

(Translation)

Ref.: TRUE-SEC 063/2559

10th November 2016

The President of the Stock Exchange of Thailand
The Stock Exchange of Thailand

Subject: Submission of the Reviewed Financial Statements for Q.3/2016

- Enclosure:
1. A Set of the Reviewed Financial Statements for Q3/2016
(Thai / English)
 2. A Set of the Management's Discussion and Analysis Bulletin for Q3/2016
(Thai / English)

True Corporation Public Company Limited (the "Company") would like to submit its reviewed financial statements and consolidated financial statements for the third quarter ending 30th September 2016 to the Stock Exchange of Thailand.

The Company reported a consolidated net loss to equity holders of the Company of Baht 2,753.51 million for the third quarter of the Year 2016, representing a change of greater than 20 percent compared with the net results of the same period in the last year. Please see further details in the Management's Discussion and Analysis Bulletin for Q3/2016 as attached herewith.

Please be informed accordingly.

Respectfully yours,

- Signature -

Mr. William Harris
Group Chief Financial Officer

Management's Discussion and Analysis

Overview

True Group's ongoing commitment to continuously improve the quality of products and services, including distinct bundled offerings and networks to further enhance customer's satisfaction, has borne fruit. In the third quarter, the Group continued its solid momentum of impressive revenue, EBITDA and subscriber growth led by the cellular business. TrueMove H performed extremely well and continued to outgrow peers with 32-percent service revenue and 117-percent EBTIDA growth. Consumer broadband revenue sustained strong double-digit growth YoY while positive response to the English Premier League broadcasting drove subscription revenue at TrueVisions.

Competition in the Thai Telecommunications industry remained on network quality and value-for-money offerings to consumers, particularly device bundling campaigns for the cellular business and increasing speeds for the broadband Internet segment. Despite this competitive intensity, TrueMove H posted strong subscriber growth in both postpaid and prepaid segments. The business gained 1.1 million subscribers in the third quarter, representing 75% of the industry's net adds, further expanding its subscriber base to 22.6 million. Solid response to TrueOnline's high-value fiber offerings fueled its broadband subscriber base to 2.7 million while convergence propositions and the True Super Soccer campaign resulted in a record-high net addition of TrueVisions' paying subscribers, driving its total customer base to 3.8 million.

True Group is determined to bring best-value offerings to customers throughout the country by focusing on network superiority, attractive combinations of its various products, service excellence, and special privileges. These, combined with the nationwide distribution channels of True and business partners, will further accelerate scale while assuring the Group's continuing growth and leading position in wired and wireless broadband as well as pay TV. Along with this, an aggressive array of major cost control initiatives are underway and will be one of the key factors for the Group's financial stability and profitability going forward.

True Group reported a consolidated net loss to shareholders of the parent company of Baht 2,753.5 million in 3Q16, representing a change of greater than 20% YoY, which is summarized as below:

True Group's **consolidated service revenue** surged 19.8% YoY to Baht 22.6 billion in 3Q16 mainly on the significant growth of the cellular business leveraging on an expanding subscriber base and higher mobile Internet usage. This drove a strong **EBITDA** gain of 53% YoY to Baht 6.4 billion excluding the 2015 gain from transferring towers to the Digital Telecommunications Infrastructure Fund (DIF) for a meaningful performance comparison.

True Group reported a **net loss of the parent company** totaling 2,753.5 million in the third quarter of 2016 driven by costs related to nationwide network and service expansion as well as the full quarter amortization of the 900 MHz license.

Consolidated Results of Operations - Normalized Basis

(Baht in millions unless otherwise indicated)	3Q16	2Q16	3Q15 (Restated)	% Change		9M16	9M15 (Restated)	% Change
				Q-o-Q	Y-o-Y			
Revenues								
Revenues from providing services	27,848	27,206	24,484	2.4	13.7	79,772	70,799	12.7
- Interconnection revenue	1,343	1,270	1,216	5.7	10.5	3,925	3,620	8.4
- Network rental revenue	3,939	4,060	4,438	(3.0)	(11.2)	10,588	12,137	(12.8)
- Service revenue	22,566	21,876	18,830	3.2	19.8	65,259	55,042	18.6
Revenues from product sales	2,946	3,546	4,635	(16.9)	(36.4)	10,788	15,431	(30.1)
Total revenues	30,794	30,752	29,119	0.1	5.8	90,560	86,230	5.0
Operating expenses								
Total cost of providing services	21,403	19,452	18,026	10.0	18.7	58,688	51,523	13.9
Regulatory costs	1,093	1,044	994	4.7	10.0	3,149	1,793	75.7
Interconnection cost	1,428	1,386	1,217	3.0	17.3	4,348	4,226	2.9
Cost of providing services exclude IC	13,237	13,081	12,580	1.2	5.2	37,718	36,248	4.1
Depreciation and amortization	5,645	3,941	3,235	43.2	74.5	13,473	9,255	45.6
Cost of sales	3,311	3,758	3,941	(11.9)	(16.0)	11,454	12,823	(10.7)
Selling and administrative expenses	7,518	7,000	6,467	7.4	16.3	21,064	18,409	14.4
Depreciation and amortization	2,232	1,835	1,264	21.6	76.5	5,587	3,337	67.4
Cash SG&A	5,286	5,166	5,203	2.3	1.6	15,477	15,072	2.7
Total operating expenses	32,231	30,210	28,433	6.7	13.4	91,205	82,755	10.2
EBITDA	6,439	6,317	5,184	1.9	24.2	18,414	16,067	14.6
EBITDA (excl. gain on 6,000 towers transferred to DIF)	6,439	6,317	4,203	1.9	53.2	18,414	13,566	35.7
Depreciation and amortization	(7,876)	(5,775)	(4,499)	36.4	75.1	(19,059)	(12,592)	51.4
Operating profit	(1,437)	542	686	NM	NM	(646)	3,475	NM
Interest income	199	56	23	257.4	NM	297	88	237.0
Interest expense	(1,115)	(1,170)	(738)	(4.7)	51.2	(3,385)	(1,985)	70.5
Other financial fees	(330)	(327)	(31)	0.9	NM	(881)	(89)	NM
Financial cost related to license	(537)	(131)	(38)	308.9	NM	(800)	(118)	NM
Income tax (expense) revenue	94	83	(240)	12.9	NM	(100)	(27)	271.5
Current tax	(17)	(63)	(89)	(73.5)	(81.3)	(384)	(261)	46.9
Deferred income tax	111	146	(151)	(24.2)	NM	284	234	21.2
Share of results in subsidiaries and associates	432	399	391	8.2	10.3	4,130	1,040	296.9
(Income) loss attributable to non-controlling interests	(26)	(3)	(18)	NM	(44.4)	(18)	(23)	22.6
Net income (loss) from continuing operations including share of results in associates (NIOGO)	(2,721)	(552)	35	(392.6)	NM	(1,403)	2,360	NM
Non recurring items	(33)	182	1,016	NM	NM	247	1,653	(85.1)
Foreign exchange gain (loss)	(285)	(45)	720	NM	NM	(509)	608	NM
Net gain from transferring the right of revenue of 338 towers to DIF	-	-	-	-	-	-	361	(100.0)
Other (expense) income	253	227	296	11.3	(14.7)	756	685	10.4
Net profit (loss) to equity holders of the Company	(2,754)	(371)	1,051	NM	NM	(1,156)	4,014	NM
Non-controlling interests	26	3	18	NM	44.4	18	23	(22.6)
Net profit (loss) for the year	(2,728)	(367)	1,069	NM	NM	(1,138)	4,037	NM

CONSOLIDATED RESULTS OF OPERATIONS

- True Group's **consolidated service revenue** increased 19.8% YoY and 3.2% QoQ to Baht 22.6 billion due to robust subscriber growth and strong non-voice usage in both postpaid and prepaid segments.
- **Product sales** excluding contribution from the 2015 tower transfers to DIF were flat (+0.4%) YoY but declined 16.9% QoQ to Baht 2.9 billion on lower contribution from iPhone as consumers were waiting for its new model that was launched in October with positive market response.
- **Regulatory cost** increased to Baht 1.1 billion following continued solid growth of the Group's cellular service revenue.
- **Core operating expense** (comprising other cost of providing services and other S&A) increased 1.5% QoQ and 4.2% YoY to Baht 18.5 billion due to higher network, content and personnel expenses.
- **EBITDA** surged 53.2% YoY and 1.9% QoQ to Baht 6.4 billion, excluding the 2015 gain from transferring towers to DIF for a meaningful performance comparison, as strong revenue growth outpaced higher core operating expense.
- Spectrum license amortization and continued expansion of the Group's wired and wireless networks drove **depreciation and amortization expenses** to Baht 7.9 billion.
- **Interest expense** decreased 4.7% from the previous quarter to Baht 1.1 billion due to debt repayment utilizing proceeds from the capital increase.
- **Income tax revenue** was Baht 94 million compared to tax expense in the third quarter last year due to the decrease of current tax and deferred tax liabilities related to forward contract.
- Costs related to nationwide network and service expansion across all key segments as well as the full quarter amortization of the 900 MHz license pressured the Group's **bottom line** to report a loss of Baht 2,753.5 million in the third quarter.

Remark: 3Q16 non-recurring items mainly comprised foreign exchange loss and the reversal of CAT's call option provision.

As part of the Group's asset divestment to DIF in 2013, True Group recorded provision for CAT's call option totaling Baht 5.8 billion. This provision is provided for the purposes of prudence and conservatism as the transactions involve public interests and contract with state enterprise. In 3Q16, CAT's call option provision of Baht 295 million was reversed and recognized as other income in the interim consolidated financial information as CAT didn't exercise its call option during the period.

Results by Segment (YTD)

	TrueMove H			TrueOnline			TrueVisions			Eliminations		Consolidated		
	9M16	9M15 (Restated)	% Change	9M16	9M15 (Restated)	% Change	9M16	9M15 (Restated)	% Change	9M16	9M15	9M16	9M15 (Restated)	% Change
(Baht in millions unless otherwise indicated)														
Revenues														
Revenues from providing services	56,477	48,309	16.9	21,113	20,377	3.6	9,195	9,219	(0.3)	(7,013)	(7,106)	79,772	70,799	12.7
- Interconnection revenue	3,928	3,622	8.5	-	-	-	-	-	-	(4)	(2)	3,925	3,620	8.4
- Network rental revenue	10,257	11,879	(13.7)	331	258	28.6	-	-	-	-	-	10,588	12,137	(12.8)
- Service Revenue	42,291	32,808	28.9	20,781	20,119	3.3	9,195	9,219	(0.3)	(7,009)	(7,104)	65,259	55,042	18.6
Revenues from product sales	10,623	10,658	(0.3)	224	4,808	(95.3)	207	204	1.5	(267)	(239)	10,788	15,431	(30.1)
Total revenues	67,100	58,967	13.8	21,337	25,185	(15.3)	9,403	9,424	(0.2)	(7,279)	(7,345)	90,560	86,230	5.0
Operating expenses														
Total cost of providing services	39,216	34,483	13.7	13,988	12,514	11.8	9,139	8,342	9.6	(3,655)	(3,815)	58,688	51,523	13.9
Regulatory costs	1,392	51	NM	1,445	1,424	1.5	313	318	(1.6)	-	-	3,149	1,793	75.7
Interconnection cost	4,352	4,231	2.9	-	-	-	-	-	-	(4)	(5)	4,348	4,226	2.9
Cost of providing services exclude IC	26,477	26,584	(0.4)	7,735	6,923	11.7	6,991	6,448	8.4	(3,485)	(3,706)	37,718	36,248	4.1
Depreciation and amortization	6,995	3,618	93.4	4,808	4,167	15.4	1,835	1,575	16.5	(166)	(104)	13,473	9,255	45.6
Cost of sales	11,366	10,571	7.5	195	2,364	(91.8)	198	190	4.3	(305)	(302)	11,454	12,823	(10.7)
Selling and administrative expenses	17,551	14,230	23.3	5,291	5,723	(7.5)	1,302	1,461	(10.9)	(3,080)	(3,005)	21,064	18,409	14.4
Depreciation and amortization	5,327	3,054	74.5	204	227	(10.2)	68	56	20.0	(12)	-	5,587	3,337	67.4
Cash SG&A	12,224	11,177	9.4	5,087	5,496	(7.4)	1,234	1,405	(12.1)	(3,069)	(3,005)	15,477	15,072	2.7
Total operating expenses	68,133	59,284	14.9	19,474	20,601	(5.5)	10,639	9,993	6.5	(7,040)	(7,122)	91,205	82,755	10.2
EBITDA	11,289	6,354	77.7	6,874	8,977	(23.4)	667	1,063	(37.2)	(417)	(327)	18,414	16,067	14.6
EBITDA (excl. gain on 6,000 towers transferred to DIF)	-	-	-	6,874	6,476	6.2	-	-	-	-	-	18,414	13,566	35.7
Depreciation and amortization	(12,322)	(6,671)	84.7	(5,012)	(4,393)	14.1	(1,903)	(1,632)	16.6	178	104	(19,059)	(12,592)	51.4
Operating profit	(1,033)	(317)	(226.0)	1,863	4,584	(59.4)	(1,236)	(569)	(117.2)	(239)	(223)	(646)	3,475	NM
Interest income	207	33	NM	468	537	(12.8)	7	4	65.9	(385)	(486)	297	88	237.0
Interest expense	(1,683)	(592)	184.4	(1,902)	(1,678)	13.4	(185)	(202)	(8.3)	385	486	(3,385)	(1,985)	70.5
Other financial fees	(835)	(44)	NM	(46)	(46)	0.6	-	-	-	-	-	(881)	(89)	NM
Financial cost related to license	(752)	(60)	NM	-	-	-	(48)	(59)	(18.1)	-	-	(800)	(118)	NM
Income tax (expense) revenue	89	364	(75.5)	(436)	(456)	(4.5)	247	66	275.7	-	-	(100)	(27)	271.5
Current tax	(26)	(109)	(75.9)	(188)	(65)	189.5	(170)	(88)	93.6	-	-	(384)	(261)	46.9
Deferred income tax	115	472	(75.6)	(248)	(392)	36.6	417	153	171.7	-	-	284	234	21.2
Share of results in subsidiaries and associates	-	-	-	4,174	1,062	293.0	(45)	(22)	(103.7)	-	-	4,130	1,040	296.9
(Income) loss attributable to non-controlling interests	(55)	23	NM	(7)	(14)	44.7	2	(23)	NM	42	(10)	(18)	(23)	22.6
Net income (loss) from continuing operations including share of results in associates (NIOGO)	(4,062)	(592)	NM	4,113	3,989	3.1	(1,258)	(804)	(56.4)	(197)	(233)	(1,403)	2,360	NM
Non recurring items	451	1,287	(64.9)	(130)	312	NM	(72)	66	NM	(2)	(12)	247	1,653	(85.1)
Foreign exchange gain (loss)	(445)	546	NM	(4)	(49)	(92.8)	(60)	111	NM	-	-	(509)	608	NM
Net gain from transferring the right of revenue of 338 towers to DIF	-	-	-	-	361	(100.0)	-	-	-	-	-	-	361	(100.0)
Other (expense) income	897	742	20.9	(126)	1	NM	(12)	(46)	73.5	(2)	(12)	756	685	10.4
Net profit (loss) to equity holders of the Company	(3,610)	695	NM	3,984	4,302	(7.4)	(1,330)	(738)	(80.2)	(199)	(245)	(1,156)	4,014	NM
Non-controlling interests	55	(23)	NM	7	14	(44.7)	(2)	22.6	NM	(42)	10	18	23	(22.6)
Net profit (loss) for the year	(3,556)	673	NM	3,991	4,315	(7.5)	(1,332)	(716)	(86.1)	(241)	(235)	(1,138)	4,037	NM

Results by Segment (Y-o-Y)

	TrueMove H			TrueOnline			TrueVisions			Eliminations		Consolidated		
	3Q16	3Q15 (Restated)	% Change	3Q16	3Q15 (Restated)	% Change	3Q16	3Q15 (Restated)	% Change	3Q16	3Q15	3Q16	3Q15 (Restated)	% Change
(Baht in millions unless otherwise indicated)														
Revenues														
Revenues from providing services	20,039	16,845	19.0	6,805	6,752	0.8	3,179	3,393	(6.3)	(2,175)	(2,507)	27,848	24,484	13.7
- Interconnection revenue	1,344	1,216	10.5	-	-	-	-	-	-	(1)	-	1,343	1,216	10.5
- Network rental revenue	3,829	4,328	(11.5)	110	110	0.0	-	-	-	-	-	3,939	4,438	(11.2)
- Service Revenue	14,866	11,302	31.5	6,694	6,642	0.8	3,179	3,393	(6.3)	(2,173)	(2,506)	22,566	18,830	19.8
Revenues from product sales	2,928	2,928	(0.0)	61	1,719	(96.4)	126	124	1.5	(169)	(136)	2,946	4,635	(36.4)
Total revenues	22,967	19,773	16.2	6,866	8,471	(18.9)	3,304	3,517	(6.0)	(2,343)	(2,642)	30,794	29,119	5.8
Operating expenses														
Total cost of providing services	14,430	11,859	21.7	4,766	4,264	11.8	3,159	3,111	1.5	(952)	(1,208)	21,403	18,026	18.7
Regulatory costs	505	403	25.1	478	474	0.8	110	117	(5.3)	-	-	1,093	994	10.0
Interconnection cost	1,429	1,218	17.3	-	-	-	-	-	-	(1)	(1)	1,428	1,217	17.3
Cost of providing services exclude IC	9,116	8,976	1.6	2,599	2,331	11.5	2,415	2,440	(1.0)	(893)	(1,167)	13,237	12,580	5.2
Depreciation and amortization	3,380	1,262	167.9	1,689	1,459	15.7	634	554	14.4	(58)	(40)	5,645	3,235	74.5
Cost of sales	3,355	3,185	5.3	49	806	(93.9)	119	114	4.0	(212)	(165)	3,311	3,941	(16.0)
Selling and administrative expenses	6,282	5,124	22.6	1,816	2,077	(12.6)	485	493	(1.6)	(1,065)	(1,228)	7,518	6,467	16.3
Depreciation and amortization	2,134	1,169	82.6	78	76	2.4	31	19	65.3	(12)	-	2,232	1,264	76.5
Cash SG&A	4,149	3,955	4.9	1,737	2,001	(13.2)	454	474	(4.3)	(1,053)	(1,228)	5,286	5,203	1.6
Total operating expenses	24,067	20,169	19.3	6,631	7,148	(7.2)	3,762	3,718	1.2	(2,229)	(2,601)	32,231	28,433	13.4
EBITDA	4,414	2,035	116.9	2,003	2,859	(29.9)	207	372	(44.4)	(184)	(81)	6,439	5,184	24.2
EBITDA (excl. gain on 6,000 towers transferred to DIF)	-	-	-	2,003	1,877	6.7	-	-	-	-	-	6,439	4,203	53.2
Depreciation and amortization	(5,514)	(2,430)	126.9	(1,767)	(1,536)	15.1	(665)	(573)	16.1	69	40	(7,876)	(4,499)	75.1
Operating profit	(1,100)	(396)	178.1	235	1,323	(82.2)	(458)	(201)	(128.3)	(115)	(41)	(1,437)	686	NM
Interest income	152	12	NM	55	161	(66.1)	3	2	101.9	(11)	(152)	199	23	NM
Interest expense	(460)	(263)	75.0	(611)	(549)	11.2	(56)	(77)	(27.7)	11	152	(1,115)	(738)	51.2
Other financial fees	(315)	(16)	NM	(15)	(15)	0.4	-	-	-	-	-	(330)	(31)	NM
Financial cost related to license	(524)	(20)	NM	-	-	-	(14)	(18)	(23.4)	-	-	(537)	(38)	NM
Income tax (expense) revenue	97	(138)	NM	(96)	(96)	0.2	93	(6)	NM	-	-	94	(240)	NM
Current tax	74	(65)	NM	(22)	11	NM	(69)	(35)	96.9	-	-	(17)	(89)	(81.3)
Deferred income tax	23	(73)	NM	(74)	(107)	30.6	162	29	460.4	-	-	111	(151)	NM
Share of results in subsidiaries and associates	-	-	-	445	397	12.1	(14)	(6)	(121.0)	-	-	432	391	10.3
(Income) loss attributable to non-controlling interests	(19)	23	NM	(17)	(4)	(290.1)	(4)	(22)	80.0	15	(14)	(26)	(18)	(44.4)
Net income (loss) from continuing operations including share of results in associates (NIOGO)	(2,168)	(798)	(171.8)	(4)	1,216	NM	(449)	(329)	(36.8)	(99)	(55)	(2,721)	35	NM
Non recurring items	(13)	935	NM	24	(52)	NM	(43)	133	NM	(1)	-	(33)	1,016	NM
Foreign exchange gain (loss)	(303)	626	NM	57	(46)	NM	(40)	140	NM	-	-	(285)	720	NM
Other (expense) income	290	309	(6.0)	(33)	(6)	(479.7)	(3)	(7)	52.2	(1)	-	253	296	(14.7)
Net profit (loss) to equity holders of the Company	(2,181)	137	NM	20	1,165	(98.3)	(492)	(196)	(151.7)	(101)	(55)	(2,754)	1,051	NM
Non-controlling interests	19	(23)	NM	17	4	290.1	4	22	(80.0)	(15)	14	26	18	44.4
Net profit (loss) for the year	(2,161)	115	NM	37	1,169	(96.8)	(488)	(173)	(181.5)	(116)	(42)	(2,728)	1,069	NM

Results by Segment (Q-o-Q)

	TrueMove H			TrueOnline			TrueVisions			Eliminations		Consolidated		
	3Q16	2Q16	% Change	3Q16	2Q16	% Change	3Q16	2Q16	% Change	3Q16	2Q16	3Q16	2Q16	% Change
(Baht in millions unless otherwise indicated)														
Revenues														
Revenues from providing services	20,039	19,505	2.7	6,805	7,217	(5.7)	3,179	3,011	5.6	(2,175)	(2,527)	27,848	27,206	2.4
- Interconnection revenue	1,344	1,272	5.7	-	-	-	-	-	-	(1)	(1)	1,343	1,270	5.7
- Network rental revenue	3,829	3,950	(3.1)	110	110	0.0	-	-	-	-	-	3,939	4,060	(3.0)
- Service Revenue	14,866	14,284	4.1	6,694	7,106	(5.8)	3,179	3,011	5.6	(2,173)	(2,526)	22,566	21,876	3.2
Revenues from product sales	2,928	3,527	(17.0)	61	23	164.0	126	38	234.5	(169)	(42)	2,946	3,546	(16.9)
Total revenues	22,967	23,032	(0.3)	6,866	7,240	(5.2)	3,304	3,049	8.4	(2,343)	(2,569)	30,794	30,752	0.1
Operating expenses														
Total cost of providing services	14,430	13,132	9.9	4,766	4,632	2.9	3,159	3,060	3.2	(952)	(1,373)	21,403	19,452	10.0
Regulatory costs	505	452	11.7	478	489	(2.3)	110	103	7.3	-	-	1,093	1,044	4.7
Interconnection cost	1,429	1,388	3.0	-	-	-	-	-	-	(1)	(2)	1,428	1,386	3.0
Cost of providing services exclude IC	9,116	9,496	(4.0)	2,599	2,553	1.8	2,415	2,347	2.9	(893)	(1,314)	13,237	13,081	1.2
Depreciation and amortization	3,380	1,797	88.1	1,689	1,590	6.2	634	610	3.8	(58)	(57)	5,645	3,941	43.2
Cost of sales	3,355	3,738	(10.3)	49	25	95.7	119	36	229.7	(212)	(42)	3,311	3,758	(11.9)
Selling and administrative expenses	6,282	5,903	6.4	1,816	1,751	3.7	485	411	18.1	(1,065)	(1,065)	7,518	7,000	7.4
Depreciation and amortization	2,134	1,758	21.4	78	58	34.5	31	18	70.6	(12)	-	2,232	1,835	21.6
Cash SG&A	4,149	4,145	0.1	1,737	1,693	2.6	454	392	15.6	(1,053)	(1,065)	5,286	5,166	2.3
Total operating expenses	24,067	22,774	5.7	6,631	6,408	3.5	3,762	3,507	7.3	(2,229)	(2,479)	32,231	30,210	6.7
EBITDA	4,414	3,813	15.8	2,003	2,480	(19.3)	207	171	21.3	(184)	(147)	6,439	6,317	1.9
Depreciation and amortization	(5,514)	(3,555)	55.1	(1,767)	(1,648)	7.2	(665)	(629)	5.8	69	57	(7,876)	(5,775)	36.4
Operating profit	(1,100)	258	NM	235	832	(71.7)	(458)	(458)	0.0	(115)	(90)	(1,437)	542	NM
Interest income	152	24	NM	55	196	(72.2)	3	1	149.1	(11)	(166)	199	56	257.4
Interest expense	(460)	(633)	(27.3)	(611)	(651)	(6.2)	(56)	(51)	8.3	11	166	(1,115)	(1,170)	(4.7)
Other financial fees	(315)	(312)	0.9	(15)	(15)	0.2	-	-	-	-	-	(330)	(327)	0.9
Financial cost related to license	(524)	(115)	355.9	-	-	-	(14)	(17)	(17.3)	-	-	(537)	(131)	308.9
Income tax (expense) revenue	97	100	(3.1)	(96)	(167)	(42.6)	93	150	(38.2)	-	-	94	83	12.9
Current tax	74	48	54.3	(22)	(62)	(64.8)	(69)	(49)	41.1	-	-	(17)	(63)	(73.5)
Deferred income tax	23	52	(56.0)	(74)	(106)	29.6	162	199	(18.7)	-	-	111	146	(24.2)
Share of results in subsidiaries and associates	-	-	-	445	425	4.9	(14)	(26)	46.4	-	-	432	399	8.2
(Income) loss attributable to non-controlling interests	(19)	(33)	42.5	(17)	12	NM	(4)	(5)	(13.3)	15	24	(26)	(3)	NM
Net income (loss) from continuing operations including share of results in associates (NIOGO)	(2,168)	(711)	(205.0)	(4)	630	NM	(449)	(405)	(10.9)	(99)	(66)	(2,721)	(552)	(392.6)
Non recurring items	(13)	294	NM	24	(107)	NM	(43)	(5)	NM	(1)	(1)	(33)	182	NM
Foreign exchange gain (loss)	(303)	(8)	NM	57	(37)	NM	(40)	(0)	NM	-	-	(285)	(45)	NM
Other (expense) income	290	302	(3.8)	(33)	(70)	52.3	(3)	(4)	29.0	(1)	(1)	253	227	11.3
Net profit (loss) to equity holders of the Company	(2,181)	(417)	NM	20	523	(96.2)	(492)	(410)	(20.0)	(101)	(67)	(2,754)	(371)	NM
Non-controlling interests	19	33	(42.5)	17	(12)	NM	4	5	(13.3)	(15)	(24)	26	3	NM
Net profit (loss) for the year	(2,161)	(384)	NM	37	512	(92.8)	(488)	(405)	(20.4)	(116)	(90)	(2,728)	(367)	NM

Normalized Revenue Profile (YTD)

(Baht in millions unless otherwise indicated)	Consolidated Revenues (Before Intersegment Eliminations)				
	9M16		9M15		% Change
	Revenue	% of revenue after eliminations	Revenue	% of revenue after eliminations	
TrueVisions	9,403		9,424		(0.2)
Service revenue	9,195		9,219		(0.3)
Product sales	207		204		1.5
Intersegment elimination	(2,107)		(2,292)		(8.1)
TrueVisions after elimination	7,296	8.1%	7,132	8.3%	2.3
TrueMove H	67,100		58,967		13.8
Service revenue	42,291		32,808		28.9
Network rental revenue & IC	14,185		15,501		(8.5)
Product sales	10,623		10,658		(0.3)
Intersegment elimination	(1,105)		(807)		37.0
TrueMove H after elimination	65,995	72.9%	58,160	67.4%	13.5
TrueOnline	21,337		25,185		(15.3)
Service revenue	20,781		20,119		3.3
- Traditional voice	3,632		3,913		(7.2)
- Broadband, Internet and Business Data Service	15,778		14,738		7.1
- Broadband Internet & business data	14,413		13,449		7.2
- Other Internet	1,364		1,288		5.9
- Others *	1,372		1,469		(6.6)
Network rental revenue (FOC)	331		258		28.6
Product sales	224		4,808		(95.3)
Intersegment elimination	(4,068)		(4,247)		(4.2)
TrueOnline after elimination	17,269	19.1%	20,937	24.3%	(17.5)
Normalized consolidated revenues	97,839		93,575		4.6
Total intersegment elimination	(7,279)		(7,345)		(0.9)
Normalized consolidated revenues - net	90,560	100.0%	86,230	100.0%	5.0

* Others such as revenue from bundled packages under TrueLife Plus

Normalized Revenue Profile (Y-o-Y)

(Baht in millions unless otherwise indicated)	Consolidated Revenues (Before Intersegment Eliminations)				
	3Q16		3Q15		% Change
	Revenue	% of revenue after eliminations	Revenue	% of revenue after eliminations	
TrueVisions	3,304		3,517		(6.0)
Service revenue	3,179		3,393		(6.3)
Product sales	126		124		1.5
Intersegment elimination	(792)		(966)		(18.1)
TrueVisions after elimination	2,513	8.2%	2,551	8.8%	(1.5)
TrueMove H	22,967		19,773		16.2
Service revenue	14,866		11,302		31.5
Network rental revenue & IC	5,173		5,544		(6.7)
Product sales	2,928		2,928		(0.0)
Intersegment elimination	(467)		(334)		40.0
TrueMove H after elimination	22,500	73.1%	19,439	66.8%	15.7
TrueOnline	6,866		8,471		(18.9)
Service revenue	6,694		6,642		0.8
- Traditional voice	1,143		1,299		(12.0)
- Broadband, Internet and Business Data Service	5,100		4,898		4.1
- Broadband Internet & business data	4,618		4,433		4.2
- Other Internet	482		465		3.7
- Others *	451		445		1.5
Network rental revenue (FOC)	110		110		0.0
Product sales	61		1,719		(96.4)
Intersegment elimination	(1,084)		(1,342)		(19.2)
TrueOnline after elimination	5,782	18.8%	7,129	24.5%	(18.9)
Normalized consolidated revenues	33,138		31,761		4.3
Total intersegment elimination	(2,343)		(2,642)		(11.3)
Normalized consolidated revenues - net	30,794	100.0%	29,119	100.0%	5.8

* Others such as revenue from bundled packages under TrueLife Plus

Normalized Revenue Profile (Q-o-Q)

(Baht in millions unless otherwise indicated)	Consolidated Revenues (Before Intersegment Eliminations)				
	3Q16		2Q16		% Change
	Revenue	% of revenue after eliminations	Revenue	% of revenue after eliminations	
TrueVisions	3,304		3,049		8.4
Service revenue	3,179		3,011		5.6
Product sales	126		38		234.5
Intersegment elimination	(792)		(734)		7.9
TrueVisions after elimination	2,513	8.2%	2,315	7.5%	8.5
TrueMove H	22,967		23,032		(0.3)
Service revenue	14,866		14,284		4.1
Network rental revenue & IC	5,173		5,221		(0.9)
Product sales	2,928		3,527		(17.0)
Intersegment elimination	(467)		(312)		49.9
TrueMove H after elimination	22,500	73.1%	22,720	73.9%	(1.0)
TrueOnline	6,866		7,240		(5.2)
Service revenue	6,694		7,106		(5.8)
- Traditional voice	1,143		1,214		(5.9)
- Broadband, Internet and Business Data Service	5,100		5,414		(5.8)
- Broadband Internet & business data	4,618		4,966		(7.0)
- Other Internet	482		448		7.6
- Others *	451		478		(5.5)
Network rental revenue (FOC)	110		110		0.0
Product sales	61		23		164.0
Intersegment elimination	(1,084)		(1,524)		(28.8)
TrueOnline after elimination	5,782	18.8%	5,717	18.6%	1.1
Normalized consolidated revenues	33,138		33,321		(0.6)
Total intersegment elimination	(2,343)		(2,569)		(8.8)
Normalized consolidated revenues - net	30,794	100.0%	30,752	100.0%	0.1

* Others such as revenue from bundled packages under TrueLife Plus

SEGMENT RESULTS

TrueMove H

- TrueMove H delivered a significant increase in overall performance driven by its key strengths of network quality and coverage as well as competitive device-bundling campaigns. Postpaid and prepaid segments continued to demonstrate remarkable growth with revenue increasing 29% and 40% YoY, respectively. This pushed cellular service revenue to grow by 32% YoY, while the other major players in the industry had a combined growth rate of only 0.6% YoY, and value market share to 24.2% in 3Q16. The business gained 1.1 million subscribers in the third quarter, representing 75% of the industry's net adds, further expanding its subscriber base to 22.6 million.
- **Cellular service revenue** increased 4.1% QoQ and 31.5% YoY to Baht 14.9 billion due to outstanding subscriber and non-voice growth.
- **Voice revenue** increased 1.5% QoQ and 17.5% YoY to Baht 5.3 billion as the business continued to gain mass postpaid and prepaid subscriber base.
- **Non-voice revenue** surged 46.3% YoY and 5.0% QoQ to Baht 8.8 billion, underpinned by higher mobile Internet usage and subscriber base capitalizing on TrueMove H's enhanced network quality and coverage as well as expanded distribution channels. Non-voice revenue accounted for 59% of TrueMove H's service revenue, up from 53% in the same period last year.
- **Revenue from international roaming and other services** was flat YoY but grew QoQ to Baht 796.6 million partly on an increase in inbound traffic.
- **Product sales** were flat YoY but decreased 17.0% QoQ to Baht 2.9 billion driven by seasonality as consumers were waiting for the new iPhone model that was launched in October with strong market response.
- **Net IC expense** decreased from the previous quarter to Baht 85.2 million due to lower off-net traffic.
- **Regulatory cost** increased to Baht 504.6 million as a result of solid service revenue growth.
- **Core operating expenses** (comprising other cost of providing services exclude IC and other S&A) decreased 2.8% QoQ following the 2G network shutdown on the 1800 MHz frequency but increased 2.6% YoY to Baht 13.3 billion due to incremental expenses related to network and personnel.
- **EBITDA** leaped 116.9% YoY and grew 15.8% QoQ to Baht 4.4 billion mainly due to significant growth of the Group's cellular service revenue. Core OPEX drop also contributed to the QoQ EBITDA gain.
- **Depreciation and amortization expenses** increased QoQ and YoY to Baht 5.5 billion due to the full quarter amortization of the 900 MHz license as well as continued network expansion for both capacity and coverage. This pressured TrueMove H's **bottom line** to a loss of Baht 2.2 billion in 3Q16.

TrueOnline

- TrueOnline remains committed to increasing Thai consumers' access to hi-speed Internet through the ongoing expansion of its broadband network now encompassing over 8.6 million homes nationwide. This, together with the continued momentum of its high-value fiber offerings particularly through convergence propositions, fueled broadband subscriber base to 2.7 million and consumer broadband revenue up 14% from the same period last year.
- **Service revenue** was flat (+0.8%) YoY at Baht 6.7 billion as broadband Internet growth offset lower contribution from the traditional voice services. A QoQ decline of 5.8% was driven by volume discount to corporate customer and the shutdown of the 2G transmission network while consumer broadband's strong growth trend continued.
- **Traditional voice revenue** decreased 5.9% QoQ and 12.0% YoY to Baht 1.1 billion following consumers' rising trend towards mobile usage.
- **Broadband Internet revenue** was Baht 4.6 billion, improving from the same period last year mainly on the solid growth of the consumer broadband segment whose revenue increased 14% YoY. Corporate Internet and business data services were pressured by accumulated impact from volume discount to corporate customers as well as the 2G network shutdown.
- The fiber broadband campaign to upgrade technology in BMA and new expansion in upcountry areas has received positive feedback while initial response to the new package launched under True Smart Choice campaign, offering 50Mbps fiber broadband with TrueVisions and TrueMove H, was very promising and more than doubled the 50Mbps broadband subscriber base. These will help drive revenue and subscriber growth.
- **Regulatory cost** was flat YoY but declined 2.3% QoQ to Baht 478 million due to lower revenue sharing related to traditional fixed-line phone service.
- **Core operating expenses** (comprising other cost of providing services and other S&A) were flat YoY at Baht 4.3 billion as incremental cost of providing services including expenses related to the fiber network and service expansion offset a drop of selling, advertising and publicity expenses following the Group's cost control implementation.
- **EBITDA** increased 6.7% YoY to Baht 2.0 billion, excluding the 2015 gain from transferring towers to DIF for a meaningful performance comparison, following service revenue growth. A QoQ EBITDA decline was driven by lower revenue.
- **Depreciation and amortization expense** increased 7.2% QoQ and 15.1% YoY to Baht 1.8 billion driven by continued expansion of the fiber broadband network.
- TrueOnline reported **Net profit to shareholders of the parent company** totaling Baht 20 million in 3Q16, declining QoQ on lower EBITDA and YoY due to the previous year's gain from towers transferred to DIF.

TrueVisions

- TrueVisions continues to provide the best viewing experience to consumers through its complete range of quality content particularly in high definition format. Excellent response to the broadcasting of English Premier League ("EPL") and other top major soccer leagues via beIN Sports channels on TrueVisions platform resulted in a record-high quarterly net addition of its paying subscribers. This, combined with continued momentum of the Group's convergence offerings, drove TrueVisions' customer base up to 3.8 million and subscription revenue to Baht 2.0 billion in the third quarter of 2016. TrueVisions will further highlight its content leadership to boost premium subscriptions while the uptake of the True Digital HD set-top box will be key for upselling potential.
- TrueVisions' **service revenue** increased 5.6% QoQ to Baht 3.2 billion on growing subscription, music entertainment and advertising revenues. A YoY decline of 6.3% was driven mainly by lower music entertainment revenue given a high base in 3Q15 with several major events held during the quarter.
- **Subscription and installation revenue** rose 3.0% QoQ and 7.3% YoY to Baht 2.0 billion following positive response to the True Super Soccer campaign with EPL broadcasting as platinum subscribers grew 20% from the previous quarter as well as continued success in the mass segment through convergence propositions.
- **Music Entertainment and other revenues** grew 10.1% QoQ to Baht 648.3 million mainly due to contribution from EXO concert while a YoY decline of 30.2% was driven by 3Q15's high base with major events including Cirque du Soleil and Liverpool tour 2015.
- **Advertising revenue** increased 10.6% QoQ but decreased 12.0% YoY to Baht 520.4 million in line with the industry trend. The True Super Soccer campaign bundling True Digital HD set-top box with TrueMove H customers has gained traction, widening TrueVisions' advertising revenue potential.
- **Core operating expense** (comprising other cost of providing services and other S&A) was Baht 2.9 billion, increasing 4.7% QoQ partly on incremental costs related to music entertainment and EPL broadcasting but decreasing 1.6% YoY driven by lower selling, advertising and publicity expenses as well as music entertainment cost.
- **EBITDA** was Baht 207.1 million, growing 21.3% QoQ but declining 44.4% YoY in the same trend as revenue.
- **Depreciation and amortization expenses** increased 5.8% QoQ and 16.1% YoY to Baht 665.0 million following TrueVisions Group's service expansion.
- TrueVisions reported **net loss to shareholders of the parent** totaling Baht 492.2 million in 3Q16. EBITDA decline and foreign exchange loss caused the lower YoY performance.

Consolidated Balance Sheet and Cash Flows

	30-Sep-16	31-Dec-15	% Change
(Baht in millions unless otherwise indicated)			
Balance Sheets			
Cash and cash equivalents	48,080	10,590	354.0
Trade accounts receivable, net	37,819	32,808	15.3
Other receivables	4,215	5,820	(27.6)
Other current assets	33,515	28,642	17.0
<i>Total current assets</i>	<i>123,629</i>	<i>77,861</i>	<i>58.8</i>
Property, plant and equipment, net	136,169	98,457	38.3
Goodwill, net	11,403	11,403	(0.0)
Intangible assets, net	138,390	69,297	99.7
Deferred income tax assets	5,702	5,663	0.7
Other non-current assets	25,803	20,163	28.0
<i>Total non-current assets</i>	<i>317,468</i>	<i>204,984</i>	<i>54.9</i>
Total assets	441,096	282,844	56.0
Short-term borrowings	42,458	29,927	41.9
Trade accounts payable	62,294	40,620	53.4
Other payables	24,894	25,246	(1.4)
Current portion of long-term borrowings	31,574	12,603	150.5
Other current liabilities	5,165	3,405	51.7
<i>Total current liabilities</i>	<i>166,384</i>	<i>111,801</i>	<i>48.8</i>
Long-term borrowings	36,866	55,522	(33.6)
Deferred income tax liabilities	1,830	2,075	(11.8)
Liabilities under agreements and licenses for operations	85,892	20,648	316.0
Employee benefit obligations	1,495	1,369	9.2
Other non-current liabilities	14,769	16,224	(9.0)
<i>Total non-current liabilities</i>	<i>140,852</i>	<i>95,837</i>	<i>47.0</i>
Total liabilities	307,236	207,638	48.0
Total shareholder's equity	133,860	75,207	78.0
Total liabilities and shareholder's equity	441,096	282,844	56.0

	30-Sep-16	30-Sep-15 (Restated)	% Change
Cash Flows			
Cash flows from operating activities	1,851	8,139	-77
Cash flows (used in) from investing activities	(34,654)	(18,869)	84
- Cash Capex (incl. license fee payment)	(35,148)	(21,629)	63
Cash flows (used in) from financing activities	70,328	15,223	362
Net (decrease) increase in cash and cash equivalents	37,525	4,493	NM
Beginning cash balance and effects of exchange rate changes	10,555	6,683	58
Ending cash balance	48,080	11,176	330

FINANCIAL POSITION

True Group's capital structure remained healthy with net debt to equity and net debt to EBITDA ratio of 0.4 time and 2.3 times, respectively. Its gross profit margin excluding the 2015 gain from transferring towers to DIF softened to 19.7% compared to 22.5% in 3Q15 and 24.5% in 2Q16 on spectrum license amortization and ongoing expansion of the Group's 4G and fiber networks.

Assets

- **True Group's assets** increased 56.0% from the end of 2015 to Baht 441.1 billion due to higher intangible assets, cash and property, plant and equipment.
- **Intangible assets (net)** increased to Baht 138.4 billion from Baht 69.3 billion at the end of 2015 primarily due to the 900 MHz license acquisition.
- **Property, plant and equipment (net)** increased 38.3% from the end of 2015 to Baht 136.2 billion driven by continued network and service expansion particularly at the Group's cellular business.
- **Investment in subsidiaries, associates and joint ventures (net)** expanded 20.3% from the end of 2015 to Baht 18.0 billion due mainly to DIF's incremental investment value following its asset reappraisal in the first quarter of this year.
- **Trade accounts receivable (net)** grew from Baht 32.8 billion at the end of 2015 to Baht 37.8 billion as the Group's businesses continued to expand.

	Consolidated		Company	
	30 September 2016 Baht Million	31 December 2015 Baht Million	30 September 2016 Baht Million	31 December 2015 Baht Million
Receivable from TOT	686.21	688.96	686.21	688.96
Billed customers	21,025.78	17,840.74	2,030.38	2,212.60
Receivable from related parties (Note 28)	13,084.02	8,805.07	5,070.33	2,704.74
Trade accounts receivable	34,796.01	27,334.77	7,786.92	5,606.30
Accrued income	11,364.41	13,031.44	2,128.54	2,042.13
Total trade accounts receivable	46,160.42	40,366.21	9,915.46	7,648.43
<u>Less</u> Allowance for doubtful accounts	<u>(8,341.86)</u>	<u>(7,558.06)</u>	<u>(3,073.19)</u>	<u>(3,067.99)</u>
Trade accounts receivable, net	37,818.56	32,808.15	6,842.27	4,580.44

Outstanding trade accounts receivable as at 30 September 2016 and 31 December 2015 can be analyzed below:

	Consolidated		Company	
	30 September 2016 Baht Million	31 December 2015 Baht Million	30 September 2016 Baht Million	31 December 2015 Baht Million
Current	13,945.91	10,420.93	1,079.18	1,122.48
Less than 3 months	6,425.26	6,225.85	1,055.04	920.43
3 - 6 months	4,000.03	1,904.95	814.51	791.22
6 - 12 months	3,922.59	3,234.22	2,759.82	657.43
More than 12 months	6,502.22	5,548.82	2,078.37	2,114.74

Trade accounts receivable	34,796.01	27,334.77	7,786.92	5,606.30
Accrued income	<u>11,364.41</u>	<u>13,031.44</u>	<u>2,128.54</u>	<u>2,042.13</u>
Total trade accounts receivable	46,160.42	40,366.21	9,915.46	7,648.43
<u>Less</u> Allowance for doubtful accounts	<u>(8,341.86)</u>	<u>(7,558.06)</u>	<u>(3,073.19)</u>	<u>(3,067.99)</u>
Trade accounts receivable, net	<u>37,818.56</u>	<u>32,808.15</u>	<u>6,842.27</u>	<u>4,580.44</u>

Trade accounts receivable are carried at the original invoice amount and subsequently measured at the remaining amount less any allowance for doubtful receivables based on a review of all outstanding amounts at the year-end. The amount of the allowance is the difference between the carrying amount of the receivable and the amount expected to be collectible. Bad debts are written-off during the year in which they are identified and recognized in profit or loss under administrative expenses.

The allowance for doubtful accounts is determined through a combination of percentage of revenues, analysis of debt aging, collection experience, and taking into account of change in the current economic environment. Management is confident that the allowance for doubtful accounts (Baht 8.3 billion) is sufficient given the Company's experience in collecting accounts receivables using various mechanisms.

Concentrations of credit risk with respect to trade accounts receivable are limited as the Group has a very large number of customers who are end users of telephone services, both businesses and individuals. The Group's experience in the collection of accounts indicates that the allowance provided will be sufficient. Due to these factors, management believes that no additional credit risk beyond amounts provided for collection losses is inherent in the Group's trade accounts receivable.

Liabilities

- **True Group's total liabilities** rose 48.0% from the end of 2015 to Baht 307.2 billion mainly due to **liabilities under agreements and licenses for operations** which increased to Baht 85.9 billion following the 900 MHz license acquisition.
- **Interest bearing debt** (short-term and long-term borrowings excluding financial leases) increased from the end of 2015 to Baht 104.7 billion due to additional borrowings for working capital requirements and the 900 MHz license payment. The debt repayment in 3Q16, using proceeds from the capital increase, resulted in 14-percent decline of interest bearing debt compared to the previous quarter.
- **Trade accounts payable** increased from the end of 2015 to Baht 62.3 billion driven by the Group's business expansion with attractive vendor financing terms.

Shareholders' equity

- **Shareholders' equity** grew from Baht 75.2 billion at the end of 2015 to Baht 133.9 billion due mainly to True's capital increase in June 2016.

Cash Flow

- True Group's primary capital resources in 9M16 were **cash flows from financing activities**, totaling Baht 70.3 billion, which increased significantly from the same period last year due to the capital increase in June. This drove ending cash balance to Baht 48.1 billion.

- **Cash flows from operating activities** was Baht 1.9 billion in 9M16, declining from a high base in the previous year with the Baht 12-billion advance receipt related to additional FOC assets divestment to DIF; excluding this, operating cash flow increased YoY.
- **Cash flows used in investing activities** in 9M16 increased YoY to Baht 34.7 billion due mainly to cash capex related to nationwide network rollout of the Group's 4G and fiber services as well as the 900 MHz license payment.

Key accounting changes

Accounting policy for initial recognition of cost of licenses

To comply with TAS 38: Intangible assets, the Group has revisited the accounting treatment regarding the initial recognition of the licenses 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 recognized as finance costs over the payment period. Cost of licenses at present value will be amortized over the licenses period.

The Group has made retrospective adjustment to reflect these changes. The effect of these changes had already reflected in the financial statements for the year ended 31 December 2015. For comparison purpose, the comprehensive income for the three-month and nine-month periods ended 30 September 2015 were retrospectively adjusted, of which the effect is as follows:

Statement of comprehensive income

	Consolidated		
	As previously reported Baht Million	Adjustments Baht Million	As restated Baht Million
For the three-month period ended 30 September 2015			
Cost of providing services	18,036.06	(9.94)	18,026.12
Finance cost	797.16	34.47	831.63
Income tax expense	245.41	(5.27)	240.14
Total comprehensive income for the period	1,087.86	(19.25)	1,068.61
Profit attributable to:			
Owners of the parent	1,070.05	(19.25)	1,050.80
Basic earnings per share (Baht per share)	0.04	-	0.04

	Consolidated		
	As previously reported Baht Million	Adjustments Baht Million	As restated Baht Million
For the nine-month period ended 30 September 2015			
Cost of providing services	51,552.59	(29.51)	51,523.08
Finance cost	2,173.78	107.61	2,281.39
Income tax expense	42.11	(15.25)	26.86
Total comprehensive income for the period	4,099.78	62.85	4,036.93
Profit attributable to:			
Shareholders of the parent	4,076.49	62.85	4,013.64
Basic earnings per share (Baht per share)	0.17	0.01	0.16

Contracts, litigations and Arbitration disputes and contingent liabilities

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. Under the terms and conditions of the agreement, CAT will wholesale to RMV for re-selling the mobile phone services using HSPA technology 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 phone services and internet services. RMV is entitled to maintain rights and has obligations according to The Telecommunication Act B.E. 2544 under the terms and conditions as stipulated in the licences, and has obligations 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.

During 2015 to September 2016, the Group and CAT have agreed to settle certain portion of rental and services revenue in BFKT and accrued operating costs in RMV for transactions incurred during July 2011 to July 2016.

Currently, both 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.

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 nine-month period ended 30 September 2016 are summarized 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 equipment 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 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 of Baht 2,596.51 million for additional revenue sharing for the 17th year of operation from an inappropriate calculation of revenue sharing. The case is currently under the Arbitration process.

On 31 March 2016, NBTC filed a lawsuit against a subsidiary claiming of Baht 878.38 million for mobile numbering fees and additional numbering fees for the service period from March 2014 to December 2015, the period in which a resolution of the NBTC regarding to i) The consumer protection measures in the event of termination of concession or contract cell phone provider 2013, and ii) The consumer protection measures in the event of termination of concession or contract cell phone provider by the orders of the National Council for Peace and Order (NCPO) No. 94/2557 was in effect. Currently, the case is under the consideration of Central Administrative Court and the subsidiary is under the process of submitting the clarification statement.

On 7 April 2016, CAT filed a lawsuit against a subsidiary claiming of Baht 22,972.07 million for domestic roaming used by the subsidiary during 27 April 2011 to 15 November 2015. Currently, the case is under the consideration of Central Administrative Court and the subsidiary is under the process of submitting the clarification statement.

On 28 April 2016, CAT filed a lawsuit against a subsidiary claiming for Universal Service Obligation fees ("USO") that CAT had prepaid to the NBTC under the Universal Service Obligation regulation announced by NTC. The claimed amount of USO fee for the period from 3 August 2005 to 30 June 2013 is amounting to Baht 501.34 million (interest at 7.5 percent per annum from the default date, 16 August 2014, to the filing date included). In addition, CAT also claimed for CDMA service charges amounting to Baht 509.38 million (interest at 7.5 percent per annum from the default date to the filing date included) for the period from January 2012 to 26 April 2013, and the marketing fee amounting to Baht 2.66 million (VAT and interest included). Total claim amount is Baht 1,013.38 million. Currently, the case is under the consideration of Central Administrative Court and the subsidiary is under the process of submitting the clarification statement.

On 28 July 2016, the Company made additional arbitration claim against TOT amounting to Baht 402.56 million for revenue sharing of international call. As a result, total claim under this matter is amounting to Baht 8,810.24 million. The case is currently under the arbitration process.

On 27 May 2016, CAT filed a lawsuit against a subsidiary claiming of Baht 2,206.04 million for ineligible uses of telecommunication equipment that were transferred to CAT after an expiration of concession. The claimed period from 18 July 2015 to 3 December 2015 was the period that NBTC required the subsidiary to act as a caretaker to continue providing mobile service and extended period announced by National Council for Peace and Order ("NCPO"). The case is currently under the Central Administrative Court.

On 11 August 2016, CAT filed an arbitration against a subsidiary demanding the subsidiary to remove the third party's telecommunications equipment installed or connected to the assets under the agreement for operation between CAT and the subsidiary. Otherwise, the subsidiary has to compensate for the use of those assets amounting to Baht 417.66 million. 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.

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.