

# Risk Management

The environment of telecommunication has shifted from the Concession Era to the license system and free•trade competition since 2006, consequently, the competition more severe in all services relating basic telecommunication, mobile phone, data communication and internet which are the major business of CAT TELECOM Public Company Limited (CAT) and causing the market share and minimizing. In the price addition, the government also had the policy on the restructure of business operation to avoid the overlapping investment the business of TOT Public Company Limited by merging business and classifying the business to form new company. Therefore, the year of 2016 was the challenging year for the Company and finally we had implemented the risk management on risks with significant impact as follows:

## 1. Compliance Risk

In accordance with the law, rules and regulations under governing agencies, in order to enable all projects which owned by organizations beneath the control of the Company to be transparent with Good Corporate Governance, it is expected that the approval of the joint investment with DTAC which is currently at the consideration stage by the Ministry of Digital Economy and Society who will propose it to the Cabinet's meeting may be postponed, it is another factor out of control. However, the Company has coordinated with the government agencies and closely followed up the progress further.

## 2. Financial Risk

The telecommunication market in nowadays, the customers in the Mass Market and Niche Market have more choices and selections to use the services from many telecommunication service providers. Causing the risk on the income of broadband internet service including domestic and international data communication services. The Company searched for the solution by improving the working processes to be proactive and controlling the duration of equipment installation based on standard in order to achieve the customers' satisfactions. Furthermore, the use of wireless communication network is improved of effectiveness to maximize the number of MVNO wholesale customers and the quality of mobile phone service is also developed to be compliance with the needs of customers in order to raise the income from 'my' service. However, there was also the risk of the outstanding debt collection from True Group of Companies, in case the Company was unable to achieve the target of debt collection, the debt would be continually accumulated, affecting the Company's liquidity. Hence, the Company's executives were trying to negotiate with True Group of Companies to tune the same understanding and the negotiation presented its result in the good direction, leading the Company's 2016 Business Performance turning to be positive.

