

Annual Report 2015
Thailand Post



Network for Driving
Thai Business onto the
World Stage



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▲ Awards and Recognition in 2015 ▼



In 2015, Thailand Post's commitment to improving services to meet the optimum needs of customers was recognized by the government sector. The Office of Public Sector Development Commission (OPDC) gave Thailand Public Service Awards, level Good, category of Excellence in Service Development to THP for the outstanding creation of "Shipping Tools system for Goods Delivery". The said system which was developed wholly by THP personnel could provide greater convenience to e-Commerce merchants and customers. This success was a source of tremendous pride for the THP management and staff who worked together to achieve to the ultimate goal-the complete satisfaction of all service users.





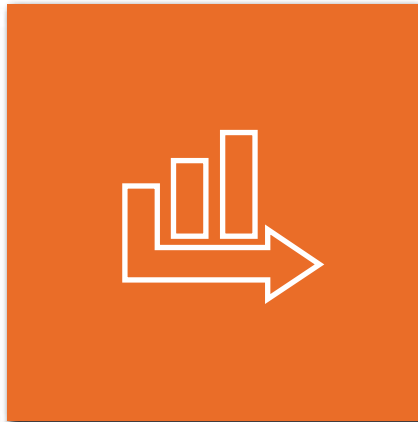
Gearing up

to be Leader in **Thai Postal Business** and Full-Service **Logistics Industry**

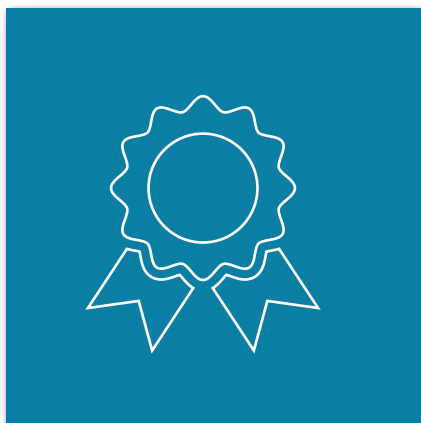
Thailand Post gears up with
Potential to International Level
2004



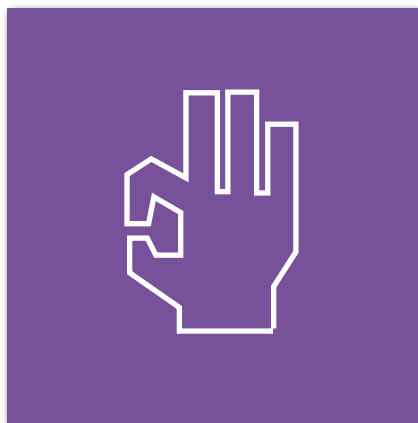
Continued Growth in association with
Thai Society
2006



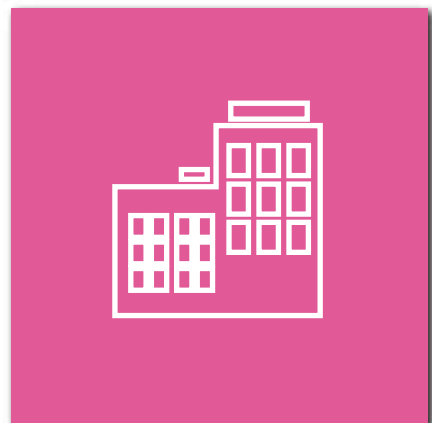
Moving Boldly into the Future with
Thai Society
2008



2005
Building Competitiveness
through Strength



2007
The Year of Improved Service
Quality



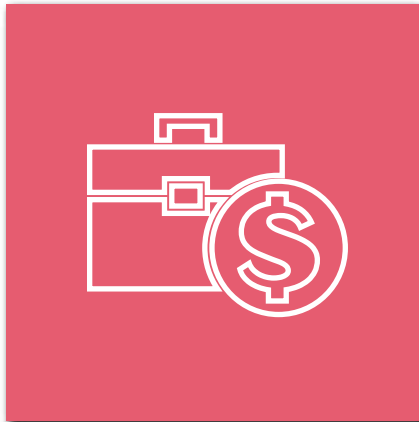
2009
Thailand Post: An Engine Generating
Quality Service

In the **ASEAN** Region

At Thailand Post, "Yes, We Can!"
2010



Creating Happiness for Thai Society
2012



Thai People's Happiness Network
2014



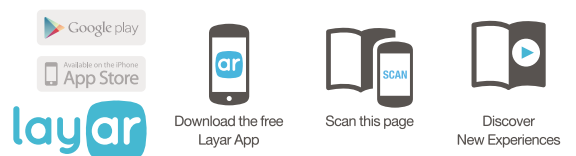
2011
Wishing Thai Society Happiness and
Success



2013
Thailand's Vital Economic Network



2015
Network for Driving Thai Business
onto the World Stage





Powering toward Excellence with **Network of Quality People**

Thailand Post moves ahead and builds a stronger Thailand Post brand with “Great Thailand Post People” DNA, through core values and corporate culture I-SURE & Success Story. Its entire workforce are enhanced to get ready to offer customers the best service possible.

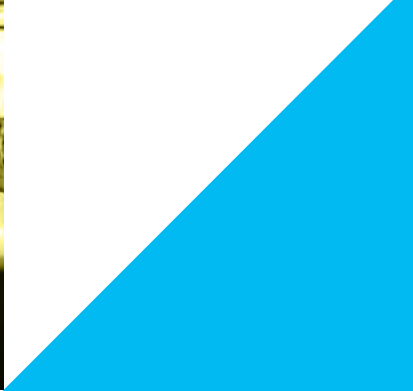
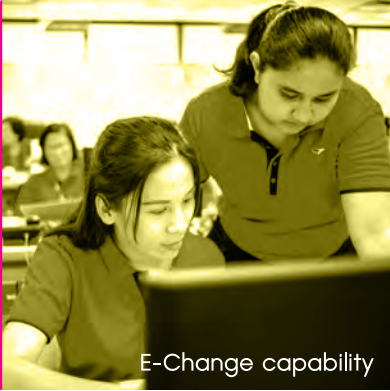
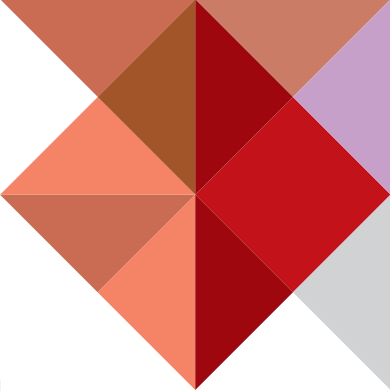
R-Result orientation

I-Integrity

U-Unity

S-Service Mind

E-Change capability







iBox (automated delivery box)



Drive-Thru



Pay at Post

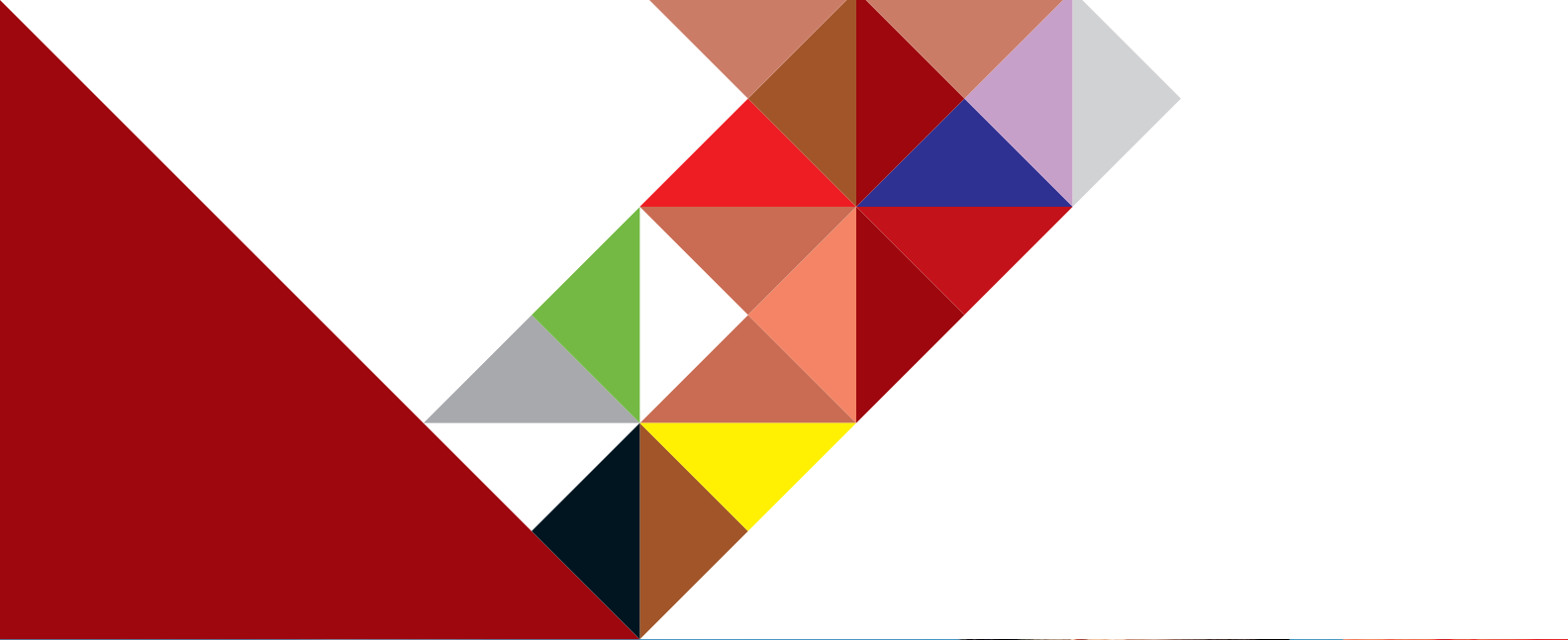


Sunday delivery

Powering Total Satisfaction with a Strong Comprehensive Network

Thailand Post's network of more than 5,000 postal outlets all across the country is ready to satisfy the needs of all Thai people, regardless of their lifestyle.

Due to its ever-increasing range of services backed up by the latest innovative technologies, the company provides the reliable services merged with modern network anytime...anywhere.



Powering Happiness with **Network of Caring People**

Thailand Post is ready to lend a helping hand by delivering articles, assistance, happiness or concern, across the country, around the world, in times of peace or emergency. The Company always supports good deeds and supplies happiness to Thai people for sustainable growth of Thai society.



Happy Post

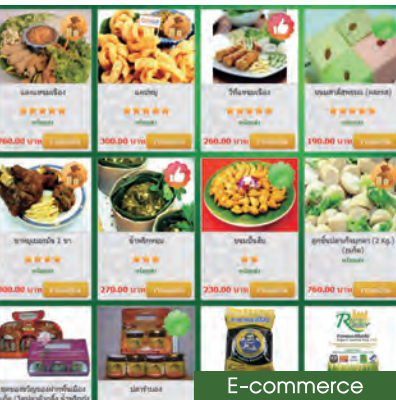


Learning Network for
Thailand's Youth



Postal network society





E-commerce



World class EMS



Yummy Post



OTOP



Bank @ Post

Powering Thailand's economy by network capable of driving Thai business onto the world stage

Thanks to the expertise in transportation and the advantage of wide network, THP is moving forward to be a leader in the transportation business and full-service logistics service. Thai postal system, using suitable means of transport: land, sea and air routes, can connect with all localities worldwide. The variety of premium quality services are thus supplied to customers. These experiences will help driving Thailand's economy and enhancing Thai business potential onto the world stage.

History of Thailand Post Company Limited



Thailand Post Company Limited is a state enterprise under the supervision of the Ministry of Information and Communication Technology. As the former postal service unit of the Communications Authority of Thailand (CAT), it became a separate entity on August 14, 2003.

Thailand's postal business was established in 1883 in the reign of King Chulalongkon. The preliminarily founded service was affiliated with the Postal Department (later becoming the Post and Telegraph Department) until 1997, when the unit was turned into a state enterprise called the Communications Authority of Thailand to pave the way for more streamlined operations in line with economic and social changes. In 2003, as the world was increasingly driven by globalization, with the service sector, in particular, opening up to free trade practices, it was necessary for Thailand's postal service to undergo further restructuring as a company limited. The new organization was expected to have expanded business and be more competitive, and to become financially self-reliant, while continuing to provide universal postal services to Thai people and the country.

Thailand's postal business has enjoyed steady growth. In the initial stage of development, the focus was on infrastructure to strengthen and expand the business. The next phase saw greater development with the use of state-of-the-art mail sorting machines, the introduction of the Counter Automation Point of Sales (CA POS) system to mail acceptance at post offices nationwide, and the launching of more commercial services, such as Express Mail Service (EMS), Pay at Post, and Online Money Order.

Since its restructuring, Thailand Post's management and operations have become increasingly business oriented. Systematic plans are drawn up, with service markets divided into four groups: communications, transportation, retail and finance. New services continue to be developed to meet rapidly changing needs of customers. Among these newly developed services, which suit today's lifestyle and business approaches, are Drive-Thru Post, iBox, Logispost, Yummy Post (a service of ordering and delivering products of well-known food specialties from all regions nationwide) and even Agency Service. Additionally, to enhance its efficiency, Thailand Post has also introduced the Track and Trace system to some of its services. In fulfilling its social commitment, Thailand Post continues to keep open its services at more than 4,500 postal points in both potential business and remote areas in every region of the country. Also, to live up to its philosophy as a business founded in the interests of the Thai people and society, Thailand Post provides complete basic services ranging from mail, package and financial services at a minimum charge to ensure that they are accessible to people from all sectors.



Vision

The leader of postal and logistics service in ASEAN

Mission

1. To provide delivery of goods and messages nationwide through easily accessible services
2. To make Thailand the hub of ASEAN postal business and logistics
3. To make the best use of our assets and to ensure sustainable profits in support of the customers

Statement of Direction (SOD) of 2015

To operate a national network of postal and logistics services to distribute goods and parcels quickly, safely and in line with international standards.

Short-term Plans:

1. Improve postal and logistics services in order to raise the level of customer satisfaction.
2. Study the feasibility of launching new businesses, taking into account appropriate financial and investment plans.
3. Adopt a new staffing plan to accommodate future services.
4. Form new business alliances as means of expanding the customer base and boosting business competitiveness.

Long-term Plans:

Continue to improve the logistics business with an aim to making it the company's principal revenue earner.

Company Information

Thailand Post Co., Ltd. a state enterprise under supervision of the Ministry of Information and Communication Technology (MICT), was established according to the Civil and Commercial Code on August 14, 2003, with the Ministry of Finance's 100% shareholding.

<p>Company name</p> <p>Shortened name</p> <p>Registered number</p> <p>Business type</p> <p>Employees and workers</p> <p>THP Contact Center</p> <p>Website</p> <p>Registered capital</p> <p>Auditor</p>	<p>THAILAND POST CO., LTD.</p> <p>THP</p> <p>0105546095724</p> <p>Offering acceptance and dispatch of messages and packages, financial and agency services</p> <p>23,703 (as of December 31, 2015)</p> <p>1545</p> <p>www.thailandpost.co.th</p> <p>1,250,000,000.00 Baht</p> <p>The Office of the Auditor General</p>
<p>Headquarters</p>	<p>111 Chaeng Watthana Road, Thung Song Hong, Laksi, Bangkok 10210-0299</p> <p>Telephone: 0-2831-3131</p> <p>Facsimile: 0-2956-8904</p>
<p>Metropolitan Postal Bureau (North)</p>	<p>1551 Phahon Yothin Road, Sam Sen Nai, Phaya Thai, Bangkok 10400</p> <p>Telephone: 0-2278-2317, 0-2279-7562, 0-2279-9955</p> <p>Facsimile: 0-2279-9956</p>
<p>Metropolitan Postal Bureau (South)</p>	<p>4th and 5th floor Bangrak post office, 4 Captain Bush lane, Soi Charoen Krung 32 Charoen Krung Road, Bang Rak Sub-District, Bang Rak District, Bangkok 10500</p> <p>Telephone: 0-2614-7426-9</p> <p>Facsimile: 0-2233-7411</p>
<p>Metropolitan Mail Processing Bureau</p>	<p>2th floor Bangkok EMS Center 111 Chaeng Watthana Road, Thung Song Hong, Laksi, Bangkok 10020</p> <p>Telephone: 0-2575-0851</p> <p>Facsimile: 0-2575-0849</p>
<p>Regional Postal Bureau (Region1) Ayutthaya</p>	<p>11/11 Dechawut Road, Pratuchai Sub-District, Phra Nakhon Si Ayutthaya District, Phra Nakhon Si Ayutthaya 13000</p> <p>Telephone: 0-3524-3043</p> <p>Facsimile: 0-3524-2704</p>



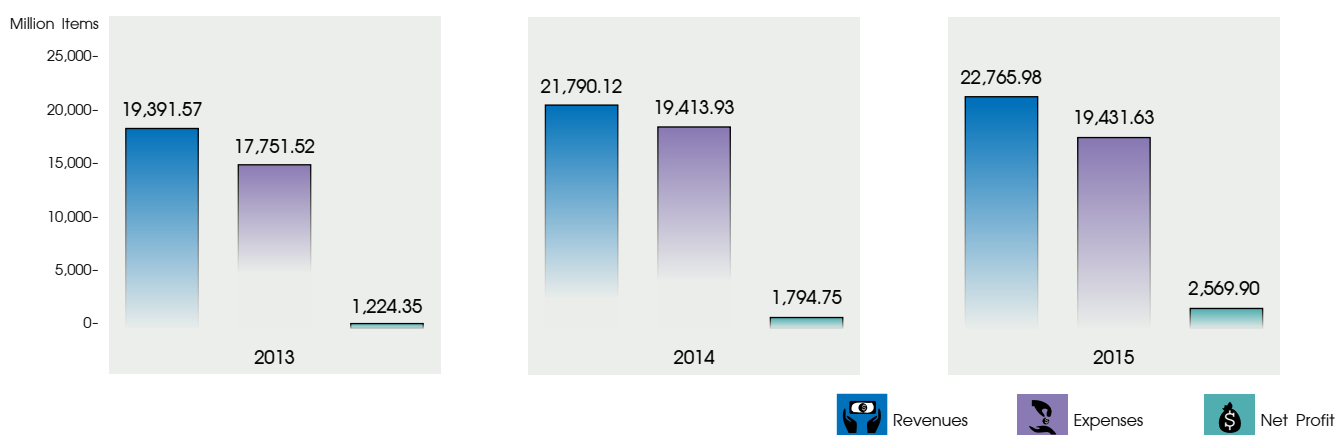
Regional Postal Bureau (Region 2) Chon Buri	37/1 Moo 9 Sukprayoon Road, Napa Sub-District, Muang District, Chon Buri 20000 Telephone: 0-3827-8300-2, 0-3828-7291 Facsimile: 0-3828-7291 ext. 130, 131
Regional Postal Bureau (Region 3) Nakhon Ratchasima	232/1 Chang Phuek Road, Nai Mueang Sub-District, Muang District, Nakhon Ratchasima 30000 Telephone: 0-4427-2328, 0-4424-2103, 0-4424-8878 Facsimile: 0-4424-8879
Regional Postal Bureau (Region 4) Khon Kaen	294 Sun Ratchakan Road, Nai Mueang Sub-District, Muang District, Khon Kaen 40000 Telephone: 0-4323-7178, 0-4323-4650 Facsimile: 0-4323-9306, 0-4323-9357, 0-4324-6597
Regional Postal Bureau (Region 5) Chiang Mai	6 Mahidol Road, Suthep Sub-District, Muang District, Chiang Mai 50200 Telephone: 0-5327-5471, 0-5327-5241, 0-5327-2643 Facsimile: 0-5327-6001, 0-5327-5241 ต่อ 526
Regional Postal Bureau (Region 6) Nakhon Sawan	154 Moo 1, Phahon Yothin Road, Nakhon Sawan Oak Sub-District, Muang District, Nakhon Sawan 60000 Telephone: 0-5625-5130, 0-5625-5262, 0-5625-6020 Facsimile: 0-5625-6020 ext. 102
Regional Postal Bureau (Region 7) Ratchaburi	24/14 Petchkasem Road, Na Mueang Sub-District, Muang District, Ratchaburi 70000 Telephone: 0-3233-7385, 0-3233-8985, 0-3233-6009 Facsimile: 0-3233-7385, 0-3233-8985, 0-3233-6009 ต่อ 222
Regional Postal Bureau (Region 8) Surat Thani	84/24 Moo 6, Liang Muang Road, Makham Tia Sub-District, Muang District, Surat Thani 84000 Telephone: 0-7722-6445 Facsimile: 0-7722-6357
Regional Postal Bureau (Region 9) Hat Yai	13 Kanchanavanich 1 Road, Hat Yai Sub-District, Hat Yai District, Songkhla 90110 Telephone: 0-7424-3121, 0-7424-5293 Facsimile: 0-7421-1065
Regional Postal Bureau (Region 10) Ubon Ratchathani	73 Moo 3, Ubon-trakarn Road, Karmyai Sub-District, Muang District, Ubon Ratchathani 34000 Telephone: 0-4528-3611, 0-4528-3614 Facsimile: 0-4531-1927

Important Information

Summary of Financial Position and Financial Ratio

	2013	2014	2015
Operating Performance (Million Baht)			
Revenues	19,391.57	21,790.12	22,765.98
Expenses (Exclusive of corporate income tax)	17,751.52	19,413.93	19,431.63
Earning before Interests and Taxes	1,640.05	2,376.20	3,334.35
Corporate income tax	415.71	581.45	764.45
Net Profit (Loss)	1,224.35	1,794.75	2,569.90
Financial Position (Million Baht)			
	As of December 31, 2013	As of December 31, 2014	As of December 31, 2015
Assets	20,217.49	22,496.02	23,952.75
Current Assets	11,997.28	13,280.28	13,835.49
Land, Building and Equipment	6,911.39	6,795.15	6,950.18
Intangible Assets	126.82	127.31	137.39
Liabilities and Shareholders' Equity	20,217.49	22,494.02	23,952.75
Liabilities	8,054.22	9,508.18	8,908.18
Current Liabilities	3,977.22	5,514.22	4,796.01
Shareholders' Equity	12,163.27	12,987.84	15,044.57
Financial Ratio			
	As of December 31, 2013	As of December 31, 2014	As of December 31, 2015
Current Ratio (Current Assets to Current Liabilities)	Times 3.02	2.41	2.88
Debt Ratio to Assets	Times 0.40	0.42	0.37
Debt to Equity	Times 0.66	0.73	0.59
Basic Earning Power (Profit before interests and corporate income tax to Assets)	% 8.11	10.56	13.92
Return on Assets	% 6.06	7.98	10.73
Return on Equity	% 10.07	13.82	17.08
Return on Revenues	% 6.31	8.24	11.29
Cost Margin	% 91.54	89.10	85.35

*The exclusive status of Thailand Post Co., Ltd., not including the subsidiary

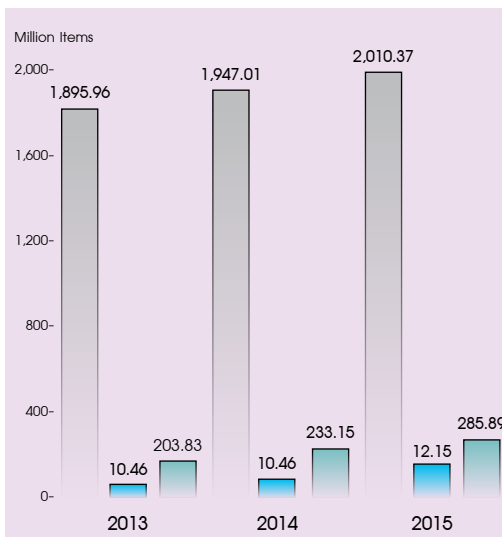




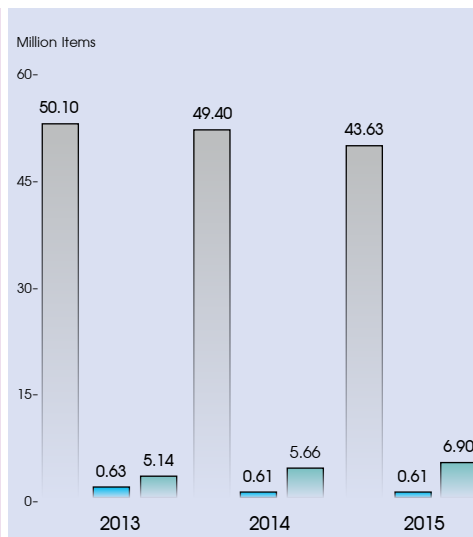
Work Volumes and Postal Network

		2013	2014	2015
Work Volumes				
Domestic Mail	(Million Items)			
Ordinary Letter-Post Items		1,895.96	1,947.01	2,010.37
Postal Parcels		10.46	10.61	12.15
Special Services		203.83	233.15	285.89
International Mail	(Million Items)			
Ordinary Letter-Post Items		50.10	49.40	43.63
Postal Parcels		0.63	0.61	0.61
Special Services		5.14	5.66	6.90
Financial Service	(Million Transactions)			
Domestic Money Order (Ordinary+Online)		12.59	10.88	9.37
Pay at Post		13.77	11.83	10.06
Number of Office		As of December 31, 2013	As of December 31, 2014	As of December 31, 2015
THP Operating Office	(Units)	1,240	1,251	1,258
Mail Center		18	18	18
Bulk Posting Center		6	6	6
Post Office		1,164	1,174	1,181
Mobile Post Office	(Units)	52	53	53
Licensed Post Office	(Units)	3,472	3,444	3,429
Thailand Post Shop	(Units)	78	79	82
Postage Stamps Agency	(Units)	1,398	1,398	1,398
Postage Stamps Agents	(Units)	2,000	2,000	2,000
Posting Box	(Boxes)	28,776	26,701	26,701

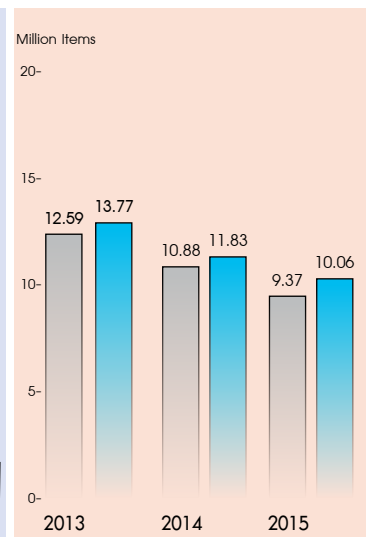
Domestic Mail



International Mail



Financial Service




■ Ordinary Letter-Post Items
■ Postal Parcels
■ Special Services

■ Ordinary Letter-Post Items
■ Postal Parcels
■ Special Services

■ Domestic Money Order (Ordinary+Online)
■ Pay at Post



Thailand Post remains committed to further improving the quality of our services to retain our **customers' faith** in the "Thailand Post" brand.



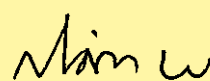
Today's Thailand Post is working to become a quality network capable of powering the Thai economy into a secure position in the regional ASEAN and international arenas. The key to achieving this goal is building the capacities of our postal employees so that they can deliver the highest standards of performance and service excellence. In this way, Thailand Post can maintain the trust of our customers and successfully overcome the obstacles and challenges that lie ahead. Of course, this will take the hard work, commitment, and determination of our entire management and staff. These qualities are equally essential if we are to continue to thrive in an increasingly competitive environment where new businesses are entering the market on an almost daily basis.

Thailand Post remains committed to further improving the quality of our services to retain our customers' faith in the "Thailand Post" brand. In 2015, we made additional improvements in our counter automation point of sales system to accommodate postal and financial services and facilitate orders of merchandise by major customers. These improvements involve the implementation of cutting-edge technologies in both the front and back offices. In addition, to cater to a new generation of postal users, THP launched a new service called D-Packet especially aimed at the rapidly expanding e-Commerce sector.

Thailand Post also upgraded its service quality to prevent or reduce damage of mailed items by developing transport process and implementing preventive measures in the course of transport. We have installed a closed-circuit TV system to prevent untoward events, ensure compliance with service standards, and guarantee the safety of mailed items.

Thanks to the dedication of the Thailand Post staff, we were honored with the "2015 Excellence in Service Development Award" from the Office of the Public Sector Development Commission (OPDC). The award recognizes our success in improving the services we offer to both government and private-sector customers. And to mark the Company's 12th anniversary, on behalf of the Board of Directors, I would like to express my sincere gratitude to the entire Thailand Post family for their hard work and devotion, without which the success we enjoy today would not have been possible. I hope, too, that this same dedication on the part of our management and staff will continue to drive the Company forward into a prosperous future and be a network for driving Thai business onto the world stage with pride.


In closing, I would like to invite the power of the triple gem and sacred items as well as the glory of their Majesties the King and Queen to bless the entire Thailand Post management and staff, customers, business partners and allies, and all of our stakeholders. May you all enjoy happiness, prosperity, health, fulfilled wishes and safety from all dangers, and may Thailand Post's business continue to be endowed with the onward progress.



General Sathit Pitharat
Chairman of the Board of Directors

Message from the President

“Thailand Post network...
a network for driving
Thai business on to
the world stage.”



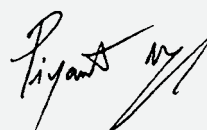
For the past 12 years, the entire Thailand Post team has worked hand in hand to maintain the work quality and the service standard as well as to solve problems in order to continue playing our role proudly as the network of happiness uniting Thai people. The advantage we have over all our competitors is our team power that can reach every corner of the Kingdom. The trust we have gained from our customers in both the public and private sectors has enabled us to thrive in an increasingly competitive business environment.

Over the years, Thailand Post has been a constant and loyal companion to Thai society, owing to the consistent expansion of our range of services and extension of our postal network nationwide and worldwide through link with postal administrations. These factors have given us the organizational capacity to maintain our proven track record of strong and steady growth. Meanwhile, the diverse needs of our customers are the important challenge facing us today. To meet these needs, the Thailand Post team works exceptionally hard to provide high-quality services to ensure the highest level of customer satisfaction. In line with our corporate strategies for 2015, summed up in the words “Thailand Post network: a network for driving Thai business on to the world stage,” we have improved our complete range of products and services to meet international standards and satisfy the expectations of customers both in Thailand and abroad. Thailand Post understands that its support for Thai business and industry will contribute to improvements in the quality of Thai people’s life and help drive the Thai economy to move forward a long distance.

In 2015, Thailand Post’s total revenues were 23,019.96 million baht, while expenses totaled 20,572.98 million baht. This gave us a net profit of 2,446.98 million baht, which was a 37.51% increase over the previous year. The Company has expanded the range of services available to customers, for instance, Delivery Station.

Which provides convenience for users to receive postal items closer to home, Mailing Preparation through Internet which allows customers to arrange for the posting of items 24 hours a day at their residence or office, Delivery service of medicines and medical supplies, Insurance Broker service. Provision of Insurance Broker service at postal outlets gives a chance for a number of local insurance companies to reach people nationwide and also supports the government policy which seeks to boost the micro insurance industry. In addition, Thailand Post is converting its traditional delivery model into a full-service logistics provider for the entire ASEAN region, serving as transport network that links main communication routes. Under this new model, we are providing warehouse, storage and distribution services that include cash on delivery. This comprehensive range of services is an essential mechanism in line with Free Trade Principle in ASEAN Economic Community.

I am very proud to be a part of the Thai postal system, and it gives me tremendous pleasure to witness the tireless hard work, dedication, cooperation and personal sacrifice of the entire THP management and staff in our concerted efforts to create a strong corporate culture based on unity and teamwork. I am confident that this culture will be a legacy passed from one generation to the next and will contribute sustainable growth to “Thailand Post”. The major force from the sense of shared heart and soul including the “people power” will give THP a good opportunity to run business for further success in the future.



Mr. Piyawat Mahapauraya
Acting President

Board of Directors





1. General Sathit Pitharat

Chairman

President Nomination Committee

Age 59 years

Education

- Bachelor of Science, Chulachomklat Royal Military Academy

Experience

- Senior Army Advisor
- 3rd Army Area Commanding General
- 3rd Corps Commander, 3rd Army Area Command

- Deputy Commanding General, 3rd Army Area Command
- Chief of Staff, 3rd Army Area Command
- Deputy Chief of Staff, 3rd Army Area Command
- Director of Comptroller Department, 3rd Army Area Command
- Chief of Logistics Department, 3rd Support Command
- 104th Artillery Battalion Commander, 4th Infantry Division

Other Positions

- Senior Army Advisor

In accounting year 2015, the above-mentioned person did not own in excess of 10% of total voting shares in a state enterprise/company associated with Thailand Post.

2. Dr. Jaruvan Hengtrakool

Director

Audit Committee

President Nomination Committee

Employees' Appeals Review Subcommittee

Strategies and Competitiveness Enhancement Subcommittee

Age 56 years

Education

- Doctorat d'Etat en Droit, Universit Robert Schuman, France
- Diplme d'Etude Approfondies (D.E.A.) (Public Law) Universit Robert Schuman, France
- Bachelor of Laws, Thammasat University

Experience

- Permanent Law Councillor, Office of the Council of State
- Director, Legislative Drafting Technique Bureau, Office of the Council of State
- Director, Financial Law Division, Office of the Council of State

Other Positions

- Deputy Secretary, Adjudication Committee, Office of the Council of State

In accounting year 2015, the above-mentioned person did not own in excess of 10% of total voting shares in a state enterprise/company associated with Thailand Post.

3. Pol.Lt.Gen. Atitep Panjamanond

Director

President's Performance Evaluation Subcommittee

Age 64 years

Education

- Master of Public Administration, National Institute of Development Administration
- Bachelor of Arts, Kasetsart University

Experience

- Commissioner of the Narcotics Suppression Bureau, Royal Thai Police

- Deputy Commissioner of the Narcotics Suppression Bureau
- Commander of the Narcotics Suppression Division 1
- Deputy Commander of the Narcotics Suppression Division

Other Positions

- Retired Government Official, Royal Thai Police

In accounting year 2015, the above-mentioned person did not own in excess of 10% of total voting shares in a state enterprise/company associated with Thailand Post.

4. Mr. Chumpol Rimsakorn

Director

President's Performance Evaluation Subcommittee

Ad Hoc 2017 Budget Review Subcommittee

Good Corporate Governance Subcommittee

Strategies and Competitiveness Enhancement Subcommittee

President's Remuneration Review Committee

Age 55 years

Education

- Master of Public Administration (Public and Private Management), National Institute of Development Administration
- Bachelor of Law, Ramkhamhaeng University

Experience

- Inspector, Ministry of Finance
- Advisor, Tax Collection Development and Administration, Excise Department
- Deputy Director General, Excise Department
- Director, Legal Affairs Office, Excise Department

Other Positions

- Deputy Permanent Secretary, Ministry of Finance
- Board Member of the Thailand Tobacco Monopoly

In accounting year 2015, the above-mentioned person did not own in excess of 10% of total voting shares in a state enterprise/company associated with Thailand Post.

Board of Directors





1. Dr. Don Bhasavanich

Vice Chairman

Risk Management Subcommittee
President's Performance Evaluation Subcommittee
ICT Development Subcommittee
Strategies and Competitiveness Enhancement Subcommittee
Business Development Subcommittee
President Nomination Committee
President's Remuneration Review Committee

Age 64 years

Education

- Ph D, Gaseous Electronics/Electrical Engineering, University of Liverpool, England

- MBA, Katz Graduate School of Business, University of Pittsburgh, Pennsylvania, USA.
- BS and ME, Electric Power and Electrical Engineering, Rensselaer Polytechnic Institute, New York, USA.

Experience

- President, DHL (Thailand) Ltd.
- President, TT&T Public Company Limited

Other Positions

- Director, KGI Securities (Thailand) Public Company Limited
- Director, Thailand Management Association

In accounting year 2015, the above-mentioned person did not own in excess of 10% of total voting shares in a state enterprise/company associated with Thailand Post.

2. Mrs. Pratana Mongkolkul

Director

Audit Committee
Risk Management Subcommittee
ICT Development Subcommittee
Strategies and Competitiveness Enhancement Subcommittee
President's Remuneration Review Subcommittee
Ad Hoc 2017 Budget Review Subcommittee

Age 51 years

Education

- Master of Business Administration, Thammasat University
- Bachelor of Accounting, Thammasat University

Experience

- Chief Financial Officer (CFO), Minor International (Public) Co., Ltd.

- Audit Committee and Independent Board Member, Thoresen Thai Agencies (Public) Co., Ltd.
- Director, S&P Syndicate (Public) Co., Ltd.
- Vice-President, Central Pattana (Public) Co., Ltd.

Other Positions

- Board Member, Government Savings Bank
- Board Member, Ports Authority of Thailand
- Associate Judge, Intellectual Property and International Trade
- President, Boutique Consulting Co., Ltd.

In accounting year 2015, the above-mentioned person did not own in excess of 10% of total voting shares in a state enterprise/company associated with Thailand Post.

7. Mr. Rathapol Bhakdibhumi

Director

Audit Committee
ICT Development Subcommittee
Strategies and Competitiveness Enhancement Subcommittee
President's Remuneration Review Subcommittee
Business Development Subcommittee
Good Corporate Governance Subcommittee (until July 27, 2015)

Age 48 years

Education

- Business Administration, Sasin Graduate Institut of Business Administration
- Executive Master in International Logistics and Supply Chain Strategy, Georgia Institute of Technology, Atlanta, USA.
- Bachelor of Science, University of Colorado, Boulder, USA.

Experience

- Senior Associate, Merrill Lynch Phatra Securities Co.,Ltd.
- Executive Director, SK Mineral Co., Ltd.
- Chairman of the Board, DX Innovation Co., Ltd.
- Administrative Board, Taekwondo Association of Thailand
- Logistics Development Committee, Thai Chamber of Commerce
- Sub-Committee on Economic Corporation with Neighboring Countries (Yunnan and Southern China Provinces), Thai Chamber of Commerce

Other Positions

- Chairman of the Executive Committee and President, General Electronic Commerce Services Co., Ltd.

In accounting year 2015, the above-mentioned person did not own in excess of 10% of total voting shares in a state enterprise/company associated with Thailand Post.

Board of Directors





1. Dr. Thitipong Nandhabiwat

Director

Risk Management Subcommittee
 Audit Committee
 ICT Development Subcommittee
 Business Development Subcommittee
 Strategies and Competitiveness Enhancement Subcommittee
 President's Performance Evaluation Subcommittee

Age 39 years

Education

- Ph.D. (Information Technology-Robotics) Murdoch University, Perth, Western Australia, Australia
- M.Sc. (Information Science) University of Pittsburgh, Pittsburgh, Pennsylvania, USA.
- B.Sc. (Computer Science) University of Waikato, Hamilton, New Zealand

Experience

- Assistant Deputy Chairman, Board of the National Broadcasting and Telecommunications Commission
- Member, Public Rights and Freedoms Protection Review Subcommittee

- Deputy Chairman, Board of Young Engineers, Engineering Institute of Thailand, under H.M. The King's Patronage
- Member, Telecommunication for the Disaster Prevention and Mitigation Subcommittee, Office of the National Broadcasting and Telecommunications Commission
- Member, Infrastructure and Logistics Reform Subcommittee, National Reform Council
- Assistant Vice Chairman, Office of the National Broadcasting and Telecommunications Commission (NBTC)
- Advisor to the Educational Working Group on Communications and Transportation, National Reform Council

Other Positions

- Honorary Advisor to NLA Standing Committee on Local Administration, the National Legislative Assembly (NLA)
- Dean of International College, Rangsit University
- Assistant President for International Marketing, Rangsit University

In accounting year 2015, the above-mentioned person did not own in excess of 10% of total voting shares in a state enterprise/company associated with Thailand Post.

2. Mr. Norawat Chotigoon

Director

Relations Affairs Committee
 Good Corporate Governance Subcommittee
 Risk Management Subcommittee
 President's Performance Evaluation Subcommittee
 Ad Hoc 2016 Budget Review Subcommittee

Age 62 years

Education

- Bachelor of Arts, Srinakharinwirot University, Pattani Campus

Experience

- Senior Administrator General Administration, Office of the Permanent Secretary, Ministry of Finance
- Director of Information Division, Office of the Permanent Secretary, Ministry of Finance

Other Positions

- Retired Government Official, Ministry of Finance

In accounting year 2015, the above-mentioned person did not own in excess of 10% of total voting shares in a state enterprise/company associated with Thailand Post.

3. Assistant Professor Dr. M.L. Vittratorn Chirapravati

Director

President's Performance Evaluation Subcommittee
 Strategies and Competitiveness Enhancement Subcommittee
 Good Corporate Governance Subcommittee

Age 52 years

Education

- Ph.D. (Mass Media), Michigan State University, USA.
- M.A. (Advertising), Michigan State University, USA.
- Bachelor of Communication Arts (Advertising and Public Relations), Chulalongkorn University

Experience

- Assistant Professor, Faculty of Communication Arts, Chulalongkorn University

Other Positions

- Retired Government Official, Chulalongkorn University/Independent Scholar

In accounting year 2015, the above-mentioned person did not own in excess of 10% of total voting shares in a state enterprise/company associated with Thailand Post.

Board of Directors

As of January 1, 2015–December 31, 2015

- | | | |
|------------------------------|------------------------------|--|
| 1. General Sathit Pitharat | 5. Dr. Jaruvan Hengtrakool | 9. Assistant Professor Dr. M.L.Vittratorn Chirapravati |
| 2. Ms. Anusra Chittmittrapap | 6. Mr. Norawat Chotigoon | 10. Pol.Lt.Gen.Atitep Panjamanond |
| 3. Dr. Don Bhasavanich | 7. Mr. Rathapol Bhakdibhumi | 11. Mrs. Pratana Mongkolkul |
| 4. Mr. Chumpol Rimsakorn | 8. Dr. Thitipong Nandhabiwat | |

* Note:

- Ms. Anusra Chittmittrapap resigned from the THP Board of Directors, effective July 8, 2015
- Mr. Chumpol Rimsakorn assumed the position on the THP Board of Directors as of March 17, 2015
- Pol.Lt.Gen. Atitep Panjamanond assumed the position on the THP Board of Directors as of April 24, 2015
- Mrs. Pratana Mongkolkul assumed the position on the THP Board of Directors as of April 24, 2015



1. Mr. Piyawat Mahapauraya
Acting President
from 1 January - 30 September 2015

Age 60 years

Education

- Master of Public and Private Management, National Institute of Development Administration (NIDA)
- Bachelor of Business Administration, Sukhothai Thammathirat Open University
- Certificate, The Post and Telegraph Department School
- Certificate, National Defence College (Class 51)

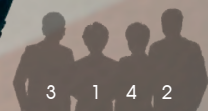
2. Mrs. Smorn Terdthumpiboon
Acting President
from 1 October - 31 December 2015

Age 55 years

Education

- Master of Business Administration, Thammasat University.
- Bachelor of Science, Chiang Mai University





1. Mrs. Smorn Terdthumpiboon
Senior Executive Vice President
(Finance & Accounting)
Acting Senior Executive Vice President
(Information Technology)

Age 55 years
Education
• Master of Business Administration, Thammasat University.
• Bachelor of Science, Chiang Mai University

2. Mr. Manop Sornviboonsak
Senior Executive Vice President
(Metropolitan Operation)

Age 57 years
Education
• Bachelor of Public Administration, Sukhothai Thammathirat Open University
• Certificate, The Post and Telegraph Department School

3. Mr. Kalong Subsaart
Senior Executive Vice President
(Regional Operation)

Age 55 years
Education
• Bachelor of Arts (Political Science), Ramkhamhaeng University
• Certificate, The Post and Telegraph Department School

4. Ms. Suchada Buddharuksa
Senior Executive Vice President Marketing

Age 54 years
Education
• Master of Business Administration, Sasin Graduate Institute of Business Administration of Chulalongkorn University
• Bachelor of Arts, Chulalongkorn University



1. Mr. Phitsanu Wanitchaphol
Senior Executive Vice President Business Development

Age 42 years
Education

- Master of Business Administration, Manchester Business School, The United Kingdom
- Bachelor of Science, Kasetsart University

2. Mr. Songsak Polnork
Senior Executive Vice President Human Resources

Age 56 years
Education

- Master of Science, King Mongkut's Institute of Technology Ladkrabang
- Bachelor of Law, Ramkhamhaeng University
- Bachelor of Business Administration, Ramkhamhaeng University

3. Mrs. Naiyana Sirisuvun
Senior Executive Vice President Administration and Property Management

Age 56 years
Education

- Master of Business Administration, Bangkok University
- Bachelor of Business Administration, Thammasat University

4. Mr. Sanya Thongsaphak
Executive Vice President Operating Systems

Age 59 years
Education

- Master of Business Administration, Sukhothai Thammathirat Open University
- Bachelor of Business Administration, Sukhothai Thammathirat Open University
- Certificate, The Post and Telegraph Department School



1. Mrs. Nitsa Chivapruck
Executive Vice President
(Internal Audit Office)

Age 58 years

Education

- Master of Arts, Krirk University
- Bachelor of Accounting, University of the Thai Chamber of Commerce

2. Ms. Somchintana Kirdsuebma
Executive Vice President
(Finance & Accounting)

Age 55 years

Education

- Master of Arts, Kasetsart University
- Bachelor of Business Administration, Sukhothai Thammathirat Open University

3. Mr. Sanan Suksawang
Executive Vice President Administration and
Property Management

Age 51 years

Education

- Master of Law, Ramkhamhaeng University
- Bachelor of Law, Ramkhamhaeng University



1. Ms. Pilantanee Suwanbubbha
Executive Vice President (Office of the President)

Age 50 years

Education

- Master of Arts, Thammasat University
- Bachelor of Arts (Political Science), Chulalongkorn University

2. Mr. Niyom Jindapateep
Executive Vice President (Information Technology)

Age 45 years

Education

- Bachelor of Public Administration, Sukhothai Thammathirat Open University
- Certificate, The Post and Telegraph Department School

3. Mrs. Parisa Panannond
Executive Vice President Marketing

Age 45 years

Education

- Master of Business Administration, Chulalongkorn University
- Bachelor of Business Administration, Chulalongkorn University

4. Mrs. Churairat Sinbanchongjit
Executive Vice President Human Resources

Age 50 years

Education

- Master of Public Administration, Chulalongkorn University
- Bachelor of Public Administration, Prince of Songkla University

THP Executives As of January 1, 2015 – December 31, 2015

- | | | |
|--------------------------------|----------------------------------|-----------------------------------|
| 1. Mr. Piyawat Mahapauraya * | 8. Mr. Songsak Polnork * | 15. Mr. Prasit Thaweephol |
| 2. Mrs. Smorn Terdthumpiboon | 9. Mr. Sanya Thongsaphak * | 16. Mr. Niyom Jindapateep |
| 3. Mr. Manop Sornviboonsak | 10. Mrs. Naiyana Sirisuvun * | 17. Ms. Somchintana Kirdsuebma |
| 4. Mrs. Khanitha Maneepisith * | 11. Mrs. Nitsa Chivapruck | 18. Mrs. Parisa Panannond * |
| 5. Mr. Kalong Subsaart | 12. Mr. Somchit Wairuengsiripong | 19. Mrs. Churairat Sinbanchongjit |
| 6. Ms. Suchada Buddharuksa | 13. Ms. Pilantanee Suwanbubbha | 20. Mr. Ukrit Dulyakasem * |
| 7. Mr. Phitsanu Wanitchaphol | 14. Mr. Somrak Hemwimon | 21. Mr. Sanan Suksawang * |



1. Mr. Prasit Thaweephol
Executive Vice President
(Regional Operation 1)

Age 57 years

Education

- Bachelor of Public Administration, Udon Thani Rajabhat University
- Certificate, The Post and Telegraph Department School

2. Mr. Ukrit Dulyakasem
Executive Vice President
(Operating Systems)

Age 57 years

Education

- Bachelor of Arts, Phranakhon Rajabhat University
- Certificate, The Post and Telegraph Department School

3. Mr. Somchit Wairuengsiripong
Executive Vice President
(Regional Operation 2)

Age 57 years

Education

- Master of Public Administration (Public Policy), Bansomdejchaopraya Rajabhat University
- Bachelor of Public Administration, Sukhothai Thammathirat Open University
- Certificate, The Post and Telegraph Department School

4. Mr. Somrak Hemwimon
Executive Vice President
(Metropolitan Operation)

Age 57 years

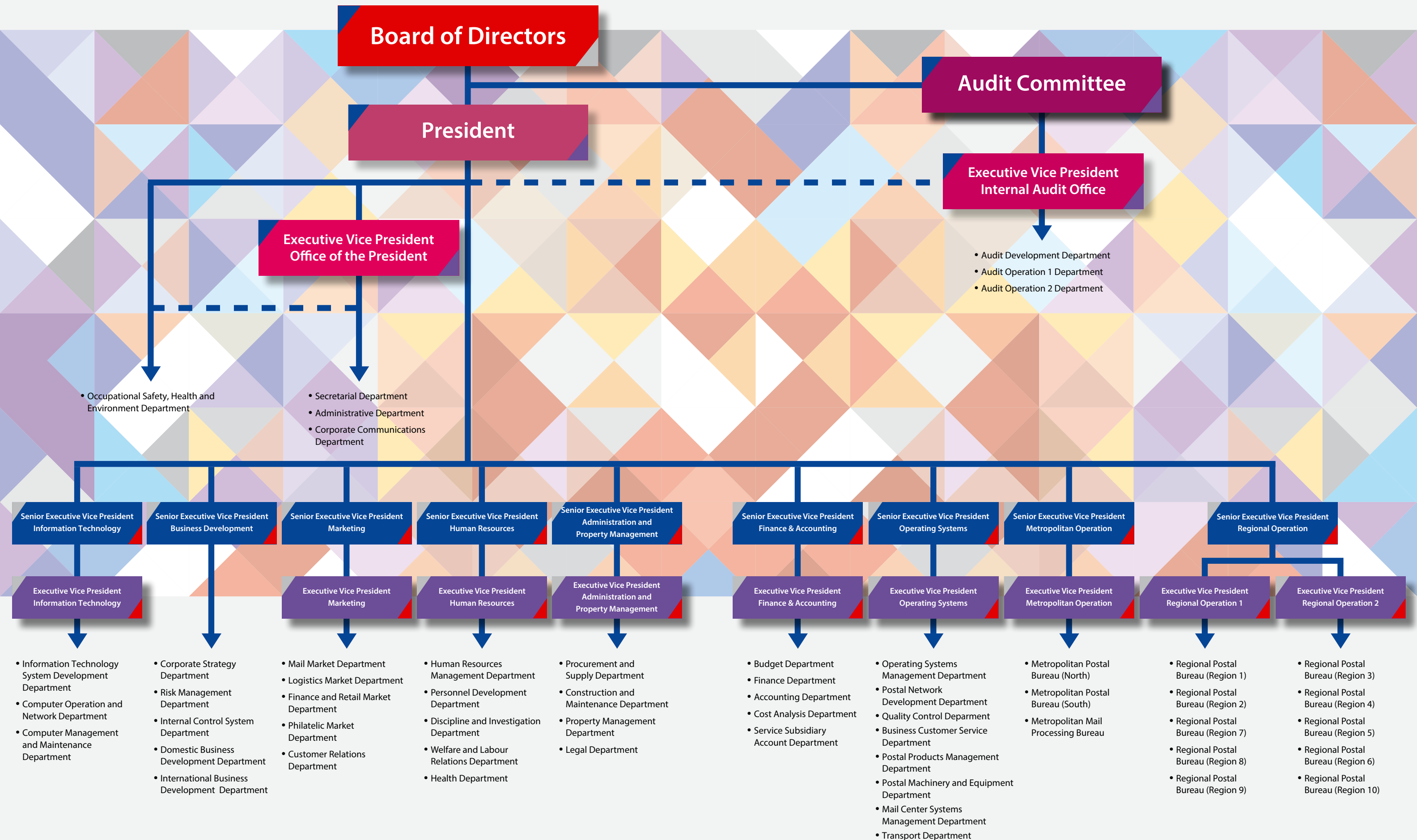
Education

- Bachelor of Law, Ramkhamhaeng University
- Certificate, The Post and Telegraph Department School

* Note: - Mr. Piyawat Mahapauraya
 - Mrs. Khaniitha Maneepisith
 - Mr. Songsak Polnork
 - Mr. Sanya Thongsaphak
 - Mrs. Naiyana Sirisuvun
 - Mrs. Parisa Panannond
 - Mr. Ukrit Dulyakasem
 - Mr. Sanan Suksawang

resigned from the THP Executives, effective October 1, 2015.
 resigned from the THP Executives, effective October 1, 2015.
 assumed the position on the THP Executives as of March 17, 2015
 assumed the position on the THP Executives as of October 1, 2015.
 assumed the position on the THP Executives as of October 1, 2015.
 assumed the position on the THP Executives as of March 17, 2015
 assumed the position on the THP Executives as of December 15, 2015
 assumed the position on the THP Executives as of December 15, 2015

Organization Chart



Staffing Structure

Number of employees/permanent and temporary workers As of December 31,2015			
Employees	16,087 Persons	Male	19,304 Persons
Permanent workers	1,401 Persons	Female	4,399 Persons
Temporary Workers	6,215 Persons		
Total 23,703 Persons			

Number of employees/permanent and temporary workers by work unit As of December 31,2015							
Attached to	Total	Percent	Employees	Permanent Workers	Temporary Workers	Male	Female
Units directly report to the President	246	1.04	243	1	2	145	101
Information Technology	146	0.62	144	1	1	93	53
Business Development	99	0.42	99	0	0	31	68
Marketing	212	0.89	206	2	4	74	138
Human Resources	215	0.91	208	7	0	87	128
Administration and Property Management	252	1.06	237	9	6	150	102
Finance & Accounting	359	1.52	350	4	5	49	310
Operating Systems	697	2.94	526	32	139	503	194
Metropolitan Operation	9,340	39.4	6,169	756	2,415	7,870	1,470
Regional Operation	12,137	51.2	7,905	589	3,643	10,302	1,835
Total	23,703	100	16,087	1,401	6,215	19,304	4,399

■ Performance Analysis in line with THP Mission and Major Government Policies ■



1. Plans to Expand the THP Network and Delivery Station Services to Meet Customer Needs

To cater to the booming e-Commerce sector, THP has expanded the number of drop-off and pick-up points at places other than postal outlets. The increase in the number of posting places and special delivery stations has raised the level of operational efficiency and given customers more convenient access to postal services. Company plans call for improving delivery services through these 7 channels:

- 1) Service counters and special delivery stations providing postal services in department stores and other community centers. At present THP has opened counters in 13 locations.
- 2) Special drop points through housing estate representatives.
- 3) Deliveries by special agents (in high-rise building or housing estates), for instance, juristic person of the National Housing Authority is entrusted with delivery.
- 4) Delivery at neighbors' homes.
- 5) Delivery at recipients' place of employment.
- 6) Sunday delivery on demand.
- 7) Automated delivery boxes or iBoxes. In 2015, THP inaugurated iBox service at Big C, Suwintawong branch.

2. Delivery of Government Lottery Tickets to the People who Buy or Book in Advance through Krungthai Bank

In cooperation with the Government Lottery Office and Krungthai Bank, THP is now delivering lottery tickets to the people who buy or book in advance through Krungthai Bank. Tickets may also be collected at THP outlets. The project makes it easier for all sellers of lottery tickets both those who are allocated with government quotas and those without-to have direct access to the lottery. THP started the service which covered all 77 provinces as from the drawing date of October 16, 2015.

3. Shipping Agricultural Goods to Aid the Country's Farmers

Taking advantage of its transportation resources and nationwide network, THP plays a role in helping farmers by shipping agricultural goods directly to consumers through its "Yummy Post"- food order service from all over Thailand. In cooperation with farmers groups, agricultural organizations, and agencies responsible for overseeing farm production, THP procures, purchases and delivers seasonal produce to consumers. Only premium grade produce from specialty regions around Thailand is selected. In 2105, THP helped in the distribution of the following:

1. langsat from Rayong in June - July.
2. durian (long lablae) from Uttaradit in June - July.
3. mangosteens from Nakhon Si Thammarat in July - August.
4. longan (ee-daw) from Lamphun in July - August.
5. langsat (centennial Tanyongmat) from Narathiwat in September - October.

■ Major Investments Plans in 2015 ■

In 2015, THP allocated a portion of its revenues for investment in the following major plans and projects:

1. Expansion of mail center network (2009-2016)

THP continued construction of new mail centers to expand the company's reach into new communities to accommodate economic growth, and make more efficient use of its postal network and existing mail centers. A total investment of 506.33 million baht was approved for construction of 4 mail centers currently underway in Phitsanulok, Khok Kloy, Kabinburi, and Ubon Ratchathani.

2. Purchase of Replacement Vehicles (2012-2016)

A budget of 207.52 million baht was approved for the purchase of 143 new vehicles to replace worn-out vehicles and those over ten years old. These new vehicles will allow THP to maintain its high standard and efficiency of customer service. To date, the company has bought 91 vehicles while the purchase of the remaining 52 is in progress.

3. Construction of New Postal Outlets and Additions to Existing Buildings (2014-2016)

In 2015, THP allocated a total of 517.25 million baht for the construction of 22 new post offices and the remodeling of 183 existing locations. The latter will enlarge working space and customer service areas as well as allocate greater ease and convenience for postal officers. Construction of 11 new facilities has been completed, while 11 offices are still under construction. The remodeling and expansion of existing post offices has been completed at 165 facilities. Work on an additional 18 facilities is underway.

4. Construction of an Indoor Sports Facility and Dormitory (2015)

Construction is underway on an indoor sports facility and 80-room dormitory for THP employees as welfare and morale boosting. The project will provide facilities for a wide range of exercise activities as well as a dormitory for staff attending training sessions/seminars. Located at THP headquarters, the dormitory will cut down on the need to find accommodation outside. In 2015, a budget of 352 million baht was allocated, and at present, a contractor has been hired to oversee construction.

5. Improvement of Delivery by Car (2014-2017)

With the increasing volume and size of parcels, motorcycles alone are no longer able to handle deliveries, so in 2015, THP approved a budget of 78.44 million baht for the purchase of a fleet of delivery cars/vans. Implementation of the project is currently in progress.

6. Purchase of Land and Commercial Buildings (2014-2016)

THP is investing in the purchase of land and land with commercial properties for use as new service outlets to handle the expected increase in work volume in the future. This project will also enhance customer convenience and enable the company to better compete against rivals. In 2015, a budget of 144.65 million baht was approved. The purchases are in progress, and some have been completed.

7. Improvement of Forwarding Management System (with RFID technology) (2015)

In 2015, THP approved a budget of 55 million baht for the development of counter automation system to raise the quality of counter services and introduction of RFID technology at mail centers to improve forwarding and delivery management. This project will reduce the possibility of employee error, speed up operations, facilitate the monitoring, inspection and control of transportation-related equipment, and improve THP's competitive edge.

8. Purchase of Tractor Trailers (2015-2017)

In 2015, a budget of 45.26 million baht was allocated for the purchase of a 10-wheel tractor trailer and a solid semi-trailer to assist in shipment of mail bags in the future and support the growth of THP's logistics business. Implementation is currently underway.

9. Improvement of IT System (2014-2015)

THP purchased BI enhancement technology to enhance data analysis and situational assessment for decision-making on investment and market strategy planning. This project, for which a budget of 44 million baht has been approved, will improve the company's ability to compete in an increasingly harsh business environment.

10. Implementation of IT Infrastructure Consolidation (2015)

In 2015, THP approved a budget of 32.67 million baht for implementing IT infrastructure consolidation in order to gain efficiency in resource management. By means of server, storage, and database consolidation, the company will be able to reduce storage space and better maintain its server and offer faster and more efficient computer services. The project has been successfully implemented.

Payments to the Government (Dividends) over the Past 3 Years

Over the years 2013-2015, THP has made payments in the form of dividends to the Ministry of Finance, its sole shareholder, as follows:

Unit: million baht

	2013	2014	2015
Interim dividends	157.31	497.56	544.47
Dividend for the second-half period (previous year)	108.08	451.43	-
TOTAL	265.39	948.99	544.47

In 2015, THP did not pay second half dividends of 2014 because a general meeting of shareholders has not yet been convened.



Major Projected Investment Plans over the Next Three Years

1. Development of Household Database Linked to Delivery Zone Map

The preparation of the household database linked to the company's delivery zone map will support THP services and use of information for better analysis of various work systems in a faster, more efficient and more accurate manner. The project, which will take four years (2014-2017) to complete and require an investment budget of 101.18 million baht, will also improve the company's future competitiveness. Details are as follows:

Unit: Million baht

Category	2014	2015	2016	2017	Total investment
Operating Budget					
- Annual operating budget	7.50	7.50	25.00	7.50	47.50
Total budget allocation	7.50	7.50	25.00	7.50	47.50
Investment Budget					
- Office equipment	23.90	5.28	18.50	1.20	48.88
Total	23.90	5.28	18.50	1.20	48.88
Reserves for Price Appreciation	2.30	0.53	1.85	0.12	4.80
Total investment budget	26.20	5.81	20.35	1.32	53.68
Total estimated budget	33.70	13.31	45.35	8.82	101.18

2. Tractor-trailer Purchase

To accommodate long-term logistical services, THP plans to purchase large tractor-trailers. The plan will be completed over a three-year period (2015-2017) and requires an investment budget of 227.63 million baht. Details are as follows:

Unit: Million baht

Category	2015	2016	2017	Total investment
Machines and Equipment	41.15	63.77	102.02	206.94
Subtotal	41.15	63.77	102.02	206.94
Reserves for Price Appreciation	4.11	6.38	10.20	20.69
Total	45.26	70.15	112.22	227.63

3. Internet Service Improvement

This project to upgrade the company's e-services will enable customers to use any service round the clock with greater ease, speed and convenience. It will be carried out over a four-year period (2014-2017) at a cost of 30.80 million baht. Details are as follows:



Unit: Million baht

Category	2014	2015	2016	2017	Total investment
Office equipment	4.00	6.00	8.00	10.00	28.00
Subtotal	4.00	6.00	8.00	10.00	28.00
Reserves for Price Appreciation	0.40	0.60	0.80	1.00	2.80
Total	4.40	6.60	8.80	11.00	30.80

4. Improvement of Services via Mobile Devices

The purpose of the proposed investment is to enable customers to complete transactions with THP via mobile devices like cell phones and tablets anytime, anywhere with greater speed and convenience. The project is slated for completion over a four-year period from 2014-2017, and total investment is projected at 19.80 million baht. Details are as follows:

Unit: Million baht

Category	2014	2015	2016	2017	Total investment
Office equipment	4.00	4.00	5.00	5.00	18.00
Subtotal	4.00	4.00	5.00	5.00	18.00
Reserves for Price Appreciation	0.40	0.40	0.50	0.50	1.80
Total	4.40	4.40	5.50	5.50	19.80

5. Network Expansion and the Launch of New Delivery Stations

To increase THP's capacity to compete against a growing number of rivals, the Company is opening new delivery stations and automated delivery boxes (iBoxes) that will provide 24-hour delivery service. In the attempt to respond to the changing ways of life of the people and to boost customer satisfaction, the plan will be completed over a three-year period (2016-2018) and costs a total of 45.34 million baht. Details are as follows:

Unit: Million baht

Category	2016	2017	2018	Total investment
Machines and Equipment	12.56	12.71	12.71	37.98
Office equipment	1.08	1.08	1.08	3.24
Subtotal	13.64	13.79	13.79	41.22
Reserves for Price Appreciation	1.36	1.38	1.38	4.12
Total	15.00	15.17	15.17	45.34



In 2015, Thailand Post improved various aspects. The moves were made to ensure effectiveness and efficiency as well as Thailand Post's ability to respond to the needs of customers and society as a whole. A summary of the major moves is given below.

Services

1. Serving the Trade Organization of OTEP

THP and the Trade Organization of the Office of the Welfare Promotion Commission for Teachers and Educational Personnel (OTEP) collaborated on a government-to-government basis to develop and provide warehousing and delivery service, which consisted of storage, packing, labeling and delivery, for supplying educational equipment to more than 30,000 education establishments, Suksaphanpanit (school supply stores), and shops all across the country. In this way, THP takes the advantage of its nationwide postal network at the disposal of the country's education while at the same time enhances its own potential to be a comprehensive provider of logistics services.

2. Delivery Services for the e-Commerce Sector

THP has agreed to ship goods purchased via Internet from e-commerce merchants to their customers by EMS, with possible cash on delivery service. At present THP has signed up three customers: Lazada, (part of the Ubol Wasadu Group), and DHL e-Commerce.

3. Serving the SME Bank

THP has signed an agreement with Small and Medium Enterprise Development Bank of Thailand (SME Bank) to pick up and deliver documents and parcels between 94 branches of the bank. Mail items are treated in EMS system and weight is restricted to 25 kilograms per item. THP officer in charge of acceptance operation is stationed full-time at the SME Bank's head office.

4. Delivery of Documents for Translation and Legalization for Department of Consular Affairs

In cooperation with Department of Consular Affairs, Ministry of Foreign Affairs, THP is now providing delivery of documents for translation and legalization, which is intended to serve the people who work, study or migrate abroad and require translations of birth certificates, marriage certificates, national ID cards, certificates of personal name/surname change registration, etc. Originals of these documents can be posted at the post office for delivery to an expert translation service certified by Department of Consular Affairs and legally accredited by Legalization Division of Department of Consular Affairs and subsequently returned to senders via THP's Passport Speed Post (PSP) service. The customers can contact any post office nationwide to use the service.

5. Improvement of International Electronic Money Orders and Western Union Money Transfers

Thailand Post has joined with Lao Post to make it easier for customers in Thailand to send international electronic money orders to recipients in the Lao People's Democratic Republic. Recipients can collect the money the same day at 15 post offices in Laos: namely, Kang Post Office, Seekai Post Office, Wattai Airport



Post Office, Jeenaimo Post Office, Dong Kham Xang Post Office, Bam Hom Post Office, Tha Deua Post Office, Tha Nalaeng Post Office, That Luang Post Office, Dong Khok Post Office, Tha Ngon Post Office, Don Nun Post Office, Xang Khu Post Office, Pak Ngeum Post Office, and Na Sai Thong Post Office.

6. Expansion of EMS World

To drum up brand awareness of EMS World, THP wrapped its vehicles used for pick-up service under the slogan “EMS Express Delivery Everywhere in Thailand and the World.” This was an effective advertising medium because the cars were mobile and could go anywhere. In addition, special boxes printed with the EMS World logo were distributed to regular and major customers to emphasize the service and build brand recognition. By this means, the publicity can reach the people all over of Thailand and every corner of the globe.

Work Systems

1. Development of Round-the-clock Automated iBoxes

In cooperation with King Mongkut’s Institute of Technology Ladkrabang (KMITL), THP has expanded its 24/7 iBox service, allowing customers to register online to have mailed items delivered to designated iBox. When items arrive at their final destination, customers will receive notification by SMS along with a code to open the automated iBox. The first iBox was put into operation at Big C Superstore, Suwintawong branch. More will be installed at other locations around Bangkok in 2016, before the service is expanded to the provinces. The iBox is another convenient way for customers to collect postal items at destination.

2. Establishment of EMS Postal Delivery Sorting Center (EMS-PDSC)

THP took steps to solve the backlog in EMS deliveries at post offices in commercial and economic zones of Chiang Mai, namely, Chiang Mai Post Office, San Kampaeng Post Office, Sarapee Post Office, Mae Rim Post Office, San Sai Post Office, Doi Saket Post Office, Hang Dong Post Office, and Mae Jo Post Office. The EMS-PDSC system was first implemented in Postal Region 5. To support the system, a new round-trip air mail transport route for EMS bags between EMS Mail Centre and Chiang Mai Post Office was launched.

3. Improvement of Western Union Wire Transfers

THP has joined with Western Union to improve Western Union’s money transfer program, by putting the new WU Gateway in place of the old host-to-host system. Thanks to this development, both companies will be able to offer wire transfer services that meet international standards. The program upgrade will be implemented in 2 phases.

Phase 1, the information display on screen will be adjusted in order to record more details about customers in accordance with Anti-money Laundering Act and Western Union’s international policy (Compliance);

Phase 2, the introduction of additional special service, ‘send direct to bank’ (D2B), to open the service with some destinations abroad.



Assets Management

1. Promotion of Organizational Innovation

THP has invented a number of devices and has brought into use. The invention is considered as a part of the Company's innovation. The devices include an overheating warning alarm which are installed in mail truck, a tank for storing and cleaning air conditioning coolant and a filter for flushing oil which are used in THP vehicle maintenance work. The recycling of these fluids can save costs and reduce environmental impact. In addition, THP has developed a new hydraulic fuel pump, an automatic water filling, a propeller shaft support for four-ton and six-ton trucks-all innovations that save the time, manpower and labor costs, and also increase safety.

2. Capitalizing on THP Real Estate

THP has remodeled and refurbished the General Post Office, a potent symbol of postal business activities, to optimize use of the property and give added value to the company. The space is leasable for organizing exhibitions, seminars and receptions. The office space is also available for rent by business partners and alliances, along with parking space for roughly 100 vehicles. THP has also opened a museum that recounts the history of communications in Thailand from the beginning to the present day and looking ahead to the future of borderless communications. The museum, which showcases the beauty of the old building, is open to the public.

Personnel

1. Awards granted to personnel for great achievement

THP granted the 2015 Top Achievement Awards to the employees in recognition of the contributions to the company and society. Awards are given for:

- Individuals and teams of employees who contribute to THP's reputation through their involvement in sports, charity work, and other activities that burnish the THP reputation or image.
- THP outstanding employee awards to individuals, teams, and contract employees.

2. Improving Quality of Life in the Workplace

THP has managed to enhance physical, mental, emotional and social health of all employees. To ensure that everyone enjoys a good living and working environment, THP offers a variety of activities under the rubrics Happy Body, Happy Relax, Happy Soul and Happy Society.



3. Personnel Development Programs to Underlie Business

For THP, the personnel development in professional knowledge and skills is an important issue, so the Company provides on-the-job training, e-learning courses, educational funding, and classroom training for the employees. These programs are all intended to raise the level of staff competence and efficiency in response to THP's business needs. A new program pertaining to the growing e-Commerce sector is currently in development.

4. Manpower Structure Review

THP recognizes the importance of managing manpower to meet its obligations and strategic goals as effectively as possible. To ensure appropriate manpower of Regional Postal Bureaus and Mail Center Bureau, THP has approved the hiring of SRI Consultants Co., Ltd. for consulting on the staff management project of these bureaus.

5. Creating a Corporate Culture to Support Business

THP stresses the need for the entire staff to recognize and understand the organizational culture I-SURE which has been reviewed. The Company's vision was first revamped and brought about the adaptation of the corporate culture. THP staff are encouraged to comply with standards of behavior conducive to building a strong organizational culture.

Information Technology

1. Improving Online Services

THP has upgraded the software for providing online service to allow customers to access the THP website www.thailandpost.co.th, in line with government standard WACG 2.0. Thanks to these improvements, data display in menus, links and information appears in numerous languages and can be accessed through the latest versions of leading browsers like Internet Explorer, Google Chrome, and Firefox as well as browsers on tablets and smart phones using iOS, Android and Windows Phone operating systems.

2. Using GPS to Monitor Service Quality

THP understands the importance of monitoring its services to ensure that they comply with desired standards of quality for customer satisfaction, therefore the Company improved GPS Real-Time monitoring system which can be checked online via web server. The system, which can be accessed all the time on tablets and smart phones, helps to ensure that services consistently meet THP's high standards.



3. Development of Service System on Mobile Devices (iProduct)

THP has improved service-related software for use on mobile devices, i.e., tablets and smartphones via both iOS and Android platforms. A number of applications, including iStamp, iPostcard, iAlbum, Post Social and My Album are also available. The iProduct service will offer a new convenient channel for customers to access THP's wide range of services.

4. ISO 27001:2013 Certification

THP moved to comply with the official requirements of standard ISO 27001:2013, published by International Organization for Standardization (ISO), which concerns data security management. In this way, THP is reassuring its business partners that THP data is accurate, reliable, safe, and confidential in accordance with laws pertaining to data security.

5. Improvements in IT Infrastructure

THP has consolidated its IT infrastructure in order to procure a virtual computer system to effectively accommodate projected growth in THP's business activities. Improvements also raise the computing and storage efficiency of THP work systems, which translates into greater speed and efficiency in the Company's operations.



Non-Financial Performance Analysis

In 2015, THP's work volume across the organization increased roughly 4.8%, most of which continued to be concentrated in the communications sector, namely ordinary letter-post items (letters/postcards/printed matter) which accounted for approximately 85% of total work volume. Use of these services can be categorized as follows.

1) Commercial activities, e.g. delivery of news/important documents, bill notices, advertising and public relations materials.

2) Special occasions, e.g. postcards predicting football match result, introductory materials from political candidates and promotional materials for government-sector projects.

Further growth in the communications sector is projected to be 4.4%, which is corresponding to the overall growth rate. Most of this growth comes from commercial activities using domestic letters and registered mail service, which are anticipated to grow by 7.7% and 23.3%, respectively. The two industries most contributing to this increase are, first, financial institutions, which send out debt collection notices to borrowers of Student Loan fund, notices concerning debt collection policies and monthly receipts to bank customers; the second group is mobile telephone service providers, whose marketing activities to encourage customers to switch from top-up programs to monthly subscriptions result in increased mailings of monthly bills.

In the transport sector, work volume has shown consistent growth and all services in this sector has experienced an increase of roughly 22%, the highest figure in the past five years. Much of this increase was due to the rapid growth of e-Commerce both domestically and internationally, which has meant a significant rise in demand for postal delivery services. In the future, further relaxation of trade barriers and expansion of cross border trade should stimulate stronger growth in the demand for postal transport services.

Work volume in financial services is found out that there has been downward trend since 2008. The major services, online money orders and Pay at Post which account for more than 80% of work volume in this sector, have been impacted by a number of environmental factors. These include the increasing number of rival operators in the market and technological advances that respond customers' needs faster and more efficiently. THP's retail businesses experienced growth of some 2% compared with 2014, due chiefly to efforts to generate more earnings by adjusting and expanding the range of merchandise for sale.



The Postal Industry in 2015 and the Outlook for 2016

Conditions and Trends in the World Postal Industry

Advances in information technology represent the major challenge facing postal services around the world today. The impact of these new technologies is most evident in the steady decline in the number of letters sent worldwide. Statistics compiled by the Universal Postal Union (UPU) show that for the period 2013-2014, the volume of domestic letters fell 2.50% while international letters saw an even steeper decline of 7.30%. Yet despite the threat that information technology development poses to the postal industry, it also presents new opportunities. Most notably, e-commerce is driving growth in the postal parcel delivery sector. UPU statistics for 2013-2014 confirm this growth in countries around the globe, with domestic rates increasing by 3.10% and international parcel deliveries up by 5.70%. Clearly, the world's postal services are ideally positioned to play the role of middleman between merchants and customers in the e-commerce sector. In addition, government policies favoring trade liberalization and the advent of new digital technologies are spurring sales of goods and commodities from one corner of the globe to another and stimulating further growth in the postal parcel delivery business.

This then is why the worldwide postal industry will continue to prioritize its role in supporting the digital economy, which motivates people to make more purchases online and will in all likelihood be the new global engine for economic growth. The rapidly expanding e-commerce sector necessitates that postal services around the world adapt to new realities in the future.

Conditions and Trends in the Thai Postal Industry

Changes in Thailand's postal industry mirror those taking place worldwide. Traditional communication is down, while new e-businesses are spurring steady growth in the demand for deliveries of goods and merchandise. Throughout 2015, Thailand Post continued to focus on improving the quality of services and on maximizing the potential of the company's existing resources. This was essential in order to cope with a fierce competition in an increasingly crowded market. Old and new rivals have introduced new services intended to attract a wider range of customers. To meet the challenges posed by the official opening of the ASEAN Economic Community, Thailand Post has adopted a set of guidelines for 2016, which aim at improving road shipment, delivery, and distribution of goods throughout the economic route in Indochina region and at upgrading work systems to accommodate regional cross border e-commerce. These guidelines are designed to take advantage of Thailand's location at the heart of ASEAN, sharing land borders with four fellow member states, namely Laos, Myanmar, Cambodia, and Malaysia. The country also has a highly-developed transportation infrastructure covering land, water, and air which allows easy access to other nations in Southeast Asia and beyond. In short, THP plans to capitalize on its postal network to help small and medium-sized enterprises as well as other community businesses to seize new trading opportunities in the ASEAN market, thereby spurring long-term, sustainable economic growth at the community and local levels.



Thailand Post's Business Goals over the Next 3-5 Years

In 2015, Thailand took a major step toward official entry into the ASEAN Economic Community (AEC). It was an equally important step for Thailand Post, too. As the Company pursued its new vision to become the regional leader in the full-service postal and logistics businesses in the face of environmental challenges and changes in people's ways of life. Consumer habits are changing, propelled by advances in technology that threaten to replace traditional postal services. Still, THP views the social and economic changes underway as an opportunity for growth, especially in the e-Commerce sector and the expansion of cross-border trade. Government plans to set up a special economic development zone represent another important opportunity. THP is responding to both the challenges and prospects that lie ahead with the development of a business plan for the upcoming 3-5 years. Details include:

1. Communications: Due to impact resulting from alternative services and the advent of new computer technologies, THP takes the measure to cope with the impact by adjusting postal services to accommodate the advertising and public relations activities of the business sector. THP nationwide network allows accessibility to household across the Kingdom. In this way, the Company is able to halt decline in work volume and lay the groundwork for the application of new IT technologies in the postal business to satisfy the demands of a new generation of users.

2. Transportation: Demand for transport and delivery services is expected to rise in response to the growth of e-businesses and cross-border trade. THP has drawn up plans for new services aimed at increasing its competitiveness in the delivery and logistics business while also improving the quality of existing services to surpass those of its major competitors. This should prepare THP for future growth in the market and a business climate that is expected to become increasingly competitive.

3. Retail/Finance: With the advent of rival, alternative services, income from retail and finance activities has steadily declined. Consequently, THP has drawn up plans to revamp these aspects of its business. First, the Company will merge these services with its core business in order to create a full-service alternative attractive to e-merchants and online shoppers. Second, THP is improving its agency services, especially in the public sector, giving people all around Thailand easier access to basic government services.

4. International Business: The opening of the ASEAN Economic Community (AEC) presents new business opportunities. THP is taking advantage of Thailand's geographical position at the very heart of the Indochina region and its good relations with postal administrations in the region by improving the joint international services in order to upgrade the Company to the regional postal and transportation centre.



Highlights of the Past Year

1. Creation of “Thailand Post Distribution”

THP set up an affiliated company called “Thailand Post Distribution” to enhance its shipping and distribution capacities and raise the standard of comprehensive warehousing services to international level. The new subsidiary is also a mechanism for improving government transportation and reaching out to customers in public and private sector, e-Commerce businesses and medical supplies and pharmaceuticals sectors by offering “Total Logistics Solution.” THP also envisions Thailand Post Distribution as a new logistics alternative in the Indochinese market by the year 2019, with annual growth projected at 10%. In short, THP is confident that the new company will add capability to its extensive range of services and better meet the needs of customers and respond to government policy.

2. Opening “Drive-Thru Post” Service

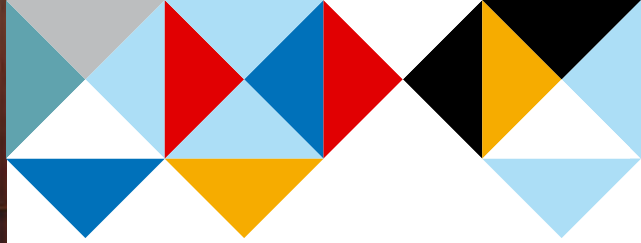
THP is piloting a new service called “Drive-Thru Post”, a convenient new option for customers on the move, at 12 locations around the country, namely: Samsen Nai Post Office, Lad Prao Post Office, Laksi Post Office, Chaiyapreuk Post Office (Chon Buri), Sukprayoon Postal Counter (Chon Buri), Nakhon Ratchasima Provincial Post Office, Udon Thani Provincial Post Office, Phitsanulok Provincial Post Office, Phuket Provincial Post Office, Krabi Provincial Post Office, Surat Thani Provincial Post Office and Rattakarn Post Office (Songkhla). As the name implies, customers can post all their postal items without getting out of their vehicles. For instance, they can mail domestic EMS, parcels and registered mail as well as pay bills via Pay at Post. Drive-Thru Post is open Monday through Friday from 7:30 a.m. to 3:30 p.m.

3. Provision of “iBox” Service

In conjunction with Big C Supercenter, THP has launched another new service called “iBox”, targeting customers for whom it is inconvenient to receive postal items at home. Instead, pick-up can be made at the Big C Supercenter, where the delivery is available 24 hours a day. The first “iBox” has already been installed at the Suwintawong branch of Big C, and THP has plans to provide 10 additional iBoxes in greater Bangkok by the end of 2016. Customers interested in taking advantage of the new service can register online at <http://ibox.thailandpost.co.th>. Once registration is complete, customers will receive an SMS with a one-time password (OTP) that allows them to use the iBox at a cost of 10-20 baht per item.

4. Provision of “One Price Box” Service

Thailand Post’s “One Price Box” is a service targeting Thai and foreign tourists who buy local gifts, dried food and souvenirs, as well as the growing number of online merchants. Users simply purchase a ready-to-assemble box, fill it with up to 7 kilograms of items, and mail it to any of 35 destinations worldwide at flat rates. These destinations include Hong Kong, China, South Korea, Japan, Australia, Italy, the UK, the US, Canada, and Switzerland. One-price boxes shipped to Southeast Asia, Asia, and Europe/North America cost 750, 850 and 1,400 baht, respectively. Boxes can also be tracked around the clock, just like items sent by EMS World. The service is available at 155 locations around Thailand, chiefly in major economic zones and tourist centers.



5. Shipment of Laboratory Specimen to Siriraj Laboratory Center

In 2014, THP joined with the Faculty of Medicine, Siriraj Hospital to ship medicines by EMS to patients all around the country. In 2015, this partnership was expanded with a new project that allows patients anywhere in Thailand to send laboratory specimen to Siriraj Laboratory Center (SiLC), which is internationally recognized. With the launch of this new project, everyone around the country will have access to the most modern and most extensive range of top-quality laboratory testing available in Thailand. This initiative is a big step forward in narrowing the gap in access to medical services for Thai people.

6. Development of Mobile Applications Responding to Customer Needs

THP is actively engaged in developing applications designed to meet the needs of a new generation of technologically-savvy users. These include PosteMart, TRACK&TRACE, iPost-a-card, StampAlive, and most recently, in conjunction with OOKBEE, an application that displays Thai stamps magazines and catalogues in an e-book format. The new application is easy to use and free for download through OOKBEE on the iOS and Android operating systems. Stamp collectors no longer need to worry about missing out on popular new issues of stamps. They can also read interesting stories about Thai and foreign stamps. In short, the new application is making stamp collecting easier than ever. The information online makes a great accompaniment to traditional stamp magazines sent straight to collectors' homes.



Analysis of Financial Performance and Financial Standing

Performance by THP and Its Subsidiary in 2015

In 2015, Thailand Post and its subsidiary had revenues totaling 23,019.96 million baht, a year-to-year increase of 1,197.51 million baht, or roughly 5.49%. Expenses for the year totaled 20,572.98 million baht, which represented an increase of 530.03 million baht, or 2.64% over 2014. Net profit stood at 2,446.98 million baht in 2015, an increase of 667.47 million baht, or 37.51% over the previous year. The major share of increased revenues derived from domestic EMS users, most of whom were large-scale customers.

Financial Standing in 2015

As of December 31, 2015, Thailand Post and its subsidiary had assets valued at 23,854.45 million baht, up 1,416.70 million baht, or 6.31% over the end of 2014. The value of non-current assets increased by 915.27 million baht. Most of this was owing to an increase of 640.66 million baht of long-term investments. Total liabilities amounted to 8,948.04 million baht, a decrease from the previous year of 517.11 million baht, or 5.46%, with current liabilities falling by 635.32 million baht. Total shareholder equity of 14,906.41 million baht, an increase from the previous year of 1,933.81 million baht, equivalent to 14.91%

Liquidity in 2015

As of December 31, 2015, Thailand Post had cash and cash equivalents totaling 2,964.98 million Baht. Net cash flow for each of the Company's businesses was as follows:

	Unit : Million Baht
Net cash from operating activities	2,466.49
Net cash from investing activities	(3,663.53)
Net cash from financing activities	(544.47)
Impact from foreign exchange rate	18.26
Decrease in cash and cash equivalents - net	(1,723.25)
Cash and cash equivalents: beginning balance	4,688.23
Cash and cash equivalents: ending balance	2,964.98

Overall, THP and its subsidiary have a good financial standing, in terms of liquidity, debt-to-owner equity ratio, and dividend-to-owner equity ratio.

Apart from internal factors, a number of external factors likewise had an impact on performance and financial standing over the past year. These included the growth of e-Commerce, which increased demand for postal delivery services, and a steady decline in the price of oil.



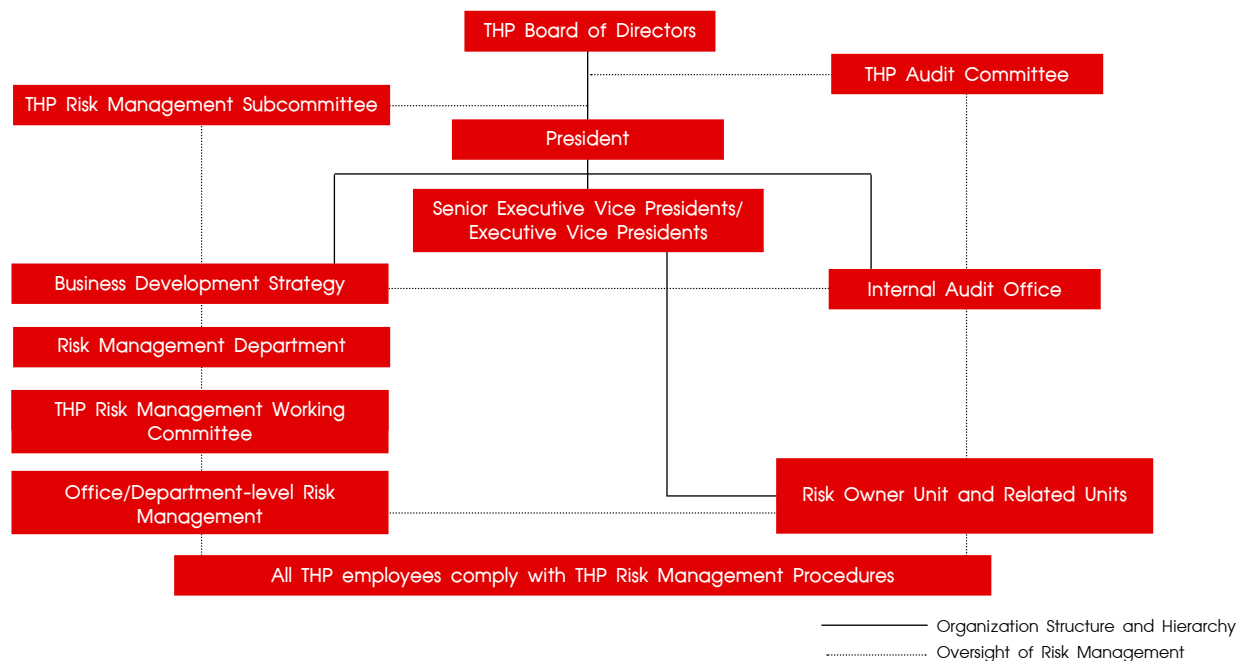
Organizational Management

THP Risk Management in 2015

THP's risk management policies, which comply with COSO-ERM guidelines and the principles of good corporate governance, have been consistently extended to cover the entire organization. THP intended to educate all employees to make them aware of the importance of these policies and take part in making risk management a cornerstone of corporate culture.

THP risk management procedures involve the cooperation of the entire THP team, who are alert to the internal and external factors which can potentially impact on the attainment of the organizational goals. The risk owner unit is responsible for assessing the level of risk, developing plans/measures for managing risk, and then submitting regular reports to the various relevant committees. This unit also conducts continual reviews of plans and measures for maintaining risk within acceptable levels. In this way, Thailand Post can be confident that its risk management strategies will be sufficiently effective to keep pace with changing circumstances.

THP Risk Management Structure



THP has appointed a number of committees/subcommittees specifically charged with overseeing and monitoring risk management to ensure compliance with the principles of corporate governance. The key committees are:

1. THP Board of Directors, which is responsible for determining risk management direction and policies.
2. THP Risk Management Subcommittee, which ensures compliance with the Company's risk management policies and gives approval to strategies/plans/measures adopted to manage risk in response to changing circumstances.
3. THP Audit Committee, which is charged with evaluating the effectiveness of risk management procedures.
4. THP Risk Management Working Group, which is responsible for implementing the policies and directives devised by the THP Risk Management Subcommittee. This body also reviews risk-related issues before they are forwarded to the Risk Management Subcommittee.
5. Unit/Office-level Risk Management Working Group, whose role is to coordinate with units within its scope of authority to ensure compliance with risk management policies and operating procedures.
6. Risk Management Division, which is responsible for overseeing risk management practices throughout the organization.

Risk Management

THP has adopted an integrated risk management framework which covers the entire organization. Linked to the company's mission, strategies, and strategic planning mechanism, the framework takes into account internal and external factors with a potential impact on THP's ability to achieve its goals. This structure is designed to control four main types of risk:

1. Strategic Risk

THP has established a subsidiary, Thailand Post Distribution Co., Ltd., to give added flexibility and responsiveness to our logistics business. THP Distribution was legally registered under the Civil and Commercial Code as a juristic person and limited company on January 9, 2014. The strategic risk involved was the possibility that the new company will be unable to meet its intended financial and operating goals. Therefore, in the initial phase, THP devised a set of good corporate governance guidelines aimed at ensuring that THP Distribution's operations are efficient, transparent, and accountable, and thereby increasing stakeholders' trust as well as providing a strong foundation for the organization's future growth.

2. Operation Risk

Employees and operating procedures are both essential components to the organization's ability to achieve stated goals. Here, the possible operation risk relates to the failure of IT development and staff training programs that are not keeping pace with the constantly changing business environment. To manage with this risk, THP has drawn up an IT development master plan and an automated counter development plan to implement the scheme on schedule. This development not only enhances our operating potential but also increases customer convenience and lays the groundwork for increased work volume or further business expansion in line with our organizational strategic plans. THP also provides training to enhance personnel's skills, especially related to the fast-growing e-Commerce sector.

3. Financial Risk

To operate a successful retail business, it is necessary to have an adequate supply of merchandise in stock. THP may face risk of a possible oversupply of merchandise, which would add to the company's initial costs and storage expenses. In addition, some of this merchandise may deteriorate, spoil, expire, go out of date, or go missing, all of which would prevent THP from putting the money invested in this merchandise to better use elsewhere. To avoid this possibility, THP has implemented an inventory management system for such items as stamps and commemorative merchandise to keep supplies within appropriate levels and reduce unnecessary expenses.

4. Compliance Risk

THP operates in compliance with all relevant laws, rules and regulations in order to avoid possible losses due to non-compliance. One important element of THP's risk management program is to maintain service quality and avoid loss of postal items during shipping and delivery. To do this, employees are subject to stricter measures to ensure compliance with stated on-the-job rules and regulations. For instance, measures have been taken to prevent employees from throwing packages and to make sure that postal items are properly packed to prevent damage during shipment. THP has also upgraded a number of its work systems, purchased new equipment and postal vehicles, and revamped the workplace. By taking steps to reduce loss and damage of postal items, the Company is earning greater trust and satisfaction from customers.

Internal Controls

THP recognizes the importance of internal controls and the need to create a working environment conducive to ethical and transparent behavior of employees at all levels and a positive attitude toward the company's internal control mechanisms. These mechanisms must extend to all key operations throughout the organization. They must be put into actual practice in order to achieve a satisfactory level of efficiency and effectiveness. The financial reporting and accounting system, including other reports must be accurate and reliable and comply with all relevant laws, rules, regulations, orders and policies of THP.

As proof of the THP Board of Directors' understanding of the importance of internal controls, a good corporate governance subcommittee has been appointed to set and monitor strategies, policies plans and goals pertaining to the company's internal controls. THP executives are also charged with putting in place

adequate internal controls that meet the requirements of the State Audit Commission (SAC), with announcing relevant policies, and with appointing unit chiefs to perform ongoing monitoring and separate evaluations on a regular basis. These measures are designed to ensure that internal control mechanisms are adequate and effective and that weaknesses are quickly identified and remedied. THP has also adopted CSA (Control self-assessment) guidelines to serve as an instrument for encouraging self-assessment by company executives and staff and review of the adequacy of internal control measures within the scope of their responsibilities. A comprehensive risk management and internal controls program consisting of systematic analysis and annual reporting to the THP Board of Directors, Audit Committee, Good Corporate Governance Subcommittee, and the State Audit Commission, the Ministry of Information Technology and Communication, and the Ministry of Finance as THP's sole shareholder, in addition to other quarterly monitoring and reporting, is also in place.

In 2015, it was found that the company's internal controls, monitoring and follow-up were generally adequate and weaknesses had been promptly corrected. A report by the internal auditor which was submitted to the THP Board of Directors, the Audit Committee, and the Good Corporate Governance Committee, was found that compliance with the internal controls system was adequate, and as a result, system goals were largely achieved. Finally, additional steps were taken to integrate the internal controls system with internal auditing and risk management to ensure that all practices were heading in the same direction and complied with changing conditions.

Internal Audit

The internal auditing system is one of the key components under the supervision of the THP Board and executives. The Internal Audit Office is an independent body reporting directly to the Audit Committee and THP President. Under the THP charter, this office has clearly defined objectives, obligations, responsibilities and rights. The Company has produced an internal audit manual to ensure standard practices by the Internal Audit Office, which is chiefly responsible for auditing and giving fair advice aimed at improving THP operations. The audit results will enable the Company to achieve stated goals and improve effectiveness of risk management processes. In 2015, principal operations by the Office consisted of the following:

1. Internal audit planning. Plans were made for the annual internal audit in 2016 and a five-year strategic audit plan for the years 2015-2020. These were consistent with the THP objectives and called for a systematic risk assessment taking into account a range of pertinent factors, i.e. the postal business plan, organizational risk, observations of the external auditor, previous audit reports, and the views of THP executives. These plans also included adequate resources allocation for internal audit activities and were submitted to the THP President and the Audit Committee for approval.

2. Audit activities. Audit activities were conducted in line with approved audit plans to ensure accuracy, completeness and reliability of all financial and accounting information, as well as full compliance with all relevant laws, rules, regulations, Cabinet resolutions, policies and contracts. Audit activities also assessed the Company's code of ethics, and the effectiveness of internal control, good corporate governance and risk management mechanisms. Possible conflicts of interest or misconduct with a potential impact on THP operations were also audited.

3. Audit reports and follow-up. Audit reports were submitted to Executives, the THP President and the Audit Committee on both a quarterly and annual basis. These reports inform of key issues, problems, significant risks, internal controls, and internal governance while offering recommendations for improving identified weaknesses. THP also provided follow-up to ensure that relevant audited work units implement recommendations made in the audit reports.

4. Maintaining audit quality. The internal auditor and internal audit office are subject to a self-evaluation and evaluation by the audited work unit after the completion of each audit plan, the results of which are used to improve the performance and audit personnel. THP emphasized regular development and professional training, thereby 8 training courses that involved professional audit certificate exam were provided for audit staff. The Company has also formed links with external audit agencies for the purpose of exchanging professional knowledge and experience and raising the standard of THP audit practices to accepted professional standards of effectiveness.

■ Corporate Social Responsibility (CSR) ■

Corporate Social Responsibility (CSR) is at the very heart of all the services provided by the entire Thailand Post team. It is an expression of commitment to giving back to society and instilling in the employees a belief in the importance of “doing good at work.” and a pledge to build a business that does more than just make profits but that through a range of charitable activities, “contributes to sustainability” in local communities and the society at large. These activities are educational, social, economic and environmental. As the country’s expert in all facets of transportation, THP is happy to put all resources-manpower, nationwide postal network, transport system, educational stamps-to work for the betterment of Thai society. THP vision and strategies are summed up below:

- **THP CSR Vision:**

“To be a leader in connecting the people of Thailand through our postal network and existing resources and in this way, to play a permanent role in the development of Thai society.”

- **THP CSR Mission:**

1. To serve as a model of organizational goodness, providing postal services that are transparent and comply with the principles of good corporate governance.
2. To use THP’s potential and existing competencies as a driving force for activities that benefit Thai society.
3. To preserve Thai identity and build the nation’s intellectual resources through the study of postage stamps.
4. To contribute and initiate activities related to the Company’s policies on corporate social responsibility.

- **THP CSR Strategies**

THP has adopted three key CSR strategies all focusing on “growing.” They are:

1. *“Growing the heart of the post”* is a strategy to promote corporate social responsibility within the organization itself by encouraging THP executives and staff to do good work both on and off the job.

The heart of this strategy is “growing” support for CSR activities among the entire Thailand Post family.

2. *“Growing the network that connects Thai people”* is an important CSR strategy that focuses on people outside the Company and on Thailand Post’s role in using its existing competencies and resources to connect people all around the country.

The key to achieving this goal is selecting activities well-suited to THP’s core businesses and “growing” in three main ways: profits, social participation and environmental management.

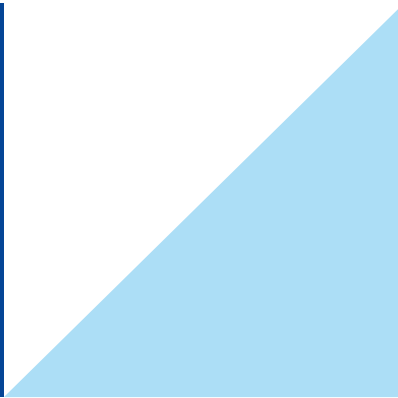
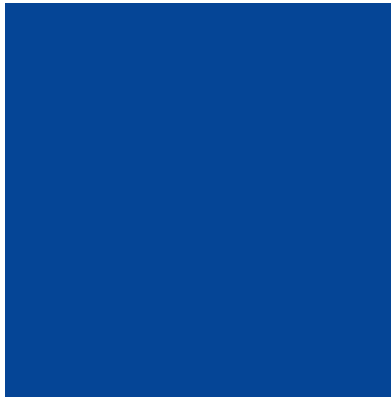
3. *“Growing knowledge through the world of postage stamps”* is another outward-oriented CSR strategy that highlights the use of postage stamps as a medium for stimulating learning among youngsters and the general public.

Here the key is to take a proactive approach that “grows” knowledge and appreciation for the Thai identity through postage stamps.

Thailand Post's CSR Activities in 2015

1. Strategies for building a volunteer spirit.

1.1 Training for "Postal Volunteers" CSR Leadership Teams, Class 4



THP conducted a training session on community development, class 4 for CSR Leadership Teams on May 27 to 29, 2015, in Nakhon Nayok. The training applied knowledge gained from Hang rice community group in Sakon Nakhon and developed the support of major communities throughout the country including strengthen THP major communities.

2. Strategies for building a stronger society through the postal network.

2.2 Major community support programs sponsored by THP



As part of CSR activities, THP has provided support for Hang rice group in Kut Jik village, Wanon Niwat district of Sakon Nakhon province. Subsequently extended to other local communities, the project aims to improve the quality of locally-made goods and produce, open up new sales channels, identify efficient transportation routes, and improve group management. Activities include:

- Support for Hang rice group in Kut Jik village, Wanon Niwat district, Sakon Nakhon province.
- Thanya Community Enterprise Group (bamboo charcoal deodorizer), Pathum Thani province.
- Sao Ban Kla, Phra Samut Chedi, Wat Sakhla Village, Samut Prakan province.
- Aranyik Knives Community, Ayutthaya province.
- Dried longan development project, Prato Pa Agricultural Cooperative Group, Lamphun province.
- Visit Suan Phung with the Post Office, Suan Phung district, Ratchaburi province.

2.2 CSR Activity through the Postal Delivery

2.2.1 The Aluminium Donation for Prostheses Project

THP coordinated with the Pollution Control Department to collect and ship scrap of aluminum for use in the manufacture of prosthetic limbs, a project under royal patronage. THP waived the postage fee for the donators who posted scrap of aluminum weighing less than 5 kilograms to Pollution Control Department. Over the course of the year, THP collected 9,700 kilograms of scrap of aluminum, enough to make 9,700 prosthetic legs.

2.2.2 Delivery of charitable donations to outside organizations

In 2015, THP also offered free shipment of donated items to various organizations including Amarin Book Center Co., Ltd., State Enterprises Workers' Relation Confederation (SERC), the MCOT football club, Zap Enterprise Co., Ltd., and Thai Jet Sports Boating Association. The Company also gathered and forwarded public opinions on the draft of the new constitution to the Parliament.



2.3 Red Cross Fair 2015

THP issued 60,000 raffle tickets, priced at 100 baht each, for the annual Red Cross Fair to benefit royal charities supported by HRH Princess Maha Chakri Sirindhorn, Executive Vice-President of the Thai Red Cross Society. THP donated 1.5 million baht to the royal charities on September 28, 2015.





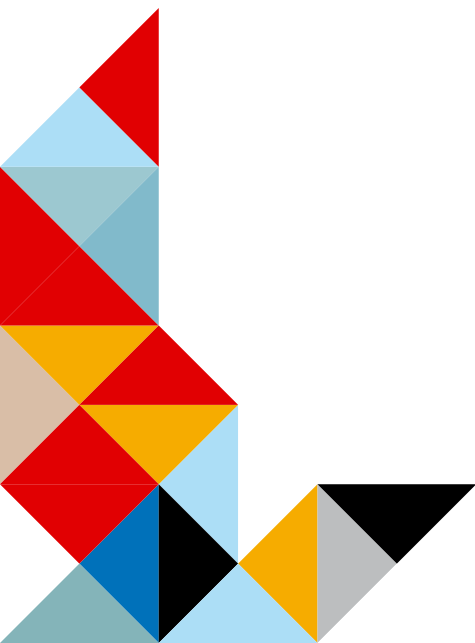
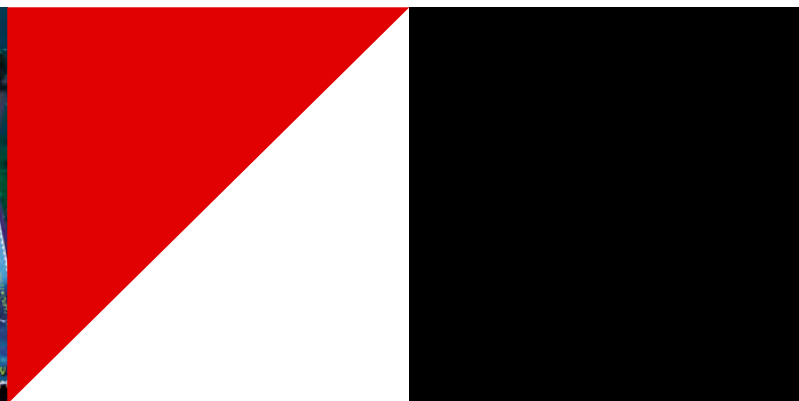
3. “Growing Knowledge through Postage Stamps.” Strategy

3.1 Project: Exploring the World through Stamps

THP continued the project “Exploring the World through Stamps”, which is meant to instill ethics, morals, harmony and social responsibility in the country’s youth. A total of 200 people participated in last year’s activities, which are described below:

“Get Inspired 1” “Inspiration to Seek Knowledge in the World” focused on efforts to educate young people on the hard work, determination and genius of HRH Princess Maha Chakri Sirindhorn, so that they may be inspired to follow in the royal footsteps. The commemorative stamp celebrating the Princess’s 60th birthday anniversary presents her achievements.

“Get Inspired 2” “Wonderful Undersea Lives” centered on a series of stamps showcasing cooperation between Thailand and Malaysia to protect and preserve the magical undersea world. These stamps were also meant to inspire young people to appreciate these natural resources and to do what they can to protect and preserve them for future generations.



Key Activities in 2015



60th Birthday Celebrations for HRH Princess Maha Chakri Sirindhorn, the Stamp Collecting Princess

THP issued a set of commemorative stamp for the auspicious celebration of the 60th birthday of HRH Princess Maha Chakri Sirindhorn, featuring her portrait and the royal emblem to mark her 5th cycle celebrations. The stamp has integrated Augmented Reality (AR) Technology. The public can install the StampAlive application on both iOS and Android to scan the stamp and watch a special 2.5-minute video.

National Stamp Exhibition (THAIPLEX 2015)

In conjunction with the Philatelic Association of Thailand under the Patronage of HRH Princess Maha Chakri Sirindhorn, THP organized the 2015 National Stamp Exhibition (THAIPLEX 2015). Under the theme "Stamps Beyond Frontiers", the exhibition shed light on new perspectives in stamp collecting with activities for young generation and stamps enthusiasts that highlighted the idea that "stamps are more than just stamps."



Introducing New Jackets for EMS Delivery Staff

To mark the 12th anniversary of Express Mail Service (EMS), THP introduced new style "orange and blue jackets" for EMS delivery staff. The eye-catching vivid uniforms with modern design that are easy for the public to recognize were unveiled throughout the country on August 14, 2015.

Launch of iBox Service

Joining with Big C Supercenter PLC., THP launched new automated post box or "iBox" at Suwintawong branch of Big C Superstore, to offer facility to customers who have inconvenience of receiving postal items at home. The new iBoxes offer round-the-clock delivery service.





Signing MOU on Buy-Advance Booking of Lottery Tickets Project

THP signed a tripartite MOU with the Government Lottery Office and Krungthai Bank on Buy-Advance Booking of Lottery Tickets Project. In this regard, lottery tickets will be delivered to the people who buy or book in advance throughout the country. The deal will take advantage of THP’s potential countrywide mail transport network and its 24 hours Track&Trace system.



Sale of Halal Products from Southern Border Provinces

In cooperation with Southern Border Provinces Administrative Center, THP launched the sale of halal merchandise project to help businesses in the southern border provinces by selecting the good-quality products of Southern Border which are all certified halal for putting on sale at 30 pilot post offices in 14 southern provinces and in Bangkok.



World Post Day – “Strengthening the Thai Economy; Connecting with the World Economy”

THP conducted activities to mark World Post Day 2015 centering on the theme “Thailand Post-Strengthening the Thai Economy, and Linking It with the World Economy”. Highlights included an exhibition of the latest innovations in postal technology and comprehensive postal system aimed at accommodating the growing of e-Commerce sector in a professional manner both at home and abroad.



THP Distribution –New Subsidiary for Logistics

With the founding of a new subsidiary company, THP Distribution, Thailand Post is better placed to provide world-class shipping, distribution and warehousing services. The new enterprise targets the government sector, private-sector e-merchants, and the pharmaceuticals industry. With the strong point “Total Logistics Solution”, it is expected to become a major player in the logistics business in the Indochina region by 2019.



Payment of Fund Purchases

THP has signed an MOU with MFC Asset Management Plc. to offer a new service whereby investors can pay for fund purchases at the post office. This service will capitalize on THP’s Pay at Post Online Real-Time system and strengthen the Company’s position as a total solution financial services provider.

Whatever You Need...Always think of Thailand Post



Bank@post

Bank@Post lets users deposit or receive money and make transfers between accounts or to other participating banks in real time. Cash receiving is available at 1,400 postal outlets all across Thailand.



EMS World : Express Delivery Worldwide, Call 1545

EMS World is the dedicated service that can fulfill customers' need of fast, on-time delivery of packages and documents worldwide via exclusive transport system. All items can be tracked and traced by means of the THP website or Contact Center at 1545.



Logispost World

Logispost World, for international delivery of large packages weighing between 20 and 200 kilograms, is available at 186 post offices around the country. Track&Trace system via THP website allows customers to track items around the clock.



Yummy Post

Whether it's for a family meal or a large festive event, customers can order delicious dishes without leaving the comfort of their home. Just call the Thailand Post THP Contact Center 1545 and place your order. No need to go and buy by your own. You can purchase at any post office or www.postmart.com/shop, Call Center 1545 and by calling 0 2982-8222.



EMS Super Speed

This service provides same-day delivery of items mailed within Thailand. Items are insured against loss and can be traced throughout the entire route via the THP Track & Trace system 24 hours a day.



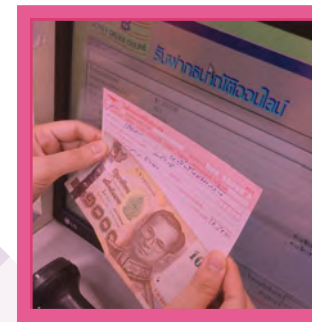
Direct Mail

Unaddressed promotional flyers and small samples can be sent to household all around the country at lower rate than normal.



Western Union International Money Transfers

This cooperation between THP and Western Union allows the transfer of money via modern system to and from anywhere in the world within a few minutes. Users can remit and receive their cash at any post office displaying the Western Union symbol.



Online Money Orders : "Send and Receive Money Fast"

Users can send money domestically via THP fast, convenient and modern computer network without need for a bank account. The service is available at post offices nationwide. Recipients can get the money within 15 minutes. Senders and recipients will be notified by SMS about the accomplished transmission.



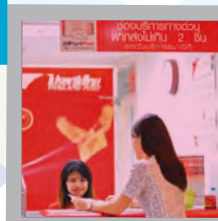
Domestic EMS : Fast, Sure Shipping and 24-Hour Tracking

This is the best choice for sending documents and parcels to recipients in Thailand quickly and on schedule. Items can be tracked round-the-clock via THP website or by calling the THP Contact Center at 1545.



Logispost - Cost Saving on Shipment of Large Parcels

Logispost is the ideal, cost-saving solution for sending large, heavy and odd-shaped packages for picking-up at the post office closest to the intended recipient. Track&Trace system allows users to follow their packages round-the-clock via website www.thailandpost.co.th.



Pay at Post : Pay All Bills through the Post

The customers can pay for all goods and services at post offices throughout the country. This service makes life much easier for consumers who require convenience.



Drive-Thru Post: Sending Mail without Leaving Your Car

This service allows users to send registered and certified mail, packages and EMS items as well as pay all their bills and top up their mobile phone accounts without stepping out of their car and without filling out any form. Transactions are limited to three items.



Automated Delivery Box (iBox)

The new iBox service is available for mail delivery 24 hours. Customers can register online to have documents and packages delivered to designated iBox, which is on service 24 hours a day 365 days a year. When the item arrives at its destination, the delivery officer will place in it iBox. The addressee will be notified by SMS on the arrival of mail along with a code to open the box. The first iBox have gone into operation at Big C Superstore, Suwintawong branch, and there are plans to expand the service nationwide.

Delivery Stations

Delivery station is a special delivery point for addressees to pick up their documents or packages which require proof of delivery. THP provides an alternative for customers, who are not at home to receive mail and sign the paper at the time of home delivery, to receive postal items with recorded delivery at a nearby location. There are currently 13 delivery stations in operation. For further information, call the THP contact center at 1545.

*Note: For more information about any of these services, THP Contact Center 1545 or visit website www.thailandpost.co.th

Commemorative Stamps 2015



Issue Number : 1088
 Title : H.M. King Bhumibol Adulyadej's
 88th Birthday Anniversary
 Date of Issue : 5th December 2015
 Denomination : 5 Baht (4 Designs)



Issue Number : 1063
 Title : Red Cross 2015
 Date of Issue : 30th March 2015
 Denomination : 3 Baht



Issue Number : 1064
 Title : The Celebrations on the Auspicious Occasion of Her
 Royal Highness Princess Maha Chakri Sirindhorn's
 5th Cycle Birthday Anniversary 2nd April 2015
 Date of Issue : 2nd April 2015
 Denomination : 5 Baht



Issue Number : 1058
 Title : Zodiac (Year of the Goat)
 Date of Issue : 1st January 2015
 Denomination : 3 Baht



Issue Number : 1059
 Title : National Children's Day 2015
 Date of Issue : 10th January 2015
 Denomination : 3 Baht (5 Designs)



Issue Number : 1061
 Title : Symbol of Love
 Date of Issue : 9th February 2015
 Denomination : 5 Baht



Issue Number : 1060
 Title : 72nd Anniversary of Kasetsart University
 Date of Issue : 2nd February 2015
 Denomination : 3 Baht

Commemorative Stamps 2015



Issue Number : 1065
 Title : Thai Heritage Conservation Day 2015
 Date of Issue : 2nd April 2015
 Denomination : 3 Baht (8 Designs)



Issue Number : 1062
 Title : Chinese New Year
 Date of Issue : 9th February 2015
 Denomination : 5 Baht (2 Designs)



Issue Number : 1066
 Title : 200th Anniversary of the Name "Pathum Thani Province" bestowed by the King Rama II
 Date of Issue : 3rd April 2015
 Denomination : 3 Baht

Issue Number : 1067
 Title : Songkran Festival 2015
 Date of Issue : 7th April 2015
 Denomination : 3 Baht (4 Designs)





Issue Number : 1068
 Title : 40th Anniversary of Thailand - DPR Korea
 Diplomatic Relations
 Date of Issue : 8th May 2015
 Denomination : 3 Baht (2 Designs)



Issue Number : 1069
 Title : 150th Anniversary of the ITU
 Date of Issue : 17th May 2015
 Denomination : 3 Baht



Issue Number : 1070
 Title : 100th Anniversary of
 the Revenue Department
 Date of Issue : 2nd July 2015
 Denomination : 3 Baht (4 Designs)

Issue Number : 1071
 Title : Important Buddhist Religious Day
 (Vesak Day)
 Date of Issue : 15th June 2015
 Denomination : 5 Baht (3 Designs)



Commemorative Stamps 2015



Issue Number : 1075
 Title : The Thai Numerals
 Date of Issue : 29th July 2015
 Denomination : 3 Baht (10 Designs)



Issue Number : 1076
 Title : Thailand Philatelic Exhibition 2015
 Date of Issue : 3rd August 2015
 Denomination : 3 Baht (4 Designs)



Issue Number : 1078
 Title : 120th Anniversary of Thai Army Training Command
 Date of Issue : 6th August 2015
 Denomination : 3 Baht



Issue Number : 1077
 Title : National Communications Day 2015
 Date of Issue : 4th August 2015
 Denomination : 3 Baht



Issue Number : 1079
 Title : ASEAN Community
 Date of Issue : 8th August 2015
 Denomination : 15 Baht



Issue Number : 1080
 Title : 50th Anniversary of Thailand – Singapore Diplomatic Relations
 Date of Issue : 18th September 2015
 Denomination : 3 Baht (2 Designs)



Issue Number : 1082
 Title : World Dental Congress 2015
 Date of Issue : 22nd September 2015
 Denomination : 3 Baht



Issue Number : 1083
 Title : World Post Day 2015
 Date of Issue : 9th October 2015
 Denomination : 3 Baht

Commemorative Stamps 2015



Issue Number : 1072

Title : Princess Prem Purachatra Eminent Personality
of the World 100th Birthday Anniversary

Date of Issue : 7th June 2015

Denomination : 3 Baht



Issue Number : 1073

Title : Thailand – Malaysia Joint Issue

Date of Issue : 8th June 2015

Denomination : 3 Baht (4 Designs)



Issue Number : 1084

Title : 100th Anniversary of
Department of Corrections

Date of Issue : 13th October 2015

Denomination : 3 Baht (4 Designs)



Issue Number : 1086
 Title : New Year 2016 (Persian Violet)
 Date of Issue : 16th November 2015
 Denomination : 15 Baht (2 Designs)



Issue Number : 1085
 Title : New Year 2016 (The Ginger Family)
 Date of Issue : 23th November 2015
 Denomination : 3 Baht (12 Designs)



Issue Number : 1087
 Title : 60 Years of Diplomatic Relations between Thailand and Sri Lanka
 Date of Issue : 2nd November 2015
 Denomination : 3 Baht (2 Designs)



Issue Number : 1089
 Title : Luang Phor ngern Wat Bang Klan
 Date of Issue : 1st December 2015
 Denomination : 9 Baht

Good Corporate Governance Policies

The Board of Directors appreciates the importance of complying fully with the principles of good corporate governance for state enterprises as set by the State Enterprise Policy Office (SEPO) of the Ministry of Finance. These principles are intended to improve management effectiveness, promote transparency, inspire trust, and help the organization maintain its position as a leading driver of sustained national development and prosperity. The Board of Directors has assigned a policy of good corporate governance that applies to the Board members, executives and the entire staff. The chief provisions of the policy are as follows:

1. The Board of Directors has an obligation to perform their duties independently and honestly, bearing in mind the responsibility for their own actions and the interests of the shareholders in particular. The Board sets policies and strategies for Company growth in line with shareholder policies and based on a careful review of relevant risk factors and appropriate management guidelines. The Board also ensures the accuracy and reliability of Company accounting practices and Thailand Post's financial statements and audit reports.
2. Board members, management and staff are pledged to uphold these 7 core principles of good corporate governance:
 - 2.1 Responsibility for their own performance and obligations to basic human rights, contributing to a corporate culture of social responsibility.
 - 2.2 Awareness of the need for adequate professional competence and efficiency, and the importance of ongoing self-improvement to organizational success.
 - 2.3 Honest and equal treatment of all Thailand Post stakeholders.
 - 2.4 Commitment to transparency and accountability in workplace and transparent disclosure of information to all relevant parties.
 - 2.5 Working to create short- and long-term added value to the Company's business, bearing in mind the benefit to the country and the public.
 - 2.6 Promoting the development of a corporate culture defined by good governance and professional ethics.
 - 2.7 Support for public participation in the operations of the Company.





Structure and Responsibilities of the Thailand Post Board of Directors

The THP Board of Directors is appointed by the Ministry of Finance, the company's sole shareholder. Appointments are made from a list of candidates drawn up by the Ministry. All potential appointees have experience and expertise in various fields important to the success of the business, meet all the criteria for board membership under the Qualifications of State Enterprise Directors and Personnel Act B.E.2518 (1975), and have no personal stake in the business of Thailand Post. The Board comprises no fewer than 5 and no more than 11 members, who may or may not be company shareholders. At least one-third of the Board must be independent members from outside the organization, and the resumes of all appointees to the THP Board are posted on the company website (www.thailandpost.co.th) for public viewing.

The THP Board of Directors recognizes the importance of their responsibilities, which are clearly distinct from those of the THP executives. The chief roles, duties and responsibilities of the Thailand Post Board consist of the following:

- Give approval to general company operations to ensure strict compliance with the principles of good corporate governance and garner recognition for Thailand Post as a model for upholding these principles.
- Set the company's vision statement and key strategies, policies and plans.
- Oversee the work of THP executives, ensuring that they perform efficiently and effectively and in a conscientious and careful manner that achieves core company goals and promotes long-term public benefits.
- Assume ultimate responsibility for THP's performance.
- Ensure the reliability of all accounting, financial statements, management reports, and audits.
- Promote compliance with international standards of internal auditing, focusing on practices that limit or reduce risk that may have an adverse effect on the company, and ensure implementation of an effective process for evaluating the adequacy of the internal control system.
- Set performance benchmarks for THP Board members for comparison with self-evaluations at least once a year.
- Present a report of assets and debts of state employees in line with the Constitutional Act to Prevent and Suppress Corruption B.E.2542 (1999).

Meetings of the Board of Directors

The Thailand Post Board of Directors meets at least once a month on the third Tuesday of the month. If urgent matters arise, the members of the Board may seek permission from the Board Chairman to convene an extraordinary meeting as appropriate. The Board secretary shall send a written invitation, together with the agenda, and other relevant documents to each Board member prior to the scheduled date of the meeting so that they have sufficient time to study in detail the issues to be discussed. At each meeting, individual Board members are free to express their views openly and freely, and a written report of the meeting verified by the Board members is prepared and kept on file for inspection by the members of the Board and other interested parties. Copies of these reports are

also submitted to the Finance Ministry, the Ministry of Information and Communications Technology, the Office of the Auditor General, and the auditors from the Office of the Auditor General specifically assigned to Thailand Post. The Board of Directors also makes agenda items and all decisions made at Board meetings available for public scrutiny on the Intranet system. Additionally, identical information, together with an executive summary of meeting activities, is also sent to the Thailand Post State Enterprise Labor Union as a gesture of goodwill, a show of transparency, and as part of the system of checks and balances put in place to protect all the company's stakeholders.

In 2015, The Board of Directors met a total of 12 times. Individual attendance records appear below:

No.	Directors	Period of term	Number of participation / Number of session (2015)
1	General Sathit Pitharat	25 Aug. 2014 - 31 Dec. 2015	12/12
2	Ms. Anusra Chittmittrapap*	14 Jan. 2012 - 7 Dec. 2015	6/6
3	Dr. Jaruvan Hengtrakool	25 Aug. 2014 - 31 Dec. 2015	12/12
4	Mr. Norawat Chotigoon	13 Feb. 2012 - 31 Dec. 2015	12/12
5	Dr. Don Bhasavanich	25 Aug. 2014 - 31 Dec. 2015	12/12
6	Mr. Rathapol Bhakdibhumi	25 Aug. 2014 - 31 Dec. 2015	11/12
7	Dr. Thitipong Nandhabiwat	25 Aug. 2014 - 31 Dec. 2015	12/12
8	Asst. Prof. Dr. M.L.Vittratorn Chirapravati	25 Aug. 2014 - 31 Dec. 2015	11/12
9	Mr. Chumpol Rimsakorn	17 Mar. 2015 - 31 Dec. 2015	9/9
10	Pol.Lt.Gen. Atitep Panjamanond	24 Apr. 2015 - 31 Dec. 2015	7/8
11	Mrs. Pratana Mongkolkul	24 Apr. 2015 - 31 Dec. 2015	8/8

Note Ms. Anusra Chittmittrapap (No. 2) resigned from the THP Board of Directors, effective July 8, 2015

Appointing Committees/Subcommittees

The Board of Directors appoints the following Committees and Subcommittees to assist in reviewing and overseeing the key work of the Company:

THP Audit Committee

The responsibilities of the Thailand Post Audit Committee are assigned by the THP Board of Directors and defined in the Auditor's Charter in line with the principles and guidelines of the Finance Ministry's Audit Committee Manual for State Enterprises. It is authorized to review and assess efficiency and effectiveness of procedures relating to good corporate governance, risk management practices and internal control mechanisms. The committee also ensures that the company's financial reporting is accurate and complete and that its operations comply with all relevant laws, rules, regulations, Cabinet resolutions, announcements and orders. It oversees implementation of an effective internal auditing system and verifies the independence of the internal auditing unit. It advises the THP Board of Directors on all appointments, transfers, dismissals, and annual performance reports of all internal audit

section chiefs and employees. It reviews related transactions and transactions that could represent a conflict of interest or create opportunities for corruption harmful to Thailand Post. The Committee attends meetings with the THP executives, auditors, and internal auditors.

In 2015, the THP Audit Committee carried out the following activities: acknowledged the results of the 2012 internal control evaluation and oversaw implementation of measures to improve the internal control system; reviewed risk management with regard to factors affecting the entire organization and the THP Risk Correlation Map on a quarterly basis; assessed Monthly, quarterly and annual financial report; monitored spending of the annual investment budget; monitored compliance with relevant laws and regulations on a quarterly basis; oversaw the performance of THP Board members with regard to Board regulations concerning conflicts between personal interests and interests of the organization; oversaw the work of the internal audit committee; approved the Internal Audit Office's Charter; approved the 5 years strategic operating auditing plan for 2016-2020; approved the internal audit plans for 2016; approved the Internal Audit Manual; assessed the adequacy of resources allocated for internal auditing; monitored progress in implementing the 2015 on a quarterly basis internal auditing plan; advised on appointments, transfers and annual performance evaluations of internal audit personnel; and attended the meetings with THP executives, auditors, and internal auditors.

In 2015, the THP Audit Committee organized a total of 9 meetings and attendance by Board members appointed to the Audit Committee is detailed below:

THP Audit Committee 1/2015

No.	Directors	Period of term	Number of participation / Number of session (2015)
1	Dr. Jaruvan Hengtrakool	5 Sep. 2014 - 7 Jul. 2015	6/6
2	Mr. Rathapol Bhakdibhumi	5 Sep. 2014 - 7 Jul. 2015	6/6
3	Ms. Anusra Chittmittrapap	9 Dec. 2014 - 7 Jul. 2015	6/6

THP Audit Committee 2/2015

No.	Directors	Period of term	Number of participation / Number of session (2015)
1	Dr. Jaruvan Hengtrakool	27 Jul. 2015 - 31 Dec. 2015	3/3
2	Mrs. Pratana Mongkolkul	27 Jul. 2015 - 31 Dec. 2015	3/3
3	Mr. Rathapol Bhakdibhumi	27 Jul. 2015 - 31 Dec. 2015	1/3
4	Dr. Thitipong Nandhabiwat	21 Dec. 2015 - 31 Dec. 2015	-/-

THP Relations Affairs Committee

The Committee is responsible for advising on measures to raise work efficiency level, improving labor relations, seeking compromises aimed at ending disputes, amending work-related rules and regulations, and consulting for solving problems on complaints lodged by employee or Labor Union including complaints about disciplinary penalties. The Committee also offers advice on improvement of employment condition.

In 2015, the THP Relations Affairs Committee met a total of 12 times to revise work rules and advise on solutions to end labor-related problems. Attendance by the THP Directors who were appointed members of the Committee was as follows:

No.	Subcommittee	Period of term	Number of participation / Number of session (2015)
-	Mr.Norawat Chotigoon	11 Sep. 2014 - 31 Dec. 2015	12/12

President's Remuneration Review Subcommittee

This body is responsible for reviewing employment contract, determining remuneration and negotiating about payment with the person nominated for the post of THP President.

In 2015, the Subcommittee revised a draft employment contract of the THP President and conducted negotiations about remuneration with the person nominated for the position of THP President, the results of which were forwarded to the Board of Directors for consideration. The Subcommittee met one time last year. Attendance at this meeting by the appointed members, all of whom are THP Directors, was as follows:

No.	Subcommittee	Period of term	Number of participation / Number of session (2015)
1	Dr. Don Bhasavanich	23 Sep. 2557 - 31 Dec. 2558	1/1
2	Mr. Chumpol Rimsakorn	23 Sep. 2557 - 31 Dec. 2558	1/1
3	Mr. Rathapol Bhakdibhumi	23 Sep. 2557 - 31 Dec. 2558	-/1
4	Mrs. Pratana Mongkolkul	23 Sep. 2557 - 31 Dec. 2558	-/1

President's Performance Evaluation Subcommittee

This subcommittee is charged with setting criteria for evaluating the THP President's performance, conducting a semi-annual performance review, and taking the results of this review into account for considering presidential remuneration or possible termination of employment contract in case THP President fails to achieve the Company's stated goals.

In 2015, the Subcommittee met to review the THP President's performance one time, and attendance at this meeting by the members of the body, who are also THP Directors, was as follows:

President's Performance Review Subcommittee 1/2015

No.	Subcommittee	Period of term	Number of participation / Number of session (2015)
1	Dr. Don Bhasavanich	23 Jan. 2015 - 26 Jul. 2015	1/1
2	Mr. Norawat Chotigoon	23 Jan. 2015 - 26 Jul. 2015	1/1
3	Asst. Prof. Dr. M.L.Vittratorn Chirapravati	23 Jan. 2015 - 26 Jul. 2015	1/1
4	Dr. Thitipong Nandhabiwat	23 Jan. 2015 - 26 Jul. 2015	1/1

President's Performance Review Subcommittee 2/2015

No.	Subcommittee	Period of term	Number of participation / Number of session (2015)
1	Mr.Chumpol Rimsakorn	27 Jul. 2015 - 31 Dec. 2015	-/-
2	Pol.Lt.Gen. Atitep Panjamanond	27 Jul. 2015 - 31 Dec. 2015	-/-
3	Dr. Don Bhasavanich	27 Jul. 2015 - 31 Dec. 2015	-/-
4	Asst. Prof. Dr. M.L. Vittratorn Chirapravati	27 Jul. 2015 - 31 Dec. 2015	-/-

Note The meeting of the President's Performance Evaluation Subcommittee (Issue 2) has yet to take place because the appointment of a new President is still underway.

Good Governance Subcommittee

This body is responsible for reviewing policies and setting clearly-defined strategies, goals and plans pertaining to good governance, system of internal controls, and corporate social and environmental responsibility that are in line with THP business. The Subcommittee also follows up the implementation of these policies, strategies, and plans.

In 2015, key activities by the Good Governance Subcommittee included the following: reviewed good governance performance indices for 2015 and 2016; reviewed the THP good corporate governance master plan for the period 2016-2020; reviewed the 2016 CSR plan; revised a draft handbook of good corporate governance; acknowledged internal controls assessment report, and monitored performance in other key areas of the organization. Throughout the year, the Good Governance Subcommittee met a total of 5 times, and attendance at these meetings by members, who are also THP Directors, was as follows:

Good Corporate Governance Subcommittee 1/2015

No.	Subcommittee	Period of term	Number of participation / Number of session (2015)
1	Asst. Prof. Dr. M.L.Vittratorn Chirapravati	5 Sep. 2014 - 26 Jul. 2015	2/2
2	Mr. Rathapol Bhakdibhumi	5 Sep. 2014 - 26 Jul. 2015	2/2
3	Mr. Norawat Chotigoon	5 Sep. 2014 - 26 Jul. 2015	2/2

Good Corporate Governance Subcommittee 2/2015

No.	Subcommittee	Period of term	Number of participation / Number of session (2015)
1	Mr. Chumpol Rimsakorn	27 Jul. 2015 - 31 Dec. 2015	3/3
2	Asst. Prof. Dr. M.L.Vittratorn Chirapravati	27 Jul. 2015 - 31 Dec. 2015	2/3
3	Mr. Norawat Chotigoon	27 Jul. 2015 - 31 Dec. 2015	3/3

Risk Management Subcommittee

This body is responsible for proposing risk management policies, strategies, structures and models in line with principles and guidelines for good corporate governance and state enterprise evaluation agreements, and also monitoring to ensure compliance with risk management policies, strategies, and models throughout the entire THP organization. In addition, the Subcommittee is charged with promoting and providing support for the integration of risk management, IT management and strategic planning practices.

In 2015, the Subcommittee focused on the following: reviewed THP's organizational risk management performance and Risk Correlation Map for 2015; reviewed risk management policies for 2016; reviewed the risk management master plan for the period 2016-2020, and studied organizational risk management, risk factors, and risk management measures for 2016. In 2015, the Risk Management Subcommittee met a total of 7 times, and attendance by members, who are also THP Directors, was as follows:

Thailand Post Risk Management Subcommittee 1/2015

No.	Subcommittee	Period of term	Number of participation / Number of session (2015)
1	Dr. Don Bhasavanich	11 Sep. 2014 - 26 Jul. 2015	3/3
2	Dr. Thitipong Nandhabiwat	11 Sep. 2014 - 26 Jul. 2015	3/3
3	Mr. Norawat Chotigoon	11 Sep. 2014 - 26 Jul. 2015	3/3

Thailand Post Risk Management Subcommittee 2/2015

No.	Subcommittee	Period of term	Number of participation / Number of session (2015)
1	Dr. Don Bhasavanich	27 Jul. 2015 - 31 Dec. 2015	4/4
2	Dr. Thitipong Nandhabiwat	27 Jul. 2015 - 31 Dec. 2015	4/4
3	Mrs. Pratana Mongkolkul	27 Jul. 2015 - 31 Dec. 2015	3/4

Employee/Permanent Worker Appeals Review Subcommittee

This body is responsible for screening employee appeals in response to disciplinary penalties or dismissal as well as reviewing rules and regulations on disciplinary violation, penalties and appeals of employees and permanent workers.

In 2015, the Subcommittee met 9 times to review employee appeals. Attendance by the members, who are also THP Directors, was as follows:

No.	Subcommittee	Period of term	Number of participation / Number of session (2015)
-	Dr. Jaruvan Hengtrakool	17 Oct. 2014 - 31 Dec. 2015	8/9

Information Technology Development Subcommittee

The Subcommittee is responsible for defining THP's IT development directions in line with the policies of government and relevant supervision bodies, and for setting the Company's IT master plan in line with THP's business plans. It also screens proposals regarding IT development prior to submission to the Board of Directors as well as oversees, controls, monitors and assesses progress in implementing all IT improvements to ensure that they conform to stated goals.

In 2015, the focus of the IT Development Subcommittee's work included: monitoring progress in implementing the THP IT development master plan for the period 2015-2019; monitoring progress in purchasing/procuring IT; reviewing the possibility of leasing a back-up computer center; and reviewing the IT master plan for 2016-2020. In 2015, the Subcommittee met a total of 4 times. Attendance by members, who are also THP Directors, was as follows:

No.	Subcommittee	Period of term	Number of participation / Number of session (2015)
1	Dr. Don Bhasavanich	27 Jul. 2015 - 31 Dec. 2015	4/4
2	Mr. Rathapol Bhakdibhumi	27 Jul. 2015 - 31 Dec. 2015	2/4
3	Dr. Thitipong Nandhabiwat	27 Jul. 2015 - 31 Dec. 2015	4/4
4	Mrs. Pratana Mongkolkul	27 Jul. 2015 - 31 Dec. 2015	4/4

Strategies and Competitiveness Enhancement Subcommittee

Responsible for setting the direction to improve THP's business and enhance the organization's long-term competitiveness, the Subcommittee is also charged with developing long-term strategies for responding effectively to a changing business environment.

In 2015, the Subcommittee's major work included: reviewing THP's strategic business plans for 2016-2020; adjusting domestic basic postage rates (letters, postcards and printed matters), and setting parameters for hiring a consultant to help in developing strategic plans. Last year, the members of the Subcommittee, who are also THP Directors, met a total of 7 times, and their attendance at these meetings is detailed below:



No.	Subcommittee	Period of term	Number of participation / Number of session (2015)
1	Dr. Don Bhasavanich	27 Jul. 2015 - 31 Dec. 2015	7/7
2	Mr. Chumpol Rimsakorn	27 Jul. 2015 - 31 Dec. 2015	7/7
3	Dr. Jaruvan Hengtrakool	27 Jul. 2015 - 31 Dec. 2015	5/7
4	Mr. Rathapol Bhakdibhumi	27 Jul. 2015 - 31 Dec. 2015	3/7
5	Dr. Thitipong Nandhabiwat	27 Jul. 2015 - 31 Dec. 2015	7/7
6	Asst. Prof. Dr. M.L.Vittratorn Chirapravati	27 Jul. 2015 - 31 Dec. 2015	5/7
7	Mrs. Pratana Mongkolkul	27 Jul. 2015 - 31 Dec. 2015	7/7

Subcommittee to Review the Benefits and Drawbacks of Establishing a Subsidiary (THP Distribution Co., Ltd.)

The Subcommittee was responsible for identifying the benefits and drawbacks of establishing a subsidiary company, including urgent problems and obstacles to oversee it.

In 2015, the members met two times to assess the pluses and minuses of setting up THP Distribution Co., Ltd. and to consider the process to improve operations within THP's subsidiary. Attendance at these meetings by THP directors appointed to serve on the Subcommittee was as follows:

No.	Subcommittee	Period of term	Number of participation / Number of session (2015)
1	Mr. Chumpol Rimsakorn	30 Nov. 2015 - 31 Dec. 2015	2/2
2	Mrs. Pratana Mongkolkul	30 Nov. 2015 - 31 Dec. 2015	2/2
3	Dr. Thitipong Nandhabiwat	30 Nov. 2015 - 31 Dec. 2015	2/2
4	Dr. Don Bhasavanich	18 Dec. 2015 - 31 Dec. 2015	-/1
5	Dr. Jaruvan Hengtrakool	18 Dec. 2015 - 31 Dec. 2015	1/1

Independent Directors

Independent directors are those members of the THP Board of Directors who are not appointed by virtue of their position within the organization and who are not government officials. To achieve the appropriate balance, not less than one-third of the entire Board members should consist of independent directors. Steps are also taken to ensure that these independent directors are able to make their decisions and express their opinions free of all undue influence from any individual or group.

In 2015, THP's independent directors verified their independence in writing and met two times to discuss their duties as members of the Board. Attendance was as follows:

No.	Independent Directors	Period of term	Number of participation / Number of session (2015)
1	Dr. Don Bhasavanich	25 Aug. 2014 - 31 Dec. 2015	2/2
2	Mr. Rathapol Bhakdibhumi	25 Aug. 2014 - 31 Dec. 2015	-/2
3	Dr.Thitipong Nandhabiwat	25 Aug. 2014 - 31 Dec. 2015	2/2
4	Asst. Prof. Dr. M.L.Vittratorn Chirapravati	25 Aug. 2514 - 31 Dec. 2015	2/2
5	Pol.Lt.Gen.Atitep Panjamanond	24 Apr. 2015 - 31 Dec. 2015	1/2
6	Mrs.Pratana Mongkolkul	24 Apr. 2015 - 31 Dec. 2015	2/2

Remuneration of THP Directors and Subcommittee/Working Group

THP has a transparent and clearly-defined process for determining the remuneration, per diem, and annual bonuses paid to Company directors and subcommittee/working group members. Details are as follows:

Monthly remuneration: THP complies with the Cabinet resolution of July 2, 2013, which states that Directors are to receive monthly remuneration not in excess of 10,000 baht and that the Chairman of the Board receives monthly remuneration two times that paid to other directors. THP also follows the regulations of the Ministry of Finance pertaining to audit committees and internal audit units in state enterprises (2012), which state that members of the THP Audit Committee are to receive remuneration in addition to their regular monthly payment as members of the THP Board, this monthly amount equal to the meeting attendance fees paid to the THP board members, and that the Audit Committee chairperson is to receive an additional 25%.

Meeting Attendance Fees: THP complies with the Cabinet resolution of July 2, 2013, as follows:

- Directors may receive meeting attendance fees not in excess of 10,000 baht/month, the Chairperson shall receive an additional 25%, and the Deputy Chairperson shall receive an additional 12.50%.
- Directors appointed to subcommittees or working group shall receive additional remuneration equal to the meeting attendance fees paid to THP Directors but no individual shall receive such payment for his/her participation in no more than two subcommittees/working groups which meet one time monthly. Individual committee members who are not THP directors shall receive a payment of 3,000 baht for each meeting they attend.

Annual Bonuses: THP complies with the Cabinet resolutions of January 31, 1978, and February 5, 1991, which specify.

- Board members are entitled to an annual bonus, the amount determined by the period of service but not to exceed 60,000 baht per year.
- Board members are also entitled to an additional annual bonus based on company and individual performance review in a proportion set by the Ministry of Finance.
- The Chairman is paid 25% more than other Board members, and the Vice-Chairman receives an additional 12.5%.

Remuneration paid to members of the Thailand Post Board of Directors in 2015 is shown below:

No.	Directors	Remuneration				
		Monthly Pay	Meeting attendance fees	Meeting attendance fees committee/subcommittee/working group	Bonus (2014)	Total
1	General Sathit Pitharat	240,000.00	150,000.00	-	66,028.23	456,028.23
2	Ms. Anusra Chittmittrapap	62,258.06	67,500.00	174,758.06	156,602.804	461,118.96
3	Dr. Jaruvan Hengtrakool	120,000.00	120,000.00	297,500.00	52,822.58	590,322.58
4	Mr. Norawat Chotigoon	120,000.00	120,000.00	230,000.00	150,000.01	620,000.01
5	Dr. Don Bhasavanich	120,000.00	127,500.00	235,000.00	52,822.58	535,322.58
6	Mr. Rathapol Bhakdibhumi	120,000.00	110,000.00	250,000.00	52,822.58	532,822.58
7	Dr. Thitipong Nandhabiwat	120,000.00	120,000.00	188,750.00	52,822.58	481,572.58
8	Asst. Prof. Dr. M.L. Vittratorn Chirapravati	120,000.00	110,000.00	95,000.00	52,822.58	377,822.58
9	Mr. Chumpol Rimsakorn	90,000.00	90,000.00	110,000.00	-	290,000.00
10	Pol. Lt. Gen. Atitep Panjamanond	80,000.00	70,000.00	-	-	150,000.00
11	Mrs. Pratana Mongkolkul	80,000.00	80,000.00	121,612.90	-	281,612.90

- Note
1. Ms. Anusra Chittmittrapap (No. 2) resigned from the THP Board of Directors, effective July 8, 2015
 2. Dr. Don Bhasavanich (No. 5) was chosen to replace Ms. Anusra Chittmittrapap as Vice Chairman of the THP Board as of July 27, 2015.
 3. THP has not yet paid annual Directors' bonuses for 2015.

In addition, THP paid annual bonuses in 2014 to members of the previous Board of Directors as shown below:

No.	Directors	Period of term	Bonus (2015)
1	Dr. Nongluck Phinainitisart	13 Feb. 2012 - 20 Jul. 2014	103,830.64
2	Mr. Smai Leesakul	13 Feb. 2012 - 22 Jul. 2014	94,354.85
3	Mr. Distat Hotrakitya	27 Dec. 2012 - 20 Jul. 2014	62,298.39
4	Mr. Nuttavudh Photisaro	22 Nov. 2013 - 20 Jul. 2014	83,064.52
5	Mrs. Danucha Yindeepit	13 Feb. 2012 - 21 Oct. 2014	120,967.76
6	Pol. Lt. Col Chinnachot Putivattada	13 Feb. 2012 - 24 Aug. 2014	97,177.43
7	Mr. Kosonlavat Intujunyong	13 Feb. 2012 - 20 Jul. 2014	83,064.51
8	Mr. Kraitos Ongchaisak	13 Feb. 2012 - 20 Jul. 2014	83,064.51
9	Mr. Visanu Thepcharoen	13 Feb. 2012 - 20 Jul. 2014	83,064.51



Remuneration for Top Executives

THP remuneration for the President and Vice Presidents is divided into the following types:

- Payment for work: salary, bonus and meeting attendance fees.
- Welfare Benefits: compensation, children educational assistance, medical allowance, uniforms, life insurance premium and merit-based compensation.
- Employer contribution to provident fund.
- Other remuneration: travelling allowance, car rental, house allowance, telephone bill, and special compensation based on early retirement program.

From 2013-2015, THP made payments to top executives as appear in the table below:

Type of remuneration	Year		
	2013	2014	2015
Work-related	16,458,967.39	14,801,778.61	13,963,734.00
Welfare Benefits	1,256,187.50	1,254,532.92	2,355,578.22
Employer contribution to provident fund	1,042,241.62	1,078,618.74	1,082,210.16
Other	3,340,214.32	6,285,275.51	2,691,248.17
Total	22,097,610.83	23,420,205.78	20,092,770.55



Policy to Prevent Conflicts of Interest

The Board of Directors has adopted a comprehensive set of measures intended to prevent possible conflicts of interest between individuals and the Company. These measures, which all THP employees are expected to uphold, are designed to prevent individuals from obtaining illicit benefits either for themselves or any other party through the performance or negligence of their duties or through their position on the Board of Directors or as an employee of Thailand Post. At a meeting of the Board, any Director who is a stakeholder or has a conflict between his/her own personal interests and those of Thailand Post must make this known to the other members of the Board for possible exclusion from voting on the agenda item in question, or for possible removal from the meeting room during discussion of the agenda item. The Internal Audit Office is assigned to conduct random audits of individuals and their spouses to ensure that there are no unethical receipts of assets, or any irregularities in the bidding process, or that these persons are not contracting parties or stakeholders in any agreements made with THP. Any irregularities are to be reported to the THP President immediately. Individuals are also required to make full disclosure of any conflicts of interest arising from their appointment as an auditor or to any committee or working group, e.g. a procurement committee, a civil or disciplinary investigating committee, or selection committee.

■ Thailand Post Audit Committee's Performance Report ■

Thailand Post Audit Committee consists of four members of the Company's Board of Directors. As of December 31, 2015 Thailand Post appointed the following Audit Committees:

1. Dr. Jaruvan	Hengtrakool	Chairman
2. Mrs. Pratana	Mongkolkul	Member
3. Mr. Rathapol	Bhakdibhumi	Member
4. Dr. Thitipong	Nandhabiwat	Member
5. Executive Vice President (Internal Audit Office)		Secretary

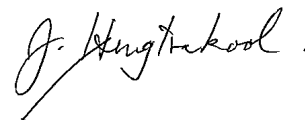
The responsibilities of Thailand Post Audit Committee are assigned by the Board of Directors and clearly defined in the Thailand Post Audit Committee Charter, in line with the principles and guidelines as stated in the State Enterprise Audit Committee Manual of the Ministry of Finance. Amended Version 2012

In 2015, Thailand Post Audit Committee met a total of 9 times. Also present at some of these meetings, when the agenda warranted it, were Thailand Post executives, Head of the Internal Audit Office and other relevant officers. The Audit Committee's major responsibilities are as follows:

1. Supervise and ensure that the management controls and monitors the internal control systems are implemented as identified in the internal audit report. The Thailand Post's regulations are also revised and updated to ensure that internal control mechanisms are adequate and can be implemented in line with the procedures efficiently and productively.
2. Monitor the implementation of THP risk management as well as best practices considering the executive report by the management on key risks. Review of THP organizational risk management and quarterly Risk Correlation Map. Including policy and enterprise risk management of THP for 2015 to determine the level of acceptable risk (Risk Appetite: RA), the deviation of the level of acceptable risk (Risk Tolerance: RT), enterprise risk identification, and THP risk management for 2016.
3. Review quarterly and annual financial reports, verifying the completeness and reliability of company budgets and compliance with generally accepted accounting standards concerning regulations, and ensuring that all financial documents are complete, accurate, and reliable. Monitor to ensure that the annual investment budget for 2015 is allocated in line with approved action plans and projects. In order that Thailand Post Audit committee suggest to THP executives improve operation more efficiency.
4. Ensure the independence and effectiveness of the Internal Audit Office through a review of the Office's charter and audit manual and through approval of its internal auditing plan for 2015, its operating and internal auditing plan for 2016, and its five-year (2016-2021) strategic operating and internal audit plans. Review the operating and internal auditing plan for 2015 and its five-year (2015-2020) strategic operating and internal audit plans. Assess the appropriateness and adequacy of internal audit resources. Review annual appointments of Internal Audit Office personnel, assess performance of the head of internal audit unit, approve the budget of the Internal Audit Office for 2017, key performance indicators, and provide ongoing support for professional development of auditing staff.
5. Assign the Internal Audit Office to submit report on audit outcomes, conflicts of interest, post-audit quality assessment and self-evaluation of the Internal Audit Office as well as of the internal auditors.

The assessment report will be used in professional development of internal auditors.

6. Meet with auditors from the Office of the Auditor General (OAG) for the first time in the absence of THP executives discuss the scope and direction of audit activities and result of the review of the financial statements. The observations and recommendations to improve the performance of auditors from the Office of the Auditor General (OAG).
7. Meet with THP executives the official of first time at the level of Executive vice-president and above to discuss company business, risk, and internal control procedures, and to follow up on actions taken in response to observations and recommendations made by the Office of the Auditor General (OAG).
8. Prepare reports of meetings and quarterly and annual performance reports for submission to the THP Board of Directors, and to submit copies of the annual report to the Ministry of Information and Communications Technologies and the Ministry of Finance.
9. Self-evaluations at individual and team level, in line with guidelines contained in the Finance Ministry's revised manual for State Enterprise Audit Committees. The performance of the Audit Committee of effective, credible results for the year 2558 is level very good.
10. Supervise the elaboration of written codes of ethics and the compliance with rules, monitor conduct that could lead to possible conflicts between the interests of individuals and those of Thailand Post; ensure that THP observes said codes and none of its actions are in breach of the codes; monitor THP performance to ensure transparency and fairness.
11. Following up the practice of Thailand Post to ensure that THP complies with all relevant laws and regulations affecting its reputation and performance, e.g. complaints, developments in civil cases, and disciplinary actions.
12. Endorse the Office of the Auditor General of Thailand as the Auditor of Thailand Post Co., Ltd. with a remuneration of 1,800,000 baht for its services.



(Dr. Jaruvan Hengtrakool)

Chairman of the Audit Committee

January 26, 2016

■ Board of Directors' Responsibility for Financial Reporting ■

Thailand Post's Board of Directors places an emphasis on its responsibility for the Company's financial reports to ensure the accuracy and comprehensiveness of these documents which reflect the actual performance of the Company. In making the reports, the Board of Directors has always used appropriate accounting policies in line with generally accepted standards. The Board also discloses necessary information as shown in the financial statement's financial statement's remarks given by remarks given by the office of the Auditor General in its review of the statement.

The Board has set up an independent Auditing Committee to ensure that Thailand Post's financial reports are trustworthy and accurate and that its internal control system functions adequately and properly so as to make the Company's financial statement reliable.



Lieutenant General Sathit Pitharat
Chairman



Mrs. Smorn Terdthumpiboon
President

■ Auditors' Report ■

To the Shareholders in Thailand Post Co., Ltd.

The Office of the Auditor General (OAG) has performed audits of the consolidated financial statements of Thailand Post Co., Ltd. and its subsidiaries as well as the company financial statements of Thailand Post Co., Ltd. These comprise the consolidated and company statements of financial standing as of December 31, 2015; the consolidated and company statements of income; the company statement of comprehensive income; the consolidated and company statements of changes in shareholders' equity; the consolidated and company statements of cash flows for the year ending on the same date and a summary of significant accounting policies as well as other explanatory information.

Executives' Responsibility for Financial Reporting

The Executives are responsible for preparing, submitting the consolidated and company financial statements and ensuring the completeness and accuracy of these statements in line with accepted financial reporting standards. The Executives are also responsible for essential internal controls that permit the preparation of financial reporting to be free from serious misstatements, whether due to fraud or error.

Responsibilities of the Auditors

The responsibility of the Office of the Auditor General to express an opinion on these financial statements, and in order to do this, the OAG carried out audits in accordance with generally accepted accounting standards. These require it to act ethically when planning and performing the audits in order to obtain reasonable assurance that all financial statements are free from serious material misstatements.

An audit, whose methods are at the discretion of the OAG, consists of examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes an assessment of the accounting principles used, and an assessment of risk resulting from any serious misstatements appearing in the financial statements either as a result of deliberate error or negligence. In assessing risk, the auditors examine the Company's internal controls put in place to ensure proper and accurate reporting and submitting of all financial documents, although it is not the role of the OAG to express an opinion on the efficacy and/or adequacy of these internal controls. An audit also includes an assessment of the accounting policies used and significant estimates made by the Company management, as well as an evaluation of the overall financial statement presentation.

The OAG took the view that the financial documentation received from the Company was adequate and accurate such that the OAG could express its opinion on the Company's financial standing.

Opinion

In the opinion of the OAG, the statement of the financial standing of Thailand Post Co., Ltd. as of December 31, 2015; the performance report and liquidity statement for the period ending on the same date were in all substantive matters accurate and in compliance with generally accepted accounting principles.

(Signed) Warin Tulakoop
(Mrs. Warin Tulakoop)
Director of Financial Audit Office No.6

(Signed) Prawit Tantrajin
(Mr. Prawit Tantrajin)
Auditor-in-Charge

■ Auditors' Report ■

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The OAG took the view that the financial documentation received from the Company was adequate and accurate such that the OAG could express its opinion on the Company's financial standing.

Opinion

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(Signed) Warin Tulakoop
(Mrs. Warin Tulakoop)
Director of Financial Audit Office No.6

(Signed) Prawit Tantrajin
(Mr. Prawit Tantrajin)
Auditor-in-Charge

Statement of Financial Standing

Thailand Post Company Limited and Subsidiary
As of December 31, 2015

Unit: baht

	Note	Consolidated Financial Statement		Financial Statement of the Company	
		2015	2014	2015	2014
Assets					
Current Assets					
Cash and cash equivalents	5	2,964,983,072.81	4,688,230,688.49	2,951,817,455.18	4,439,810,596.20
Temporary investments	6	7,935,071,875.14	5,877,388,973.06	7,935,071,875.14	5,877,388,973.06
Domestic trading accounts receivable	7	1,122,351,983.42	1,181,920,080.17	994,002,232.77	1,181,754,420.17
International trading accounts receivable	8	890,848,288.06	684,375,531.52	890,848,288.06	684,375,531.52
Other accounts receivable	9	149,915,984.49	151,423,720.50	170,389,386.95	151,474,097.96
Inventories	10	278,703,088.22	360,017,656.10	278,703,088.22	360,017,656.10
Accrued revenues		465,241,544.99	371,963,739.32	369,886,159.68	340,984,167.65
Pre-paid expenses		169,604,990.07	165,043,842.15	167,846,732.01	164,626,445.99
Other current assets		78,764,535.16	73,692,668.00	76,927,148.53	79,847,353.14
Total current assets		14,055,485,362.36	13,554,056,899.31	13,835,492,366.54	13,280,279,241.79
Non-current assets					
Temporary investment with obligations	11	151,853,198.63	100,010,000.00	151,853,198.63	100,010,000.00
Investment in subsidiary	12	-	-	350,000,000.00	350,000,000.00
Long-term investments	13	1,657,834,108.02	1,017,171,679.60	1,657,834,108.02	1,017,171,679.60
Property, plant and equipment	14	6,963,107,125.33	6,795,296,613.96	6,950,181,962.76	6,795,150,268.99
Intangible assets	15	138,373,063.70	127,310,224.23	137,393,472.33	127,310,224.23
Deferred income tax assets	16	845,942,974.61	803,264,589.66	845,942,974.61	803,264,589.66
Other non-current assets	17	41,850,305.99	40,633,551.84	24,052,102.24	22,837,848.09
Total non-current assets		9,798,960,776.28	8,883,686,659.29	10,117,257,818.59	9,215,744,610.57
Total Assets		23,854,446,138.64	22,437,743,558.60	23,952,750,185.13	22,496,023,852.36

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

Statement of Financial Standing

Thailand Post Company Limited and Subsidiary
As of December 31, 2015

Unit: baht

Note	Consolidated Financial Statement		Financial Statement of the Company	
	2015	2014	2015	2014
Liabilities and Shareholder Equity				
Current liabilities				
Accrued domestic money orders and postal orders	404,483,332.45	343,186,354.08	404,483,332.45	343,186,354.08
Agency services accounts payable	162,624,646.02	180,172,113.20	162,624,646.02	180,172,113.20
Domestic trading accounts payable	302,340,415.40	270,601,136.54	271,058,579.95	236,190,159.93
International trading accounts payable	813,968,349.42	610,290,612.79	813,968,349.42	610,290,612.79
Other accounts payable 18	224,928,316.51	196,461,535.90	219,630,884.65	194,230,101.28
Accrued expenses 19	1,840,226,613.91	2,964,147,093.02	1,839,353,897.58	3,043,185,518.97
Accrued corporate income taxes	520,694,370.87	331,030,361.47	520,694,370.87	331,032,308.93
Advanced revenues 20	163,279,484.60	150,145,353.93	163,279,484.60	150,145,353.93
Other current liabilities 21	403,316,802.69	425,147,209.47	400,911,763.40	425,787,648.00
Total current liabilities	4,835,862,331.87	5,471,181,770.40	4,796,005,308.94	5,514,220,171.11
Non-current liabilities				
Deferred revenues	130,155,374.62	142,238,175.30	130,155,374.62	142,238,175.30
Employee benefits obligations 22	3,956,039,635.66	3,825,314,856.49	3,956,039,635.66	3,825,314,856.49
THP employee pension fund 23	25,977,357.45	26,406,391.60	25,977,357.45	26,406,391.60
Total non-current liabilities	4,112,172,367.73	3,993,959,423.39	4,112,172,367.73	3,993,959,423.39
Total liabilities	8,948,034,699.60	9,465,141,193.79	8,908,177,676.67	9,508,179,594.50

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

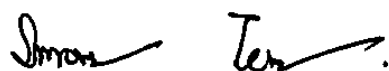
Statement of Financial Standing

Thailand Post Company Limited and Subsidiary
As of December 31, 2015

Unit: baht

Note	Consolidated Financial Statement		Financial Statement of the Company	
	2015	2014	2015	2014
Liabilities and shareholders' equity				
Shareholders' equity				
Share capital				
Registered capital				
125,000,000 common shares @ 10 baht par value	1,250,000,000.00	1,250,000,000.00	1,250,000,000.00	1,250,000,000.00
Issued and paid up shares capital				
125,000,000 common shares @ 10 baht par value	1,250,000,000.00	1,250,000,000.00	1,250,000,000.00	1,250,000,000.00
Retained profit				
Appropriated retained profit				
Legal reserve	24 125,000,000.00	125,000,000.00	125,000,000.00	125,000,000.00
Unappropriated retained profit	13,531,411,439.04	11,597,602,364.81	13,669,572,508.46	11,612,844,257.86
Other components of shareholders' equity	-	-	-	-
Total equity of the parent company	14,906,411,439.04	12,972,602,364.81	15,044,572,508.46	12,987,844,257.86
Non-controlling interests	-	-	-	-
Total shareholders' equity	14,906,411,439.04	12,972,602,364.81	15,044,572,508.46	12,987,844,257.86
Total liabilities and shareholders' equity	23,854,446,138.64	22,437,743,558.60	23,952,750,185.13	22,496,023,852.36

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



(Mrs. Smorn Terdthumpiboon)
President



(Mrs. Somchintana Kirdsuebma)
Assistant to the President
Acting Vice-President

Profit and Loss Statement

Thailand Post Company Limited and Subsidiary
For the Year ended December 31, 2015

Unit: baht

	Note	Consolidated Financial Statement		Financial Statement of the Company	
		2015	2014	2015	2014
Revenues					
Revenues from sales and services	25	22,641,874,942.24	21,412,614,739.74	22,390,159,510.28	21,381,760,120.26
Other revenues	26	378,083,145.57	409,835,436.58	375,825,475.47	408,361,269.24
Total revenues		23,019,958,087.81	21,822,450,176.32	22,765,984,985.75	21,790,121,389.50
Expenses					
Cost of sales and services		17,882,981,936.65	16,739,833,821.65	17,531,643,577.91	16,698,147,166.70
Sales expenses		420,459,146.59	478,278,834.85	418,031,417.76	478,260,181.97
Administrative expenses		1,481,814,083.19	1,502,048,775.54	1,460,229,017.02	1,496,183,403.50
Other expenses		23,269,386.35	741,335,032.46	21,728,261.66	741,335,032.46
Total expenses	27	19,808,524,552.78	19,461,496,464.50	19,431,632,274.35	19,413,925,784.63
Profit before income taxes		3,211,433,535.03	2,360,953,711.82	3,334,352,711.40	2,376,195,604.87
Income taxes	28	(764,450,926.51)	(581,446,178.14)	(764,450,926.51)	(581,446,178.14)
Net profit for the period		2,446,982,608.52	1,779,507,533.68	2,569,901,784.89	1,794,749,426.73
Allocation of net profit for the period					
Parent company's share		2,446,982,608.52	1,779,507,533.68	2,569,901,784.89	1,794,749,426.73
Share of non-controlling interests		-	-	-	-
		2,446,982,608.52	1,779,507,533.68	2,569,901,784.89	1,794,749,426.73
Earning per share					
Basic earnings per share		19.58	14.24	20.56	14.36

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

Statement of Comprehensive Income

Thailand Post Company Limited and Subsidiary
For the Year ended December 31, 2015

Unit: baht

Note	Consolidated Financial Statement		Financial Statement of the Company	
	2015	2014	2015	2014
Net profit for the period	2,446,982,608.52	1,779,507,533.68	2,569,901,784.89	1,794,749,426.73
Other comprehensive income				
Profit (loss) based on actuarial estimates				
For employee benefits scheme	39,123,231.27	(26,482,070.50)	39,123,231.27	(26,482,070.50)
Tax on other comprehensive income 28	(7,824,646.25)	5,296,414.10	(7,824,646.25)	5,296,414.10
Other comprehensive income-net from tax	31,298,585.02	(21,185,656.40)	31,298,585.02	(21,185,656.40)
Total comprehensive income for the period	2,478,281,193.54	1,758,321,877.28	2,601,200,369.91	1,773,563,770.33
Allocation of comprehensive income for the period				
Parent company's share	2,478,281,193.54	1,758,321,877.28	2,601,200,369.91	1,773,563,770.33
Share of non-controlling interests	-	-	-	-
	2,478,281,193.54	1,758,321,877.28	2,601,200,369.91	1,773,563,770.33

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

Statement of Changes in Shareholders' Equity

Thailand Post Company Limited and Subsidiary
For the Year ended December 31, 2015

Unit: baht

	Note	Consolidated Financial Statement			
		Issued and paid up shares capital	Retained profit		Total
			Appropriated	Unappropriated	
Balance as of January 1, 2014		1,250,000,000.00	125,000,000.00	10,788,273,640.64	12,163,273,640.64
Comprehensive income		-	-	1,758,321,877.28	1,758,321,877.28
Declared dividends	30	-	-	(948,993,153.11)	(948,993,153.11)
Balance as of December 31, 2014		1,250,000,000.00	125,000,000.00	11,597,602,364.81	12,972,602,364.81
Balance as of January 1, 2015		1,250,000,000.00	125,000,000.00	11,597,602,364.81	12,972,602,364.81
Comprehensive income		-	-	2,478,281,193.54	2,478,281,193.54
Declared dividends	30	-	-	(544,472,119.31)	(544,472,119.31)
Balance as of December 31, 2015		1,250,000,000.00	125,000,000.00	13,531,411,439.04	14,906,411,439.04

Unit: baht

	Note	Financial Statement of the Company			
		Issued and paid up shares capital	Retained profit		Total
			Appropriated	Unappropriated	
Balance as of January 1, 2014		1,250,000,000.00	125,000,000.00	10,788,273,640.64	12,163,273,640.64
Comprehensive income		-	-	1,773,563,770.33	1,773,563,770.33
Declared dividends	30	-	-	(948,993,153.11)	(948,993,153.11)
Balance as of December 31, 2014		1,250,000,000.00	125,000,000.00	11,612,844,257.86	12,987,844,257.86
Balance as of January 1, 2015		1,250,000,000.00	125,000,000.00	11,612,844,257.86	11,612,844,257.86
Comprehensive income		-	-	2,601,200,369.91	2,601,200,369.91
Declared dividends	30	-	-	(544,472,119.31)	(544,472,119.31)
Balance as of December 31, 2015		1,250,000,000.00	125,000,000.00	13,669,572,508.46	15,044,572,508.46

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

■ Cash Flow Statement ■

Thailand Post Company Limited and Subsidiary
For the Year ended December 31, 2015

Unit: baht

Note	Consolidated Financial Statement		Financial Statement of the Company	
	2015	2014	2015	2014
Cash flow from operating activities				
Profit before tax	3,211,433,535.03	2,360,953,711.82	3,334,352,711.40	2,376,195,604.87
Adjustments to reconcile profit before tax to cash flows from operating activities				
Depreciation and amortization	1,030,558,858.07	1,027,459,105.40	1,029,044,341.67	1,027,457,841.88
Revenue from fixed asset donations	(85,611.00)	(1,966,315.14)	(85,611.00)	(1,966,315.14)
(Reversal)Bad/doubtful debt	(10,214,842.83)	3,253,358.36	(10,302,890.24)	3,253,358.36
(Reversal)Outdated goods	78,374,133.47	(12,223,902.29)	78,374,133.47	(12,223,902.29)
Amortized revenue	(12,082,800.68)	(27,665,978.54)	(12,082,800.68)	(27,665,978.54)
Earned interest	(256,161,106.88)	(263,261,685.20)	(255,312,379.69)	(262,146,993.68)
Profit from sale of assets	(10,711,124.72)	(6,281,062.25)	(10,711,124.72)	(6,281,062.25)
Profit from foreign exchange	(21,744,950.12)	(14,186,368.92)	(21,744,950.12)	(14,186,368.92)
Profit from operating activities prior to changes in assets and liabilities	4,009,366,090.34	3,066,080,863.24	4,131,531,430.09	3,082,436,184.29
Changes in operating assets (increase) decrease				
Trading accounts receivable-domestic	61,527,401.06	(303,282,574.93)	189,799,539.12	(303,116,914.93)
Trading accounts receivable-international	(168,864,883.82)	(2,319,630.18)	(168,864,883.82)	(2,319,630.18)
Other accounts receivable	9,775,004.23	17,681,124.60	(10,648,020.77)	17,630,747.14
Inventories	2,940,434.41	38,293,858.88	2,940,434.41	38,293,858.88
Accrued revenues	(97,597,918.61)	(37,675,144.50)	(32,612,474.48)	(7,306,600.23)
Prepaid expenses	6,953,859.92	(252,033.44)	8,294,721.82	165,362.72
Other current assets	(5,071,867.16)	(2,142,931.17)	2,920,204.61	(8,297,616.31)
Other non-current assets	(2,770,643.70)	(19,416,175.93)	(2,768,143.70)	(1,620,472.18)
Increase (decrease) in operating liabilities				
Accrued payables, domestic money orders and postal orders	61,296,978.37	(73,163,850.70)	61,296,978.37	(73,163,850.70)
Agency service payables	(17,547,467.18)	(131,615,370.97)	(17,547,467.18)	(131,615,370.97)
Trade accounts payable-domestic	11,240,372.20	(2,410,546.88)	14,249,404.87	(36,673,915.00)
Trade accounts payable-international	178,282,048.58	40,432,271.96	178,282,048.58	40,432,271.96
Other accounts payable	28,466,780.61	18,117,036.97	25,400,783.37	15,885,602.35
Accrued expenses	(1,144,489,444.43)	1,324,003,519.61	(1,224,400,586.71)	1,403,041,945.56
Advanced revenues	10,698,399.17	21,787,942.36	10,698,399.17	21,787,942.36
Other current liabilities	(21,847,624.35)	115,704,738.47	(24,893,102.17)	116,345,177.00
Employee benefit obligations	169,848,010.44	(77,377,547.06)	169,848,010.44	(77,377,547.06)
THP staff pension fund	(429,034.15)	(4,480,682.80)	(429,034.15)	(4,480,682.80)
Cash received from operating activities	3,091,776,495.93	3,987,964,867.53	3,313,098,241.87	4,090,046,491.90
Income taxes	(625,289,948.31)	(325,999,471.24)	(625,291,895.77)	(325,997,523.78)
Net cash received from operating activities	2,466,486,547.62	3,661,965,396.29	2,687,806,346.10	3,764,048,968.12

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

■ Cash Flow Statement (continued) ■

Thailand Post Company Limited and Subsidiary
For the Year ended December 31, 2015

Unit: baht

Note	Consolidated Financial Statement		Financial Statement of the Company	
	2015	2014	2015	2014
Cash flows from investment activities				
Cash from earned interest	263,530,222.62	259,901,227.62	262,071,864.94	259,397,563.50
Investment in subsidiary	-	-	-	(350,000,000.00)
Increase in long-term investments	(1,306,943,849.82)	(233,156,130.83)	(1,306,943,849.82)	(233,156,130.83)
Investments in property, plant, and equipment	(1,181,142,495.21)	(867,354,103.98)	(1,166,753,546.77)	(867,354,103.98)
Acquisition of intangible assets	(8,905,740.85)	(10,043,048.23)	(7,901,655.43)	(10,043,048.23)
Divestiture of property, plant, and equipment	13,465,559.08	7,334,031.04	13,465,559.08	7,334,031.04
Increase in temporary investments	(1,443,531,433.61)	(785,711,278.41)	(1,443,531,433.61)	(785,711,278.41)
Net cash flows received from (spent on) investment activities	(3,663,527,737.79)	(1,629,029,302.79)	(3,649,593,061.61)	(1,979,532,966.91)
Cash flows from financing activities				
Declared dividends	(544,472,119.31)	(948,993,153.11)	(544,472,119.31)	(948,993,153.11)
Net cash flows spent on financing activities	(544,472,119.31)	(948,993,153.11)	(544,472,119.31)	(948,993,153.11)
Impact from foreign exchange rates	18,265,693.80	5,927,289.69	18,265,693.80	5,927,289.69
Net increase (decrease) in cash and cash equivalents	(1,723,247,615.68)	1,089,870,230.08	(1,487,993,141.02)	841,450,137.79
Cash and cash equivalents as of the start of the period	4,688,230,688.49	3,598,360,458.41	4,439,810,596.20	3,598,360,458.41
Cash and cash equivalents as of the close of the period	2,964,983,072.81	4,688,230,688.49	2,951,817,455.18	4,439,810,596.20
Additional data concerning cash flows				
Property, plant and equipment from donations	85,611.00	1,052,968.79	85,611.00	1,052,968.79
Acquisitions of property, plant and equipment with outstanding payment in cash	52,494,964.15	31,996,057.49	52,467,464.15	31,848,449.00

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

■ Notes to the Financial Statement ■

Thailand Post Co., Ltd. and Subsidiary
for the Year ending December 31, 2015
(Unit: million baht except where otherwise indicated)

1. General Information

1.1 Establishment of the Company

Thailand Post, located at 111 Chaeng Watthana Road, Thung Song Hong, Laksi, Bangkok 10210-0299, was established as a limited company on August 14, 2003. The business, rights, liabilities, responsibilities, assets, shareholder equity, and all employees as well as all authorities and privileges previously granted to the postal services of the Communications Authority of Thailand (CAT) were transferred to Thailand Post according to the State Enterprise Corporatization Act B.E.2542 (1999). Thailand Post is still required to comply with the rules, regulations and Cabinet resolutions pertaining to state enterprises in general.

1.2 Types of Business

The Company's core business activities concern all types of postal services as well as related or other similar businesses, or businesses that are of benefit to the postal business, whether domestic, international or outside Thailand. For this purpose, the postal business is defined as:

- **Postal services** mean acceptance of messages, documents and things from one party and delivery to another party within Thailand and abroad by post or by other means, as well as other related services.
- **Financial services** mean the acceptance of deposits or acceptance of payments from a service user at a post office for payment to an individual or organization which has entered into an agreement with the Company at another post office, either by post or by other means determined by the Company.
- **Philately** means the collection of used or unused postage stamps and other collectable items related to postage stamps.
- **Postal goods** mean materials/items sold by the Company for the convenience of postal customers.

2. Accounting Policies

Below are the key accounting policies THP uses in the preparation of its financial statements:

2.1 Criteria for preparing financial statements

THP's consolidated and separate financial statements are prepared in accordance with generally-accepted accounting principles under the Accounting Act B.E. 2543 (2000), which are those accounting standards in effect under the Accounting Professions Act B.E. 2547 (2004) as well as interpretations and accounting practices announced by the Federation of Accounting Professions, new financial reporting standards and interpretations currently in effect.

The company's separate financial statement consists of the Thailand Post Co., Ltd. financial statement and the Thailand Post Employees Pension Fund.

THP's consolidated financial statement consists of the separate financial statements of Thailand Post Co., Ltd. and THP Distribution Co., Ltd., a company solely owned by Thailand Post and thereby considered a THP subsidiary. The consolidated financial statement includes accounting entries for both THP and THP Distribution after eliminating joint entries.

2.2 Foreign Exchange Transactions

The Company converted the cost of all foreign-denominated transactions into Thai Baht, using the exchange rate on the date of the transactions. All assets and liabilities denominated in a foreign currency as of the date of the statement of financial position are likewise converted into Thai Baht using the exchange rate posted by the Bank of Thailand on that date. Profit and loss which result from the receipt of or payment in a foreign currency and the conversion of assets and liabilities into that currency are recorded in the statement of income.

2.3 Cash and Cash Equivalents

Cash and cash equivalents consist of cash on hand, bank deposits, or short-term investment that are readily converted into cash and have a fixed term of three months or less.

2.4 Temporary Investment

Temporary investment refers to fixed deposit accounts, bills of exchange and promissory notes, government bonds and short-term treasury bills with a fixed term of more than 3 months but not more than 12 months.

Investment in debt instruments, the Company intends to hold these investments until maturity. They are classified as current investment holdings and appear under amortized costs. The difference between purchase price and redemption value is amortized based on the actual rate of return throughout the remaining term of the debt instruments.

2.5 Account Receivable

Account Receivable is presented on the basis of expected value. Reserve for doubtful debts is based on the Company's past debt collection experience, the estimated amount of doubtful debts, and the financial status of non-government and non-state enterprise debtors as of the date of the statement of financial position. Debtors are grouped according to the overdue period on their debts. Rate of reserve for doubtful debts are as follows:

Period of overdue	Rate of reserves for doubtful debt
More than 3 months - 6 months	10
More than 6 months - 9 months	50
More than 9 months - 12 months	90
More than 1 year	100

2.6 Inventories

Inventory appears as historical cost or anticipated net value, whichever is less. Historical cost means cost of acquisition consisting of purchase price and expenses directly involved in the purchase of the goods or supplies, e.g. taxes and transport costs, minus any discounts and rebates obtained from purchasing those goods/supplies. Anticipated net value is based on an estimation of the regular sales price minus the necessary costs of selling the goods. The historical cost of goods in inventory is calculated as follows:

Postal goods, e.g. boxes, envelopes are calculated on the basis of a moving average.

Postage stamps, postage stamps for collection, collectable items, miscellaneous items, and postal souvenirs are calculated on a first in first out (FIFO) basis.

2.7 Other debtors

Most of THP's other debtors are company employees who have borrowed money to buy motorcycles and who have borrowed from the company's loan for casualties. Interest rates on these loans float in line with rates on 12-month fixed deposits, at Krung Thai Bank (Public) Ltd plus 1% and plus 0.25%, respectively. These loans require a guarantor and monthly repayments are deducted from the borrower's salary.

2.8 Other Current Assets

The majority of the Company's other current assets consist of general materials, printed forms, pharmaceuticals and medical supplies.

2.9 Lands, Buildings, and Equipment

Lands, buildings, and equipment include buildings, structures, and additions to buildings and structures which the Company has built on land rented from the State and whose ownership will be transferred to the Treasury upon the end of the rental agreement. Thailand Post acknowledges these assets at cost price as of the date on which it took possession or the date on which construction was completed. They appear in the statement of financial position at cost price minus accumulated depreciation. Depreciation of all assets is calculated by the straight-line method over the expected useful life of the assets except for land. Useful life by type of assets are as follows:

	Useful Life (year)
Buildings, structures, and additions	10 - 20
Additions on rental land	10
Machinery and equipment	10
Tools and appliances	5 - 10
Office equipment	1 - 5
Vehicles	5 - 7

During the year, THP changed its estimates for the useful life of certain types of assets. These appear in the note to item 4 in the financial statement.

2.10 Intangible Assets

These are licenses for computer software shown as the cost price minus the accumulated amortization calculated by the straight-line depreciation method over the useful life of the software within a period of 10 years.

2.11 Other non-current assets

These consist of the right to lease state-owned property, securities receivable, and reserve supplies of postage stamps, which provide a historical record of the issuance of postage stamps. The right to lease state-owned property appears as the after amortization net price. The amortization is calculated for the entire 30-year lease period.

2.12 Estimated Debt

The Company lists estimated debt when it appears reasonably likely at present to incur legal obligations, or when it is the consequence of some past actions and the Company anticipates that it will be required to pay the debt at some time in the future and can make a reliable estimate of the amount to be paid.

2.13 Deferred Revenue

This item refers to value of the assets purchased with money from the fund carrying agency fees from on-line lottery sales and compensations from the government (Treasury Department), which are gradually realized as revenue in installments according to the lifetime of the assets.

2.14 Acknowledgement of Income and Expenses

Income from services is recognized upon completion.

Income from the sale of goods is acknowledged upon delivery.

Income/expenses from international postal services are recorded as income or expenses each month on accrual basis, and upon issuance or receipt of an invoice, the ledger entry is transferred to account receivables or payables for international services.

2.15 Related persons or businesses.

The Company's related parties means persons or businesses with the power to control the company or be controlled by it, either directly or indirectly, or which are under the same control as the Company, or a company which holds shares in a subsidiary or a subsidiary within the same group of companies. Related parties also refers to joint companies or individual shareholders with voting rights either directly or indirectly, and who have significant influence on the Company, the Board of Directors, or company employees, or on family members close to these individuals, and businesses closely associated with these persons.

In reviewing the relation between person or business related to the company, THP takes into account the content of the relations rather than just a legal perspective.

THP is controlled by the Ministry of Finance, the company's sole shareholder, and has no relations with other state enterprises, even those in which the Ministry of Finance is a major shareholder.

THP set up Thailand Post Distribution Company Limited by Cabinet resolution passed on October 22, 2013, for the purpose of managing transport routes, labeling, packing, warehousing and distributing goods, and complementing other related services. THP owns 100% of the shares in the new company, which has registered capital totaling 350 million baht. THP Distribution was officially established on January 9, 2014, and 100% of shares, valued at 350 million baht, was fully paid as of September 29, 2014.

2.16 Employee Benefits

2.16.1 Thailand Post Employees' Pension Fund

The Thailand Post employees' pension fund, set up to provide assistance to employees once they leave their jobs, operates in compliance with the regulation of the Thailand Post Board of Directors, Issue 6, concerning the Thailand Post employees' pension fund B.E. 2548 (2005), and the first amendment of B.E.2549 (2006). Thailand Post contributes to the fund monthly, paying in 10% of the employee's salary plus an additional contribution on the last day of the budget year, which is calculated by multiplying the year-end salary by the years of employment as determined by the pension fund regulation.

The yield on pension fund assets is acknowledged as income, and the Company's contributions to the fund are listed as expenses in the statement of income in the period which the transactions occur. Pension fund assets are also listed on the Company statement of financial position.

2.16.2 Provident Fund

On August 28, 2012, the Company registered an employee provident fund under the name "The Registered Provident Fund of Employees of Thailand Post Company Limited." All business, rights, liabilities, obligations, assets, directors and members of the provident fund were transferred from "The Registered Provident Fund of Employees of the CAT Telecom Public Company Limited and Thailand Post Company Limited."

Staff members who started their jobs prior to December 13, 1996, were able to choose to join the provident fund or the Company's pension fund, whereas those whose employment began after this date could only become members of the provident fund. Upon termination of employment, or withdraw from the fund without resigning his/her position, members are entitled to receive the money according to provident fund rules. Thailand Post is not legally or constructively obligated to pay any additional amount. In the event that its assets are insufficient to pay the entire sum, the Company's contributions to the provident fund are listed as expenses in the statement of income in the period in which the transactions occur. The assets of the provident fund have been separated from those of Thailand Post and are overseen by Krung Thai Asset Management Public Company Limited and Kasikorn Asset Management Company Limited.

2.16.3 Severance Pay

Under Thai labor law, those who have been employed for a consecutive period of no less than 120 days are entitled to severance pay when their employment is terminated or when they are dismissed without cause. According to the law, those who have completed no less than five years of employment and whose employment is terminated due to retirement, are also eligible for some money as a token of appreciation for their service.

2.17 Income Tax

Income tax consists of income tax for the current period and deferred income tax. Income tax for the current period and deferred income tax are acknowledged in the profit and loss statement, except for that portion relating to items directly acknowledged and included in shareholder equity or other comprehensive income items, in compliance with established accounting standards. For details, see the note accompanying item 4.1 of the financial statement.

2.17.1 Income tax for the current period

Income tax for the current period is income tax which the Company expects to pay or to claim as a refund calculated on its profits and losses for the tax period. This figure is based on tax rates currently in effect or expected to be in effect as of the last day of the reporting period and on tax adjustments related to financial reporting from previous years.

2.17.2 Deferred income taxes

Deferred income taxes are recorded as the temporary difference between the accounting value of assets and liabilities appearing in the statement of financial position and tax base. Deferred income taxes are not recognized when they result from the following temporary differences: initial recognition of goodwill; initial recognition of assets or liabilities not related to mergers or where a merger has no impact on the Company's accounting or tax-related profits and losses; and differences related to investments in subsidiaries or associated companies, Provided that reversing entries appear to be unlikely in the near future. The value of deferred income tax assets is measured by using tax rates expected to apply to such temporary differences when reversing entries occur, using applicable tax rates expected to be in effect as of the last day of the reporting period.

In determining the value of income taxes for the current period and deferred income taxes, THP must take into account uncertain tax conditions which may result in increases in taxes and interest on those taxes that it must pay. THP is confident, however, that it has allocated adequate accrued income taxes payable in the future based on an assessment of many factors including a legal interpretation of tax law and previous experience. Because this assessment is based on estimates and hypotheses, and may relate to decisions regarding future events and new data, the Company may need to revise certain decisions depending on the adequacy of existing accrued income taxes payable. Changes in income taxes payable will impact on income tax expenditures in the period in which the changes occur.

Thailand Post will recognize deferred income taxes assets when there is a quite certain likelihood that the Company's future tax profits will be sufficient to put to use. Deferred income taxes are reviewed at the end of each reporting period in light of relevant assumptions about anticipated future tax profits for each period. In all, assumptions about future tax profits are only estimates and may change, thereby having an impact on the recognition of deferred income tax assets.

2.18 Earnings Per Share

Basic earnings per share are determined by dividing the net profit for the shareholding period by the weighted average number of common shares issued and paid up.

3. New Accounting Standards, New Financial Reporting Standards, Newly-Revised Accounting Standards, Interpretations of New Accounting Standards, Interpretations of New Financial Reporting Standards, and New Accounting Practices

New accounting standards, new financial reporting standards, newly-revised accounting standards, interpretations of new accounting standards, interpretations of new financial reporting standards, and new accounting practices, which were published in the Government Gazette over the course of the past year appear below:

- In effect for accounting periods beginning on or after January 1, 2015

Framework for financial reporting (revised 2014)

TAS 1 (revised 2014)	presentation of financial statements
TAS 2 (revised 2014)	inventories
TAS 7 (revised 2014)	cash flow statements
TAS 8 (revised 2014)	accounting policies, changes in accounting estimates and errors
TAS 10 (revised 2014)	events after the reporting period
TAS 11 (revised 2014)	construction contracts
TAS 12 (revised 2014)	income taxes
TAS 16 (revised 2014)	property, plant and equipment
TAS 17 (revised 2014)	leases
TAS 18 (revised 2014)	revenue
TAS 19 (revised 2014)	employee benefits
TAS 20 (revised 2014)	accounting for government grants and disclosure of government assistance
TAS 21 (revised 2014)	effects of changes in foreign exchange rates
TAS 23 (revised 2014)	borrowing costs
TAS 24 (revised 2014)	related party disclosures
TAS 26 (revised 2014)	accounting and reporting by retirement benefit plans
TAS 27 (revised 2014)	consolidated and separate financial statements
TAS 28 (revised 2014)	investments in associates and joint ventures
TAS 29 (revised 2014)	financial reporting in hyperinflationary economies
TAS 33 (revised 2014)	earnings per share
TAS 34 (revised 2014)	interim financial reporting
TAS 36 (revised 2014)	impairment of assets
TAS 37 (revised 2014)	provisions, contingent liabilities, and contingent assets
TAS 38 (revised 2014)	intangible assets
TAS 40 (revised 2014)	investment property
TFRS 2 (revised 2014)	share-based payment
TFRS 3 (revised 2014)	business combinations
TFRS 5 (revised 2014)	non-current assets held for sale and discontinued operations

TFRS 6 (revised 2014)	exploration for evaluation of mineral resources
TFRS 8 (revised 2014)	operating segments
TFRS 10	consolidated financial statements-incase of no specific relation with operating activities
TFRS 11	joint arrangements
TFRS 12	disclosure of interests in other entities
TFRS 13	fair value measurement
TSIC 10 (revised 2014)	government assistance
TSIC 15 (revised 2014)	leases, lessee incentives
TSIC 25 (revised 2014)	income taxes-changes in tax status of businesses or shareholders
TSIC 27 (revised 2014)	assessment of content in legally- constituted lease agreements
TSIC 29 (revised 2014)	disclosure of service concession agreements
TSIC 31 (revised 2014)	revenue-advertising-related exchanges
TSIC 32 (revised 2014)	intangible assets-website costs
TFRIC 1 (revised 2014)	changes in liabilities due to demolition or remodeling and similar liabilities
TFRIC 4 (revised 2014)	assessment of whether agreements include leases
TFRIC 5 (revised 2014)	stakeholder rights from demolition, remodeling and environmental improvement fund
TFRIC 7 (revised 2014)	retroactive adjustments under accounting standards 29 (revised 2014) Financial reporting in hyperinflationary economies
TFRIC 10 (revised 2014)	interim financial reporting and impairment
TFRIC 12 (revised 2014)	service concession agreements
TFRIC 13 (revised 2014)	customer privileges programs
TFRIC 14 (revised 2014)	asset limitations under benefits programs low-grade capital regulations and interrelated transactions for accounting standard 19 (revised 2014) re: employee benefits
TFRIC 15 (revised 2014)	property construction contracts
TFRIC 17 (revised 2014)	payment of non-cash assets to owners
TFRIC 18 (revised 2014)	asset transfer from customers
TFRIC 20	stripping costs during production at open-pit mines

- To come into effect for the accounting period beginning on or after January 1, 2016

Financial reporting framework (revised 2015)

TAS 1 (revised 2015)	presentation of financial statements
TAS 2 (revised 2015)	inventories
TAS 7 (revised 2015)	cash-flow statements
TAS 8 (revised 2015)	accounting policies, changes in accounting estimates and errors
TAS 10 (revised 2015)	events after reporting period
TAS 11 (revised 2015)	construction contracts
TAS 12 (revised 2015)	income taxes
TAS 16 (revised 2015)	property, plant and equipment
TAS 17 (revised 2015)	leases
TAS 18 (revised 2015)	revenue
TAS 19 (revised 2015)	employee benefits
TAS 20 (revised 2015)	accounting for government grants and disclosure of government assistance
TAS 21 (revised 2015)	effects of changes in foreign exchange rates
TAS 23 (revised 2015)	borrowing costs
TAS 24 (revised 2015)	related party disclosures

TAS 26 (revised 2015)	accounting and reporting by retirement benefit plans
TAS 27 (revised 2015)	separate financial statements
TAS 28 (revised 2015)	investments in associates and joint venture
TAS 29 (revised 2015)	financial reporting in hyperinflationary economies
TAS 33 (revised 2015)	earnings per share
TAS 34 (revised 2015)	interim financial statements
TAS 36 (revised 2015)	impairment of assets
TAS 37 (revised 2015)	provisions, contingent liabilities and contingent assets
TAS 38 (revised 2015)	intangible assets
TAS 40 (revised 2015)	investment property
TAS 41	agriculture
TFRS 2 (revised 2015)	share-based payment
TFRS 3 (revised 2015)	business combinations
TFRS 4 (revised 2015)	insurance contracts
TFRS 5 (revised 2015)	non-current assets held for sale and discontinued operations
TFRS 6 (revised 2015)	exploration for evaluation of mineral resource
TFRS 8 (revised 2015)	operating segments
TFRS 10 (revised 2015)	consolidated financial statements
TFRS 11 (revised 2015)	joint arrangements
TFRS 12 (revised 2015)	disclosure of interests in other entities
TFRS 13 (revised 2015)	fair-value measurement
TSIC 10 (revised 2015)	government assistance-not specific to operations
TSIC 15 (revised 2015)	leases-lessee incentives
TSIC 25 (revised 2015)	income taxes-changes in tax status of business or shareholders
TSIC 27 (revised 2015)	assessment of content in legally-constituted lease agreements
TSIC 29 (revised 2015)	disclosure of service concession agreements
TSIC 31 (revised 2015)	revenue-advertising-related exchange transactions
TSIC 32 (revised 2015)	intangible assets-website costs
TFRIC 1 (revised 2015)	changes in liabilities due to demolition or remodeling and similar liabilities
TFRIC 4 (revised 2015)	assessment of whether agreements include leases
TFRIC 5 (revised 2015)	stakeholder rights to demolition, remodeling and environmental improvement funds
TFRIC 7 (revised 2015)	retroactive adjustment under accounting standard 29 (revised 2015) re: financial reporting in hyperinflationary economies
TFRIC 10 (revised 2015)	interim financial statements and impairment
TFRIC 12 (revised 2015)	service concession agreements
TFRIC 13 (revised 2015)	customer privileges programs
TFRIC 14 (revised 2015)	asset limitations under benefits programs minimum capital regulations and interrelated transactions for accounting standard 19 (revised 2014) re: employee benefits
TFRIC 15 (revised 2015)	property construction contracts
TFRIC 17 (revised 2015)	non-cash assets payments to owners
TFRIC 18 (revised 2015)	assets transfers from customers
TFRIC 20 (revised 2015)	stripping costs during production at open-pit mines
TFRIC 21 (revised 2015)	money submitted to the government

The Thailand Post executives have carefully examined the new accounting standards, new financial reporting standards, revised accounting standards, interpretations of new accounting standards, interpretations of new financial reporting standards, and new accounting practices and considered that they will have no significant impact on the financial statements the Company presents.

4. Changes in accounting estimates

In 2015, THP conducted a review of the estimated useful life of property, plant and equipment in order to capitalize on the maximum economic value of these assets. Estimates of the useful life of office equipment such as cash register and vehicles including cars, vans/buses, pick-up trucks and mail transport trucks were changed.

As a result of these changes, depreciation expense for the year ended December 31, 2015, fell by 77.46 million baht, and the future depreciation is subject to change, as follows:

2016	a decrease of	41.58	million baht
2017	an increase of	5.83	million baht
2018	an increase of	28.27	million baht
2019	an increase of	45.98	million baht
2020	an increase of	33.63	million baht
2021	an increase of	5.34	million baht

5. Cash and Cash equivalents consist of:

	Consolidated financial statement		Financial statement of the Company	
	2015	2014	2015	2014
Cash	257.57	244.76	257.37	244.27
Bank deposits				
Current accounts	42.21	(3.95)	42.21	3.51
Savings	1,760.85	1,509.75	1,748.91	1,414.35
3-month fixed deposit	904.35	2,937.67	903.33	2,777.68
Total bank deposits	2,707.41	4,443.47	2,694.45	4,195.54
Total	2,964.98	4,688.23	2,951.82	4,439.81

The Company's bank deposits as of December 31, 2015, and 2014, were 2,694.45 million baht and 4,195.54 million baht, respectively. These totals include payments from outside parties and are recorded under accrued domestic money order, postal order and agency services accounts payable. Debt obligations the Company must pay to its creditors total 567.11 million baht and 523.36 million baht, respectively.

6. Temporary Investments consist of:

	Consolidated financial statement		Financial statement of the Company	
	2015	2014	2015	2014
6-month fixed deposits	816.58	1,936.21	816.58	1,936.21
8-month fixed deposits	160.00	-	160.00	-
10-month fixed deposits	-	110.00	-	110.00
12-month fixed deposits	5,141.56	3,100.78	5,141.56	3,100.78
Debt instruments held to maturity at 1 year	799.76	379.51	799.76	379.51
Long-term bank deposits to maturity in 1 year	1,017.17	350.89	1,017.17	350.89
Total	7,935.07	5,877.39	7,935.07	5,877.39

7. Domestic Trading Accounts Receivable consist of:

	Consolidated financial statement		Financial statement of the Company	
	2015	2014	2015	2014
Postal services with credit account	925.75	933.04	925.75	933.04
Business customer services	68.17	250.03	68.17	250.03
Sale of postage stamp/collectibles with credit account	12.28	8.69	12.28	8.69
Rent on property and equipment	6.90	8.66	6.85	8.66
Other trade account receivables	133.44	7.73	5.05	7.56
	1,146.54	1,208.15	1,018.10	1,207.98
<u>Less</u> allowance for doubtful accounts	(24.19)	(26.23)	(24.10)	(26.23)
Total	1,122.35	1,181.92	994.00	1,181.75

7. Domestic Trading Accounts Receivable (continued)

Divided by aging of accounts receivable:

	Consolidated financial statement		Financial statement of the Company	
	2015	2014	2015	2014
Not yet due	826.82	931.03	827.42	930.86
Period of overdue:				
Less than 3 months	158.26	126.94	65.38	126.94
More than 3 months and less than 6 months	61.28	74.85	33.27	74.85
More than 6 months and less than 9 months	68.10	25.96	60.66	25.96
More than 9 months and less than 12 months	9.28	8.70	9.22	8.70
More than 1 year	22.80	40.67	21.79	40.67
	1,146.54	1,208.15	1,018.10	1,207.98
<u>Less</u> allowance for doubtful accounts	(24.19)	(26.23)	(24.10)	(26.23)
Total	1,122.35	1,181.92	994.00	1,181.75

8. International Trading Account Receivables consist of:

	Consolidated financial statement		Financial statement of the Company	
	2015	2014	2015	2014
International postal items				
terminal dues receivable	843.25	633.46	843.25	633.46
International money orders receivable	47.60	50.92	47.60	50.92
International trade receivable	0.14	0.12	0.14	0.12
	890.99	684.50	890.99	684.50
<u>Less</u> allowance for doubtful accounts	(0.14)	(0.12)	(0.14)	(0.12)
Total	890.85	684.38	890.85	684.38

9. Other Account Receivables consist of:

	Consolidated financial statement		Financial statement of the Company	
	2015	2014	2015	2014
Employee receivable	172.20	182.51	171.94	182.51
Other account receivable	54.55	55.61	75.28	55.66
	226.75	238.12	247.22	238.17
<u>Less</u> allowance for doubtful accounts	(76.83)	(86.70)	(76.83)	(86.70)
Total	149.92	151.42	170.39	151.47

10. Inventories consist of:

	Consolidated financial statement		Financial statement of the Company	
	2015	2014	2015	2014
Collectibles	123.67	123.12	123.67	123.12
Postal goods	120.44	110.28	120.44	110.28
Postage stamps for collecting	98.12	110.18	98.12	110.18
General postage stamps	32.30	32.65	32.30	32.65
Miscellaneous goods	2.98	4.23	2.98	4.23
	377.51	380.46	377.51	380.46
<u>Less</u> allowance for damaged or outdated goods	(98.81)	(20.44)	(98.81)	(20.44)
Total	278.70	360.02	278.70	360.02

Inventory costs recorded as expenses and included in the entry for sales costs for the period ending December 31, 2015 and 2014, consist of:

	Consolidated financial statement		Financial statement of the Company	
	2015	2014	2015	2014
Inventory costs recorded as expenses and included in the entry for sales costs	528.32	573.51	528.32	573.51

11. Temporary Investments with Obligation

THP entered into a loan agreement with the Government Housing Bank to provide housing for its employees, under which the Company must deposit an amount of money equivalent to the total amount of outstanding debt THP employees owe to the bank as of December 31, 2015. The temporary investment under the terms of this agreement amounts to a deposit with the Government Housing Bank totaling 151.85 million baht. (100.01 million baht, as of December 31, 2014)

12. Investment in Subsidiary

THP set up Thailand Post Distribution Company Limited by Cabinet resolution passed on October 22, 2013, for the purpose of managing transport routes, labeling, packing, warehousing and distributing goods, and complementing other related services. THP holds 100% of the shares in the new company, which has registered capital totaling 350 million baht. THP Distribution was officially established on January 9, 2014, and 100% of shares, valued at 350 million baht, was fully paid as of September 29, 2014.

13. Long-term Investments consist of:

	Consolidated financial statement		Financial statement of the Company	
	2015	2014	2015	2014
14-month fixed deposit	-	200.00	-	200.00
15-month fixed deposit	200.00	200.00	200.00	200.00
20-month fixed deposit	70.00	70.00	70.00	70.00
24-month fixed deposit	1,484.53	559.95	1,484.53	559.95
36-month fixed deposit	763.25	180.89	763.25	180.89
37-month fixed deposit	157.22	157.22	157.22	157.22
Minus long-term bank deposits set to mature in one year	(1,017.17)	(350.89)	(1,017.17)	(350.89)
Total	1,657.83	1,017.17	1,657.83	1,017.17

14. Property, Plant and Equipment consist of:

	Consolidated Financial Statement								
	Property	Property improvement	Buildings, construction and improvements	Machinery and equipment	General tools and devices	Office equipment	Vehicles	Assets under construction and installation	Total
Costs									
As of January 1, 2015	1,751.07	199.76	11,129.63	2,353.34	431.78	1,850.30	1,770.62	155.57	19,642.07
Acquisitions	35.08	11.42	95.59	73.88	35.17	202.53	138.53	609.44	1,201.64
Transfer of assets under construction	-	29.43	268.65	10.51	7.09	116.45	-	(456.38)	(24.25)
Donations	-	-	-	-	0.02	0.07	-	-	0.09
Divestitures	(1.17)	(1.00)	(14.13)	(87.23)	(10.71)	(66.89)	(48.67)	-	(229.80)
Change of classification	-	-	(7.31)	1.66	2.76	2.90	(0.01)	-	-
As of December 31, 2015	1,784.98	239.61	11,472.43	2,352.16	466.11	2,105.36	1,860.47	308.63	20,589.75
Accumulated depreciation									
As of January 1, 2015	-	87.03	7,837.05	1,936.61	276.33	1,550.33	1,159.42	-	12,846.77
Divestitures	-	(0.79)	(13.66)	(86.80)	(10.50)	(66.84)	(48.45)	-	(227.04)
Change of classification	-	-	(4.26)	0.09	0.15	4.03	(0.01)	-	-
Depreciation in the period	-	18.51	581.99	69.94	42.20	151.28	142.98	-	1,006.91
As of December 31, 2015	-	104.75	8,401.12	1,919.84	308.18	1,638.80	1,253.94	-	13,626.64
Book value									
As of January 1, 2015	1,751.07	112.73	3,292.58	416.73	155.45	299.97	611.20	155.57	6,795.30
As of December 31, 2015	1,784.98	134.86	3,071.31	432.32	157.92	466.56	606.53	308.63	6,963.11

As of December 31, 2015, property, plant and equipment, after full value depreciation, but which remain in use, are valued at 5,954.07 million baht (compared with 5,470.08 million baht on December 31, 2014).

As of December 31, 2015, depreciation expenses for the year ended December 31, 2015, totaled 1,006.91 million baht, which consisted of 807.21 million baht for the cost of sales and services and 199.70 million baht for sales and administrative expense.

14. Property, Plant and Equipment consist of:

	Financial Statement of the Company								
	Property	Property improvement	Buildings, construction and improvements	Machinery and equipment	General tools and devices	Office equipment	Vehicles	Assets under construction and installation	Total
Costs									
As of January 1, 2015	1,751.07	199.76	11,129.63	2,353.34	431.78	1,850.15	1,770.62	155.57	19,641.92
Acquisitions	35.08	11.42	87.88	73.36	34.62	197.04	138.53	609.44	1,187.37
Transfer of assets under construction	-	29.43	268.65	10.51	7.09	116.45	-	(456.38)	(24.25)
Donations	-	-	-	-	0.02	0.07	-	-	0.09
Divestitures	(1.17)	(1.00)	(14.13)	(87.23)	(10.71)	(66.89)	(48.67)	-	(229.80)
Change of classification	-	-	(7.31)	1.66	2.76	2.90	(0.01)	-	-
As of December 31, 2015	1,784.98	239.61	11,464.72	2,352.64	465.56	2,099.72	1,860.47	308.63	20,575.33
Accumulated depreciation									
As of January 1, 2015	-	87.08	7,837.05	1,936.61	276.33	1,550.33	1,159.42	-	12,846.77
Divestitures	-	(0.79)	(13.66)	(86.80)	(10.50)	(66.84)	(48.45)	-	(227.04)
Change of classification	-	-	(4.26)	0.09	0.15	4.03	(0.01)	-	-
Depreciation in the period	-	18.51	581.64	69.86	42.19	150.28	142.98	-	1,005.42
As of December 31, 2015	-	104.75	8,400.77	1,919.76	308.17	1,637.80	1,253.94	-	13,625.15
Book value									
As of January 1, 2015	1,751.07	112.73	3,292.58	416.73	155.45	299.82	611.20	155.57	6,795.15
As of December 31, 2015	1,784.98	134.86	3,063.99	431.88	157.39	461.92	606.53	308.63	6,950.18

As of December 31, 2015, property, plant and equipment, after full value depreciation, but which remain in use, are valued at 5,954.07 million baht (compared with 5,470.08 million baht on December 31, 2014).

As of December 31, 2015, depreciation costs for the year ended December 31, 2015, totaled 1,005.42 million baht, which consisted of 806.59 million baht for the cost of sales and services and 198.83 million baht for sales and administrative expense.

15. Intangible Assets consist of:

	Consolidated financial statement		Financial statement of the Company	
Cost-Computer program				
As of January 1, 2015	205.48		205.48	
Acquisition	8.90		7.90	
Amortization	-		-	
Transfer of assets under installation	24.25		24.25	
As of December 31, 2015	238.63		237.63	
Accumulated amortization				
As of January 1, 2015	78.17		78.17	
Amortization for the period	22.09		22.07	
As of December 31, 2015	100.26		100.24	
book value				
As of January 1, 2015	127.31		127.31	
As of December 31, 2015	138.37		137.39	

16. Deferred income tax assets consist of:

	Consolidated financial statement and financial statement of the Company			
	Employee benefits	THP employees' pension fund	Other	Total
As of January 1, 2014	756.18	12.89	52.06	821.13
Items in the profit and loss statement	(15.48)	(0.27)	(7.41)	(23.16)
Items in the comprehensive profit and loss statement	5.29	-	-	5.29
As of December 31, 2014	745.99	12.62	44.65	803.26
Items in the profit and loss statement	53.03	1.62	(17.84)	36.81
Items in the comprehensive profit and loss statement	(7.82)	-	-	(7.82)
As of December 31, 2015	791.20	14.24	26.81	832.25

17. Other Non-current Assets consist of:

	Consolidated financial statement		Financial statement of the Company	
	2015	2014	2015	2014
Leasehold rights brought forward	18.90	20.45	18.90	20.45
<u>Less</u> leasehold titles due to be amortized within 1 year	(1.56)	(1.55)	(1.56)	(1.55)
Net leasehold	17.34	18.90	17.34	18.90
Secured receivables	21.65	20.44	3.85	2.64
Deferred expenses	2.31	0.80	2.31	0.80
Postage stamp reserves	0.55	0.50	0.55	0.50
Total	41.85	40.64	24.05	22.84

18. Other Payables consist of:

	Consolidated financial statement		Financial statement of the Company	
	2015	2014	2015	2014
Secured Payable	176.59	150.59	174.78	148.75
Revenue Department Payable	41.87	34.88	40.31	34.49
Other Payable	4.97	10.99	4.54	10.99
Total	223.93	196.46	219.63	194.23

19. Accrued Expenses consist of:

	Consolidated financial statement		Financial statement of the Company	
	2015	2014	2015	2014
Bonus payables	530.41	528.85	530.41	528.85
Terminal dues, outgoing international postal items	490.96	523.25	490.96	523.25
Shipping cost of international mail	101.31	123.14	101.31	123.14
Compensation under early retirement scheme	0.03	998.06	0.03	998.06
Others	717.52	790.85	716.68	869.89
Total	1,840.23	2,964.15	1,839.35	3,043.19

20. Advanced revenues consist of:

	Consolidated financial statement		Financial statement of the Company	
	2015	2014	2015	2014
Terminal dues, incoming international postal items	77.32	62.36	77.32	62.36
Rent on property and equipment	26.45	26.35	26.45	26.35
Postage stamp collection deposit accounts	24.63	27.17	24.63	27.17
Domestic business reply service	21.15	20.27	21.15	20.27
Postage paid for franking machines	5.70	5.71	5.70	5.71
Other	8.03	8.29	8.03	8.29
Total	163.28	150.15	163.28	150.15

21. Advanced revenues consist of:

	Consolidated financial statement		Financial statement of the Company	
	2015	2014	2015	2014
Contribution to employee provident fund payable	210.82	141.59	210.82	141.59
Customs duties in arrears on international parcels	81.16	125.78	81.16	125.78
Fund carrying remuneration from Government Lottery Office	66.05	92.43	66.05	92.43
Advanced cash received, international money orders	14.14	1.50	14.14	1.50
Outstanding arrears	11.23	28.63	11.23	28.63
Account sales tax not yet due	7.81	12.23	5.40	12.54
Undelivered donations	1.68	1.83	1.68	1.83
Other	10.43	21.16	10.43	21.49
Total	403.21	425.15	400.91	425.79

22. Employee Benefit Obligations consist of:

	Consolidated financial statement		Financial statement of the Company	
	2015	2014	2015	2014
Balance at beginning of period	3,825.31	3,876.21	3,825.31	3,876.21
Current service costs	207.12	206.12	207.12	206.12
Interest costs	138.20	147.32	138.20	147.32
(profit) loss from estimates according to actuarial principles	(39.12)	26.48	(39.12)	26.48
Paid benefits	(175.47)	(430.82)	(175.47)	(430.82)
Balance at end of period	3,956.04	3,825.31	3,956.04	3,825.31

The main assumptions regarding estimates made in accordance with actuarial principles used to calculate obligations under the employee compensation scheme as of December 31, 2015, were:

	Annual percentage rate
Yield of government bonds at 17 year-duration	3.65
Average employee turnover rate	0.64
Average death rate	0.23
Rate of salary increase per year	7.50

23. Thailand Post Employees' Pension Fund

As of December 31, 2015, the Thailand Post Employees' Pension Fund contained 25.98 million baht (26.41 million baht, as of December 31, 2014). In this period, the Company fulfilled its obligations to the fund, contributing a total of 6.66 million baht.

24. Legal Reserves

In 2008, the Company appropriated 10%, or 125 million baht, of its registered and paid capital for legal reserves.

25. Revenues from Sales and consist of:

	Consolidated financial statement		Financial statement of the Company	
	2015	2014	2015	2014
Communication services	9,655.20	9,829.41	9,655.20	9,829.41
transport services	11,211.52	9,697.18	10,951.48	9,665.90
Retail services	1,043.29	1,015.06	1,043.29	1,015.06
Financial services	581.75	714.72	581.75	714.72
Other	150.12	156.24	158.44	156.67
Total	22,641.88	21,412.61	22,390.16	21,381.76

26. Other Revenues consist of:

	Consolidated financial statement		Financial statement of the Company	
	2015	2014	2015	2014
Interest earned	254.71	261.39	253.87	260.28
Profit on sale of equipment	10.72	6.28	10.72	6.28
Interest earned on Pension Fund	1.45	1.87	1.45	1.87
Profit on foreign exchange	0.08	19.49	0.08	19.49
Others	111.12	120.81	109.71	120.44
Total	378.08	409.84	375.83	408.36

27. Expenses by consist of:

	Consolidated financial statement		Financial statement of the Company	
	2015	2014	2015	2014
Employee expenses	10,882.81	10,376.64	10,826.71	10,357.43
Leases	1,834.55	1,428.07	1,731.62	1,419.52
Postal transportation costs	1,504.10	1,547.23	1,320.65	1,530.65
Other operating expenses	1,423.32	1,382.11	1,410.23	1,379.12
Depreciation and amortization	1,030.55	1,027.46	1,029.04	1,027.46
Remuneration from international postal and financial services	899.18	901.73	899.18	901.73
Postal expenses	588.86	533.40	588.35	533.40
Maintenance and repairs	553.13	393.42	552.97	393.42
Cost of goods sold	528.32	573.51	528.32	573.51
Public utilities	385.32	347.87	370.14	347.65
Marketing and promotional activities	155.11	208.73	152.69	208.71
Compensation under early retirement scheme	-	728.17	-	728.17
Other expenses	23.27	13.16	21.73	13.16
Total	19,808.52	19,461.50	19,431.63	19,413.93

Employee expenses consist of employee remuneration, employee benefits, and staff training costs.

Other expenses include auditing fees amounting 2.20 million baht.

28. Income tax

	Consolidated financial statement		Financial statement of the Company	
	2015	2014	2015	2014
Income tax recognized in the profit and loss statement				
Income tax due	814.95	558.29	814.95	558.29
Changes in temporary differences	(50.50)	23.16	(50.50)	23.16
Total	764.45	581.45	764.45	581.45
Recognized income tax in the comprehensive profit and loss statement				
Employee benefit obligations	(7.82)	5.29	(7.82)	5.29

29. Remuneration to Directors consist of:

	Consolidated financial statement		Financial statement of the Company	
	2015	2014	2015	2014
Meeting attendance fees	1.61	1.74	1.17	1.06
Directors' bonuses	1.00	0.97	1.00	0.97
Total	2.61	2.71	2.17	2.03

30. Paid Dividends

In 2014, the Company paid dividends totaling 948.99 million baht to the Ministry of Finance as its sole shareholder. This consisted of a dividend payment for the second half of 2013 totaling 451.43 million baht, and an interim dividend payment for 2014 of 497.56 million baht.

In 2015, the Company paid an interim dividend totaling 544.47 million baht to Ministry of Finance as sole shareholder.

31. Possible Assets and Liabilities

31.1 Possible assets

THP is the plaintiff in a number of legal disputes involving individuals and businesses, most of them concerning alleged breaches of purchase, construction, and employment contracts. As of December 31, 2015, these cases involved the sum of monies totaling 108.02 million baht (compared with 107.62 million baht as of December 31, 2014). Principal among these cases are:

- 31.1.1. A case against VI Corporate Juristic Person over the alleged breach of an employment contract for ERP development - damages sought: 44.06 million baht
- 31.1.2. A case against Pracharat Engineering over the alleged breach of a construction contract for expansion of Prakhonong Post Office - damages sought: 16.52 million baht
- 31.1.3. A case against Ang Thong Engineering Partnership over the alleged breach of a construction contract for a medical facility - damages sought: 5.66 million baht

31.2 Possible liabilities

Lawsuits have been filed against THP by individuals and businesses, most of them involving alleged breaches of purchase, construction and employment contracts. As of December 31, 2015, these lawsuits involved damages totaling 173.61 million baht (compared with 200.22 million baht as of December 31, 2014). Principal among these cases are:

- 31.2.1. Ms. Jantima Ruengratanatrai over the explosion of a postal parcel at Trat Post Office - damages sought: 64.07 million baht
- 31.2.2. DBA Consulting over the alleged breach of an employment contract for development of the financial and postage stamp accounting system and request for return of security - damages sought: 23.36 million baht

As of December 31, 2015, no decisions had been reached in these cases, and because the Company is unsure whether these cases will result in added liabilities, these matters do not appear in the financial statement.



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