



Section 3

Financial Statements

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**TOTAL ACCESS COMMUNICATION
PUBLIC COMPANY LIMITED
AND ITS SUBSIDIARIES**

Report of the Board of Directors' Responsibility for the Financial Reports

The Board of Directors is responsible for the financial statements of the Company and its subsidiaries and the financial information as presented in the annual report of the Company. The financial statements of the Company and its subsidiaries as of 31 December 2021 have been prepared with careful consideration, in conformity with generally accepted accounting principles in Thailand, and using appropriate accounting policies and best estimation. All material information has been sufficiently disclosed in the notes to financial statements. The financial statements have been duly audited by independent authorized auditors who have provided unqualified opinions. The financial statements therefore reflect the Company's financial condition and results of operation that is true, transparent and reasonable for the benefits of all shareholders and investors.

The Board of Directors has established and maintained an appropriate and efficient internal control system and internal audit system to ensure that all accounting records are accurate, complete and sufficient to safeguard the Company's assets and prevent corruptions and materially irregular practices.

The Board of Directors has appointed an Audit Committee, which consists of independent directors who are responsible for the accuracy and adequacy of the financial reports, the appropriateness and efficiency of the internal control system and internal audit system, and compliance with laws and regulations related to the Company's business. The opinion of the Audit Committee is provided in the Report of the Audit Committee as presented in this annual report.

The Board of Directors is of the opinion that the Company's overall internal control system is satisfactory and provides reasonable assurance to the credibility of the financial statements of the Company and its subsidiaries as of 31 December 2021.

**On behalf of the Board of Directors
Total Access Communication Public Company Limited
28 January 2022**

Mr. Boonchai Bencharongkul
Chair of the Board of Directors

Mr. Rakesh Jain
Director



Report and consolidated financial statements

31 December 2021

Independent Auditor's Report

To the Shareholders of Total Access Communication Public Company Limited

Opinion

I have audited the accompanying consolidated financial statements of Total Access Communication Public Company Limited and its subsidiaries (the Group), which comprise the consolidated statement of financial position as at 31 December 2021, and the related consolidated statements of income, comprehensive income, changes in shareholders' equity and cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies, and have also audited the separate financial statements of Total Access Communication Public Company Limited for the same period.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Total Access Communication Public Company Limited and its subsidiaries and of Total Access Communication Public Company Limited as at 31 December 2021, their financial performance and cash flows for the year then ended, in accordance with Thai Financial Reporting Standards.

Basis for Opinion

I conducted my audit in accordance with Thai Standards on Auditing. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I am independent of the Group in accordance with the Code of Ethics for Professional Accountants as issued by the Federation of Accounting Professions as relevant to my audit

of the financial statements, and I have fulfilled my other ethical responsibilities in accordance with the Code. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Emphasis of matters

My opinion is not modified in respect of these matters.

I draw attention to the following Notes to the consolidated financial statements.

1. Significant litigations and commercial disputes

- a) As discussed in Note 35 to the consolidated financial statements, the Company is involved in court proceedings and commercial disputes with TOT Public Company Limited ("TOT") (At present, TOT Public Company Limited and CAT Telecom Public Company Limited have been merged into the National Telecom Public Company Limited) in relation to the access charge payment. For the period from 18 November 2006 to 7 November 2007, the Company accrued the access charge in the financial statements at the interconnection charge rate payable amounting to Baht 1,973 million. On 8 November 2007, the Company sent TOT a notice to terminate the two Access Charge Agreements, and so as from 8 November 2007 the Company did not accrue the access charge in its financial statements because the Company's management believed that its obligation to pay access charges under the Access Charge Agreements had ended. TOT filed suit with the

Central Administrative Court demanding that CAT Telecom Public Company Limited ("CAT") and the Company jointly pay damages arising from the access charge totaling Baht 245,638 million (calculated up to 10 July 2014). On 31 May 2019, the Central Administrative Court issued a verdict dismissing TOT's claim and TOT did not submit its appeal within the stipulated timeframe and the case is thus final, as per the letter from the Central Administrative Court dated 19 July 2019. Currently, the Company is in process of discussing the interconnection charge settlement in accordance with NTC's Notification Re: Uses and Interconnections of Telecommunication Networks B.E. 2549 with TOT, which has not been finalised or clearly concluded. In addition, related legal cases in which the Group is plaintiff and defendant are under court proceedings and the outcome of which is contingent on the relevant legal execution, negotiations, and future court proceedings.

- b) As discussed in Note 36 to the consolidated financial statements, the Company is involved in litigations and commercial disputes, regarding additional revenue sharing payment (Excise Tax) under the Concession Agreement and regarding additional revenue sharing calculation in relation to Interconnection Charge revenue after the enforcement of the Interconnection Notification, with CAT (At present, TOT Public Company Limited and CAT Telecom Public Company Limited have been merged into the National



Telecom Public Company Limited), as well as other legal cases. At present, these disputes and legal cases are under formal arbitration and court proceedings. The outcome cannot be determined and depends on future judicial proceedings.

2. Regulatory risks concerning the telecommunications business

As discussed in Note 37 to the consolidated financial statements, the Group is exposed to certain significant regulatory risks related to the telecommunications business, including those related to the management under the spectrum licenses at appropriate costs for use in the operation of the mobile telecommunication business, which is significant to the Group's operation of its telecommunication business at present.

Key Audit Matters

Key audit matters are those matters that, in my professional judgement, were of most significance in my audit of the financial statements of the current period. These matters were addressed in the context of my audit of the financial statements as a whole, and in forming my opinion thereon, and I do not provide a separate opinion on these matters.

I have fulfilled the responsibilities described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report, including in relation to these matters. Accordingly, my audit included the performance of procedures designed to respond to my assessment of the risks of material misstatement of the financial statements. The results of my audit procedures, including the procedures performed

to address the matters below, provide the basis for my audit opinion on the accompanying financial statements as a whole.

Key audit matters and how audit procedures respond for each matter are described below.

Contingent liabilities arising from significant litigation and commercial disputes

As discussed in emphasis of matters regarding significant litigation and commercial disputes, and as described in Note 35 and 36 to the consolidated financial statements, the Group involved in legal cases and commercial disputes.

Currently, the commercial disputes are in legal processes, and litigation is the subject of court proceedings, which mean that their outcomes cannot be determined and depend on the results of future legal and judicial proceedings. In addition, the timing and amount of any impact is uncertain. The management needs to exercise significant judgement and take into account related laws and regulations to assess the outcomes of the litigation and commercial disputes in order to determine the corresponding liabilities. Due to the inherent uncertainty and complexity of these cases, this is a key audit matter.

I inquired with the management about the procedures relevant to the collation, monitoring and assessment of pending significant legal cases and commercial disputes, and assessed the judgement exercised by the management in evaluating the legal cases and commercial disputes. The audit procedures included, among others, the following:

- a) I enquired with the management and obtained related information from them in relation to these significant legal cases and commercial disputes.
- b) I reviewed the letters of confirmation relevant to the significant legal cases and commercial disputes received from the external legal counsels who have been retained by the Group, and evaluated their responses. I also discussed the matters with the internal legal counsels and enquired with management with respect to details and the progress of these cases and disputes, and the methods applied by the management in assessing and estimating the liabilities arising from these legal cases and commercial disputes. I have also reviewed the legal opinions provided by the external legal counsels of the Group that were used to support management's evaluations.
- c) I assessed the disclosure of information relating to significant legal cases and commercial disputes in the notes to the consolidated financial statements.

Impairment evaluation of equipment, including right-of-use assets - cost of spectrum licenses and other related right-of-use assets, for mobile telecommunication services operation

As discussed in Note 13 to the consolidated financial statements, in evaluating impairment for the equipment, including right-of-use assets - cost of spectrum licenses and other related right-of-use assets, for mobile telecommunication services operation of the Group, the management had to

exercise judgement with respect to its projections of future operating performance, plans for management and use of those assets, future maintenance and investment, and determination of an appropriate discount rate and key assumptions. There is considerable uncertainty related to projections of future cash flows for the impairment loss assessment on that assets.

In order to assess the management's evaluation of impairment on equipment, including right-of-use assets - cost of spectrum licenses and other related right-of-use assets, for mobile telecommunication services operation, I evaluated the management's identification of the cash generating units and the selection of a financial model, by gaining an understanding of management's decision-making process and ascertaining whether it is consistent with how assets are expected to be utilised including to gain an understanding and assess the following:

- a) The assumptions applied in preparing cash flow projections for the Group, based on the understanding I gained of the process by which the estimated future cashflows were determined; comparison of the assumptions with external and internal sources of information where available, and management's approved forecasts and business plan, taking into account the accuracy of past cash flow projections in comparison to actual operating results.
- b) The discount rate, based on comparison of the average cost of capital of the Group to that of comparable organisations in the industry.



- c) The assumptions and approaches used by management in calculating the recoverable amount of assets.

In addition, I assessed the information disclosed by the Group's management with respect to impairment evaluation of equipment, including right-of-use assets - cost of spectrum licenses and other related right-of-use assets, for mobile telecommunication services operation.

Revenue recognition from provision of mobile telecommunication services

As described in Note 4.1 to the consolidated financial statements, accounting policies of revenue recognition, the Group have variety of mobile telephone service tariff structures, charging conditions offered in response to subscriber needs and the significant number of service transactions. In addition, there is more intense competition in the mobile telecommunication industry. I have therefore determined as a key audit matter by focusing on the amount and timing of the recognition of revenue from the provision of mobile telecommunication services.

The audit procedures included, among others, an assessment of the Group's accounting policies, an assessment of the effectiveness of the Group's general controls over their IT systems and their internal controls with respect to the processing and timing of recognition for mobile telecommunication service charge. On a sampling basis, I examined supporting documents for actual revenue transactions occurring during the year and near the end of accounting period.

I also performed analytical review procedures on disaggregated revenue data and examined the related accounting entries made through journal vouchers.

Other Information

Management is responsible for the other information. The other information comprise the information included in annual report of the Group, but does not include the financial statements and my auditor's report thereon. The annual report of the Group is expected to be made available to me after the date of this auditor's report.

My opinion on the financial statements does not cover the other information and I do not express any form of assurance conclusion thereon.

In connection with my audit of the financial statements, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated.

When I read the annual report of the Group, if I conclude that there is a material misstatement therein, I am required to communicate the matter to those charged with governance for correction of the misstatement.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the 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.

In preparing the financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Thai Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Thai Standards on Auditing, I exercise professional judgement and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my



opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. I am responsible for the direction, supervision and performance of the group audit. I remain solely responsible for my audit opinion.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

I also provide those charged with governance with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, I determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. I describe these matters in my auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, I determine that a matter should not be communicated in my report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

I am responsible for the audit resulting in this independent auditor's report.

Pimjai Manitkajohnkit

Certified Public Accountant (Thailand) No. 4521
EY Office Limited
Bangkok: 28 January 2022



Statement of financial position

As at 31 December 2021

(Unit: Baht)

	Note	Consolidated Financial Statements		Separate Financial Statements	
		2021	2020	2021	2020
Assets					
Current assets					
Cash and cash equivalents	6	3,575,487,800	6,647,041,895	1,255,455,218	2,879,784,466
Trade and other receivables	7	10,250,016,476	9,888,516,286	3,805,849,476	5,214,053,948
Lease receivable - current portion	22.3	1,240,814,684	1,212,942,915	-	-
Inventories	9	1,306,760,912	634,014,585	6,665,372	7,760,413
Other current financial assets	31.3	55,424,357	15,908,504	-	-
Other current assets	10	3,298,666,518	3,323,700,645	221,384,541	245,646,890
Total current assets		19,727,170,747	21,722,124,830	5,289,354,607	8,347,245,717
Non-current assets					
Restricted bank deposits	34.3	139,527	139,527	-	-
Lease receivable - net of current portion	22.3	4,536,296,781	5,591,220,680	-	-
Loans to subsidiary	8	-	-	16,500,000,000	15,000,000,000
Other non-current financial assets	31.3	754,407,252	1,829,719,685	1,800,000	1,800,000
Investment in associated company	11	228,054,381	233,299,337	50,000,000	50,000,000
Investments in subsidiaries	12	-	-	1,445,999,930	1,613,914,716
Property, plant and equipment	13	53,771,677,953	51,346,994,125	1,600,873,789	1,707,381,352
Deposits and prepayment for purchase and installation of equipment		177,605,938	308,691,427	-	-
Right-of-use assets - cost of spectrum licenses	14	57,036,179,188	62,104,578,502	-	-
Right-of-use assets	22.1	17,419,475,934	21,456,769,243	738,585,565	922,699,446
Other intangible assets	15	2,060,846,622	1,772,369,071	99,731,853	212,053,203
Deferred tax assets	27	4,394,797,516	4,819,098,826	2,132,695,180	3,379,626,806
Other non-current assets	16	4,208,002,305	3,095,381,595	1,762,991,143	1,290,707,817
Total non-current assets		144,587,483,397	152,558,262,018	24,332,677,460	24,178,183,340
Total assets		164,314,654,144	174,280,386,848	29,622,032,067	32,525,429,057

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



Statement of financial position (continued)

As at 31 December 2021

(Unit: Baht)

	Note	Consolidated Financial Statements		Separate Financial Statements	
		2021	2020	2021	2020
Liabilities and shareholders' equity					
Current liabilities					
Trade and other payables	17	25,965,560,723	26,943,923,572	9,932,732,918	9,773,398,722
Short-term loans	18	-	3,984,805,477	-	-
Long-term loans - current portion	19	4,995,043,836	-	-	-
Debentures - current portion	20	3,030,259,255	2,499,791,977	-	-
Unearned revenue from telephone service		2,115,344,454	1,915,241,153	409,218,361	523,391,703
Income tax payable		104,826	-	-	-
Accrued cost of spectrum licenses - current portion		4,913,877,864	7,607,527,890	-	-
Lease liabilities - current portion	22.2	5,599,437,236	4,663,356,325	260,664,427	320,680,319
Assets retirement obligation - current portion	21	39,967,741	122,484,910	13,313,324	62,724,232
Other current liabilities		436,503,606	688,377,207	125,556,127	256,813,827
Total current liabilities		47,096,099,541	48,425,508,511	10,741,485,157	10,937,008,803
Non-current liabilities					
Long-term loans - net of current portion	19	9,987,087,671	9,976,131,507	-	-
Debentures - net of current portion	20	41,091,352,488	37,665,303,732	-	-
Provision for long-term employee benefits	23	604,495,628	645,121,638	604,495,628	645,121,638
Accrued cost of spectrum licenses - net of current portion		30,331,174,373	33,486,652,237	-	-
Lease liabilities - net of current portion	22.2	13,483,073,393	17,819,979,346	373,068,773	529,804,009
Assets retirement obligation - net of current portion	21	1,551,981,511	1,941,708,675	136,845,495	134,712,457
Other non-current liabilities		1,907,897	4,558,663	1,319,033	1,319,033
Total non-current liabilities		97,051,072,961	101,539,455,798	1,115,728,929	1,310,957,137
Total liabilities		144,147,172,502	149,964,964,309	11,857,214,086	12,247,965,940



Statement of financial position (continued)

As at 31 December 2021

(Unit: Baht)

	Note	Consolidated Financial Statements		Separate Financial Statements	
		2021	2020	2021	2020
Shareholders' equity					
Share capital					
Registered					
2,372,080,630 ordinary shares of Baht 2 each		4,744,161,260	4,744,161,260	4,744,161,260	4,744,161,260
Issued and fully paid					
2,367,811,000 ordinary shares of Baht 2 each		4,735,622,000	4,735,622,000	4,735,622,000	4,735,622,000
Premium on ordinary shares		6,541,658,660	6,541,658,660	6,541,658,660	6,541,658,660
Other surplus		1,647,137,361	1,647,137,361	1,647,137,361	1,647,137,361
Retained earnings					
Appropriated - statutory reserve	40	474,416,126	474,416,126	474,416,126	474,416,126
Unappropriated (deficits)		(10,881,483,460)	(6,733,542,563)	4,365,983,834	6,878,628,970
		(10,407,067,334)	(6,259,126,437)	4,840,399,960	7,353,045,096
Other components of shareholders' equity		17,650,130,955	17,650,130,955	-	-
Total shareholders' equity		20,167,481,642	24,315,422,539	17,764,817,981	20,277,463,117
Total liabilities and shareholders' equity		164,314,654,144	174,280,386,848	29,622,032,067	32,525,429,057

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



Income statement

(Unit: Baht)

For the year ended 31 December 2021

	Consolidated Financial Statements		Separate Financial Statements		
	Note	2021	2020	2021	2020
Revenues from sales and services					
Revenue from telephone services		57,824,289,770	59,993,267,510	4,529,059,008	4,429,380,837
Revenue from sales of telephone sets and starter kits		8,846,546,714	6,979,703,083	1,077,557	13,608,259
Other operating income		14,649,166,764	11,845,028,781	10,812,707,116	11,422,105,424
Total revenues from sales and services		81,320,003,248	78,817,999,374	15,342,843,681	15,865,094,520
Cost of sales and services					
Cost of telephone services		50,176,566,362	47,124,986,427	2,178,677,156	2,378,047,168
Cost of sales of telephone sets and starter kits		10,610,376,208	8,871,015,003	653,975	24,689,913
Total cost of sales and services		60,786,942,570	55,996,001,430	2,179,331,131	2,402,737,081
Gross profit		20,533,060,678	22,821,997,944	13,163,512,550	13,462,357,439
Interest income		12,256,291	26,054,747	100,349,105	118,174,352
Other income		125,797,140	39,344,798	25,674,416	2,205,972,301
Income before expenses		20,671,114,109	22,887,397,489	13,289,536,071	15,786,504,092
Selling, distribution and service expenses		(4,184,207,229)	(4,108,177,618)	(2,163,263,139)	(2,108,729,126)
Administrative expenses		(9,560,540,911)	(10,278,547,572)	(4,857,457,604)	(5,375,333,066)
Gain (loss) on foreign exchange		4,841,390	31,421,240	(6,087,752)	27,068,720
Total expenses		(13,739,906,750)	(14,355,303,950)	(7,026,808,495)	(7,456,993,472)
Profit from operating activities		6,931,207,359	8,532,093,539	6,262,727,576	8,329,510,620
Gain (loss) from fair value measurement of derivative instruments and net position of hedging		(148,215,192)	298,401,009	-	-
Finance cost	26	(2,829,609,029)	(2,858,995,000)	(24,975,479)	(37,479,859)
Share of loss from investment in associated company	11	(5,244,956)	(11,849,692)	-	-
Profit before income tax expenses		3,948,138,182	5,959,649,856	6,237,752,097	8,292,030,761
Income tax expenses	27	(592,205,452)	(852,531,160)	(1,246,523,606)	(1,206,941,252)
Profit for the year		3,355,932,730	5,107,118,696	4,991,228,491	7,085,089,509
Earnings per share	28				
Basic earnings per share		1.42	2.16	2.11	2.99

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



Statement of comprehensive income

For the year ended 31 December 2021

(Unit: Baht)

	Consolidated Financial Statements		Separate Financial Statements		
	Note	2021	2020	2021	2020
Profit for the year		3,355,932,730	5,107,118,696	4,991,228,491	7,085,089,509
Other comprehensive income					
Other comprehensive income not to be reclassified to profit and loss in subsequent periods					
Actuarial gains (loss)		2,040,104	(18,233,622)	2,040,104	(18,233,622)
Less: income tax effect	27	(408,020)	3,646,724	(408,020)	3,646,724
Other comprehensive income not to be reclassified to profit and loss in subsequent periods - net of income tax		1,632,084	(14,586,898)	1,632,084	(14,586,898)
Other comprehensive income for the year		1,632,084	(14,586,898)	1,632,084	(14,586,898)
Total comprehensive income for the year		3,357,564,814	5,092,531,798	4,992,860,575	7,070,502,611

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



Statement of changes in shareholders' equity

For the year ended 31 December 2021

(Unit: Baht)

	Consolidated Financial Statements								
	Note	Issued and paid-up share capital	Premium on ordinary shares	Other surplus Capital surplus from restructuring	Retained earnings Appropriated - statutory reserve	Unappropriated (deficits)	Other components of equity Adjustment resulting from reduction of legal reserve and premium on ordinary share to offset the Company's deficits	Total other components of equity	Total shareholders' equity
Balance as at 1 January 2020		4,735,622,000	6,541,658,660	1,647,137,361	453,646,244	(5,933,200,315)	17,650,130,955	17,650,130,955	25,094,994,905
Profit for the year		-	-	-	-	5,107,118,696	-	-	5,107,118,696
Other comprehensive income for the year		-	-	-	-	(14,586,898)	-	-	(14,586,898)
Total comprehensive income for the year		-	-	-	-	5,092,531,798	-	-	5,092,531,798
Dividend paid	24	-	-	-	-	(5,872,104,164)	-	-	(5,872,104,164)
Transfer unappropriated retained earnings to legal reserve	40	-	-	-	20,769,882	(20,769,882)	-	-	-
Balance as at 31 December 2020		4,735,622,000	6,541,658,660	1,647,137,361	474,416,126	(6,733,542,563)	17,650,130,955	17,650,130,955	24,315,422,539
Balance as at 1 January 2021		4,735,622,000	6,541,658,660	1,647,137,361	474,416,126	(6,733,542,563)	17,650,130,955	17,650,130,955	24,315,422,539
Profit for the year		-	-	-	-	3,355,932,730	-	-	3,355,932,730
Other comprehensive income for the year		-	-	-	-	1,632,084	-	-	1,632,084
Total comprehensive income for the year		-	-	-	-	3,357,564,814	-	-	3,357,564,814
Dividend paid	24	-	-	-	-	(7,505,505,711)	-	-	(7,505,505,711)
Balance as at 31 December 2021		4,735,622,000	6,541,658,660	1,647,137,361	474,416,126	(10,881,483,460)	17,650,130,955	17,650,130,955	20,167,481,642
		-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-

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



Statement of changes in shareholders' equity (continued)

For the year ended 31 December 2021

(Unit: Baht)

	Note	Separate financial statements					Total shareholders' equity
		Issued and paid-up share capital	Premium on ordinary shares	Other surplus		Retained earnings	
				Capital surplus from restructuring	Appropriated - statutory reserve	Unappropriated (deficits)	
Balance as at 1 January 2020		4,735,622,000	6,541,658,660	1,647,137,361	453,646,244	5,701,000,405	19,079,064,670
Profit for the year		-	-	-	-	7,085,089,509	7,085,089,509
Other comprehensive income for the year		-	-	-	-	(14,586,898)	(14,586,898)
Total comprehensive income for the year		-	-	-	-	7,070,502,611	7,070,502,611
Dividend paid	24	-	-	-	-	(5,872,104,164)	(5,872,104,164)
Transfer unappropriated retained earnings to legal reserve	40	-	-	-	20,769,882	(20,769,882)	-
Balance as at 31 December 2020		4,735,622,000	6,541,658,660	1,647,137,361	474,416,126	6,878,628,970	20,277,463,117
Balance as at 1 January 2021		4,735,622,000	6,541,658,660	1,647,137,361	474,416,126	6,878,628,970	20,277,463,117
Profit for the year		-	-	-	-	4,991,228,491	4,991,228,491
Other comprehensive income for the year		-	-	-	-	1,632,084	1,632,084
Total comprehensive income for the year		-	-	-	-	4,992,860,575	4,992,860,575
Dividend paid	24	-	-	-	-	(7,505,505,711)	(7,505,505,711)
Balance as at 31 December 2021		4,735,622,000	6,541,658,660	1,647,137,361	474,416,126	4,365,983,834	17,764,817,981
		-	-	-	-	-	-
		-	-	-	-	-	-

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



Cash flow statement

(Unit: Baht)

For the year ended 31 December 2021

	Consolidated Financial Statements		Separate Financial Statements	
	2021	2020	2021	2020
Cash flows from operating activities				
Profit before income tax expenses	3,948,138,182	5,959,649,856	6,237,752,097	8,292,030,761
Adjustments to reconcile profit before tax to cash provided by (paid from) operating activities:				
Unrealised loss (gain) on foreign exchange	(21,906,697)	(54,105,316)	(2,983,291)	1,178,095
Share of loss from investment in associated company	5,244,956	11,849,692	-	-
Dividend received from associated company	-	-	-	(5,000,000)
Dividend received from subsidiaries	-	-	-	(2,168,186,686)
Dividend received from other investments	(244,000)	(150,000)	(200,000)	(150,000)
Allowance for inventory obsolescence (reversal)	19,474,904	(44,868,888)	(61,920)	(7,418)
Reversal of allowance for expected credit losses	(333,191,297)	(71,236,915)	(2,897,290)	(93,101,794)
Allowance for impairment on assets/investment in subsidiary investment in equity instruments of non-listed companies	(80,256,897)	19,293,771	(69,795,633)	7,751,705
Loss from equity return from subsidiary	-	-	16,703,266	-
Depreciation and amortisation (Note 29)	22,478,486,853	20,951,247,200	692,680,698	899,322,661
Write-off of assets	73,900,903	17,463,917	349,803	4,825,412
Effect from adjustment of right-of-use assets	512,165,723	57,778,157	2,844,916	4,601,730
Loss from sales and lease back (Note 22.1)	-	173,989,696	-	-
Loss (gain) from disposal of equipment	(24,162,713)	367,870,738	(36,664,981)	(71,782,798)
Gain from disposal of investment	(21,016,707)	-	-	-
Reversal of provision for long-term employee benefits	(32,078,355)	(80,168,312)	(32,078,355)	(80,168,312)
Amortisation on cost to obtain contracts	181,110,155	206,954,052	-	-
Loss (gain) from fair value measurement of derivative instruments and net position of hedging	148,215,192	(298,401,009)	-	-
Interest expenses	2,819,374,673	2,846,225,850	14,741,123	24,710,709



(Unit: Baht)

	Consolidated Financial Statements		Separate Financial Statements	
	2021	2020	2021	2020
Profit from operating activities before changes in operating assets and liabilities	29,673,254,875	30,063,392,489	6,820,390,433	6,816,024,065
Decrease (increase) in operating assets				
Trade and other receivables	(8,963,333)	130,529,710	1,411,403,337	306,414,920
Lease receivable	1,093,293,653	129,557,807	-	-
Inventories	(692,221,231)	498,753,967	1,156,961	12,757,610
Other current assets	31,178,322	(542,103,090)	24,262,349	54,504,532
Prepaid expenses and deferred expenses	-	123,600,791	-	123,600,791
Other non-current assets	(203,655,977)	(202,609,966)	(19,224,454)	30,614,328
Increase (decrease) in operating liabilities				
Trade and other payables	597,813,082	235,130,964	178,740,219	(709,420,188)
Other current liabilities	(132,546,584)	216,165,894	(315,249,670)	7,147,578
Other non-current liabilities	(9,158,317)	(102,906,870)	(6,507,551)	(88,099,989)
Cash flows from operating activities	30,348,994,490	30,549,511,696	8,094,971,624	6,553,543,647
Cash paid for interest expenses	(2,604,907,708)	(4,273,991,093)	(13,119,714)	(21,821,048)
Cash paid for corporate income tax	(1,608,142,804)	(1,197,485,806)	(453,058,872)	(374,403,847)
Tax refund	357,871,782	863,493,943	-	860,233,196
Net cash flows from operating activities	26,493,815,760	25,941,528,740	7,628,793,038	7,017,551,948

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



Cash flow statement (continued)

For the year ended 31 December 2021

(Unit: Baht)

	Consolidated Financial Statements		Separate Financial Statements	
	2021	2020	2021	2020
Cash flows from investing activities				
Increase in other non-current financial assets	-	(1,997,710)	-	-
Proceeds from sales of investment	23,716,707	-	-	-
Cash paid for loan to subsidiary	-	-	(5,500,000,000)	(7,000,000,000)
Cash receipt from loan to subsidiary	-	-	4,000,000,000	2,500,000,000
Cash receipt from equity return from subsidiary	-	-	220,052,509	-
Dividend received from subsidiaries	-	-	-	2,168,186,686
Dividend received from associated company	-	5,000,000	-	5,000,000
Dividend received from other investments	244,000	150,000	200,000	150,000
Acquisition of building and equipment	(14,772,438,610)	(8,810,725,981)	(165,771,257)	(72,291,498)
Proceeds from sales of building and equipment	59,001,905	22,468,039	46,582,589	72,317,070
Decrease (increase) in deposits and prepayment for purchase and installation of equipment	131,085,489	(64,074,401)	-	-
Acquisition of right-of-use assets - cost of spectrum licenses	(6,108,038,646)	(10,917,205,035)	-	-
Acquisition of right-of-use assets	(104,465,071)	(124,832,994)	(2,463,050)	(5,555,787)
Acquisition of other intangible assets	(1,143,067,658)	(894,462,410)	(17,631,241)	(86,273,240)
Net cash flows used in investing activities	(21,913,961,884)	(20,785,680,492)	(1,419,030,450)	(2,418,466,769)
Cash flows from financing activities				
Cash received from short-term loans	25,500,000,000	27,000,000,000	-	-
Repayment of short-term loans	(29,500,000,000)	(33,000,000,000)	-	-
Cash received from long-term loan	5,000,000,000	10,000,000,000	-	-
Repayment of long-term loans	-	(6,000,000,000)	-	-
Cash received from debentures	7,000,000,000	10,000,000,000	-	-



(Unit: Baht)

	Consolidated Financial Statements		Separate Financial Statements	
	2021	2020	2021	2020
Repayment of debentures	(2,500,000,000)	(4,000,000,000)	-	-
Cash paid for lease liabilities	(5,987,662,260)	(5,165,086,886)	(328,586,125)	(421,087,744)
Cash received from unwinded interest rate swap agreements	341,760,000	-	-	-
Dividend paid	(7,505,505,711)	(5,872,104,164)	(7,505,505,711)	(5,872,104,164)
Net cash flows used in financing activities	(7,651,407,971)	(7,037,191,050)	(7,834,091,836)	(6,293,191,908)
Net decrease in cash and cash equivalents	(3,071,554,095)	(1,881,342,802)	(1,624,329,248)	(1,694,106,729)
Cash and cash equivalents at beginning of year	6,647,041,895	8,528,384,697	2,879,784,466	4,573,891,195
Cash and cash equivalents at end of year	3,575,487,800	6,647,041,895	1,255,455,218	2,879,784,466
	-	-	-	-
Supplemental cash flow information:				
Non cash transactions:				
Accounts payable for purchase of equipment	4,407,489,066	6,174,360,065	33,403,965	47,749,715
Accounts payable for purchase of intangibles assets	363,542,810	194,039,019	600,217	2,978,774
Increase in lease liabilities	4,544,877,609	3,458,196,632	163,747,590	583,899,555

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



Notes to consolidated financial statements

For the year ended 31 December 2021

1. General information

1.1 Corporate information

Total Access Communication Public Company Limited (“the Company”) is a public company incorporated and domiciled in Thailand. The Company is listed on the Stock Exchange of Thailand in 2007.

The Company has two major shareholders who are Telenor Asia Pte Ltd., a company incorporated in Singapore, and Thai Telco Holding Co., Ltd., a company incorporated in Thailand. The Company is principally engaged in the provision of wireless telecommunications services through its subsidiaries and the sale of handsets and accessories.

The Company’s registered address is 319 Chamchuri Square Building, 38th Fl., Phayathai Road, Pathumwan, Bangkok.

The Company operated cellular telephone services in 800 MHz and 1800 MHz frequency bands under an concession agreement with CAT Telecom Public Company Limited (“CAT”) (Concession agreement) from 16 September 1991 until 15 September 2018.

On 7 January 2021, CAT Telecom Public Company Limited (“CAT”) has been merged with TOT Public Company Limited (“TOT”) into National Telecom Public Company Limited (“NT”).

The Company was awarded a type one telecommunication business license by the National Broadcasting and Telecommunications Commission (“NBTC”) to provide retail WiFi internet services. The duration of the license is valid throughout the service period under the scope and conditions as specified in the NBTC’s announcement Re: rules and procedures for Telecommunication Business, dated on 5 March 2020.

1.2 Corporate information of dtac TriNet Company Limited

dtac TriNet Company Limited (“dtac TriNet”) is a subsidiary of the Company and is incorporated and domiciled in Thailand. dtac TriNet is principally engaged in the provision of wireless telecommunications services and the sale of handsets and accessories. dtac TriNet has the below licenses to provide its services. dtac TriNet is required to comply with the rules and pay the license fee and fee for Universal Basic Telecommunications and Social Services (USO) as specified by law throughout the service period, and the duration of type one and type two telecommunications business licenses are valid throughout the service period in accordance with the related specified scope and conditions.

Type one telecommunication business license

Telecommunication business	Grant date
1) Internet Service Provider	30 August 2006 onwards
2) Resale of Leased Circuit/Channel service	22 March 2017 onwards
3) Resale of xDSL and FTTx internet service	24 February 2021 onwards
4) Internet of Things service	7 July 2021 onwards
5) Colocation service	27 August 2021 onwards

Type two telecommunication business license

Telecommunication business	Grant date
1) International Internet Gateway (ITG) service and National Internet Exchange (NIE) service	26 June 2015 onwards

**Type three telecommunication business license**

Telecommunication business	Grant date
1) International call services (International Direct Dialing)	6 February 2007 - 5 February 2027
2) Fixed line service	2 September 2015 - 5 February 2027
3) International Private Leased Circuit (IPLC)	12 July 2016 - 5 February 2027
4) Domestic leased circuit service	12 May 2021 - 5 February 2027
5) International Mobile Telecommunications 2100 MHz	7 December 2012 - 6 December 2027
6) International Mobile Telecommunications 1800 MHz	16 December 2018 - 15 December 2033
7) International Mobile Telecommunications 900 MHz	16 December 2018 - 15 December 2033
8) International Mobile Telecommunications 26 GHz	24 February 2020 - 23 February 2035
9) International Mobile Telecommunications 700 MHz	24 December 2020 - 23 December 2035

Spectrum license under type three telecommunication business license

- a) Spectrum Licensing by NBTC for the validity period of 15 years (starting from 7 December 2012 and expiring on 6 December 2027) for operating telecommunication business for International Mobile Telecommunication (IMT) in the frequency band 2.1GHz covered the range of 1920 - 1935 MHz paired with 2110 - 2125 MHz under the scope of the license throughout the Kingdom of Thailand.
- b) Spectrum Licensing by NBTC for the validity period of 15 years (starting from 16 December 2018 and expiry on 15 December 2033) for operating telecommunication business for International Mobile Telecommunication in the frequency band 1800 MHz ("spectrum license") for 2x5 MHz covered the range of 1745 - 1750 MHz paired with 1840 - 1845 MHz under the scope of the license throughout the Kingdom of Thailand. On 28 December 2021, dtac TriNet made a final payment by 25% of the winning bid price or Baht 3,346.69 million (including VAT) for the last installment.
- c) Spectrum Licensing by NBTC for the validity period of 15 years (starting from 16 December 2018 and expiry on 15 December 2033) for operating telecommunication business for International Mobile Telecommunication in the

frequency band 900 MHz ("spectrum license") for 2x5 MHz covered the range of 890 - 895 MHz paired with 935 - 940 MHz under the scope of the license throughout the Kingdom of Thailand. dtac TriNet is required to make payment for the winning bid price of the authorization to use the spectrum license in the total amount of Baht 40,728.48 million (including VAT) under the payment conditions specified in the NBTC's announcement regarding rules and procedures for the Spectrum Licensing for Telecommunications Business in spectrum band of 890 - 895 MHz / 935 - 940 MHz. dtac TriNet made a payment of Baht 4,301.40 million for the first installment and already fulfilled the conditions set out in that announcement on 12 December 2018.

Later, on 10 May 2019, dtac TriNet sent a letter to the Office of NBTC requesting to divide the payment for 900 MHz spectrum in accordance with the Order of the Head of the National Council for Peace and Order No. 4/2562 dated 11 April 2019 Re: Measure of problem solving for television and telecommunications business operations ("NCPO Order No. 4/2562") which specified that NBTC is to consider dividing the total amount of auction payment which the licensee of 900 MHz spectrum is required to pay into ten installments, one installment payment per year, in equal amount. The request for the installment payment is under the condition that the licensee must be the applicant who has the right to receive a license to use the 700 MHz spectrum. Later, on 19 June 2019, dtac TriNet participated in the 700 MHz spectrum allocation and has been allocated one block of 700 MHz spectrum under the conditions as described in Note 1.2 e) to the consolidated financial statements. Subsequently, dtac TriNet received the letter from Office of NBTC confirming that dtac TriNet has complied with the conditions determined by NCPO Order No.4/2562. As a result, dtac TriNet is entitled to divide the payment for 900 MHz spectrum into ten installments, in equal amount, as specified by NCPO Order No.4/2562, by considering that the year in which dtac TriNet won the 900 MHz spectrum auction (December 2018) is regarded as the first installment and the details of remaining payment for 900 MHz spectrum (included VAT) are as follows:

Second and third installments:	To pay Baht 7,917.14 million in 2020 (paid on 29 December 2020)
Fourth installment to tenth installment:	To pay 10% of the cost of license spectrum or Baht 4,072.85 million in equal amount for each installment (paid for the fourth installment on 28 December 2021)

While paying the installment payment, dtac TriNet has obligations to submit bank guarantee to guarantee the remaining payment and to comply with regulations and conditions specified by NCPO Order No.4/2562.

Since, dtac TriNet received a confirmation letter from NBTC for the compliance with the requirements as specified in the NCPO Order No.4/2562, it has the right to divide the payment term of the 900 MHz spectrum license mentioned above.



dtac TriNet's management considered the relevant information including the substance of transaction and reckoned that the receipt of the said payment conditions for 900 MHz spectrum directly related to the participation in 700 MHz spectrum application to the NBTC office, thus after that, dtac TriNet has been allocated the bandwidth. Therefore, "Accrued cost of spectrum license - deferred" (the difference between the present value of the bidding price of 900 MHz license that dtac TriNet must pay in accordance with the new payment terms and the original payment terms) was recorded as part of the cost of spectrum license of the 700 MHz spectrum when dtac TriNet obtained 700 MHz spectrum licensing in December 2020. The rules, procedures and conditions of 700 MHz spectrum are described in Note 1.2 e) to the consolidated financial statements.

- d) Spectrum Licensing by NBTC for the validity period of 15 years (starting from 24 February 2020 and expiring on 23 February 2035) for operating telecommunication business for International Mobile Telecommunication in the frequency band 26 GHz ("Spectrum license") in the spectrum range of 26.8 - 27.0 GHz, with the total bandwidth of 200 MHz under the scope of the license throughout the Kingdom of Thailand.
- e) Spectrum Licensing by NBTC for the validity period of 15 years (starting from 24 December 2020 and expiring on 23 December 2035) for operating telecommunication business for International Mobile Telecommunication in the frequency band 700 MHz ("spectrum license") for 2x10 MHz covering the range of 713-723 MHz paired with 768-778 MHz under the scope of the license throughout the Kingdom of Thailand. For requesting of the 700 MHz frequency spectrum license dtac TriNet must be the licensee of the 890-915 MHz / 935-960 MHz spectrum, and must have the qualifications required by the NBTC announcement. Re: Permission to use spectrum for telecommunication businesses in the area 703-733 / 758-788 MHz, dated 4 June 2019 and its amendments ("NBTC announcement").

dtac TriNet is required to make payment for the authorisation to use the spectrum license in the total amount of Baht 18,815 million (including VAT). The payment conditions for the spectrum for obtaining a license are as follows:

First installment:

To pay 10% of the cost of the spectrum or Baht 1,881.5 million (including VAT) and to submit a bank guarantee for the remaining payments (paid on 21 December 2020).

Second installment to tenth installment:

To pay 10% of the cost of spectrum license in each of installment payment or Baht 1,881.5 million (including VAT) each and to submit bank guarantee for the remaining payments within 15 days from the date of the anniversary of the permission to use the spectrum each year. (paid for the second installment on 7 January 2022).

1.3 Interconnection charge

In December 2013, the NBTC issued the Notification RE: Uses and Interconnections of Telecommunication Networks B.E. 2556 (2013) (the "Interconnection Notification 2556") to replace the NTC's Notification RE: Uses and Interconnections of Telecommunication Networks B.E. 2549 (the "Interconnection Notification 2549"). The Interconnection Notification 2556 determines that operators who have telecommunication networks are required to grant other operators effective access to their networks.

However, the right to operate telecommunication business under concession agreement has ended on 15 September 2018. The Company has sent a notice to other licensees who are the interconnection partners with the Company to acknowledge the termination of the concession agreement and the termination of the interconnection of the telecommunication network.

Pursuant to the Concession Agreement which ended on 15 September 2018, the Company shall pay revenue sharing to CAT (currently known as "NT") every year based on a percentage of revenues from services provided under the Concession Agreement but not less than a minimum annual revenue sharing payment as specified in it. However, the entry into the interconnection charge agreements has caused an uncertainty on the revenue share calculation payable to CAT under the Concession Agreement. Therefore, from the 17th concession year onward, the Company has decided to calculate revenue sharing payable to CAT on the basis of service revenue, excluding interconnection charges, until a conclusion can be reached with CAT. Nevertheless, CAT has challenged the Company's revenue share calculation in this matter by submitting a statement of claim requesting the Company to pay additional revenue share on interconnection charge (please refer to Note 36 (b) to the consolidated financial statements for more details).



For the interconnection arrangement of dtac TriNet, dtac TriNet has entered into the interconnection charge agreements with other operators, which are listed below:

Operators	Effective period
a) True Move Co., Ltd.	1 July 2013 onwards
b) True Move H Universal Communication Co., Ltd.	1 July 2013 onwards
c) True Universal Convergence Co., Ltd.	1 July 2013 onwards
d) Advance Info Service Plc.	1 July 2013 onwards
e) Advanced Wireless Network Co., Ltd.	1 July 2013 onwards
f) CAT Telecom Plc. (currently known as "NT")	1 July 2013 onwards
g) Triple T Broadband Plc.	1 July 2013 onwards
h) True International Communication Co., Ltd.	1 January 2014 onwards
i) Otaro World Corporation Co., Ltd.	20 August 2018 onwards
j) TOT Plc. (currently known as "NT")	18 December 2019 onwards

1.4 Coronavirus disease 2019 Pandemic

The Coronavirus disease 2019 pandemic is currently impacting most businesses and industries. This situation may bring uncertainties and have an impact on the environment in which the group operates. The Group's management continuously monitored the ongoing development and assessed the financial impact in respect of the valuation of assets, provisions and contingent liabilities, and has used estimates and judgement in respect of various issues as the situation has evolved.

1.5 The potential amalgamation between the Company and True Corporation Public Company Limited ("True") and related matters

On 20 November 2021, the Board of Directors passed a resolution to approve the Company entering into a non-binding memorandum of understanding with True to explore the feasibility and develop the business case and transaction terms, of the potential Amalgamation between the dtac and True ("Amalgamation") and agree upon the terms of the Amalgamation under applicable regulations/laws. The Board of Directors also noted that the Company has been informed by Telenor Asia Pte Ltd. ("Telenor Asia"), which is a major shareholder of the Company, that Telenor Asia has indicated its support for the Company's decision. The non-binding memorandum of understanding also specifies the conditions precedent to the Amalgamation which include, but are not limited to, the Company and True satisfactorily completing due diligence of the other party, consideration and approval of the Amalgamation by meetings of the Board of Directors and shareholders of both the Company and True; and the fulfilment of such other relevant conditions that are further determined by meetings of the Board of Directors and the shareholders of the Company and True in the course of approving the Amalgamation and the execution of the Amalgamation agreement between the Company and True.

The Company and True have fixed the swap ratios for the allocation of shares in the new company formed as a result of the Amalgamation (the "New Company") to the shareholders of the Company and True at 1 existing share in the Company to 24.53775 shares in the New Company and 1 existing share in True to 2.40072 shares in the New Company. This allocation of shares in the New Company to the shareholders shall occur upon the completion of the various actions mentioned in the previous paragraph, as well as the completion of legal steps relevant to the Amalgamation under the Public Limited Companies Act and other laws and regulations, including without limitation, obtaining approvals and waivers from relevant government agencies and regulatory agencies as required by law or for the purpose of preservation of rights and benefits of the Company, proceeding with an application for the listing of shares in the New Company as listed securities on the Stock Exchange of Thailand, and fulfilling other stipulated conditions.

In addition, the Board of Directors also noted that the Company has been informed by Citrine Global Company Limited ("Citrine Global"), a joint venture company of Telenor Asia and Charoen Pokphand Holding Company Limited, a shareholder of True, that Citrine Global (the "Tender Offeror") intends to make a conditional voluntary tender offer for all securities of the Company at a price of Baht 47.76 per share, subject to adjustment as set forth under the conditions to the voluntary tender offer. The launch of the conditional voluntary tender offer is conditional upon the satisfaction of all precedent and other specified conditions.



The business operations of the Group currently continue as usual and independently from the counterparty and will do so until completion and fulfillment of all of the above stipulations, conditions precedent and legal steps relevant to the Amalgamation. These are currently being carried out.

2.2 Basis of consolidation

- a) The consolidated financial statements include the financial statements of Total Access Communication Public Company Limited (“the Company”) and the following subsidiary companies (“the subsidiaries”) (collectively as “the Group”):

Company's name	Nature of business	Country of Incorporation	Percentage of Shareholding	
			2021 Percent	2020 Percent
<u>Subsidiaries directly held by the Company</u>				
WorldPhone Shop Company Limited	Under liquidation process of payment to creditors	Thailand	100	100
TAC Property Company Limited	Asset management	Thailand	100	100
dtac TriNet Company Limited	Providing telecommunications services	Thailand	100	100
DTAC Broadband Company Limited	Under liquidation process	Thailand	100	100
Paysbuy Company Limited	Dissolution and liquidation	Thailand	-	100
<u>Subsidiary held through dtac TriNet Company Limited</u>				
dtac Accelerate Company Limited	Investment and support start-up companies to develop applications	Thailand	100	100
dtac Digital Media Company Limited	Under liquidation process	Thailand	100	100
TeleAssets Company Limited	Lease of telecommunication equipment and device	Thailand	100	100

- b) The Company is deemed to have control over an investee or subsidiaries if it has rights, or is exposed, to variable returns from its involvement with the investee, and it has the ability to direct the activities that affect the amount of its returns.
- c) Subsidiaries are fully consolidated, being the date on which the Company obtains control, and continue to be consolidated until the date when such control ceases.
- d) The financial statements of the subsidiaries are prepared using the same significant accounting policies as the Company.

2. Basis of preparation

2.1 The financial statements have been prepared in accordance with Thai Financial Reporting Standards enunciated under the Accounting Profession Act B.E. 2547 and their presentation has been made in compliance with the stipulations of the Notification of the Department of Business Development, issued under the Accounting Act B.E. 2543.

The financial statements in Thai language are the official statutory financial statements of the Company. The financial statements in English language have been translated from the Thai language financial statements.

The financial statements have been prepared on a historical cost basis except where otherwise disclosed in the accounting policies.



e) Material balances and transactions between the Group have been eliminated from the consolidated financial statements. Book value of investments and shareholder's equity of its subsidiaries have also been eliminated from the consolidated financial statements.

2.3 The separate financial statements present investments in subsidiaries and associates presented under the cost method.

3. New financial reporting standards

3.1 Financial reporting standards that became effective in the current year

During the year, the Group has adopted the revised and new financial reporting standards and interpretations which are effective for fiscal periods beginning on or after 1 January 2021. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards clarifying accounting treatment and providing accounting guidance for users of the standards.

The adoption of these financial reporting standards does not have any significant impact on the Group's financial statements.

However, during the year 2020, the Group has early adopted the temporary exemptions from applying specific hedge accounting requirements in accordance with TFRS 9 Financial Instruments and TFRS 7 Disclosure of Financial Instruments (such temporary

exemptions become effective in the current year) which apply to all hedging relationships directly affected by interest rate benchmark reform. Consequently, the Group can continue to apply hedge accounting for those hedging relationships in the period when there is uncertainty about the timing or the amount of interest rate benchmark-based cash flows of the hedged item or of the hedging instrument.

The early adoption of these temporary exemptions does not have any significant impact on the Group's financial statements.

3.2 Financial reporting standard that will become effective for fiscal years beginning on or after 1 January 2022

The Federation of Accounting Professions issued a number of revised financial reporting standards, which are effective for fiscal years beginning on or after 1 January 2022. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards clarifying accounting treatment and, for some standards, providing temporary reliefs or temporary exemptions for users.

The management of the Group is currently in process of evaluating the plan to be executed and considering the impact of these standards on the financial statements in the year when they are adopted.

4. Significant accounting policies

4.1 Revenue and expense recognition

Unearned revenue from telephone service of prepaid system (Prepaid)

Unearned revenue from telephone service of prepaid system represents the unused portion of the face value of prepaid phone cards. It is deferred and recognized based on the actual usage or the expiration of the usage as stated on cards, depending on which comes first.

Unearned revenue from postpaid service (Postpaid)

Unearned revenue from telephone service of postpaid system represents the unused portion of monthly airtime fee that subscribers can carry forward to the next period.

Revenue from telephone services

Revenue from voice services

Revenue from voice services, including domestic calls, international calls and roaming service calls, is recognised when the telephone services have been rendered.

Revenue from international data transit and internet service

Revenue from international data transit and internet service are recognised on an accrual basis over the service period and the rates agreed by counterparties.

Discounts are often provided in the form of cash discounts, free products or free services. Discounts are recorded systematically throughout the period the discounts are earned. Cash discounts and free products are recorded as revenue reductions.

As for discount schemes (such as loyalty programs, etc.), the accrued discounts must not be higher than estimated discounts, based on past liable discount estimation. The exact amount and income period of the discount are estimated with estimation techniques and reconciled in the period where there is an adjustment to estimation or the final outcome is known.

Cost to obtain a contract

The Group recognises commission paid to obtain a customer contract as an asset and amortised to expenses on a systematic basis according to the estimation of benefit period receive from the customer based on the Group's past experience in relating to customer retention, which is consistent with the pattern of revenue recognition. An impairment loss is recognised to the extent that the carrying amount of an asset recognised exceeds the remaining amount of consideration that the entity expects to receive less direct costs. Provided that the amortisation period of the asset that the Group otherwise would have used is one period or less, costs to obtain a contract are immediately recognised as expenses.



Interconnection charge revenues and costs

Interconnection charge revenues derived from the other licensed operators for incoming calls from these operators' networks is recognised on an accrual basis at the rates stipulated in the agreements.

Costs of interconnection charges paid to the other licensed operators for outgoing calls to these operators' networks are recognised on an accrual basis at the rates stipulated in the agreements.

Revenue from sales of telephone sets and starter kits

Sales of goods are recognised at the point in time when control of the asset is transferred to the customer. Sales are the invoiced value, excluding value added tax, of goods supplied after deducting discounts.

Revenue arrangements with multiple deliverables are allocated between the element in proportion to the delivered products and the obligations to be performed in providing services that are included in the contract using the basis of standalone selling prices of different products or services as obligated in the contract.

The recognised revenue which is not yet due per the contracts has been presented under the caption of "Contract asset" in the statement of financial position. The amounts recognised as contract assets are reclassified to other receivables when the Company's and its subsidiaries' right to consideration is unconditional.

The obligation to provide to a customer for which the Group has received from the customer is presented under the caption of "Contract liability" in the statement of financial position. Contract liabilities are recognised as revenue when the Company and its subsidiaries perform under the contract.

Revenue from Reference Access Offer

Revenue from Reference Access Offer derived from other operators in compensation of the utilisation of the Group's network elements is recognised on an accrual basis at the rates stipulated in the agreements.

Revenue from Reference Infrastructure Sharing Offer

Revenue from Reference Infrastructure Sharing Offer derived from other mobile operators in compensation of the utilisation of the Group's telecommunication infrastructure is recognised on an accrual basis at the rates stipulated in the agreements.

Other operating income

Other operating income are recognised when the economic benefit flows to the entity and the earnings process is complete. Revenues are shown excluding of value added tax.

Interest income

Interest income is calculated using the effective interest method and recognised on an accrual basis. The effective interest rate is applied to the gross carrying amount of a financial asset, unless the financial assets subsequently become credit-impaired when it is applied to the net carrying amount of the financial asset (net of the expected credit loss allowance).

Dividends

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

Finance cost

Interest expense from financial liabilities at amortised cost is calculated using the effective interest method and are recognised on an accrual basis.

4.2 Cash and cash equivalents

Cash and cash equivalents consist of cash in hand and at banks, and all highly liquid investments with an original maturity of three months or less and not subject to withdrawal restrictions.

4.3 Inventories

Inventories are finished goods valued at the lower of cost (under the weighted average method) and net realisable value.

4.4 Investments in subsidiaries and associate

- a) Investment in associate is accounted for in the consolidated financial statements using the equity method.
- b) Investments in subsidiaries and associate are accounted for in the separate financial statements using the cost method net of allowance for impairment loss (if any).



4.5 Property, plant and equipment/depreciation

Land is stated at cost. Buildings and equipment are stated at cost less accumulated depreciation and allowance for loss on impairment of assets (if any). The cost of an asset comprises its purchase price and any directly attributable costs of bringing the asset to working condition for its intended use. Expenditures for additions, improvements and renewals are capitalised, while expenditures for maintenance and repairs are charged to profit or loss.

Depreciation of buildings and equipment is calculated by reference to their costs on a straight-line basis over the following estimated useful lives:

Buildings and office improvements	5 - 20 years
Leasehold improvements	5 - 12 years
Equipment for mobile telecommunication services operation	3 - 15 years
Telephone transmission station improvements	20 years
Furniture, fixtures and office equipment	5 years
Machinery and equipment	3 years and 5 years
Advertising and communication equipment	2 - 5 years
Others	5 years

Depreciation is included in determining income.

No depreciation is provided for land, building in progress, work in progress and equipment under installation.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on disposal of an asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss when the asset is derecognised.

4.6 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the respective assets. All other borrowing costs are expensed in the period they are incurred. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

4.7 Leases

At inception of contact, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The Group assesses the lease term for the non-cancellable period as stipulated in lease contract or the remaining period of active leases together with any period covered by an option to extend the lease if it is reasonably certain to be exercised or any periods covered by an option to terminate the lease if it is reasonably certain not to be exercised by considering the effect of changes in technology and/or the other circumstance relating to the extension of the lease term.

4.7.1 The Group as a lessee

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. At the commencement date of the lease (i.e. the date the underlying asset is available for use), the Group recognises right-of-use assets representing the right to use the underlying assets and lease liabilities based on lease liabilities based on lease payments.

a) Right-of-use assets

Right-of-use assets are measured at cost, less any accumulated depreciation, any accumulated impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities initially recognised, initial direct costs incurred, and lease payments made at or before the commencement date of the lease less any lease incentives received.

The cost of right-of-use assets also includes an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease.



Depreciation of right-of-use assets are calculated by reference to their costs on a straight-line basis over the shorter of their estimated useful lives and the lease term, as follows:

Land for tower	3 years, plus renewal option reasonably certain to be exercised
Space on tower under agreement with CAT (currently known as "NT")	8 years or remaining period of contract
Office buildings	3 years
Customer service center	3 years, plus renewal option reasonably certain to be exercised
Vehicle	2 - 3 years
Space on towers under infrastructure sharing and access offer	3 years, plus renewal option reasonably certain to be exercised

b) Right-of-use assets - cost of spectrum licenses

Right-of-use assets - cost of each spectrum license for International Mobile Telecommunication in the Frequency Band 700 MHz, 900 MHz, 1800 MHz, 2.1 GHz and 26.0 GHz was capitalised, with its value measured at the cash equivalent price based on the present value of the installments. The difference between the total payment to be made and the cash equivalent price is recognised as a finance cost over the license fee payment period.

Depreciation is calculated by reference to cost on a straight-line basis over the term of the license.

c) Lease liabilities

Lease liabilities are measured at the present value of the lease payments to be made over the lease term. The lease payments include fixed payments less any lease incentives receivable, and amounts expected to be payable under residual value guarantees. Moreover, the lease payments include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising an option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate, which is determined by referring to the government bond yield adjusted with risk premium depending on the lease term, at the lease commencement date if the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a change in the lease term, a change in the lease payments or a change in the assessment of an option to purchase the underlying asset.

d) Short-term leases and leases of low-value assets

A lease that has a lease term less than or equal to 12 months from commencement date or a lease of low-value assets is recognised as expenses on a straight-line basis over the lease term.

e) Sale and leaseback transactions

The Group measures the right-of-use asset arising from the leaseback at the proportion of the previous carrying amount of the asset that relates to the right of use retained by the Group. Accordingly, the Group recognises only the amount of any gain or loss that relates to the rights transferred to the lessor.

If the fair value of the consideration for the sale of an asset lower than the fair value of the asset, the difference is accounted for as a prepayment of lease payments to measure the sale proceeds at fair value.

4.7.2 The Group as a lessor

Finance leases

A lease that transfers substantially all the risks and rewards incidental to ownership of an underlying asset to a lessee is classified as finance leases. As at the commencement date, an asset held under a finance lease is recognised as a receivable at an amount equal to the net investment in the lease or the present value of the lease payments receivable and any unguaranteed residual value. Subsequently, finance income is recognised over the lease term to reflect a constant periodic rate of return on the net investment in the lease.

Operating leases

A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership of an underlying asset to a lessee. Lease receivables from operating leases is recognised as income in profit or loss on a straight-line basis over the lease term. Initial direct costs incurred in obtaining an operating lease are added to the carrying amount of the underlying assets and recognised as an expense over the lease term on the same basis as the lease income.



Sub lease

In sublease transactions for which an underlying asset is subleased by the Group to a third party, and the head lease between the head lessor and the Group remains in effect, the Group classifies the sublease as a finance lease or an operating lease with reference to the right-of-use asset arising from the head lease, rather than with reference to the underlying asset that is the subject of the lease.

If the Group enters into two or more contracts at or near the same time with the same counterparty, these contracts are leases and they are negotiated as a package with an overall commercial objective, the Group combines the contracts and accounts for them as a single contract.

4.8 Intangible assets and amortisation

Intangible assets acquired through business combinations are initially recognised at their fair value on the date of business acquisition. Intangible assets acquired in other cases are recognised at cost.

Following the initial recognition, the intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses (if any).

Intangible assets with finite lives are amortised on the straight-line basis over the economic useful life and tested for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method of such intangible assets are reviewed at least at each

financial year end. The amortisation expense is charged to profit or loss.

Amortisation is calculated by reference to cost on a straight-line basis over the expected future period of economic benefit of each type of intangible asset.

4.9 Related party transactions

Related parties comprise individuals or enterprises that control, or are controlled by, the Company, whether directly or indirectly, or which are under common control with the Company.

They also include associated companies and individuals or enterprises which directly or indirectly own a voting interest in the Company that gives them significant influence over the Company, key management personnel, directors, and officers with authority in the planning and direction of the Company's operations.

4.10 Impairment of non-financial assets

At the end of each reporting period, the Group performs impairment reviews in respect of the property, plant and equipment, right-of-use assets - cost of spectrum licenses, other related right-of-use assets and other intangible assets whenever events or changes in circumstances indicate that an asset may be impaired. An impairment loss is recognised when the recoverable amount of an asset, which is the higher of the asset's fair value less costs to sell and its value in use, is less than the carrying amount. In determining value in use, the estimated

future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, an appropriate valuation model is used. These calculations are corroborated by a valuation model that, based on information available, reflects the amount that the Group could obtain from the disposal of the asset in an arm's length transaction between knowledgeable, willing parties, after deducting the costs of disposal.

An impairment loss is recognised in profit or loss.

In the assessment of asset impairment if there is any indication that previously recognised impairment losses may no longer exist or may have decreased, the Group estimates the asset's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The increased carrying amount of the asset attributable to a reversal of an impairment loss shall not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in profit or loss.

4.11 Income tax

Income tax expense represents the sum of corporate income tax currently payable and deferred tax.

Current tax

Current income tax is provided in the accounts at the amount expected to be paid to the taxation authorities, based on taxable profits determined in accordance with tax legislation.

Deferred tax

Deferred income tax is provided on temporary differences between the tax bases of assets and liabilities and their carrying amounts at the end of each reporting period, using the tax rates enacted at the end of the reporting period.

The Group recognises deferred tax liabilities for all taxable temporary differences while they recognise deferred tax assets for all deductible temporary differences and tax losses carried forward to the extent that it is probable that future taxable profit will be available against which such deductible temporary differences and tax losses carried forward can be utilised.

At each reporting date, the Group reviews and reduce the carrying amount of deferred tax assets to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised.

The Group records deferred tax directly to shareholders' equity if the tax relates to items that are recorded directly to shareholders' equity.



4.12 Employee benefits

Short-term employee benefits

Salaries, wages, bonuses and contributions to the social security fund are recognised as expenses when incurred.

Post-employment benefits

Defined contribution plans

The Group and their employees have jointly established a provident fund. The fund is monthly contributed by employees and by the Group. The fund's assets are held in a separate trust fund and the Group's contributions are recognised as expenses when incurred.

Defined benefit plans

The Group has obligations in respect of the severance payments it must make to employees upon retirement under labor law. The Group treats these severance payment obligations as a defined benefit plan.

The obligation under the defined benefit plan is determined by a professionally qualified independent actuary based on actuarial techniques, using the projected unit credit method.

Actuarial gains and losses arising from defined benefits plans are recognised immediately in other comprehensive income.

Past service costs are recognized in profit or loss on the earlier of the date of the plan amendment or curtailment and the date that the Company recognizes restructuring-related costs.

4.13 Foreign currencies

The consolidated and separate financial statements are presented in Baht, which is also the Group's functional currency.

Transactions in foreign currencies are translated into Baht at the exchange rates applying at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated into Baht at the exchange rates applying at the end of reporting period. Gains and losses on exchange are included in determining income.

4.14 Provisions

Provisions are recognised when the Group has a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

4.15 Financial instruments

The Group initially measures financial assets at its fair value plus, in the case of financial assets that are not measured at fair value through profit or loss, transaction costs. However, trade receivables, that do not contain a significant financing component are measured at the transaction price as disclosed in the accounting policy relating to revenue recognition.

Classification and measurement of financial assets

Financial assets are classified, at initial recognition, as to be subsequently measured at amortised cost, fair value through other comprehensive income ("FVOCI"), or fair value through profit or loss ("FVTPL"). The classification of financial assets at initial recognition is driven by the Group's business model for managing the financial assets and the contractual cash flows characteristics of the financial assets.

Financial assets at amortised cost

The Group measures financial assets at amortised cost if the financial asset is held in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortised cost are subsequently measured using the effective interest rate ("EIR") method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

Financial assets at FVTPL

Financial assets measured at FVTPL are carried in the statement of financial position at fair value with net changes in fair value including interest income recognised in profit or loss.

These financial assets include derivatives, security investments held for trading, equity investments which the Group has not irrevocably elected to classify at FVOCI and financial assets with cash flows that are not solely payments of principal and interest.

Dividends on listed equity investments are recognised as other income in profit or loss.

Classification and measurement of financial liabilities

Except for derivative liabilities, at initial recognition the Group's financial liabilities are recognised at fair value net of transaction costs and classified as liabilities to be subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process. In determining amortised cost, the Group takes into account any fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance costs in profit or loss.

The Group may elect to measure financial liabilities at FVTPL if doing so eliminates, or significantly reduces a recognition inconsistency.



Recognition and Derecognition of financial instruments

The Group recognise or to derecognise of financial assets financial assets on the transaction date which is the date on which the Group has an obligation to buy or sell the asset for the normal purchase or sale of a financial asset.

A financial asset is primarily derecognised when the rights to receive cash flows from the asset have expired or have been transferred and either the Group has transferred substantially all the risks and rewards of the asset.

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

Impairment of financial assets

The Group recognises an allowance for expected credit losses ("ECLs") for all debt instruments not held at FVTPL. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate.

For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure (a lifetime ECL).

The Group considers a significant increase in credit risk to have occurred when contractual payments are more than 30 days past due and considers a financial asset as credit impaired or in default when contractual payments are 90 days past due (the normal credit term is 20 to 90 days). However, in certain cases, the Group may also consider a financial asset to have a significant increase in credit risk and to be in default using other internal or external information, such as credit rating of issuers.

For trade receivables and contract assets, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date.

ECLs are calculated based on its historical credit loss experience and adjusted for forward-looking factors specific to the debtors and the economic environment.

A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the consolidated statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

4.16 Derivatives and hedge accounting

The Group uses interest rate swaps as a derivative to hedge its interest rate risks.

Derivatives are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value. The subsequent changes including interest income are recognised in profit or loss. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

Derivative is presented as a non-current asset or a non-current liability if the remaining maturity of the instrument is more than 12 months and it is not due to be realised or settled within 12 months. Other derivatives are presented as current assets or current liabilities.

Hedge accounting

For the purpose of hedge accounting, hedges are classified as:

- Fair value hedges when hedging the exposure to changes in the fair value of a recognised asset or liability or an unrecognised firm commitment.
- Cash flow hedges when hedging the exposure to variability in cash flows that is either attributable to a particular risk associated with a recognised asset or liability or a highly probable forecast transaction or the foreign currency risk in an unrecognised firm commitment.

At the inception of a hedging relationship, the Group formally designates and documents the hedging relationship to which it wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge.

The documentation, at the inception of the hedge and on an ongoing basis, includes identification of the hedging instrument, the hedged item, the nature of the risk being hedged and how the Group will assess whether the hedging relationship meets the hedge effectiveness requirements, including the analysis of sources of hedge ineffectiveness and how the hedge ratio is determined.

A hedging relationship qualifies for hedge accounting if it meets all of the following hedge effectiveness requirements:



- There is 'an economic relationship' between the hedged item and the hedging instrument.
- The effect of credit risk does not 'dominate the value changes' that result from that economic relationship.
- The hedge ratio of the hedging relationship is the same as that resulting from the quantity of the hedged item that the Group actually hedges and the quantity of the hedging instrument that the Group actually uses to hedge that quantity of hedged item.

Hedges that meet all the qualifying criteria for hedge accounting are accounted for, as described below:

Fair value hedges

The change in the fair value of a hedging instrument is recognised in profit or loss. The change in the fair value of the hedged item attributable to the risk hedged is recorded as part of the carrying value of the hedged item and is also recognised in profit or loss.

Any adjustment to the carrying value of fair value hedges relating to items carried at amortised cost, is amortised through profit or loss over the remaining term of the hedge using the effective interest method. The amortisation may begin as soon as an adjustment exists or no later than when the hedged item ceases to be adjusted for changes in its fair value attributable to the risk being hedged. If the hedged item is derecognised, the unamortised fair value is recognised immediately in profit or loss.

4.17 Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between buyer and seller (market participants) at the measurement date. The Group applies a quoted market price in an active market to measure their assets and liabilities that are required to be measured at fair value by relevant financial reporting standards. Except in case of no active market of an identical asset or liability or when a quoted market price is not available, the Group measures fair value using valuation technique that are appropriate in the circumstances and maximises the use of relevant observable inputs related to assets and liabilities that are required to be measured at fair value.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy into three levels based on categorise of input to be used in fair value measurement as follows:

- Level 1** - Use of quoted market prices in an active market for such assets or liabilities
- Level 2** - Use of other observable inputs for such assets or liabilities, whether directly or indirectly
- Level 3** - Use of unobservable inputs such as estimates of future cash flows

At the end of each reporting period, the Group determines whether transfers have occurred between levels within the fair value hierarchy for assets and liabilities held at the end of the reporting period that are measured at fair value on a recurring basis.

5. Significant accounting judgments and estimates

The preparation of financial statements in conformity with financial reporting standards at times requires management to make subjective judgments and estimates regarding matters that are inherently uncertain. These judgments and estimates affect reported amounts and disclosures and actual results could differ from these estimates. Significant judgments and estimates are as follow:

Revenue from contracts with customers

Identification of performance obligations

In identifying performance obligations, the management is required to use judgement regarding whether each promise to deliver goods or services is considered distinct, taking into consideration terms and conditions of the arrangement. In other words, if a good or service is separately identifiable from other promises in the contract and if the customer can benefit from it, it is accounted for separately.

Determination of timing of revenue recognition

In determining the timing of revenue recognition, the management is required to use judgement regarding whether performance obligations are satisfied over time or at a point in time, taking into consideration terms and conditions of the arrangement. The Group recognises revenue over time in the following circumstances:

- the customer simultaneously receives and consumes the benefits provided by the entity's performance as the entity performs
- the entity's performance creates or enhances an asset that the customer controls as the asset is created or enhanced; or
- the entity's performance does not create an asset with an alternative use to the entity and the entity has an enforceable right to payment for performance completed to date

Where the above criteria are not met, revenue is recognised at a point in time. Where revenue is recognised at a point in time, the management is required to determine when the performance obligation under the contract is satisfied.

Costs to obtain contracts

The recognition of costs incurred to obtain a contract as an asset requires management to use judgement regarding whether such costs are the incremental costs of obtaining a contract with a customer as well as what amortisation method should be used.



Recognition and derecognition of assets and liabilities

In considering whether to recognise or to derecognise assets or liabilities, the management is required to make judgment on whether significant risk and rewards of those assets or liabilities have been transferred, based on their best knowledge of the current events and assessments.

Leases

Determining the lease term with extension and termination options - The Group as a lessee

In determining the lease term, the management is required to exercise judgment in assessing whether the Group is reasonably certain to exercise the option to extend or terminate the lease, considering all relevant factors and circumstances that create an economic incentive for the Group to exercise either the extension or termination option. After the commencement date, the Group reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to extend or to terminate.

Lease classification - The Group as a lessor

In determining whether a lease is to be classified as an operating lease or finance lease, the management is required to exercise judgment as to whether significant risk and rewards of ownership of the leased asset has been transferred, taking into consideration terms and conditions of the arrangement.

Allowance for expected credit losses of trade receivables and contract assets

In determining an allowance for expected credit losses of trade receivables and contract assets, the management needs to make judgement and estimates based upon, among other things, past collection history, aging profile of outstanding debts and the forecast economic condition for groupings of various customer segments with similar credit risks. The Group's historical credit loss experience and forecast economic conditions may also not be representative of whether a customer will actually default in the future.

Fair value of financial instruments

In determining the fair value of financial instruments recognised in the statement of financial position that are not actively traded and for which quoted market prices are not readily available, the management exercise judgement, using a variety of valuation techniques and models. The input to these models is taken from observable markets, and includes consideration of credit risk, liquidity, correlation and longer-term volatility of financial instruments. Change in assumptions about these factors could affect the fair value recognised in the statement of financial position and disclosures of fair value hierarchy.

Depreciation of property, plant and equipment and right-of-use assets and amortisation of intangible assets

In determining depreciation of plant and equipment and right-of-use assets and amortisation of intangible

assets, the management is required to make estimates of the useful lives and residual values (if any) and to review useful lives and residual values when there are any changes.

In addition, the property, plant and equipment, right-of-use assets and intangibles assets are subject to impairment if there is an indication they may be impaired, and impairment losses are recorded in the period when it is determined that their recoverable amount is lower than the carrying amount.

Indications include significant falls in the market value of assets or the future economic benefits of assets, significant changes in the overall business strategy impacting to the future utilization of assets, significant negative industry or economic trends, significant loss of market share, and significant unfavourable regulatory and court decisions that impact the business.

The impairment analysis of property, plant and equipment, right-of-use assets and intangible assets requires management to make subjective judgments concerning estimates of cash flows to be generated by the assets or the cash generating units and to choose a suitable discount rate in order to determine the present value of those cash flows. The cash flow estimates are based on currently available information about the operations and require management to make judgments regarding future market conditions and future revenues and expenses relevant to the assets or the cash generating units

subject to the review. Events and factors that may significantly affect the estimates include, among others, competitive forces, changes in revenue growth trends, cost structures, changes in discount rates and specific industry or market sector conditions.

Deferred tax assets

Deferred tax assets are recognised for temporary difference arising between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes as at the end of reporting period when it is highly probable that the Group will generate sufficient taxable profits from their future operations to utilise these deferred tax assets. If management need to estimate the amounts of the deferred tax assets that the Group should recognise, they take into account the amount of taxable profit expected in each future period.

Post-employment benefits under defined benefit plans

The obligation under defined benefit plan is determined based on actuarial valuations. Inherent within these calculations are assumptions as to discount rates, future salary incremental rate, mortality rates and other demographic factors. In determining the appropriate discount rate, management selects an interest rate that reflects the current economic situation. The mortality rate is based on publicly available mortality tables for the country. Actual post-retirement costs may ultimately differ from these estimates.

**Assets retirement obligation**

Provision for expenses to be incurred with respect to the retirement of networks located on lease area is set by using estimates of the present value of such expenses, based on the average of actual retirement expenses incurred in the past. Such provision is recorded as part of right-of-use assets and amortised over the estimated useful lives. However, the actual amounts incurred may differ from the estimated amounts.

Commercial disputes, litigation, conformity with rules/regulations in telecommunication industry and uncertainty in tax interpretation

The Group has contingent liabilities as a result of commercial disputes, litigations, claims arising from non-compliance with rules/regulations in the telecommunication industry, and uncertainty in tax interpretation.

The management used judgment to assess the effect of these matters and this involves evaluating the degree of probability that a loss will be incurred and the management's ability to make a reasonable estimate of the amount of that loss. Changes in the factors used in management's evaluation and unanticipated events may result in actual results differing from the estimates. However, if management believes that no significant loss will result, no related provision are recorded as at the end of reporting period.

6. Cash and cash equivalents

(Unit: Thousand Baht)

	Consolidated Financial Statements		Separate Financial Statements	
	2021	2020	2021	2020
Cash	4,650	5,311	4,650	5,311
Bank deposits	3,570,838	6,641,731	1,250,805	2,874,473
Total	3,575,488	6,647,042	1,255,455	2,879,784

As at 31 December 2021, bank deposits in saving accounts and fixed deposits carried interests between 0.01 percent per annum and 0.375 percent per annum (2020: between 0.05 percent per annum and 0.375 percent per annum).



7. Trade and other receivables

(Unit: Thousand Baht)

	Consolidated Financial Statements		Separate Financial Statements	
	2021	2020	2021	2020
Trade receivables - related parties (Note 8)				
Trade receivables - related parties	291,087	296,875	1,844,233	1,880,503
Total trade receivables - related parties	291,087	296,875	1,844,233	1,880,503
Trade receivables - unrelated parties				
Trade receivables - telephone services	5,499,516	5,866,198	136	302
Trade receivables - international				
telephone roaming services	155,175	152,957	3,495	10,843
Trade receivables - sales of E-Refill				
telephone sets and starter kits	928,526	740,413	263,705	343,409
Trade receivables - others	3,913,299	3,746,968	10,949	11,293
Total	10,496,516	10,506,536	278,285	365,847
Less: Allowance for expected credit losses	(1,054,072)	(1,387,263)	(91,607)	(94,504)
Trade receivables - unrelated parties, net	9,442,444	9,119,273	186,678	271,343
Total trade receivables - net	9,733,531	9,416,148	2,030,911	2,151,846
Other receivables				
Other receivables - related parties (Note 8)	7,114	1,810	1,774,522	3,046,131
Others	509,371	470,558	416	16,077
Total other receivables, net	516,485	472,368	1,774,938	3,062,208
Total trade and other receivables - net	10,250,016	9,888,516	3,805,849	5,214,054

Set out below is the movement in the allowance for expected credit losses of trade receivables:

(Unit: Thousand Baht)

	Consolidated Financial Statements		Separate Financial Statements	
	2021	2020	2021	2020
Beginning balance	1,387,263	1,458,499	94,504	187,606
Provision for expected credit losses	1,298,617	1,663,115	89	-
Amount written off	(1,629,233)	(1,628,972)	(1,111)	(36,595)
Amount recovered	(2,575)	(105,379)	(1,875)	(56,507)
Ending balance	1,054,072	1,387,263	91,607	94,504

The aging of the outstanding balances of trade receivables - related parties as at 31 December 2021 and 2020, based on due date, is as follows:

(Unit: Thousand Baht)

	Consolidated Financial Statements		Separate Financial Statements	
	2021	2020	2021	2020
Aged on the basis of due dates				
Not yet due	198,012	293,523	1,229,392	1,332,305
Past due				
Up to 1 month	46,791	3,352	614,781	545,278
1 - 3 months	20,170	-	60	2,907
3 - 6 months	25,926	-	-	13
Over 6 months	188	-	-	-
Total trade receivables - related parties	291,087	296,875	1,844,233	1,880,503



The aging of the outstanding balances of trade receivables - telephone services as at 31 December 2021 and 2020, based on due date, is as follows:

(Unit: Thousand Baht)

	Consolidated Financial Statements		Separate Financial Statements	
	2021	2020	2021	2020
Aged on the basis of due dates				
Not yet due	3,491,326	3,423,051	-	-
Past due				
Up to 1 month	724,320	806,663	-	-
1 - 3 months	297,178	347,133	-	-
3 - 6 months	321,511	390,701	-	-
Over 6 months	665,181	898,650	136	302
Total	5,499,516	5,866,198	136	302
Less: Allowance for expected credit losses	(932,756)	(1,283,943)	(103)	(114)
Trade receivables - telephone services, net	4,566,760	4,582,255	33	188

The aging of the outstanding balances of trade receivables - international telephone roaming services as at 31 December 2021 and 2020, based on due date, is as follows:

(Unit: Thousand Baht)

	Consolidated Financial Statements		Separate Financial Statements	
	2021	2020	2021	2020
Aged on the basis of due dates				
Not yet due	144,085	143,310	2,140	6,610
Past due				
Up to 1 month	930	1,032	-	-
1 - 3 months	995	229	-	-
3 - 6 months	726	174	-	-
Over 6 months	8,439	8,212	1,355	4,233
Total	155,175	152,957	3,495	10,843
Less: Allowance for expected credit losses	(8,623)	(7,563)	(1,325)	(4,189)
Trade receivables - international telephone roaming services, net	146,552	145,394	2,170	6,654



The aging of the outstanding balances of trade receivables - sales of E-Refill, telephone sets and starter kits as at 31 December 2021 and 2020, based on due date, is as follows:

(Unit: Thousand Baht)

	Consolidated Financial Statements		Separate Financial Statements	
	2021	2020	2021	2020
Aged on the basis of due dates				
Not yet due	802,059	517,129	174,446	166,131
Past due				
Up to 1 month	24,744	121,131	817	88,836
1 - 3 months	8,394	6,580	-	-
3 - 6 months	1,904	3,840	-	-
Over 6 months	91,425	91,733	88,442	88,442
Total	928,526	740,413	263,705	343,409
Less: Allowance for expected credit losses	(106,880)	(93,412)	(87,991)	(87,991)
Trade receivables - sales of E-Refill, telephone sets and starter kits, net	821,646	647,001	175,714	255,418

The aging of the outstanding balances of trade receivables - others as at 31 December 2021 and 2020, based on due date, is as follows:

(Unit: Thousand Baht)

	Consolidated Financial Statements		Separate Financial Statements	
	2021	2020	2021	2020
Aged on the basis of due dates				
Not yet due	3,894,783	3,479,244	8,545	8,857
Past due				
Up to 1 month	3,565	1,319	64	160
1 - 3 months	9,136	263,857	152	25
3 - 6 months	2	216	-	41
Over 6 months	5,813	2,332	2,188	2,210
Total	3,913,299	3,746,968	10,949	11,293
Less: Allowance for expected credit losses	(5,813)	(2,345)	(2,188)	(2,210)
Trade receivables - others, net	3,907,486	3,744,623	8,761	9,083

**8. Related party transactions**

During the years, the Group had significant business transactions with related parties. Such transactions, which are summarised below, arose in the ordinary course of businesses and were concluded on commercial terms and agreed upon between the Company and those related parties.

Transactions with subsidiaries, associated company and related companies

(Unit: Million Baht)

	Consolidated Financial Statements		Separate Financial Statements		Transfer pricing policy
	2021	2020	2021	2020	
Transactions with subsidiaries (eliminated from the consolidated financial statements)					
Service income	-	-	10,751	11,283	as per agreement
Rental and Service expenses	-	-	672	705	as per agreement
Interest income	-	-	95	109	as per agreement
Dividend income	-	-	-	2,168	as declared
Purchase of goods	-	-	6	11	as agreed price
Sales of assets	-	-	2	56	as agreed price
Transactions with associated company: United Distribution Business Co., Ltd.					
Sales of goods	1,016	1,326	987	1,304	selling price less a certain margin, as per agreement
Dividend income	-	5	-	5	as declared
Service expense	54	73	54	73	as per agreement
Transactions with other related companies					
International roaming service income	6	25	-	(1)	as per agreement
Service income	213	136	10	9	as per agreement
Sale on right of online refill service	64	95	64	95	as per agreement
Sales of goods	1	1	-	-	as agreed price
Service expenses	2,544	2,331	957	951	as per agreement
Service fees for installation of cell site equipment	232	688	-	-	as per agreement
Purchase of goods	38	21	-	-	as agreed price

The Company entered into management services agreement with its subsidiaries. The subsidiaries have to pay the fees to the Company as stipulated in the agreement on an annual basis. The fees have already included in the disclosure of transaction with subsidiaries above.

As at 31 December 2021 and 2020, the balances of the accounts between the Company and those related companies are as follows:



(Unit: Thousand Baht)

	Consolidated Financial Statements		Separate Financial Statements	
	2021	2020	2021	2020
Trade and other receivables - related parties (Note 7)				
Trade receivables - related parties				
Subsidiaries	-	-	1,668,586	1,625,481
Associated company (Note 8.1)	180,994	247,695	170,464	242,444
Related companies ^{(1), (2)}	110,093	49,180	5,183	12,578
Total trade receivables - related parties	291,087	296,875	1,844,233	1,880,503
Other receivables - related parties				
Subsidiaries	-	-	1,767,692	3,044,449
Related companies ^{(1), (2)}	7,114	1,810	6,830	1,682
Total other receivables - related parties	7,114	1,810	1,774,522	3,046,131
Total trade and other receivables - related parties	298,201	298,685	3,618,755	4,926,634
Loans to subsidiary				
Subsidiary (Note 8.2)	-	-	16,500,000	15,000,000
Total loans to subsidiary	-	-	16,500,000	15,000,000
Trade and other payables - related parties (Note 17)				
Trade payables - related parties				
Subsidiaries	-	-	26,722	19,960
Associated company	9,753	10,368	9,650	10,243
Related companies ^{(1), (2)}	542,623	839,928	392	751
Total trade payables - related parties	552,376	850,296	36,764	30,954
Other payables - related parties				
Subsidiaries	-	-	848,288	655,654
Related companies ^{(1), (2)}	301,867	321,475	143,945	232,638
Total other payables - related parties	301,867	321,475	992,233	888,292
Total trade and other payables - related parties Relationship with the related companies	854,243	1,171,771	1,028,997	919,246

⁽¹⁾ Common ultimate shareholder⁽²⁾ Common directors



8.1 The aging of trade receivables - associated company as at 31 December 2021 and 2020 based on due date, is as follow:

(Unit: Thousand Baht)

	Consolidated Financial Statements		Separate Financial Statements	
	2021	2020	2021	2020
Age of receivables				
Not yet due	146,744	246,243	138,312	242,444
Past due less than 1 month	34,250	1,452	32,152	-
Trade account receivable - associated company	180,994	247,695	170,464	242,444

8.2 The loans of Baht 16,500 million (2020: Baht 15,000 million) to dtac TriNet (subsidiary) are to be using for operation which carries interest at an average rate of fixed deposits plus certain margin. Payment of the loans is due at call. However, the Company has no plan to call the loans within one year, and therefore classified them as non-current assets in the financial statements.

As at 31 December 2021 and 2020, the balance of loans between the Group and the movement are as follows:

(Unit: Thousand Baht)

Loan to	Separate Financial Statements			
	Balance as at 31 December 2020	Increase during the year	Decrease during the year	Balance as at 31 December 2021
Subsidiary				
dtac TriNet Co., Ltd.	15,000,000	5,500,000	(4,000,000)	16,500,000
	15,000,000	5,500,000	(4,000,000)	16,500,000

**8.3 Directors and management's benefits**

During the years ended 31 December 2021 and 2020, the Group had employee benefit expenses of their directors and management as below.

(Unit: Thousand Baht)

	Consolidated / Separate Financial Statements	
	2021	2020
Short-term employee benefits	117,678	106,446
Post-employment benefits and other long-terms benefits	4,632	4,889
Total	122,310	111,335

9. Inventories

(Unit: Thousand Baht)

	Consolidated Financial Statements					
	Cost		Reduce cost to net realisable value		Inventories - net	
	2021	2020	2021	2020	2021	2020
Finished goods	1,340,014	647,793	(33,253)	(13,778)	1,306,761	634,015
Total	1,340,014	647,793	(33,253)	(13,778)	1,306,761	634,015

(Unit: Thousand Baht)

	Separate Financial Statements					
	Cost		Reduce cost to net realisable value		Inventories - net	
	2021	2020	2021	2020	2021	2020
Finished goods	6,665	7,822	-	(62)	6,665	7,760
Total	6,665	7,822	-	(62)	6,665	7,760

During the current year, the Group reduced cost of inventories by Baht 137 million (2020: Baht 90 million) (The Company only: Nil, 2020: Nil), to reflect the net realisable value. This was presented as cost of sales. In addition, the Company reversed the write-down of cost of inventories by Baht 118 million (2020: Baht 135 million) (The Company only: Baht 0.1 million, 2020: Nil million), and reduced the amount of inventories recognised as expenses during the year

10. Other current assets

(Unit: Thousand Baht)

	Consolidated Financial Statements		Separate Financial Statements	
	2021	2020	2021	2020
Value added tax suspension	1,801,140	2,046,879	70,769	110,639
Prepaid expenses and deferred expenses	1,178,873	1,119,417	137,237	134,980
Cost to obtain contracts - current portion	147,561	155,572	-	-
Others	171,093	1,833	13,379	28
Total other current assets	3,298,667	3,323,701	221,385	245,647

**11. Investment in associated company****11.1 Detail of associate:**

(Unit: Thousand Baht)

Company's Name	Nature of Business	Country of Incorporation	Shareholding Percentage		Consolidated Financial Statements			
			2021	2020	Cost		Carrying Amounts Based on Equity Method	
					Percent	Percent	2021	2020
United Distribution Business Co., Ltd.	Sale of simcards, voucher cards and supplementary equipment	Thailand	25	25	50,000	50,000	228,054	233,299

(Unit: Thousand Baht)

Company's Name	Nature of Business	Country of Incorporation	Shareholding Percentage		Cost		Separate financial statements			
			2021	2020	2021	2020	Allowance for Impairment of Investments		Carrying Amounts Based on Cost Method - net	
							Percent	Percent	2021	2020
United Distribution Business Co., Ltd.	Sale of simcards, voucher cards and supplementary equipment	Thailand	25	25	50,000	50,000	-	-	50,000	50,000

11.2 Share of loss and dividend received

During the year, the Company has recognised its share of loss from investment in associate company in the consolidated financial statements and dividend income in the separate financial statements as follows:

(Unit: Thousand Baht)

Company's Name	Consolidated Financial Statements		Separate Financial Statements	
	Share of Loss from Investments		Dividend Received	
	2021	2020	2021	2020
United Distribution Business Co., Ltd.	(5,245)	(11,850)	-	5,000

**11.3 Summarised financial information of associate**

Financial information of the associated company is summarised below (2020: Audited financial statements, 2021: Management's accounts).

(Unit: Million Baht)

Company's Name	Paid-up capital as at 31 December		Total assets as at 31 December		Total liabilities as at 31 December		Total revenues for the years ended 31 December		Loss for the years ended 31 December	
	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
United Distribution Business Co., Ltd.	200	200	1,125	1,230	213	288	85	102	(21)	(37)

12. Investments in subsidiaries

Details of investments in subsidiaries as presented in separate financial statements are as follows:

	Separate financial statements											
	Paid-up Share Capital		Percentage of Shareholding		Investments at Cost		Impairment Loss on Investments		Net Dividend Received for the Year			
	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020		
Million Baht	Million Baht	Percent	Percent	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Million Baht	Million Baht
Subsidiaries directly held by the Company												
WorldPhone Shop Co., Ltd.	450	450	100	100	450,000	450,000	(450,000)	(450,000)	-	-	-	-
TAC Property Co., Ltd.	1	1	100	100	1,000	1,000	-	-	1,000	1,000	-	173
dtac TriNet Co., Ltd.	1,160	1,160	100	100	1,270,000	1,270,000	-	-	1,270,000	1,270,000	-	1,995
DTAC Broadband Co., Ltd.*	175	175	100	100	175,000	175,000	-	-	175,000	175,000	-	-
Paysbuy Co.,Ltd.	-	200	-	100	-	236,756	-	(68,841)	-	167,915	-	-
Subsidiary held through dtac TriNet Co., Ltd.												
dtac Accelerate Co., Ltd.	15	15	100	100	-	-	-	-	-	-	-	-
dtac Digital Media Co., Ltd.*	26	26	100	100	-	-	-	-	-	-	-	-
TeleAssets Co., Ltd.	75	75	100	100	-	-	-	-	-	-	-	-
Total investments in subsidiaries, net					1,896,000	2,132,756	(450,000)	(518,841)	1,446,000	1,613,915	-	2,168

* Under liquidation process

On 13 July 2021, Paysbuy Company Limited returned its all capital to the Company at the rate of Baht 110.03 per share. Subsequently, on 14 December 2021, Paysbuy Company Limited has completed the liquidation process.



13. Property, plant and equipment
Consolidated financial statements

(Unit: Thousand Baht)

	Land	Buildings and Building Improvement	Leasehold Improvement	Equipment for Mobile Telecommunication Services	Telephone Based Station Improvement	Furniture, Fixtures and Office Equipment	Machinery and Equipment	Advertising and Communication Equipment	Work in Progress	Others	Total
Cost											
1 January 2020	991,832	1,651,200	1,383,682	86,900,822	213,011	906,488	7,169,050	168,815	2,316,464	262,867	101,964,231
Purchases	-	-	-	1,949,309	-	8	3,559	61,425	6,818,225	-	8,832,526
Disposals/written-off	-	-	(19,641)	(2,137,766)	-	(2,048)	(368,680)	(37,609)	(2,060)	(64)	(2,567,868)
Transferred in (out)	-	1,798	20,171	3,371,020	-	12,280	142,910	267	(3,548,766)	320	-
31 December 2020	991,832	1,652,998	1,384,212	90,083,385	213,011	916,728	6,946,839	192,898	5,583,863	263,123	108,228,889
Accumulated depreciation											
1 January 2020	-	1,415,826	928,509	37,664,917	205,853	809,293	6,684,450	96,719	-	178,306	47,983,873
Depreciation for the year	-	37,571	173,478	10,362,086	4,114	41,023	212,742	62,723	-	1,136	10,894,873
Depreciation - disposal/written-off	-	-	(12,064)	(1,686,934)	-	(1,972)	(363,928)	(37,210)	-	(12)	(2,102,120)
31 December 2020	-	1,453,397	1,089,923	46,340,069	209,967	848,344	6,533,264	122,232	-	179,430	56,776,626
Allowance for impairment loss											
1 January 2020	3,000	-	-	-	-	-	-	-	-	82,975	85,975
Allowance for impairment loss for the year	-	-	-	-	-	-	-	-	19,294	-	19,294
31 December 2020	-	-	-	-	-	-	-	-	19,294	82,975	105,269
Net book value											
1 January 2020	988,832	235,374	455,173	49,235,905	7,158	97,195	484,600	72,096	2,316,464	1,586	53,894,383
31 December 2020	988,832	199,601	294,289	43,743,316	3,044	68,384	413,575	70,666	5,564,569	718	51,346,994
Depreciation included in the income statements for the years											
2019											10,716,630
2020											10,894,873



Consolidated financial statements

(Unit: Thousand Baht)

	Land	Buildings and Building Improvement	Leasehold Improvement	Equipment for Mobile Telecommunication Services	Telephone Based Station Improvement	Furniture, Fixtures and Office Equipment	Machinery and Equipment	Advertising and Communication Equipment	Work in Progress	Others	Total
Cost											
1 January 2021	991,832	1,652,998	1,384,212	90,083,385	213,011	916,728	6,946,839	192,898	5,583,863	263,123	108,228,889
Purchases	-	-	-	168,928	-	-	139	5,221	12,831,278	-	13,005,566
Disposals/written-off	-	(12,622)	(196,814)	(1,292,759)	-	(20,896)	(74,078)	(63,387)	(18,325)	(5,141)	(1,684,022)
Transferred in (out)	-	5,308	120,997	13,431,688	-	25,763	314,990	51,693	(13,950,439)	-	-
31 December 2021	991,832	1,645,684	1,308,395	102,391,242	213,011	921,595	7,187,890	186,425	4,446,377	257,982	119,550,433
Accumulated depreciation											
1 January 2021	-	1,453,397	1,089,923	46,340,069	209,967	848,344	6,533,264	122,232	-	179,430	56,776,626
Depreciation for the year	-	37,217	155,266	10,000,621	2,636	33,086	266,440	60,897	-	250	10,556,413
Depreciation - disposal/written-off	-	(12,354)	(191,723)	(1,283,532)	-	(19,694)	(73,592)	(61,414)	-	(4,828)	(1,647,137)
31 December 2021	-	1,478,260	1,053,466	55,057,158	212,603	861,736	6,726,112	121,715	-	174,852	65,685,902
Allowance for impairment loss											
1 January 2021	3,000	-	-	-	-	-	-	-	19,294	82,975	105,269
Allowance for impairment loss for the year	-	-	-	-	-	-	-	81	(12,497)	-	(12,416)
31 December 2021	3,000	-	-	-	-	-	-	81	6,797	82,975	92,853
Net book value											
1 January 2021	988,832	199,601	294,289	43,743,316	3,044	68,384	413,575	70,666	5,564,569	718	51,346,994
31 December 2021	988,832	167,424	254,929	47,334,084	408	59,859	461,778	64,629	4,439,580	155	53,771,678
Depreciation included in the income statements for the years											
2020											10,894,873
2021											10,556,413

As at 31 December 2021, certain buildings and equipment items of the Group have been fully depreciated. The gross carrying amount (before deducting accumulated depreciation and allowance for impairment loss) of those assets amounted to Baht 29,037 million (2020: Baht 20,596 million).



Separate financial statements

(Unit: Thousand Baht)

	Land	Buildings and Building Improvement	Leasehold Improvement	Equipment for Mobile Telecommunication Services	Telephone Based Station Improvement	Furniture, Fixtures and Office Equipment	Machinery and Equipment	Advertising and Communication Equipment	Work in Progress	Others	Total
Cost											
1 January 2021	1,082,230	1,652,546	648,257	1,702,220	93,979	718,137	5,451,884	21,644	74,682	142,674	11,588,253
Purchases	-	-	-	-	-	-	-	1,118	150,308	-	151,426
Disposals/written-off	-	(12,622)	(176,655)	(231,441)	-	(17,520)	(72,819)	(4,390)	-	(4,341)	(519,788)
Transferred in (out)	-	5,308	101,671	47,375	-	14,653	2,748	2,643	(174,398)	-	-
31 December 2021	1,082,230	1,645,232	573,273	1,518,154	93,979	715,270	5,381,813	21,015	50,592	138,333	11,219,891
Accumulated depreciation											
1 January 2021	-	1,452,944	598,795	1,473,075	90,935	697,589	5,395,831	18,281	-	59,695	9,787,145
Depreciation for the year	-	37,217	49,625	114,062	2,636	8,965	32,824	3,290	-	1	248,620
Depreciation - disposal/written-off	-	(12,354)	(176,592)	(222,516)	-	(17,501)	(72,346)	(3,870)	-	(4,341)	(509,520)
31 December 2021	-	1,477,807	471,828	1,364,621	93,571	689,053	5,356,309	17,701	-	55,355	9,526,245
Allowance for impairment loss											
1 January 2021	3,000	-	-	-	-	-	-	-	7,752	82,975	93,727
Allowance for impairment loss for the year	-	-	-	-	-	-	-	-	(955)	-	(955)
31 December 2021	3,000	-	-	-	-	-	-	-	6,797	82,975	92,772
Net book value											
1 January 2021	1,079,230	199,602	49,462	229,145	3,044	20,548	56,053	3,363	66,930	4	1,707,381
31 December 2021	1,079,230	167,425	101,445	153,533	408	26,217	25,504	3,314	43,795	3	1,600,874
Depreciation included in the income statements for the years											
2020											332,121
2021											248,620

As at 31 December 2021, certain buildings and equipment items of the Company have been fully depreciated. The gross carrying amount (before deducting accumulated depreciation and allowance for impairment loss) of those assets amounted to Baht 9,009 million (2020: Baht 8,698 million).



The Group evaluated impairment of equipment, including right-of-use assets - cost of spectrum licenses as described in Note 14 to the consolidated financial statements and the other related right-of-use assets as described in Note 22.1 to the consolidated financial statements, for mobile telecommunication services of the Group by comparing the carrying amount of the cash generating unit to its recoverable amount. The recoverable amounts are the value in use which is determined by using cash flow projections approved by the management based on the assumptions by considering the scope of the spectrum licensing and telecommunication business license period of the subsidiary, and discounted to their present value using the pre-tax discount rate reflecting specific risks relating to the Group.

14. Right-of-use assets - cost of spectrum licenses

The net book value of right-of-use assets - cost of spectrum licenses as at 31 December 2021 and 2020 are presented below.

(Unit: Thousand Baht)

Consolidated Financial Statements	
As at 31 December 2021:	
Cost	75,189,923
Less: Accumulated depreciation	(18,153,744)
Net book value	57,036,179
As at 31 December 2020:	
Cost	75,189,923
Less: Accumulated depreciation	(13,085,344)
Net book value	62,104,579

A reconciliation of the net book value of right-of-use assets - cost of spectrum licenses for the years 2021 and 2020 are presented below.

(Unit: Thousand Baht)

Consolidated Financial Statements	
Net book value as at 1 January 2020	50,234,964
Increase during year	15,945,686
Depreciation	(4,076,071)
Net book value as at 31 December 2020	62,104,579
Depreciation	(5,068,400)
Net book value as at 31 December 2021	57,036,179

Right-of-use assets - cost of spectrum licenses are the cost in acquisition the licenses for operating telecommunication business for International Mobile Telecommunication (IMT) as described in Note 1.2 Spectrum license under type three telecommunication business license to the consolidated financial statements.

**15. Other intangible assets**

The net book value of other intangible assets as at 31 December 2021 and 2020 are presented below.

(Unit: Thousand Baht)

	Consolidated financial statements			Separate financial statements		
	Computer Software	Software Under Development	Total	Computer Software	Software Under Development	Total
As at 31 December 2021:						
Cost	16,421,579	141,835	16,563,414	10,147,541	-	10,147,541
Less: Accumulated amortisation	(14,502,567)	-	(14,502,567)	(10,047,809)	-	(10,047,809)
Net book value	1,919,012	141,835	2,060,847	99,732	-	99,732
As at 31 December 2020:						
Cost	15,040,383	260,120	15,300,503	10,153,911	28,038	10,181,949
Less: Accumulated amortisation	(13,528,134)	-	(13,528,134)	(9,969,896)	-	(9,969,896)
Net book value	1,512,249	260,120	1,772,369	184,015	28,038	212,053

A reconciliation of the net book value of other intangible assets for the years 2021 and 2020 are presented below.

(Unit: Thousand Baht)

	Consolidated Financial Statements		Separate Financial Statements	
	2021	2020	2021	2020
Net book value at beginning of year	1,772,369	1,664,472	212,053	291,259
Acquisition of computer software	1,312,572	895,548	15,253	49,945
Amortisation	(1,024,094)	(787,651)	(127,574)	(129,151)
Net book value at end of year	2,060,847	1,772,369	99,732	212,053

As at 31 December 2021, certain items of computer software were fully amortised but are still in use. The gross carrying amount before deducting accumulated amortisation of those assets amounted to Baht 13,010 million (2020: Baht 12,365 million) (the Company only: Baht 9,875 million 2020: Baht 9,787 million).

16. Other non-current assets

(Unit: Thousand Baht)

	Consolidated Financial Statements		Separate Financial Statements	
	2021	2020	2021	2020
Deposits	582,247	553,010	311,449	291,898
Withholding tax deducted at source	3,434,786	2,352,722	1,451,152	998,093
Cost to obtain contracts - net of current portion	190,579	188,933	-	-
Others	390	717	390	717
Total other non-current assets	4,208,002	3,095,382	1,762,991	1,290,708

As at 31 December 2021, the Group were in the process of requesting the refund of withholding tax deducted at source amounting to Baht 2,000 million (The Company only: Baht 998 million) (2020: Baht 1,266 million (the Company only: Baht 624 million)) from the Revenue Department. The recoverability of the amount depended upon the results of a tax audit.

During the year 2021, the Company's subsidiary had addition cost to obtain contracts totaling Baht 175 million (2020: Baht 184 million) and amortised as expense totaling Baht 181 million. (2020: Baht 207 million)



17. Trade and other payables

(Unit: Thousand Baht)

	Consolidated Financial Statements		Separate Financial Statements	
	2021	2020	2021	2020
Trade payables for the purchase of equipment for providing telephone services, telephone sets and starter kits	6,068,290	7,140,667	18,436	40,355
Trade payables - related parties (Note 8)	552,376	850,296	36,764	30,954
Trade payable - NT	11,231,078	10,690,317	6,218,080	6,218,258
Accrued license fees	1,904,272	2,013,691	140,976	137,582
Trade payables - interconnection charge	57,145	60,033	-	-
Trade payables - international telephone roaming services	78,682	133,971	8,846	15,201
Other trade payables	1,050,964	1,192,367	217,004	198,352
Other payables - related parties (Note 8)	301,867	321,475	992,233	888,292
Other payables	1,406,445	1,084,009	495,762	438,993
Accrued expenses	2,847,881	3,016,654	1,804,632	1,805,412
Interest payables	466,561	440,444	-	-
Total trade and other payables	25,965,561	26,943,924	9,932,733	9,773,399

18. Short-term loans

(Unit: Million Baht)

	Consolidated Financial Statements	
	2021	2020
The subsidiary's loan facilities from local financial institutions	-	4,000
Less: Deferred financial fees	-	(15)
Short-term loans from local financial institutions - net	-	3,985

The movement of subsidiary's short-term loans are as follows:

(Unit: Million Baht)

	Consolidated Financial Statements			
	Balance as at 31 December 2020	Increase during the year	Decrease during the year	Balance as at 31 December 2021
The subsidiary's loan facilities from local financial institutions	4,000	25,500	(29,500)	-
Less: Deferred financial fees	(15)	-	15	-
	3,985	25,500	(29,485)	-

**Subsidiary's short-term loans**

In 2018, the subsidiary entered into Revolving Facilities Agreements for 3 years availability period with financial institutions. The principal terms of these facilities are:

Facilities	:	Baht 21,000 million
Interest rate	:	BIBOR plus a margin (the margin depending on certain conditions as stipulated in each agreement)
Interest period	:	One month, three months, or six months depending on certain conditions in the agreements
Principal repayment schedule	:	The last day of each interest payment period
Right to renew the contract	:	The subsidiary has a right to extend the availability period with the same conditions as considered by financial institution

The above credit facilities agreements contain covenants relating to various matters, such as the maintenance of financial ratio, restrictions on creating or permitting the subsistence of security interest on property and assets, a prohibition on making loans or granting guarantees except under certain conditions.

As at 31 December 2021, the short-term revolving credit facilities of the subsidiary have been expired (2020: the subsidiary has the short-term revolving credit facilities of Baht 17,000 million). However, on 6 January 2022, the subsidiary has entered into the extension of the Revolving Facility Agreement of Baht 4,000 million for 2 years availability period with a financial institution at compounded THOR plus a certain margin as stipulated in the agreement and interest period and principal repayment schedule as stipulated in the conditions in the agreement.

19. Long-term loans

(Unit: Million Baht)

	Consolidated Financial Statements	
	2021	2020
The subsidiary's loan facilities from local financial institutions	15,000	10,000
Less: Deferred financial fees	(18)	(24)
The subsidiary's loan facilities from local financial institutions - net	14,982	9,976
Less: Current portion	(4,995)	-
Long-term loans - net of current portion	9,987	9,976

The movement of subsidiary's long-term loans are as follows:

(Unit: Million Baht)

	Consolidated Financial Statements			
	Balance as at 31 December 2020	Increase during the year	Decrease during the year	Balance as at 31 December 2021
The subsidiary's loan facilities from local financial institutions	10,000	5,000	-	15,000
Less: Deferred financial fees	(24)	-	6	(18)
	9,976	5,000	6	14,982

**Subsidiary's long-term loans**

- 1) In December 2019, the subsidiary entered into Facility Agreement with the financial institution. The principal terms of the facility are :

Facility	:	Baht 15,000 million
Interest rate	:	BIBOR plus a margin (the margin depending on certain conditions as stipulated in the agreement)
Interest period	:	Every three months or every six months depending on conditions in the agreements
Principal repayment schedules	:	As per conditions specified in the agreements

- 2) In December 2021, the subsidiary entered into Facility Agreements with the financial institutions. The principal terms of the facility are:

Facility	:	Baht 13,000 million
Interest rate	:	Compounded THOR plus a margin (the margin depending on certain conditions as stipulated in the agreement)
Interest period	:	Every three months or depending on conditions in the agreements
Principal repayment schedules	:	As per conditions specified in the agreements

The above credit facilities agreements contain covenants relating to various matters, such as the maintenance of financial ratio, restrictions on creating or permitting the subsistence of security interest on property and assets, a prohibition on making loans or granting guarantees except under certain conditions.

As at 31 December 2021, the subsidiary has the credit facilities, which have not yet been drawn down, amounted to Baht 13,000 million (2020: Baht 5,000 million).

20. Debentures

(Unit: Million Baht)

	Consolidated Financial Statements	
	2021	2020
Thai Baht debentures	43,500	39,000
Less: Deferred financial fees	(25)	(24)
Add: Fair value of debentures (only the interest portion applying hedged accounting)	647	1,189
Thai Baht debentures - net	44,122	40,165
Less: Current portion	(3,030)	(2,500)
Thai Baht debentures - net of current portion	41,092	37,665



The movements of debentures for the year ended 31 December 2021 are as follows:

(Unit: Million Baht)

	Interest rate (per annum)	Tenor	Balance as at 1 January 2021	Addition: debentures issued	Less: debentures repayment	Balance as at 31 December 2021
Subsidiary						
Debentures of Baht 3,000 million (issued on 29 July 2015)	3.52	7 years	3,000	-	-	3,000
Debentures of Baht 6,000 million (issued on 29 July 2015)	3.98	10 years	6,000	-	-	6,000
Debentures of Baht 1,000 million (issued on 22 July 2016)	2.44	5 years	1,000	-	(1,000)	-
Debentures of Baht 1,500 million (issued on 22 July 2016)	3.01	7 years	1,500	-	-	1,500
Debentures of Baht 1,000 million (issued on 22 July 2016)	3.19	10 years	1,000	-	-	1,000
Debentures of Baht 500 million (issued on 28 April 2017)	3.65	7 years	500	-	-	500
Debentures of Baht 5,000 million (issued on 28 April 2017)	4.04	10 years	5,000	-	-	5,000
Debentures of Baht 1,500 million (issued on 21 September 2017)	2.25	3.5 years	1,500	-	(1,500)	-
Debentures of Baht 2,000 million (issued on 21 September 2017)	3.58	10 years	2,000	-	-	2,000
Debentures of Baht 2,500 million (issued on 21 September 2017)	3.78	12 years	2,500	-	-	2,500
Debentures of Baht 1,500 million (issued on 5 July 2019)	2.84	5 years	1,500	-	-	1,500
Debentures of Baht 500 million (issued on 5 July 2019)	3.13	7 years	500	-	-	500
Debentures of Baht 3,000 million (issued on 5 July 2019)	3.50	9 years	3,000	-	-	3,000
Debentures of Baht 4,500 million (issued on 24 September 2020)	2.02	3 years	4,500	-	-	4,500
Debentures of Baht 2,000 million (issued on 24 September 2020)	2.53	5 years	2,000	-	-	2,000
Debentures of Baht 1,000 million (issued on 24 September 2020)	2.98	7 years	1,000	-	-	1,000
Debentures of Baht 2,500 million (issued on 24 September 2020)	3.50	10 years	2,500	-	-	2,500
Debentures of Baht 1,000 million (issued on 2 September 2021)	1.02	3 years	-	1,000	-	1,000
Debentures of Baht 1,500 million (issued on 2 September 2021)	1.50	5 years	-	1,500	-	1,500
Debentures of Baht 2,000 million (issued on 2 September 2021)	2.10	7 years	-	2,000	-	2,000
Debentures of Baht 2,500 million (issued on 2 September 2021)	2.66	10 years	-	2,500	-	2,500
Total			39,000	7,000	(2,500)	43,500



The subsidiary's debentures, as provided above, are the registered, unsubordinated, and unsecured debentures with a debentureholders' representative, to institutional and/or high net worth investors.

The subsidiary entered into interest rate swap agreements with financial institutions covering some of the above debentures. As at 31 December 2021, these interest rate swap agreements (after deducting those matured and unwinded agreements) swap fixed Baht interest rates for floating Baht interest rates plus margins as specified in agreements are a total notional amount of Baht 22,000 million (31 December 2020: Baht 29,000 million) and their purpose is to fair value hedges for the debentures (only the interest portion) where the Group elected to apply hedge accounting for these transactions as per described in Note 31.1 to the consolidated financial statements.

Such debentures contain covenants relating to various matters such as restrictions on creating or permitting the creation of security interest on property and assets, and a prohibition on making loans or granting guarantees except under certain conditions.

21. Assets retirement obligation

(Unit: Thousand Baht)

	Consolidated Financial Statements		Separate Financial Statements	
	2021	2020	2021	2020
Assets retirement obligation at beginning of year	2,064,194	1,747,282	197,437	216,217
Decrease from payment	(71,481)	(13,001)	(60,524)	(58)
Increase(decrease) during the year	(400,764)	329,913	13,246	(18,722)
Assets retirement obligation at end of year	1,591,949	2,064,194	150,159	197,437
Less: current portion	(39,968)	(122,485)	(13,313)	(62,724)
Assets retirement obligation - net of current portion	1,551,981	1,941,709	136,846	134,713

Assets retirement obligation is substantially the provision for expenses to be incurred with respect to the retirement of network located on leased areas.

**22. Leases**

The Group has lease contracts related to office building, vehicle, land for tower, space on tower, equipment for mobile telecommunication services and others.

22.1 Right-of-use assets

The net book value of right-of-use assets related to land, building, leasehold and equipment lease contracts and the movement for the year 2021 and 2020 are presented below.

(Unit: Thousand Baht)

	Consolidated financial statements					Total
	Land for Tower	Buildings and Building improvement	Space on Tower and Equipment for Mobile Telecommunication Services	Leasehold	Others	
Cost						
1 January 2020	8,832,858	1,592,980	17,551,020	123,470	105,911	28,206,239
Addition	1,364,282	834,645	1,170,673	-	47,346	3,416,946
Change in conditions/written-off	(580,813)	(221,067)	(761,248)	-	(62,348)	(1,625,476)
31 December 2020	9,616,327	2,206,558	17,960,445	123,470	90,909	29,997,709
Addition/reassessment lease term	1,177,466	574,069	2,436,684	-	33,048	4,221,267
Change in conditions/early termination of contract/ written-off	(1,059,856)	(768,830)	(3,306,276)	(17,118)	(21,070)	(5,173,150)
31 December 2021	9,733,937	2,011,797	17,090,853	106,352	102,887	29,045,826
Accumulated depreciation						
1 January 2020	1,288,804	604,172	2,526,302	74,845	48,573	4,542,696
Depreciation for the year	1,465,007	679,849	2,980,570	22,375	44,851	5,192,652
Depreciation - change in conditions/written-off	(278,485)	(216,209)	(640,650)	-	(59,064)	(1,194,408)
31 December 2020	2,475,326	1,067,812	4,866,222	97,220	34,360	8,540,940
Depreciation for the year	1,581,160	569,953	3,624,817	15,462	38,188	5,829,580
Depreciation - change in conditions/early termination of contract/written-off	(474,064)	(729,861)	(1,503,393)	(17,064)	(19,788)	(2,744,170)
31 December 2021	3,582,422	907,904	6,987,646	95,618	52,760	11,626,350
Net book value						
31 December 2020	7,141,001	1,138,746	13,094,223	26,250	56,549	21,456,769
31 December 2021	6,151,515	1,103,893	10,103,207	10,734	50,127	17,419,476



(Unit: Thousand Baht)

	Separate financial statements				
	Land for Tower	Buildings and Building Improvement	Leasehold	Others	Total
Cost					
1 January 2020	231,499	913,636	26,713	64,620	1,236,468
Addition	35,420	530,776	-	26,335	592,531
Change in conditions/written-off	(66,169)	(30,762)	-	(22,007)	(118,938)
31 December 2020	200,750	1,413,650	26,713	68,948	1,710,061
Addition	44,643	109,440	-	33,047	187,130
Change in conditions/early termination/ written-off	(78,520)	(359,072)	(12,234)	(20,265)	(470,091)
31 December 2021	166,873	1,164,018	14,479	81,730	1,427,100
Accumulated depreciation					
1 January 2020	54,103	330,586	25,684	22,604	432,977
Depreciation for the year	49,597	359,270	561	28,623	438,051
Depreciation - change in conditions/written-off	(35,433)	(29,510)	-	(18,723)	(83,666)
31 December 2020	68,267	660,346	26,245	32,504	787,362
Depreciation for the year	35,328	253,970	282	26,907	316,487
Depreciation - change in conditions/ early termination/ written-off	(44,274)	(339,435)	(12,234)	(19,392)	(415,335)
31 December 2021	59,321	574,881	14,293	40,019	688,514
Net book value					
31 December 2020	132,483	753,304	468	36,444	922,699
31 December 2021	107,552	589,137	186	41,711	738,586

On 18 December 2020, the subsidiary entered into the Telecommunications Towers Ownership Transfer and Services Agreement with CAT (currently known as "NT") as described in note 34.6 (f) to the consolidated financial statements. The subsidiary recognised this transaction as sales and leaseback transaction with related impact in profit or loss.



22.2 Lease liabilities

The carrying amounts of lease liabilities and the movement for the year 2021 and 2020 are presented below.

(Unit: Thousand Baht)

	Consolidated Financial Statements		Separate Financial Statements	
	2021	2020	2021	2020
As at 1 January	22,483,355	24,637,627	850,484	718,342
Addition/ lease term reconsidering	4,544,877	3,458,197	163,748	583,900
Accretion of interest	713,795	828,555	13,120	21,821
Payments	(6,701,457)	(5,993,643)	(341,706)	(442,909)
Decrease from contract cancellation	(1,958,040)	(447,401)	(51,913)	(30,670)
As at 31 December	19,082,510	22,483,335	633,733	850,484
Less: current portion	(5,599,437)	(4,663,356)	(260,664)	(320,680)
Lease liabilities - net of current portion	13,483,073	17,819,979	373,069	529,804

The following are the amounts for the year ended 31 December 2021 and 2020 recognised in profit or loss:

(Unit: Thousand Baht)

	Consolidated Financial Statements		Separate Financial Statements	
	2021	2020	2021	2020
Depreciation of right-of-use assets	5,829,580	5,192,652	316,487	438,051
Interest expense on lease liabilities	713,795	828,555	13,120	21,821
Expense relating to short-term lease	6,804	41,534	-	1,070
Leases of low - value assets	90,351	97,026	14,893	19,112
Total	6,640,530	6,159,767	344,500	480,054

The Group had total cash outflows for leases of Baht 6,799 million (2020: Baht 6,133 million) (the Company only: Baht 357 million 2020: Baht 463 million) and also had non-cash additions to right-of-use assets and lease liabilities of Baht 4,545 million (2020: Baht 3,458 million) (the Company only: Baht 164 million 2020: Baht 584 million).

22.3 Lease receivable

During the year 2018, the Company and dtac TriNet entered into the Disputes Settlement and Tower Service Agreement with CAT (currently known as "NT"). Under the agreement, the Company transferred to CAT for the disputed towers that the Company has procured under the agreement to operate and to provide cellular telephone services between CAT and the Company. In light of this, CAT agreed to settle disputes related to ownership of all towers and allowed the Company and dtac TriNet to use the towers to operate business according to the terms and condition specified in the agreements. dtac TriNet itself shall procure the land for tower and provide maintenance service to the towers and shall receive the compensation in accordance with the terms and conditions as stipulated in the agreements.

The net book value of lease receivables as at 31 December 2021 and 2020 are presented below.

(Unit: Thousand Baht)

	Consolidated Financial Statements	
	2021	2020
Receivables under lease agreement	6,289,840	7,544,581
Less: Deferred interest income	(512,728)	(740,417)
Total	5,777,112	6,804,164
Less: Portion due within one year	(1,240,815)	(1,212,943)
Lease receivables - net of current portion	4,536,297	5,591,221



As at 31 December 2021 and 2020, the subsidiary has future minimum lease payment to be received under leases contract as follows:

(Unit: Million Baht)

	Consolidated Financial Statements	
	2021	2020
Within 1 year	1,241	1,213
Over 1 year and up to 5 years	5,049	5,227
Over 5 years	-	1,105
Receivables under lease agreement	6,290	7,545

23. Provision for long-term employee benefits

Provision for long-term employee benefits, which represents compensation payable to employees after they retire, is as follows:

(Unit: Thousand Baht)

	Consolidated Financial Statements	
	2021	2020
Provision for long-term employee benefits at beginning of year	645,122	711,243
Included in profit or loss:		
Current service cost	52,989	59,556
Curtailment	(95,302)	(152,493)
Interest cost	10,234	12,769
Included in other comprehensive income:		
Actuarial (gains) losses arising from		
Financial assumptions changes	(48,833)	14,782
Demographic assumptions changes	-	(21,498)
Experience adjustments	46,793	24,949
Benefits paid during the year	(6,507)	(4,186)
Provision for long-term employee benefits at end of year	604,496	645,122

Line items in profit or loss under which long-term employee benefit expenses are recognised entirely in administrative expenses.

As at 31 December 2021, the Company expect to pay Baht 33 million of long-term employee benefits during the next year (Separate financial statements: Baht 33 million) (2020: Baht 11 million, separate financial statements: Baht 11 million).

As at 31 December 2021, the weighted average duration of the liabilities for long-term employee benefit is 11 years (Separate financial statements: 11 years) (2020: 12 years, separate financial statements: 12 years).



Significant actuarial assumptions are summarised below:

(Unit: percent per annum)

	Consolidated / Separate Financial Statements	
	2021	2020
Discount rate	2.3	1.6
Salary increase rate	4	4
Turnover rate	0 - 17.5	0 - 17.5

The result of sensitivity analysis for significant assumptions that affect the present value of the long-term employee benefit obligation as at 31 December 2021 and 2020 are summarised below:

(Unit: Million Baht)

	Consolidated / Separate Financial Statements			
	2021		2020	
	Increase 0.5%	Decrease 0.5%	Increase 0.5%	Decrease 0.5%
Discount rate	(32)	34	(36)	39
Salary increase rate	34	(32)	38	(35)
	Increase 10%	Decrease 10%	Increase 10%	Decrease 10%
Voluntary turnover rate of employees	(3)	3	(33)	37

24. Dividends

Dividends	Approved by	Total dividend	Dividend per share
		(Million Baht)	(Baht)
Annual dividend announced from operating result of the year 2020	Annual General Meeting of Shareholder on 26 March 2021	5,020	2.12
Interim dividend announced from operating result for the period as from 1 January 2021 to 30 June 2021	Board of Directors' Meeting on 16 July 2021	2,486	1.05
		7,506	
Interim dividend announced from retained earnings as at 31 December 2019	Board of Directors' Meeting on 24 March 2020 ⁽¹⁾	3,812	1.61
Interim dividend announced from operating result for the period as from 1 January 2020 to 30 June 2020	Board of Directors' Meeting on 15 July 2020	2,060	0.87
		5,872	

(1) Proposed for acknowledgement to the Annual General Meeting of Shareholders on 31 August 2020.

**25. Expenses by nature**

Significant expenses by nature are as follows:

(Unit: Thousand Baht)

	Consolidated Financial Statements		Separate Financial Statements	
	2021	2020	2021	2020
Salaries and wages and other employee benefits	3,360,212	3,760,701	3,332,562	3,724,895
Depreciation	10,556,413	10,894,873	248,620	332,121
Amortisation	1,024,094	787,651	127,574	129,151
Depreciation right-of-use assets	10,897,980	9,268,723	316,487	438,051
Rental expenses from operating lease agreements and services fee	104,417	161,995	8,790	37,390
Purchases in inventories	11,260,881	8,403,165	977	10,438
Changes in inventories of finished goods	(692,221)	498,688	1,157	12,758

26. Finance cost

(Unit: Thousand Baht)

	Consolidated Financial Statements		Separate Financial Statements	
	2021	2020	2021	2020
Interest expense on financial liabilities	2,277,035	2,223,365	11,855	15,659
Interest expense on lease liabilities	713,795	828,555	13,120	21,821
Less: Interest income on lease Receivables	(222,977)	(272,671)	-	-
Net interest expense - lease liabilities	490,818	555,884	13,120	21,821
Amortisation on deferred financial cost	27,255	27,955	-	-
Other finance cost	34,501	51,791	-	-
Total finance cost	2,829,609	2,858,995	24,975	37,480

27. Income tax

Income tax expenses for the years ended 31 December 2021 and 2020 are made up as follows:

(Unit: Thousand Baht)

	Consolidated Financial Statements		Separate Financial Statements	
	2021	2020	2021	2020
Current income tax:				
Current income tax charge	168,521	106,516	-	-
Adjustment in respect of income tax of previous year	(209)	(2,712)	-	-
Deferred tax:				
Relating to origination and reversal of temporary differences	423,893	748,727	1,246,524	1,206,941
Income tax expense reported in the income statement	592,205	852,531	1,246,524	1,206,941

The amounts of income tax relating to each component of other comprehensive income for the years ended 31 December 2021 and 2020 are as follows:

(Unit: Thousand Baht)

	Consolidated / Separate Financial Statements	
	2021	2020
Deferred tax relating to the actuarial gains or losses	408	(3,647)



The reconciliation between accounting profit and income tax expense is shown below.

(Unit: Thousand Baht)

	Consolidated Financial Statements		Separate Financial Statements	
	2021	2020	2021	2020
Accounting profit before tax	3,948,138	5,959,650	6,237,752	8,292,031
Applicable tax rate	20%	20%	20%	20%
Accounting profit before tax multiplied by income tax rate	789,628	1,191,930	1,247,550	1,658,406
Adjustment in respect of current income tax of previous year	(209)	(2,712)	-	-
Effects of:				
Tax exempted revenue	(40)	(30)	(40)	(434,667)
Non-deductible expenses	52,336	82,974	3,663	18,113
Additional capital expenditure	(242,017)	(411,349)	(6,850)	(34,781)
Effects of adjustment deferred tax	(915)	(12,730)	2,201	(130)
Others	(6,578)	4,448	-	-
Income tax expenses reported in the income statement	592,205	852,531	1,246,524	1,206,941

The components of deferred tax assets are as follows:

(Unit: Thousand Baht)

	Consolidated Financial Statements		Separate Financial Statements	
	2021	2020	2021	2020
Deferred tax assets				
Allowance for expected credit losses	210,815	277,453	18,322	18,901
Allowance for diminution in value of investment/loss on the subsidiary	28,086	34,855	17,694	31,463
Allowance for diminution in value of inventories	6,651	2,755	-	12
Accrued expenses	34,521	55,525	34,521	55,525
Amortisation of intangible assets	483,179	354,448	-	-
Sales of prepaid voucher cards	265,860	222,331	204	204
Fair value of debentures applying hedge accounting	129,308	237,749	-	-
Lease agreement	254,825	199,015	-	3,128
Tax losses carried forward	3,079,410	3,752,924	2,028,862	3,203,532
Others	199,748	177,792	36,644	68,280
Total	4,692,403	5,314,847	2,136,247	3,381,045



(Unit: Thousand Baht)

	Consolidated Financial Statements		Separate Financial Statements	
	2021	2020	2021	2020
Deferred tax liabilities				
Fair value of derivative instruments	(153,662)	(360,081)	-	-
Contract assets	(51,758)	(37,364)	-	-
Cost to obtain contracts	(67,628)	(68,901)	-	-
Others	(24,557)	(29,402)	(3,552)	(1,418)
Total	(297,605)	(495,748)	(3,552)	(1,418)
Deferred tax assets - net	4,394,798	4,819,099	2,132,695	3,379,627

Details of expiry date of the above tax losses carried forward are summarised as below:

(Unit: Thousand Baht)

	Consolidated Financial Statements		Separate Financial Statements	
	2021	2020	2021	2020
31 December 2022	523,258	6,384,584	523,258	6,384,584
31 December 2023	7,755,794	7,755,794	7,755,794	7,755,794
31 December 2024	3,490,014	3,502,038	1,865,259	1,877,283
31 December 2025	987,625	1,122,206	-	-
31 December 2026	2,640,360	-	-	-
	15,397,051	18,764,622	10,144,311	16,017,661

As at 31 December 2021 the Group has deductible temporary differences of Baht 1,425 million (the Company only: Baht 1,425 million) (2020: Baht 1,425 million (the Company only: Baht 1,425 million)) on which deferred tax assets have not been recognised because the Group considers that it might be uncertain to amortised these temporary differences in the future.

28. Earnings per share

Basic earnings per share is calculated by dividing profit for the year (excluding other comprehensive income) by the weighted average number of ordinary shares in issue during the year.

(Unit: Thousand Baht)

	Consolidated Financial Statements		Separate Financial Statements	
	2021	2020	2021	2020
Profit for the year (Thousand Baht)	3,355,933	5,107,119	4,991,228	7,085,090
Weighted average number of ordinary shares (Thousand shares)	2,367,811	2,367,811	2,367,811	2,367,811
Basic earnings per share (Baht/share)	1.42	2.16	2.11	2.99

29. Depreciation and amortisation

Depreciation and amortisation for the years ended 31 December 2021 and 2020 comprised:

(Unit: Thousand Baht)

	Consolidated Financial Statements		Separate Financial Statements	
	2021	2020	2021	2020
Depreciation				
Building and equipment	10,556,413	10,894,873	248,620	332,121
Right-of-use-cost of spectrum licenses	5,068,400	4,076,071	-	-
Right-of-use assets	5,829,580	5,192,652	316,487	438,051
Amortisation				
Other intangible assets	1,024,094	787,651	127,574	129,151
Total depreciation and amortisation	22,478,487	20,951,247	692,681	899,323



30. Operating income before interest, taxes, depreciation, amortisation, other incomes and other expenses (EBITDA before other incomes and other expenses)

(Unit: Thousand Baht)

		Consolidated Financial Statements		
		Note	2021	2020
Profit for the year			3,355,933	5,107,119
Add	: Finance cost	26	2,829,609	2,858,995
	: Income tax expenses	27	592,205	852,531
	: Depreciation expense	29	10,556,413	10,894,873
	: Amortisation expense	29	1,024,094	787,651
	: Depreciation - right-of-use assets	29	10,897,980	9,268,723
EBITDA			29,256,234	29,769,892
Add (less)	: Interest income		(12,256)	(26,055)
	: Gain on foreign exchange		(4,841)	(31,421)
	: Other expenses related to employees		99,708	133,756
	: Share of loss from investment in associated company		5,245	11,850
	: Dividend received from investments		(244)	(150)
	: Gain from disposal of other investment		(21,017)	-
	: Allowance for impairment and loss from disposal/write-off of equipment, right-of-use assets, other intangible assets and other investments		481,647	636,396
	: (Gain) loss from fair value measurement of derivative instruments and net position of hedging		148,215	(298,401)
	: Other (incomes) expenses		36,484	(2,630)
Operating income before interest, taxes, depreciation, amortisation, other incomes and other expenses (EBITDA before other incomes and other expenses)			29,989,175	30,193,237

**31. Financial instruments****31.1 Derivatives and hedge accounting**

(Unit: Thousand Baht)

	Consolidated Financial Statements	
	2021	2020
Derivative assets		
Derivative assets not designated as hedging instruments	-	494,736
Derivative assets designated as hedging instruments	768,309	1,305,671
Total derivative assets	768,309	1,800,407

Derivatives designated as hedging instruments

As at 31 December 2021, the Group had the interest rate swap agreements designated as hedging instruments with a notional amount of Baht 22,000 million (2020: Baht 22,000 million) whereby the Group receives a fixed rate of interest as per disclosed in Note 20 to the consolidated financial statements and pays interest at a variable rate equal to THBFX plus margin.

There is an economic relationship between the hedged item and the hedging instrument as the terms of the interest rate swap match the terms of the fixed rate debentures (i.e., notional amount, maturity, payment and reset dates). The Group tested the hedge effectiveness by comparing the changes in the fair value of the hedging instruments against the changes in fair value of the hedged items attributable to the hedged risks.

Hedge ineffectiveness can arise from:

- Differences in the interest rate curves applied to discount the hedged item and hedging instrument
- Differences in the timing of cash flows of the hedged item and hedging instrument

Details of derivatives (interest rate swap), by maturity, hold as hedging instruments as at 31 December 2021 and 2020 are as follow:

	Less than 1 year		1 to 5 years		> 5 years		Total	
	2021	2020	2021	2020	2021	2020	2021	2020
Notional amount (Million Baht)	3,000	-	12,500	15,500	6,500	6,500	22,000	22,000
Floating interest rate (%)	1.58-1.61	-	1.52-1.80	1.65-1.86	1.95-2.00	1.94-2.13	1.52-2.00	1.65-2.13

The impact of the hedging instruments on the statement of financial position as at 31 December 2021 and 2020 is, as follows:

(Unit: Thousand Baht)

	Notional Amount		Carrying Amount		Line item in the statement of financial position	Change in fair value used for measuring ineffectiveness	
	2021	2020	2021	2020		2021	2020
Interest rate swap	3,000,000	-	55,424	-	Other current financial assets	55,424	-
Interest rate swap	19,000,000	22,000,000	712,885	1,305,671	Other non-current financial assets	(592,786)	286,990



The impact of the hedged items on the statement of financial position as at 31 December 2021 and 2020 is, as follows:

(Unit: Thousand Baht)

	Carrying amount		Accumulated fair value adjustments		Line item in the statement of financial position	Change in fair value used for measuring ineffectiveness	
	2021	2020	2021	2020		2021	2020
Fixed-rate debentures	3,030,259	-	30,505	-	Debentures - current portion	30,505	-
Fixed-rate debentures	19,607,514	23,176,514	616,033	1,188,746	Debentures - net of current portion	(572,713)	122,352

The effect of ineffectiveness of the fair value hedged recognised in profit or loss for the year ended 31 December 2021 in loss from fair value measurement of derivative instruments and net position of hedging amounting to Baht 1 million (2020: gain from fair value measurement of derivative instruments and net position of hedging amounting to Baht 165 million).

Effect from interest rate benchmark reform

The Group has exposures to benchmark InterBank Offered Rates ("IBORs") on its financial instruments that will be replaced or reformed. There is uncertainty over the timing and the methods of transition in some jurisdictions that the Group operates in. The Group anticipates that IBOR reform will impact its risk management and hedge accounting. In other words, the temporary exceptions specify that for the purpose of determining whether a forecast transaction is highly probable for hedges, it is assumed that the interest rate benchmark on which the hedged are based is not altered as a result of IBOR reform. The Group applies temporary exceptions which enables it to continue hedge accounting during the period of uncertainty.

Hedging relationships impacted by IBOR reform may experience ineffectiveness attributable to market participant's expectations of when the shift from the existing IBOR benchmark rate to an alternative benchmark interest will occur. The Group is monitoring and managing the Group's transition to alternative benchmark rates whether such contracts will need to be amended as a result of IBOR reform and how to manage communication about IBOR reform with counterparties.

31.2 Financial risk management objectives and policies

The Group's financial instruments principally comprise cash and cash equivalents, trade and other receivables, lease receivable, other financial assets, trade and other payables, long-term loans, debentures, accrued cost of spectrum licenses and lease liabilities. The financial risks associated with these financial instruments and how they are managed is described below.

Credit risk

The Group is exposed to credit risk primarily with respect to trade receivables, contract assets, deposits with banks and other financial instruments. Except for derivative financial instruments as disclosed under liquidity risk, the maximum exposure to credit risk is limited to the carrying amounts as stated in the statement of financial position.

Trade receivables and contract assets

The Group manages the risk by adopting appropriate credit control policies and procedures and therefore does not expect to incur material financial losses. Outstanding trade receivables and contract assets are regularly monitored and any sale of products to major dealers are covered by credit insurance obtained from the banks. In addition, the Group does not have high concentrations of credit risk since it has a large customer base.

An impairment analysis is performed at each reporting date to measure expected credit losses. The provision for expected credit losses rates are based on days past due for groupings of various customer segments with similar credit risks. The calculation reflects the reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions. Generally, trade and other receivables are written-off in accordance with the Group's policy.

Financial instruments and cash deposits

Credit risk from balances with banks and financial institutions is managed in accordance with the Group's policy. Investments are made only with approved counterparties and within credit limits assigned to each counterparty. Counterparty credit limits may be updated throughout the year. The limits are set to minimise the concentration of risks and therefore mitigate risk through a counterparty's potential failure to make payments.

**Market risk****Foreign currency risk**

The Group's exposure to foreign currency risk arised mainly from trade receivables / trade payables - international roaming telephone services and accounts payable from purchasing of equipment transactions that are denominated in foreign currencies.

As at 31 December 2021 and 2020 the Group had the following assets and liabilities denominated in foreign currencies:

	Consolidated Financial Statements as at 31 December			Exchange Rates as at 31 December		
	2021	2020	Foreign Currency	2021	2020	
	(Million)	(Million)		(Baht per foreign currency)		
Assets						
Deposits at banks	2.31	2.28	USD	33.1533	29.7749	
Trade receivables - other companies	3.30	3.52	SDRs	47.0166	43.5076	
	0.40	0.37	USD	33.1533	29.7749	
	0.01	-	EUR	37.4022	36.3751	
	-	0.08	MYR	7.8637	7.2911	
Trade receivables - related companies	0.36	0.39	SDRs	47.0166	43.5076	
	2.50	0.61	USD	33.1533	29.7749	
	-	0.04	SGD	24.3671	22.2924	
Liabilities						
Trade payables	6.41	2.99	USD	33.5929	30.2068	
	0.10	0.08	EUR	38.2813	37.2578	
	2.70	1.23	NOK	3.8454	3.5388	
	0.01	0.01	GBP	45.5492	41.0771	
	0.24	0.36	SGD	25.0254	22.9540	
	1.33	2.55	SDRs	47.0166	43.5076	
Related parties payables	27.04	47.96	NOK	3.8454	3.5388	
	0.03	1.09	SDRs	47.0166	43.5076	
	0.01	0.01	EUR	38.2813	37.2578	
	1.44	1.56	USD	33.5929	30.2068	
Total net assets (liabilities)	(2.64)	(1.29)	USD			
	(0.10)	(0.09)	EUR			
	(0.01)	(0.01)	GBP			
	2.30	0.27	SDRs			
	(29.74)	(49.19)	NOK			
	(0.24)	(0.32)	SGD			
	-	0.08	MYR			



Foreign currency sensitivity analysis

There is no significant impact on the Group's profit before tax arising from the change in the fair value of monetary assets and liabilities due to the possible change in exchange rates of assets and liabilities that are denominated in foreign currencies.

Interest rate risk

The Group's exposure to interest rate risk relate primarily to their deposits at bank, lease receivables, other financial assets, short-term loans, long-term loans, debentures, accrued cost of spectrum licenses and lease liabilities. Most of the Company's financial assets and liabilities bear floating interest rates or fixed interest rates which are close to the market rate.

As at 31 December 2021 and 2020, significant financial assets and liabilities (part of these are under derivative instruments as described in Note 20 to the consolidated financial statements) classified by type of interest rate are summarised in the table below, with those financial assets and liabilities that carry fixed interest rates further classified based on the maturity date, or the repricing date if this occurs before the maturity date.

(Unit: Million Baht)

Consolidated financial statements as at 31 December 2021

Items	Note	Floating Interest Rate	Fixed Interest Rate	Zero Interest Rate	Total	Interest Rate
Financial assets						
Cash and cash equivalents	6	772	2,757	46	3,575	0.01%-0.375%
Trade and other receivables	7	-	-	10,250	10,250	-
Lease receivables	22.3	-	5,777	-	5,777	3.64%
Other financial assets		768	-	42	810	-
Financial liabilities						
Trade and other payables	17	-	-	25,966	25,966	-
Long-term loans	19	14,982	-	-	14,982	-
Debentures	20	-	44,122	-	44,122	1.02%-4.04%
Accrued cost of spectrum licenses		-	35,245	-	35,245	1.79%-3.13%
Lease liabilities	22.2	-	19,083	-	19,083	0.77% -3.84%

(Unit: Million Baht)

Consolidated financial statements as at 31 December 2020

Items	Note	Floating Interest Rate	Fixed Interest Rate	Zero Interest Rate	Total	Interest Rate
Financial assets						
Cash and cash equivalents	6	1,842	4,764	41	6,647	0.05% - 0.38%
Trade and other receivables	7	-	-	9,889	9,889	-
Lease receivables	22.3	-	6,804	-	6,804	3.64%
Other financial assets		1,800	-	45	1,845	-
Financial liabilities						
Trade and other payables	17	-	-	26,944	26,944	-
Short-term loans	18	3,985	-	-	3,985	-
Long-term loans	19	9,976	-	-	9,976	-
Debentures	20	-	40,165	-	40,165	2.02% - 4.04%
Accrued cost of spectrum licenses		-	41,094	-	41,094	1.79% - 3.13%
Lease liabilities	22.2	-	22,483	-	22,483	1.06% - 3.84%

**Interest rate sensitivity analysis**

The following table demonstrates the sensitivity of the Group's profit before tax to a reasonably possible change in interest rates on that portion of the floating rate derivatives, short-term loans and long-term loans affected as at 31 December 2021 and 2020. Assuming that the amounts of the above floating rate financial instruments and all other factors remain constant over one year. Moreover, the floating legs of these financial instruments are assumed to not yet have set interest rates. As a result, a change in interest rates affects interest receivable/payable for the full 12-month period of the sensitivity calculation are presented below.

Currency	2021		2020	
	Increase/decrease	Effect on profit before tax	Increase/decrease	Effect on profit before tax
	(%)	(Thousand Baht)	(%)	(Thousand Baht)
Baht	+0.25	(92,500)	+0.25	17,601
	-0.25	92,500	-0.25	(19,627)

Liquidity risk

As of 31 December 2021, the Group has 16% of the interest bearing liabilities, which will mature within one year, based on the carrying value of borrowings reflected in the financial statements (2020: 16%). The Group has assessed the concentration of risk with respect to refinancing its debt and concluded the risk is low. Furthermore, the Group has access to a sufficient variety of sources of funding.

The table below summarises the maturity profile of the Group's non-derivative financial liabilities as at 31 December 2021 and 2020 based on contractual undiscounted cash flows:

(Unit: Thousand Baht)

	Consolidated financial statements					
	As at 31 December 2021					
	Note	On demand	Less than 1 year	1 to 5 years	Over 5 years	Total
Non-derivatives						
Trade and other payables	17	8,999,293	16,966,268	-	-	25,965,561
Long-term loans	19	-	5,001,000	9,999,000	-	15,000,000
Debentures	20	-	3,000,000	20,000,000	20,500,000	43,500,000
Accrued cost of spectrum licenses		-	5,564,800	22,259,200	10,840,000	38,664,000
Lease liabilities	22.2	-	5,944,122	14,013,801	525,385	20,483,308
Total non-derivatives		8,999,293	36,476,190	66,272,001	31,865,385	143,612,869

(Unit: Thousand Baht)

	Separate financial statements					
	As at 31 December 2021					
	Note	On demand	Less than 1 year	1 to 5 years	Over 5 years	Total
Non-derivatives						
Trade and other payables	17	8,061,061	1,871,672	-	-	9,932,733
Lease liabilities	22.2	-	268,554	376,224	6,977	651,755
Total non-derivatives		8,061,061	2,140,226	376,224	6,977	10,584,488



(Unit: Thousand Baht)

Consolidated financial statements						
As at 31 December 2020						
Note	On demand	Less than 1 year	1 to 5 years	Over 5 years	Total	
Non-derivatives						
Trade and other payables	17	12,698,465	14,245,459	-	-	26,943,924
Short-term loans	18	-	4,000,000	-	-	4,000,000
Long-term loans	19	-	-	10,000,000	-	10,000,000
Debentures	20	-	2,500,000	19,000,000	17,500,000	39,000,000
Accrued cost of spectrum licenses		-	8,692,550	22,259,200	14,646,400	45,598,150
Lease liabilities	22.2	-	5,199,586	16,383,080	3,079,674	24,662,340
Total non-derivatives		12,698,465	34,637,595	67,642,280	35,226,074	150,204,414

(Unit: Thousand Baht)

Separate financial statements						
As at 31 December 2020						
Note	On demand	Less than 1 year	1 to 5 years	Over 5 years	Total	
Non-derivatives						
Trade and other payables	17	8,609,369	1,164,030	-	-	9,773,399
Lease liabilities	22.2	-	332,519	533,133	15,352	881,004
Total non-derivatives		8,609,369	1,496,549	533,133	15,352	10,654,403



(Unit: Thousand Baht)

31.3 Fair value of financial instruments

Given that part of financial assets and financial liabilities are short-term or bearing interest rate closely to market rate, and loans denominated in Thai Baht bearing the market interest rates, the Company's management believes that the fair value of those financial assets and financial liabilities does not materially differ from their carrying value.

The carrying value and fair value of financial assets and financial liabilities as at 31 December 2021 and 31 December 2020 are presented below.

Consolidated financial statements as at 31 December 2021					
Carrying value					
		Fair value through profit or loss	Amortised cost	Total	Fair value
	Note				
Financial assets					
Cash and cash equivalents			-	3,575,488	3,575,488
Trade and other receivables			-	10,250,016	10,250,016
Lease receivable			-	5,777,112	5,777,112
Other current financial assets					
- Derivative assets designated as hedging instruments	31.1	55,424	-	55,424	55,424
Other non-current financial assets					
- Derivative assets designated as hedging instruments	31.1	712,885	-	712,885	712,885
- Investments in equity instruments of non-listed companies		41,522	-	41,522	41,522
Total financial assets		809,831	19,602,616	20,412,447	20,412,447
Financial liabilities					
Trade and other payables			-	25,965,561	25,965,561
Long-term loans			-	14,982,132	14,982,132
Debentures	31.1	22,637,774	21,483,838	44,121,612	47,179,177
Accrued cost of spectrum licenses			-	35,245,052	35,245,052
Lease liabilities			-	19,082,510	19,082,510
Total financial liabilities		22,637,774	116,759,093	139,396,867	142,454,432



(Unit: Thousand Baht)

Consolidated financial statements as at 31 December 2020					
Carrying value					
Fair value					
	Note	Fair value through profit or loss	Amortised cost	Total	
Financial assets					
Cash and cash equivalents		-	6,647,042	6,647,042	6,647,042
Trade and other receivables		-	9,888,516	9,888,516	9,888,516
Lease receivable		-	6,804,164	6,804,164	6,804,164
Other current financial assets					
- Derivative assets not designated as hedging instruments		15,909	-	15,909	15,909
Other non-current financial assets					
- Derivative assets not designated as hedging instruments		478,827	-	478,827	478,827
- Derivative assets designated as hedging instruments	31.1	1,305,671	-	1,305,671	1,305,671
- Investments in equity instruments of non-listed companies		45,222	-	45,222	45,222
Total financial assets		1,845,629	23,339,722	25,185,351	25,185,351
Financial liabilities					
Trade and other payables		-	26,943,924	26,943,924	26,943,924
Short-term loans		-	3,984,805	3,984,805	3,984,805
Long-term loans		-	9,976,132	9,976,132	9,976,132
Debentures	31.1	23,176,514	16,988,582	40,165,096	44,021,550
Accrued cost of spectrum licenses		-	41,094,180	41,094,180	41,094,180
Lease liabilities		-	22,483,336	22,483,336	22,483,336
Total financial liabilities		23,176,514	121,470,959	144,647,473	148,503,927



(Unit: Thousand Baht)

Separate financial statements as at 31 December 2021

	Carrying value			Fair value
	Fair value through profit or loss	Amortised cost	Total	
Financial assets				
Cash and cash equivalents	-	1,255,455	1,255,455	1,255,455
Trade and other receivables	-	3,805,849	3,805,849	3,805,849
Loan to subsidiary	-	16,500,000	16,500,000	16,500,000
Other non-current financial assets				
- Investments in equity instruments of non-listed companies	1,800	-	1,800	1,800
Total financial assets	1,800	21,561,304	21,563,104	21,563,104
Financial liabilities				
Trade and other payables	-	9,932,733	9,932,733	9,932,733
Lease liabilities	-	633,733	633,733	633,733
Total financial liabilities	-	10,566,466	10,566,466	10,566,466

(Unit: Thousand Baht)

Separate financial statements as at 31 December 2020

	Carrying value			Fair value
	Fair value through profit or loss	Amortised cost	Total	
Financial assets				
Cash and cash equivalents	-	2,879,784	2,879,784	2,879,784
Trade and other receivables	-	5,214,054	5,214,054	5,214,054
Loan to subsidiary	-	15,000,000	15,000,000	15,000,000
Other non-current financial assets				
- Investments in equity instruments of non-listed companies	1,800	-	1,800	1,800
Total financial assets	1,800	23,093,838	23,095,638	23,095,638
Financial liabilities				
Trade and other payables	-	9,773,399	9,773,399	9,773,399
Lease liabilities	-	850,484	850,484	850,484
Total financial liabilities	-	10,623,883	10,623,883	10,623,883



The fair value of financial instruments is estimated on the following criteria.

- The fair value of derivative instruments has been calculated by using a discounted future cash flow model and a valuation model technique. Most of the inputs used for the valuation are observable in the relevant market, such as interest rate yield curves, a subsidiary has considered to counter party credit risk when determining the fair value of derivatives.
- The fair value of investment in equity instruments of non-listed companies has been determined by analysis and considering change in the invested companies' financial position and operating performance, including other several factors, and concluded that the cost of those investments has appropriately represented the fair value of the investments.
- The fair value of debentures has been determined based on discounted cash flow analysis, by using discount rates equal to the prevailing rates of return as of the end of reporting period for financial instruments having substantially the same terms and characteristics.

During the current year, there was no transfer within the fair value hierarchy.

32. Fair value hierarchy

As at 31 December 2021 and 2020, the Group had the assets that were measured at fair value and liabilities for which fair value were disclosed using different levels of inputs as follows:

(Unit: Million Baht)

	Consolidated Financial Statements as at 31 December 2021			
	Level 1	Level 2	Level 3	Total
Assets measured at fair value				
Financial assets measured at FVTPL				
- Investments in equity instruments of non-listed companies				
Derivatives	-	-	42	42
- Interest rate swap agreement	-	768	-	768
Liabilities for which fair value are disclosed				
Debentures	-	47,179	-	47,179

(Unit: Million Baht)

	Consolidated Financial Statements as at 31 December 2020			
	Level 1	Level 2	Level 3	Total
Assets measured at fair value				
Financial assets measured at FVTPL				
- Investments in equity instruments of non-listed companies				
Derivatives	-	-	45	45
- Interest rate swap agreement	-	1,800	-	1,800
Liabilities for which fair value are disclosed				
Debentures	-	44,022	-	44,022

**33. Capital management**

The primary objective of the Group's capital management is to ensure that it has an appropriate financial structure and preserves the ability to continue its business as a going concern.

The Group manages their capital position with reference to Net Interest-Bearing Debt to EBITDA before other incomes and other expenses ratio in order to comply with a condition in long-term loan agreements with financial institutions. As at 31 December 2021, the aforementioned ratio in the consolidated financial statements is 2.35:1 (2020: 1.92:1).

The Group's capital structure consists of debts that includes short-term loans, long-term loans and debentures disclosed in Note 18 and 20 to the consolidated financial statements, cash and cash equivalents disclosed in Note 6 to the consolidated financial statements and equity attributable to the shareholders as presented in the consolidated statement of changes in shareholders' equity.

No changes were made in the objectives, policies or processes during the years end 31 December 2021 and 2020.

34. Commitments and contingent liabilities**34.1 Operating lease commitments**

The Group has entered into several lease agreements for land and building for installation of cell sites and office building spaces. The terms of the agreements are generally between 1 year.

As at 31 December 2021 and 2020, future minimum lease payments under these operating leases contracts were as follows.

(Unit: Thousand Baht)

	Consolidated Financial Statements		Separate Financial Statements	
	2021	2020	2021	2020
Payable within:				
In up to 1 year	17	8	-	-

As discussed in Note 22.2 to the consolidated financial statements, during the year 2021, the Group recognised rental expenses in the statement of income of Baht 97 million (the Company only: Baht 15 million) (2020: Baht 139 million (the Company only: Baht 20 million)).

34.2 Capital commitments under related agreements

As at 31 December 2021, the Group had capital commitments of Baht 2,402 million and USD 1 million (2020: Baht 2,407 million and USD 1 million) mainly in respect of the purchase of tools and equipment for providing telecommunication services and Baht 733 million, USD 5 million and NOK 1 million (2020: Baht 376 million and USD 1 million) relating to the purchasing of related equipment and relevance software to support the Group's operations in which purchase volume is in accordance with the terms and conditions stipulated in the agreements.

34.3 Restricted bank deposit

As at 31 December 2021, deposit at bank of a subsidiary amounting to Baht 0.1 million (2020: Baht 0.1 million) is pledged with the bank to secure facilities granted by the bank.

34.4 Bank guarantees

As at 31 December 2021, there were outstanding bank guarantees of Baht 44,006 million (2020: Baht 51,480 million) issued by banks on behalf of the Group in respect of certain performance bonds required in the normal course of business of the Group. Bank guarantees are primarily issued to NBTC to guarantee the payment for the winning bid price of the spectrum licenses, and issued to TOT (currently known as "NT") and CAT (currently known as "NT") to guarantee the compliance with the agreements as discussed in Note 34.6 (c), (d) and (e) to the consolidated financial statements.

34.5 Agreement to install cell site equipment and maintain transmission networks

As at 31 December 2021, the Group had a commitment to BB Technology Co., Ltd., a related company, relating to the installation of cell site equipment and maintenance of transmission networks. This related company will provide transmission engineering network design and configuration, installation and maintenance services for transmission networks. The Group is committed to pay service fees at the rate specified in the agreement.



34.6 Long-term agreement commitment

- a. The Group entered into a purchase and resale agreement with a company that granted the right to distribute products, equipment and support services in Thailand related to that company's mobile phones and tablet computer. The Group is committed to terms indicated in the agreement and to future minimum purchase orders and minimum merchandising and marketing spend stipulated under the agreement.
- b. The Group entered into frame contracts for supply network infrastructure and services for the telecommunication network of the Group. Goods and service prices are set in accordance with the terms and conditions stipulated in the agreements.
- c. On 23 April 2018, the Board of Directors' Meeting of the Company passed a resolution to approve dtac TriNet Company Limited ("dtac TriNet"), a subsidiary of the Company, to enter into the Domestic Roaming Agreement with TOT Public Company Limited ("TOT") (currently known as "NT") to utilize the domestic data roaming on TOT's 2300 MHz network, who has been granted a license from the National Broadcasting and Telecommunications Commission, to provide the domestic roaming on TOT's 2300 MHz Spectrum to its customers. In this regard, dtac TriNet shall pay monthly roaming charges to TOT in accordance with details and conditions as specified in the Domestic Roaming Agreement

dated on 23 April 2018. The agreement period is until 3 August 2025. dtac TriNet provided a bank guarantee of Baht 951 million to guarantee the performance of such agreement.

- d. The Board of Directors' Meeting of the Company passed a resolution to approve TeleAssets Co., Ltd. ("TeleAssets"), a subsidiary of the Company, to enter into the Telecommunications Equipment Lease Agreement with TOT (currently known as "NT"). TeleAssets agrees to procure, install, and maintain the Telecommunications Equipment (the "Telecommunications Equipment") and agrees to lease such Telecommunications Equipment to TOT, so that TOT is entitled to utilise such Telecommunications Equipment in the provision of the telecommunications services of the 2300 MHz Spectrum. TeleAssets will receive rental and service fees from TOT in accordance with the details and conditions specified in the Telecommunications Equipment Lease Agreement dated on 23 April 2018. The agreement period is until 3 August 2025. TeleAssets provided a bank guarantee of Baht 699 million to guarantee the performance of such agreement.
- e. On 14 September 2018, the Board of Directors' Meeting of the Company passed a resolution to approve the Company and dtac TriNet to enter into the Tower Dispute Settlement Agreement and Tower Service Agreement with CAT (currently known as "NT"). Under the agreements,

the Company transferred to CAT for the disputed towers that the Company has procured under the agreement to operate and to provide cellular system radio communications services between CAT and the Company. In light of this, CAT agreed to settle disputes related to ownership of all towers and allowed the Company and dtac TriNet to use the towers to operate business based on an 8 year lock-up period which dtac TriNet provided the compensation in accordance with the terms and conditions as stipulated in the agreement, and has the right to renew the agreement period up to 3 years with no limitation. dtac TriNet itself shall procure the land and provide maintenance to the towers. dtac TriNet provided bank guarantees totalling of Baht 512 million to guarantee the performance of Tower Service Agreement.

dtac TriNet also leases telecommunication equipment from CAT under Fiber and other Facilities Service Agreement. The duration of each device varies from one year to three years depending on the type and nature of the device. dtac TriNet has the right to renew the agreement period up to 1 year at a time. dtac TriNet provided a bank guarantee of Baht 185 million to guarantee the performance of Fiber and other Facilities Service Agreement.

- f. The Board of Directors' Meeting of the Company passed a resolution to approve dtac TriNet to enter into the Telecommunications Towers Ownership Transfer and Services Agreement with

CAT (currently known as "NT") dated 18 December 2020 including the related Addendum to such Agreement. Under the agreement and the addendum, dtac TriNet agreed to sell and transfer the ownership of the telecommunications towers to CAT to maximize and improve service quality of telecommunications towers located in areas as specified in the agreement. In light of this, CAT agreed to provide the telecommunications tower services to dtac TriNet for 15 years with option for dtac TriNet to renew the term. dtac TriNet agreed to pay the fees for telecommunications tower services and site management service, including maintenance fee and other fee as per specified in the agreement.

34.7 Secretary General of NBTC requesting dtac TriNet to pay an administrative fine for non-compliance of MNP

In 2015, Secretary General of NBTC imposed an administrative fine for dtac TriNet non-compliance with NBTC notification Re: Mobile Number Portability and MNP Porting Process Manual during 18 September 2015 to 4 October 2015, in the amount of Baht 21.1 million. dtac TriNet filed a lawsuit requesting the Central Administrative Court to revoke such order. The case is under the consideration of Central Administrative Court.

Later, on 25 February 2020, dtac TriNet received the Secretary General of NBTC's order informing that dtac TriNet's MNP non-compliance has been continued



during 18 September 2015 to 18 September 2017 and requiring dtac TriNet to pay an administrative fine for such period. On 11 March 2020, dtac TriNet sent an appeal letter requesting NBTC and Secretary General of NBTC to reconsider such fine order. On 10 June 2020, dtac Trinet then received NBTC letter informing that NBTC agreed to adjust the end date of administrative fine and requested dtac Trinet to pay an administrative fine from 18 September 2015 to 20 November 2015, in total amount of Baht 79 million. However, on 7 August 2020, dtac TriNet filed a lawsuit with Central Administrative Court requesting to revoke such administrative fine order. Currently, the case is under the consideration of the Central Administrative Court.

Based on external legal counsel opinion of dtac TriNet, dtac TriNet believes that it has no liability to pay such administrative fine to NBTC. However, dtac Trinet has made provision for such administrative fine.

34.8 Secretary General of NBTC requesting the Company to pay an administrative fine for breach of the Notification regarding maximum rate of service tariff for domestic mobile voice service B.E.2555 (2012)

In 2014, Secretary General of NBTC imposed an administrative fine for the Company non-compliance with Clause 5 of NBTC notification Re: maximum rate of service tariff for domestic mobile voice service from 16 May 2014 onwards. On 6 August 2014, the Company sent an appeal letter requesting NBTC and Secretary

General of NBTC to reconsider and revoke such fine order. Later, on 30 September 2020, the Company received NBTC letter informing that NBTC had rejected the Company's appeal and confirmed the fine order of Secretary General of NBTC and requested the Company to pay an administrative fine from 16 May 2014 to 25 August 2015, in total amount of Baht 73 million. On 28 December 2020, the Company filed a lawsuit with Central Administrative Court requesting to revoke such administrative fine order.

Based on external legal counsel opinion of the Company, the Company believes that it has no liability to pay such administrative fine to NBTC. However, the Company has made provision for such administrative fine.

34.9 Secretary General of NBTC regarding the prohibition of charges users for telecommunication services at different rates for the same type or type of telecommunication service ("NTC's Order No. 19/2553")

The Secretary General of NBTC issued a letter requesting dtac TriNet to cease actions that were non-complied with NTC's Order No. 19/2553, claiming that certain promotions did not comply with this order. dtac TriNet provided explanations and submitted the related information to the NBTC within the specified timeframe. Currently, this matter is being considered by NBTC. The Group's management believe that the result of this matter will not have any significant impact to the Group's financial position.

35. Court proceedings and commercial dispute between the Company and TOT Plc. (TOT) in relation to the access charge payment (currently, TOT has been merged with CAT Telecom Plc. (CAT) into National Telecom Plc. ("NT") as described in Note 1.1 to the consolidated financial statements.) and related cases.

The NTC (currently known as "NBTC") issued the Interconnection Notification requiring all licensees (who have their own telecommunication networks) (licensees) to allow interconnection by other licensees upon request, in order to ensure good cross-network connections, and the licensees who provide the interconnection is entitled to collect an interconnection charge that reflect its costs. As TOT refused to enter into an interconnection agreement with the Company, on 8 November 2007, the Company sent TOT a notice regarding the interconnection charges informing TOT that it would like to cancel its previous offer in which it agreed to pay TOT the interconnection charges at a rate to be agreed between the parties in good faith and its offer to pay TOT the interconnection charges at a rate specified in TOT's Reference of Interconnect Offer (RIO) which had already been approved by NTC together with the notice to cancel the both Access Charge Agreements. The Company therefore accrued in its financial statements the access charge at the interconnection charge rate for the period from 18 November 2006 to 7 November 2007, amounting to Baht 1,973 million. The Company stopped accruing the access charge from 8 November 2007 in its financial statements based on the view that the obligation to

pay the Access Charge was ended. Later, in 2011, TOT filed a claim (black case no. 1097/2554) with the Central Administrative Court demanding CAT and the Company to jointly pay for damages for breach of the signed Access Charge agreements in the total amount of Baht 245,638 million (calculated to 10 July 2014). Nevertheless, on 31 May 2019, the Central Administrative Court issued a verdict dismissing TOT's claim on access charges against the Company in its entirety. The Central Administrative Court ruled that the method for calculation by using the access charge rates is no longer valid and against with the related NTC's Notification. The operators are required to calculate the interconnection charge rates in accordance with the said NTC Notification. As TOT did not submit its appeal within the timeframe, the case is final as confirmed by the Administrative Court's letter dated 19 July 2019.

Currently, the Company and TOT are in the process of discussion about the interconnection charge settlement which have not been finalised or clearly concluded. However, the Company has made provision, under the conservatism assumption, for expenses that may arise from this issue, in an amount that the Company deems appropriate.

However, before the verdict issued by the Court as said above, the Company has filed 3 lawsuits before the Central Administrative Court requesting TOT to pay Interconnection charges to the Company for the period between 18 November 2006 and 31 July 2013. The Central Administrative Court issued its verdicts



in all 3 cases ordering TOT to pay Interconnection charges to the Company in the amount totaling of Baht 1,220 million. In such 3 cases, there included one case where the Company claimed True Corporation Public Company Limited (as the second defendant) to pay Interconnection charges to the Company for the period between 18 November 2006 and 31 December 2010 and the Central Administrative Court issued its verdict ordering that company to pay Interconnection charges to the Company in the amount of Baht 1,832 million. Currently such case is under the consideration of Supreme Administrative Court.

Later within the 4th Quarter of 2021, the Group was informed by the Central Administrative Court that True Corporation Public Company Limited has filed a lawsuit before the Central Administrative Court against the Company and dtac TriNet, requesting the Company to pay Interconnection charges (January 2011 and October 2017), with interest in the approximate amount of Baht 701 Million and requesting dtac TriNet to pay Interconnection charges (May 2013 and October 2017), with interest in the approximate amount of Baht 1,037 Million. Currently, the case is under the legal proceedings process and the consideration of the Central Administrative Court. Based on external legal counsel opinion of the Company and the relevant verdict of Central Administrative Court as discussed in the aforementioned paragraph, the Company's management believes that the Company and dtac TriNet have no liability to pay the Interconnection charges as per the amount requested by True Corporation Public Company Limited and viewed

that the effect of these cases that are relevance to this matter will not have any significant impact to the Group's financial position.

In addition, in reference to the Award No. 1/2550 rendered by NTC on the Dispute on Interconnection of Telecommunications Networks, NTC ordered TOT to negotiate an interconnection charge agreement with the Company and imposed an administrative fine, and TOT filed lawsuits requesting the Central Administrative Court to revoke NTC's order. However, the Central Administrative dismissed TOT's claims. On 9 July 2020, the Supreme Administrative Court rendered its decision confirming the decision of Central Administrative Court. The case is final.

36. Litigation and commercial disputes in relation to the revenue sharing according to the agreement to operate cellular telephone services (Concession Agreement) between CAT (currently known as "NT") and the Company, and other legal cases

- (a) Dispute between the Company and CAT regarding additional revenue sharing payment (Excise Tax) under the Concession Agreement

In 2008, CAT submitted a dispute to the Arbitration Institute requesting the Company to make additional revenue sharing payments in the 12th - 16th concession years in the aggregate amount of Baht 16,887 million, together with value added taxes and penalties, or an approximate total claim amount of Baht

23,164 million. The statement of claim made by CAT did not mention the reason why the Company did not make the payments in full (the Company expects that such claim amount would be the amount which the Company had paid to the Excise Department and had deducted from its revenue payable to CAT in accordance with the cabinet resolution and CAT's letters).

In 2012, the Arbitral Tribunal has rendered an award in favor of the Company and dismissed CAT's claim. Later, CAT filed a motion with the Central Administrative Court in order to revoke the arbitration award. On 29 January 2016, the Central Administrative Court issued the verdict in favor of the Company and dismissed CAT's petition. However, CAT appealed the Central administrative Court's decision with the Supreme Administrative Court. Currently, the case is under the consideration of Supreme Administrative Court.

In 2017, the Company received a notice from CAT informing that the Company had to pay VAT on the reduction of revenue sharing from the deduction of excise tax amounting to Baht 2,756 million with interest. CAT claimed that the Company has liability for any taxes and/or fees under laws which are incurred by Concession.

Based on the Company's legal counsel opinion, the Company's management believes that the Company does not have any duty under tax law or Concession to pay such additional

revenue sharing and VAT to CAT. Therefore, as at 31 December 2021, the Company has not accrued the said additional revenue sharing and VAT in its financial statements.

- (b) Dispute between the Company and CAT regarding revenue share calculation in relation to Interconnection Charge ("IC") revenue after the enforcement of the Interconnection Notification

In 2011, CAT submitted several statements of claim to the Arbitration Institution requesting for the revenue share payment shortfall in respect of the 16th concession year (16 September 2006 - 15 September 2007), in the approximate amount of Baht 4,026 million for all cases, together with interest at the rate of 1.25 percent per month. The reason is that the Company calculated the revenue share payable to CAT by offsetting the IC expenses it paid to other operators against IC income it received from other operators. However, CAT claimed that the Company had to pay CAT the revenue sharing on the IC income the Company received from other operators, without deduction of the IC expenses it paid to other operators. On 25 December 2019, the Company received the award of arbitral tribunal, dismissing CAT's claim for additional revenue sharing on IC for the 16th concession year. CAT submitted its petition to the Central Administrative Court requesting to revoke such arbitral award. The case is under the consideration of Central Administrative Court.



In 2012 - 2015, CAT also filed a statement of claim to the Arbitration Institution requesting for additional revenue sharing for the 17th - 20th concession year in the amount of Baht 3,860 million, Baht 3,340 million, Baht 3,667 million and Baht 3,914 million together with penalty of each concession year, respectively. In addition, in 2019, CAT also filed a statement of claim to the Arbitration Institution on the same matter for the 21st - 27th concession year in the amount of Baht 15,879 million together with penalty.

On 26 and 27 December 2019, the Company received the awards of arbitral tribunal, deciding that the Company has to pay for additional revenue sharing for the 18th concession year Baht 3,438 million with interest at 7.5 percent per annum and for the 17th concession year Baht 3,957 million with interest at 7.5 percent per annum. Furthermore, on 6 February 2020, the Company received the awards of arbitral tribunal, deciding that the Company has to pay for additional revenue sharing for the 20th concession year Baht 4,346 million with interest at 7.5 percent per annum. CAT has recently submitted a petition to the Central Administrative Court requesting enforcement of the arbitral award for the 17th concession year, and the Company has not agreed with such arbitral award and submitted petitions requesting the Central Administrative Court to revoke arbitral award for the 17th, 18th and 20th concession years.

On 20 May 2021, the Company received the award of arbitral tribunal, deciding that the Company has to pay for additional revenue sharing for the 19th concession year at Baht 3,666 million with interest at 7.5 percent per annum. The Company did not agree with such order and submitted the petition requesting the Central Administrative Court to revoke such arbitral award. Those aforementioned awards of arbitral tribunal have solely legal effect for specific cases. They do not have any legal and binding effect on the other cases in dispute with CAT.

As at 31 December 2021, the Company has not accrued the said additional revenue sharing requested by CAT because, based on the Company's legal counsel, who have thoroughly reviewed the awards and have opined on the opinions to support both of the factual and relevant legal arguments, the Company's management believes that the Arbitration awards for revenue sharing on IC are inconsistent with the principles of Administrative Law and the relevant regulations of NBTC. The Company has no duty to pay such amounts of revenue sharing requested by CAT. Presently, these cases are under the consideration of Central Administrative Court and the arbitration proceedings.

- (c) NBTC letter requesting the Company to pay an additional payment for Remedy period and relevant cases.

On 10 April 2019, the Company made a minimum rate payment during the remedy period amounting of Baht 603 million to NBTC in accordance with NBTC notification Re: Remedial Measure in case of Concession Expiration, B.E. 2556 (2013). However, NBTC issued an order requesting the Company to make an additional payment amounting of Baht 264 million (with interest) because NBTC not allowing the Company to deduct some costs and expenses from the Company's revenue. The Company did not agree with such NBTC order, therefore, in 2020, the Company has filed a lawsuit with the Central Administrative Court requesting to revoke such NBTC order.

On 14 April 2020, the Company received a letter from the NBTC informing the Company that the NBTC revoked its previous decision due to the difference on calculation of the expenses. Therefore, NBTC revised its additional payment request to Baht 134 million (with interest). However, the Company still did not agree with such NBTC order and submitted its statement informing the Central Administrative Court on such difference on calculation and requesting the Court to include this issue in the previous statement of claim. Currently, the case is under the consideration of Central Administrative Court.

On 10 June 2021, NBTC filed a petition to the Central Administrative Court requesting the Company to make an additional payment of Baht 134 million together with interest at 7.5 per-

cent per annum. The Company has submitted the statement of defense to the Central Administrative Court. Currently, the case is under the consideration of the Central Administrative Court.

As at 31 December 2021, the Company has not accrued such additional payment claimed by NBTC in the financial statements. Based on the Company's external legal counsel opinion, the Company believes that the Company completely submitted payment during the remedy period and has no liability to pay such additional payment to NBTC.

(d) Other legal cases

- The Company and dtac TriNet are subjects to the class action lawsuit claiming the practice of charging for calls per minute (rounded up) instead of per second and the plaintiff has requested the claims for damages on the calls incurred during June 2016 to July 2018. On 2 November 2021, the Appeal Court has rendered its judgement to dismiss the plaintiff's petition of class action and to proceed the case as the normal civil case. Such court judgement is final. Based on the Company's external legal counsel opinion, the Company's management is of the view that the Company and dtac TriNet have no liability to pay the claimed damages and proceeding the case as normal civil case will not have any significant impact to the Group's financial position.



- The Company and dtac TriNet have several cases regarding the employment and other commercial agreements total amount of Baht 33 million. The cases are currently under the consideration of Court. The Company's management believes that the outcomes of the disputes and legal cases as referred above will have no significant impact to the Company's financial position.

37. Regulatory risks concerning the telecommunication business

37.1 Reform of telecommunication regulatory regime

The National Broadcasting and Telecommunications Commission (hereinafter referred to as the "NBTC") is an authority to regulate the radio and television broadcasting and telecommunications business including to allocate and administer the use of spectrum by the Act on the Organisation for Allocation of Frequency and Regulation of Radio and Television Broadcasting Business and Telecommunications Business, B.E. 2553 (2010).

NBTC has authority to issue relevant regulations in accordance with telecommunications business operation, for instance, regulations on service fee and service standard, for consumer protections etc. Such regulations would have impact to the Group in several aspects, both in implementing its business strategies and adjustment to any changes in market conditions including the management under spectrum licenses at appropriate costs in order to operate in the mobile

telecommunication business and will impact their business strategy including the amount of additional investment required to enable them to derive maximise benefit from their utilisation of existing spectrums.

37.2 The 3rd Amendment to the Concession Agreement

The Company Concession was amended 3 times and such amendments were challenged based on non-compliance with the Act on Private Sector Undertaking of State Businesses, B.E. 2535 (1992) ("PUS Act"). In May 2007, the Council of State opined that the amendments did not comply with PUS Act. Later, the issue was then considered by the Section 22 Committee under the PUS Act ("Section 22 Committee") which has already given its preliminary opinion to the Ministry of Information and Communication Technology ("MICT"), disapproved the 3rd amendment with respect to the reduction of revenue sharing. In 2011, the issue was raised to the Cabinet for a decision.

Currently, the PUS Act was repealed and was replaced by Public Private Partnership Act B.E. 2556 (2013) ("PPP Act"). However, at the present time, there is no updating progress of this matter and it is unknown to the Company to what extent the PPP Act would affect this matter. Further, the final conclusion or the discretion of the Cabinet would exercise on this matter is still unknown to the Company. The Company is not, therefore, in a position to evaluate the potential impacts from this matter.

Nevertheless, as a result of the Disputes Settlement Agreement between CAT (currently known as "NT"),

the Company and dtac TriNet, the risk from being requested by CAT for the revision of the revenue sharing in relation to the 3rd Concession Amendment is eliminated.

37.3 Risk from legal or contractual restrictions on foreign ownership

The Company's business is subject to the foreign shareholding restrictions pursuant to the Foreign Business Act, B.E. 2542 (1999) (the "FBA").

Violation of foreign shareholding structure would cause the Company and/or its subsidiary companies to be revoked their telecommunications business licenses or could not operate telecommunications businesses.

However, Section 4 of the FBA provides to the effect that a company is considered a Thai company if less than 50 percent of its shares are held by non-Thai nationals.

From the register of shareholders of the Company, less than 50 percent of the total issued shares of the Company are held by non-Thai nationals. The Company is therefore considered a Thai company and the Company obtained a written confirmation from the Ministry of Commerce, in charge of the FBA in September 2012, confirming that the Company is a Thai company under Section 4 of the FBA.

Nevertheless, the Company views that there is not a clear policy in the interpretation and enforcement of the FBA in respect of the foreign investment

shareholdings. The Company might face a risk to its business operation as the FBA has been enforced for more than 20 years but there has been no Supreme Court precedent or clear guideline issued by the Ministry of Commerce relating to nominees under Section 36 of the FBA so that the Company can apply to evaluate or assess the impact of the enforcement or interpretation of such provisions of the FBA that may have on the Group.

As a result of the unclear in interpretation and enforcement of the FBA, on 14 June 2011, a company submitted a criminal allegation to the Royal Thai Police against the Company (including directors and some shareholders of the Company and directors of the said shareholders) claiming that the Company operated telecommunication business in violation of the FBA, which is under process by the Royal Thai Police. On 22 September 2011, one of the Company's minority shareholders (holding 100 shares) filed a complaint against state agency, including NBTC, with the Central Administrative Court citing that the Company is a "foreigner" under the FBA.

On 26 November 2015, the Central Administrative Court ruled that it cannot revoke the Company's right to operate. However, the court has ordered NBTC to perform its duty by investigating whether the Company is in breach of the Foreign Dominance Notification and whether such task shall be accomplished within 90 days from the date the verdict of this Court becomes final. The NBTC and the Company have filed an appeal to the Supreme Administrative Court. Currently, these



two cases are under proceedings of the Royal Thai Police and the Supreme Administrative Court.

Based on the Company's external legal counsel opinion, the Company's management believes that the Company is not in breach of the NBTC Notification on Foreign Dominance B.E. 2554 that could lead to revocation of the right to operate the telecommunications business of the Group.

The Company believes that the Company is not a "foreigner" and has fully complied with the FBA. However, if, finally, the Company is ordered (by the Supreme Court's judgment) not being a Thai entity under the FBA and the Telecommunications Business Act, and such event is not remedied, it would cause NBTC to revoke the Group's right to operate its telecommunications business.

37.4 The NBTC Notification on Foreign Dominance, B.E. 2555 (2012)

NBTC has issued the NBTC Notification on Foreign Dominance, B.E. 2555 (2012 ("FD Notification")) which became effective on 24 July 2012. Under the FD notification, the term "foreign dominance" is defined as "foreigners having controlling power or influential power, either directly or indirectly, by foreigner in policy making, management, operations, appointment of directors, or appointment of senior executives, that may affect the management or the business operation

of a holder of a license or an applicant for a license by way of (a) holding shares with voting rights a half or more of the total voting rights, (b) having the authority to control the majority votes at a shareholders' meeting or (c) the appointment or removal of a half or more of the total directors".

The Company is of the view that:

(a) at the date NBTC issued the FD Notification, it would not be applicable to the Company who has rights to operate mobile services under the Concession Agreement and the Company's rights are protected by Section 305 (1) of the Constitution of the Kingdom of Thailand B.E. 2550 (2007) and the first paragraph of Section 80 of the TBA; the Company's legal advisor also has the opinion in line with the Company's view, however, the Company therefore has already submitted a certificate of compliance with the FD Notification to NBTC as required by the FD Notification until the end of the Company's Concession Agreement in 2018 and currently, the Company is holding type one telecommunication business license from NBTC only, as the result, the Company is not subject to the FD Notification.

(b) in case of the Company's subsidiary (namely dtac TriNet), since dtac TriNet is an IMT 700MHz, 900 MHz, 1800 MHz, 2.1GHz and 26GHz spectrum licensee and type three telecommunications

business licensee, it has already submitted a certificate of compliance with the FD Notification to NBTC as required by the FD Notification.

Nevertheless, NBTC may not agree with the Company's view mentioned above. However, based on NBTC's explanation during the public hearing of the FD Notification, in particular, on the definition of "foreign dominance" in 2012, the Company is of the view that the Company and dtac TriNet are not considered foreign dominant companies. However, this still has a risk on uncertainty of the enforcement of the FD Notification and could cause adverse impact to the business of the Group.

38. Segment information

Operating segment information is reported in a manner consistent with the internal reports that are regularly reviewed by the chief operating decision maker in order to make decisions about the allocation of resources to the segment and assess its performance.

The Group has two reportable segments as follows:

- (1) Mobile telephone service and related services, and
- (2) Sales of handsets and starter kits.

The chief operating decision maker monitors the operating results of the business units separately for the purpose of making decisions about resource allocation and assessing performance. Segment performance is considered on the group operating profit or loss and total assets, on a basis consistent with that used to measure operating profit or loss and total assets in the financial statements.

Below is the revenue, gross profit (loss) and total assets of the Group's segments for the years ended 31 December 2021 and 2020 by segments.



(Unit: Thousand Baht)

	For the year ended 31 December 2021				
	Mobile telephone service and related services			Sales of handsets and starter kits	Consolidated
	Mobile telephone service	Other	Total		
Revenues					
External customers	57,824,290	14,649,166	72,473,456	8,846,547	81,320,003
Total revenue	57,824,290	14,649,166	72,473,456	8,846,547	81,320,003
Operating result					
Gross profit (loss) of segments			22,296,890	(1,763,829)	20,533,061
Other incomes					138,053
Selling, distribution and service expenses					(4,184,207)
Administrative expenses					(9,560,945)
Loss from fair value measurement of derivative instruments and net position of hedging					(148,215)
Finance cost					(2,829,609)
Profit before income tax expenses					3,948,138
Income tax expenses					(592,205)
Profit for the year					3,355,933
Segment total assets					
Additions to non-current assets other than financial instruments, deferred tax assets, and other non-current assets			18,369,901	-	18,369,901

(Unit: Thousand Baht)

	For the year ended 31 December 2020				
	Mobile telephone service and related services			Sales of handsets and starter kits	Consolidated
	Mobile telephone service	Other	Total		
Revenues					
External customers	59,993,267	11,845,029	71,838,296	6,979,703	78,817,999
Total revenue	59,993,267	11,845,029	71,838,296	6,979,703	78,817,999
Operating result					
Gross profit (loss) of segments			24,736,036	(1,891,312)	22,844,724
Other incomes					65,400
Selling, distribution and service expenses					(4,108,178)
Administrative expenses					(10,281,702)
Gain from fair value measurement of derivative instruments and net position of hedging					298,401
Finance cost					(2,858,995)
Profit before income tax expenses					5,959,650
Income tax expenses					(852,531)
Profit for the year					5,107,119
Segment total assets					
Additions to non-current assets other than financial instruments, deferred tax assets, and other non-current assets			29,089,620	-	29,089,620



The following table presents segment assets of the Group's operating segments as at 31 December 2021 and 2020:

Segment assets	Mobile telephone service and related services	Sales of handsets and starter kits	Total segments	Unallocated assets	Consolidated
At 31 December 2021	142,679,082	1,958,232	144,637,314	19,677,340	164,314,654
At 31 December 2020	150,273,023	1,129,969	151,402,992	22,877,395	174,280,387

Geographic information

The Group is operated in Thailand only. As a result, all of the revenues and assets as reflected in these financial statements pertain to the aforementioned geographical reportable.

Major customers' information

For the year 2021 and 2020, the Group has no major customer with revenue of 10 percent or more of an entity's revenues.

39. Provident fund

The Company and its employees have jointly registered a provident fund scheme under the Provident Fund Act B.E. 2530. The fund is contributed to the employees at a rate of 2 - 15 percent and the Company at a rate of 5 percent of their employees' salaries. The accumulated contributions of the employee and the Company and the fund earnings from the contributions will be paid to the employees upon termination in accordance with the rules of the fund. The fund is managed by TMB Asset Management Company Limited. For the year ended 31 December 2021, Baht 86 million (2020: Baht 99 million) has been contributed to the fund by the Company.

40. Statutory reserve

Pursuant to Section 116 of the Public Limited Companies Act B.E. 2535, the Company is required to set aside a statutory reserve of at least 5 percent of its net income after deducting accumulated deficits brought forward (if any), until the reserve reaches 10 percent of the registered share capital. The statutory reserve is not available for dividend distribution.

41. Event after the reporting period

At the Company's Board of Directors' Meeting, held on 28 January 2022, the Board passed a resolution proposing to the Annual General Shareholders' Meeting a dividend payment with respect to operating results for the year 2021 at Baht 1.05 per share (apart from the interim dividend as described in Note 24 to the consolidated financial statements). The dividend payment is subject to approval by the Annual General Shareholders' Meeting.

42. Approval of financial statements

These financial statements were authorised for issue by the Company's Board of Directors on 28 January 2022.