89	8.68	16.89
Withholding tax related to debt restructuring	3.29	6.58	3.29	6.58
Accrued licence fee (Note 16)	82,884.54	20,561.72	-	-
Provision for CAT's call option	3,175.49	3,472.60	-	-
Others	67.13	62.97	-	-
Total	98,617.92	36,785.43	11.97	23.47

During the three-month period ended 31 March 2016, CAT's call option provision of Baht 297.11 million (2015: Baht 297.78 million) was reversed and recognised as other income in the interim consolidated financial information.

23. Share capital, premium and discount on share capital

	Number of shares Million	Common shares Baht Million
At 31 December 2015	24,607.93	98,431.71
At 31 March 2016	24,607.93	98,431.71

The total authorised number of shares is 24,607.93 million shares (2015: 24,607.93 million shares) with a par value of Baht 4 per share (2015: Baht 4 per share). All issued shares are fully paid.

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24. Cash flows from operating activities

Reconciliation of profit for the period to cash flows from operating activities:

For the three-month periods ended	Notes	Consolidated		Company	
		31 March 2016 Baht Million	(Restated) 31 March 2015 Baht Million	31 March 2016 Baht Million	31 March 2015 Baht Million
Profit before income tax		2,234.27	1,841.35	260.01	1,300.17
Adjustments for:					
Depreciation and amortisation	7	5,949.32	4,401.22	451.84	458.59
Interest income		(42.09)	(43.09)	(194.37)	(167.67)
Interest expense	8	1,099.28	637.86	610.94	570.45
Finance cost related to licences	8	131.93	40.55	-	-
Dividends received	28	-	-	(387.79)	(359.21)
Loss on disposals of property, plant and equipment		8.73	20.98	0.06	-
Doubtful accounts	7	338.51	295.20	53.31	57.42
Write off network equipment		-	80.63	-	-
Loss from liquidation of investment	14	24.88	-	-	-
Gain from disposal of telecommunication infrastructure assets	25	-	(360.60)	-	-
Reversal of provision for CAT's call option	22	(297.11)	(297.78)	-	-
Increase in retirement benefit obligations		49.15	44.99	10.82	10.15
Unrealised loss (gain) on foreign exchange		299.85	(208.62)	4.77	(6.36)
Realised loss on foreign exchange related to repayment of borrowings	19	2.65	2.41	2.65	2.41
Share of net results of investments	14	(3,308.58)	(343.74)	-	-
Changes in working capital					
- Trade and other receivables		1,773.71	(3,226.39)	(1,004.77)	(418.97)
- Short-term investment - trading securities		(0.01)	-	(0.01)	-
- Inventories		(2,044.97)	(863.52)	2.04	22.58
- Other current assets		(3,399.21)	(957.15)	20.57	17.70
- Films and program rights		(1,114.55)	(1,058.85)	-	-
- Other non-current assets		(569.68)	18.26	17.29	(26.94)
- Trade and other payables		1,885.79	1,657.30	(819.66)	(2,533.99)
- Other current liabilities		141.57	349.01	179.35	(14.79)
- Other non-current liabilities		(198.27)	11,505.64	(11.50)	(11.21)
Cash generated from (used in) operations		2,965.17	13,535.66	(804.45)	(1,099.67)
<u>Add</u> Interest received		15.80	28.12	197.23	179.83
Income tax received		1,072.64	256.05	669.73	-
<u>Less</u> Interest paid		(785.25)	(230.62)	(414.70)	(220.51)
Income tax paid		(2,425.48)	(967.47)	(47.74)	(67.22)
Net cash generated from (used in) operating activities		842.88	12,621.75	(399.93)	(1,207.57)

25. Infrastructure fund transaction

On 5 March 2015, Asia Wireless Communication Co., Ltd. (“AWC”), entered into agreements with Digital Telecommunications Infrastructure Fund (“DIF”). The details are as follows:

- i) **Asset and Revenue Sale and Transfer Agreement:** to transfer the right of net revenues of 338 telecommunication towers (including all claim, awards, judgment, suits and any other right of AWC arising out of or in connection with such revenues and any agreement under which such revenues would be derived) to be generated on and from the effectiveness of the Asset and Revenue Sale and Transfer Agreement (5 March 2015) until the expiration of the agreement (3 August 2025). Under the term of the agreement, AWC will transfer the telecommunications towers to DIF at the expiry date of the agreement.

The Group recognised gain from the transaction of Baht 360.60 million under “Other income” in the consolidated statement of comprehensive income for the period ended 31 March 2015.

	<u>Consolidated</u> <u>Baht Million</u>
Amount proceed	806.89
<u>Less</u> Costs of assets sale and relevant costs	(291.24)
<u>Less</u> Related expenses	<u>(14.03)</u>
Total gain from assets sale	501.62
<u>Less</u> Unrealised gain from assets sale	<u>(141.02)</u>
Gain recognised during the period	<u><u>360.60</u></u>

The Group has 28.11% interest in DIF, hence; unrealised gain represents 28.11% of gain from aforementioned transaction that cannot be recognised.

- ii) **Long-Term Lease Agreement with call option:** to lease 7,981 kilometers of the fiber optic cable to DIF with lease term of 20 years starting from the effectiveness of the Long-Term Lease Agreement (5 March 2015) until the expiration of the agreement (4 March 2035). On the commencement date of the agreement, DIF made a prepayment for rental of the assets amounting to Baht 12,293.12 million.

The Group recognised Baht 110.46 million of rental revenue for the period ended 31 March 2016. Current portion of unearned income of Baht 614.66 million and non-current portion of unearned income of Baht 11,012.57 million as at 31 March 2016 are presented under “Trade and other payable” and “Other non-current liabilities”, respectively.

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26. Contingent liabilities

26.1 Collateral

Under the terms of various agreements, the Company's and certain subsidiaries' cash account have been pledged as collateral with the contracted parties, details of which are as follows:

	Consolidated		Company	
	31 March 2016	31 December 2015	31 March 2016	31 December 2015
	Baht Million	Baht Million	Baht Million	Baht Million
Fixed and saving deposits	74.38	606.94	48.18	558.97
Investments in shares of associate	760.41	635.84	694.55	694.55

26.2 Contingencies

The bank guarantees provided by banks and contingent liabilities of the Group are as follows:

	Consolidated Baht Million	Company Baht Million
As at 31 March 2016	103,450.64	3,797.88
As at 31 December 2015	30,427.24	3,797.88

26.3 Subsidiary's access charges

Refer to Note 40.2 to the 2015 annual financial statements, the subsidiary issued a written notification informing TOT and CAT that it will cease payment of access charge under the Access Charge Agreement on the basis that the rate and the collection of access charge under the Access Charge Agreement were contrary to the law in a number of respects. In 2011, TOT has filed a lawsuit against CAT and the subsidiary, claiming for the access charge totalling Baht 41,540.27 million. On 31 July 2014, TOT has amended the claim amount to Baht 59,628.00 million plus interest from the initial filing date until the payment is made. The case is currently in the judicial of the Central Administrative Court.

If the subsidiary has had to pay such access charges, the subsidiary would be liable to accrue access charges for the period from 18 November 2006 to 15 September 2013 as follows:

	Accrued access charges Baht Million	Net effect to the consolidated statement of comprehensive income, net of revenue sharing to CAT Baht Million
For the periods from 18 November 2006 to 15 September 2013	<u>32,344.56</u>	<u>23,762.55</u>

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

27. Contracts, litigations and Arbitration disputes

27.1 Contracts

3G HSPA

On 27 January 2011, a subsidiary, BFKT entered into an agreement with CAT to lease telecommunication equipment under HSPA technologies for the periods of 14.5 years. Under the terms and conditions of HSPA agreement, BFKT has certain commitments including acquiring, installing, managing, and maintaining all equipment necessary to provide mobile phone service using HSPA technology according to the capacity stipulated in the agreement and amended agreement executed on 3 December 2013 for the period of 14.5 years. As consideration of providing such services, BFKT entitles to receive revenue as stipulated in the agreement.

On 27 January 2011, a subsidiary, Real Move Company Limited (“RMV”) entered into a re-sales and wholesales agreement with CAT (“the Agreement”). Under the terms and conditions of the Agreement, RMV provides mobile phone services using HSPA technology wholesale from CAT for the period of 14.5 years. On 16 December 2015, RMV was granted the renewal of Type I licences by NBTC for resale of mobile services and internet services. RMV is entitled to maintain rights and obligations according to The Telecommunication Act B.E. 2544 under the terms and conditions as stipulated in the licences, and has obligation to pay expenses to CAT according to the agreement. The licences will expire on 15 December 2020.

There have been disagreements between the Group and CAT regarding the interpretation of the agreements and details of computations of related revenues and costs.

As of 31 March 2016, the Group and CAT have settled certain portion of rental and services revenue in BFKT and accrued operating cost in RMV for transactions incurred during July 2011 to January 2016.

Currently, all parties are discussing the details to finalise all unsettled balances. The management has strong view that the Group has recorded related revenue and costs appropriately according to the agreements and there will be no material impact to the Group’s operations as a result of the discussion.

27.2 Litigations and arbitration disputes of subsidiaries

Except as set forth, there is no new development in the litigations and arbitration disputes disclosed in Note 39 to the 2015 annual financial statements. Progress of litigations occurred during the period ended 31 March 2016 are summarised as follows:

On 29 December 2015, CAT filed a lawsuit with the Central Administrative Court against a subsidiary claiming of Baht 83.94 million, interest included, accusing the subsidiary illegally install its telecommunication equipments connected to CAT’s premises. Currently, the case is under consideration of the Central Administrative Court.

On 18 January 2016, a subsidiary filed an arbitral dispute against CAT claiming of Baht 11,827.67 million for the 11th - 17th of operation year of the concession agreement, with interest at the rate 15% per annum from the date of submission of the dispute until the payment has been made. The charge was based on an over payment of revenue sharing due to the interconnection charge revenues (IC) were incorporated in revenue sharing calculation. The interconnection charge revenues are not subjected to be shared with CAT according to the relevant contract. The case is currently under the Arbitration process.

On 15 March 2016, CAT filed an arbitral dispute against a subsidiary claiming for additional revenue sharing for the 17th year of operation for the amount of Baht 2,596.51 million claiming on inappropriate calculation of revenue sharing. The case is currently under the Arbitration process.

The ultimate outcome of the litigations and arbitration disputes are presently unable to be determined, and accordingly, no provision for liability has been made in the interim financial information.

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28. Related party transactions

The following transactions were carried out with related parties:

i) Sales of goods and services

For the three-month periods ended	Consolidated		Company	
	31 March 2016	31 March 2015	31 March 2016	31 March 2015
	Baht Million	Baht Million	Baht Million	Baht Million
Sales of goods:				
Associate	0.30	1,418.64	-	1,417.78
Related companies:				
CP Group of companies	681.23	331.01	-	-
	<u>681.53</u>	<u>1,749.65</u>	<u>-</u>	<u>1,417.78</u>
Sales of services:				
Subsidiaries	-	-	1,277.25	1,448.86
Joint ventures	2.85	1.54	-	-
Associates	183.14	81.28	-	-
Related companies:				
CP Group of companies	256.27	235.15	12.73	13.39
China Mobile Group of companies	39.09	-	-	-
	<u>481.35</u>	<u>317.97</u>	<u>1,289.98</u>	<u>1,462.25</u>

ii) Purchases of goods and services

For the three-month periods ended	Consolidated		Company	
	31 March 2016	31 March 2015	31 March 2016	31 March 2015
	Baht Million	Baht Million	Baht Million	Baht Million
Purchases of goods:				
Related companies:				
CP Group of companies	1,780.18	2,285.40	-	331.94
	<u>1,780.18</u>	<u>2,285.40</u>	<u>-</u>	<u>331.94</u>
Purchases of services:				
Subsidiaries	-	-	279.48	322.34
Joint ventures	0.32	-	-	-
Associates	1,386.49	981.43	-	-
Related companies:				
CP Group of companies	1,370.64	1,123.06	111.68	99.09
NEC Corporation (Thailand) Co., Ltd.	16.50	0.03	-	0.01
	<u>2,773.95</u>	<u>2,104.52</u>	<u>391.16</u>	<u>421.44</u>

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28. Related party transactions (Cont'd)

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

	Consolidated		Company	
	31 March 2016	31 December 2015	31 March 2016	31 December 2015
	Baht Million	Baht Million	Baht Million	Baht Million
Receivables from related parties: (included in "Trade accounts receivable")				
Subsidiaries	-	-	3,435.94	2,597.40
Joint venture	3.25	3.38	-	0.03
Associates	34.58	30.64	-	-
Related companies:				
CP Group of companies	9,365.40	8,695.74	119.07	107.31
China Mobile Group of companies	104.71	75.13	-	-
NEC Corporation (Thailand) Co., Ltd.	-	0.18	-	-
	9,507.94	8,805.07	3,555.01	2,704.74
Payables to related parties: (included in "Trade and other payables")				
Subsidiaries	-	-	282.62	330.34
Joint venture	0.15	21.99	-	-
Associates	315.08	315.89	-	-
Related companies:				
CP Group of companies	7,268.39	6,963.03	104.17	212.61
China Mobile Group of companies	30.49	18.63	-	-
	7,614.11	7,319.54	386.79	542.95

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28. Related party transactions (Cont'd)

iv) Loans to related parties

	Consolidated		Company	
	31 March 2016	31 December 2015	31 March 2016	31 December 2015
	Baht Million	Baht Million	Baht Million	Baht Million
Current	147.30	147.00	20,790.00	19,815.00

Movements of loans to related parties can be analysed as follows:

	Consolidated Baht Million	Company Baht Million
For the three-month period ended 31 March 2016		
Opening net book amount	147.00	19,815.00
Additions	0.30	7,370.00
Repayment received	-	(6,395.00)
Closing net book amount	147.30	20,790.00

The interest income in the consolidated and company financial information for the three-month period ended 31 March 2016 was Baht 2.75 million and Baht 190.91 million, respectively (2015: Baht 2.77 million and Baht 141.66 million, respectively).

v) Loans from related parties

	Company	
	31 March 2016	31 December 2015
	Baht Million	Baht Million
Current	250.00	555.00

Movements of loans from related parties can be analysed as follows:

	Company Baht Million
For the three-month period ended 31 March 2016	
Opening net book amount	555.00
Addition borrowings	1,750.00
Repayment	(2,055.00)
Closing net book amount	250.00

The interest expense in the interim company financial information for the three-month period ended 31 March 2016 was Baht 1.67 million (2015: Baht 27.04 million).

vi) Dividends received

During the three-month period ended 31 March 2016, the Company received dividends from an associate of Baht 387.79 million (2015: Baht 359.21 million), which was recognised as "Dividends income" under "Other income" in the interim Company profit or loss and recognised directly to investment in associate in the interim consolidated statement of financial position.

29. Event after the reporting date

On 8 April 2016, the Annual General Meeting of the Shareholders for the year 2016 has resolution to approved the followings:

- Increase the Company's registered share capital amounting to Baht 35,042.91 million from Baht 98,431.71 million to Baht 133,474.62 million by issuing 8,760.73 million newly ordinary shares at par value of Bath 4 per share. (The Company completed the registration with the Ministry of Commerce on 20 April 2016.)
- Allotment of right offering by issuance of 8,391.61 million units of Transferable Subscription Right ("TSRs") to the existing shareholders at no cost. The allocation ratio is 2.932445 existing ordinary shares to 1 TSR unit with the exercise price of Baht 7.15 per share.
- The dividends payment at Baht 0.06667 per share, detail as follows:
 - Stock dividends at 200 existing shares per 3 share dividends,
 - Cash payment at Baht 0.00667 per share.