

**ALT TELECOM PUBLIC COMPANY LIMITED
(FORMERLY “A.L.T. INTER CORPORATION COMPANY LIMITED”)**

CONSOLIDATED AND COMPANY FINANCIAL STATEMENTS

31 DECEMBER 2015

AUDITOR'S REPORT

To the Shareholders of ALT Telecom Public Company Limited
(Formerly "A.L.T. Inter Corporation Company Limited")

I have audited the accompanying consolidated and company financial statements of ALT Telecom Public Company Limited and its subsidiaries and of ALT Telecom Public Company Limited, which comprise the consolidated and company statements of financial position as at 31 December 2015, and the related consolidated and company income statements and the related consolidated and company statements of comprehensive income, changes in shareholders' equity and cash flows for the year then ended, and a summary of significant accounting policies and other notes.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my opinion, the consolidated and company financial statements referred to above present fairly, in all material respects, the consolidated and company financial position of ALT Telecom Public Company Limited and its subsidiaries and of ALT Telecom Public Company Limited as at 31 December 2015, and its consolidated and company results of operations and its cash flows for the year then ended in accordance with Thai Financial Reporting Standards.

Pisit Thangtanagul
Certified Public Accountant (Thailand) No. 4095
PricewaterhouseCoopers ABAS Ltd.

Bangkok
24 February 2016

ALT Telecom Public Company Limited
(Formerly “A.L.T. Inter Corporation Company Limited”)
Statement of Financial Position
As at 31 December 2015

	Notes	Consolidated		Company	
		2015 Baht	2014 Baht	2015 Baht	2014 Baht
Assets					
Current assets					
Cash and cash equivalents	7	67,847,620	94,384,532	3,728,740	5,424,742
Short-term investments	8	2,803,550	2,445,262	1,353,006	1,013,238
Trade and other receivables	9	501,937,368	394,045,494	133,396,361	69,385,632
Unbilled contract revenue	10	823,821,461	366,264,318	298,615,425	105,574,263
Short-term loans to related parties	32	145,700,000	40,193,427	40,000,000	-
Inventories	11	446,777,162	563,330,146	135,544,701	118,664,545
Current portion of prepaid rent		6,535,141	-	2,675,662	-
Other current assets	12	16,958,779	9,706,800	9,078,863	259,384
Total current assets		2,012,381,081	1,470,369,979	624,392,758	300,321,804
Non-current assets					
Restricted cash	13	78,981,851	73,635,915	24,401,315	24,401,315
Investment in associate	14	11,406,498	-	13,500,000	-
Investment in subsidiaries	14	-	-	94,463,080	62,255,803
Interest in joint venture	14	2,195,505	-	35,499,900	8,874,975
Property, plant and equipment	15	72,083,961	83,541,246	41,368,031	41,136,250
Fiber optic network equipment	16	285,262,970	266,726,810	247,361,789	266,726,810
Intangible assets	17	9,955,573	13,082,977	2,821,946	2,702,292
Deferred tax assets	18	8,124,187	1,676,099	4,400,884	8,702,927
Other non-current assets		11,593,777	8,601,677	2,644,558	2,946,608
Total non-current assets		479,604,322	447,264,724	466,461,503	417,746,980
Total assets		2,491,985,403	1,917,634,703	1,090,854,261	718,068,784

Director _____
Pyut Bhuwakulwong

Director _____
Preeyapun Bhuwakul

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

ALT Telecom Public Company Limited
(Formerly “A.L.T. Inter Corporation Company Limited”)
Statement of Financial Position (Cont’d)
As at 31 December 2015

	Notes	Consolidated		Company	
		2015 Baht	2014 Baht	2015 Baht	2014 Baht
Liabilities and shareholders’ equity					
Current liabilities					
Bank overdrafts and short-term					
borrowings from financial institutions	19	715,073,355	511,371,288	347,046,891	161,428,878
Trade and other payables	20	1,065,752,150	892,232,872	192,933,468	81,708,731
Current portion of finance lease liability	19	46,739	534,096	-	-
Current portion of long-term borrowings					
from financial institutions	19	-	785,880	-	-
Short-term borrowings from					
third parties	19	32,500,000	32,500,000	32,500,000	32,500,000
Short-term borrowings from					
related parties	19, 32	7,000,000	-	88,000,000	214,310,000
Accrued income tax		31,025,824	7,976,293	-	3,918,282
Other current liabilities	21	24,995,433	29,107,573	17,249,677	21,269,480
Total current liabilities		1,876,393,501	1,474,508,002	677,730,036	515,135,371
Non-current liabilities					
Long-term finance lease liability	19	-	46,739	-	-
Employee benefit obligations	22	11,155,909	10,133,838	4,716,344	4,054,810
Other liabilities		3,898,337	373,231	-	-
Total non-current liabilities		15,054,246	10,553,808	4,716,344	4,054,810
Total liabilities		1,891,447,747	1,485,061,810	682,446,380	519,190,181

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ALT Telecom Public Company Limited
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Statement of Financial Position (Cont’d)
As at 31 December 2015

	Notes	Consolidated		Company	
		2015 Baht	2014 Baht	2015 Baht	2014 Baht
Liabilities and shareholders’ equity (Cont’d)					
Share capital	23				
Authorised share capital					
Ordinary share 1,000,000,000 shares of par Baht 0.50 each		<u>500,000,000</u>		<u>500,000,000</u>	
Ordinary share 1,550,000 shares of par Baht 100 each			<u>155,000,000</u>		<u>155,000,000</u>
Issued and paid-up share capital					
Ordinary share 750,000,000 shares of paid-up Baht 0.50 each		375,000,000		375,000,000	
Ordinary share 1,550,000 shares of paid-up Baht 100 each			155,000,000		155,000,000
Share surplus from business combination under common control	14	4,605,502	-	-	-
Share surplus from share-based payment	26	1,836,570	-	-	-
Retained earnings					
Appropriated - legal reserve	24	28,600,000	15,500,000	28,600,000	15,500,000
Unappropriated		137,806,897	210,808,316	4,807,881	28,378,603
Other components of equity		<u>42,940,185</u>	<u>44,347,216</u>	-	-
Equity attribute to owners of the parent		590,789,154	425,655,532	408,407,881	198,878,603
Non-controlling interests		<u>9,748,502</u>	<u>6,917,361</u>	-	-
Total shareholders’ equity		<u>600,537,656</u>	<u>432,572,893</u>	<u>408,407,881</u>	<u>198,878,603</u>
Total liabilities and shareholders’ equity		<u>2,491,985,403</u>	<u>1,917,634,703</u>	<u>1,090,854,261</u>	<u>718,068,784</u>

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ALT Telecom Public Company Limited
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Income Statement

For the year ended 31 December 2015

	Notes	Consolidated		Company	
		2015 Baht	2014 Baht	2015 Baht	2014 Baht
Revenues					
Sales		854,881,440	1,089,684,239	263,479,355	129,112,763
Services income		1,746,995,057	883,392,554	286,701,296	159,994,611
Services income - fiber optic network		-	-	-	-
Total revenues		2,601,876,497	1,973,076,793	550,180,651	289,107,374
Costs					
Cost of sales		(688,884,446)	(948,158,262)	(205,893,164)	(108,339,802)
Cost of service		(1,323,014,421)	(627,155,196)	(215,644,233)	(116,193,161)
Cost of service - fiber optic network		(25,741,339)	(22,730,630)	(25,741,339)	(22,730,630)
Total costs		(2,037,640,206)	(1,598,044,088)	(447,278,736)	(247,263,593)
Gross profit		564,236,291	375,032,705	102,901,915	41,843,781
Other income	27	22,296,383	19,304,830	257,084,769	41,753,741
Selling expenses		(84,334,323)	(86,430,644)	(32,682,973)	(25,373,787)
Administrative expenses		(158,804,559)	(133,665,866)	(42,587,765)	(30,023,615)
Reversal of assets impairment	29	-	5,963,838	-	503,442
(Loss) gain from exchange rate		(17,301,522)	4,076,015	1,950,745	(835,093)
Share of loss of investments in associate and joint venture	14	(25,237,233)	(2,947,957)	-	-
Finance costs	28	(35,833,330)	(44,703,098)	(24,297,110)	(24,963,913)
Profit before income tax expense		265,021,707	136,629,823	262,369,581	2,904,556
Income tax (expense) revenue	30	(57,005,112)	(26,839,574)	(6,262,803)	3,066,371
Profit for the year		208,016,595	109,790,249	256,106,778	5,970,927
Attributable profit to:					
Shareholders of the parent		206,676,081	95,305,850	256,106,778	5,970,927
Non-controlling interest		1,340,514	14,484,399	-	-
		208,016,595	109,790,249	256,106,778	5,970,927
Earnings per share					
Basic earnings per share	31	0.36	0.31	0.45	0.02

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ALT Telecom Public Company Limited
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Statement of Comprehensive Income
For the year ended 31 December 2015

	Consolidated		Company	
	2015	2014	2015	2014
Note	Baht	Baht	Baht	Baht
Profit for the year	208,016,595	109,790,249	256,106,778	5,970,927
Other comprehensive income:				
Item that will be reclassified				
Currency translation differences	628,606	-	-	-
Item that will not be reclassified subsequently to profit or loss				
Actuarial gains on defined employee benefit plan	22	2,270,646	-	2,272,816
Income tax relating to items that will be reclassified subsequently to profit or loss		(281,749)	-	(454,563)
Total comprehensive income for the year	208,645,201	111,779,146	256,106,778	7,789,180
Total comprehensive income attributable to:				
Shareholders of the parent	207,304,687	97,124,103	256,106,778	7,789,180
Non-controlling interest	1,340,514	14,655,043	-	-
	208,645,201	111,779,146	256,106,778	7,789,180

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ALT Telecom Public Company Limited
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Statement of Changes in Shareholders’ Equity
For the year ended 31 December 2015

Consolidated										
Attributable to owners of the parent										
Notes	Issued and paid-up share capital Baht	Share surplus from business combination under common control Baht	Share surplus from share-based payment Baht	Retained earnings		Other components of shareholders’ equity - Change in parent’s ownership interest in subsidiaries Baht	Total owners of the parent Baht	Non-controlling interest Baht	Total shareholders’ equity Baht	
				Appropriated	Unappropriated					
				Legal reserve Baht						
Opening balance at 1 January 2014	155,000,000	-	-	13,200,000	165,178,026	12,454,098	345,832,124	28,179,976	374,012,100	
Addition of investment in subsidiary by purchasing shares from non-controlling	14	-	-	-	(601,313)	31,893,118	31,291,805	(34,276,261)	(2,984,456)	
Issue of shares by subsidiary	-	-	-	-	-	-	-	4,108,724	4,108,724	
Dividends payment by subsidiary	-	-	-	-	-	-	-	(2,152,365)	(2,152,365)	
Change status from subsidiary to joint venture	-	-	-	-	-	-	-	(3,597,756)	(3,597,756)	
Legal reserve	24	-	-	2,300,000	(2,300,000)	-	-	-	-	
Dividends payment	25	-	-	-	(48,592,500)	-	(48,592,500)	-	(48,592,500)	
Total comprehensive income for the year	-	-	-	-	97,124,103	-	97,124,103	14,655,043	111,779,146	
Closing balance at 31 December 2014	<u>155,000,000</u>	<u>-</u>	<u>-</u>	<u>15,500,000</u>	<u>210,808,316</u>	<u>44,347,216</u>	<u>425,655,532</u>	<u>6,917,361</u>	<u>432,572,893</u>	
Opening balance at 1 January 2015	155,000,000	-	-	15,500,000	210,808,316	44,347,216	425,655,532	6,917,361	432,572,893	
Addition of investment in subsidiary by purchasing shares from non-controlling	14	-	-	-	-	(2,035,637)	(2,035,637)	37,135,526	35,099,889	
Issue of shares	23	220,000,000	-	-	-	-	220,000,000	-	220,000,000	
Dividends payment by subsidiary	-	-	-	-	-	-	-	(3,895,152)	(3,895,152)	
Change status from subsidiary to associate	-	-	-	-	-	-	-	(31,499,800)	(31,499,800)	
Recognise share-based payment	26	-	-	1,836,570	-	-	1,836,570	-	1,836,570	
Disposal of investment in subsidiary	14	-	4,605,502	-	-	-	4,605,502	(249,947)	4,355,555	
Legal reserve	24	-	-	13,100,000	(13,100,000)	-	-	-	-	
Dividends payment	25	-	-	-	(266,577,500)	-	(266,577,500)	-	(266,577,500)	
Total comprehensive income for the year	-	-	-	-	206,676,081	628,606	207,304,687	1,340,514	208,645,201	
Closing balance at 31 December 2015	<u>375,000,000</u>	<u>4,605,502</u>	<u>1,836,570</u>	<u>28,600,000</u>	<u>137,806,897</u>	<u>42,940,185</u>	<u>590,789,154</u>	<u>9,748,502</u>	<u>600,537,656</u>	

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ALT Telecom Public Company Limited
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Statement of Changes in Shareholders’ Equity
For the year ended 31 December 2015

	Notes	Company			Total shareholders’ equity Baht
		Issued and paid-up share capital Baht	Retained earnings		
			Appropriated		
			Legal reserve Baht	Unappropriated Baht	
Opening balance at 1 January 2014		155,000,000	13,200,000	71,481,923	239,681,923
Legal reserve	24	-	2,300,000	(2,300,000)	-
Dividends payment	25	-	-	(48,592,500)	(48,592,500)
Total comprehensive income for the year		-	-	7,789,180	7,789,180
Closing balance at 31 December 2014		<u>155,000,000</u>	<u>15,500,000</u>	<u>28,378,603</u>	<u>198,878,603</u>
Opening balance at 1 January 2015		155,000,000	15,500,000	28,378,603	198,878,603
Issue of shares	23	220,000,000	-	-	220,000,000
Legal reserve	24	-	13,100,000	(13,100,000)	-
Dividends payment	25	-	-	(266,577,500)	(266,577,500)
Total comprehensive income for the year		-	-	256,106,778	256,106,778
Closing balance at 31 December 2015		<u>375,000,000</u>	<u>28,600,000</u>	<u>4,807,881</u>	<u>408,407,881</u>

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ALT Telecom Public Company Limited
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Statement of Cash Flows
For the year ended 31 December 2015

	Notes	Consolidated		Company	
		2015 Baht	2014 Baht	2015 Baht	2014 Baht
Cash flows from operating activities					
Profit before income tax		265,021,707	136,629,823	262,369,581	2,904,556
Adjustments for:					
Depreciation of building and equipment	15	13,183,753	15,104,088	1,614,008	1,522,414
Depreciation of fiber optic network	16	22,730,629	22,730,630	22,730,629	22,730,630
Amortisation of prepaid rents		3,010,710	-	-	-
Amortisation expenses	17	1,094,989	1,260,171	416,676	378,285
Reversal of provision for impairment of assets	15	-	(5,963,838)	-	(503,441)
Doubtful accounts (reversal)	9	1,845,196	858,935	(341,507)	858,935
Loss (gain) on disposal of equipment		2,266	(85,060)	(2,718)	(84,111)
Loss (gain) on write-off of equipment	15	6,185	-	-	-
Interest income	27	(5,715,254)	(4,298,748)	(1,570,260)	(736,540)
Finance costs	28	35,833,330	44,703,098	24,297,110	24,963,913
Dividends Income	27	-	-	(233,110,848)	(19,347,635)
Reversal of allowance for diminution in value of inventories	11	(5,273,990)	(5,254,554)	(8,581,815)	(2,892,658)
Employee benefit obligations	22	3,426,887	3,090,070	1,383,847	1,152,030
Gain on change status from investment in subsidiary to investment in associate	27	(3,003,717)	-	-	-
Gain on change status from investment in subsidiary to investment in joint venture	27	-	(2,409,315)	-	-
Gain on disposal of investment in subsidiary	27	-	-	(4,327,259)	-
Share of result of investment in joint venture	14	24,429,420	2,947,957	-	-
Share of result of investment in associate	14	807,813	-	-	-
Share-based payment	26	1,836,570	-	-	-
Changes in operating assets and liabilities					
- trade and other receivables		(109,546,826)	283,695,294	(62,478,581)	262,208,219
- unbilled contract revenue		(457,557,143)	(200,053,114)	(193,041,162)	(89,256,730)
- inventories		115,092,118	14,055,687	(6,948,635)	(41,363,367)
- other current assets		(9,801,352)	14,791,337	(4,711,749)	2,046,534
- prepaid rent		(9,545,851)	-	(2,675,662)	-
- other non-current assets		(3,481,800)	3,071,689	302,050	(758,014)
- trade and other payables		178,231,577	(132,578,425)	118,452,600	(19,881,484)
- other current liabilities		(4,065,224)	5,445,523	(4,019,803)	4,476,281
- other non-current liabilities		3,525,106	(1,191,350)	-	(1,225,349)
- employee benefit obligations		(1,574,557)	-	(722,313)	-
Cash from (used in) operations		60,512,542	196,549,898	(90,965,811)	147,192,468
<u>Less</u> Interest paid		(24,203,697)	(45,056,160)	(23,671,519)	(22,381,243)
Income tax paid		(40,403,669)	(34,389,804)	(9,986,772)	(4,183,117)
Net cash (used in) generated from operating activities		(4,094,824)	117,103,934	(124,624,102)	120,628,108

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ALT Telecom Public Company Limited
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Statement of Cash Flows (Cont’d)
For the year ended 31 December 2015

	Notes	Consolidated		Consolidated	
		2015 Baht	2014 Baht	2015 Baht	2014 Baht
Cash flow from investing activities					
Cash decrease from status change from subsidiary to associate		(710,394)	-	-	-
Purchases of property, plant and equipment	15	(8,658,162)	(6,882,064)	(3,246,383)	(2,246,297)
Purchases of fiber optic network	16	(41,266,789)	-	(3,365,608)	-
Purchases of intangible assets	17	(1,931,689)	(1,387,100)	(536,330)	(100,550)
Decrease (increase) in restricted cash		(5,345,936)	93,997,518	-	14,018,685
Proceeds from disposal of short-term investments	8	-	552,546	-	552,546
Payments for investment in subsidiaries	14	-	-	(54,900,400)	(43,939,075)
Payments for investment in associate	14	(8,500,200)	-	-	-
Payment for investment in joint venture	14	(26,624,925)	-	(26,624,925)	-
Payments for short-term loans to related parties	32	(136,400,000)	(33,700,000)	(48,000,000)	(15,200,000)
Proceeds from short-term loans to related parties	32	38,893,427	1,080,100	8,000,000	15,220,000
Proceeds from disposals of property and equipment		625,703	100,944	53,606	84,112
Proceeds from disposals of intangible assets		380,030	-	-	-
Proceeds from disposals of investment, net	14	9,482,330	-	13,520,382	-
Dividends received from subsidiaries	14	-	-	233,110,848	19,347,635
Interest received		3,810,415	3,481,690	39,851	162,577
Net cash (used in) from investing activities		<u>(176,246,190)</u>	<u>57,243,634</u>	<u>118,051,041</u>	<u>(12,100,367)</u>
Cash flows from financing activities					
Proceeds from short-term borrowing from related parties	32	62,300,000	-	151,000,000	182,100,000
Proceeds from short-term borrowing from financial institution		1,203,771,015	471,653,818	664,382,851	121,711,408
Proceeds from short-term borrowing from third parties		32,500,000	32,500,000	32,500,000	32,500,000
Proceeds from shares issuance by subsidiaries		3,600,089	1,935,300	-	-
Proceeds from (repayments to) bank overdraft		2,786,233	(19,238,831)	(274,157)	(14,614,558)
Proceeds from shares issuance	23	220,000,000	-	220,000,000	-
Repayments of finance lease liabilities		(534,096)	(410,226)	-	-
Repayment of short-term borrowing from related parties	32	(55,300,000)	-	(277,310,000)	(24,850,000)
Repayment of short-term borrowing from financial institution		(1,011,560,607)	(353,248,303)	(486,344,135)	(80,181,057)
Repayment of short-term borrowing from third parties		(32,500,000)	(36,500,000)	(32,500,000)	(32,500,000)
Repayment of long-term borrowing from financial institution		(785,880)	(248,946,917)	-	(247,938,917)
Payments for investment purchased from non-controlling interest		-	(1,999,473)	-	-
Dividends paid to non-controlling interest		(3,895,152)	(2,152,365)	-	-
Dividends paid to shareholders	25	<u>(266,577,500)</u>	<u>(48,592,500)</u>	<u>(266,577,500)</u>	<u>(48,592,500)</u>
Net cash from (used in) financing activities		<u>153,804,102</u>	<u>(204,999,497)</u>	<u>4,877,059</u>	<u>(112,365,624)</u>
Net (decrease) increase in cash and cash equivalents		<u>(26,536,912)</u>	<u>(30,651,929)</u>	<u>(1,696,002)</u>	<u>(3,837,883)</u>
Opening balance of cash and cash equivalents		<u>94,384,532</u>	<u>125,036,461</u>	<u>5,424,742</u>	<u>9,262,625</u>
Closing balance of cash and cash equivalents		<u><u>67,847,620</u></u>	<u><u>94,384,532</u></u>	<u><u>3,728,740</u></u>	<u><u>5,424,742</u></u>

Director _____
Pyut Bhuwakulwong

Director _____
Preeyapun Bhuwakul

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

ALT Telecom Public Company Limited
(Formerly “A.L.T. Inter Corporation Company Limited”)
Statement of Cash Flows (Cont’d)
For the year ended 31 December 2015

	Consolidated		Consolidated	
	2015	2014	2015	2014
	Baht	Baht	Baht	Baht
Significant non-cash transactions				
Write-off long outstanding receivable	-	1,478,568	-	1,478,568
Change status from investment in subsidiary to investment in associate	12,214,311	-	13,500,000	-
Change status from investment in subsidiary to investment in joint venture	-	2,947,957	-	8,874,975
Short-term loans to related parties increase from the disposal of investment in subsidiary	8,000,000	-	-	-
Transfer from assets under construction to inventories	1,349,706	-	1,349,706	-
Short-term borrowing from financial institute increase from financial cost	14,403,371	-	7,853,454	-

Director _____
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Director _____
Preeyapun Bhuwakul

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

ALT Telecom Public Company Limited
(Formerly “A.L.T. Inter Corporation Company Limited”)
Notes to the Consolidated and Company Financial statements
For the year ended 31 December 2015

1 General information

ALT Telecom Public Company Limited (the “Company”) is incorporated and resident in Thailand. The address of the Company’s registered office is as follows:

52/1 Moo 5, Bangkruey-Sainoi Rd., Bangsithong, Bangkruey, Nonthaburi.

For reporting purposes, the Company and its subsidiaries are referred to as “the Group”.

On 6 March 2015, the Company changed the Company’s name from “A.L.T. Inter Corporation Company Limited” to “ALT Telecom Company Limited”.

On 16 November 2015, the Company changed the Company’s name from “ALT Telecom Company Limited” to “ALT Telecom Public Company Limited”.

The Group is principally engaged in the business of sales, installation, maintenance and network rental for telecommunication network including manufacturing, installation.

These Group consolidated financial statements were authorised for issue by the Board of Directors on 24 February 2016.

2 Accounting policies

The principal accounting policies adopted in the preparation of these consolidated and company financial statements are set out below:

2.1 Basis for preparation

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

The consolidated and company financial statements have been prepared under the historical cost convention.

The preparation of financial statements in conformity with Thai generally accepted accounting principles requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group’s accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 4.

An English version of the consolidated and company financial statements have been prepared from the statutory financial statements that are in the Thai language. In the event of a conflict or a difference in interpretation between the two languages, the Thai language statutory financial statements shall prevail.

Director _____ Director _____
Pyut Bhuwakulwong Preeyapun Bhuwakul

2 Accounting policies (Cont'd)

2.2 New financial reporting standards and revised financial reporting standards

2.2.1 New financial reporting standards and revised accounting standards, revised financial reporting standards are effective on 1 January 2015. These standards are relevant to the Group:

a) Financial reporting standards, which are expected to have a significant impact to the Group:

TAS 1 (revised 2014)	Presentation of financial statements
TAS 19 (revised 2014)	Employee benefits
TAS 27 (revised 2014)	Separate financial statements
TAS 28 (revised 2014)	Investments in associates and joint ventures
TAS 34 (revised 2014)	Interim financial reporting
TFRS 10	Consolidated financial statements
TFRS 11	Joint arrangements
TFRS 12	Disclosure of interest in other entities
TFRIC 14 (revised 2014)	TAS 19 - The limit on a defined benefit asset, minimum funding requirements and their interaction

TAS 1 (revised 2014), the main change is that a requirement for entities to group items presented in ‘other comprehensive income’ (OCI) on the basis of whether they are potentially reclassifiable to profit or loss subsequently (reclassification adjustments). The amendments do not address which items are presented in OCI.

TAS 19 (revised 2014), the key changes are (a) actuarial gains and losses are renamed ‘remeasurements’ and will be recognised immediately in ‘other comprehensive income’ (OCI). Actuarial gains and losses will no longer be deferred using the corridor approach or recognised in profit or loss; and (b) past-service costs will be recognised in the period of a plan amendment; unvested benefits will no longer be spread over a future-service period. The Group has followed the requirement of this standard.

TAS 27 (revised 2014) provide the requirements relating to separate financial statements.

TAS 28 (revised 2014) provide the requirements for investment in associates and joint ventures accounted by equity method.

TAS 34 (revised 2014), the key change is the disclosure requirements for operating segment. An entity shall disclose information of a measure of total assets and liabilities for a particular reportable segment if such amounts are regularly provided to the chief operating decision maker and if there has been a material change from the amount disclosed in the last annual financial statements for that reportable segment.

TFRS 10 has a single definition of control and supersedes the principles of control and consolidation included within the original TAS 27, ‘Consolidated and separate financial statements’. The standard sets out the requirements for when an entity should prepare consolidated financial statements, defines the principles of control, explains how to apply the principles of control and explains the accounting requirements for preparing consolidated financial statements. The key principle in the new standard is that control exists, and consolidation is required, only if the investor possesses power over the investee, has exposure to variable returns from its involvement with the investee and has the ability to use its power over the investee to affect its returns. This standard has no impact to the Group.

Director

Pyut Bhuwakulwong

Director

Preeyapun Bhuwakul

2 Accounting policies (Cont’d)

2.2 New financial reporting standards and revised financial reporting standards (Cont’d)

2.2.1 New financial reporting standards and revised accounting standards, revised financial reporting standards are effective on 1 January 2015. These standards are relevant to the Group and are not early adopted: (Cont’d)

- a) Financial reporting standards, which are expected to have a significant impact to the Group: (Cont’d)

TFRS 11 defined that a joint arrangement is a contractual arrangement where at least two parties agree to share control over the activities of the arrangement. Unanimous consent toward decisions about relevant activities between the parties sharing control is a requirement in order to meet the definition of joint control. Joint arrangements can be joint operations or joint ventures. The classification is principle based and depends on the parties’ exposure in relation to the arrangement. When the parties’ exposure to the arrangement only extends to the net assets of the arrangement, the arrangement is a joint venture. Joint operations have rights to assets and obligations for liabilities. Joint operations account for their rights to assets and obligations for liabilities. Joint ventures account for their interest by using the equity method of accounting. This standard has no impact to the Group.

TFRS 12 require entities to disclose information that helps readers of financial statements to evaluate the nature of risks and financial effects associated with the entity’s interests in subsidiaries, associates, joint arrangements and unconsolidated structured entities. This standard has no impact to the Group.

TFRIC 14 (revised 2014), this interpretation applies to all post-employment defined benefits and other long-term employee benefits. For the purpose of this interpretation, minimum funding requirements are any requirements to fund a post-employment or other long-term benefit plan. This interpretation explains how the pension asset or liability may be affected by a statutory or contractual minimum funding requirement. This standard has no impact to the Group.

Director

Pyut Bhuwakulwong

Director

Preeyapun Bhuwakul

2 Accounting policies (Cont’d)

2.2 New financial reporting standards and revised financial reporting standards (Cont’d)

2.2.1 New financial reporting standards and revised accounting standards, revised financial reporting standards are effective on 1 January 2015. These standards are relevant to the Group and are not early adopted: (Cont’d)

b) Financial reporting standards with minor changes and do not have impact to the Group are as follows:

TAS 2 (revised 2014)	Inventories
TAS 7 (revised 2014)	Statement of cash flows
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 17 (revised 2014)	Leases
TAS 18 (revised 2014)	Revenue
TAS 21 (revised 2014)	The 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 33 (revised 2014)	Earnings per share
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 8 (revised 2014)	Operating segments
TSIC 15 (revised 2014)	Operating leases - Incentives
TSIC 25 (revised 2014)	Income taxes - changes in the tax status of an entity or its shareholders
TSIC 27 (revised 2014)	Evaluating the substance of transactions involving the legal form of a lease
TSIC 29 (revised 2014)	Service concession arrangements: Disclosures
TSIC 31 (revised 2014)	Revenue - barter transactions involving advertising services
TSIC 32 (revised 2014)	Intangible assets - Web site costs
TFRIC 1 (revised 2014)	Changes in existing decommissioning, restoration and similar liabilities
TFRIC 4 (revised 2014)	Determining whether an arrangement contains a lease
TFRIC 5 (revised 2014)	Rights to interests arising from decommissioning, restoration and environmental rehabilitation funds
TFRIC 10 (revised 2014)	Interim financial reporting and impairment

Director

Pyut Bhuwakulwong

Director

Preeyapun Bhuwakul

2 Accounting policies (Cont’d)

2.2 New financial reporting standards and revised financial reporting standards (Cont’d)

2.2.2 New financial reporting standards, revised accounting standards and revised financial reporting standards are effective on 1 January 2016. These standards are relevant to the Group and are not early adopted:

a) Financial reporting standards, which have a significant impact to the Group:

TAS 16 (revised 2015)	Property, plant and equipment
TAS 19 (revised 2015)	Employee benefits
TAS 24 (revised 2015)	Related party disclosures
TAS 27 (revised 2015)	Separate financial statements
TAS 36 (revised 2015)	Impairment of assets
TAS 38 (revised 2015)	Intangible assets
TFRS 2 (revised 2015)	Share-based payment
TFRS 3 (revised 2015)	Business combinations
TFRS 8 (revised 2015)	Operating segments
TFRS 10 (revised 2015)	Consolidated financial statements
TFRS 12 (revised 2015)	Disclosure of interests in other entities
TFRS 13 (revised 2015)	Fair value measurement

TAS 16 (revised 2015), ‘Property, plant and equipment’ clarifies how the gross carrying amount and the accumulated depreciation are treated where an entity uses the revaluation model.

TAS 19 (revised 2015), ‘Employee benefits’ is amended to apply to contributions from employees or third parties to defined benefit plans and to clarify the accounting treatment of such contributions. The amendment distinguishes between contributions that are linked to service only in the period in which they arise and those linked to service in more than one period.

TAS 24 (revised 2015), ‘Related party disclosures’ includes as a related party an entity that provides key management personnel services to the reporting entity or to the parent of the reporting entity (the ‘management entity’). Disclosure of the amounts charged to the reporting entity is required.

TAS 27 (revised 2015) allows an investment entity that is exempted from consolidating its subsidiaries presenting separate financial statements as its only financial statements. It requires the investment entity to measure its investment in subsidiaries at fair value through profit or loss.

TAS 36 (revised 2015), ‘Impairment of assets’ is amended to provide additional disclosure requirement when the recoverable amount of the assets is measured at fair value less costs of disposal. The disclosures include 1) the level of fair value hierarchy, 2) when fair value measurement categorised within level 2 and level 3, disclosures is required for valuation technique and key assumption.

TAS 38 (revised 2015), ‘Intangible assets’ is amended to clarify how the gross carrying amount and the accumulated amortisation are treated where an entity uses the revaluation model.

TFRS 2 (revised 2015), ‘Share based payments’ clarifies the definition of a ‘vesting condition’ and separately defines ‘performance condition’ and ‘service condition’.

Director

Pyut Bhuwakulwong

Director

Preeyapun Bhuwakul

2 Accounting policies (Cont’d)

2.2 New financial reporting standards and revised financial reporting standards (Cont’d)

2.2.2 New financial reporting standards, revised accounting standards and revised financial reporting standards are effective on 1 January 2016. These standards are relevant to the Group and are not early adopted: (Cont’d)

a) Financial reporting standards, which have a significant impact to the Group: (Cont’d)

TFRS 3 (revised 2015), ‘Business combinations’ clarifies i) an obligation to pay contingent consideration which meets the definition of a financial instrument as a financial liability or equity, on the basis of the definitions in TAS 32, ‘Financial instruments: Presentation’ (when announced) or other applicable standards. It also clarifies that all non-equity contingent consideration is measured at fair value at each reporting date, with changes in value recognised in profit and loss, and ii) TFRS 3 does not apply to the accounting for the formation of any joint venture under TFRS 11.

TFRS 8 (revised 2015), ‘Operating segments’ requires disclosure of the judgements made by management in aggregating operating segments. It is also amended to require a reconciliation of segment assets to the entity’s assets when segment assets are reported to chief operating decision maker.

TFRS 10 (revised 2015) ‘Consolidated financial statements’ is amended to define an investment entity and introduce an exception from consolidation. These amendments mean that many funds and similar entities will be exempt from consolidating most of their subsidiaries. Instead, they will measure them at fair value through profit or loss.

TFRS 12 (revised 2015) introduces disclosures that an investment entity needs to disclose.

TFRS 13 (revised 2015), ‘Fair value measurement’ is amended to clarify that the portfolio exception in TFRS 13 applies to all contracts (including non-financial contracts) within the scope of TAS 39 (when announced) or IFRS 9 (when announced).

Director

Pyut Bhuwakulwong

Director

Preeyapun Bhuwakul

2 Accounting policies (Cont’d)

2.2 New financial reporting standards and revised financial reporting standards and interpretations (Cont’d)

2.2.2 New financial reporting standards, revised accounting standards and revised financial reporting standards are effective on 1 January 2016. These standards are relevant to the Group and are not early adopted: (Cont’d)

b) Financial reporting standards with minor changes and do not have impact to the Group are as follows:

TAS 1 (revised 2015)	Presentation of financial statements
TAS 2 (revised 2015)	Inventories
TAS 7 (revised 2015)	Statement of cash flows
TAS 8 (revised 2015)	Accounting policies, changes in accounting estimates and errors
TAS 10 (revised 2015)	Events after the reporting period
TAS 11 (revised 2015)	Construction contracts
TAS 12 (revised 2015)	Income taxes
TAS 17 (revised 2015)	Leases
TAS 18 (revised 2015)	Revenue
TAS 21 (revised 2015)	The effects of changes in foreign exchange rates
TAS 23 (revised 2015)	Borrowing costs
TAS 26 (revised 2015)	Accounting and reporting by retirement benefit plans
TAS 28 (revised 2015)	Investments in associates and joint ventures
TAS 33 (revised 2015)	Earnings per share
TAS 34 (revised 2015)	Interim financial reporting
TAS 37 (revised 2015)	Provisions, contingent liabilities and contingent assets
TFRS 11 (revised 2015)	Joint arrangements
TSIC 15 (revised 2015)	Operating leases - Incentives
TSIC 25 (revised 2015)	Income taxes - changes in the tax status of an entity or its shareholders
TSIC 27 (revised 2015)	Evaluating the substance of transactions involving the legal form of a lease
TSIC 32 (revised 2015)	Intangible assets - Web site costs
TFRIC 1 (revised 2015)	Changes in existing decommissioning, restoration and similar liabilities
TFRIC 4 (revised 2015)	Determining whether an arrangement contains a lease
TFRIC 5 (revised 2015)	Rights to interests arising from decommissioning, restoration and environmental rehabilitation funds
TFRIC 10 (revised 2015)	Interim financial reporting and impairment
TFRIC 12 (revised 2015)	Service concession arrangements
TFRIC 14 (revised 2015)	TAS 19 - The limit on a defined benefit asset, minimum funding requirements and their interaction
TFRIC 15 (revised 2015)	Agreements for the construction of real estate

Director _____
Pyut Bhuwakulwong

Director _____
Preeyapun Bhuwakul

2 Accounting policies (Cont’d)

2.3 Group accounting - investments in subsidiaries and associates and interests in joint ventures

(1) Subsidiaries

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

The Group applies the acquisition method of accounting to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair value of the assets transferred, the liabilities incurred to the former owners of acquiree and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Acquisition-related costs are expensed as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. On an acquisition-by-acquisition basis, the Group recognises any non-controlling interest in the acquiree either at fair value or at the non-controlling interest’s proportionate share of the acquiree’s net assets.

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer’s previously held equity interest in the acquiree is re-measured to fair value at the acquisition date; any gains or losses arising from such re-measurements are recognised in profit or loss.

Any contingent consideration to be transferred by the Group is recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration that is deemed to be an asset or liability is recognised either in profit or loss or as a change to other comprehensive income. Contingent consideration that is classified as equity is not re-measured, and its subsequent settlement is accounted for within equity.

The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the identifiable net assets acquired is recorded as goodwill. If the total of consideration transferred, non-controlling interest recognised and previously held interest measured is less than the fair value of the net assets of the subsidiary acquired in the case of a bargain purchase, the difference is recognised directly in profit or loss.

Intercompany transactions, balances and unrealised gains or loss on transactions between Group companies are eliminated. Unrealised losses are also eliminated. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

In the company’s separated financial statements, investments in subsidiaries are accounted for at cost less impairment. Cost is adjusted to reflect changes in consideration arising from contingent consideration amendments. Cost also includes direct attributable costs of investment.

Director _____ Director _____
Pyut Bhuwakulwong Preeyapun Bhuwakul

2 Accounting policies (Cont'd)

2.3 Group accounting - investments in subsidiaries and associates and interests in joint ventures (Cont'd)

(2) Transactions and non-controlling interests

The Group treats transactions with non-controlling interests as transactions with equity owners of the Group. For purchases from non-controlling interests, the difference between any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

(3) Disposal of subsidiaries

When the Group ceases to have control, any retained interest in the entity is re-measured to its fair value, with the change in carrying amount recognised in profit or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities.

(4) Associates

Associates are all entities over which the Group has significant influence but not control, generally accompanying a shareholding of between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting. Under the equity method, the investment is initially recognised at cost, and the carrying amount is increased or decreased to recognise the investor's share of the profit or loss of the investee after the date of acquisition. The Group's investment in associates includes goodwill identified on acquisition.

If the ownership interest in an associate is reduced but significant influence is retained, only a proportionate share of the amounts previously recognised in other comprehensive income is reclassified to profit or loss where appropriate.

The Group's share of its associates' post-acquisition profits or losses is recognised in the profit or loss, and its share of post-acquisition movements in other comprehensive income is recognised in other comprehensive income. The cumulative post-acquisition movements are adjusted against the carrying amount of the investment. When the Group's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate.

The Group determines at each reporting date whether there is any objective evidence that the investment in the associate is impaired. If this the case, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value and recognises the amount adjacent to share of profit/(loss) of associates in the income statement.

Unrealised gains on transactions between the Group and its associates are eliminated to the extent of the Group's interest in the associates. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

Director

Pyut Bhuwakulwong

Director

Preeyapun Bhuwakul

2 Accounting policies (Cont’d)

2.3 Group Accounting - Investments in subsidiaries and associates and interests in joint ventures (Cont’d)

(4) Associates (Cont’d)

Accounting policies of associates have been changed where necessary to ensure consistency with the policies adopted by the Group. Dilution gains and losses arising in investments in associates are recognised in the profit or loss.

In the company’s separated financial statements, investments in associates are accounted for at cost less impairment. Cost is adjusted to reflect changes in consideration arising from contingent consideration amendments. Cost also includes direct attributable costs of investment.

(5) Joint arrangements

The Group has applied TFRS11 to all joint arrangements as of 1 January 2015. Under TFRS11 investments in joint arrangements are classified as either joint operations or joint ventures depending on the contractual rights and obligations each investor. The company has assessed the nature of its joint arrangements and determined them to be joint ventures. Joint ventures are accounted for using the equity method.

Under the equity method of accounting, interests in joint ventures are initially recognised at cost and adjusted thereafter to recognise the Group’s share of the post-acquisition profits or losses and movements in other comprehensive income. When the Group’s share of losses in a joint venture equals or exceeds its interests in the joint ventures (which includes any long-term interests that, in substance, form part of the Group’s net investment in the joint ventures), the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the joint ventures.

Unrealised gains on transactions between the Group and its joint ventures are eliminated to the extent of the Group’s interest in the joint ventures. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of the joint ventures have been changed where necessary to ensure consistency with the policies adopted by the Group. The change in accounting policy has been applied as from 1 January 2015.

Director

Pyut Bhuwakulwong

Director

Preeyapun Bhuwakul

2 Accounting policies (Cont’d)

2.4 Foreign currency translation

(a) Functional and presentation currency

Items included in the financial statements of each of the Group’s entities are measured using the currency of the primary economic environment in which the entity operates (“the functional currency”). The consolidated financial statements are presented in Baht, which is the company’s functional and the Group’s presentation currency.

(b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the profit or loss.

When a gain or loss on a non-monetary item is recognised in other comprehensive income, any exchange component of that gain or loss is recognised in other comprehensive income. Conversely, when a gain or loss on a non-monetary item is recognised in profit and loss, any exchange component of that gain or loss is recognised in profit and loss.

(c) Group companies

The results and financial position of all the Group entities (none of which has the currency of a hyper-inflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- Assets and liabilities for each statement of financial position presented are translated at the closing rate at the date of that statement of financial position;
- Income and expenses for each income statement are translated at average exchange rates; and
- All resulting exchange differences are recognised as a separate component of equity.

Goodwill and fair value adjustments arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the closing rate.

2.5 Cash and cash equivalents

In the consolidated and Company statement of cash flows, cash and cash equivalents includes cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less and bank overdrafts. In the consolidated and Company statement of financial position, bank overdrafts are shown within borrowings in current liabilities.

2.6 Trade accounts receivable

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

Director _____ Director _____
Pyut Bhuwakulwong Preeyapun Bhuwakul

2 Accounting policies (Cont'd)

2.7 Construction contracts

A construction contract is a contract specifically negotiated for the construction of an asset or a combination of assets that are closely interrelated or interdependent in terms of their design, technology and functions or their ultimate purpose or use.

When the outcome of a construction contract cannot be estimated reliably, contract revenue is recognised to the extent of contract costs incurred where it is probable those costs will be recoverable. Contract costs are recognised when incurred.

When the outcome of a construction contract can be estimated reliably, contract revenue and contract costs are recognised using the percentage of completion method. The stage of completion is measured by reference to percentage of complete construction. When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognised as an expense immediately.

Costs incurred in the year in connection with future activity on a contract are excluded and shown as work in process.

The aggregate of the costs incurred and the profit (less recognised losses) on the contract is compared against the progress billings up to the year end. Where the total costs incurred and recognised profit (less recognised losses) exceed the progress billings, the balance is shown as a current asset, under “unbilled contract revenue”. Where progress billings exceed total costs incurred plus recognised profits (less recognised losses), the balance is shown a current liability, under “progress billing in excess of work in progress”.

2.8 Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined by the first-in, first-out method. The cost of purchase comprises both the purchase price and costs directly attributable to the acquisition of the inventory, such as import duties and transportation charges, less all attributable discounts, allowances or rebates. The cost of finished goods and work in progress comprises raw materials, direct labour, other direct costs and related production overheads (based on normal operating capacity). It excludes borrowing costs. Net realisable value is the estimate of the selling price in the ordinary course of business, less applicable variable selling expenses. Allowance is made, where necessary, for obsolete, slow - moving and defective inventories.

Work in process comprises raw materials, direct labour, subcontract expenses and other direct costs.

Director _____ Director _____
Pyut Bhuwakulwong Preeyapun Bhuwakul

2 Accounting policies (Cont'd)

2.9 Investments

Investments other than investments in subsidiaries, associates and interests in joint ventures are classified into the following four categories: (1) trading investments; (2) held-to-maturity investments; (3) available-for-sale investments; and (4) general investments. The classification is dependent on the purpose for which the investments were acquired. Management determines the appropriate classification of its investments at the time of the purchase and re-evaluates such designation on a regular basis.

1. Investments that are acquired principally for the purpose of generating a profit from short-term fluctuations in price are classified as trading investments and included in current assets.
2. Investments with fixed maturity that the management has the intent and ability to hold to maturity are classified as held-to-maturity and are included in non-current assets, except for maturities within 12 months from the statement of financial position date which are classified as current assets.
3. Investments intended to be held for an indefinite period of time, which may be sold in response to liquidity needs or changes in interest rates, are classified as available-for-sale; and are included in non-current assets unless management has expressed the intention of holding the investment for less than 12 months from the statement of financial position date or unless they will need to be sold to raise operating capital, in which case they are included in current assets.
4. Investments in non-marketable equity securities are classified as general investments.

All categories of investment are initially recognised at cost, which is equal to the fair value of consideration paid plus transaction cost.

Trading investments and available for sale investments are subsequently measured at fair value. The fair value of investments is based on quoted bid price at the close of business on the statement of financial position date by reference to the Stock Exchange of Thailand. The unrealised gains and losses of trading investments are recognised in income statement. The unrealised gains and losses of available for sale investments are recognised in other comprehensive income.

Held-to-maturity investments are carried at amortised cost using the effective yield method less impairment loss.

General investments are carried at cost less impairment loss.

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

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

Director _____ Director _____
Pyut Bhuwakulwong Preeyapun Bhuwakul

2 Accounting policies (Cont'd)

2.10 Property, plants and equipment

All property, plant and equipment are stated at historical cost less accumulated depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to profit or loss during the financial period in which they are incurred.

Land is not depreciated. Depreciation on other assets is calculated using the straight line method to allocate their cost to their residual values over their estimated useful lives, as follows:

-	Buildings	30 years
-	Utilities system, tools and equipment	5 years
-	Furniture fixture and office equipment	5 years
-	Computer equipment	3, 5 years
-	Vehicles	5 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

The asset's carrying amount is written-down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

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

2.11 Fiber optic network

Fiber optic network are stated at historical cost less accumulated depreciation and provision for impairment (if any). Depreciation is calculated using the straight line method to allocate their cost to their residual values over the estimated useful lives 15 years.

Depreciation expenses shown a cost of services, under “Cost of service - fiber optic network” in the income statement.

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

Director

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Preeyapun Bhuwakul

2 Accounting policies (Cont’d)

2.12 Intangible assets

Computer software

Acquired computer software licenses are capitalised on the basis of the costs incurred to acquire and bring to use the specific software. These costs are amortised over their estimated useful lives of 10 years.

Cost associated with maintaining computer software programmes are recognised as an expense as incurred.

2.13 Impairment of assets

Property, plant, equipment and other assets are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the carrying amount of the assets exceeds its recoverable amount. The recoverable amount is the higher of an asset’s fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest level for which there are separately identifiable cash flows. Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

2.14 Leases

Where a Group is the lessee

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to profit or loss on a straight-line basis over the period of the lease.

The Group leases certain property, plant and equipment. Leases of property, plant or equipment where the Group has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the inception of the lease at the lower of the fair value of the leased property and the present value of the minimum lease payments.

Each lease payment is allocated between the liability and finance charges so as to achieve a constant rate on the finance balance outstanding. The corresponding rental obligations, net of finance charges, are included in other long-term payables. The interest element of the finance cost is charged to profit or loss over the lease period so as to achieve a constant periodic rate of interest on the remaining balance of the liability for each period. The property, plant or equipment acquired under finance leases is depreciated over the shorter period of the useful life of the asset and the lease term.

Where a Group company is the lessor

When assets are leased out under a finance lease, the present value of the lease payments is recognised as a receivable. The difference between the gross receivable and the present value of the receivable is recognised as unearned finance income. Lease income is recognised over the term of the lease using the net investment method, which reflects a constant periodic rate of return. Initial direct costs are included in initial measurement of the finance lease receivable and reduce the amount of income recognised over the lease term.

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Assets leased out under operating leases are included in fiber optic network in the statement of financial position. They are depreciated over their expected useful lives. Rental income (net of any incentives given to lessees) is recognised on a straight-line basis over the lease term.

2 Accounting policies (Cont’d)

2.15 Borrowings

Borrowings are recognised initially at the fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost; any difference between proceeds (net of transaction costs) and the redemption value is recognised in profit or loss over the period of the borrowings using the effective yield method.

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent that there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a pre-payment for liquidity services and amortised over the period of the facility to which it relates.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the end of reporting date.

(a) Borrowing costs

General and specific borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

2.16 Current and deferred income taxes

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

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

Deferred income tax is recognised, using the liability method, on temporary differences arising from differences between the tax base of assets and liabilities and their carrying amounts in the financial statements.

However, the deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the end of the reporting period and are expected

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to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

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Director

Preeyapun Bhuwakul

2 Accounting policies (Cont’d)

2.16 Current and deferred income taxes (Cont’d)

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

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

2.17 Employee benefits

Retirement obligations

Group companies record a legal severance liability. Typically if define an amount of benefit that an employee will receive on retirement, usually dependent on one or more factors such as age, years of service and compensation.

The liability recognised in the statement of financial position in respect of retirement obligation is the present value of the retirement obligation at the end of the reporting period, together with adjustments for unrecognised past-service costs. The retirement obligation is calculated annually by independent actuaries using the projected unit credit method. The present value of the retirement obligation is determined by discounting the estimated future cash outflows using market yield of government bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related liability.

Remeasurements arising from experience adjustments and changes in actuarial assumptions are charged or credited to equity in other comprehensive income in the period in which they arise.

Past-service costs are recognised immediately in profit or loss.

2.18 Provisions

Provisions are recognised when: the Group has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense.

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2 Accounting policies (Cont’d)

2.19 Share capital

Ordinary shares and non-redeemable preference shares with discretionary dividends are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

2.20 Revenue recognition

Revenue comprises the fair value of the consideration received or receivable for the sale of goods and service in the ordinary course of the Group’s activities. Revenue is shown net of value-added tax, returns, rebates and discounts, and after eliminating sales within the Group. Revenue from sales of goods is recognised when significant risks and rewards of ownership of the goods are transferred to the buyer.

Revenue from construction contract is recognized using the stage of completion determined by reference to the completion of a physical proportion of the contract work performed as assessed by the project engineers and customers as a percentage of total services to be performed (Note 2.7).

Interest income is recognised on a time proportion basis, taking account of the principal outstanding and the effective rate over the period to maturity, when it is determined that such income will accrue to the Group.

Rental and other services revenue are recognised on an accrual basis in accordance with the substance of the relevant agreements. Dividend income is recognised when the right to receive payment is established.

2.21 Dividend distribution

Dividend distribution to the Company’s shareholders is recognised as a liability in the Group’s financial statements in the period in which the dividends are approved by the Company’s shareholders.

2.22 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as board of director that makes strategic decisions.

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3 Financial risk management

3.1 Financial risk factors

The Group’s activities expose it to a variety of financial risks, including the effects of changes in interest rates, counterparties do not comply with the contract and credit risk. The Group’s overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Group.

Risk management is carried out by central treasury department (Group Treasury) in accordance with policies approved by the Board of Directors. The Group Treasury identifies, evaluates and hedges financial risks in close co-operation with the Group’s operating units. The Board provides written principles for overall risk management, as well as written policies covering specific areas, such as interest rates risk, credit risk, use of derivative financial instruments and investing excess liquidity.

3.1.1 Interest rate risk

The Group’s income and operating cash flows are not substantially independent of changes in market interest rates. Interest rate risk is the risk that future movements in market interest rates will affect the results of the Group’s operations and its cash flows. The loan interest rates of the Group are mainly fixed. The Group does not use the interest rate derivative to manage exposure from fluctuation in interest rate on specific borrowing.

3.1.2 Foreign exchange risk

The Group operates internationally and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to US Dollare. Foreign exchange risk arises from future commercial transactions, recognised assets and liabilities and net investments in foreign operations.

Entities in the Group use forward contracts, transacted with the financial institutes, to hedge their exposure to foreign currency risk in connection with measurement currency.

3.1.3 Credit risk

The Group has no significant concentrations of credit risks. The Group has policies in place to ensure that sales of products and services are made to customers with an appropriate credit history. Derivative counterparties and cash transactions are limited to high credit quality financial institutions. The Group has policies that limit the amount of credit exposure to any one financial institution.

3.1.4 Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions. Due to the dynamic nature of the underlying business, Group Treasury aims at maintaining flexibility in funding by keeping committed credit lines available.

3.2 Fair value

The book values of financial assets and financial liabilities with a maturity of less than one year are approximate their fair values. Loans made with related parties carried an interest at the market interest rate. Management believe that their net book values are assumed to approximate their fair value.

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4 Critical accounting estimates, assumptions and judgements

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

4.1 Critical accounting estimates and assumptions

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are outlined below.

a) Estimated impairment of assets

At the end of each reporting period the Group shall assess whether there is any indication that an asset may be impaired. Management needs to consider both external and internal factors. If there is any indication that an asset may be impaired, management needs to consider whether the expected recoverable amount is greater than the carrying amount of an asset or not. The recoverable amount is the higher of an asset's or cash-generating unit's fair value less costs of disposal and its value in use.

In measuring value in use an entity shall base cash flow projections on reasonable and supportable assumptions that represent management's best estimate of the range of economic conditions that will exist over the remaining useful life of the asset.

b) Property plant and equipment and intangible assets

Management determines the estimated useful lives and residual values for the Group's property plant and equipment and intangible assets. Management will revise the depreciation charge when useful lives and residual values are different to previous estimation, or will write off or write down technically obsolete or assets that have been abandoned or sold.

c) Employee benefit obligations

The present value of the pension obligations depends on a number of factors that are determined on an actuarial basis using a number of assumptions. The assumptions used in determining the net cost (income) for retirement include the discount rate. Any changes in these assumptions will have an impact on the carrying amount of retirement obligations.

The Group determines the appropriate discount rate at the end of each year. This is the interest rate that should be used to determine the present value of estimated future cash outflows expected to be required to settle the retirement obligations. In determining the appropriate discount rate, the Group considers the market yield of government bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating the terms of the related liability.

Other key assumptions for pension obligations are based in part on current market conditions. Additional information is disclosed in Note 22.

d) Construction revenue and costs

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Construction revenue and construction costs are recognised by using the percentage of completion method. The stage of completion is measured by reference to the completion of a physical proportion of the contract work performed as assessed by the project engineers and customers. Construction costs are estimated based from management and engineer experience after taking into consideration of work progress and updated budget project costs incurred as part of the budget.

5 Capital risk management

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

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debts.

6 Segment information

The Group has three segments report which are comprised of network equipment distribution business network equipment installation business and network equipment rental business.

Reporting segments are referred from the Group’s internal report which is reviewed by the Chief Operating Decision Maker (CODM). CODM is the Executive Directors who makes decisions about resource allocation and assesses the segment performance.

The Chief Operating Decision Maker considers the following reporting segments.

	Consolidated			Total Baht
	Telecommunication network equipment distribution Baht	Telecommunication network equipment installation Baht	Telecommunication network equipment rental Baht	
For the year ended 31 December 2015				
Revenue	854,881,440	1,746,995,057	-	2,601,876,497
Segment result	165,996,994	423,980,636	(25,741,339)	564,236,291
Other income				22,296,383
Unallocated costs				(243,138,882)
Loss from exchange rate				(17,301,522)
Share of loss of investment in associate and joint venture				(25,237,233)
Finance costs				(35,833,330)
Profit before income tax expense				265,021,707
Income tax expense				(57,005,112)
Net profit for the year				208,016,595
Fixed assets	43,391,711	28,692,251	285,262,969	357,346,931
Other assets	426,731,634	1,363,391,186	37,561,500	1,827,684,320
Unallocated assets				306,954,152
Consolidated total assets				2,491,985,403

Director

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Director

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6 Segment information (Cont’d)

	Consolidated			Total Baht
	Telecommunication network equipment distribution Baht	Telecommunication network equipment installation Baht	Telecommunication network equipment rental Baht	
For the year ended 31 December 2014				
Revenue	1,089,684,239	883,392,554	-	1,973,076,793
Segment result	141,525,977	256,237,358	(22,730,630)	375,032,705
Other income				19,304,830
Unallocated costs				(214,132,672)
Gain from exchange rate				4,076,015
Share of loss of investments in joint venture				(2,947,957)
Finance costs				(44,703,098)
Profit before income tax expense				136,629,823
Income tax expense				(26,839,574)
Net profit for the year				109,790,249
Fixed assets	58,509,578	25,031,668	266,726,810	350,268,056
Other assets	390,263,368	888,444,559	37,561,500	1,316,269,427
Unallocated assets				251,097,220
Consolidated total assets				1,917,634,703

7 Cash and cash equivalents

	Consolidated		Company	
	2015 Baht	2014 Baht	2015 Baht	2014 Baht
Cash on hand	769,773	6,257,990	497,105	653,682
Deposits held at call with banks	67,077,847	88,126,542	3,231,635	4,771,060
	67,847,620	94,384,532	3,728,740	5,424,742

The interest rate on deposits held at call with banks is at 0.37% to 0.38% per annum (2014: 0.30% to 0.88% per annum).

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8 Short-term investments

The movement of short-term investment over the year is as follows:

	Consolidated		Company	
	2015	2014	2015	2014
	Baht	Baht	Baht	Baht
At 1 January	2,445,262	2,229,463	1,013,238	823,916
Redemption	-	(552,546)	-	(552,546)
Interest income	358,288	768,345	339,768	741,868
At 31 December	<u>2,803,550</u>	<u>2,445,262</u>	<u>1,353,006</u>	<u>1,013,238</u>

Short-term investments represent fixed deposits with financial institution which is not restricted and have maturity period within 3 months to 12 months and carrying interest at the rate of 1.00% to 1.70% per annum (2014: 1.05% to 1.90% per annum). Short-term investments are deposits in the same bank accounts with the restricted cash. Interest income is calculated from total account balance, including restricted (Note 13) and non-restricted.

9 Trade and other receivables

	Consolidated		Company	
	2015	2014	2015	2014
	Baht	Baht	Baht	Baht
Trade receivables				
Trade receivables - third parties	449,166,557	335,103,006	117,661,133	61,206,870
Trade receivables - related parties (Note 32)	1,131,684	4,318,521	101,215	184,517
Post dated cheque	2,142,981	23,323,489	-	-
Total trade receivables	452,441,222	362,745,016	117,762,348	61,391,387
<u>Less</u> Allowance for doubtful accounts	<u>(3,395,570)</u>	<u>(1,399,378)</u>	<u>(944,237)</u>	<u>(1,285,744)</u>
Trade receivables, net	<u>449,045,652</u>	<u>361,345,638</u>	<u>116,818,111</u>	<u>60,105,643</u>
Other receivables				
Other receivables - third parties	14,551,718	10,520,786	1,176,607	2,386,047
Other receivables - related parties (Note 32)	957,698	788,832	2,022,424	2,079,213
Advance payment	1,823,966	8,212,256	1,793,945	3,849,445
Advance payment for inventory	24,239,496	-	9,276,993	-
Accrued interest income	4,872,161	3,325,610	1,246,053	55,412
Accrued rental income	10,157,779	8,661,262	-	-
Prepayments	1,138,898	6,192,106	1,062,228	909,872
Total other receivables	57,741,716	37,700,852	16,578,250	9,279,989
<u>Less</u> Allowance for doubtful accounts	<u>(4,850,000)</u>	<u>(5,000,996)</u>	<u>-</u>	<u>-</u>
Other receivables, net	<u>52,891,716</u>	<u>32,699,856</u>	<u>16,578,250</u>	<u>9,279,989</u>
Total trade and other receivables, net	<u>501,937,368</u>	<u>394,045,494</u>	<u>133,396,361</u>	<u>69,385,632</u>

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9 Trade and other receivables (Cont'd)

Outstanding trade accounts receivable as at 31 December can be analysed as follows:

	Consolidated		Company	
	2015	2014	2015	2014
	Baht	Baht	Baht	Baht
Trade account receivables				
Current	322,610,007	232,702,950	70,109,028	6,505,312
Overdue less than 3 months	57,358,950	76,712,032	5,331,505	13,409,830
Overdue 3 months but less than 6 months	3,297,103	6,801,736	996,872	32,912
Overdue 6 months but less than 12 months	26,976,964	792,266	793,061	28,248
Overdue over 12 months	41,066,514	41,417,511	40,430,667	41,230,568
Total trade account receivables	451,309,538	358,426,495	117,661,133	61,206,870
<u>Less</u> Allowance for doubtful accounts	(3,395,570)	(1,399,378)	(944,237)	(1,285,744)
Trade account receivables, net	<u>447,913,968</u>	<u>357,027,117</u>	<u>116,716,896</u>	<u>59,921,126</u>

Trade account receivable that overdue more than 12 months included a state enterprise receivable arising from the use of fiber optic network and equipment of Baht 37.56 million from total receivable of Baht 236.42 million. On 8 April 2014, the Company received compensation of from insurance claimed amount of Baht 198.86 million and present net-off trade receivable in the financial statements because the insurer is the plaintiff who filed an arbitration claim against state enterprise. The Group's management did not reserve any allowance for doubtful accounts on the remaining balance because the Group has strong evidence support that counterparty use the Group's assets to generate revenue. Legal advisor give a strong opinion that it is probable that the Group will win the case.

During 2013, the Company has filed an arbitration claim against this receivable to Administrative Court regarding the additional claim of Baht 275.56 million for service income from the use of fiber optic network and equipment under the services agreement and damages other than amount mentioned above (the Company did not record this claim as revenue in the financial statements). The case is currently within the arbitration process.

During 2014, the Company therefore filed an arbitration claim against this receivable to Civil Court to claimed amount of Baht 96.88 million for the remaining balance at Baht 37.56 million included related damages.

	Consolidated		Company	
	2015	2014	2015	2014
	Baht	Baht	Baht	Baht
Trade account receivables - related parties				
Current	1,131,684	3,984,681	101,215	171,521
Overdue over 12 months	-	333,840	-	12,996
Total trade account receivables - related parties	1,131,684	4,318,521	101,215	184,517
<u>Less</u> Allowance for doubtful accounts	-	-	-	-
Trade account receivables - related parties, net	<u>1,131,684</u>	<u>4,318,521</u>	<u>101,215</u>	<u>184,517</u>

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10 Unbilled contracts revenue and deferred construction revenue

Unbilled contracts revenue

At 31 December	Consolidated		Company	
	2015 Baht	2014 Baht	2015 Baht	2014 Baht
Contract costs to date	1,371,783,214	508,971,532	368,839,160	235,335,824
Recognised profits to date	502,526,430	234,594,607	124,181,425	75,394,297
Contract costs incurred and recognised profits to date	1,874,309,644	743,566,139	493,020,585	310,730,121
<u>Less</u> Progress billings	(1,050,488,183)	(377,301,821)	(194,405,160)	(205,155,858)
	<u>823,821,461</u>	<u>366,264,318</u>	<u>298,615,425</u>	<u>105,574,263</u>

Progress billing in excess of work in progress (Note 20)

	Consolidated		Company	
	2015 Baht	2014 Baht	2015 Baht	2014 Baht
Contract costs to date	922,093,716	442,010,889	13,141,086	-
Recognised profits to date	262,160,373	115,545,407	3,725,249	-
Contract costs incurred and recognised profits to date	1,184,254,089	557,556,296	16,866,335	-
<u>Less</u> Progress billings	(1,287,558,038)	(596,159,569)	(21,480,000)	-
	<u>(103,303,949)</u>	<u>(38,603,273)</u>	<u>(4,613,665)</u>	<u>-</u>

At 31 December 2015 the Group has accrued retention fee of Baht 682,311 (2014: Baht 845,983).

11 Inventories

	Consolidated		Company	
	2015 Baht	2014 Baht	2015 Baht	2014 Baht
Raw materials	256,827,363	361,540,149	15,585,484	31,493,390
Work in process	71,758,301	91,742,123	64,605,350	87,446,644
Work in process - construction contract	9,245,172	16,421,151	4,600,046	117,066
Finished goods	125,322,822	115,277,209	57,397,699	14,833,138
Total inventories	463,153,658	584,980,632	142,188,579	133,890,238
<u>Less</u> Allowance for diminution in value of inventories	(16,376,496)	(21,650,486)	(6,643,878)	(15,225,693)
Inventories, net	<u>446,777,162</u>	<u>563,330,146</u>	<u>135,544,701</u>	<u>118,664,545</u>

Inventory with a value of Baht 41,453,236 and Baht 19,192,007 is carried at net realisable value, this being lower than cost in the consolidated and company statement of financial position, respectively (2014: Baht 26,269,907 and Baht 17,553,610).

Director Pyut Bhuwakulwong Director Preeyapun Bhuwakul

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12 Other current assets

	Consolidated		Company	
	2015	2014	2015	2014
	Baht	Baht	Baht	Baht
Undued input tax	10,736,344	3,456,896	4,948,254	87,345
Prepaid income tax	6,174,109	5,918,351	4,107,730	-
Others	48,326	331,553	22,879	172,039
	<u>16,958,779</u>	<u>9,706,800</u>	<u>9,078,863</u>	<u>259,384</u>

13 Restricted cash

Restricted cash represent fixed deposits with financial institutions carrying interest at the rate of 1.00% to 1.70% per annum (2014: 1.05% to 1.90% per annum). The Company pledged a fixed deposit account with bank as security against the bank overdraft, bank guarantees and promissory note.

14 Investments in subsidiaries, associates and interests in joint ventures

Investments accounted for using equity method.

The amounts recognised in the statement of financial position are as follows:

	Consolidated		Company	
	2015	2014	2015	2014
	Baht	Baht	Baht	Baht
Associate	11,406,498	-	13,500,000	-
Joint venture	2,195,505	-	35,499,900	8,874,975
At 31 December	<u>13,602,003</u>	<u>-</u>	<u>48,999,900</u>	<u>8,874,975</u>

The amounts recognised in the income statement are as follows:

	Consolidated		Company	
	2015	2014	2015	2014
	Baht	Baht	Baht	Baht
Associate	(807,813)	-	-	-
Joint venture	(24,429,420)	(2,947,957)	-	-
For the year ended 31 December	<u>(25,237,233)</u>	<u>(2,947,957)</u>	<u>-</u>	<u>-</u>

Director Pyut Bhuwakulwong Director Preeyapun Bhuwakul

14 Investments in subsidiaries, associates and interests in joint ventures (Cont’d)

(a) Investment in associate

Movements of investments in associate can be analysed as follows:

	<u>Consolidated Baht</u>	<u>Company Baht</u>
Opening book amount	-	-
Change status from subsidiary to associate	12,214,311	13,500,000
Share of result	(807,813)	-
Closing book amount	<u>11,406,498</u>	<u>13,500,000</u>

Change status from subsidiary to associate

Telecom Solutions Provider Company Limited (“TSP”)

On 29 July 2015, Telecom Solutions Provider Company Limited, a subsidiary of the Company registered the increased share capital with the Ministry of Commerce in order to increase additional 400,000 ordinary shares to 450,000 shares. External parties invested in 315,000 shares. The Company paid Baht 8.50 million for the subscription of 85,002 ordinary shares. As a result of the change in TSP’s shareholders, external parties’ shareholding in TSP is 70.00% and the Company’s shareholding decreased to 30.00%. After share increase, TSP was controlled by external parties. As a result, status of investment in Telecom Solutions Provider Company Limited (and its subsidiary, Myanmar Information Highway Company Limited) has changed from subsidiary to associate. Gain from change status from subsidiary to joint venture of Baht 3.00 million was recognised as “Other income” in the consolidated income statement.

Set out below is the associate of the Group as at 31 December 2015, which, in the opinion of the directors, are material to the Group. The associates as listed below have share capital consisting solely of ordinary shares, which are held directly by the Group; the country of incorporation or registration is also their principal place of business.

Nature of investment in associates 2015 and 2014:

	<u>Business</u>	<u>Country of incorporation</u>	<u>% Ownership interest</u>		<u>Nature of the relationship</u>	<u>Measurement method</u>
			<u>2015</u>	<u>2014</u>		
Telecom Solutions Provider (“TSP”)	Holding company who invest in overseas company	Thailand	30.00	99.99	Direct shareholders	Equity method

There are no contingent liabilities relating to the Group’s interest in the associates.

Director Pyut Bhuwakulwong Director Preeyapun Bhuwakul

14 Investments in subsidiaries, associates and interests in joint ventures (Cont’d)

(a) Investment in associate (Cont’d)

Summarised financial information for associates

Set out below are the summarised financial information for TSP which are accounted for using the equity method.

Summarised statement of financial position

	TSP	
	2015 Baht	2014 Baht
Current assets		
Cash and cash equivalents	5,586,669	5,766,980
Other current assets (excluding cash)	34,737,569	5,473
Total current assets	40,324,238	5,772,453
Non-current assets	593,084	-
	40,917,322	5,772,453
Current liabilities		
Financial liabilities (excluding trade payables)	3,451,244	3,767,895
Other current liabilities (including trade payables)	219,660	30
Total current liabilities	3,670,904	3,767,925
Net assets included non-controlling interest	37,246,418	2,004,528
<u>Add</u> Loss of non-controlling interest	775,242	-
Net assets excluded non-controlling interest	38,021,660	2,004,528

Summarised statement of comprehensive income

	TSP	
	2015 Baht	2014 Baht
Revenue	-	-
Depreciation and amortisation	-	-
Interest income	-	-
Interest expense	245,465	2,404
Loss from continuing operations	(5,890,353)	(2,995,472)
Income tax expense	-	-
Post-tax loss from continuing operations	(5,890,353)	(2,995,472)
Other comprehensive income	-	-
Total comprehensive income	(5,890,353)	(2,995,472)
Dividends received from associate	-	-

The information above reflects the amounts presented in the financial statements of the associates (and not The Group’s share of those amounts) adjusted for differences in accounting policies between the Group

Director Pyut Bhuwakulwong Director Preeyapun Bhuwakul

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associates.

Director

Pyut Bhuwakulwong

Director

Preeyapun Bhuwakul

14 Investments in subsidiaries, associates and interests in joint ventures (Cont’d)

(a) Investment in associate (Cont’d)

Reconciliation of summarised financial information

Reconciliation of the summarised financial information presented to the carrying amount of its interest in associates

	TSP	
	2015	2014
	Baht	Baht
Summarised financial information		
Opening net assets 1 January	2,004,528	-
Share issuance	40,000,000	5,000,000
Loss for the year	(5,890,353)	(2,995,472)
Increase in share capital by non-controlling interest	1,132,243	-
Closing net assets at 31 December	37,246,418	2,004,528
<u>Add</u> Loss of non-controlling interest	775,242	-
Net assets excluded non-controlling interest at 31 December	<u>38,021,660</u>	<u>2,004,528</u>
Interest in associate (Percent)	<u>30.00%</u>	<u>99.99%</u>
Carrying value	<u>11,406,498</u>	<u>2,004,408</u>

Director Pyut Bhuwakulwong Director Preeyapun Bhuwakul

14 Investments in subsidiaries, associates and interests in joint ventures (Cont’d)

(b) Investment in joint venture

The movements of interest in joint ventures can be analysed as follows:

	<u>Consolidated</u> <u>Baht</u>	<u>Company</u> <u>Baht</u>
Opening book amount	-	8,874,975
Addition	26,624,925	26,624,925
Share of result	<u>(24,429,420)</u>	<u>-</u>
Closing book amount	<u>2,195,505</u>	<u>35,499,900</u>

Addition of interests in joint ventures

Information Highway Co., Ltd.

On 17 July 2015, the Company paid Baht 26.62 million for the 75% subscription of 354,999 ordinary shares. There is no effect to the control power in this joint venture.

The joint venture listed below has share capital consisting solely of ordinary shares, which is held directly by the Group.

Nature of investment in joint ventures 2015 and 2014

	<u>Business</u>	<u>Country of incorporation</u>	<u>% Ownership interest</u>		<u>Nature of the relationship</u>	<u>Measurement method</u>
			<u>2015</u>	<u>2014</u>		
Information Highway (“IH”)	Telecom network installation and network rental	Thailand	71.00	71.00	Direct shareholders	Equity method

Information Highway is a private company and there is no quoted market price available for its shares.

There are no contingent liabilities relating to the Group’s interest in the joint venture.

Director _____ Director _____
Pyut Bhuwakulwong Preeyapun Bhuwakul

14 Investments in subsidiaries, associates and interests in joint ventures (Cont’d)

(b) Investment in joint venture (Cont’d)

Summarised financial information for joint ventures

Set out below are the summarised financial information for Information Highway which is accounted for using the equity method.

Summarised statement of financial position

	IH	
	2015 Baht	2014 Baht
Current assets		
Cash and cash equivalents	21,137,032	29,999,983
Other current assets (excluding cash)	111,509,423	41,558,166
Total current assets	<u>132,646,455</u>	<u>71,558,149</u>
Non-current assets	499,808,952	146,143,817
	<u>632,455,407</u>	<u>217,701,966</u>
Current liabilities		
Financial liabilities (excluding trade payables)	229,373,329	138,000,000
Other current liabilities (including trade payables)	17,477,207	22,442,336
Total current liabilities	<u>246,850,536</u>	<u>160,442,336</u>
Non-current liabilities		
Financial liabilities	333,900,000	39,700,000
Other liabilities	36,600,546	23,097,805
Total non-current liabilities	<u>370,500,546</u>	<u>62,797,805</u>
	<u>617,351,082</u>	<u>223,240,141</u>
Net assets	<u>15,104,325</u>	<u>(5,538,175)</u>

Summarised statement of comprehensive income

	IH	
	2015 Baht	2014 Baht
Revenue	127,434,800	-
Depreciation and amortisation	6,401,908	-
Interest income	-	-
Interest expense	4,831,370	3,429,349
Loss from continuing operations	(5,279,172)	(17,944,146)
Income tax expense	11,943,639	-
Post-tax loss from continuing operations	<u>(17,222,811)</u>	<u>(17,944,146)</u>
Other comprehensive income	-	-
Total comprehensive income	<u>(17,222,811)</u>	<u>(17,944,146)</u>

Director Pyut Bhuwakulwong Director Preeyapun Bhuwakul

	Dividends received from joint ventures	-	-
14	Investments in subsidiaries, associates and interests in joint ventures (Cont'd)		

(b) Investment in joint venture (Cont'd)

Summarised statement of comprehensive income (Cont'd)

The information above reflects the amounts presented in the financial statements of the joint venture adjusted for differences in accounting policies between the group and the joint venture (and not the group's share of those amounts).

Reconciliation of summarised financial information

Reconciliation of the summarised financial information presented to the carrying amount of its interest in joint venture

	IH	
	2015	2014
	Baht	Baht
Summarised financial information		
Opening net assets 1 January	(5,538,175)	1,155,971
Share issuance	37,500,000	11,250,000
Loss for the year	(17,222,811)	(17,944,146)
Closing net assets	14,739,014	(5,538,175)
Interest in joint venture (percent)	71%	71%
Interest in joint venture	10,464,670	(3,932,093)
Gains from downstream transactions	(8,269,165)	-
Share of losses of a joint venture exceeds its interest in joint venture	-	(3,932,093)
Carrying value	2,195,505	-

(c) Principal subsidiaries

The movements of investments in subsidiaries can be analysed as follows:

	Company
	Baht
Opening book amount	62,255,803
Addition	54,900,400
Disposal during the year	(53,499,900)
Impairment reversal	44,306,777
Change status from subsidiary to associate (Note 14 a)	(13,500,000)
Closing book amount	94,463,080

Director Pyut Bhuwakulwong Director Preeyapun Bhuwakul

14 Investments in subsidiaries, associates and interests in joint ventures (Cont’d)

(c) Principal subsidiaries (Cont’d)

Addition of investment in subsidiaries

Group Tech Solutions Company Limited (“GTS”)

On 14 May 2015, the Company paid Baht 18.75 million for the 75% subscription of 250,000 ordinary shares. There is no effect to the control power in this subsidiary.

Innova Telecommunication Company Limited (“INN”)

On 22 April 2015, the Company paid Baht 11.25 million for the 75% subscription of 150,000 ordinary shares. There is no effect to the control power in this subsidiary.

On 18 May 2015, the Company invest in 164,001 shares of INN totalling Baht 16.40 million. As a result, the shareholding interest income increase from 97.50% to 89.75%. The difference between the considerations paid amount of non-controlling interest of Baht 2.04 million was recognised as “Changes in parent’s ownership interest in subsidiaries” in the consolidated shareholders’ equity.

Disposal of investment in subsidiary

Energy Max International Company Limited (“Energy Max”)

On 31 March 2015, the Company disposed its entire investment in Energy Max for the considerations of Baht 13.52 million and recognised gain on disposal of investment of Baht 4.33 million included in “Other income” in the company statements of comprehensive income. The difference between selling price and net book value of Baht 4.61 million is presented as share surplus from business combination under common control in “Shareholders’ equity” in the statement of financial position. After the disposal, the financial statements of Energy Max were derecognised from the consolidated financial statements.

Dividends income

During 2015 and 2014, the Company received dividends income from subsidiaries amounting to Baht 233.11 million and Baht 19.35 million included in “Other income” in the company income statement. Dividends income can be analysed as follows:

	2015	2014
	Baht	Baht
Group Tech Solution Company Limited	181,182,168	-
I Twenty-one Intercorporation Company Limited	15,510,321	19,347,635
Innova Telecommunication Company Limited	36,418,359	-
	<u>233,110,848</u>	<u>19,347,635</u>

Director _____
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14 Investments in subsidiaries, associates and interests in joint ventures (Cont’d)

(c) Principal subsidiaries (Cont’d)

The Group had the following subsidiaries at 31 December 2015

Group and Company	Business	Country of incorporation	% Ownership interest		Nature of the relationship
			2015	2014	
Group Tech Solution Company Limited (“GTS”)	Sales and installation electrical system and telecom	Thailand	99.99	99.99	Direct shareholders
I Twenty-one Intercorporation Company Limited (“I21”)	Sales and installation electrical equipment and telecom	Thailand	90.21	90.21	Direct shareholders
Innova Telecommunication Company Limited (“INN”)	Sales and maintenance electrical equipment and telecom	Thailand	89.75	97.50	Direct shareholders

All subsidiary undertakings are included in the consolidation. The subsidiaries do not have preference shares. Therefore, the proportion of the voting rights in the subsidiary undertakings held directly by the parent company do not differ from the proportion of ordinary shares held.

The total non-controlling interest at 31 December 2015 is Baht 9,748,502 of which is not material to the financial statement.

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15 Property, plant and equipment

	Consolidated								
	Land and land improvement Baht	Buildings Baht	Utilities system Baht	Tools and equipment Baht	Furniture fixtures and office equipment Baht	Computer equipment Baht	Vehicles Baht	Work in progress Baht	Total Baht
At 1 January 2014									
Cost	23,512,780	55,577,170	2,420,026	45,156,864	11,105,833	8,362,856	7,332,987	1,666,160	155,134,676
<u>Less</u> Accumulated depreciation	-	(19,778,651)	(1,837,267)	(21,476,725)	(7,532,871)	(6,633,020)	(6,096,988)	-	(63,355,522)
Allowance for impairment	-	(5,963,838)	-	-	-	-	-	-	(5,963,838)
Net book value	<u>23,512,780</u>	<u>29,834,681</u>	<u>582,759</u>	<u>23,680,139</u>	<u>3,572,962</u>	<u>1,729,836</u>	<u>1,235,999</u>	<u>1,666,160</u>	<u>85,815,316</u>
For the year ended 31 December 2014									
Opening net book value	23,512,780	29,834,681	582,759	23,680,139	3,572,962	1,729,836	1,235,999	1,666,160	85,815,316
Additions	165,000	507,590	147,400	3,837,431	382,175	706,992	-	1,135,476	6,882,064
Disposals, net	-	(1)	-	(9,157)	(6,600)	(126)	-	-	(15,884)
Impairment reversal	-	5,963,838	-	-	-	-	-	-	5,963,838
Transfer in / (Transfer Out)	-	1,666,160	-	-	-	-	-	(1,666,160)	-
Depreciation charge	-	(3,607,076)	(343,962)	(7,931,757)	(1,540,569)	(1,065,021)	(615,703)	-	(15,104,088)
Closing net book value	<u>23,677,780</u>	<u>34,365,192</u>	<u>386,197</u>	<u>19,576,656</u>	<u>2,407,968</u>	<u>1,371,681</u>	<u>620,296</u>	<u>1,135,476</u>	<u>83,541,246</u>
At 31 December 2014									
Cost or revaluation	23,677,780	63,094,757	2,567,426	48,953,170	11,470,608	9,062,448	7,332,987	1,135,476	167,294,652
<u>Less</u> Accumulated depreciation	-	(28,729,565)	(2,181,229)	(29,376,514)	(9,062,640)	(7,690,767)	(6,712,691)	-	(83,753,406)
Closing net book value	<u>23,677,780</u>	<u>34,365,192</u>	<u>386,197</u>	<u>19,576,656</u>	<u>2,407,968</u>	<u>1,371,681</u>	<u>620,296</u>	<u>1,135,476</u>	<u>83,541,246</u>

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Preeyapun Bhuwakul

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15 Property, plant and equipment (Cont'd)

	Consolidated								
	Land and land improvement Baht	Buildings Baht	Utilities system Baht	Tools and equipment Baht	Furniture fixtures and office equipment Baht	Computer equipment Baht	Vehicles Baht	Work in progress Baht	Total Baht
At 1 January 2015									
Cost	23,677,780	63,094,757	2,567,426	48,953,170	11,470,608	9,062,448	7,332,987	1,135,476	167,294,652
<u>Less</u> Accumulated depreciation	-	(28,729,565)	(2,181,229)	(29,376,514)	(9,062,640)	(7,690,767)	(6,712,691)	-	(83,753,406)
Net book value	<u>23,677,780</u>	<u>34,365,192</u>	<u>386,197</u>	<u>19,576,656</u>	<u>2,407,968</u>	<u>1,371,681</u>	<u>620,296</u>	<u>1,135,476</u>	<u>83,541,246</u>
For the year ended 31 December 2015									
Opening net book value	23,677,780	34,365,192	386,197	19,576,656	2,407,968	1,371,681	620,296	1,135,476	83,541,246
Additions	-	1,288,593	123,489	3,156,802	2,017,457	1,480,963	-	590,858	8,658,162
Disposals, net	-	(1)	-	(396,138)	(131,911)	(99,919)	-	-	(627,969)
Write-off, net	-	-	-	(3,912)	(2,273)	-	-	-	(6,185)
Transfer to inventories	-	-	-	-	-	-	-	(1,349,706)	(1,349,706)
Disposal of a subsidiary	-	(3,805,660)	(76,788)	(934,676)	(16,957)	(113,752)	(1)	-	(4,947,834)
Depreciation charge	-	(2,595,143)	(166,789)	(7,805,746)	(1,083,614)	(970,661)	(561,800)	-	(13,183,753)
Closing net book value	<u>23,677,780</u>	<u>29,252,981</u>	<u>266,109</u>	<u>13,592,986</u>	<u>3,190,670</u>	<u>1,668,312</u>	<u>58,495</u>	<u>376,628</u>	<u>72,083,961</u>
At 31 December 2015									
Cost or revaluation	23,677,780	50,290,575	2,046,293	41,162,873	10,628,606	6,872,699	7,293,487	376,628	142,348,941
<u>Less</u> Accumulated depreciation	-	(21,037,594)	(1,780,184)	(27,569,887)	(7,437,936)	(5,204,387)	(7,234,992)	-	(70,264,980)
Closing net book value	<u>23,677,780</u>	<u>29,252,981</u>	<u>266,109</u>	<u>13,592,986</u>	<u>3,190,670</u>	<u>1,668,312</u>	<u>58,495</u>	<u>376,628</u>	<u>72,083,961</u>

Director _____
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Director _____
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15 Property, plant and equipment (Cont'd)

	Company								Total Baht
	Land and land improvement Baht	Buildings Baht	Utilities system Baht	Tools and equipment Baht	Furniture fixtures and office equipment Baht	Computer equipment Baht	Vehicles Baht	Work in progress Baht	
At 1 January 2014									
Cost	19,912,780	25,491,683	999,810	1,158,568	2,988,856	3,586,636	3,061,729	1,666,160	58,866,222
<u>Less</u> Accumulated depreciation	-	(7,764,941)	(820,527)	(1,023,134)	(2,830,631)	(2,952,895)	(3,061,726)	-	(18,453,854)
Allownce for impairment	-	(503,441)	-	-	-	-	-	-	(503,441)
Net book value	<u>19,912,780</u>	<u>17,223,301</u>	<u>179,283</u>	<u>135,434</u>	<u>158,225</u>	<u>633,741</u>	<u>3</u>	<u>1,666,160</u>	<u>39,908,927</u>
For the year ended 31 December 2014									
Opening net book value	19,912,780	17,223,301	179,283	135,434	158,225	633,741	3	1,666,160	39,908,927
Additions	165,000	416,540	95,680	45,276	48,912	339,413	-	1,135,476	2,246,297
Disposal, net	-	(1)	-	-	-	-	-	-	(1)
Impairment reversal	-	503,441	-	-	-	-	-	-	503,441
Transfer in / (Transfer out)	-	1,666,160	-	-	-	-	-	(1,666,160)	-
Depreciation charge	-	(922,633)	(92,956)	(69,622)	(51,088)	(386,115)	-	-	(1,522,414)
Closing net book value	<u>20,077,780</u>	<u>18,886,808</u>	<u>182,007</u>	<u>111,088</u>	<u>156,049</u>	<u>587,039</u>	<u>3</u>	<u>1,135,476</u>	<u>41,136,250</u>
At 31 December 2014									
Cost or revaluation	20,077,780	26,954,383	1,095,490	1,203,844	3,037,768	3,926,049	3,061,729	1,135,476	60,492,519
<u>Less</u> Accumulated depreciation	-	(8,067,575)	(913,483)	(1,092,756)	(2,881,719)	(3,339,010)	(3,061,726)	-	(19,356,269)
Closing net book value	<u>20,077,780</u>	<u>18,886,808</u>	<u>182,007</u>	<u>111,088</u>	<u>156,049</u>	<u>587,039</u>	<u>3</u>	<u>1,135,476</u>	<u>41,136,250</u>

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15 Property, plant and equipment (Cont'd)

	Company								Total Baht
	Land and land improvement Baht	Buildings Baht	Utilities system Baht	Tools and equipment Baht	Furniture fixtures and office equipment Baht	Computer equipment Baht	Vehicles Baht	Work in progress Baht	
At 1 January 2015									
Cost	20,077,780	26,954,383	1,095,490	1,203,844	3,037,768	3,926,049	3,061,729	1,135,476	60,492,519
Less Accumulated depreciation	-	(8,067,575)	(913,483)	(1,092,756)	(2,881,719)	(3,339,010)	(3,061,726)	-	(19,356,269)
Net book value	20,077,780	18,886,808	182,007	111,088	156,049	587,039	3	1,135,476	41,136,250
For the year ended 31 December 2015									
Opening net book value	20,077,780	18,886,808	182,007	111,088	156,049	587,039	3	1,135,476	41,136,250
Additions	-	43,893	104,900	17,230	1,831,856	657,646	-	590,858	3,246,383
Disposal, net	-	-	-	(15,324)	(20,686)	(14,878)	-	-	(50,888)
Transfer to inventories	-	-	-	-	-	-	-	(1,349,706)	(1,349,706)
Depreciation charge	-	(953,388)	(89,194)	(43,632)	(97,349)	(430,445)	-	-	(1,614,008)
Closing net book value	20,077,780	17,977,313	197,713	69,362	1,869,870	799,362	3	376,628	41,368,031
At 31 December 2015									
Cost or revaluation	20,077,780	26,998,276	1,200,390	478,214	4,124,792	3,367,602	3,061,729	376,628	59,685,411
Less Accumulated depreciation	-	(9,020,963)	(1,002,677)	(408,852)	(2,254,922)	(2,568,240)	(3,061,726)	-	(18,317,380)
Closing net book value	20,077,780	17,977,313	197,713	69,362	1,869,870	799,362	3	376,628	41,368,031

Director _____
Pyut Bhuwakulwong

Director _____
Preeyapun Bhuwakul

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15 Property, plant and equipment (Cont'd)

As at 31 December 2015, the land and buildings have been pledged with the net book value of Baht 38.25 million (2014 : Baht 39.15 million) under the short-term and long-term borrowing from financial institution (Note 19).

Detail of depreciation recognised in the statement of comprehensive income are as follows;

	Consolidated		Company	
	2015	2014	2015	2014
	Baht	Baht	Baht	Baht
Cost of sales	5,225,398	6,206,367	58,568	55,080
Selling expenses	1,435,098	1,508,145	157,017	151,251
Administrative expenses	6,523,257	7,389,576	1,398,423	1,316,083
Total	13,183,753	15,104,088	1,614,008	1,522,414

The leased assets included above, where the Company is a lessee under a finance lease, are motor vehicles.

	Consolidated		Company	
	2015	2014	2015	2014
	Baht	Baht	Baht	Baht
Cost - capitalised under finance leases	2,809,000	2,809,000	-	-
<u>Less</u> Accumulated depreciation	<u>(2,750,510)</u>	<u>(2,188,711)</u>	-	-
Net book amount	58,490	620,289	-	-

Director _____ Director _____
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16 Fiber optic network

	<u>Consolidated</u> <u>Baht</u>	<u>Company</u> <u>Baht</u>
At 1 January 2014		
Cost	340,959,441	340,959,441
<u>Less</u> Accumulated depreciation	<u>(51,502,001)</u>	<u>(51,502,001)</u>
Net book amount	<u>289,457,440</u>	<u>289,457,440</u>
For the year ended 31 December 2014		
Opening net book value	289,457,440	289,457,440
Depreciation charge	<u>(22,730,630)</u>	<u>(22,730,630)</u>
Closing net book value	<u>266,726,810</u>	<u>266,726,810</u>
At 31 December 2014		
Cost	340,959,441	340,959,441
<u>Less</u> Accumulated depreciation	<u>(74,232,631)</u>	<u>(74,232,631)</u>
Closing net book value	<u>266,726,810</u>	<u>266,726,810</u>
For the year ended 31 December 2015		
Opening net book value	266,726,810	266,726,810
Addition	41,266,789	3,365,608
Depreciation charge	<u>(22,730,629)</u>	<u>(22,730,629)</u>
Closing net book value	<u>285,262,970</u>	<u>247,361,789</u>
At 31 December 2015		
Cost	382,226,230	344,325,049
<u>Less</u> Accumulated depreciation	<u>(96,963,260)</u>	<u>(96,963,260)</u>
Closing net book value	<u>285,262,970</u>	<u>247,361,789</u>

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17 Intangible assets

	Consolidated			Company	
	Computer program Baht	Patent Baht	Computer program under installation Baht	Total Baht	Computer program Baht
At 1 January 2014					
Cost	7,996,236	1,559,791	5,406,301	14,962,328	3,747,460
<u>Less</u> Accumulated amortisation	(1,498,745)	(507,535)	-	(2,006,280)	(767,433)
Net book value	<u>6,497,491</u>	<u>1,052,256</u>	<u>5,406,301</u>	<u>12,956,048</u>	<u>2,980,027</u>
For the year ended 31 December 2014					
Opening net book value	6,497,491	1,052,256	5,406,301	12,956,048	2,980,027
Addition	1,387,100	-	-	1,387,100	100,550
Amortisation charge	(923,898)	(336,273)	-	(1,260,171)	(378,285)
Closing net book value	<u>6,960,693</u>	<u>715,983</u>	<u>5,406,301</u>	<u>13,082,977</u>	<u>2,702,292</u>
At 31 December 2014					
Cost	9,383,336	1,559,791	5,406,301	16,349,428	3,848,010
<u>Less</u> Accumulated amortisation	(2,422,643)	(843,808)	-	(3,266,451)	(1,145,718)
Net book value	<u>6,960,693</u>	<u>715,983</u>	<u>5,406,301</u>	<u>13,082,977</u>	<u>2,702,292</u>
For the year ended 31 December 2015					
Opening net book value	6,960,693	715,983	5,406,301	13,082,977	2,702,292
Addition	1,931,689	-	-	1,931,689	536,330
Disposal, net	(380,030)	-	-	(380,030)	-
Disposal of subsidiary	(361,037)	(633,066)	(2,589,971)	(3,584,074)	-
Amortisation charge	(1,012,072)	(82,917)	-	(1,094,989)	(416,676)
Closing net book value	<u>7,139,243</u>	<u>-</u>	<u>2,816,330</u>	<u>9,955,573</u>	<u>2,821,946</u>
At 31 December 2015					
Cost	10,573,959	926,725	2,816,330	14,317,014	4,384,340
<u>Less</u> Accumulated amortisation	(3,434,716)	(926,725)	-	(4,361,441)	(1,562,394)
Net book value	<u>7,139,243</u>	<u>-</u>	<u>2,816,330</u>	<u>9,955,573</u>	<u>2,821,946</u>

Director _____ Director _____
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18 Deferred income taxes

The analysis of deferred tax assets and deferred tax liability at 31 December is as follows:

	Consolidated		Company	
	2015	2014	2015	2014
	Baht	Baht	Baht	Baht
Deferred tax asset to be recovered after more than 12 months	64,444,726	58,700,628	60,721,423	65,727,456
Deferred tax liability to be settled after more than 12 months	(56,320,539)	(57,024,529)	(56,320,539)	(57,024,529)
Deferred tax asset, net	8,124,187	1,676,099	4,400,884	8,702,927

The gross movement and the deferred income tax account is as follows:

	Consolidated		Company	
	2015	2014	2015	2014
	Baht	Baht	Baht	Baht
At 1 January	1,676,099	(7,455,160)	8,702,927	(1,384,723)
Charged/(credited) to profit or loss	6,448,088	9,131,259	(4,302,043)	10,087,650
At 31 December	8,124,187	1,676,099	4,400,884	8,702,927

The movement in deferred tax assets and liabilities during the year is as follows:

	Consolidated		
	At 1 January	Credit (debit)	At 31 December
	2015	to Profit or loss	2015
	Baht	Baht	Baht
Deferred tax assets			
Allowance for diminution in value of inventories	3,806,115	(532,216)	3,273,899
Allowance for doubtful account	-	490,267	490,267
Employee benefit obligations	1,884,513	346,669	2,231,182
Services income - fiber optic network	53,010,000	-	53,010,000
Prepaid expenses	-	189,015	189,015
Advance receive	-	5,250,363	5,250,363
	58,700,628	5,744,098	64,444,726
Deferred tax liabilities			
Depreciation of fiber optic network	(57,024,529)	4,546,126	(52,478,403)
Accrued cost	-	(3,842,136)	(3,842,136)
	(57,024,529)	703,990	(56,320,539)

Director _____ Director _____
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18 Deferred income taxes (Cont’d)

The movement in deferred tax assets and liabilities during the year is as follows: (Cont’d)

	Company		
	At 1 January 2015 Baht	Credit (debit) to Profit or loss Baht	At 31 December 2015 Baht
Deferred tax assets			
Allowance for diminution in value of inventories	3,045,139	(1,716,363)	1,328,776
Investment in subsidiaries	8,861,355	(8,861,355)	-
Employee benefit obligations	810,962	132,307	943,269
Services income - fiber optic network	53,010,000	-	53,010,000
Prepaid expenses	-	189,015	189,015
Advance receive	-	5,250,363	5,250,363
	<u>65,727,456</u>	<u>(5,006,033)</u>	<u>60,721,423</u>
Deferred tax liabilities			
Depreciation of fiber optic network	(57,024,529)	4,546,126	(52,478,403)
Accrued cost	-	(3,842,136)	(3,842,136)
	<u>(57,024,529)</u>	<u>703,990</u>	<u>(56,320,539)</u>

19 Borrowings

	Consolidated		Company	
	2015 Baht	2014 Baht	2015 Baht	2014 Baht
Current				
Bank overdrafts	39,443,313	39,717,470	39,443,313	39,717,470
Promissory notes	667,517,556	426,761,266	307,603,578	118,115,209
Factoring payable	8,112,486	44,892,552	-	3,596,199
Current portion of finance lease liability	46,739	534,096	-	-
Current portion of long-term borrowings from financial institutions	-	785,880	-	-
Short-term borrowing from third parties	32,500,000	32,500,000	32,500,000	32,500,000
Short-term borrowing from related parties	7,000,000	-	88,000,000	214,310,000
Total current borrowings	<u>754,620,094</u>	<u>545,191,264</u>	<u>467,546,891</u>	<u>408,238,878</u>
Non-current				
Long-term finance lease liability	-	46,739	-	-
Total non-current borrowings	<u>-</u>	<u>46,739</u>	<u>-</u>	<u>-</u>
Total borrowings	<u>754,620,094</u>	<u>545,238,003</u>	<u>467,546,891</u>	<u>408,238,878</u>

Borrowings are secured over a part of land and buildings of the group (Note 15) with the guarantee by the directors of the Group.

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19 Borrowings (Cont'd)

The interest rates exposure on the borrowings of the Group and the Company (excluded finance leases liabilities) are as follows:

	Consolidated		Company	
	2015	2014	2015	2014
	Baht	Baht	Baht	Baht
Borrowings				
Fixed rates	482,120,094	239,188,122	360,903,578	314,121,408
Floating rates	272,500,000	306,049,881	106,643,313	94,117,470
Total borrowings	754,620,094	545,238,003	467,546,891	408,238,878

The effective interest rates at the statement of financial position date were as follows:

	Consolidated		Company	
	2015	2014	2015	2014
Bank overdrafts	MOR	MOR	MOR	MOR
Promissory note	3.54 - 6.25 and MLR-0.5 - MLR-1.5	3.80 - 7.00 and MLR - MLR-1	3.54 - 6.25 and MLR-0.5 - MLR- .0	3.80 - 7.00 and MLR - MLR-1
Factoring payables	6.50 - 8.75	6.50 - 8.75	6.50 - 8.75	6.50 - 8.75
Short-term borrowing	5.00 - 8.00	6.75 - 8.00	6.00 - 8.00	6.75 - 8.00
Long-term borrowing	MLR-0.75 - MLR-1.0	MLR-1	MLR-1.0	MLR-1

Finance lease liabilities - minimum lease payments:

	Consolidated		Company	
	2015	2014	2015	2014
	Baht	Baht	Baht	Baht
Not later than one year	47,094	565,132	-	-
Later than 1 year but not later than 5 years	-	47,094	-	-
	47,094	612,226	-	-
<u>Less</u> Future finance charges on finance leases	(355)	(31,391)	-	-
Present value of finance lease liabilities	46,739	580,835	-	-

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19 Borrowings (Cont'd)

The present value of finance lease liabilities is as follows:

	Consolidated		Company	
	2015	2014	2015	2014
	Baht	Baht	Baht	Baht
Not later than 1 year	46,739	534,096	-	-
Later than 1 year but not later than 5 years	-	46,739	-	-
	<u>46,739</u>	<u>580,835</u>	<u>-</u>	<u>-</u>

The fair values of borrowings, and lease obligations approximate their carrying amounts.

Borrowing facilities

The Group and the Company have the following undrawn committed borrowing facilities:

	Consolidated		Company	
	2015	2014	2015	2014
	Baht	Baht	Baht	Baht
Floating rate				
- expiring within a year	79,247,882	430,511,812	556,687	109,165,572

Borrowing facilities are reviewed annually.

20 Trade and other payables

	Consolidated		Company	
	2015	2014	2015	2014
	Baht	Baht	Baht	Baht
Trade accounts payable				
Trade accounts payable - third parties	361,546,465	295,576,537	56,777,694	28,459,222
Trade accounts payable - related parties (Note 32)	5,000	-	5,000	-
Total	<u>361,551,465</u>	<u>295,576,537</u>	<u>56,782,694</u>	<u>28,459,222</u>
Other accounts payable				
Other accounts payable - third parties	8,735,322	5,794,883	3,640,857	1,025,374
Accrued interest expense	299,493	435,677	846,762	8,074,625
Accrued expense	33,075,406	38,365,722	13,053,414	10,645,466
Progress billing in excess of work in progress (Note 10)	103,303,949	38,603,273	4,613,665	-
Advance from customers	154,967,555	420,330,680	31,248,465	126,000
Accrued construction costs	403,818,960	93,126,100	82,747,611	33,378,044
Total	<u>704,200,685</u>	<u>596,656,335</u>	<u>136,150,774</u>	<u>53,249,509</u>
Total trade and other payables	<u>1,065,752,150</u>	<u>892,232,872</u>	<u>192,933,468</u>	<u>81,708,731</u>

Director _____ Director _____
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21 Other current liabilities

	Consolidated		Company	
	2015 Baht	2014 Baht	2015 Baht	2014 Baht
Undued output tax	20,567,540	21,221,855	16,071,657	15,982,261
Withholding tax payable	3,541,075	7,377,344	1,178,020	5,287,219
Other	886,818	508,374	-	-
Total	<u>24,995,433</u>	<u>29,107,573</u>	<u>17,249,677</u>	<u>21,269,480</u>

22 Employee benefit obligations

Post-retirement benefits

	Consolidated		Company	
	2015 Baht	2014 Baht	2015 Baht	2014 Baht
Statement of financial position				
Retirement benefits	<u>11,155,909</u>	<u>10,133,838</u>	<u>4,716,344</u>	<u>4,054,810</u>
Liability in the statement of financial position	<u>11,155,909</u>	<u>10,133,838</u>	<u>4,716,344</u>	<u>4,054,810</u>
Profit or loss charge included in operating profit for:				
Retirement benefits	<u>3,426,887</u>	<u>3,090,070</u>	<u>1,383,847</u>	<u>1,152,030</u>
	<u>3,426,887</u>	<u>3,090,070</u>	<u>1,383,847</u>	<u>1,152,030</u>
Remeasurement for:				
Retirement benefits	<u>-</u>	<u>(2,270,646)</u>	<u>-</u>	<u>(2,272,816)</u>
	<u>-</u>	<u>(2,270,646)</u>	<u>-</u>	<u>(2,272,816)</u>

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22 Employee benefit obligations (Cont’d)

Retirement benefits

Retirement benefits are final salary retirement plans, which provide benefits to members in the form of a guaranteed level of pension payable. The level of benefits provided depends on members’ length of service and their salary in the final years leading up to retirement.

The movement in the defined benefit obligation over the year is as follows:

	Consolidated		Company	
	2015 Baht	2014 Baht	2015 Baht	2014 Baht
At 1 January	10,133,838	9,314,414	4,054,810	5,175,596
Current service cost	3,115,474	2,842,310	1,267,654	1,059,842
Interest cost	311,413	247,760	116,193	92,188
Actuarial gains	-	(2,270,646)	-	(2,272,816)
Benefit paid	(1,574,557)	-	(722,313)	-
Decrease from disposal of investment in a subsidiary	(830,259)	-	-	-
At 31 December	11,155,909	10,133,838	4,716,344	4,054,810

The principal actuarial assumptions used were as follows:

	Consolidated		Company	
	2015	2014	2015	2014
Discount rate	3.18 - 4.19	3.18 - 4.19	3.18	3.18
Salary increase rate	6.55 - 10.00	6.55 - 10.00	6.55	6.55
Staff turnover rate	11 - 40	11 - 40	17 - 27	17 - 27
Retirement age	55 years	55 years	55 years	55 years

Sensitivity analysis

	Consolidated		
	Impact on defined benefit obligation		
	Change in assumption	Increase in assumption	Decrease in assumption
Discount rate	0.5%	Decrease by 4.21%	Increase by 4.50%
Salary growth rate	0.5%	Increase by 5.34%	Decrease by 5.01%
Staff turnover rate	0.5%	Decrease by 4.77%	Increase by 2.31%
	Company		
	Impact on defined benefit obligation		
	Change in assumption	Increase in assumption	Decrease in assumption
Discount rate	0.5%	Decrease by 2.65%	Increase by 2.79%
Salary growth rate	0.5%	Increase by 3.73%	Decrease by 3.56%
Staff turnover rate	0.5%	Decrease by 3.07%	Increase by 1.57%

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23 Share capital

	Authorised number of Share	Number of Share	Ordinary shares Baht
At 1 January 2014	1,550,000	1,550,000	155,000,000
Issue of shares	-	-	-
At 31 December 2014	1,550,000	1,550,000	155,000,000
Issue of shares	3,450,000	2,200,000	220,000,000
Change in par value of Baht 100 per share to Baht 0.5 per share	995,000,000	746,250,000	-
At 31 December 2015	<u>1,000,000,000</u>	<u>750,000,000</u>	<u>375,000,000</u>

The total authorised number of ordinary shares is 1,000,000,000 shares (2014: 1,550,000 shares) with a par value of Baht 0.50 per share (2014: Baht 100 per share). The issued and fully paid-up ordinary shares is 750,000,000 shares (2014: 1,550,000 shares).

At the Annual General Meeting of shareholders held on 30 April 2015, resolution was passed to approve the increase in the registered shares by 2,200,000 shares from registered shares 1,550,000 shares at the par value of Baht 100 per share to 3,750,000 shares at the par value of Baht 100 per share. The increased shares capital was fully paid during May 2015. As a result, the issued and fully paid-up ordinary shares is Baht 375 million. The Company registered the increased share capital with the Ministry of Commerce on 28 May 2015.

At the Extraordinary General Meeting held on 10 November 2015, resolution was passed to approve the increase in the registered shares by 1,250,000 shares from registered shares 3,750,000 shares at the par value of Baht 100 per share to 5,000,000 shares at the par value of Baht 100 per share and the registered share capital increased from Baht 375 million to Baht 500 million. The shareholders also passed a resolution to approve the change in the par value of the Company’s ordinary shares from Baht 100 to Baht 0.5 per share. As a result, the number of registered shares increased from 5,000,000 to 1,000,000,000 shares, The Company registered the increased share capital with the Ministry of Commerce on 16 November 2015.

24 Legal reserve

	Consolidated and Company	
	2015	2014
	Baht	Baht
At 1 January	15,500,000	13,200,000
Appropriation during the year	13,100,000	2,300,000
At 31 December	<u>28,600,000</u>	<u>15,500,000</u>

Under the Public Company Limited Act B.E. 2535, the Company is required to set aside a statutory reserve of at least 5% of its net profit for the year, after deducting accumulated deficit brought forward (if any), until the reserve reaches 10% of its registered share capital. This legal reserve is non-distributable.

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25 Dividends

2015

At the Annual General Shareholders Meeting held on 30 April 2015, the shareholders passed the resolution to approved dividends payment at Baht 17.135 per share, totalling Baht 26.56 million. The dividends were distributed to the shareholders on 12 May 2015.

At the Board of Directors Meeting held on 13 May 2015, the directors passed the resolution to approved interim dividends payment at Baht 154.85 per share, totalling Baht 240.02 million. The dividends were distributed to the shareholders during May 2015.

2014

At the Board of Directors Meeting held on 8 December 2014, the directors passed the resolution to approved the interim dividends payment at Baht 31.35 per share, totalling Baht 48.59 million. The dividends were distributed to the shareholders on 23 December 2014.

26 Share-based payment

On 1 April 2015 the Company sold 15,000 shares of its investment in Innova Telecommunication Company Limited to director of Innova Telecommunications Limited at Baht 1.50 million which was lower than fair value of investments.

Fair value of Innova Telecommunications Company Limited's share is Baht 214.80 per share. The Company using the income approach valuation technique to calculate the fair value. Models that use for calculation is Dividend Discount Model. Estimate dividend paid in each year is 60 percent of the net profit, risk-free rate is 2.83 percent, and expected rate of return is 16.80 percent. Share-based payment expenses of Baht 1.84 million was recognised as "Administrative expenses" in the consolidated income statement.

27 Other income

	Consolidated		Company	
	2015	2014	2015	2014
	Baht	Baht	Baht	Baht
Dividend income (Note 14)	-	-	233,110,848	19,347,635
Management fee income - related parties (Note 32)	7,402,008	6,761,474	12,660,576	16,592,344
Rental income - related parties (Note 32)	369,357	178,655	4,507,869	4,474,428
Interest income	5,715,254	4,298,748	1,570,260	736,540
Gain from change status from subsidiary to associate (Note 14)	3,003,717	-	-	-
Gain from change status from subsidiary To joint venture	-	2,409,315	-	-
Gain on disposal of investment in subsidiary (Note 14)	-	-	4,327,259	-
Others	5,806,047	5,656,638	907,957	602,794
Total	22,296,383	19,304,830	257,084,769	41,753,741

Director _____ Director _____
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28 Finance costs

	Consolidated		Company	
	2015	2014	2015	2014
	Baht	Baht	Baht	Baht
Finance cost:				
Bank borrowings	35,404,105	44,625,645	17,511,332	16,629,621
Finance lease	31,036	77,453	-	-
Short-term borrowings from related parties (Note 32)	398,189	-	6,785,778	8,334,292
Total	35,833,330	44,703,098	24,297,110	24,963,913

29 Expense by nature

The following items, classified by nature, have been charged in arriving at the profit before finance costs and income tax:

	Consolidated		Company	
	2015	2014	2015	2014
	Baht	Baht	Baht	Baht
Changes in inventories	121,826,973	(8,714,031)	(8,298,342)	(41,363,367)
Raw material and consumables used	1,160,153,196	1,144,754,644	285,829,964	203,214,866
Construction supplies and subcontractor charges	621,590,290	345,408,687	124,519,807	35,265,601
Salaries, wages and other employee benefits	159,122,604	159,393,759	48,726,018	38,617,230
Depreciation and amortisation	37,009,371	38,918,847	24,761,313	24,631,330
Rental and utilities expenses	56,801,114	31,831,066	7,440,762	5,898,768
Service fee expenses	30,623,223	16,989,350	9,396,203	4,891,961
Transportation and import duty expense	43,912,335	45,355,345	23,237,230	21,027,706
(Reversal of) allowance for diminution in value of inventories	(3,065,188)	(4,714,370)	(8,581,814)	(2,892,658)
Reversal of provision for impairment of assets	-	(5,963,838)	-	(503,442)
Loss (Gain) from exchange rate				
Allowance for doubtful accounts (Reversal)	2,109,826	885,935	(341,507)	885,935
Travelling expense	10,496,968	10,124,893	3,713,390	3,652,926
Fee	12,360,084	8,558,913	5,313,280	2,932,044
Others	27,838,292	29,347,560	6,833,170	5,898,653
Total	2,280,779,088	1,812,176,760	522,549,474	302,157,553

Director _____ Director _____
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30 Income tax expense

	Consolidated		Company	
	2015 Baht	2014 Baht	2015 Baht	2014 Baht
Current tax	63,453,200	35,970,833	1,960,760	7,021,279
Deferred income tax	(6,448,088)	(9,131,259)	4,302,043	(10,087,650)
Income tax expense (revenue)	<u>57,005,112</u>	<u>26,839,574</u>	<u>6,262,803</u>	<u>(3,066,371)</u>

The tax on the Group’s profit before tax differs from the theoretical amount that would arise using the basic tax rate of the home country of the company as follows:

	Consolidated		Company	
	2015 Baht	2014 Baht	2015 Baht	2014 Baht
Profit before tax	265,021,707	136,629,823	262,369,581	2,904,556
Tax calculated at a tax rate of 20% (2014: 20%)	53,004,341	27,325,965	52,473,916	580,911
Tax effect of:				
Share of results	5,047,447	589,591	-	-
Income not subject to tax	-	(1,002,753)	(46,622,170)	(3,970,215)
Expenses not deductible for tax purpose	392,891	-	444,318	358,977
Expenses that are deductible at a greater amount	(1,439,567)	(73,229)	(33,261)	(36,044)
Tax charge (credit)	<u>57,005,112</u>	<u>26,839,574</u>	<u>6,262,803</u>	<u>(3,066,371)</u>

The weighted average applicable tax rate for consolidated and company financial statement and was 21.51% and 2.38% respectively (2014: 20.83% and 105.57% respectively).

Director _____ Director _____
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31 Earnings per share

Basic earnings per share is calculated by dividing the net profit attributable to shareholders by the weighted average number of ordinary shares in issue during the year.

	Consolidated		Company	
	2015	2014	2015	2014
Net profit attributable to ordinary shareholders (Baht)	206,676,081	95,305,850	256,106,778	5,970,927
Weighted average number of ordinary (Shares)	572,794,521	310,000,000	572,794,521	310,000,000
Basic earnings per share (Baht)	0.36	0.31	0.45	0.02

There are no potential dilutive shares issue during the years.

During 2015, par value of the Company’s ordinary shares was changed from Baht 100 to Baht 0.50 per share (Note 23). For comparative purposes, the weighted average number of shares for the year ended 31 December 2014 is adjusted to reflect the share split as if the event had occurred at the beginning of that year.

32 Related party transactions

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

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

The major shareholders of the Company is ALT Holding Company Limited, that own 71% of the Company’s shares. The remaining 29% of the shares are widely held.

Relationship of the related company as follows :

	Relationship	Related by
Innova Telecommunication Company Limited	Subsidiary	Shareholders and directors
Group Tech Solutions Co., Ltd.	Subsidiary	Shareholders and directors
I Twenty One Inter Corporation Co., Ltd.	Subsidiary	Shareholders and directors
Telecom Solutions Providers Co., Ltd.	Associate	Shareholders and directors
Myanmar Information Highway Co., Ltd.	Associate	Indirect shareholders
Information Highway Co., Ltd.	Joint venture	Shareholders and directors

Related transaction pricing policy as follow :

Related transaction	Pricing policy
Sale revenues	Cost plus margin
Service revenues	Negotiate price
Interest income	Loans rates
Dividend income	Declared
Management income	Cost plus margin
Rental income	Negotiate price - refer to monthly rental nearby
Interest expense	Loans rates
Director _____	Director _____
Pyut Bhuwakulwong	Preeyapun Bhuwakul

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32 Related party transactions (Cont'd)

The following material transactions were carried out with related parties:

a) Sales of goods and services

For the years ended 31 December	Consolidated		Company	
	2015 Baht	2014 Baht	2015 Baht	2014 Baht
Sales of goods				
Subsidiaries	-	-	10,263,400	3,248,500
Joint venture	68,497,849	4,996,000	54,554,250	-
	<u>68,497,849</u>	<u>4,996,000</u>	<u>64,817,650</u>	<u>3,248,500</u>
Services income				
Joint venture	71,291,896	9,993,376	67,131,096	9,893,376
	<u>71,291,896</u>	<u>9,993,376</u>	<u>67,131,096</u>	<u>9,893,376</u>
Management fee income				
Subsidiaries	-	-	5,120,226	9,830,870
Joint venture	7,263,666	6,761,474	7,263,666	6,761,474
Related party	138,342	-	276,684	-
	<u>7,402,008</u>	<u>6,761,474</u>	<u>12,660,576</u>	<u>16,592,344</u>
Dividend income				
Subsidiaries	-	-	233,110,848	19,347,635
	<u>-</u>	<u>-</u>	<u>233,110,848</u>	<u>19,347,635</u>
Other income - rental income				
Subsidiaries	-	-	4,138,512	4,295,774
Joint venture	369,357	178,654	369,357	178,654
	<u>369,357</u>	<u>178,654</u>	<u>4,507,869</u>	<u>4,474,428</u>
Other income				
Subsidiaries	-	-	330,594	290,655
Joint venture	360,124	213,300	227,475	213,300
	<u>360,124</u>	<u>213,300</u>	<u>558,069</u>	<u>503,955</u>

Director _____ Director _____
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32 Related party transactions (Cont'd)

The following material transactions were carried out with related parties: (Cont'd)

b) Purchases of goods and services

For the years ended 31 December	Consolidated		Company	
	2015 Baht	2014 Baht	2015 Baht	2014 Baht
Purchases of goods				
Subsidiaries	-	-	459,586	159,000
Joint venture	6,750	-	51,000	-
	<u>6,750</u>	<u>-</u>	<u>510,586</u>	<u>159,000</u>
Purchases of services				
Subsidiaries	-	-	569,982	-
	<u>-</u>	<u>-</u>	<u>569,982</u>	<u>-</u>
Finance costs				
Parent company	81,027	-	81,027	-
Subsidiaries	-	-	6,387,589	8,334,292
Associate	317,162	-	317,162	-
	<u>398,189</u>	<u>-</u>	<u>6,785,778</u>	<u>8,334,292</u>

c) Outstanding balances arising from purchases of goods and services

	Consolidated		Company	
	2015 Baht	2014 Baht	2015 Baht	2014 Baht
Trade account receivable (Note 9)				
Subsidiaries	-	-	101,215	184,517
Joint venture	1,131,684	4,318,521	-	-
	<u>1,131,684</u>	<u>4,318,521</u>	<u>101,215</u>	<u>184,517</u>
Other receivables (Note 9)				
Subsidiaries	-	-	1,064,726	1,290,381
Joint venture	957,698	788,832	957,698	788,832
	<u>957,698</u>	<u>788,832</u>	<u>2,022,424</u>	<u>2,079,213</u>
Trade accounts payable (Note 20)				
Related party	5,000	-	5,000	-
	<u>5,000</u>	<u>-</u>	<u>5,000</u>	<u>-</u>
Accrued interest expense				
Parent company	81,027	-	81,027	-
Subsidiaries	-	-	645,013	7,875,850
Director		Director		
	Pyut Bhuwakulwong		Preeyapun Bhuwakul	

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81,027 - 726,040 7,875,850

Director Pyut Bhuwakulwong Director Preeyapun Bhuwakul

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32 Related party transactions (Cont'd)

The following material transactions were carried out with related parties: (Cont'd)

d) Short-term loans to related party

	<u>Consolidated</u> <u>Baht</u>	<u>Company</u> <u>Baht</u>
For the year ended 31 December 2015		
Opening balance	40,193,427	-
Loans advanced during the year	136,400,000	48,000,000
Disposal of investment in subsidiary	8,000,000	-
Loans repayments during the year	<u>(38,893,427)</u>	<u>(8,000,000)</u>
Closing balance	<u>145,700,000</u>	<u>40,000,000</u>

The short-term loans to related parties as at 31 December 2015 are unsecured loans carrying interest rate between 6.5% to 7.0% per annum and due at call. The related interest income was Baht 1,239,000 (2014: Baht 145,081).

e) Short-term borrowings from related parties

	<u>Consolidated</u> <u>Baht</u>	<u>Company</u> <u>Baht</u>
For the year ended 31 December 2015		
Opening balance	-	214,310,000
Loans borrowed during the year	62,300,000	151,000,000
Loans repaid during the year	<u>(55,300,000)</u>	<u>(277,310,000)</u>
Closing balance	<u>7,000,000</u>	<u>88,000,000</u>

The short-term borrowing from related parties as at 31 December 2015 are unsecured loans carrying interest rate between 5.25% to 7.10% per annum and due at call. The related interest expense was Baht 389,189 and Baht 6,785,778 in the consolidated and company income statement, respectively (2014: Baht 8,334,292 in the company income statement).

f) Key management compensation

	<u>Consolidated</u>		<u>Company</u>	
	<u>2015</u> <u>Baht</u>	<u>2014</u> <u>Baht</u>	<u>2015</u> <u>Baht</u>	<u>2014</u> <u>Baht</u>
Short-term employee benefits	14,943,852	10,855,726	3,552,183	2,531,524
Post-employee benefits	1,178,845	1,013,843	710,131	530,683
	<u>16,122,697</u>	<u>11,869,569</u>	<u>4,262,314</u>	<u>3,062,207</u>

Director _____ Director _____
Pyut Bhuwakulwong Preeyapun Bhuwakul

33 Commitments and contingencies

i) Bank guarantees

As at 31 December 2015, there are outstanding bank guarantees amounting to Baht 72.01million and USD 0.47 million (31 December 2014: Baht 142.13 million).

ii) Operating lease commitments - where a Group is the lessee

As at 31 December 2015, the future aggregated minimum lease payment under non-cancelable operating lease are as follows:

	Consolidated		Company	
	2015	2014	2015	2014
	Baht	Baht	Baht	Baht
Less than 1 year	44,177,650	27,455,804	8,356,646	-
Later than 1 year but within 5 years	68,662,778	31,439,729	33,073,332	-
Later than 5 years	201,576,879	-	201,576,879	-
	<u>314,417,307</u>	<u>58,895,533</u>	<u>243,006,857</u>	<u>-</u>

Director _____ Director _____
Pyut Bhuwakulwong Preeyapun Bhuwakul