

Auditor's Report

To the Shareholders of CAT Telecom Public Company Limited

The Office of the Auditor General has audited the accompanying financial statements in which the equity method is applied and the Company only of CAT Telecom Public Company Limited, which comprise the statements of financial position in which the equity method is applied and the Company only as at December 31, 2013, and the related statements of income, comprehensive income, changes in shareholders' equity and cash flows in which the equity method is applied and the Company only for the year then ended, and a summary of significant accounting policies and other notes.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Thai Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

The Office of the Auditor General's responsibility is to express an opinion on these financial statements based on the Office of the Auditor General's audit. The Office of the Auditor General conducted audit in accordance with Thai Standards on Auditing. Those standards require that the Office of the Auditor General comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

The Office of the Auditor General believes that the audit evidence the Office of the Auditor General has obtained is sufficient and appropriate to provide a basis for the Office of the Auditor General's audit opinion.

Basis for Qualified Opinion

According to Note 50 to the financial statements, the Company has leased the fibre optic cable network (FTTx) together with equipment to provide the FTTx service to 11 provinces in regional areas. The Company, however, has not recognised the rental expenses because the agreements were not approved in accordance with the law governing budgeting. The rentals are in Hemaraj Eastern Seaboard Industrial Estates and Eastern Seaboard Industrial Estate (Rayong) and Pattaya (Fiber- To-The Home), the first place to hold His Majesty the King's birthday

celebration on December 5, 2009. The rent for Hemaraj Eastern Seaboard Industrial Estates and Eastern Seaboard Industrial Estate (Rayong) from the network receipt date to December 31, 2012 was Baht 204.30 million and from January 1, 2013 to February 7, 2013, the contract termination date by the lessor, was Baht 16.65 million, totalling Baht 220.95 million. The rent for Pattaya (Fiber- To-The Home) from the network receipt date to December 31, 2012 was Baht 248.58 million and from January 1, 2013 to August 31, 2013, the contract termination date by the lessor, was Baht 142.04 million, totalling Baht 390.62 million. The total rentals were Baht 611.57 million. If the Company had recognised these expenses, opening balance of retained earnings and net profit for the year ended December 31, 2013 would have decreased by Baht 452.88 million and Baht 158.69 million, respectively. Earnings per share for the year ended December 31, 2013 also would have decreased by Baht 0.16 per share. Furthermore, current liabilities would have been understated by Baht 611.57 million and shareholder's equity would have been overstated by the same amount.

Qualified Opinion

In the Office of the Auditor General's opinion, except for the effects of the matters described in the Basis for Qualified Opinion, the financial statements in which the equity method is applied and the Company's financial statements only referred to above present fairly, in all material respects, the financial position of CAT Telecom Public Company Limited as at December 31, 2013, and its results of operations and its cash flows for the year then ended in accordance with Thai Financial Reporting Standards.

Emphasis of Matters

The Office of the Auditor General draws attention to the note 43 (a) and 43 (e) that are relating to uncertainty of access charge under concession agreements and pending litigations. However, the Office of the Auditor General does not qualify these matters in forming the opinion.

The Office of the Auditor General

March 24, 2014



(signed) Mrs. Pattra Showsri
Mrs. Pattra Showsri
Director of Financial Audit Office No. 6



(signed) Mr. Prawit Tantrajin
Mr. Prawit Tantrajin
Division Director

CAT Telecom Public Company Limited

Statements of Financial Position

As at December 31, 2013

Unit: Baht

	Notes	Financial statements in which equity method is applied			Separate financial statements		
		'Dec 31, 2013	Dec 31, 2012 (Restated)	Jan 1, 2012 (Restated)	'Dec 31, 2013	Dec 31, 2012 (Restated)	Jan 1, 2012 (Restated)
Assets							
Current assets							
Cash and cash equivalents	7	7,160,278,983	4,890,886,697	3,563,609,019	7,160,278,983	4,890,886,697	3,563,609,019
Short-term investments	8	55,894,356,088	54,355,044,375	45,123,084,046	55,894,356,088	54,355,044,375	45,123,084,046
Trade and other receivables	9	31,808,594,480	15,238,241,555	5,324,017,072	31,808,594,480	15,238,241,555	5,324,017,072
Concession receivable	10	3,883,371,641	6,798,490,907	7,711,189,926	3,883,371,641	6,798,490,907	7,711,189,926
Accrued income	11	9,381,311,549	3,265,938,028	1,449,199,789	9,381,311,549	3,265,938,028	1,449,199,789
Inventories and supplies	12	429,730,341	335,624,818	342,943,606	429,730,341	335,624,818	342,943,606
Other current assets	13	4,766,391,968	3,054,168,781	2,017,726,955	4,766,391,968	3,054,168,781	2,017,726,955
Total current assets		113,324,035,050	87,938,395,161	65,531,770,413	113,324,035,050	87,938,395,161	65,531,770,413
Non-current assets							
Restricted short-term investment	14	2,020,000,000	2,020,000,000	2,020,000,000	2,020,000,000	2,020,000,000	2,020,000,000
Investments in associates	16	69,298,037	85,230,974	122,057,530	6,400,000	6,400,000	6,400,000
Investments in joint ventures	17	526,789,532	572,565,917	559,875,026	40,666,459	41,401,677	42,079,448
Other long-term investments	18	3,002,490,000	3,486,745,000	3,424,390,000	3,002,490,000	3,486,745,000	3,424,390,000
Investment property	19	37,509,350	37,509,350	37,509,350	37,509,350	37,509,350	37,509,350
Property, plant and equipment	20	33,299,112,107	26,137,746,052	22,116,942,104	33,299,112,107	26,137,746,052	22,116,942,104
Assets under concession agreements	21	19,311,026,097	30,348,263,466	22,589,488,907	19,311,026,097	30,348,263,466	22,589,488,907
Intangible assets	22	729,986,914	780,694,035	626,096,002	729,986,914	780,694,035	626,096,002
Deferred tax assets	30	3,544,046,156	1,233,586,156	1,546,993,861	3,543,558,208	1,232,928,632	1,546,401,287
Other non-current assets	23	487,292,340	865,184,514	1,555,654,116	487,292,340	865,184,514	1,555,654,116
Total non-current assets		63,027,550,533	65,567,525,464	54,599,006,896	62,478,041,475	64,956,872,726	53,964,961,214
Total assets		176,351,585,583	153,505,920,625	120,130,777,309	175,802,076,525	152,895,267,887	119,496,731,627

The accompany notes are an integral part of these financial statements.

CAT Telecom Public Company Limited

Statements of Financial Position

As at December 31, 2013

Unit: Baht

	Notes	Financial statements in which equity method is applied			Separate financial statements		
		'Dec 31, 2013	Dec 31, 2012 (Restated)	Jan 1, 2012 (Restated)	'Dec 31, 2013	Dec 31, 2012 (Restated)	Jan 1, 2012 (Restated)
Liabilities and shareholders' equity							
Current liabilities							
Trade and other payables	24	4,458,572,121	3,111,777,192	1,507,417,664	4,458,572,121	3,111,777,192	1,507,417,664
Current portion of deferred income	25	6,563,110,859	11,879,463,469	8,953,440,686	6,563,110,859	11,879,463,469	8,953,440,686
Value Added Tax payable		1,604,617,388	1,741,969,683	1,464,829,133	1,604,617,388	1,741,969,683	1,464,829,133
Accrued income tax		2,024,509,966	736,234,112	1,762,727,622	2,024,509,966	736,234,112	1,762,727,622
Accrued expenses	26	55,955,465,203	36,303,508,658	22,285,354,692	55,955,465,203	36,303,508,658	22,285,354,692
Accrued dividend		8,000,000,000	-	-	8,000,000,000	-	-
Advance received	27	34,373,090,291	28,355,267,768	21,824,500,403	34,373,090,291	28,355,267,768	21,824,500,403
Other current liabilities	28	3,936,204,831	2,408,365,370	1,513,011,488	3,936,204,831	2,408,365,370	1,513,011,488
Total current liabilities		116,915,570,659	84,536,586,252	59,311,281,688	116,915,570,659	84,536,586,252	59,311,281,688
Non-current liabilities							
Deferred income	25	12,872,907,240	15,040,678,455	12,580,939,146	12,872,907,240	15,040,678,455	12,580,939,146
Deferred tax liabilities	30	93,461,831	246,078,876	317,366,172	87,172,028	238,195,778	305,800,419
Pension fund payable	29	129,991,794	127,747,635	120,728,099	129,991,794	127,747,635	120,728,099
Employee benefit obligations	31	3,024,456,537	3,454,562,028	3,356,335,526	3,024,456,537	3,454,562,028	3,356,335,526
Provisions for employee benefits arising from the corporatization	32	975,063,146	975,063,146	975,063,146	975,063,146	975,063,146	975,063,146
Other non-current liabilities	33	543,888,847	383,047,939	363,516,461	543,888,847	383,047,939	363,516,461
Total non-current liabilities		17,639,769,395	20,227,178,079	17,713,948,550	17,633,479,592	20,219,294,981	17,702,382,797
Total liabilities		134,555,340,054	104,763,764,331	77,025,230,238	134,549,050,251	104,755,881,233	77,013,664,485

The accompany notes are an integral part of these financial statements.

CAT Telecom Public Company Limited
Statements of Financial Position
As at December 31, 2013

Unit: Baht

	Notes	Financial statements in which equity method is applied			Separate financial statements		
		'Dec 31, 2013	Dec 31, 2012 (Restated)	Jan 1, 2012 (Restated)	'Dec 31, 2013	Dec 31, 2012 (Restated)	Jan 1, 2012 (Restated)
Liabilities and shareholders' equity (Cont'd)							
Shareholders' equity							
Share capital							
Authorised share capital							
1,000,000,000 ordinary shares of Baht 10 each		10,000,000,000	10,000,000,000	10,000,000,000	10,000,000,000	10,000,000,000	10,000,000,000
Issued and paid-up share capital							
1,000,000,000 ordinary shares of Baht 10 each		10,000,000,000	10,000,000,000	10,000,000,000	10,000,000,000	10,000,000,000	10,000,000,000
Retained earnings							
Appropriated - legal reserved	35	1,000,000,000	1,000,000,000	1,000,000,000	1,000,000,000	1,000,000,000	1,000,000,000
Unappropriated		30,079,576,058	37,358,352,317	31,860,761,968	29,559,881,007	36,765,792,951	31,235,432,733
Other components of equity	34	716,669,471	383,803,977	244,785,103	693,145,267	373,593,703	247,634,409
Total shareholders' equity		41,796,245,529	48,742,156,294	43,105,547,071	41,253,026,274	48,139,386,654	42,483,067,142
Total liabilities and shareholders' equity		176,351,585,583	153,505,920,625	120,130,777,309	175,802,076,525	152,895,267,887	119,496,731,627

The accompanying notes are an integral part of these financial statements.



Mr. Kraisorn Barameeauychai

Chairman

CAT Telecom Public Company Limited



Mr. Kitisak Sriprasert

President

CAT Telecom Public Company Limited

CAT Telecom Public Company Limited
Statements of Income
For the year ended December 31, 2013

Unit: Baht

	Notes	Financial statements in which equity method is applied		Separate financial statements	
		2013	2012 (Restated)	2013	2012 (Restated)
Revenues					
Service income	36	35,094,669,292	24,283,923,780	35,094,669,292	24,283,923,780
Sales of goods		26,236,941	59,578,467	26,236,941	59,578,467
Revenue from concession agreements	37	17,739,897,884	20,726,711,099	17,739,897,884	20,726,711,099
Amortisation of deferred income from concession agreements	25	20,984,637,173	11,743,717,189	20,984,637,173	11,743,717,189
Gain on exchange rates		40,939,409	-	40,939,409	-
Other income	38	1,960,116,410	1,724,742,137	2,134,255,084	1,784,997,137
Total revenues		75,846,497,109	58,538,672,672	76,020,635,783	58,598,927,672
Expenses					
Cost of services		35,859,097,995	27,198,736,785	35,859,097,995	27,198,736,785
Cost of goods sold		44,570,654	51,108,625	44,570,654	51,108,625
Depreciation - assets under concession agreements	21	9,281,860,404	9,275,312,710	9,281,860,404	9,275,312,710
Selling expenses		1,887,517,350	1,691,688,104	1,887,517,350	1,691,688,104
Administrative expenses		3,613,825,596	3,585,628,393	3,613,825,596	3,585,628,393
Loss on impairment of assets	20-23	11,844,764,232	127,413,281	11,844,764,232	127,413,281
Loss on exchange rates		-	46,021,035	-	46,021,035
Other expenses	40	190,195,072	22,136,716	190,930,290	22,814,487
Finance costs		23,267,668	17,923,650	23,267,668	17,923,650
Total expenses		62,745,098,971	42,015,969,299	62,745,834,189	42,016,647,070
Operating profit		13,101,398,138	16,522,703,373	13,274,801,594	16,582,280,602
Shares of profit from investments in associates and joint ventures	16-17	99,115,423	23,059,755	-	-
Profit before income tax	30	13,200,513,561	16,545,763,128	13,274,801,594	16,582,280,602
Income tax		2,002,700,845	3,847,445,991	2,004,124,563	3,851,193,596
Net profit for the year		11,197,812,716	12,698,317,137	11,270,677,031	12,731,087,006
Earnings per share					
Basic earnings per share	41	11.20	12.70	11.27	12.73

The accompany notes are an integral part of these financial statements.

CAT Telecom Public Company Limited

Statements of Comprehensive Income For the year ended December 31, 2013

Unit: Baht

	Notes	Financial statements in which equity method is applied		Separate financial statements	
		2013	2012 (Restated)	2013	2012 (Restated)
Net profit for the year		11,197,812,716	12,698,317,137	11,270,677,031	12,731,087,006
Other comprehensive income:					
Unrealised gain on changes in fair value					
of available-for-sale investments	30	(48,666,684)	150,250,294	(48,666,684)	150,250,294
Cumulative foreign currency					
translation adjustment	30	13,313,930	13,059,580	-	-
Actuarial gains (losses)	30	477,180,565	-	477,180,565	-
Income tax relating to components of					
other comprehensive income	30	(108,962,317)	(24,291,000)	(108,962,317)	(24,291,000)
Other comprehensive income for					
the year - net of tax		332,865,494	139,018,874	319,551,564	125,959,294
Total comprehensive income for the year		11,530,678,210	12,837,336,011	11,590,228,595	12,857,046,300

The accompany notes are an integral part of these financial statements.

CAT Telecom Public Company Limited

Statements of Changes in Shareholders' Equity

For the year ended December 31, 2013

Financial statements in which equity
method is applied
Unit: Baht
(Restated)

	Notes	Other components of equity										
		Retained earnings			Other comprehensive income						Total other components of equity	Total equity
		Issued and paid-up share capital	Appropriated legal reserve	Unappropriated retained earnings	Unrealised gain on changes in fair value of available-for-sale investments	Unrealised gain on dilution of investments in associates	Cumulative foreign currency translation adjustment	Actuarial gains (losses)	Income tax relating to components of other comprehensive income			
Opening balance as at 1 January 2013 - as previously reported		1,000,000,000	1,000,000,000	35,008,075,407	437,917,703	1,162,690	8,752,864	-	-	447,833,257	46,455,908,664	
Impact of accounting adjustments	3	-	-	1,051,536,560	-	-	-	-	(64,029,280)	(64,029,280)	987,507,280	
Retrospective adjustment from error	4	-	-	1,298,740,350	-	-	-	-	-	-	1,298,740,350	
Opening balance as at 1 January 2013 - as restated		1,000,000,000	1,000,000,000	37,358,352,317	437,917,703	1,162,690	8,752,864	-	(64,029,280)	383,803,977	48,742,156,294	
Comprehensive income for the year		-	-	11,197,812,716	(48,666,684)	-	13,313,930	477,180,565	(108,962,317)	332,865,494	11,530,678,210	
Dividends paid	46	-	-	(18,476,588,975)	-	-	-	-	-	-	(18,476,588,975)	
Closing balance as at December 31, 2013		1,000,000,000	1,000,000,000	30,079,576,058	389,251,019	1,162,690	22,066,794	477,180,565	(172,991,597)	716,669,471	41,796,245,529	
Opening balance as at 1 January 2012		1,000,000,000	1,000,000,000	29,955,285,371	287,667,409	1,162,690	(4,306,716)	-	-	284,523,383	41,239,808,754	
Impact of accounting adjustments	3	-	-	1,269,365,969	-	-	-	-	(39,738,280)	(39,738,280)	1,229,627,689	
Retrospective adjustment from error	4	-	-	636,110,628	-	-	-	-	-	-	636,110,628	
Opening balance as at 1 January 2012 - as restated		1,000,000,000	1,000,000,000	31,860,761,968	287,667,409	1,162,690	(4,306,716)	-	(39,738,280)	244,785,103	43,105,547,071	
Comprehensive income for the year - as restated		-	-	12,698,317,137	150,250,294	-	13,059,580	-	(24,291,000)	139,018,874	12,837,336,011	
Dividends paid	46	-	-	(7,200,726,788)	-	-	-	-	-	-	(7,200,726,788)	
Closing balance as at December 31, 2012		1,000,000,000	1,000,000,000	37,358,352,317	437,917,703	1,162,690	8,752,864	-	(64,029,280)	383,803,977	48,742,156,294	

The accompanying notes are an integral part of these financial statements.

CAT Telecom Public Company Limited
Statements of Changes in Shareholders' Equity
For the year ended December 31, 2013

 Separate financial statements
 Unit: Baht
 (Restated)

	Notes	Retained earnings			Other components of equity				Total equity
		Issued and paid-up share capital	Appropriated legal reserve	Unappropriated retained earnings	Other comprehensive income			Total other component of equity	
					Unrealised gain on changes in fair value of available-for-sale investments	Actuarial gains (losses)	Income tax relating to components of other comprehensive income		
Opening balance as at 1 January 2013 - as previously reported		10,000,000,000	1,000,000,000	34,407,995,747	437,917,703	-	-	437,917,703	45,845,913,450
Impact of accounting adjustments	3	-	-	1,059,056,854	-	-	(64,324,000)	(64,324,000)	994,732,854
Retrospective adjustment from error	4	-	-	1,298,740,350	-	-	-	-	1,298,740,350
Opening balance as at 1 January 2013 - as restated		10,000,000,000	1,000,000,000	36,765,792,951	437,917,703	477,180,565	(64,324,000)	373,593,703	48,139,386,654
Comprehensive income for the year		-	-	11,270,677,031	(48,666,684)	-	(108,962,317)	319,551,564	11,590,228,595
Dividends paid	46	-	-	(18,476,588,975)	-	477,180,565	-	-	(18,476,588,975)
Closing balance as at December 31, 2013		10,000,000,000	1,000,000,000	29,559,881,007	389,251,019	-	(173,286,317)	693,145,267	41,253,026,274
Opening balance as at 1 January 2012		10,000,000,000	1,000,000,000	29,318,688,237	287,667,409	-	-	287,667,409	40,606,355,646
Impact of accounting adjustments	3	-	-	1,280,633,868	-	-	(40,033,000)	(40,033,000)	1,240,600,868
Retrospective adjustment from error	4	-	-	636,110,628	-	-	-	-	636,110,628
Opening balance as at 1 January 2012 - as restated		10,000,000,000	1,000,000,000	31,235,432,733	287,667,409	-	(40,033,000)	247,634,409	42,483,067,142
Comprehensive income for the year - as restated		-	-	12,731,087,006	150,250,294	-	(24,291,000)	125,959,294	12,857,046,300
Dividends paid	46	-	-	(7,200,726,788)	-	-	-	-	(7,200,726,788)
Closing balance as at December 31, 2012		10,000,000,000	1,000,000,000	36,765,792,951	437,917,703	-	(64,324,000)	373,593,703	48,139,386,654

The accompany notes are an integral part of these financial statements.

CAT Telecom Public Company Limited
Statements of Cash Flows
For the year ended December 31, 2013

Unit: Baht

	Notes	Financial statements in which equity method is applied		Separate financial statements	
		2013	2012 (Restated)	2013	2012 (Restated)
Cash flows from operating activities:					
Profit before income tax		13,200,513,561	16,545,763,128	13,274,801,594	16,582,280,602
Reconciliation of profit before income tax to cash flows from operating activities					
Depreciation of property, plant and equipment	20	7,225,561,933	5,574,630,077	7,225,561,933	5,574,630,077
Transfer of assets to expenses		245,575,471	-	245,575,471	-
Depreciation of assets under concession agreements	21	9,281,860,404	9,275,312,710	9,281,860,404	9,275,312,710
Amortisation of intangible assets	22	270,536,292	220,006,331	270,536,292	220,006,331
Amortisation of prepaid land leases and submarine cable expenses		993,880,632	209,208,580	993,880,632	209,208,580
Amortisation of deferred income		(21,027,050,008)	(11,784,222,756)	(21,027,050,008)	(11,784,222,756)
(Gain) Loss on disposal of property, plant and equipment		6,445,190	(4,204,495)	6,445,190	(4,204,495)
(Gain) Loss on disposal of assets under concession agreements		(6,494,074)	1,296,530	(6,494,074)	1,296,530
(Gain) Loss on disposal of intangible assets		14,110	(9)	14,110	(9)
(Reversal) Loss on impairment of property, plant and equipment	20	455,742,444	(5,763)	455,742,444	(5,763)
Loss on impairment of assets under concession agreements	21	10,918,210,421	127,419,048	10,918,210,421	127,419,048
(Reversal) Loss on impairment of intangible assets	22	2,926,476	(4)	2,926,476	(4)
Interest income from investments		(1,490,382,933)	(1,350,169,536)	(1,490,382,933)	(1,350,169,536)
Dividends income from investments in associates		-	-	(60,150,000)	(60,255,000)
Dividends income from investments in joint ventures		-	-	(113,988,675)	-
Dividends income from other long-term investments		(87,272,298)	(15,686,750)	(87,272,298)	(15,686,750)
Gain on disposal of short-term investments		(236,116,447)	(188,637,709)	(236,116,447)	(188,637,709)
Unrealised gain on trading investments - private funds		(23,399,445)	-	(23,399,445)	-
Adjustment of investment value		(75,844,908)	-	(75,844,908)	-
Shares of loss from investments in associates	16	(44,217,064)	(23,428,444)	-	-
Shares of profit (loss) from investments in joint ventures	17	(54,898,359)	368,689	-	-
Loss on impairment of investments in joint ventures		-	-	735,219	677,771
Gain on exchange rates		7,360,196	62,298,301	7,360,196	62,298,301
Loss on damaged, obsolete and unused supplies		1,307,919	-	1,307,919	-
Loss on written off telecommunication cards		-	262,154	-	262,154
Acturial gains	40	(154,678,055)	-	(154,678,055)	-
(Reversal) Allowance for obsolete inventories		16,141,000	(1,911,979)	16,141,000	(1,911,979)
Doubtful accounts and bad debts		68,087,469	147,690,381	68,087,469	147,690,381
Interest expense		23,166,956	17,907,713	23,166,956	17,907,713
Others		(7)	(1,585,099)	(7)	(1,585,099)
Operating profit before changes in operating assets and liabilities		19,516,976,876	18,812,311,098	19,516,976,876	18,812,311,098

The accompany notes are an integral part of these financial statements.

CAT Telecom Public Company Limited

Statements of Cash Flows

For the year ended December 31, 2013

Unit: Baht

	Notes	Financial statements in which equity method is applied		Separate financial statements	
		2013	2012 (Restated)	2013	2012 (Restated)
Decrease (increase) in operating assets					
Trade and other receivables		(16,550,597,875)	(9,155,889,565)	(16,550,597,875)	(9,155,889,565)
Concession receivable		2,915,119,266	915,433,974	2,915,119,266	915,433,974
Accrued income		(6,105,507,369)	(1,814,184,338)	(6,105,507,369)	(1,814,184,338)
Inventories and supplies		(115,824,623)	3,567,863	(115,824,623)	3,567,863
Other current assets		(2,400,451,503)	(1,026,593,050)	(2,400,451,503)	(1,026,593,050)
Other non-current assets		286,135,007	(524,470,822)	286,135,007	(524,470,822)
Increase (decrease) in operating liabilities					
Trade and other payables		92,898,361	519,624,780	92,898,361	519,624,780
Value Added Tax payable		(137,352,295)	277,140,550	(137,352,295)	277,140,550
Accrued expenses		19,642,320,973	14,017,677,715	19,642,320,973	14,017,677,715
Advance received		6,017,822,523	6,530,767,365	6,017,822,523	6,530,767,365
Other current liabilities		1,536,053,660	902,080,349	1,536,053,660	902,080,349
Employee benefit obligations		201,753,129	98,226,502	201,753,129	98,226,502
Pension fund payable		2,244,159	7,019,535	2,244,159	7,019,535
Other non-current liabilities		12,335,962	1,623,765	12,335,962	1,623,765
Cash generated from operations before income tax		24,913,926,251	29,564,335,721	24,913,926,251	29,564,335,721
Income tax paid		(3,286,464,352)	(4,656,110,091)	(3,286,464,352)	(4,656,110,091)
Net cash generated from operating activities		21,627,461,899	24,908,225,630	21,627,461,899	24,908,225,630

The accompany notes are an integral part of these financial statements.

CAT Telecom Public Company Limited
Statements of Cash Flows
For the year ended December 31, 2013

Unit: Baht

	Notes	Financial statements in which equity method is applied		Separate financial statements	
		2013	2012 (Restated)	2013	2012 (Restated)
Net cash generated from operating activities		21,627,461,899	24,908,225,630	21,627,461,899	24,908,225,630
Cash flows from investing activities:					
Proceeds from short-term investments		87,787,433,222	104,547,882,995	87,787,433,222	104,547,882,995
Payments for short-term investments		(87,499,295,819)	(112,507,787,808)	(87,499,295,819)	(112,507,787,808)
Interest received from investments		1,275,190,927	1,288,494,250	1,275,190,927	1,288,494,250
Dividends received from investments in associates	16	60,150,000	60,255,000	60,150,000	60,255,000
Dividends received from investments in joint ventures	17	113,988,675	-	113,988,675	-
Proceeds from disposal/redemption of other long-term investments	18	600,000,000	-	600,000,000	-
Payments for other long-term investments	18	(1,656,500,000)	(990,900,000)	(1,656,500,000)	(990,900,000)
Dividends received from other long-term investments		87,272,298	56,405,500	87,272,298.00	56,405,500
Proceeds from disposals of property, plant and equipment		34,404,489	13,550,506	34,404,489	13,550,506
Purchase of property, plant and equipment		(9,627,306,369)	(8,729,907,965)	(9,627,306,369)	(8,729,907,965)
Proceeds from disposals of assets under concession agreements		6,537,364	330,890	6,537,364	330,890
Proceeds from disposals of intangible assets		193	10	193	10
Purchase of intangible assets		(34,908,744)	(109,555,850)	(34,908,744)	(109,555,850)
Net cash used in investing activities		(8,853,033,764)	(16,371,232,472)	(8,853,033,764)	(16,371,232,472)
Cash flows from financing activity:					
Dividends paid	46	(10,476,588,975)	(7,200,726,788)	(10,476,588,975)	(7,200,726,788)
Net cash used in financing activity		(10,476,588,975)	(7,200,726,788)	(10,476,588,975)	(7,200,726,788)
Effects of exchange rate changes		(28,446,874)	(8,988,692)	(28,446,874)	(8,988,692)
Net increase (decrease) in cash and cash equivalents		2,269,392,286	1,327,277,678	2,269,392,286	1,327,277,678
Opening balance of cash and cash equivalents		4,890,886,697	3,563,609,019	4,890,886,697	3,563,609,019
Closing balance of cash and cash equivalents		7,160,278,983	4,890,886,697	7,160,278,983	4,890,886,697
Supplementary information					
Non-cash transactions					
Assets under concession agreements	21	13,561,766,697	17,163,133,736	13,561,766,697	17,163,133,736
Accounts payable from purchase of property, plant, equipment and intangible assets		2,271,740,324	1,209,881,995	2,271,740,324	1,209,881,995
Accrued interest		447,787,774	228,110,999	447,787,774	228,110,999
Accrued dividends income		-	431,250	-	431,250

The accompany notes are an integral part of these financial statements.

CAT Telecom Public Company Limited

Notes to the Financial Statements

For the year ended December 31, 2013

(In millions of Baht, unless otherwise stated)

1 General information

1.1 Company incorporation

CAT Telecom Public Company Limited (the Company) is a public limited company resident in Thailand.

The address of the Company's registered office is as follows:

99 Moo 3, Chaengwattana Road, Toong-Song-Hong, Laksi, Bangkok 10210 - 0298.

1.2 Business activities

The Company is principally engaged in all types of telecommunication activities and providing other related services domestically and internationally. Its services include international call services, radio and mobile services, data communication, wireless communication, internet and network system services, IT security services, e-Auction services, and other related services.

1.3 Concession agreements

The Company has issued various concessions (concession agreements) to private operators. The concessions include those granted to operators that are associates or joint ventures of the Company. Services have been granted to private sector include cellular mobile system services, internet services and satellite network services. Under most concession agreements, i.e. cellular mobile system services, the operators must pay annual fees to the Company based on a certain percentage of service income or at the minimum rate specified in the individual agreements, whichever is higher. In addition, the operators, in accordance with their concession agreements, are required to procure property and equipment for their operations, and transfer the ownership of such property and equipment to the Company within the period specified in the concession agreements. Under most concession agreements, legal title to the assets is transferred to the Company before the operation commences. However, the operator can retain the right to use the assets to generate revenue over the concession period in accordance with the terms and conditions stated in the concession agreements. The accounting policies for concession assets and revenue recognition are set out in Notes 2.18 and 2.24 (e), respectively.

As at December 31, 2013 and 2012, the following private operators are required to transfer the ownership of assets under concession agreements to the Company:

Private Operator	Type of Services	Contract Duration/ Contract Start Date
1. Total Access Communication Public Co., Ltd. (DTAC)	Digital 800 MHz and Digital PCN1800 mobile phone services throughout Thailand under the DTAC brand name	27 years commencing November 14, 1990
2. True Move Co., Ltd. (True Move) (formerly "TA Orange Co., Ltd.)	Digital PCN1800 mobile phone services throughout Thailand under the True Move brand name	17 years commencing June 20, 1996
3. Digital Phone Co., Ltd. (DPC)	Digital PCN1800 mobile phone services throughout Thailand under the DPC brand name.	16 years commencing November 19, 1996
4. CS Loxinfo Co., Ltd. (formerly "C.S. Communications Co., Ltd.)	Up-link and down-link services and satellite Internet services (Up/Down Link)	22 years commencing August 9, 1994

1.4 Act on organization to assign radio frequency and to regulate the broadcasting and telecommunications services B.E. 2553

Section 84 of the Act on organization to assign radio frequency and to regulate the broadcasting and telecommunications services B.E. 2553 (Act on Organization to Assign Radio Frequency), which became effective on December 20, 2010, requires the Company to submit revenues that are derived from an undertaking under an authorisation, concession, or contract according to the enterprises operated under the law on private participation in the state undertaking whether in whole or in part, shall be subtracted by the following expenses and remitted to the National Broadcasting and Telecommunications Commission (NBTC) upon which it shall transfer the said money to the state treasury:

- (1) Business licence fees calculated on an income base that is generated from the authorisation, concession or contract
- (2) Expenses for supporting the provision of universal basic telecommunications and social services, in accordance with government policies and Section 50, calculated on an income base that is generated from an authorisation, concession or contract
- (3) Expenses incurred from the operation associated with the authorization, concession, or contract as prescribed by Ministry of Finance

The Company is currently collating the expenses listed above and calculating the impact to the Company's financial position as at the statement of financial position date and operating performance for the year then ended.

1.5 Excise tax

On January 28, 2003, the Cabinet issued the revised Excise Tax Tariff Act. B.E. 2527 (No.4) B.E. 2546, and the revised Excise Tax Act B.E. 2527 and 2546 to collect excise tax from the concessionaires. The tax rate, which was previously 50%, was reduced according to the Ministry of Finance Notification No.68 regarding the reduction and termination of the excise tax tariff with effective from January 28, 2003 as follows:

1. Basic telephone services: The excise tax tariff is 2% and the Ministry of Internal Affairs tax rate is 10% of the excise tax tariff, giving a total tax rate of 2.2%.
2. Mobile phone services: The excise tax tariff is 10% and the Ministry of Internal Affairs tax rate is 10% of the excise tax tariff, giving a total tax rate of 11%.

On February 11, 2003, the Cabinet agreed that concessionaires could deduct excise tax from the revenue sharing to be paid to the Company.

Since August 4, 2005, the Company's revenue from mobile phone services has been subject to excise tax at 10% and the Ministry of Internal Affairs tax at the rate of 10% of the excise tax tariff, giving a total tax rate of 11%.

On January 23, 2007, the Cabinet resolved to cancel the Cabinet Resolution dated January 28, 2003 and February 11, 2003, which stated that concessionaires are permitted to deduct excise tax from the revenue sharing to be paid to the Company. The Ministry of Finance reconsidered the excise tax tariff for new telecommunication operators and subsequently issued an announcement regarding the reduction of the excise tax tariff (No.79) by reducing excise tax tariff to 0% effective from February 27, 2007.

1.6 Telecommunications business licensing

On August 4, 2005, the Company was granted telecommunications business licences from the National Telecommunications Commission (NTC) in the following categories:

1. Type I Internet Licence allowing the Company to provide internet services under the provision of Type I Internet Licence without having its own network - this licence was renewed on August 4, 2009 and will expire on August 3, 2014
2. International Internet Gateway and Type II Internet Exchange License with their own networks allowing the Company to provide international internet gateway and internet exchange services - this licence was renewed on January 24, 2013 and will expire on January 23, 2018
3. Type I Telecommunications Business Licence allowing the Company to provide international calling card services - this licence was renewed on August 4, 2009 and will expire on August 3, 2014
4. Type III Telecommunications Business Licence allowing the Company to operate as the following type of telecommunications operator:
 - (a) networks or facilities provider
 - (b) service provider on their own telecommunications network

The Type III Telecommunications Business Licence will expire on August 3, 2025

The Company is required to follow the orders, regulations, notices, or measures on fees and service charges as specified by the NTC.

1.7 Broadcasting and Telecommunications Licences

On January 28, 2013, the Company requested for the broadcasting and telecommunications licences from the NBTC. Licences are categorised into three types as follows:

1. Broadcasting and telecommunications licences for providing broadcasting and telecommunication services (non-frequency business.) Licences have been executed for 15 years. (January 28, 2013 to January 27, 2028)
2. Broadcasting and telecommunications licences for providing broadcasting and telecommunication networks -CAT CHANNEL. These licences have been affected since January 28, 2013 to January 27, 2014 and were renewed on July 30, 2013.

3. Broadcasting and telecommunications licences for facilitating broadcasting and telecommunication services of 44 stations that allowed on December 23, 2013.

While holding the licences, the Company shall comply with the rules, regulations, notifications, orders, or measures related to licences charges and other NBTC charges.

1.8 International call service agreements

The Company entered into international call service agreements with the following mobile operators: Advance Info Service Plc. (AIS), True Move Co., Ltd. (True Move), Digital Phone Co., Ltd. (DPC) and Total Access Communication Plc. (DTAC). Its objective is to provide international call services using mobile phones and mobile operators' networks. The customers are required to apply for international call service agreements with their mobile operators. The Company collects a service fee from the mobile operators and the mobile operators collect a service fee from their customers. The revenue from international call services is presented as the net amount after discounts according to the invoices issued to the mobile operators.

2 Accounting policies

The principal accounting policies adopted in the preparation of the Company's financial statements are set out below:

2.1 Basis of preparation

The Company financial statements have been prepared in accordance with Thai generally accepted accounting principles under the Accounting Act B.E. 2543, being the Thai Financial Reporting Standards issued under the Accounting Profession Act B.E. 2547, and the financial reporting requirements of the Securities and Exchange Commission under the Securities and Exchange Act B.E. 2535.

The financial statements have been prepared under the historical cost convention except for certain investments, where fair value has been used, as disclosed in the accounting policy for other long-term investments (Note 2.13).

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements are presented in Thai Baht, which is the Company's functional and presentation currency.

Comparative figures have been adjusted to conform to changes in the presentation in the current year and the impact of retrospective adjustment from accounting error mentioned in Note 4.

2.2 New accounting standards, new financial reporting standards, amendments to accounting standards and new interpretations

- a) New accounting standard and amendments to accounting standard which are effective on January 1, 2013 are listed below.

TAS 12	Income Taxes
TAS 21 (Revised 2009)	The Effects of Changes in Foreign Exchange Rates

TAS 12 requires tax expenses to be recognised for current taxes which compose of current and deferred taxes. New accounting policy of income taxes is provided in Note 2.25 and the significant impacts on the Company are described in Note 3.1.

TAS 21 (Revised 2009) requires the Company to determine the functional currency which is the currency of the primary economic environment in which the entity operates. The Company assessed and concluded that the Company's functional currency is Thai Baht. Therefore, the adoption of TAS21 (Revised 2009) has no impact on the Company's assets, liabilities and retained earnings. Additional accounting policy is disclosed in Note 2.4.

- b) Revised accounting standards and revised financial reporting standards which are effective for the periods beginning on or after January 1, 2014

TAS 1 (Revised 2012)	Presentation of Financial Statements
TAS 7 (Revised 2012)	Cash Flow Statements
TAS 12 (Revised 2012)	Income Taxes
TAS 17 (Revised 2012)	Leases
TAS 18 (Revised 2012)	Revenue
TAS 19 (Revised 2012)	Employee Benefits
TAS 21 (Revised 2012)	The Effects of Changes in Foreign Exchange Rates
TAS 24 (Revised 2012)	Related Party Disclosures
TAS 28 (Revised 2012)	Investments in Associates
TAS 31 (Revised 2012)	Interests in Joint Ventures
TAS 34 (Revised 2012)	Interim Financial Reporting
TAS 36 (Revised 2012)	Impairment of Assets
TAS 38 (Revised 2012)	Intangible Assets
TFRS 2 (Revised 2012)	Share-Based Payments
TFRS 3 (Revised 2012)	Business Combinations
TFRS 5 (Revised 2012)	Non-current Assets Held for Sale and Discontinued Operations
TFRS 8 (Revised 2012)	Operating Segments

2.2 New accounting standards, new financial reporting standards, amendments to accounting standards and new interpretations (continued)

- b) Revised accounting standards and revised financial reporting standards which are effective for the periods beginning on or after January 1, 2014 (continued)

TAS 1 (revised 2012) clarifies that conversion features that are at the holder's discretion do not impact the classification of the liability component of the convertible instrument. TAS 1 also explains that, for each component of equity, an entity may present the breakdown of other comprehensive income either in the statement of changes in equity or in the notes to the financial statements. This revised standard has no impact on the Company.

TAS 7 (revised 2012) clarifies that only expenditures that result in a recognized asset in the statement of financial position are eligible for classification as investing activities. This revised standard has no impact on the Company.

TAS 12 (revised 2012) amends an exception to the existing principle for the measurement of deferred tax assets or liabilities on investment property measured at fair value. TAS 12 currently requires an entity to measure the deferred tax relating to an asset depending on whether the entity expects to recover the carrying amount of the asset through use or sale. This amendment therefore adds the rebuttable presumption that the carrying amount of an investment

property measured at fair value is entirely recovered through sale. As the result of the amendment, TSIC 21 - Income tax - recovery of revalued non-depreciable assets is incorporated in to TAS 12 (revised 2012). This revised standard has no impact on the Company.

TAS 17 (revised 2012) deletes the guidance for a lease of land with an indefinite useful life to be classified as an operating lease. The standard has been amended to clarify that when a lease includes both land and buildings, classification as a finance or operating lease is performed separately in accordance with TAS 17's general principles. This revised standard has no impact on the Company.

TAS 18 (revised 2012) removes the appendix to TAS 18. This revised standard has no impact on the Company.

TAS 19 (revised 2012) deletes the transition provisions of the current TAS 19. This revised standard has no impact on the Company.

TAS 21 (revised 2012) clarifies the method of recording cumulative amount of the exchange difference relating to disposal or partial disposal of a foreign operation. This matter should be adjusted prospectively and effective for the period begins on or after 1 January 2011. This revised standard has no impact on the Company.

TAS 24 (revised 2012) removes the requirement for government-related entities to disclose details of all transactions with the government and other government-related entities. It also clarifies and simplifies the definition of government related parties. This revised standard has no impact on the Company.

TAS 28 (revised 2012) clarifies that when an entity moves from an equity accounting to cost accounting in the separate financial statements, the standard requires this to be adjusted retrospectively. If an entity loses significant influence, the remaining interest of investment should be measured at fair value. This matter should be adjusted prospectively and effective for the period begins on or after 1 Jan 2011. This revised standard has no impact on the Company.

TAS 31 (revised 2012) clarifies that when an entity moves from an equity accounting to cost accounting in the separate financial statements, the standard requires this to be adjusted retrospectively. If an entity loses joint control in its interest in joint control, the remaining interest of investment should be measured at fair value. This matter should be adjusted prospectively and effective for the period begins on or after 1 Jan 2011. This revised standard has no impact on the Company.

b) Revised accounting standards and revised financial reporting standards which are effective for the periods beginning on or after January 1, 2014 (continued)

TAS 34 (revised 2012) emphasises the existing disclosure principles for significant event and transactions. Additional requirements cover disclosure of changes in fair value measurements (if significant), and the need to update relevant information from the most recent annual report. This revised standard has no impact on the Company.

TAS 36 (revised 2012) clarifies that goodwill being allocated to cash-generating units shall not be larger than an operating segment before aggregation as defined under TFRS 8 - Operating Segments.

TAS 38 (revised 2012) clarifies that an intangible asset acquired in a business combination might be separable, but only together with a related contract, identifiable asset or liability. In such cases, intangible asset is recognised separately from goodwill, but together with related item. Intangible assets are recognised as a single asset provided the individual assets have similar useful lives. This revised standard has no impact on the Company.

TFRS 2 (revised 2012) expands the scope to cover classification and accounting of both cash-settled and equity-settled share-based payment transactions in group situation. This revised standard has no impact on the Company.

TFRS 3(revised 2012) amends the measurement required for non-controlling interests. The choice of measuring non-controlling interests at fair value or at the proportionate share of the acquiree's net assets applies only to instruments that represent present ownership interests and entitle their holders to a proportionate share of net assets in the event of liquidation.

All other component of non-controlling interests is measured at fair value unless another measurement basis is required by TFRS. The application guidance in TFRS 3 (revised 2012) also applies to all share-based payment transactions that are part of a business combination, including unreplaced and voluntarily replaced share-based payment awards. This revised standard has no impact on the Company.

TFRS 5 (revised 2012) specifies the disclosures required for assets held for sale and discontinued operations. Disclosures in other standards do not apply, unless those TFRS requires. This revised standard has no impact on the Company.

TFRS 8 (revised 2012) clarifies that an entity is required to disclose a measure of segment assets only if the measure is regularly reported to the chief operating decision-maker. This revised standard has no impact on the Company.

c) Interpretations of Thai Financial Reporting Interpretations Committee (TFRIC) and Thai Standard Interpretations committee (SIC) effective for the periods beginning on or after 1 January 2014

TFRIC 1	Changes in existing decommissioning, restoration and similar liabilities
TFRIC 4	Determining whether an arrangement contains a lease
TFRIC 5	Rights to interests arising from decommissioning, restoration and environmental rehabilitation funds
TFRIC 7	Applying the restatement approach under TAS 29 financial reporting in hyperinflationary economies
TFRIC 10	Interim financial reporting and impairment
TFRIC 12	Service concession arrangements
TFRIC 13	Customer loyalty programmes
TFRIC 17	Distributions of non-cash assets to owners
TFRIC 18	Transfers of assets from customers
TSIC 15	Operating leases - incentives
TSIC 27	Evaluating the substance of transactions in the legal form of a lease
TSIC 29	Service concession arrangements: Disclosure
TSIC 32	Intangible assets - Web site costs

TFRIC 1 provides guidance on accounting for changes in the measurement of an existing decommissioning, restoration and similar liability that results from changes in estimated timing or amount of the outflow of resources embodying economic benefits required to settle the obligation, or a change in the discount rate. This interpretation has no impact on the Company.

TFRIC 4 requires the determination of whether an arrangement is or contains a lease to be based on the substance of the arrangement. It requires an assessment of whether: (a) fulfilment of the arrangement is dependent on the use of a specific asset or assets (the asset); and (b) the arrangement conveys a right to use the asset. This interpretation is not relevant to the Company's operations.

TFRIC 5 provide guidance on accounting in the financial statements of a contributor for interests arising from decommissioning funds that the assets are administered separately and a contributor's right to access the assets is restricted. TFRIC 5 is not relevant to the Company's operations.

TFRIC 7 provides guidance on how to apply the requirements of TAS 29, Financial Reporting in Hyperinflationary Economics, in a reporting period in which an entity identifies the existence of hyperinflation in the economy of its functional currency, when the economy was not hyperinflationary in the prior period. TFRIC 7 is not relevant to the Company's operations.


TFRIC 10 prohibits reversal of an impairment losses recognised in a previous interim period in respect of goodwill. This interpretation has no impact on the Company.

TFRIC 12 applies to public-to-private service concession arrangements whereby a private sector operator participates in the development, financing, operation and maintenance of infrastructure for public sector services. This interpretation is not relevant to the Company's operations.

TFRIC 13 clarifies that where goods or services are sold together with a customer loyalty incentive (for example, loyalty points or free products), the arrangement is a multiple-element arrangement, and the consideration received or receivable from the customer is allocated between the components of the arrangement using fair values. This interpretation is not relevant to the Company's operations.

TFRIC 17 provides guidance on accounting for the distributions of non-cash assets to owners acting in their capacity as owners. The interpretation addresses the issues on the dividend payable recognition and measurement and the accounting for any difference between the carrying amount of the assets distributed and the carrying amount of the dividend payable when an entity settles the dividend payable. This interpretation has no impact on the Company.

TFRIC 18 sets out the accounting for transfers of items of property, plant and equity by entities that receive such transfers from their customers. Agreements within the scope of this interpretation are agreements in which an entity receives from a customer an item of property, plant and equipment that the entity must then use either to connect to a network or to provide the customer with ongoing access to supply of goods or services. The interpretation addresses the issues on the initial recognition and the accounting treatment of the transferred assets. This interpretation has no impact on the Company.



TSIC 15 sets out the accounting for the recognition of incentive that a lessor provides to a lessee in an operating lease. This interpretation has no impact on the Company.

TSIC 27 provides guidance on evaluating the substance of transactions in the legal form of a lease between the entity and the investor whether a series of transactions is linked and should be accounted for as one transaction and whether the arrangement meets the definition of a lease under TAS17 “Leases”. The accounting shall reflect the substance of the arrangement. This interpretation has no impact on the Company.

TSIC 29 contains disclosure requirements in respect of public-to-private service arrangements. This interpretation has no impact on the Company.

TSIC 32 provides guidance on the internal expenditure on the development and operation of the entity web site for internal or external access. The entity shall comply with the requirements described in TAS38 “Intangible Assets”. This interpretation has no impact on the Company.

d) New accounting standard which is effective for the periods beginning on or after 1 January 2016

TFRS 4 Insurance Contracts

TFRS 4 applies to all insurance contracts (including reinsurance contracts) that an entity issues and to reinsurance contracts that it holds. TFRS 4 is not relevant to the Company’s operations.

2.3 Accounting estimates

The preparation of financial statements in conformity with Thai generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and the amounts of revenues and expenses in the reported periods. Although these estimates are based on management’s best knowledge of current events and actions, actual results may differ from those estimates.

2.4 Foreign currency translation

Items included in the financial statements are measured using Thai Baht. Foreign currency transactions are translated into Thai Baht using the exchange rates prevailing at the date of the transaction. Monetary assets and liabilities denominated in a foreign currency are translated to Thai Baht at the exchange rate prevailing at the statement of financial position date. Gains and losses resulting from the settlement of foreign currency transactions and from the translation of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of income.

Any differences of investment translation in debt securities and other financial assets valued by using fair value are included in gain (loss) from exchange rate. Non-monetary differences of investment translation, such as trading securities, are included in changes in fair value measurements. In addition, differences of investment translation in available for sale securities are included in gain (loss) of revaluation in equities.

Statements of comprehensive income and cash flows of foreign entities are translated into Thai Baht at the weighted average exchange rates for the year and statements of financial position are translated at the exchange rates ruling on

the statement of financial position date. Currency translation differences arising from the retranslation of the net investment in foreign entities are recorded in shareholders' equity. On disposal of a foreign entity, accumulated currency translation differences are recognised in the statement of comprehensive income as part of the gain or loss on sale.

2.5 Financial instruments

As at December 31, 2013 and 2012, the Company was not a party to any derivative financial instruments, such as forward contracts or interest rate swaps. The Company's financial assets comprise trade and other receivables, concession receivables, and accrued income. The Company's financial liabilities comprise trade and other payables, Value Added Tax payable, accrued income tax, and accrued expenses.

The disclosure of information on financial instruments is set out in Note 42.

2.6 Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and deposits with banks but do not include deposits with banks which are held to maturity, and other short-term highly liquid investments with original maturities of three months or less.

2.7 Short-term investments

Short-term investments are fixed-term deposits, bills of exchange, promissory notes, and investments in debt securities with original maturities of more than three months, but less than 12 months and investments that the Company's management intends to hold for less than 12 months.

2.8 Trade accounts receivable

Trade accounts receivable are initially recognised at the original invoice amount and subsequently measured at the remaining amount less an allowance for doubtful receivables based on a review of all outstanding amounts at 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 recognised in the statement of income within administrative expenses. Trade accounts receivable - revenue sharing from telecommunication service is presented net of trade accounts payable - revenue sharing from telecommunication service.


2.9 Inventories and supplies

Inventories and supplies are stated at the lower of cost and net realisable value. Cost is determined using the moving average method. The cost of purchase comprises both the purchase price and costs directly attributable to the acquisition of the inventories and supplies, such as import duties and transportation charges, less all discounts, allowances or rebates attributable to purchasing the inventories and supplies. Net realisable value is the estimated selling price in the ordinary course of business, less selling expenses. Allowance is made, where necessary, for obsolete, slow moving and defective inventories or supplies when they are identified and is recognised in the statement of income.

2.10 Prepayments

(a) Indefeasible Rights of Use (IRU)

The Company has entered into agreements to purchase Indefeasible Right of Use (IRU). If the Company obtains a right of use which is cancellable anytime during the contract period and significant risks and rewards are not transferred to the Company, costs incurred are recorded as prepayments. Amounts paid and due within 1 year are presented as



current assets and amounts paid and due in over 1 year are presented as non-current assets. An IRU is initially recognised at cost and amortised on a straight-line basis over the contract period or the estimated useful life of the cable systems, whichever is lower.

(b) Leasehold rights

Costs incurred from the acquisition of leasehold rights are recognised as prepayments and amortised on a straight-line basis over the contract period.

2.11 Investments in associates

Investments in associates are initially recognised at cost and accounted for in the financial statements using the equity method of accounting. Such investments are investments in entities over which the Company has significant influence but not control. Unrealised gains and losses on transactions between the Company and its associates are eliminated to the extent of the Company's interest in the associates unless the transaction provides evidence of an impairment of a transferred asset. The Company ceases to recognise a share of losses if the carrying amount of the investment is reduced to nil, unless the Company has incurred obligations with respect to or guaranteed the obligations of the associate.

In the Company's separate financial statements, investments in associates are accounted for using the cost method. A test for impairment is carried out when there is a factor indicating that an investment might be impaired. If the carrying value of the investment is higher than its recoverable amount, an impairment loss is charged to the statements of income in the separate financial statements.

Details of the Company's associates are set out in Note 16.

2.12 Investments in joint ventures

Investments in joint ventures are accounted for using the equity method of accounting in the financial statements. The Company ceases to recognize a share of losses if the carrying amount of the investment is reduced to nil, unless the Company has incurred obligations with respect to or guaranteed the obligations of the joint venture.

In the Company's separate financial statements, investments in joint ventures are accounted for using the cost method. A test for impairment is carried out whenever there is a factor indicating that an investment might be impaired. If the carrying value of the investment is higher than its recoverable amount, an impairment loss is charged to the statements of income in the separate financial statements.

Details of the Company's joint ventures are set out in Note 17.

2.13 Other investments

Investments other than investments in associates and investments in joint ventures are classified into the following four categories: trading investments, held-to-maturity investments, available-for-sale investments and general investments. The classification is dependent on the purpose for which the investments were acquired. Management determines the appropriate classification of its investments at the time of purchase and re-evaluates such designation on a regular basis as follows:

- (a) Trading investments are investments that are acquired principally for the purpose of generating a profit from short-term fluctuations in price for not more than three months from the acquisition date and are included in current assets.
- (b) Held-to-maturity investments are investments with fixed maturity that management has the intention and ability to hold to maturity and are included in non-current assets, except for maturities within 12 months from the statement of financial position date which are classified as current assets.
- (c) Available-for-sale investments are investments intended to be held for an indefinite period of time that may be sold in response to liquidity needs or changes in interest rates and are included in non-current assets unless management has expressed the intention of holding the investment for less than 12 months from the statement of financial position date or unless management will sell in order to raise operating capital, in which case they are included in current assets.
- (d) General investments are investments in non-marketable equity securities.

Investments purchased are recognised at cost on the date of the trade. Cost of investment includes costs directly attributable to the acquisition of the investment.

2.13 Other investments (continued)

Trading and available-for-sale investments are subsequently carried at fair value. The fair value of investments is based on quoted bid prices by reference to their markets. Unrealised gains and losses arising from changes in the fair value of investments classified as trading investments are recognised in the statement of income. Unrealised gains and losses arising from changes in the fair value of investments classified as available-for-sale are recognised in equity.

Held-to-maturity investments are carried at amortised cost using the effective interest method less allowance for impairment.

General investments are carried at cost less allowance for impairment.

A test for impairment is carried out when there is a factor indicating that an investment might be impaired. If the carrying value of the investment is higher than its recoverable amount, an impairment loss is charged to the statement of income.

On disposal of an investment, the difference between the net disposal proceeds and the carrying amount is charged or credited to the statement of income. When disposing of part of the Company's holding of a particular investment in debt or equity securities, the carrying amount of the disposed part is determined using the weighted average carrying amount of the total holding of the investment.

The details of investments that the Company's management intends to hold for more than one year and classifies as other long-term investments are set out in Note 18.

2.14 Investments from exchanges of right to operate under concession agreements and marketing contract arrangements

Investments that are transferred from concession operators under exchanges of the right to operate under concession agreements and marketing contract arrangements for which the Company does not have further obligations in terms of settling costs with the concession operators are recorded at fair value and recognised as revenue in the period in which the transaction incurred.

2.15 Gains or losses on dilution of investments

Gains or losses arising as a result of the dilution or anti-dilution of investments caused by changes in the associate or joint venture companies' shareholders' equity without interest changes are recorded in shareholders' equity.

2.16 Investment property

Property that is held for long-term rental yields or for capital appreciation or both, and that is not occupied by the Company, is classified as investment property. Investment property also includes property that is being constructed or developed for future use as an investment property.

Land held under operating lease is the company's investment property as the definition of investment property. Operating lease is recognized as finance lease.

The Company's investment property is land held for undetermined future use. The Company has not determined whether the land will be used as an owner-occupied property or for trading purposes.

Investment property is measured initially at cost, including related transactions. After initial recognition, investment property is carried at cost less accumulated impairment losses (if any).

Subsequent costs are included in the asset's carrying amount when it is probable that future economic benefits associated with the expenditure will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance costs are expensed when incurred

The fair value of investment property is determined by independent valuers.

2.17 Property, plant and equipment

Property, plant and equipment are stated at historical cost less accumulated depreciation and allowance for impairment.

Depreciation is calculated on a straight-line basis to write-off the cost of each asset, except for land which is considered to have an indefinite life, to its residual value over its estimated useful life as follows:

Buildings, structures and improvements	10 - 40 years
Telecommunication equipment	5 - 10 years
Submarine cable network	10 -20 years
Tools and other equipment, furniture, fixtures and office equipment	5 – 10 years
Motor vehicles	5 years

At the end of each reporting period, the Company reviews, and adjusts if appropriate, the residual values and economic useful life of its property, buildings and equipment.

Where the carrying amount of an asset is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount.

Gains and losses on disposals are determined by comparing the proceeds with carrying amount and are included in the statement of income.

The cost of addition, renewal or improvement is included in the carrying amount of the asset when it is probable that future economic benefits in excess of the originally assessed standard of performance of the existing asset will flow to the Company. Such costs are depreciated over the remaining useful lives of the related asset. Repairs and maintenance are charged to the statement of income during the financial period in which they are incurred.

2.18 Concession assets

Assets for which legal title has been transferred to the Company are fully recognised at the date on which the concession operators transfer ownership to the Company. Such assets are recognised at the cost notified by the concession operators, with a corresponding entry for deferred revenue, which is presented as a liability.

Depreciation of transferred assets is calculated on a straight-line basis over their estimated useful lives and recorded as an expense in the statement of income as follows:

Buildings and structures	20 years
Telecommunication equipment	5 – 10 years
Tools, other equipment, furniture, fixture and office equipment	5 - 10 years

Amortisation of deferred revenue is described in Note 2.24 (e).

2.19 Intangible assets

Computer software

Acquired computer software licences are capitalised based on the costs incurred to acquire the software and bring it into use. The costs are amortised over the estimated useful life of the specific software of not more than 5 years.

Costs associated with developing and maintaining computer software programs are recognised as an expense in the period in which they are incurred. Costs that are directly associated with identifiable and unique software products controlled by the Company and that will probably generate economic benefits exceeding the costs after one year are recognised as intangible assets. Direct costs include the staff costs of the software development team and an appropriate portion of relevant overheads.

Expenditure which enhances or extends the performance of computer software programs beyond their original specifications is additionally capitalised to the original cost of the software. Computer software development costs are recognised as assets and amortised using a straight-line basis over their useful lives, but not more than 5 years.

Research and development

Research expenditure is recognised as an expense as incurred. Costs incurred on development projects (relating to the design and testing of new or improved products) are recognised as intangible assets when it is probable that the project will be successful considering its commercial and technological feasibility, and only if the cost can be measured reliably. Other development expenditure is recognised when an expense is incurred. Development costs previously recognised as an expense are not recognised as an asset in a subsequent period. Development costs that have been capitalised are amortised from the commencement of the commercial production of the product on a straight-line basis over the period of its expected benefit, not exceeding 5 years.

2.20 Impairment of assets

Assets and intangible assets that have a definite useful life are reviewed for impairment losses whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the carrying amount of the assets exceeds the recoverable amount which is the higher of an asset's net selling price and its value in use. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows. Non-financial assets that suffered impairment are reviewed for possible reversal of the loss on impairment at the statement of financial position date.

2.21 Leases

(a) Where the Company is the lessor

Assets leased out under operating leases are included in property, plant and equipment in the statement of financial position. They are depreciated over their expected useful lives on a basis consistent with that used for other similar property, plant and equipment owned by the Company (Note 2.17). Rental income (net of any incentives given to lessees) is recognised on a straight-line basis over the lease term.

(b) Where the Company is the lessee

Leases of property, plant and equipment that substantially transfer all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the inception of the lease at the lower of the fair value of the leased property and the present value of the minimum lease payments. Each lease payment is allocated to the principal and to the finance charges so as to achieve a constant rate on the finance balance outstanding. The outstanding rental obligations, net of finance charges, are included in other long-term payables. The interest element of the finance cost is charged to the statement of income over the lease period so as to achieve a constant periodic rate of interest on the remaining balance of the liability for each period. The property, plant and equipment acquired under finance leases is depreciated over the useful life of the asset and the lease term, whichever is lower.

Leases not transferring a significant portion of the risks and rewards of ownership to the lessee are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the statement of income on a straight-line basis over the lease term.

When an operating lease is terminated before the lease period has expired, any payment required to be made to the lessor by way of penalty is recognised as an expense in the period in which termination takes place.

2.22 Provisions

Provisions, excluding provisions for employee benefits, are recognised when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and the amount has been reliably estimated. Where the Company expects a provision to be reimbursed, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain.

2.23 Employee benefits

(a) Benefits Plan

1. Severance benefits

The Company has set up a severance benefits plan to comply with the Labour Laws applicable in Thailand. The severance pay will calculate based on salary and number of years of service until the termination date in future.

2. Pension fund for CAT's employees (Pension Fund)

The Company established a Pension Fund in 1979 with the main objective of providing pension benefits for retired staff. The Company makes monthly contributions to the Pension Fund at the rate of 10% of employee salaries and an additional contribution equal to the estimated obligation at the statement of financial position date based on the salaries as at the statement of financial position date multiplied by years of services in accordance with the regulations of the pension fund. Returns from Pension Fund assets are recognised as revenues. The assets of the pension fund are segregated and included in the statement of financial position under cash and cash equivalents, short-term investments, employee receivables, and accrued interest income.

3. Other long-term benefits

Other long-term benefits are given for long-service awards and retirement in case of death, long-service award, (gold given on retirement date and souvenir gold given to employees who have been working at the Company for 20 years), overseas travelling and unused annual leave.

The liabilities arising from regulations under Thai Labour Laws, the pension fund, and other long-term benefits are calculated by an actuary using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using the market yield of government bonds that are denominated in the currency in which the benefits will be paid and have terms to maturity approximating the terms of the related liabilities.

The Company recognised actuarial gains and losses on employee benefits in the statement of other comprehensive income in the period in which they arise.

(b) Provident fund

The Company established and registered a defined-contribution provident fund, "The Registered Provident Fund of CAT Telecom and Thailand Post staffs" in 1996. On October 4, 2013, the provident fund's name was changed to "The Registered Provident Fund of CAT Telecom staffs". Employees who joined the Company before December 13, 1996 had the right to voluntarily join either the provident fund or pension fund, while employees who joined on or after December 13, 1996 can voluntarily join the provident fund.

The Company makes its contribution at the rate of 11% of salary for the employee with over 20 years of service, 10% of salary for the employee with over 10 years of service but less than 20 years of service and 9% of salary for the employee with less than 10 years of service.

The Company's contributions to the provident fund are recognised as expenses in the period in which the transactions are incurred. The contribution assets, which are separated from the Company's assets, are managed by Krung Thai Asset Management Plc. and Kasikorn Thai Asset Management Co., Ltd.

(c) Provisions for employee benefits arising from the corporatisation

The Company has allocated shares to employees as a result of the corporatisation of the Communications Authority of Thailand to CAT Telecom Plc. and Thailand Post Co., Ltd. on August 14, 2003 whereby employees of the Communications Authority of Thailand are entitled to obtain shares at par value equivalent to six times of their monthly salary as at August 13, 2003 and free shares (par value) equivalent to two times of their monthly salary as at August 13, 2003. Staff may exercise their privileges whenever the Company offers its shares to employees and general public. However, employee ordinary shareholding ratio must not exceed 6.5% of the registered capital at the time of initial public offering. The Company records such employee benefits as non-current liabilities when giving the rights to employees.

2.24 Revenue and expense recognition

(a) Service income

The Company recognises service income when the services are rendered.

(b) Revenue sharing from international call services

The Company recognises revenue from services when the services are rendered according to the agreements.

(c) Revenue from sales of telecommunication service cards

The Company recognises revenue from telecommunication service cards based on actual time usage. For cards distributed by Hutchison CAT Wireless Co., Ltd., which provides customer service for CDMA Radio Cellular Customer Service Agreement, revenue is recognised based on the number of cards sold.

(d) Revenue sharing from concession agreements

The Company recognises revenue sharing from concession agreements (compensation) on an accrual basis for both annual minimum compensation and revenue sharing in excess of the minimum compensation.

(e) Amortisation of deferred revenue for concession assets

The Company recognises the amortisation of deferred revenue as revenue based on the shorter of the useful life of the transferred assets and the remaining period of the concession agreements.

(f) Other income

Interest income is recognised on a time proportion basis, based on the actual return on asset.

Dividends are recognised when the right to receive payment is established.

(g) Revenue from sales of goods

Revenue from sales of goods is recognised when the significant risks and rewards of ownership of the goods are transferred to the buyer.

Revenue is presented net of output tax and discounts.

(h) Expenses are recognised on an accrual basis.

2.25 Income tax

The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case the tax is also recognised in other comprehensive income or directly in equity, respectively.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of reporting period in the countries where the company's subsidiaries and associates operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is recognised, using the liability method, on temporary differences arising from differences between the tax base of assets and liabilities and their carrying amounts in the financial statements. However, the deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised. Deferred income tax is provided on temporary differences arising from investments in subsidiaries and associates, except where the timing of the reversal of the temporary difference is controlled by the Company and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

2.26 Related party

Enterprises and individuals that directly, or indirectly through one or more intermediaries, control, or are controlled by, or are under common control with, the Company, including holding companies, subsidiaries and fellow subsidiaries are related parties of the Company. Associates and individuals owning, directly or indirectly, an interest in the voting power of the Company that gives them significant influence over the enterprise, key management personnel, including directors and officers of the Company and close members of the family of these individuals and companies associated with these individuals also constitute related parties.

In considering each possible related party relationship, attention is directed to the substance of the relationship, and not merely the legal form.

2.27 Dividends paid

Interim dividends are recorded in the Company's financial statements in the period in which they are approved by the board of directors' meeting. Dividends from profit for the year are recorded in the Company's financial statements in the period in which they are approved by annual shareholders' meeting.

2.28 Non-current assets (or disposal groups) held-for-sale

Non-current assets (or disposal groups) are classified as assets held for sale when their carrying amount is to be recovered principally through a sales transaction and the sale is considered highly probable. They are stated at the lower of the carrying amount and the fair value less cost to sell if their carrying amount is to be recovered principally through a sales transaction rather than through continuing use.

3 Effects of adopting new accounting standard, amendments to accounting standard and changes in accounting policies

3.1 Effects of adopting new accounting standard, amendments to accounting standard

The effects of adopting new accounting standard and amendments to accounting standard mentioned before on the statements of financial position and the statements of income previously presented are as below.

	Financial statements in which equity method is applied	Separate financial statements
Statements of financial position as at January 1, 2012		
Increase in deferred tax assets	1,547.00	1,546.40
Increase in deferred tax liabilities	317.37	305.80
Decrease in income tax relating to components of other comprehensive income	39.74	40.03
Increase in unappropriated retained earnings	1,269.37	1,280.63
Statements of financial position as at December 31, 2012		
Increase in deferred tax assets	1,233.59	1,232.94
Increase in deferred tax liabilities	246.08	238.20
Decrease in income tax relating to components of other comprehensive income	64.03	64.32
Increase in unappropriated retained earnings	1,051.54	1,059.06
Statements of income for the year ended December 31, 2012		
Increase in income tax	217.83	221.58
Decrease in net profit	217.83	221.58
Decrease in basic earnings per share (Baht/share)	0.22	0.22
Statements of income for the year ended December 31, 2013		
Decrease in income tax	2,572.04	2,570.62
Increase in net profit	2,572.04	2,570.62
Increase in basic earnings per share (Baht/share)	2.57	2.57
Statements of comprehensive income for the year ended December 31, 2012		
Decrease in fair value gain on changes in fair value of available-for-sale investments	24.29	24.29
Decrease in total comprehensive income	24.29	24.29
Statements of income for the year ended December 31, 2013		
Decrease in fair value gain on available-for-sale investments	13.52	13.52
Decrease in actuarial gains (losses)	95.44	95.44
Decrease in total comprehensive income	108.96	108.96

4 Effects of retrospective accounting adjustments and reclassification

(a) Effects of retrospective accounting adjustments

The cabinet meeting on October 8, 2013 considered and approved on the mobile service improvement project and the cancellation of CDMA mobile network expansion project according to the peer review committee group 1's resolution (economic department) in the meeting no. 10/2556 on Monday October 7, 2013. The board of directors' meeting no. 16/ 2556 on October 9, 2013 approved on the additional 2013 budget for mobile service project, that will be further proposed to the National Economic and Social Development Board, and also agreed on the collection and accounting recording of revenue from wholesale service through HSPA network and cross network service. The Company has retrospectively recorded accounting transactions relating to wholesale service through HSPA network in the financial statements. The effects of this recording on the financial statements for the year ended December 31, 2013 and 2012 are as follows:

	2013	2012
Increase in trade accounts receivable and other receivables	11,488.03	2,108.20
Increase in accrued revenues	2,528.55	398.65
Increase in other current assets	942.21	119.54
Increase in trade accounts payable and other payables	108.69	54.43
Increase in accrued expenses	12,518.24	1,771.78
Increase in other current liabilities	1,033.12	164.07
Increase in unappropriated retained earnings	1,298.74	636.11
Increase in net profit	662.63	-
Increase in earnings per share (Baht/Share)	0.66	-

(b) Effects of reclassification

The Company reclassified bill of exchange of Krung Thai bank to held-to-maturity investment. This reclassification resulted in proper presentation. The effects of this reclassification as at 31 December, 2012 are as follows:

Decrease in short-term investments	100.90
Increase in other long-term investments	100.90

5 Critical accounting estimates, assumptions and judgements

5.1 Critical accounting estimates, assumptions and judgements

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Assumptions relating to future events are as follows:

5.1.1 Impairment of trade accounts receivable

The Company maintains an allowance for doubtful accounts to reflect impairment of trade receivables relating to estimated losses resulting from the inability of customers to make required payments. The allowance for doubtful accounts is significantly impacted by the Company's assessment of future cash flows, such assessment being based on consideration of historical collection experience, known and identified instances of default.

5.1.2 Depreciation of tangible assets and amortisation of intangible assets

The Company's business is capital intensive and depreciation of operating tangible assets and amortisation of intangible assets is a significant charge to the statements of income. The cost of purchased property, plant and equipment, principally telecommunication and network equipment, is depreciated over their estimated useful lives using the straight-line method. The useful lives are estimated at the time the asset is acquired and are based on historical experience with similar assets as well as taking into account anticipated technological or other changes. The Company reviews on an annual basis changes in technology, the industry, competitive conditions, asset retirement activity, and residual values to determine whether any adjustment is required to estimate remaining useful lives and depreciation rates. Actual economic lives may differ from the estimated useful lives, and periodic reviews in the future could result in a change in the depreciable lives of telecommunication and network equipment.

5.1.3 Impairment of assets

The Company has substantial investments in tangible assets and intangible assets, primarily the telecommunication networks and submarine cables. Changes in technology or changes in the Company's intended use of these assets may cause the estimated period of use or value of these assets to change. The Company assesses at each statement of financial position date whether there is an indication that one or more of its assets are impaired. If any such indication exists, the Company carries out an impairment test to determine the recoverable amount, and monitors its businesses, markets, and business environments for indicators that suggest impairment may have occurred. An impairment loss is recognised for an asset to the extent that the carrying amount of the asset cannot be recovered. In determining whether an impairment loss should be recognised, significant estimates arise in the determination of the value that may be derived from selling the asset given the limited market for the disposal of such assets, and the estimation of the present value of the future cash flows to be derived from the use of the asset. Estimates of the present value of the future cash flows includes consideration of the assumptions underlying the cash flows, such as the growth of the telecommunications market, the behavior of subscribers, the selection of an appropriate discount rate taking into consideration the time value of money and the risks specific to the assets. Future actions of the regulator may have a significant impact on the Company's reported financial position, operating performance and impairment assessment of the Company's assets.

5.2 Capital risk management

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

6 Segment information

Financial information by business segments for the years ended December 31, 2013 and 2012 is detailed as follows:

(a) Financial statements in which equity method is applied for the years ended December 31, 2013 and 2012

	Voice and Data Communication Service		Concession		Other Services		Total	
	2013	2012 (Restated)	2013	2012 (Restated)	2013	2012 (Restated)	2013	2012 (Restated)
Revenues from operation	34,661.75	23,793.66	38,724.53	32,470.43	459.16	549.84	73,845.44	56,813.93
Segment result	5,055.86	3,631.11	27,629.14	20,580.92	459.16	549.84	33,144.16	24,761.87
Unallocated cost of services and cost of sales							(4,484.24)	(4,473.10)
Selling and administrative expenses							(5,501.35)	(5,277.32)
Loss on impairment of assets							(11,844.76)	(127.41)
Gain (loss) on exchange rates							40.94	(46.02)
Other income and expenses, net							1,769.92	1,702.61
Finance costs							(23.27)	(17.92)
Share of profit from investments in associates and joint ventures							99.11	23.06
Operating profit							13,200.51	16,545.77
Income tax							(2,002.70)	(3,847.45)
Net profit for the year							11,197.81	12,698.32
Segment assets	51,916.25	29,577.50	23,194.40	37,163.74	-	-	75,110.65	66,741.24
Investments in associates and joint ventures, and other long-term investments	734.40	755.88	317.68	297.76	-	-	1,052.08	1,053.64
Unallocated assets					-	-	100,188.86	85,711.04
Total assets	52,650.65	30,333.38	23,512.08	37,461.50	-	-	176,351.59	153,505.92
Segment liabilities	2,961.66	2,237.05	68,271.97	69,041.36			71,233.63	71,278.41
Unallocated liabilities							63,321.71	33,485.35
Total liabilities	2,961.66	2,237.05	68,271.97	69,041.36	-	-	134,555.34	104,763.76

As at December 31, 2013 and 2012, the Company classified business segments into 3 categories which were 1) voice and data communication service 2) concession and 3) other services.

7 Cash and cash equivalents

As at December 31, 2013 and 2012 are detailed as follows:

	2013	2012
Cash on hand	8.65	7.81
Short-term deposits at banks (Thai Baht currency)	7,111.98	4,564.78
Short-term deposits at banks (foreign currency)	39.65	318.30
Total	7,160.28	4,890.89

Short-term deposits at banks are the deposits in current accounts, savings accounts and fixed accounts with original maturities less than 3 months. During 2013, the interest rates on short-term deposits at banks are 0.125% to 3.275% per annum (2012: 0.125% to 3.05% per annum). The Company holds deposits in US dollars in order to reduce exposure to foreign currency risk in respect of the settlement of US dollar currency in the future.

As at December 31, 2013, cash and cash equivalents include savings accounts and fixed deposits in respect of the Pension Fund totaling Baht 18.69 million (as at December 31, 2012: Baht 8.17 million).

8 Short-term investments

Movements of short-term investments for the years ended December 31, 2013 and 2012 are detailed as follows:

	Note	2013	2012
Opening net book amount		54,355.04	45,123.08
Additions (redemption), net		5.61	8,150.40
Transfers from long-term investments	18	1,600.90	1,050.00
Interest income		20.42	(14.06)
Unrealised gain (loss) on changes in fair value of available-for-sale investments		(108.81)	28.70
Adjusted amount of investments under amortised cost method		(2.20)	8.86
Unrealised gain on trading investments - private funds		23.40	8.06
Closing net book amount		55,894.36	54,355.04

Short-term investments as at December 31, 2013 and 2012 are detailed as follows:

	2013	2012
Fixed deposits with original maturities of over three months	21,723.63	22,627.95
Fixed deposits with original maturities of over 3 months-private funds	1,699.60	386.00
Fixed deposits with original maturities of over 12 months - current portion		
- Private funds	500.00	-
Trading investments - private funds	8,898.83	3,099.23
Available-for-sale investments	19,424.53	19,485.64
Available-for-sale – mixed -private funds	46.87	-
Held-to-maturity investments in debt securities	2,500.00	7,576.22
Held-to-maturity investments in debt securities - private funds	-	130.00
Current portion of held-to-maturity investments in debt securities	500.00	750.00
Current portion of held-to-maturity investments in debt securities		
- private funds	100.90	-
Current portion of fixed deposits over 12 months due within one year	500.00	300.00
Total	55,894.36	54,355.04

Fixed deposits in Thai Baht currency at local banks with original maturities of over 3 months but less than 12 months for 2013 carried interest at the rate of 2.50% to 3.70% per annum (2012: 2.50% to 3.80% per annum). Investments in debt securities are promissory notes and bonds with original maturities of over 3 months but less than 12 months.

The details of private funds as at December 31, 2013 are as follows:

Unit: Baht million

Date	Investment	Asset Management Company					
		Kasikorn Thai	MFC	One	Krung Thai	Siam Commercial	Total
20 Apr 2011	First-time investment	500.00	500.00				1,000.00
17 Aug 2011	First-time investment			500.00	500.00		1,000.00
26 Mar 2012	Additional investment			200.00	200.00		400.00
8 May 2012	Additional investment	200.00	200.00				400.00
19 Nov 2012	Additional investment	300.00	300.00	300.00			900.00
29 Apr 2013	Additional investment		500.00				500.00
30 Apr 2013	Additional investment	500.00					500.00
2 May 2013	Additional investment			500.00			500.00
15 July 2013	First-time investment					1,000.00	1,000.00
19 Aug 2013	Additional investment	500.00	500.00	500.00	300.00		1,800.00
2 Dec 2013	Additional investment				50.00		50.00
19 Dec 2013	Additional investment	3,000.00					3,000.00
Total investment		5,000.00	2,000.00	2,000.00	1,050.00	1,000.00	11,050.00

Private Fund Investment Policies - CAT

- Investments in debt securities focus on investment in government bonds, state-owned enterprise bonds guaranteed by the Ministry of Finance and Bank of Thailand bonds, certificates of deposits issued by commercial banks or banks incorporated from specific laws (excluding deposit accounts for operation), bills of exchange issued by commercial banks or banks incorporated from specific laws and debt securities with structure notes issued by commercial banks.
- Investments in debt securities or related assets with A- or upper levels or equivalent ranked by local and international credit rating agencies such as Fitch, TRIS, S&P and Moody.

The details of private funds' assets as at December 31, 2013 are as follows:

Details of Assets	Asset Management Companies					Total
	Kasikom Thai	MFC	One	Krung Thai	Siam Commercial	
Savings account deposits	13.97	0.82	0.60	1.16	2.29	18.84
Fixed deposits with original maturities of less than 3 months	100.00	52.00	-	-	-	152.00
Fixed deposits with original maturities of more than 3 months to 12 months	665.00	322.60	340.00	142.00	230.00	1,699.60
Fixed deposits with original maturities of 12 months – due within 1 year	65.00	45.00	270.00	20.00	100.00	500.00
Accrued interest income from deposits at banks	3.10	2.71	7.16	2.49	3.43	18.89
Trading investments - debt securities	4,404.65	1,683.95	1,301.51	866.68	642.04	8,898.83
Available-for-sale investments -mixed	-	-	-	46.87	-	46.87
Current portion of held-to-maturity investments in debt securities - private funds	55.00	25.00	-	20.90	-	100.90
Accrued interest income from debt securities	25.85	13.71	12.42	8.68	6.50	67.16
Receivables from sales of securities	17.00	43.71	30.72	-	-	91.43
Fixed deposits with original maturities of over 12 months	52.00	99.50	160.00	-	35.00	346.50
Withholding tax under section 3 tredecim	0.20	0.24	0.19	0.11	0.03	0.77
Withholding tax under section 69 bis	0.24	0.17	0.24	0.15	0.02	0.82
Total	5,402.01	2,289.41	2,122.84	1,109.04	1,019.31	11,942.61

9 Trade and other receivables

Trade accounts receivable as at December 31, 2013 and 2012 are detailed as follows:

	2013	2012
Trade accounts receivable - telecommunication services		
Third parties	30,300.36	12,706.90
Government/ State enterprises	311.13	300.60
Joint ventures	405.30	396.90
Related parties	38.71	90.53
Total	31,055.50	13,494.93
<u>Less</u> Allowance for doubtful accounts	(157.88)	(307.05)
Total trade accounts receivable - telecommunication services	30,897.62	13,187.88
Trade accounts receivable - revenue sharing from telecommunication services		
Third parties	6,892.87	3,089.17
Related parties	104.70	-
<u>Less</u> Trade accounts payable - revenue sharing from telecommunication service	(1,107.78)	(742.29)
Telecommunication connection payable - manual	(5,163.08)	(1,733.77)
Allowance for doubtful accounts	(6.14)	(6.14)
Trade accounts receivable - revenue sharing from telecommunication services	720.57	606.97
Total trade accounts receivable	31,618.19	13,794.85
Other receivables		
Third parties	421.59	329.83
Joint ventures	1.71	6.63
Related parties	25.32	1,370.56
<u>Less</u> Allowance for doubtful accounts	(258.22)	(263.63)
Other receivables	190.40	1,443.39
Trade accounts receivable and other receivables	31,808.59	15,238.24

Outstanding trade accounts receivable as at December 31, 2013 and 2012 can be aged as follows:

	2013	2012
Trade accounts receivable - telecommunication services		
Not later than 3 months	30,756.38	12,992.07
From 3 - 6 months	103.76	161.31
Later than 6 - 12 months	74.10	92.51
Later than 12 months	121.26	249.04
Total	31,055.50	13,494.93
<u>Less</u> Allowance for doubtful accounts	(157.88)	(307.05)
Trade accounts receivable - telecommunication services	30,897.62	13,187.88

	2013	2012
Trade accounts receivable - revenue sharing from telecommunication services		
Not later than 3 months	3,168.46	1,987.46
From 3 - 6 months	1,021.33	146.17
Later than 6 - 12 months	2,108.41	651.51
Later than 12 months	699.37	304.03
Total	6,997.57	3,089.17
<u>Less</u> Trade accounts payable - revenue sharing from telecommunication services	(1,107.78)	(742.29)
Telecommunication connection payable - manual	(5,163.08)	(1,733.77)
Allowance for doubtful accounts	(6.14)	(6.14)
Trade accounts receivable - revenue sharing from telecommunication services	720.57	606.97
Trade accounts receivable	31,618.19	13,794.85

10 Concession receivable

Concession receivable as at December 31, 2013 and 2012 are detailed as follows:

	2013	2012
Trade accounts receivable - customers under concession agreements	382.62	680.66
Accrued income	3,505.30	6,122.38
Total	3,887.92	6,803.04
<u>Less</u> Allowance for doubtful accounts	(4.55)	(4.55)
Trade accounts receivable - concession agreements	3,883.37	6,798.49

11 Accrued income

Accrued income as at December 31, 2013 and 2012 are detailed as follows:

	2013	2012 (Restated)
Revenue from wireless communication services	8,425.81	2,929.59
Revenue from telephone services	410.13	291.30
Revenue from broadbands	255.37	189.73
Revenue from asset development	42.61	34.45
Revenue from network services	39.20	31.69
Revenue from radio communication services	14.62	11.17
Others	665.44	249.88
Total	9,853.18	3,737.81
<u>Less</u> Allowance for doubtful accounts	(471.87)	(471.87)
Accrued income	9,381.31	3,265.94

12 Inventories and supplies

Inventories and supplies as at December 31, 2013 and 2012 are detailed as follows:

	2013	2012
Finished goods	186.50	86.21
Supplies for telecommunication	311.25	301.58
Prepaid telecommunication service cards	1.41	1.19
Total	499.16	388.98
<u>Less</u> Allowance for damage or obsolescence	(69.43)	(53.36)
Inventories and supplies	429.73	335.62

Inventory cost recognised as expenses

	2013	2012
Cost of goods sold	45.03	51.09
Adjustment to net realisable value	24.87	-
Reversal of allowance for damage or obsolescence	(8.80)	(1.91)
Total, net	61.10	49.18

In 2013, the Company considered and adjusted the value of its inventories by a decrease of Baht 24.87 million (2012: none) and reversed the allowance for inventories, which was recognised in 2013, of Baht 8.80 million (2012: Baht 1.91 million). At the end of the year 2013, the Company has not adjusted the telecommunications supplies amounting to Baht 78.59 million which was caused by unused telecommunications supplies left at year end. This resulted in understated telecommunications supplies by Baht 78.59 million and overstated expense by the same amount.

13 Other current assets

Other current assets as at December 31, 2013 and 2012 are detailed as follows:

	2013	2012 (Restated)
Accrued interest income	447.79	228.11
Withholding tax receivable	(0.17)	(0.59)
Prepayments	147.39	316.50
Undue input Value Added Tax	4,145.95	2,483.56
Others	25.43	26.59
Total	4,766.39	3,054.17

As at December 31, 2013, accrued interest income includes interest on the Pension Fund amounting to Baht 2.10 million (as at December 31, 2012: Baht 1.37million).

14 Restricted short-term investment

As at December 31, 2013 and 2012 are detailed as follows:

	2013	2012
Fixed deposits - Krung Thai Bank Public Company Limited	15.00	15.00
Fixed deposits - Government Housing Bank	485.00	485.00
Fixed deposits - CIMB Thai Bank Public Company Limited	20.00	20.00
Fixed deposits - Thanachart Bank Public Company Limited	1,500.00	1,500.00
Total	2,020.00	2,020.00

Restricted short-term investments represent fixed deposits pledged for bank guarantees when entering into juristic contracts and deposits that the Company has agreed with the bank to use as a guarantee for employees' housing loans from the bank. The Company is required by the bank to maintain a one-year fixed deposit and short-term investments in debt securities held to maturity, which are used as pledged securities for bank guarantees as mentioned in Note 43 (e). In 2013, interest rates on the restricted short-term investments are 2.50% to 3.70% per annum (2012: 2.25% to 3.70% per annum).

15 Investments in subsidiaries

On April 7, 2010, the Cabinet approved in principle the proposal of the Ministry of Information and Communication Technology to allow the Company to acquire the CDMA business in the central region from Hutchison-CAT Wireless MultiMedia Ltd. (Hutch) through the acquisition of assets and establishment of subsidiaries. The objective is to operate CDMA cellular services nationwide under the same brand.

On May 11, 2010, the Company established Cat Wireless Holdings Limited (Holding) as a subsidiary with registered capital of Baht 3,000 million for the purpose of co-investing and holding shares in various companies. The Company holds all of the shares in Holding.

On June 3, 2010, the Company established another three subsidiaries that are held by Holding, as follows:

1. CAT Wireless Networks Co., Ltd. with registered capital of Baht 2,705 million for the purpose of providing telephone network management services.
2. CAT Mobile Co., Ltd. with registered capital of Baht 224 million for the purpose of providing marketing management services.
3. CAT Contact Center Co., Ltd. with registered capital of Baht 4 million for the purpose of providing call centre services and information support services.

Due to the Company could not completely negotiate to consolidate from Hutch, the board of directors are requested to considered to cancel Holding company and these subsidiaries in the board of directors' meeting No. 19/2553 held on December 23, 2010, and approved to register for cancellation and liquidation.

On December 28, 2010, the cabinet approved as the Ministry of Information and Communication Technology proposed to cancel the consolidation from Hutch.

At the extraordinary shareholders' meeting No. 1/2554, the meeting of shareholders passed a special resolution to dissolve four subsidiaries and appointed a liquidator to proceed with the Company dissolution. The Liquidator sent the Company a letter requesting to recognise obligation and expense of four subsidiaries and the Company accepted obligation and expense following the debt forgiveness to the related parties on August 10, 2011

The Office of the Company Limited and Partnership registration under the Department of Business Development of the Ministry of Commerce acknowledged that the dissolution of those four subsidiaries was registered on August 1, 2011 and the liquidation was registered on April 25, 2013

The Company does not include investments in the four subsidiaries in the consolidated financial statement because the subsidiaries' financial statements are immaterial to the Company's financial statements and the four subsidiaries have no business operations.

16 Investments in associates

Movements in investments in associates for the years ended December 31, 2013 and 2012 are detailed as follows:

	Financial statements in which equity method is applied		Separate financial statements	
	2013	2012	2013	2012
Opening net book amount	85.23	122.06	6.40	6.40
Shares of profit in investments under equity method	44.22	23.43	-	-
Dividends income	(60.15)	(60.26)	-	-
Closing net book amount	69.30	85.23	6.40	6.40

The associates, which are non-listed on the Stock Exchange of Thailand, are detailed as follows:

Name of company	Type of business	Country of incorporation	% Ownership interest	
			December 31, 2013	December 31, 2012
C&C International Venture Co., Ltd.	Consulting services	Thai	21.43	21.43
Thai-Amadeus Southeast Asia Co., Ltd.	Provision of flight reservation services	Thai	20.00	20.00
Telephone Number Portability Service Center Co., Ltd.	Provision of IT system and central database for services providers	Thai	20.00	20.00

Summary of financial information related to assets, liabilities, income and net profit (loss) for the year ended December 31, 2013 of associates where the Company has prepared the financial statements in which equity method is applied are as follows:

Name of company	Statement of financial position (100%)		Statement of income (100%)		Ownership interest (%)
	Total assets	Total liabilities	Total income	Net profit (loss)	
C&C International Venture Co., Ltd.	32.75	12.73	22.32	(1.03)	21.43
Thai-Amadeus Southeast Asia Co., Ltd.	255.72	80.75	345.19	94.99	20.00
Telephone Number Portability Service Center Co., Ltd.	303.82	153.75	274.28	127.19	20.00
Total	592.29	247.23	641.79	221.15	

Summary of financial information related to assets, liabilities, income and net profit (loss) for the year ended December 31, 2012 of associates where the Company has prepared the financial statements in which equity method is applied are as follows:

Name of company	Statement of financial position (100%)		Statement of income (100%)		Ownership interest (%)
	Total assets	Total liabilities	Total income	Net profit (loss)	
C&C International Venture Co., Ltd.	32.92	11.17	13.29	(6.40)	21.43
Thai-Amadeus Southeast Asia Co., Ltd.	463.55	83.58	330.41	101.65	20.00
Telephone Number Portability Service Center Co., Ltd.	38.59	15.71	62.33	20.19	20.00
Total	535.06	110.46	406.03	115.44	

17 Investments in joint ventures

Movements in investments in joint ventures for the years ended December 31, 2013 and 2012 are detailed as follows:

	Financial statements in which equity method is applied		Separate financial statements	
	2013	2012	2013	2012
Opening net book amount	572.57	559.87	41.40	42.08
Shares of profit (loss) from investments under equity method	54.89	(0.36)	-	-
Cumulative foreign currency translation adjustment	13.31	13.06	-	-
Dividends income	(113.98)	-	-	-
Loss on impairment of investments	-	-	(0.73)	(0.68)
Reversal of loss on impairment of investments	-	-	-	-
Closing net book amount	526.79	572.57	40.67	41.40

The Company recognised an impairment loss on its investment in CAT BUZZ TV Co., Ltd. (CAT BUZZ) and recognised transactions in the financial statement for the year ended December 31, 2013 amounting Baht 0.73 million (2012: Baht 0.68 million). The operating performance of CAT BUZZ in prior periods has resulted in continuous losses to the Company and, as a result, the Company's shareholders' equity is lower than the value of investments at cost.

The joint ventures, which are non-listed on the Stock Exchange of Thailand, are detailed as follows:

Name of company	Nature of business	Country of incorporation	% Ownership interest		
			December 31, 2013	December 31, 2012	
Domestic joint ventures:					
Internet service providers (ISPs):					
Asia Infonet Co., Ltd. ^{1,2}	Internet services	Thailand	32.00	32.00	
ChomananWorldnet Co., Ltd. ^{1,3}	Internet services	Thailand	32.00	32.00	
Internet Service Provider Co., Ltd. ^{1,2}	Internet services	Thailand	32.00	32.00	
Roynt Internet Co., Ltd. ^{1,3}	Internet services	Thailand	32.00	32.00	
Other telecom service providers:					
Hutchison-CAT Wireless Multimedia Co., Ltd.	Marketing services for Digital AMPS 800 BAND A	Thailand	26.00	26.00	
STC Network Corporation Co., Ltd.	Marketing services for data communication	Thailand	46.00	46.00	
Smart Highway Co., Ltd. ¹	Domestic high-speed leased circuit and frame relay services	Thailand	32.00	32.00	
Telecard Corporation Co., Ltd. ^{1,3}	Retailer of phone cards for international calls	Thailand	26.00	26.00	
CAT BUZZ TV Co., Ltd.	Advertisement media on bus	Thailand	49.00	49.00	
Foreign joint ventures:					
Asean Cables PTE LTD	Operate in vessel for repairs and maintenance of submarine cable System	Singapore	16.67	16.67	
Acasia Communications Sdn Bhd	Provide services relating to telecommunications, computer, data and information within and outside Malaysia	Malaysia	12.80	12.80	
Asean Telecom Holdings Sdn Bhd	Invest in Acasia Communications Sdn Bhd	Malaysia	14.29	14.29	

¹ These joint ventures operate under concession agreements

² Joint ventures for which the contracts have expired and the Company is in the process of asset and liability settlement

³ Joint ventures which the Company is in the process of a lawsuit

Details of assets, liabilities, revenues, and expenses for the year ended December 31, 2013 of joint ventures where the Company has prepared financial statements in which the equity method is applied:

Name of company	Statement of financial position (100%)							Statement of income (100%)		
	Current assets	Non-current assets	Total assets	Current liabilities	Non-current liabilities	Total liabilities	Net assets (liabilities)	Total income	Total expenses	Net profit (loss)
Domestic joint ventures:										
Asia Infonet Co., Ltd. ³	27.38	0.21	27.59	0.16	-	0.16	27.43	3.54	2.64	0.90
Chamanun Worldnet Company	-	-	-	-	-	-	-	-	-	-
Internet Service Provider Co., Ltd. ³	4.25	0.98	5.23	3.93	203.16	207.09	(201.86)	1.14	17.34	(16.20)
Hutchison-CAT Wireless Multimedia Co., Ltd.	1,937.91	66.85	2,004.76	42,278.69	-	42,278.69	(40,273.93)	34.73	279.69	(244.96)
Roynet Internet Company ¹	-	-	-	-	-	-	-	-	-	-
STC Network Corporation Limited	59.26	35.99	95.25	39.57	2.74	42.31	52.94	177.46	176.20	1.26
Smart Highway Co., Ltd.	62.85	3.26	66.11	32.65	0.14	32.79	33.32	6.00	6.85	(0.85)
Telecard Corporation Co., Ltd. ⁴	-	-	-	-	-	-	-	-	-	-
CAT BUZZ TV Co., Ltd.	2.18	5.89	8.07	4.14	-	4.14	3.93	-	1.54	(1.54)
Overseas joint ventures:										
Asean Cablesip PTE LTD	2,934.33	1,021.77	3,956.10	403.72	36.00	439.72	3,516.38	1,258.19	1,097.94	160.25
Acasia Communications Sdn Bhd	132.69	4.59	137.28	11.22	-	11.22	126.06	28.50	21.69	6.81
Asean Telecom Holdings Sdn Bhd	13.20	7.12	20.32	-	-	-	20.32	0.38	0.33	0.05
Total	5,174.05	1,146.66	6,320.71	42,774.08	242.04	43,016.12	(36,695.41)	1,509.94	1,604.22	(94.28)

¹ Joint venture which is in the process of being dissolved under a lawsuit

² Joint venture that the Officer of the Department of Business Development has struck off its register as a defunct entity - the entity cancelled its application to the court for expulsion to dissolve the entity because it lost its status as a juristic person and is now in the process of dissolution of the shareholders.

³ Joint venture that contract has been expired and is in the process of asset and liability settlement

⁴ Joint venture which the Company agreed to dissolve and claim assets and liabilities settlement for both parties

Details of assets, liabilities, revenues, and expenses for the year ended December 31, 2012 of joint ventures where the Company has prepared financial statements in which the equity method is applied:

Name of company	Statement of financial position (100%)							Statement of income (100%)		
	Current assets	Non-current assets	Total assets	Current liabilities	Non-current liabilities	Total liabilities	Net assets (liabilities)	Total income	Total expenses	Net profit (loss)
Domestic joint ventures:										
Asia Infonet Co., Ltd. ³	59.44	0.36	59.80	22.15	0.37	22.52	37.28	14.50	12.30	2.20
Internet Service Provider Co., Ltd. ³	4.14	2.18	6.32	3.23	188.75	191.98	(185.66)	0.85	8.68	(7.83)
Hutchison-CAT Wireless Multimedia Co., Ltd.	2,009.91	224.69	2,234.60	42,260.23	3.33	42,263.56	(40,028.96)	1,075.66	934.81	140.85
STC Network Corporation Co., Ltd.	62.45	31.64	94.09	37.67	2.74	40.41	53.68	174.40	169.55	4.85
Smart Highway Co., Ltd.	59.98	5.94	65.92	31.64	0.11	31.75	34.17	8.34	6.77	1.57
Telecard Corporation Co., Ltd. ⁴	-	-	-	-	-	-	-	-	-	-
CAT BUZZ TV Co., Ltd.	2.19	7.35	9.54	4.11	-	4.11	5.43	0.69	2.08	(1.39)
Overseas joint ventures:										
Asean Cablesip PTE LTD	2,615.68	1,239.33	3,855.01	414.51	-	414.51	3,440.50	1,668.24	1,679.09	(10.85)
Acasia Communications Sdn Bhd	121.51	6.33	127.84	7.54	-	7.54	120.30	20.50	23.00	(2.50)
Asean Telecom Holdings Sdn Bhd	13.20	7.14	20.34	-	-	-	20.34	0.43	0.20	0.23
รวม	4,948.50	1,524.96	6,473.46	42,781.08	195.30	42,976.38	(36,502.92)	2,963.61	2,836.48	127.13

¹ Joint venture which is in the process of being dissolved under a lawsuit

² Joint venture that the Officer of the Department of Business Development has struck off its register as a defunct entity - the entity cancelled its application to the court for expulsion to dissolve the entity because it lost its status as a juristic person and is now in the process of dissolution of the shareholders.

³ Joint venture that contract has been expired and is in the process of asset and liability settlement

⁴ Joint venture which the Company agreed to dissolve and to claim assets and liabilities settlement for both parties

18 Other long-term investments

Movements in other long-term investments comprise fixed deposits, available-for-sale investments, investments in debt securities which will be held to maturity and general investments for the years ended December 31, 2013 and 2012 are detailed as follows:

	Note	2013	2012
Opening net book amount		3,486.75	3,424.39
Addition of investments		1,656.50	990.90
Decrease in share capital		(600.00)	-
Transfer of portion of balance due for redemption within one year	8	(1,600.90)	(1,050.00)
Unrealised gain on changes in fair value of available-for-sale investments		60.14	121.46
Closing net book amount		3,002.49	3,486.75

The details and net book value of other long-term investments can be summarised as follows:

	December 31, 2013					December 31, 2012				
	Fixed deposit	Available-for-sale investments	Held-to-maturity investments	General investments	Total	Fixed deposit	Available-for-sale investments	Held-to-Maturity investments	General investments	Total
Fixed deposits										
Thanachart Bank Public Company Limited	151.50	-	-	-	151.50	-	-	-	-	-
Krung Thai Bank Public Company Limited	195.00	-	-	-	195.00	590.00	-	-	-	590.00
Debt securities ¹										
CIMB Thai Bank Public Company Limited	-	-	900.00	-	900.00	-	-	-	-	-
The Hongkong and Shanghai Banking Corporation Limited	-	-	-	-	-	-	-	500.00	-	500.00
JPMorgan Chase Bank, Bangkok Branch	-	-	-	-	-	-	-	600.00	-	600.00
TISCO Bank Public Company Limited	-	-	300.00	-	300.00	-	-	300.00	-	300.00
Standard Chartered Bank (Thai) Public Company Limited ³	-	-	1,000.00	-	1,000.00	-	-	1,000.00	-	1,000.00
Krung Thai Bank Public Company Limited	-	-	-	-	-	-	-	100.90	-	100.90
Equity securities										
Internet Thailand Public Company Limited	-	136.00	-	-	136.00	-	99.20	-	-	99.20
Total Access Communication Public Company Limited ²	-	242.50	-	-	242.50	-	220.63	-	-	220.63
CS LoxInfo Public Company Limited ²	-	49.49	-	-	49.49	-	48.02	-	-	48.02
True Move Co., Ltd ²	-	-	-	5.00	5.00	-	-	-	5.00	5.00
Digital Phone Co., Ltd ²	-	-	-	1.25	1.25	-	-	-	1.25	1.25
ACeS Regional Service Co., Ltd	-	-	-	20.00	20.00	-	-	-	20.00	20.00
Trade Siam Co., Ltd	-	-	-	1.75	1.75	-	-	-	1.75	1.75
LensoPhonecard Co., Ltd	-	-	-	105.75	105.75	-	-	-	105.73	105.73
<u>Less</u> Allowance for impairment	-	-	-	(105.75)	(105.75)	-	-	-	(105.73)	(105.73)
Grand total	346.50	427.99	2,200.00	28.00	3,002.49	590.00	367.85	2,500.90	28.00	3,486.75

The details of held-to-maturity investments in debt securities are classified by maturity period as follows:

	December 31, 2013				December 31, 2012			
	Within				Within			
	1 year	2 - 5 years	6 - 10 years	Total	1 year	2 - 5 years	6 - 10 years	Total
Held-to-maturity investments in debt securities¹								
CIMB Thai Bank Public Company Limited	-	900.00	-	900.00	-	-	-	-
The Hongkong and Shanghai Banking Corporation Limited*	500.00	-	-	500.00	-	500.00	-	500.00
JPMorgan Chase Bank, Bangkok Branch*	-	-	-	-	400.00	600.00	-	1,000.00
PTT Public Company Limited**	-	-	-	-	200.00	-	-	200.00
TISCO Bank Public Company Limited**	-	-	300.00	300.00	-	-	300.00	300.00
Standard Chartered (Thailand) Public Company Limited*, ³	-	1,000.00	-	1,000.00	-	1,000.00	-	1,000.00
Krung Thai Bank Public Company Limited	100.90	-	-	100.90	-	100.90	-	100.90
Central Development Public Company Limited***	-	-	-	-	150.00	-	-	150.00
Grand total	600.90	1,900.00	300.00	2,800.90	750.00	2,200.90	300.00	3,250.90

¹ Investments in debt securities are classified as held-to-maturity investments and their maturities are from one to ten years. The interest rates are 3.80% to 5.50% per annum with following terms and conditions:

* The interest rate of debt securities in the first period is between 5.00% and 5.50% per annum and then at a floating rate as agreed in the following period until the maturity date.

** The interest rates for each year are determined by agreement.

*** The interest rates are at a fixed rate throughout the period.

² These companies operate under concession agreements.

³ The Company pledged held-to-maturity investments in debt securities of Standard Chartered Bank (Thai) Company Limited of Baht 1,000 million for bank guarantees with the bank as disclosed in Note 43 (f).

19 Investment Property

Investment property is land. The details as at December 31, 2013 are as follows:

At December 31, 2012	
Cost	47.20
<u>Less</u> Allowance for impairment	(9.69)
Closing net book amount	37.51

Movement for the year ended December 31, 2013	
Opening net book amount	37.51
Loss on impairment	-
Closing net book amount	37.51

At December 31, 2013	
Cost	47.20
<u>Less</u> Allowance for impairment	(9.69)
Closing net book amount	37.51

As at December 31, 2013, the fair value of investment property is Baht 38.10 million. The fair value is determined by an independent valuer.

At December 31, 2011	
Cost	47.20
<u>Less</u> Allowance for impairment	(9.69)
Closing net book amount	37.51

Movement for the year ended December 31, 2012	
Opening net book amount	37.51
Loss on impairment	-
Closing net book amount	37.51

At December 31, 2012	
Cost	47.20
<u>Less</u> Allowance for impairment	(9.69)
Closing net book amount	37.51

20 Property, plant and equipment

Property, plant and equipment as at December 31, 2013 are detailed as follows:

	Land	Buildings and building improvements	Telecommunication equipment	Tools, other equipment and furniture	Motor vehicles	Assets under installation	Total
As December 31, 2012							
Cost	1,125.61	9,237.50	57,176.47	4,126.46	505.78	5,631.02	77,802.84
<u>Less</u> Accumulated depreciation	-	(5,624.04)	(40,224.53)	(2,664.39)	(428.87)	-	(48,941.83)
Allowance for impairment	-	(0.07)	(2,519.95)	(14.40)	-	(188.85)	(2,723.27)
Closing net book amount	1,125.61	3,613.39	14,431.99	1,447.67	76.91	5,442.17	26,137.74
Movement for the year ended December 31, 2013							
Opening book amount	1,125.61	3,613.39	14,431.99	1,447.67	76.91	5,442.17	26,137.74
Additions	39.53	65.49	1,236.11	337.83	29.39	9,083.73	10,792.08
Provision for demolition	-	0.92	124.42	-	-	-	125.34
Disposals							
- Cost	-	(55.24)	(5,523.72)	(88.88)		-	(5,700.00)
- Accumulated depreciation	-	40.54	3,933.78	87.81	(32.16)	-	4,094.29
- Allowance for impairment	-	-	1,563.78	1.00	32.16	-	1,564.78
Reclassification							
- Cost	-	181.09	59,415.91	709.82	(0.53)	(6,178.95)	54,127.34
- Accumulated depreciation	-	45.54	(40,349.91)	(19.82)	0.53	-	(40,323.66)
- Allowance for impairment	-	-	(10,026.35)	-	-	188.85	(9,837.50)
Depreciation charge	-	(381.47)	(6,259.82)	(553.13)	(31.14)	-	(7,225.56)
Loss on impairment	-	(0.03)	(444.92)	(10.79)	-	-	(455.74)
Closing net book amount	1,165.14	3,510.23	18,101.27	1,911.51	75.16	8,535.80	33,299.11
Cost	1,165.14	9,429.76	112,429.19	5,085.23	502.48	8,535.80	137,147.60
<u>Less</u> Accumulated depreciation	-	(5,919.43)	(82,900.48)	(3,149.53)	(427.32)	-	(92,396.76)
Allowance for impairment	-	(0.10)	(11,427.44)	(24.19)	-	-	(11,451.73)
Closing net book amount	1,165.14	3,510.23	18,101.27	1,911.51	75.16	8,535.80	33,299.11

As at December 31, 2013 (continued)

As at December 31, 2013, cost of assets which have fully depreciated and are still in use is Baht 130,004.39 million (as at December 31, 2012: Baht 27,856.05 million). Depreciation charged for the year ended December 31, 2013 is Baht 7,225.56 million (for the year ended December 31, 2012: Baht 5,574.63 million), which was classified as cost of services amounting to Baht 6,841.71 million (for the year ended December 31, 2012: Baht 5,211.04 million) and classified as selling and administrative expenses amounting to Baht 383.85 million (for the year ended December 31, 2012: Baht 363.59 million). The Company recognised loss on impairment of 2 asset items which were CDMA project assets amounting to Baht 171.70 million and submarine cable and circuit amounting to Baht 284.04 million, totalling Baht 455.74 million, in the financial statements for the year 2013 due to the return on these assets would not cover the asset maintenance expenses.

The company received the transferred assets under concession at the end of contracts on September 15, 2013 amounting to Baht 4,379.62 million which comprised True Move's assets of Baht 3,733.36 million and DPC's assets of Baht 646.26 million. These assets are still used for providing services by True Move and DPC according to the NBTC's notification regarding temporary protection measures of the service user in case that the expiry of the granted permits of the concession or contract for mobile service B.E.2556. True Move negotiated to pay the rental fee of Baht 536 million per year, but the Company has still not agreed with this rate. The rental rate is in negotiation process. The Company believes that the final rental rate will be higher than the proposed rate by True Move, so the Company has not recognised additional loss on impairment in the financial statements for the year 2013.

Property, plant and equipment as at December 31, 2012 are detailed as follows:

	Land	Buildings and building improvements	Telecommunication equipment	Tools, other equipment and furniture	Motor vehicles	Assets under installation	Total
At December 31, 2011							
Cost	1,034.70	10,581.09	49,383.73	4,868.70	492.75	2,804.51	69,165.48
<u>Less</u> Accumulated depreciation	-	(5,682.66)	(34,681.29)	(3,509.76)	(420.76)	-	(44,294.47)
Allowance for impairment	-	(0.07)	(2,544.35)	(15.20)	-	(194.45)	(2,754.07)
Closing net book amount - as previously reported	1,034.70	4,898.36	12,158.09	1,343.74	71.99	2,610.06	22,116.94
Effect of reclassification							
Cost	-	(1,433.32)	3,151.13	(1,717.81)	-	-	-
<u>Less</u> Accumulated depreciation	-	363.89	(1,616.15)	1,252.26	-	-	-
Allowance for impairment	-	-	(0.80)	0.80	-	-	-
Closing net book amount - as restated	1,034.70	3,828.93	13,692.27	878.99	71.99	2,610.06	22,116.94

	Land	Buildings and building improvements	Telecommunication equipment	Tools, other equipment and furniture	Motor vehicles	Assets under installation	Total
Movement for the year ended December 31, 2012							
Opening net book amount	1,034.70	3,828.93	13,692.27	878.99	71.99	2,610.06	22,116.94
Additions	63.39	96.77	2,865.08	450.48	23.38	6,352.49	9,851.59
Disposals							
- Cost	-	(4.20)	(851.93)	(63.30)	(21.75)	(0.55)	(941.73)
- Accumulated depreciation	-	2.92	814.32	62.87	21.75	-	901.86
- Allowance for impairment	-	-	30.79	-	-	-	30.79
Reclassification							
- Cost	27.52	(2.84)	2,628.46	588.39	11.40	(3,525.43)	(272.50)
- Accumulated depreciation	-	85.41	(50.36)	(14.74)	5.10	-	25.41
- Allowance for impairment	-	-	(5.60)	-	-	5.60	-
Depreciation charge	-	(393.60)	(4,691.05)	(455.02)	(34.96)	-	(5,574.63)
Loss on impairment	-	-	0.01	-	-	-	0.01
Closing net book amount	1,125.61	3,613.39	14,431.99	1,447.67	76.91	5,442.17	26,137.74
Cost	1,125.61	9,237.50	57,176.47	4,126.46	505.78	5,631.02	77,802.84
<u>Less</u> Accumulated depreciation	-	(5,624.04)	(40,224.53)	(2,664.39)	(428.87)	-	(48,941.83)
Allowance for impairment	-	(0.07)	(2,519.95)	(14.40)	-	(188.85)	(2,723.27)
Closing net book amount	1,125.61	3,613.39	14,431.99	1,447.67	76.91	5,442.17	26,137.74

21 Assets under concession agreements

Assets under concession agreements as at December 31, 2013 are detailed as follows:

	Buildings and building improvements	Telecommunication equipment	Total
At December 31, 2012			
Cost	0.91	142,440.55	142,441.46
<u>Less</u> Accumulated depreciation	(0.49)	(111,919.18)	(111,919.67)
Allowance for impairment	-	(173.53)	(173.53)
Closing net book amount	0.42	30,347.84	30,348.26
Movement for the year ended December 31, 2013			
Opening net book amount	0.42	30,347.84	30,348.26
Additions	-	13,561.76	13,561.76
Disposals			
- Cost	-	(1,669.35)	(1,669.35)
- Accumulated depreciation	-	1,650.06	1,650.06
Reclassification			
- Cost	-	(54,539.76)	(54,539.76)
- Accumulated depreciation	-	40,322.62	40,322.62
- Allowance for impairment	-	9,837.50	9,837.50
Depreciation	(0.04)	(9,281.82)	(9,281.86)
Loss on impairment	-	(10,918.21)	(10,918.21)
Closing net book amount	0.38	19,310.64	19,311.02
At December 31, 2013			
Cost	0.91	99,793.20	99,794.11
<u>Less</u> Accumulated depreciation	(0.53)	(79,228.32)	(79,228.85)
Allowance for impairment	-	(1,254.24)	(1,254.24)
Closing net book amount	0.38	19,310.64	19,311.02

The Company recognised loss on impairment of transferred assets under concession agreements of Baht 10,918.21 million that comprised DTAC's assets amounting to Baht 1,080.71 million, True Move's assets of Baht 8,889.29 million, and DPC of Baht 948.21 million in the financial statements for the year ended on December 31, 2013. In addition, the Company reclassified True Move's and DPC's assets under concession agreements that expired on September 15, 2013 to the Company's assets. The Company recognised loss on impairment of Baht 4,379.62 million, composing of True Move's assets amounting to Baht 3,733.36 million and DPC's assets amounting to Baht 646.26 million, according to the NBTC's notification regarding temporary protection measures of the service user in case that the expiry of the granted permits of the concession or contract for mobile service B.E.2556. The Company expected that these assets could be further used for another 1 year.

Assets under concession agreements as at December 31, 2012 are detailed as follows:

	Buildings and building improvements	Telecommunication equipment	Total
At December 31, 2011			
Cost	0.91	126,055.20	126,056.11
<u>Less</u> Accumulated depreciation	(0.44)	(103,420.07)	(103,420.51)
Allowance for impairment	-	(46.11)	(46.11)
Closing net book amount	0.47	22,589.02	22,589.49
Movement for the year ended December 31, 2012			
Opening net book amount	0.47	22,589.02	22,589.49
Additions	-	17,163.13	17,163.13
Disposals			
- Cost	-	(777.78)	(777.78)
- Accumulated depreciation	-	776.15	776.15
Depreciation	(0.05)	(9,275.26)	(9,275.31)
Loss on impairment	-	(127.42)	(127.42)
Closing net book amount	0.42	30,347.84	30,348.26
At December 31, 2012			
Cost	0.91	142,440.55	142,441.46
<u>Less</u> Accumulated depreciation	(0.49)	(111,919.18)	(111,919.67)
Allowance for impairment	-	(173.53)	(173.53)
Closing net book amount	0.42	30,347.84	30,348.26

The Company recognised an impairment of TMSC equipment (Benjajinda Telephone Exchange) transferred from Total Access Communication Co., Ltd (DTAC) on August 18, 2010 under the concession agreement of Baht 127.42 million in the financial statement for the year ended December 31, 2012. (Receiving value is Baht 224.82 million) The Company calculated the impairment amount by considering the assets with an indication of impairment as follows:

1. assets adversely affected by changes in the technological and environment
2. assets with a decreased return on use and thus not economical to maintain
3. assets with a carrying amount exceeding market capitalisation
4. assets with an evidence of obsolescence or physical damage
5. assets that the Company plans to discontinue using assets or will be impacted by the restructure of its operation.

22 Intangible assets

Intangible assets as at December 31, 2013 are detailed as follows:

	Computer software	Deferred expenses- research expenses	Development expenses	Total
At December 31, 2012				
Cost	1,895.23	-	0.17	1,895.40
<u>Less</u> Accumulated amortisation	(1,093.50)	-	-	(1,093.50)
Allowance for impairment	(21.21)	-	-	(21.21)
Closing net book amount	780.52	-	0.17	780.69
Movement for the year ended December 31, 2013				
Opening net book amount	780.52	-	0.17	780.69
Additions	48.29	-	0.93	49.22
Disposals				
- Cost	(1.39)	-	-	(1.39)
- Accumulated amortisation	1.37	-	-	1.37
Reclassification				
- Cost	172.52	0.41	(0.41)	172.52
- Accumulated amortisation	1.04	-	-	1.04
Amortisation charge	(270.50)	(0.03)	-	(270.53)
Loss on impairment	(2.93)	-	-	(2.93)
Closing net book amount	728.92	0.38	0.69	729.99
At December 31, 2013				
Cost	2,114.65	0.41	0.69	2,115.75
<u>Less</u> Accumulated amortisation	(1,361.59)	(0.03)	-	(1,361.62)
Allowance for impairment	(24.14)	-	-	(24.14)
Closing net book amount	728.92	0.38	0.69	729.99

Intangible assets as at December 31, 2012 are detailed as follows:

	Computer software	Development expenses	Total
At December 31, 2011			
Cost	1,495.41	-	1,495.41
<u>Less</u> Accumulated amortisation	(848.11)	-	(848.11)
Allowance for impairment	(21.21)	-	(21.21)
Closing net book amount	626.09	-	626.09

Intangible assets as at December 31, 2012 are detailed as follows:

	Computer software	Development expenses	Total
Movement for the year ended December 31, 2012			
Opening net book amount	626.09	-	626.09
Additions	127.00	0.17	127.17
Disposals			
- Cost	(0.02)	-	(0.02)
- Accumulated amortisation	0.02	-	0.02
Reclassification			
- Cost	272.84	-	272.84
- Accumulated amortisation	(25.41)	-	(25.41)
Amortisation charge	(220.00)	-	(220.00)
Closing net book amount	780.52	0.17	780.69
At December 31, 2012			
Cost	1,895.23	0.17	1,895.40
<u>Less</u> Accumulated amortisation	(1,093.50)	-	(1,093.50)
Allowance for impairment	(21.21)	-	(21.21)
Closing net book amount	780.52	0.17	780.69

23 Other non-current assets

Other non-current assets as at December 31, 2013 and 2012 are detailed as follows:

	2013	2012
Insurance expenses	28.02	26.01
Prepaid expenses	414.17	838.28
Other accounts receivable	45.10	0.89
Total	487.29	865.18

In the year 2013, the Company considered the impairment of some submarine cables equipment and recognised the amortisation of some indefeasible rights of use (IRU) for Baht 467.88 million due to return of some indefeasible rights of use (IRU) were not worth with maintenance costs and there will be no opportunity to add value in the future.

24 Trade and other payables

Trade and other payables as at December 31, 2013 and 2012 are detailed as follows:

	2013	2012 (Restated)
Trade payables	542.61	954.53
Payable from revenue sharing relating to telecommunications services	1,367.63	778.03
Total trade payables	1,910.24	1,732.56
Other payables	2,548.33	1,379.22
Total trade and other payables	4,458.57	3,111.78

25 Deferred income

Deferred income as at December 31, 2013 is detailed as follows:

	2013			
	Deferred service revenues	Deferred revenue from submarine cable IRU sales	Deferred revenue from assets transferred under concession agreements	Total
Current portion				
Opening balance	42.24	-	11,837.22	11,879.46
<u>Add</u> Transfers from portion due later than one year	37.53	-	15,673.17	15,710.70
<u>Less</u> Revenue realised during the year	(42.41)	-	(20,984.64)	(21,027.05)
Closing balance	37.36	-	6,525.75	6,563.11
Non-current portion				
Opening balance	101.41	-	14,939.27	15,040.68
<u>Add</u> Additions during the year	0.40	-	13,561.77	13,562.17
<u>Less</u> Transfers to portion due within one year	(37.53)	-	(15,673.17)	(15,710.70)
Adjustments due to double transfer	-	-	(19.24)	(19.24)
Closing balance	64.28	-	12,808.63	12,872.91

Deferred income as at December 31, 2012 is detailed as follows:

	2012			
	Deferred service revenues	Deferred revenue from submarine cable IRU sales	Deferred revenue from assets transferred under concession agreements	Total
Current portion				
Opening balance	37.06	2.36	8,914.02	8,953.44
<u>Add</u> Transfers from portion due later than one year	43.29	-	14,666.92	14,710.21
<u>Less</u> Revenue realised during the year	(38.11)	(2.36)	(11,743.72)	(11,784.19)
Closing balance	42.24	-	11,837.22	11,879.46
Long-term portion				
Opening balance	137.88	-	12,443.06	12,580.94
<u>Add</u> Additions during the year	6.83	-	17,163.13	17,169.96
<u>Less</u> Transfers to portion due within one year	(43.30)	-	(14,666.92)	(14,710.22)
Closing balance	101.41	-	14,939.27	15,040.68

26 Accrued expenses

As at December 31, 2013 and 2012 are detailed as follows:

	2013	2012 (Restated)
Telecommunication service expenses	46,974.82	24,934.07
Marketing and selling expenses	759.67	604.16
Asset rental expenses	4,196.34	7,571.24
Repair and maintenance expenses	646.12	377.86
Utility expenses	50.47	65.47
Employee expenses	1,316.97	1,417.03
Transportation and travelling expenses	27.12	18.62
Other operating expenses	385.76	230.76
Other expenses	346.02	0.76
Others	1,252.18	1,083.54
Total	55,955.47	36,303.51

The Ministry of Finance sent the letter no. Gor Kor 0804.3 Vor/ 139 dated on September 5, 2013 to inform the improving measurement of incentive system relating to monetary compensation that followed the state-owned enterprises' performance evaluation system as resolved by the cabinet's meeting on July 2, 2013. The cabinet allows state-owned enterprises to pay bonus to their staffs despite the fact that there is an argument regarding the bonus expense procedures. The issue is to follow the cabinet's resolution or the former employment condition. The Company recognised bonus expense in accordance with the cabinet's resolution amounting to Baht 1,076.89 million in the financial statements. This bonus expense is presented in staff cost. (The bonus expense calculated by following the former employment condition is Baht 1,427.67 million.)

27 Advance received

Advance received as at December 31, 2013 and 2012 are detailed as follows:

	Note	2013	2012 (Restated)
Advance received - access charge under concession agreements	43 (a)	34,367.50	28,344.16
Advance received - service expenses		2.47	7.81
Others		3.12	3.30
Total		34,373.09	28,355.27

28 Other current liabilities

Other current liabilities as at December 31, 2013 and 2012 are detailed as follows:

	2013	2012 (Restated)
Deposits received from customers for services	86.51	100.51
Unearned revenue	277.20	289.86
Undue output Value Added Tax	3,453.26	1,842.27
Others	119.23	175.73
Total	3,936.20	2,408.37

29 Pension fund payable

Movements of liabilities recognised in the statement of financial position are detailed as follows:

	2013	2012
Opening balance	127.75	120.73
Contributions during the year	9.63	11.48
Payments to employees during the year	(7.39)	(4.46)
Closing balance	129.99	127.75

The Company contributes an amount equivalent to 10% of salary of employees who are fund members to the fund on a monthly basis, together with an additional contribution up to the obligation estimated to be paid as at the statement of financial position date.

As at December 31, 2013, the fund has 92 members (as at December 31, 2012: 95 members).

30 Deferred tax and income tax

Deferred tax

Movements of deferred assets and liabilities are detailed as follows

	Financial statements in which equity method is applied					
	Allowance for doubtful accounts	Depreciation of plant and equipment	Loss on impairment of plant and equipment	Employee benefits	Others	Total
Deferred tax assets						
At January 1, 2013	210.65	2.54	194.99	690.91	134.50	1,233.59
Items charged (credited):						
- Statement of income	(30.92)	3.96	2,181.11	9.42	242.33	2,405.90
- Statement of other comprehensive income	-	-	-	(95.44)	-	(95.44)
At December 31, 2013	179.73	6.50	2,376.10	604.89	376.83	3,544.05

	Financial statements in which equity method is applied					
	Allowance for doubtful accounts	Depreciation of plant and equipment	Loss on impairment of plant and equipment	Employee benefits	Others	Total
Deferred tax assets						
At January 1, 2012	213.44	(0.88)	343.69	675.29	315.45	1,546.99
Items charged (credited):						
- Statement of income	(2.79)	3.42	(148.70)	15.62	(180.95)	(313.40)
At December 31, 2012	210.65	2.54	194.99	690.91	134.50	1,233.59

	Financial statements in which equity method is applied					
	Allowance for doubtful accounts	Depreciation of plant and equipment	Loss on impairment of plant and equipment	Employee benefits	Others	Total
Deferred tax liabilities						
At January 1, 2013	-	159.48	-	-	86.60	246.08
Items charged (credited):						
- Statement of income	-	(159.48)	-	-	(6.66)	(166.14)
- Statement of other comprehensive income	-	-	-	-	13.52	13.52
At December 31, 2013	-	-	-	-	93.46	93.46

	Allowance for doubtful accounts	Depreciation of plant and equipment	Loss on impairment of plant and equipment	Employee benefits	Others	Total
Deferred tax liabilities						
At January 1, 2012	-	246.97	-	-	70.40	317.37
Items charged (credited):						
- Statement of income	-	(87.49)	-	-	(8.09)	(95.58)
- Statement of other comprehensive income	-	-	-	-	24.29	24.29
At December 31, 2012	-	159.48	-	-	86.60	246.08

	Separate financial statements					
	Allowance for doubtful accounts	Depreciation of plant and equipment	Loss on impairment of plant and equipment	Employee benefits	Others	Total
Deferred tax assets						
At January 1, 2013	210.65	2.54	194.99	690.91	133.84	1,232.93
Items charged (credited):						
- Statement of income	(30.92)	3.96	2,181.11	9.42	242.50	2,406.07
- Statement of other comprehensive income	-	-	-	(95.44)	-	(95.44)
At December 31, 2013	179.73	6.50	2,376.10	604.89	376.34	3,543.56

	Allowance for doubtful accounts	Depreciation of plant and equipment	Loss on impairment of plant and equipment	Employee benefits	Others	Total
Deferred tax assets						
At January 1, 2012	213.44	(0.88)	343.69	675.29	314.86	1,546.40
Items charged (credited):						
- Statement of income	(2.79)	3.42	(148.70)	15.62	(181.02)	(313.47)
At December 31, 2012	210.65	2.54	194.99	690.91	133.84	1,232.93

	Separate financial statements					
	Allowance for doubtful accounts	Depreciation of plant and equipment	Loss on impairment of plant and equipment	Employee benefits	Others	Total
Deferred tax liabilities						
At January 1, 2013	-	159.48	-	-	78.72	238.20
Items charged (credited):						
- Statement of income	-	(159.48)	-	-	(5.07)	(164.55)
- Statement of other comprehensive income	-	-	-	-	13.52	13.52
At December 31, 2013	-	-	-	-	87.17	87.17

	Allowance for doubtful accounts	Depreciation of plant and equipment	Loss on impairment of plant and equipment	Employee benefits	Others	Total
Deferred tax liabilities						
At January 1, 2012	-	246.97	-	-	58.83	305.80
Items charged (credited):						
- Statement of income	-	(87.49)	-	-	(4.40)	(91.89)
- Statement of other comprehensive income	-	-	-	-	24.29	24.29
At December 31, 2012	-	159.48	-	-	78.72	238.20

The Company measures deferred income tax assets and liabilities by using tax rate for the period in which the Company will gain benefits from deferred tax assets or in the period that the Company will pay tax liabilities. The tax rate for the year ended December 31, 2013, 2012, and 2011 are 20%, 20%, and 20% and 23%, respectively.

Income tax for the period is accrued using the tax rate that would be applicable to expected total annual profit which is 20% per annum.

	Financial statements in which equity method is applied		Separate financial statements	
	2013	2012	2013	2012
Current tax	4,574.74	3,629.62	4,574.74	3,629.62
Decrease (increase) in deferred tax assets	(2,405.90)	313.40	(2,406.07)	313.47
Decrease in deferred tax liabilities	(166.14)	(95.58)	(164.55)	(91.89)
Income tax charged in the statement of income	2,002.70	3,847.44	2,004.12	3,851.20

The disclosure relating to tax effect on each component other comprehensive income for the year ended December 31, 2013 and 2012 is as follows:

Financial statements in which equity method is applied

	2013			2012		
	Amount before tax	Benefit (tax expense)	Net amount after tax	Amount before tax	Benefit (tax expense)	Net amount after tax
Cumulative foreign currency translation adjustment	13.32	-	13.32	13.06	-	13.06
Unrealised gain on changes in fair value of available-for-sale investments	(48.67)	(13.52)	(62.19)	150.25	(24.29)	125.96
Actuarial gain (loss)	477.18	(95.44)	381.74	-	-	-
Other comprehensive income	441.83	(108.96)	332.87	163.31	(24.29)	139.02

Separate financial statements

	2013			2012		
	Amount before tax	Benefit (tax expense)	Net amount after tax	Amount before tax	Benefit (tax expense)	Net amount after tax
Unrealised gain on changes in fair value of available-for-sale investments	(48.67)	(13.52)	(62.19)	150.25	(24.29)	125.96
Actuarial gain (loss)	477.18	(95.44)	381.74	-	-	-
Other comprehensive income	428.51	(108.96)	319.55	150.25	(24.29)	125.96

31 Employee benefit obligations

Employee benefit obligations as at December 31, 2013 and 2012 amounting to Baht 3,024.46 million and Baht 3,454.56 million, respectively, are detailed as follows:

Movements in the present value of employee benefit obligations

	2013	2012
Present value of obligation at the beginning of the year	3,582.31	3,477.07
Current service cost	167.00	164.00
Interest cost	144.00	137.00
Benefits paid	(200.90)	(191.30)
Benefits paid - pension fund	(7.39)	(4.46)
Actuarial gain (loss)	(479.50)	-
Gain on curtailment	(51.07)	-
Obligation at the end of the year	3,154.45	3,582.31

Net liabilities recognised in the statement of financial position at the end of the periods

	2013	2012
Present value of obligation	3,154.45	3,582.31
Pension fund	(129.99)	(127.75)
Net liabilities	3,024.46	3,454.56

The amounts recognised in the statement of income for the year ended December 31, 2013 and 2012 are as follows:

	2013	2012
Current service cost	167.00	164.00
Interest cost	144.00	137.00
Benefit costs	311.00	301.00

The principal actuarial assumptions used are as follows:

(a) Financial assumptions

Discount rate		4.30%
Return on plan assets		-
Inflation rate		3.00%
Gold price	Baht 19,200 per one-Baht gold, increase by 3.0% per annum	
Oversea travelling award value	Baht 30,000, increase by 6.0% per annum	
Salary increase rate, classified by age range	Employee (%)	Worker (%)
Not later than 45 years	10.0	3.0
Later than 45 years but not later than 50 years	8.0	3.0
Later than 50 years	6.0	3.0

(b) Demographic assumptions

Staff turnover rate, classified by age range	Employee (%)	Worker (%)
Not later than 45 years	1.0	11.0
Later than 45 years and not later than 50 years	0.1	11.0
later than 50 years	-	-
Mortality rate	From Thai Mortality Ordinary Table 2008	
Morbidity rate		-
Early retirement rate		-
Retirement rate	All staffs who are in normal condition	
Population number	For all staffs who has been working for three years	

32 Provisions for employee benefits arising from the corporatization

Due to uncertainty in respect of the listing of the Company on the Stock Exchange of Thailand, the Company has presented the ordinary share option payable as non-current liabilities.

As mentioned in Note 2.23 (c), the ordinary share option payable of Baht 975.06 million comprises the payable relating to the Company's employees of Baht 291.89 million and Thailand Post's employees of Baht 683.17 million.

33 Other non-current liabilities

Other non-current liabilities as at December 31, 2013 and 2012 are detailed as follows:

	2013	2012
Provision for dismantling of telecommunication equipment	479.85	332.26
Deposits	64.04	50.76
Others	-	0.03
Total	543.89	383.05

34 Other components of equity

Other components of equity as at December 31, 2013 and 2012 are detailed as follows:

	Financial statements in which equity method is applied		Separate financial statements	
	2013	2012	2013	2012
Unrealised gain on changes in fair value of available-for-sale investments	389.25	437.92	389.25	437.92
Unrealised gain on dilution of investments in associates	1.16	1.16	-	-
Cumulative foreign currency translation adjustment	22.07	8.75	-	-
Actuarial gain	477.18	-	477.18	-
Income tax relating to components of other comprehensive income	(172.99)	(64.03)	(173.28)	(64.33)
Total	716.67	383.80	693.15	373.59

35 Appropriated retained earnings - legal reserve

Under the Public Company Act B.E. 2535, the Company is required to set aside as legal reserve at least 5% of net profit for the year after accumulated deficit brought forward (if any) until the reserve is not less than 10% of the registered capital. The legal reserve is not distributable. The Company has fully reserved 10% of the registered capital in the financial statements.

36 Service income

Service income for the years ended December 31, 2013 and 2012 are detailed as follows:

	2013	2012
Revenue from telephone services	3,867.27	4,111.37
Revenue from broadband services	7,123.06	6,598.69
Revenue from wireless communication services	23,144.69	12,477.20
Revenue from radio communication services	185.39	174.40
Revenue from network services	338.74	401.83
Revenue from asset development	423.35	500.32
Other service income	12.17	20.11
Total	35,094.67	24,283.92

37 Revenue from concession agreements

Revenue from concession agreements for the years ended December 31, 2013 and 2012 are detailed as follows:

	2013	2012
Total Access Communications Plc.	14,343.11	13,933.80
True Move Co., Ltd.	2,021.06	3,838.84
Digital Phone Co., Ltd.	1,375.73	2,954.07
Total	17,739.90	20,726.71

38 Other income

Other income for the years ended December 31, 2013 and 2012 are detailed as follows:

	Financial statements in which equity method is applied		Separate financial statements	
	2013	2012	2013	2012
Interest income	982.79	542.82	982.79	542.82
Interest income from investments in debt securities	603.79	892.37	603.79	892.37
Penalty income	20.30	24.34	20.30	24.34
Dividends income	51.81	15.68	225.95	75.94
Gain from disposal of investment	236.12	188.64	236.12	188.64
Others	65.31	60.89	65.31	60.89
Total	1,960.12	1,724.74	2,134.26	1,785.00

39 Expense by nature

Expenses by nature which have significant balances for the years ended December 31, 2013 and 2012 are detailed as follows:

	2013	2012 (Restated)
Staff costs	6,289.79	6,224.22
Repairs and maintenance expenses and consumables used	818.50	704.24
Depreciation for property, plant and equipment and amortisation	7,496.10	5,794.64
Depreciation of assets under concession agreements	9,281.86	9,275.31
Expenses from revenue sharing relating to telecommunication services	1,783.61	1,749.42
Intercommunication charge (IC and AC Fee)	2,191.03	3,377.83
Telecommunication expenses	4,007.93	3,459.65
Asset rental expenses	14,550.18	7,693.56
Telecommunication business license fees	2,507.72	1,669.30
Loss on impairment of assets	11,844.76	127.41

40 Other expenses

Other expenses for the years ended December 31, 2013 and 2012 are detailed as follows:

	Financial statements in which equity method is applied		Separate financial statements	
	2013	2012 (Restated)	2013	2012 (Restated)
Loss on disposals of assets	6.46	2.40	6.46	2.40
Penalties and indemnity expenses	2.13	19.35	2.13	19.35
Cash paid to NBTC (as Section 84)	335.63	-	335.63	-
Actuarial gain	(154.68)	-	(154.68)	-
Others	0.66	0.39	1.39	1.07
Total	190.20	22.14	190.93	22.82

Due to the curtailment of early retirement staff for the year 2012 and 2013, the Company decreased the provision for employee benefit obligation and recognised actuarial gain amounting to Baht 154.68 million presented in other expenses. The Company also recorded cash paid to NBTC according to Section 84 of the Act on organization to assign radio frequency and to regulate the broadcasting and telecommunications services in the financial statements as detailed in Note 1.4.

41 Earnings per share

Basic earnings per share are calculated by dividing the net profit attributable to the shareholders by the weighted average number of paid-up ordinary shares issued during the year. The details for the years ended December 31, 2013 and 2012 are as follows:

	Financial statements in which equity method is applied		Separate financial statements	
	2013	2012 (Restated)	2013	2012 (Restated)
Net profit attributable to shareholders(Unit: Million Baht)	11,197.81	12,698.32	11,270.68	12,731.09
Weighted average number of paid-up ordinary shares in issue (Unit: Million Share)	1,000.00	1,000.00	1,000.00	1,000.00
Basic earnings per share (Unit: Baht)	11.20	12.70	11.27	12.73

There were no potential dilutive ordinary shares issued during 2013 and 2012.

42 Financial risks

The Company's activities expose it to significant financial risks including foreign currency exchange rate risk from normal activities and liquidity risk. The Company's risk management policies focus on overall potential risks to the Company. The Company does not issue derivative financial instruments for speculative or trading purposes.

The Company's risk management policies are as follows:

(a) Foreign exchange risk

The Company is exposed to foreign exchange risk arising from various currency exposures, principally US dollar, relating to such items as satellite rental fees, submarine cable rental fees and US dollar deposits at banks. The Company generates revenue and incurs costs in foreign currencies, primarily the US dollar, in respect of international call connection with other countries around the world. Foreign currency assets represent US dollar deposits with local banks for future payments of foreign currency liabilities, whilst foreign currency liabilities represent trade accounts payable and other payables.

In order to manage the risks arising from fluctuations in currency exchange rates, the Company has adopted the following foreign currency risk management practices as follows:

- negotiating payment terms for foreign currency settlements with overseas carriers on a net basis.
- maintaining deposits in foreign currencies

As at December 31, 2013 and 2012, the Company has outstanding foreign currency assets and liabilities as follows:

	2013		2012	
	Foreign Currency	Thai Baht	Foreign Currency	Thai Baht
Assets				
US Dollars	12.23	399.53	28.65	873.55
Euro	0.07	3.07	0.07	2.88
		402.60		876.43
Liabilities				
US Dollars	9.25	304.76	6.82	209.95
Hongkong	0.01	0.08	-	-
Euro	0.01	0.68	0.01	0.44
UK	0.01	0.15	0.01	0.15
SDR*	0.01	0.11	0.01	0.15
		305.78		210.69

* Special Drawing Rights (SDR) represents a standard currency weighting from five major foreign currencies set by the International Monetary Fund (IMF).

(b) Credit risk

The Company has no significant concentrations of credit risk. The Company has policies in place to ensure that services are provided to customers with an appropriate credit history. The Company also has policies that limit cash deposits to high credit quality financial institutions.

(c) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions.

(d) Fair values

The carrying amounts of financial assets and financial liabilities are approximate their fair value.

43 Contingent liabilities, contingent assets and commitments

(a) Access charge under concession agreements

According to various arrangements between TOT, the Company and other mobile operators under concession agreements with the Company, e.g., Total Access Communications Plc. (DTAC), Digital Phone Co., Ltd. (DPC) and True Move Co., Ltd. (True Move), the mobile operators are required to make the monthly access charge payments of Baht 200 per number for post-paid mobile telephone numbers and 18% of the total value of telephone cards sold for prepaid mobile telephone numbers to TOT. If TOT does not receive the amounts from these operators, the Company has agreed to pay the amount plus a late payment fee of 1.25% per month or part thereof on the amount due, the excess of one month will calculate as one month. However, the Company is entitled to claim reimbursement of this amount in full from the operators.

Two mobile operators, DTAC and True Move, have refused to pay the access charges to TOT since November 18, 2006. On July 5, 2007, the Company's board of directors has agreed to wait for the decision of the National Telecommunications Commission (NTC) on this matter. However, document No. NT 7300/6085/1 dated October 31, 2007 issued by NTC

stated that the NTC's board of directors agreed to allow the Company and TOT to negotiate the access charge's issue within 30 days of receipt of the document.

On November 16, 2007, TOT, as a plaintiff, filed a case against the Company as the first defendant and DTAC as the second defendant for payment of the access charge from November 18, 2006 to October 31, 2007 plus an interest charge at the rate of 1.25% per month from the day after the filing until the total payment of Baht 11,705.07 million is made. On the same date, TOT as a plaintiff, filed a case against the Company and True Move for payment of the access charge from November 18, 2006 to October 31, 2007 plus an interest charge at the rate of 1.25% per month from the day after the filing until the total payment of Baht 4,508.10 million is made. Subsequently, after considering the arguments submitted by DTAC and True Move, the Civil Court and the Central Administrative Court decided that such cases are under the jurisdiction of the Administrative Court. As a result, the Civil Court agreed to relinquish responsibility for these cases and asked TOT to submit the case to the Administrative Court.

Digital Phone Co., Ltd. (DPC), one of the operators under the concession agreements, informed TOT that DPC would stop paying the access charge from June 1, 2009 onwards.

On June 7, 2011, TOT as a plaintiff, filed black case No.1097/2554 against the Company to the Central Administrative Court as the first defendant and DTAC as the second defendant for a total of Baht 117,203.84 million; black case No.1098/2554 against the Company as the first defendant and True Move as the second defendant for a total of Baht 41,540.28 million; a black case No.1099/2554 against the Company as the first defendant and DPC as the second defendant for a total of Baht 3,315.71 million; and black case No.1100/2554 against the Company for payment of the access charge for the radio communication CDMA system services sold in the form of prepaid CDMA cellular service cards totalling Baht 779.11 million. At present, the Company is defending these cases in the Central Administrative Court.

Since the access charge claims are still being considered by court, the Company recognised revenue and expenses on the basis of the original concession agreements and memorandum on access charge. According to the memorandum for mobile phone access charge, the revenue submitted to the Company in accordance with the annual revenue sharing rate in each year can be offset with the access charge paid to TOT of Baht 200 per telephone number for post-paid mobile telephone numbers and 18% of the total selling price of telephone cards sold less services revenue before calculating the Company's portion of revenue as set out in each year for prepaid mobile telephone numbers. As the concessionaires submitted annual revenue sharing to the Company without offsetting the access charge from the date the concessionaires refused to pay the access charges to TOT, the Company recognised annual revenue sharing from concessionaires for the portion of the access charge that was not deducted from revenue sharing according to the annual rate, amounting to Baht 34,367.50 million, as a liability under advance received in the financial statements as at December 31, 2013. (as at December 31, 2012: Baht 28,344.16 million).

(b) Universal service obligations

Universal service obligations for the year 2010

National Telecommunications Commission (NTC) has announced Universal Service Obligations (USO) regulation and provision for the year 2010 (second issue) which effective from October 6, 2009 onwards. The announcement mainly revises the regulation and provision by requiring type II license holders who own networks, and type III license holders in respect of providing universal services in accordance with the notification by NTC (former issue), who wish to provide universal services for the year 2010. These license holders are required to submit the formal documents to NTC within

30 days from the date of announcement together with operating plan within 45 days from the date of announcement. The Company submitted the plan to provide universal services and the plan has been approved by NTC. On December 20, 2010, NTC changed to National Broadcasting and Telecommunications Commission (NBTC). NBTC approved the Company's operating plan and provided a budget for the year 2010 for Baht 660 million (telecommunication system for public communities for Baht 137 million, school dial-up Internet access system for Baht 354 million, community Internet system for Baht 124 million and reserved fund for Baht 45 million) during the operating period from December 7, 2010 to April 7, 2012 as follows:

1. Installation of telecommunication system for public communities: one number per one community	1,558 sites
2. Installation of school dial-up Internet access system	252 sites
3. Provide community Internet centre	197 sites

On June 25, 2012, the Company entered into a turnkey contract to build the public community' telecommunication system for USO 2010 plan with the Consortium of JTS and Acumen. According to the contract, the contractor must immediately start the project by June 26, 2012, and complete the project by December 22, 2012. The contractor must deliver work along the contract period within December 27, 2012. The project is in review process by committee. According to the turnkey contract, if the contractor does not finish the project by the due date, a fine will be levied against NBTC. The contractor will be responsible for all fines and penalties that NBTC charges to the Company in addition to other fines (if any).

The office of the NBTC has announced the resolution of National Telecommunications Commission of NBTC meeting No. 35/2555 dated September 25, 2012. The Company can extend the operating time of USO year 2010 for nine months up to January 31, 2013 in order to install public telephones for communities and repair telephone lines including the school Internet centre.

The Company sent the letter to NBTC on February 8, 2013 to submit the project to NBTC. The Company could submit the project within the timeframe set by NBTC.

The Company has requested approval to install an internet access system for 169 communities which were included in the list from NBTC. On December 11, 2012, the Company entered into turnkey contract to build an internet access system for 169 communities based on USO plan for the year 2010 with SamartComtech Limited. According to the contract, the contractor must start the project by December 11, 2012 and complete the project by June 9, 2013. The contractor does not finish the project by the due date, a fine will be levied against NBTC. The contractor will be responsible for all fines and penalties that NBTC charges to the Company in addition to other fines (if any).

For 169 sites of the community internet access system, NBTC specified the due date as October 1, 2013. The 28 remaining sites are still not listed by NBTC.

Universal service obligations for the years 2012 – 2016

NBTC has announced operating plan, regulations, and revenue collection for USO for the year 2012 – 2016 effective on May 31, 2012 that requires all licensees to transfer telecommunication service revenue to the NBTC fund at the rate of 3.75% of net income per year on semi-annual basis. The first payment will be made by July 31 of every year by based on revenues generated from January to June of the same year. The second payment will be made by January 31 of every year by based on revenues generated from July to December of the prior year.

The Company has recognised obligations related to telecommunication service revenue in the financial statements.

NBTC has announced operating and regulation of revenue collection to thoroughly apply to basic telecommunication service and to social service (second issue) which effective from January 1, 2014 onwards. The announcement mainly edited NBTC's announcement operating and regulation of revenue collection to thoroughly apply to basic telecommunication service and to social service dated May 29, 2012 to conform to estimated operating expenses that thoroughly apply to basic telecommunication service and to social service from the year 2012 to 2016. The excepted net salary base was expanded from Baht 20 million to Baht 40 million per annual. A licensee is exempted from contribution to the fund if its net revenues are less than Baht 40 million per annum. However, if the licensee has net revenue

(c) Provision for value added tax liabilities arising from mobile phone concession agreement revenue sharing after excise tax deductions

The Revenue Department has challenged the Company regarding the deduction of excise tax from the concession operators' revenue sharing in accordance with the Notification of Value Added Tax Assessment No. P.P 73.1-01009410-25511209-005-01372 to No. P.P 73.1-01009410-25511209-005-01377 dated December 9, 2008, which stated that the Company should pay additional value added tax for the period December 2003, February 2004, December 2004, December 2005, December 2006 and December 2007 of Baht 1,819.45 million together with a penalty and surcharge of Baht 2,741.85 million, totalling Baht 4,561.30 million (the surcharge was calculated until December 15, 2008). On November 28, 2008, the Company's board of directors passed a resolution to appeal to the Revenue Department and instructed the Company to pay only value added tax of Baht 1,819.45 million and to provide a bank guarantee of Baht 2,741.85 million to minimise further related surcharges. Although, the Company's management were of the opinion that the Company acted in accordance with the cabinet resolution and the Company has no obligation to pay value added tax to the Revenue Department, it was uncertain whether the Company would receive a refund of the value added tax. Therefore, the Company recorded the value added tax payment as an expense on December 15, 2008.

On January 24, 2011, the Revenue Department sent the decision of the Board of Appeals to the Company reducing the penalty charge to 80% and not reducing a surcharge and requiring that the Company pay penalty and surcharge of Baht 2,377.96 million. On February 21, 2011, the Company filed a case against the Revenue Department and related parties with the tax court, under black case No.41/2554, for Baht 4,197.41 million. In addition, the Company filed a tax relief request with the Revenue Department on March 1, 2011.

The Company changed its bank guarantee facility to Baht 2,377.37 million. On March 11, 2011, the Revenue Department approved the request for tax relief until the final court judgement is issued.

On December 26, 2011, the Central Tax Court awarded the Company's claim on a portion of the penalty on value added tax of Baht 1,455.56 million, but maintained that the Company is required to pay value added tax of Baht 1,891.45 and surcharge of Baht 922.40 million because the Court deemed that the Company still has responsibility for the value added tax assessment. On January 9, 2012, the Company appealed the Central Tax Court's judgement and submitted a request to the Revenue Department for approval to change the bank guarantee to reduce the credit facilities to Baht 1,455.56 million.

On March 1, 2012, the Revenue Department did not approve the change to the bank guarantee because a final court judgement has not been issued.

The Company did not record the liabilities relating to the penalty and surcharge because the Company's management is confident that the Company should not be liable for any further penalty or surcharge.

(d) Dispute regarding of interconnection charge

According to the notification issued by the National Telecommunications Commission (NTC) on May 17, 2006 in respect of Interconnection Charge B.E. 2549, a license holder with its own network may allow other operators to connect to its network on request. This is to support connections between networks and to allow the network connection providers to collect revenue in the form of an interconnection charge (IC) at rates reflecting to the associated costs. As a result, the license holders and concession operators under the Telecommunication Business Act B.E. 2544 (Section 80) have entered into agreements for interconnection charges. Operators with an international telephone network, a fixed line telephone or a mobile telephone network (CDMA - central and provinces) are required to comply with such notification.

The Company has negotiated with other operators regarding interconnection charge rates. However, an agreement could not be reached. As a result, the Company entered into dispute resolution in accordance with the notification by NTC with the concession operator i.e. Total Access Communication Plc. (DTAC) and other operators who do not have concession agreements i.e. TOT (TOT) and Advance Info Services Plc. (AIS).

On January 28, 2010, the DRC passed a resolution in respect of a dispute between the Company and TOT, establishing the interconnection charge rate (IC rate) to be applied to the Company from May 6, 2008 (the date on which the DRC received the petition).

On March 12, 2010, the DRC passed a resolution in respect of the dispute between the Company and Advance Info Service Plc. (AIS) establishing the interconnection charge rate (IC rate) between the Company and AIS for call termination and call origination at 0.43 Baht/ minute effective from November 4, 2008 (the date on which the DRC received the petition). The Company and AIS have the right to file a request to the DRC for interpretation or explanation of the decision in respect of the dispute within 30 days of the date of receipt of a copy of the decision and may appeal the decision within 90 days of the date of receipt of a copy of the decision.

On April 20, 2010, the NTC issued order No. 11/2553 relating to the application of reference IC rates. Such rates shall be applied temporarily for a period of one year from the date on which the order is issued to those licensees or operators who are not able to agree on IC rates within the stipulated timeframe according to notification no. B.E.2549 announced by the NTC. The standard IC rates are as follows:

Type of services	IC Charge Rate (Baht/Minute)		
	Call Origination	Call Terminate	Call Transit
Mobile services	0.50	0.50	0.20
Fixed-line services	0.49	0.36	0.08

On July 6, 2010, the Company entered into an agreement for the payment of compensation for telecommunications network interconnection with AIS with reference to the IC rates in notification No. 11/2553 announced by the NTC. The Company agreed to pay the IC charge to AIS for the period from April 7, 2010 for all networks, except for the international telephone network because AIS has an agreement guaranteeing a minimum revenue sharing of international telephone communication revenue with TOT, which is currently under NBTC arbitration.

On December 28, 2010, a verdict was issued in respect of the disputes between the Company and AIS and between the Company and TOT. The NBTC's decision required the Company and TOT to discuss the IC agreement between TOT's network and the Company's international call network and mobile phone network. In addition, the NBTC confirmed the rights of both parties to charge IC to each other effective from May 17, 2006.

On March 22, 2011, TOT filed a complaint with the Administrative Court to revoke the NBTC's award No.3/2553, the DRC's decision on the dispute No.5/2551 and the NBTC's resolution in meeting No.28/2010.

On April 5, 2013, the Company sent the letter to NBTC to request the committee to enforce the measurement for TOT Public Company Limited to operate following the arbitration because TOT Public Company Limited refused to collect the IC charge.

The Company recorded the obligation regarding IC charge in the financial statements.

On April 22, 2011, the Company and True Move agreed on an interconnection charge for voice and data traffic on telecommunication networks. True Move signed the Interconnection of Telecommunication Agreement and a memorandum of understanding regarding to interconnection charge payment. This agreement is effective from April 11, 2011. The Company agreed to pay the interconnection charge on international call services incurred from November 1, 2008 amounting to Baht 305.88 million (excluding VAT, both parties agree to collect and pay VAT separately). When the Company settled the obligation, True Move agreed to provide a credit for access charge to the Company and the Company has no obligation to pay further any access charges until total minutes incurred are greater than the credit minutes. The Company and True Move agreed to waive the interconnection charge between mobile phones and fixed phones for voice and data traffic incurred before April 11, 2011.

Before the NTC issued its notification regarding telecommunication network connection and usage, the Company, as an international telephone service provider, made agreements regarding the payment of revenue sharing on international calls with other operators, in case the Company's customers used these operators' networks. The Company has advised all operators of the cancellation of the former revenue sharing rates for telephone services from November 1, 2008. From January 1, 2009, the Company has recognised revenue sharing in the financial statements at the interconnection charge rate of 0.5652 Baht/minute. However, the operators have not accepted this rate, resulting in a dispute between the Company and other operators, except for DTAC, with whom the Company was able to reach an agreement. From April 20, 2010, the Company has recorded revenue sharing on international calls with operators who have not reached agreements using the IC rate according to the NTC's Notification No. 11/2553.

TOT submitted a case to the Office of the Attorney-General for filing with the Committee requesting the Company to pay additional revenue sharing on international calls from January to June 2004 amounting to Baht 983.84 million plus interest. The Committee has considered the case in meeting no. 8/2010. On November 30, 2010, the Committee passed the resolution that the Company has to pay the revenue sharing on international calls including VAT, but without interest to TOT. The Company considered the award of the Committee and agreed to terminate the case and accept the Committee's award. The Company recorded liabilities amounting to Baht 983.84 million in the financial statements.

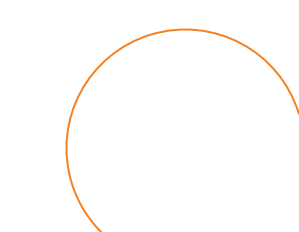
The Company believes that the outcome of the dispute does not materially affect on the financial position of the Company

(e) Pending litigations

As at December 31, 2013, pending litigations involving the Company are as follows:

1. The Company is a plaintiff in lawsuits involving tort and breach of contract claims as at December 31, 2013 in the amount of Baht 115,679.43 million (as at December 31, 2012: Baht 114,771.05 million). The Company has significant lawsuits amounting to Baht 95,410.58million as follows:
 - 1.1 The Company submitted a dispute to the Office of the Attorney General regarding the case that DTAC deducted excise tax from revenue sharing to the Company from the 12th to 16th operating year in compliance with the cabinet's resolution (September 16, 2002 to September 15, 2007) amounting to Baht 21,981.87 million. The Company filed the request to the Central Administrative Court for withdrawal of the Office of the Attorney General's arbitration. Currently, the Central Administrative Court is reviewing the request.
 - 1.2 The Company submitted a dispute to the Office of the Attorney General regarding the case that DPC deducted excise tax from revenue sharing to the Company from the 6th to 10th operating year in compliance with the cabinet's resolution (September 16, 2002 to September 15, 2007) amounting to Baht 3,410.99 million. The Company filed the request to the Central Administrative Court for withdrawal of the Office of the Attorney General's arbitration. Currently, the Central Administrative Court is reviewing the request.
 - 1.3 The Company submitted a dispute to the Office of the Attorney General regarding the case that True Move deducted excise tax from revenue sharing to the Company from the 7th to 11th operating year in compliance with the cabinet's resolution (September 16, 2002 to September 15, 2007) amounting to Baht 8,969.08 million. The Company filed the request to the Central Administrative Court for withdrawal of the Office of the Attorney General's arbitration. Currently, the Central Administrative Court is reviewing the request.
 - 1.4 The Company submitted a dispute to the Office of the Attorney General regarding the case that DTAC did not transfer antennas and related equipment totalling 3,873 items of Baht 1,894.79 million in accordance with the term specified in the concession agreement. DTAC defended that the antennas and related equipment were considered as buildings referred to Building Control Act, B.E. 2522 and Ministerial Regulations B.E. 2544 where the construction was located in a third party's land. Currently, DTAC is filing the objection to the Office of the Attorney General Committee.
 - 1.5 The Company submitted a dispute to the Office of the Attorney General regarding the case that True Move did not transfer antennas and related equipment totalling 4,546 items of Baht 2,766.17 million in accordance with the term specified in the concession agreement. True Move defended that the high antennas were not telecommunication equipment and they should be considered as constructions. The Office of the Attorney General Committee judged to dismiss this dispute because it is not the time to use the right. The Company has filed the black case no. 1813/2556 to the Central Administrative Court for withdrawing the arbitration.
 - 1.6 The Company submitted a dispute to the Office of the Attorney General regarding the case that Hutchinson- CAT Wireless Multimedia Co., Ltd. (Hutch) broke the marketing agreement amounting to Baht 1,163.06 million. Hutches filed the objection and requested the Company to pay indemnity for late payment of marketing expense amounting to Baht 2,544.72 million. Currently, this case is in the process of the Office of the Attorney General appointment.

- 1.7 The Company sued the Revenue Department by filing the case to the Central Tax Court to withdraw the Valued Added Tax assessment of Baht 4,197.41 million and the Board of Appeal's decision. The Central Tax Court judged to adjust only the penalty and agreed with the assessment for Value Added Tax and surcharge. Currently, the Company filed this case to the Supreme Court.
- 1.8 The Company submitted a dispute to the Office of the Attorney General regarding the case that DPC did not pay the Company additional sharing revenue from AIS roaming in the 10th – 11th operating years and some portion of the 12th operating year in the amount of Baht 2,000.22 million. Currently, this case is in the process of the Office of the Attorney General appointment.
- 1.9 The Company sued the Ministry of Finance by filing the case to the Central Administrative Court. The case was improper and unlawful abuse of ousted prime minister Thaksin Shinawatra's authority during his prime minister and cabinet terms resulting in the Company's loss on sharing revenue from DTAC's, True Move's and DPC's concession agreements and additional Value Added Tax payment to the Revenue Department including penalty and surcharge for excise tax deduction from revenue sharing additional tax for the Ministry of Interior, totalling Baht 41,169.40 million. Currently, the Company is objecting the Ministry of Finance's statement of defence.
- 1.10 The Company submitted a dispute to the Office of the Attorney General regarding the case that DTAC did not pay additional revenue sharing due to deduction of IC charge from revenue sharing calculation for the 16th operating year (September 16, 2006 to September 15, 2007) amounting to Baht 4,022.19 million. Currently, this case is in the process of the Office of the Attorney General appointment.
- 1.11 The Company submitted a dispute to the Office of the Attorney General regarding the case that DTAC did not pay additional revenue sharing due to deduction of IC charge from revenue sharing calculation for the 17th operating year (September 16, 2007 to September 15, 2008) amounting to Baht 3,835.40 million. Currently, this case is in the process of the Office of the Attorney General appointment.
2. The Company is a defendant in lawsuits involving tort and breach of contract claims as at December 31, 2013 in the amount of Baht 174,032.00 million (as at December 31, 2012: Baht 174,178.07 million), which includes an important case amounting to Baht 167,194.29 million as follows:
- 2.1 TOT sued the Company as a first defendant and DTAC as a second defendant in the Central Administrative Court for the payment of the access charge from November 18, 2006 to May 9, 2011 plus interest charges from May 1, 2011 to the payment date, totalling Baht 117,203.84 million (including VAT and interest charge). The Company has already filed to the Central Administrative Court to resolve the accusation.
- 2.2 TOT sued the Company as a first defendant and True Move as a second defendant in the Central Administrative Court for the payment of the access charge from December 1, 2006 to May 9, 2011 plus interest charges from May 1, 2011 to payment date, totalling of Baht 41,540.28 million (including VAT and interest charge). The Company has already filed to the Central Administrative Court to resolve the accusation.
- 2.3 TOT sued the Company as a first defendant and DPC as a second defendant in the Central Administrative Court for the payment of the access charge from June 1, 2009 to May 9, 2011 plus interest charges from May 1, 2011



to payment date, totalling of Baht 3,315.71 million (including VAT and interest charge). The Company has already filed to the Central Administrative Court to resolve the accusation.

- 2.4 TOT sued the Company in the Central Administrative Court for the access charge and prepaid CDMA cellular services cards from October 1, 2007 to May 9, 2011 plus interest charges from August 1, 2010 to the payment date, and AC in the form of prepaid CDMA cellular services cards, totalling of Baht 779.11 million (including VAT and interest charge). The Company has submitted its defence to the Central Administrative Court. These cases are under their consideration.
- 2.5 On December 30, 2008, the Company submitted a dispute to the Arbitration Institute requesting that Hutchison CAT Wireless Multimedia Ltd. (Hutch) pay uncollectible services providing by the Company, licence fee for licence type III, fees for general telephone numbers and special four-digit telephone numbers, minimum revenue guarantee and excise tax totalling of Baht 1,171.88 million. On April 22, 2009, Hutch submitted a refusal statement and requested that the Company pay compensation totalling Baht 2,544.72 million for delay of payment the marketing service and competition marketing in 25 provinces in the centre region, not dissolving outgoing calls to other networks, not calculating the marketing services revenue of Hutch for access charge for mobile telephones which were withheld by the Company but not paid to TOT. Currently, the cases are pending for consideration.

On January 27, 2011 the Company entered into an agreement with Hutch to terminate the marketing agreement for the radio communication system, Cellular Digital AMPS 800 BAND A (the marketing agreement). As a result, the Company and Hutch are no longer bound by the terms and conditions under the marketing agreement. The termination of the marketing agreement has no impact on any rights of claim or disputes existing before the agreement came into force. Regardless of whether the rights of claim have been exercised, the Company and Hutch agreed to negotiate amicably and in good faith all disputes and claims between the parties in existence prior to the contract coming into force. If the Company and Hutch cannot reach an agreement within 90 days of the date of signing, each party shall have the right to file a dispute with the court that has jurisdiction in Thailand.

- 2.6 On February 12, 2002, Telecard Corporation Co., Ltd. (Telecard) submitted a dispute to the Arbitration Institute against the Company regarding the illegal cancellation of an international telephone card by requesting the Company to return guarantee for card production amounting to Baht 7.06 million and pay many claims totalling Baht 1,059.54 million. The Company submitted a refusal statement and on November 29, 2005, the Arbitration Institute resolved that the Company was not guilty in some cases. Then, on April 20, 2006, Telemaid Corporation Co., Ltd as a shareholder of Telecard submitted a request to the Administrative Court to repeal the resolution of the Arbitration. The Administrative Court is in the process of considering the cases.
- 2.7 A.L.T. Inter Corporation Co., Ltd. (ALT) requested the Company for the contract termination since February 7, 2013. On March 6, 2013, ALT sued the Company by filing the case to the Civil Court for unpaid rental and indemnity relating to the lease agreement of optical fiber cable in Hemaraj Eastern Seaboard Industrial Estates and Eastern Seaboard Industrial Estate (Rayong), totalling Baht 465.70 million. On April 17, 2013, ALT withdrew this case and filed the new case in the amount of Baht 275.56 million to the Administrative Court.
- 2.8 On September 27, 2013, Thai Transmission Industry Co., Ltd. and Miracle Star Capital Co., Ltd. filed the case to the Civil Court for unpaid rental relating to the lease agreements of optical fiber cable in Pattaya in the amount of Baht 475.53 million and request the Company for the contract termination since August 31, 2013.

As at December 31, 2013, the cases mentioned above remain unresolved. However, the Company's management is confident that there will be no further obligation to the Company. Therefore, the Company has not recorded any provisions relating thereto in the financial statements.

(f) **Bank guarantees**

As at December 31, 2013, the Company has bank guarantees as follows:

- The Company has letters of guarantee issued by various banks totalling Baht 2,377.37 million to appeal and reduce tax exposure to the Revenue Department, resulting from profit sharing submitted by operators under concession agreements for mobile phone operation after deducting excise tax as discussed in Note 43 (c).

Details of the bank guarantees are as follow:

- Thanachart Bank Plc. in the amount of Baht 1,000 million
- Standard Chartered (Thai) Plc. in the amount of Baht 1,000 million
- Thanachart Bank Plc. in the amount of Baht 377.37 million

Assets pledged for bank guarantees are fixed deposit with maturity of 6 month at Thanachart Bank Plc. amounting to Baht 500 million and promissory note issued to Standard Chartered (Thai) Plc. amounting to Baht 1,000 million. The fixed deposit at Thanachart is recorded as short-term investment. However, this investment is restricted, so the Company considered and classified it as restricted short-term investment which is presented in non-current assets. For the promissory note issued to Standard Chartered (Thai) Plc., it is recorded as held-to-maturity investment (Note 18).

On December 18, 2012, the Company pledged fixed deposit with maturity of 12 month at Thanachart Bank Plc. amounting to Baht 1,000 million which is classified as short-term investment with bank guarantee issued to the Revenue Department for tax appeal and relief. The Company requested the Revenue Department for replacing bank guarantee issued by Kasikorn Thai Bank with this bank guarantee. The Company cancelled bank guarantee issued by Kasikorn Thai Bank and asked for pledged assets on January 7, 2013. Therefore, the Company classified the short-term investment in Thanachart Bank as restricted short-term investment which is presented in non-current assets and removed bills of exchange issued by Kasikorn Thai from restricted short-term investment.

- The Company pledged fixed deposit with maturity of 1 year at CIMB Plc. amounting to Baht 20 million for any juristic contracts and agreements on behalf of the Company.

(g) **Capital commitments**

Capital expenditure contracted at December 31, 2013, but not recognised in the financial statements, is as follows:

	December 31, 2013	December 31, 2012
Land	1.59	-
Buildings and building improvement	1,458.02	237.23
Telecommunication equipment	6,427.82	5,939.97
Submarine cable system	1,425.34	876.59
Tools, equipment, furniture & fixtures and office equipment	1,644.28	1,864.43
Motor vehicles	17.38	11.08
Other long-term investments	0.18	0.18

(g) Capital commitments (continued)

	December 31, 2013	December 31, 2012
Deferred expenses - research and development	-	2.45
Long-term prepayments (submarine cable system)	55.67	83.56
Total	11,030.28	9,015.49

As at December 31, 2013, the capital commitments in relation to telecommunications equipment and submarine cable network system amounting to Baht 3,216.88 million comprise the following significant items:

1. AAG submarine cable system expansion (capacity upgrade) amounting to Baht 1,425.34 million
2. Digital Trunked Radio System (DTRS) network system amounting to Baht 249.07 million
3. DBS station expansion with equipment and installation amounting to Baht 165.74million
4. Telecommunication equipment improvement amounting to Baht 147.98 million
5. Site preparation and communication system amounting to Baht 107.29 million
6. Optical fiber network construction amounting to Baht 625.70 million
7. DW/DM system equipment amounting to Baht 495.76 million

(h) Operating lease commitments

The Company entered into lease and related service agreements for certain office, space, cars, telecommunication networks, computer system services and repair and maintenance services for software and hardware for periods ranging from 1 to 15 years with options to renew. As at December 31, 2013, the future aggregate minimum lease payments under non-cancellable operating leases are as follows:

	December 31, 2013		December 31, 2012	
<u>Baht</u>				
Payment due within one year		72.49		86.78
2 - 5 years		67.89		88.22
Total		140.38		175.00
<u>Hong Kong dollars</u>	<u>Dollar</u>	<u>Baht Equivalent</u>	<u>Dollar</u>	<u>Baht Equivalent</u>
Payment due within one year	-	-	0.04	0.15
Total	-	-	0.04	0.15
<u>US dollars</u>	<u>Dollar</u>	<u>Baht Equivalent</u>	<u>Dollar</u>	<u>Baht Equivalent</u>
Payment due within one year	1.48	48.66	4.75	146.11
2 - 5 years	0.03	1.07	1.36	41.84
Total	1.51	49.73	6.11	187.95

In addition to these non-cancellable operating lease commitments, the Company has commitments under service supply agreements, which do not include fixed rates. The Company will recognise these expenses in the financial statements when the services are rendered.

Commitments under concession agreements are set out in Note 43 (a).

44 Related party transactions

The Company is wholly owned by the Ministry of Finance of Thailand and is governed by the Ministry of Information and Communication Technology (ICT). Therefore, the Company treats the Ministry of Finance and ICT as related parties. The Company does not treat other state-owned enterprises or other companies owned by the Ministry of Finance of Thailand as related parties except for TOT and Thailand Post Co., Ltd, which are treated as related parties because they are under common control.

Transactions with related parties during the period were carried on in the ordinary course of business. Price and terms of trading with these related parties are generally the same as those applied to transactions with non-related parties.

The Company did not disclose transactions with employees and management personnel of the government departments and state-owned enterprises or close members of the families of these individuals as related party transactions. However, these transactions were carried out in the normal course of business.

The Company believed that transactions with related parties have been properly disclosed.

Significant transactions with related parties for the periods are summarised below:

Revenues and expenses with related parties for the years ended December 31, 2013 and 2012 are summarised as follows:

	2013	2012 Restarted
Revenues		
Telephone business		
- Associates	0.03	0.01
- Other related parties	0.03	0.05
Total	0.06	0.06
Broadband business		
- Joint ventures	3.98	3.40
- Other related parties	330.38	109.61
Total	334.36	113.01
Wireless communication business		
- Joint ventures	26.75	1.14
Total	26.75	1.14
Network business		
- Joint ventures	0.32	0.32
- Other related parties	0.01	0.01
Total	0.33	0.33
Assets development and other services		
- Associates	-	0.01
- Joint ventures	39.08	104.10
- Other related parties	88.58	205.37
Total	127.66	309.48
Total revenues from related parties	489.16	424.02

	2013	2012 Restarted
Expenses		
Telecommunication expenses		
- Joint ventures	59.04	74.13
- Other related parties	2,138.64	2,720.14
Total	2,197.68	2,794.27
Marketing expenses		
- Joint ventures	1.29	244.88
Total	1.29	244.88
Total expenses for related parties	2,198.97	3,039.15

Balances with related parties as at December 31, 2013 and 2012 are summarised below:

	2013	2012 Restarted
Trade and other accounts receivable		
Trade accounts receivable		
- Joint ventures	405.30	396.90
- Other related parties	143.41	90.52
Total	548.71	487.42
<u>Less</u> allowance for doubtful accounts	(11.95)	(96.57)
Total trade accounts receivable	536.76	390.85
Other receivables		
- Joint ventures	1.71	1.76
- Other related parties	25.32	1,211.38
Total other receivables	27.03	1,213.14
Total trade and other accounts receivable	168.53	1,603.99
Trade and other accounts payables		
- Joint ventures	-	1.15
- Other related parties	78.23	317.50
Total	78.23	318.65
Accrued expenses		
- Joint ventures	244.83	258.99
- Other related parties	19,672.47	18,574.68
Total	19,917.30	18,833.67
Other non-current liabilities		
- Joint ventures	2.56	3.91
- Other related parties	0.02	0.03
Total	2.58	3.94

Management remuneration

Management remuneration, comprising salary, welfares, vehicle and fuel, pension and post-employment benefits, for the year ended December 31, 2013 and 2012 are as follows:

	2013	2012
Management remunerations		
- Short-term benefits	48.31	41.04
- Post-employment benefits	2.14	2.51
Total	50.45	43.55

45 Revenues from telecommunication business for the year ended December 31, 2013

In 2013, the Company is granted Type I, Type II and Type III telecommunications business licenses and broadcasting and telecommunications licenses to provide broadcasting and telecommunications services as details in Note 1.6 and 1.7, respectively. The revenues classified by license are detailed as follows:

1. Revenue from services under Type I telecommunications business license amounting to Baht 788.33 million
2. Revenue from services under Type II telecommunications business license amounting to Baht 1,130.53 million
3. Revenue from services under Type III telecommunications business license amounting to Baht 48,298.97 million
4. Revenue from CAT channel broadcasting and telecommunications services under broadcasting and telecommunications licenses amounting to Baht 2.69 million
5. Revenue from broadcasting and telecommunications services without national frequency under broadcasting and telecommunications licenses amounting to Baht 113.27 million

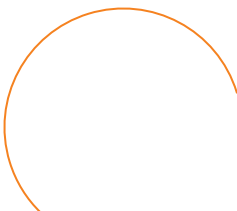
Revenues from telecommunication services include Internet service.

According to NBTC's notification regarding Universal Service Obligations (USO) Plan B.E. 2012 – 2016 and revenue collection regulation for USO effective on May 31, 2012 that requires all licensees to transfer telecommunication service revenue to the NBTC fund at the rate of 3.75% of net income per year on semi-annual basis. The first payment will be made by July 31 of every year by based on revenues generated from January to June of the same year. The second payment will be made by January 31 of every year by based on revenues generated from July to December of the prior year. The Company's 2013 net revenue which would be transferred to the fund is Baht 51,326.07 million.

46 Dividends

The board of directors' meeting No.18/2556 held on November 6, 2013 passed a resolution on the payment of special dividends to shareholders to compensate for loss of revenue from excise tax for the third quarter of 2013 at the rate of Baht 1.07463 per share, totalling Baht 1,074.63 million. The dividends were fully paid to shareholders on November 25, 2013.

The board of directors' meeting No.17/2556 held on October 29, 2013 passed a resolution on the payment of interim dividends to shareholders from the half-year 2013 operating performance (January – June) at the rate of Baht 2.41276 per share, totalling Baht 2,412.76 million. The dividends were fully paid to shareholders on October 31, 2013



The board of directors' meeting No.12/2556 held on August 14, 2013 passed a resolution on the payment of special dividends to shareholders to compensate for loss of revenue from excise tax for the second quarter of 2013 at the rate of Baht 1.32986 per share, totalling Baht 1,329.86 million. The dividends were fully paid to shareholders on August 25, 2013.

The board of directors' meeting No.8/2556 held on May 23, 2013 passed a resolution on the payment of special dividends to shareholders to compensate for loss of revenue from excise tax for the first quarter of 2013 at the rate of Baht 1.54926 per share, totalling Baht 1,549.26 million. The dividends were fully paid to shareholders on May 27, 2013.

The board of directors' meeting No.3/2556 held on February 13, 2013 passed a resolution on the payment of special dividends to shareholders to compensate for loss of revenue from excise tax for the fourth quarter of 2012 at the rate of Baht 1.24004 per share, totalling Baht 1,240.04 million. The dividends were fully paid to shareholders on February 26, 2013.

The 2012 annual shareholders' meeting held on January 29, 2013 passed a resolution on the payment of dividends to shareholders from the 2011 operating performance at the rate of Baht 2.87004 per share, totalling Baht 2,870.04 million. The dividends were fully paid to the shareholders on March 15, 2013.

The total dividends paid to the Ministry of Finance in the year 2013 were Baht 10,476.59 million.

The board of directors' meeting No.8/2556 held on May 23, 2013 passed a resolution on the payment of additional dividends for the year 2012 to the Ministry of Finance, totalling Baht 8,000 million. The Company recorded as dividends payable in the financial statements.

The total dividends paid to the Ministry of Finance in 2013 and dividends payable recorded in the financial statements for the year ended December 31, 2013 was Baht 18,476.59 million.

The board of directors' meeting No.19/2555 held on November 14, 2012 passed a resolution on the payment of special dividends to shareholders to compensate for loss of revenue from excise tax for the third quarter of 2012 at the rate of Baht 1.35403 per share, totalling Baht 1,354.03 million. Dividends were fully paid to shareholders on November 23, 2012.

The board of directors' meeting No.17/2555 held on October 10, 2012 passed a resolution on the payment of interim dividends to shareholders from the half-year 2012 operating performance (January – June) at the rate of Baht 1.59446 per share, totalling Baht 1,594.46 million. The dividends were fully paid to shareholders on October 31, 2012.

The board of directors' meeting No.14/2555 held on August 20, 2012 passed a resolution on the payment of special dividends to shareholders to compensate for loss of revenue from excise tax for the second quarter of 2012 at the rate of Baht 1.39564 per share, totalling Baht 1,395.64 million. The dividends were fully paid to shareholders on August 24, 2012.

The board of directors' meeting No.8/2555 held on May 16, 2012 passed a resolution on the payment of special dividends to shareholders to compensate for loss of revenue from excise tax for the first quarter of 2012 at the rate of Baht 1.40327 per share, totalling Baht 1,403.27 million. The dividends were fully paid to shareholders on May 25, 2012.

The board of directors' meeting No.3/2555 held on February 21, 2012 passed a resolution on the payment of special dividends to shareholders to compensate for loss of revenue from excise tax for the fourth quarter of 2011 at the rate of Baht 1.45332 per share, totalling Baht 1,453.32 million. The dividends were fully paid to shareholders on February 25, 2012.

The total dividends paid to the Ministry of Finance in the year 2012 were Baht 7,200.72 million.

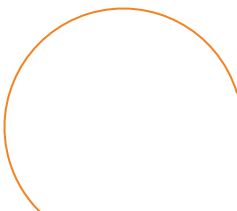
47 Renewal customer service agreement for CDMA cellular radio communication and lease of radio communication equipment for the provision of mobile services through CDMA network

The Company signed the customer service agreement for CDMA cellular radio communication with Hutch and lease of radio communication equipment for the provision of mobile services through CDMA and BFKT network. The terms of both agreements are 24 months after the commencement of the agreements (January 27, 2011) and will end on January 26, 2013. The Company cannot transfer all users of mobile services to 3G system because some customers in the centre and the provincial areas still use the mobile service of CDMA. The Company negotiated with Hutch and BKT to extend these services for next three months and Hutch and BFKT agreed to provide the service until April 26, 2013. The Company had stopped providing CDMA mobile services in the centre and the provincial areas since April 27, 2013 and transferred the customers from CDMA network to My network. However, the CDMA network customers who had not requested for the service transferred to My were still be able to apply for the transfer after the date that the Company had stopped providing CDMA mobile services.

48 Revision to the agreement relevant to providing new mobile services

NBTC informed the Company that the Telecommunication Commission ordered the Company, as a licensee allocating frequency waves, to accurately comply with Section 46 of the Organisation Allocating Frequency Waves and Supervising Radio and Television Broadcasting and Telecommunication Business Act B.E. 2553. The Company shall arrange to revise the agreement relevant to providing new mobile service on Digital 800 MHz in accordance with Section 46 of the Act. The Company negotiated with BFKT and Real Move and mutually agreed to revise the contract in accordance with the order of the Telecommunication Commission. There are, however, other issues that shall be negotiated by both parties to reach a conclusion including the operations process, providing the draft contract to the Office of the Attorney-General to consider and proposing the project of providing mobile services of Digital 800 MHz to the Cabinet in order to get an approval. The Company, therefore, is unable to prepare the additions to the revised contract; however, both parties signed the memorandum of understanding on December 4, 2012. On April 3, 2013, NBTC informed that the Telecommunication Commission ordered the Company to delete some clauses of the HSPA equipment lease agreement and the agreement to provide wholesale services through HSPA network, to accelerately amend the agreements to comply with Section 46 of the Organisation Allocating Frequency Waves and Supervising Radio and Television Broadcasting and Telecommunication Business Act B.E. 2553 and to submit the draft agreement to the Telecommunication Commission. The Company had already submitted the drafts on July 16, 2013.

On June 18, 2013, the Office of the Council of State issued a letter to reply issues regarding the Company's rules. The Office of the Council of State commented that lease of HSPA network equipment grants the Company's right to use BFKT's equipment that is private assets for the Company's telecommunication service provision and it is considered as the commercial services provided by private operators. Therefore, this service provision is excluded from "state undertaking" according to Section 5 of the Private Participation in State Undertaking Act. In addition, the lease rental



is not subjected to revenue sharing, profit sharing or other joint benefits resulting in direct or indirect profit or loss sharing as the definition of “jointly invest or operate”. As a result, the Company’s lease does not have to comply with the Private Participation in State Undertaking Act. For wholesale service through HSPA network agreement, the Company does not transfer the Company’s frequency wavelengths to Real Move Co., Ltd. for management because the Company has to use these frequency wavelengths to provide service by itself according to Section 46 of the Organisation Allocating Frequency Waves and Supervising Radio and Television Broadcasting and Telecommunication Business. Therefore, there is no issue whether these frequency wavelengths are the governmental asset. According to this agreement, the wholesale service is rendered to other telecommunications business licensed operators in order to provide services, that are normal telecommunications business and any private operators are able to operate in compliance with the regulation announced by the Telecommunication Commission, on behalf of them. The rental specified in the agreement is fixed rate and not subjected to revenue sharing, profit sharing or other joint benefits. This agreement does not grant only Real Move Co., Ltd. the right to purchase of network capacity from the Company in the pattern of a concession. Therefore, this wholesale service through HSPA network is not joint investment or operation according to Section 5 of the Private Participation in State Undertaking Act.

The cabinet’s meeting held on October 8, 2013 considered and approved on the mobile service improvement project and the cancellation of CDMA mobile network expansion project according to the peer review committee group 1’s resolution (economic department) in the meeting no. 10/2556 on Monday October 7, 2013. The board of directors’ meeting no. 16/ 2556 on October 9, 2013 approved on the additional 2013 budget for mobile service project, that would be further proposed to the National Economic and Social Development Board, and also agreed on the collection and accounting recording of revenue from wholesale service through HSPA network and cross network service. The Company retrospectively adjusted the accounting transactions regarding this mobile service and disclosed the impact of these accounting adjustments in Note 4.

On December 3, 2013, the Company signed the amendments of the lease of radio communication equipment for the provision of mobile services through HSPA agreement between the Company and BFKT and the wholesale service through HSPA network agreement in order to comply with Section 46 of the Organisation Allocating Frequency Waves and Supervising Radio and Television Broadcasting and Telecommunication Business Act B.E. 2553. These amendments were followed the NBTC’s order.

49 Operation after the expiry of concession agreement between True Move and DPC

(a) The Notification of National Broadcasting and Telecommunications Commission (NBTC) Re: The temporary protection measures of the service user in case that the expiry of the granted permits of the concession or contract for mobile service B.E.2556

NBTC issued its notification Re: The temporary protection measures of the service user in case of the expiry of the granted permits of the concession or contract for mobile service B.E.2556 with the effective date from August 30, 2013. The purpose is to support the end of the concession to operate radio communication system under cellular radio Digital PCN (Personal Communication Network) 1800 between the Company and True Move and between the Company and DPC with period not over 1 year from the end of contract on September 15, 2013. The notification determined the

period of protection in that the service provider was a receiver of revenue instead of the government by separating the receipt accounting record. The service provider had to report the amount of revenue and interest income net cost of network usage, numbering fees, cost of management, and other necessary expenses of providing service. The remaining revenue would be submitted to the NBTC in order to audit before submitting it as national income. The Company as a service provider of network to True Move and DPC submitted the protection plan of service users only in a part of the Company to the NBTC. The NBTC appointed the working team that consisted of the representative of the Office of the Attorney General as the head of the team, the representative from the Ministry of Finance, the representative from the Ministry of Information and Communication Technology, the expert of economics, and the expert of finance and accounting. The deputy secretary general of the NBTC would be a secretary in order to audit revenue and expenses from providing mobile service during the protection period within one year before submitting the remaining revenue as national income. On October 16, 2013, the Company had filed a complaint with the Administrative Court to withdraw the notification.


(b) The operation of transferred assets from the expired concession

Accordingly, the Company granted private operators to operate under the agreement of service provider or the concession agreement of mobile service for cellular system to DTAC True Move and DPC. The concession agreement between the Company and True Move and DPC was expired on September 15, 2013. In the agreement, the operators had to find places and equipment for providing services and later transfer the rights of telecommunication equipment to the Company within the period determined in the agreement. Under the agreement, most legal rights had been transferred to the Company before the operators started operation. However, the operators would receive the right of possession and use assets to provide services for a whole period of the concession, which depended on whether the operators and the Company had followed conditions and regulations of the agreement. The NBTC issued the notification regarding temporary protection measures of the service user in case that the expiry of the granted permits of the concession or contract for mobile service B.E.2556. The purpose was to support the expiry of the agreement to providing service radio communication system of cellular digital PCN (Personal Communication Network) 1800 between the Company and True Move and DPC as aforementioned. This resulted in that True Move and DPC still remained possessions and used assets following the agreement in order to provide service under condition of the agreement. After the end of the concession agreement, DPC submitted its accounting book showing a number of equipment including all spare parts being transferred to the Company under the agreement. True Move, however, had not yet submitted its accounting book showing a number of equipment. The Company now is in process of auditing the assets transferred the rights from both companies after the expired agreement.

50 Transactions not recognised in the financial statement for the year ended December 31, 2013

Lease projects of a fiber optic cable network (Fiber to the X:FTTx)

The board of directors' meeting No.3/2553 held on February 24, 2010 passed a resolution to the CAT to lease the network with equipment to provide the FTTx service for eleven provinces in the regional area that were Chonburi (Pattaya), Chiangmai, Nakhon Ratchasima, Songkhla, Surat Thani (Samui Island), Phuket, Khon Kaen, Udon Thani, Ubon Ratchathani, Prachuab Kirikhan (Hua Hin), and Rayong (Eastern Seaboard Industrial Estate and Hemaraj Eastern Seaboard Industrial Estates). This project is waiting for budget approval from the Cabinet. The Company, therefore, has not yet accounted for the lease of using FTTx service since the receipt until December 2012 amounting to Baht 452.88 million and from January 2013 to December 2013 amounting to Baht 158.69 million, totalling Baht 611.57 million as following:



1. Lease for use of areas in Hemaraj Eastern Seaboard Industrial Estates and Eastern Seaboard Industrial Estate (Rayong) from September 27, 2011 to December 2012 amounting to Baht 204.30 million and from January, 1 2013 to February 7, 2013, the contract termination date by the lessor, amounting to Baht 16.65 million, totalling Baht 220.95 million.

2. Lease for use of areas in Pattaya (Fiber- To-The Home) where is the first place to celebrate His Majesty the King' s Birthday on 5 December 2009 from November 2011 to December 2012 amounting to Baht 248.58 million and from January 1, 2013 to August, 31 2013, the contract termination date by the lessor, amounting to Baht 142.04 million, totalling Baht 390.62 million.

51 Subsequent events after reporting period

(a) Dividends

At the board of directors' meeting No. 2/2557 held on February 13, 2014 passed a resolution on the payment of special dividends to shareholders to compensate for loss of revenue from excise tax for the fourth quarter of 2013 at the rate of Baht 0.78069 per share, totalling Baht 780.69 million. The dividends were fully paid to shareholders on February 25, 2014.

(b) The Company's board of directors approved these financial statements for issue on April 3, 2014.