

Independent Auditor's Report

To the Shareholders of ALT Telecom Public Company Limited

My opinion

In my opinion, the consolidated financial statements of ALT Telecom Public Company Limited (the Company) and its subsidiaries (the Group) and the separate financial statements of the Company present fairly, in all material respects, the consolidated and separate financial position of the Group and of the Company as at 31 December 2017, and its consolidated and separate financial performance and its consolidated and separate cash flows for the year then ended in accordance with Thai Financial Reporting Standards (TFRSs).

What I have audited

The consolidated financial statements and the separate financial statements comprise:

- the consolidated and separate statements of financial position as at 31 December 2017;
- the consolidated and separate statements of comprehensive income for the year then ended;
- the consolidated and separate statements of changes in equity for the year then ended;
- the consolidated and separate statements of cash flows for the year then ended; and
- the notes to the consolidated and separate financial statements, which include a summary of significant accounting policies.

Basis for opinion

I conducted my audit in accordance with Thai Standards on Auditing (TSAs). My responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the consolidated and separate financial statements section of my report. I am independent of the Group and the Company in accordance with the Federation of Accounting Professions under the Royal Patronage of his Majesty the King's Code of Ethics for Professional Accountants together with the ethical requirements that are relevant to my audit of the consolidated and separate financial statements, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Key audit matters

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

Key audit matter

How my audit addressed the key audit matter

Accounting for long-term contracts, including profit recognition, work in progress and accrued construction cost.

Refer to note 2.7

The Group has significant long-term contracts in its construction division. Total revenue from long-term contracts for the year ended 31 December 2017 was Baht 850.14 million representing 67.57% of total revenue in the consolidated income statement.

The Group recognised its revenue from construction contracts based on the percentage-of-completion method. Percentage of completion was determined by the responsible engineers. This was assessed by reference to the physical proportion of the performed contract work assessed by the project engineers and customers to the total contract work to be performed.

I focused on this area because the recognition of revenue and expenses on construction contracts in accordance with Thai Accounting Standard no. 11, 'Construction Contracts' involved significant judgement in estimating the percentage of completion. Also, there was uncertainty over the estimated final contract values. The uncertainty came from variations to the contract requested by the customer, material variances etc. Such uncertainty will impact profit or loss, work in progress and accrued construction costs recognised to date and in the current period.

My procedures in relation to management's assessment of revenue recognition of those contracts included:

- testing internal controls over the budgeting process relating to the estimated total contract costs and verifying management's estimated total contract costs by interviewing the project engineer and inspecting the supporting evidence;
- testing the internal controls over the revenue and receivable cycle, and the purchase and payable cycle for projects;
- challenging the judgements applied in management's forecast, particularly, the key assumptions including the expected recovery of variations in the forecast, and the historical financial performance and forecast out-turn against budget of other contracts of a similar nature and size and industry knowledge;
- inspecting client acceptance certificates, correspondence and minutes of meetings with customers concerning variations. I also obtained third-party assessments of these from customers to assess whether this information was consistent with the estimate made; and
- inspecting selected signed contracts for key clauses to identify relevant contractual mechanisms such as variations to the contract requested by the customer, sharing of cost overruns or efficiencies with the customer, contractual damages and success fees. I also assessed whether these key clauses were appropriately reflected in the amounts included in the forecasts.

I found management's preparation of the budget costs, as well as the estimation over the percentage of completion in each project were reasonable and appropriate based on the environment and circumstances.

Key audit matter**How my audit addressed the key audit matter*****Recoverability of long-outstanding trade receivables of Baht 37.56 million.***

Refer to note 9 and note 35

The Company has total trade accounts receivables of Baht 459.30 million. Some are overdue more than 12 months, including a state enterprise receivable arising from the use of a fiber optic network and equipment of Baht 37.56 million out of a total receivable of Baht 236.42 million. This represents 1.09% of total assets in the consolidated statement of financial position. On 8 April 2014, the Company received compensation from an insurance claim of Baht 198.86 million and presented the net-off trade receivable in the financial statements because the insurer is the plaintiff who filed an arbitration claim against the state enterprise.

Management explained they had strong evidence of the counterparty's use of the Company's assets to generate revenue. Moreover, their legal advisor gave a strong opinion that it is probable that the Company will win the case. In this respect, management did not provide any allowance for doubtful accounts on this long-outstanding balance.

I focused on this area because there is uncertainty over the outcome of the claim.

My procedures in relation to management's assessment of the recoverable amount of receivables included:

- reading and gaining understanding of the Administrative Court's judgment dated 30 September 2016. The contract party was judged to pay the Company compensation after the contract was cancelled other than receivable of Baht 236.42 million as disclosed in note 35 "Contingent assets";
- considering the enforcement of related contracts;
- challenging the possibility of judgement with the Company's lawyer responsible for this case;
- inspecting a second opinion from another lawyer; and
- considering the appropriateness of management's assessment based on my knowledge of the telecommunications industry.

Based on my procedures performed, I found management's assessment in relation to the recoverability of the receivables was supported by the available evidence.

Key audit matter**How my audit addressed the key audit matter*****Impairment of fiber optic network***

Refer to note 16

The Company has total fiber optic network as at 31 December 2017 of Baht 947.98 million, including fiber optic cabling to the Factory (FTTF) project in Hemraj Eastern Seaboard Industrial Park and Eastern Seaboard Rayong Industrial Park of Baht 198.40 million. The Company signed a contract with a state enterprise to install fiber optic cables in the industrial parks and the state enterprise would rent this asset from the Company at Baht 13.5 million per month for 36 months (from 27 September 2011 - 26 September 2014). However, from 27 September 2011 to now, the state enterprise has not yet paid the Company. As a result, the Company decided to terminate the contract with the state enterprise on 7 February 2013.

Management applied a discounted cash flow approach in determining the recoverable amount for the fiber optic network. Key assumptions used in the discounted cash flow included:

- the cash flow forecasts derived from internal forecasts and assumptions around the future performance;
- the discount rate and the long term growth rate, including the assessment of risk factors and growth expectation of the relevant factors; and
- the assumptions used in the valuations prepared to support the fair value of certain assets and also the external evidence from third parties.

Management concluded that there is no impairment in respect of the fiber optic network in Hemraj Eastern Seaboard Industrial Park and Eastern Seaboard Rayong industrial park. This conclusion was based on both the fair value less costs of disposal model and the value in use model.

I focused on this area because there is an indication of impairment on the fiber optic network that its carrying value may be lower than its recoverable amount. No revenue was recognised after the contract was terminated. However, the Company still recognises depreciation expenses for this network in the financial statement. The net book value of the fiber optic network as at 31 December 2017 is Baht 198.49 million, representing 5.77% of total assets. Additionally, the determination of its recoverable amounts is dependent on a number of assumptions which involved significant management judgment.

My procedures in relation to management's assessment of the recoverability of the fiber optic network included:

- assessing the methodologies used by management to estimate the resale values and to estimate values in use;
- considering the appropriateness of the resale values estimated by management based on my knowledge of the telecommunications industry;
- challenging the reasonableness of key assumptions such as the discount rate, number of customers and growth expectation. The procedures included comparing the key assumptions to external sources;
- reconciling input data to supporting evidence such as quotations from third parties and considering the reasonableness of the budget; and
- considering the potential impact of any possible negative changes in these key assumptions.

I found management's assumptions in relation to the fair value less costs of disposal and value in use calculations were reasonable and supported by the available evidence. The present value of both methods are greater than the carrying value.

Other information

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

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

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

When I read the annual report, if I conclude that there is a material misstatement therein, I am required to communicate the matter to the audit committee.

Responsibilities of the directors for the consolidated and separate financial statements

The directors are responsible for the preparation and fair presentation of the consolidated and separate financial statements in accordance with TFRSs, and for such internal control as the directors determine is necessary to enable the preparation of consolidated and separate financial statements that are free from material misstatement, whether due to fraud or error.

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

The audit committee assists the directors in discharging their responsibilities for overseeing the Group and the Company's financial reporting process.

Auditor's responsibilities for the audit of the consolidated and separate financial statements

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

As part of an audit in accordance with TSAs, I exercise professional judgment and maintain professional scepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group and the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group and the Company's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the consolidated and separate financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Group and the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. I am responsible for the direction, supervision and performance of the group audit. I remain solely responsible for my audit opinion.

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

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

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

PricewaterhouseCoopers ABAS Ltd.

Pisit Thangtanagul
Certified Public Accountant (Thailand) No. 4095
Bangkok
26 February 2018

ALT TELECOM PUBLIC COMPANY LIMITED

CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

31 DECEMBER 2017

ALT Telecom Public Company Limited
Statement of Financial Position
As at 31 December 2017

	Notes	Consolidated		Separate	
		financial statements		financial statements	
		2017	2016	2017	2016
		Baht	Baht	Baht	Baht
Assets					
Current assets					
Cash and cash equivalents	7	128,871,243	161,026,093	75,692,307	80,820,623
Short-term investments	8	15,178,121	25,333,373	3,398,364	21,033,192
Trade and other receivables	9	459,295,007	430,075,190	330,179,000	189,670,401
Unbilled contract revenue	10	655,221,229	868,421,364	159,694,718	240,940,296
Short-term loans to related parties	33	350,000,000	317,000,000	531,000,000	776,000,000
Current portion of long-term receivables		149,636,988	96,346,433	-	-
Inventories	11	202,292,761	330,122,931	69,906,508	70,345,212
Current portion of prepaid rent		10,998,533	10,942,866	7,577,921	7,120,773
Other current assets	12	83,928,763	48,925,667	72,784,476	40,188,781
Total current assets		2,055,422,645	2,288,193,917	1,250,233,294	1,426,119,278
Non-current assets					
Restricted cash	13	133,179,529	133,104,558	52,122,000	27,401,315
Long-term receivables		-	149,327,972	-	-
Prepaid rent		13,750,000	-	13,750,000	-
Investment in associate	14	29,614,862	17,722,123	46,500,000	22,500,000
Investment in subsidiaries	14	-	-	176,561,807	174,061,882
Interest in joint venture	14	56,165,738	46,862,738	35,499,900	35,499,900
Property, plant and equipment	15	95,593,604	75,367,029	54,443,304	40,989,422
Fiber optic network equipment	16	947,983,345	580,522,334	1,160,028,027	628,983,739
Intangible assets	17	12,888,200	10,481,025	8,114,344	2,918,118
Deferred tax assets	18	76,497,488	39,653,650	35,838,569	14,081,352
Other non-current assets		19,543,330	16,094,711	1,757,742	3,518,793
Total non-current assets		1,385,216,096	1,069,136,140	1,584,615,693	949,954,521
Total assets		3,440,638,741	3,357,330,057	2,834,848,987	2,376,073,799

Director _____
Pyut Bhuwakulwong

Director _____
Preeyapun Bhuwakul

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

ALT Telecom Public Company Limited
Statement of Financial Position (Cont'd)
As at 31 December 2017

	Notes	Consolidated		Separate	
		financial statements		financial statements	
		2017	2016	2017	2016
		Baht	Baht	Baht	Baht
Liabilities and equity					
Current liabilities					
Bank overdrafts and short-term borrowings from financial institutions	19	927,613,705	573,448,721	634,177,436	543,448,721
Trade and other payables	20	496,659,495	651,414,878	462,282,233	90,043,767
Current portion of finance lease liability	19	309,902	-	-	-
Current portion of long-term borrowings from financial institutions	19	101,115,600	98,254,000	-	-
Accrued income tax		17,999,577	30,689,747	-	-
Other current liabilities	21	48,776,450	29,312,715	19,065,923	17,363,714
Total current liabilities		1,592,474,729	1,383,120,061	1,115,525,592	650,856,202
Non-current liabilities					
Long-term borrowings from financial institutions	19	-	90,334,829	-	-
Finance lease liabilities	19	683,464	-	-	-
Employee benefit obligations	22	20,960,735	16,380,748	8,889,443	7,092,472
Provision for decommissioning		12,988,604	12,637,365	12,988,604	12,637,365
Other liabilities		11,745,750	8,640,000	-	-
Total non-current liabilities		46,378,553	127,992,942	21,878,047	19,729,837
Total liabilities		1,638,853,282	1,511,113,003	1,137,403,639	670,586,039

Director _____
Pyut Bhuwakulwong

Director _____
Preeyapun Bhuwakul

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

ALT Telecom Public Company Limited
Statement of Financial Position (Cont'd)
As at 31 December 2017

	Notes	Consolidated		Separate	
		financial statements		financial statements	
		2017	2016	2017	2016
		Baht	Baht	Baht	Baht
Liabilities and equity (Cont'd)					
Equity	23				
Authorised share capital					
Ordinary share 1,250,000,000 shares of par Baht 0.50 each (31 December 2016: Ordinary share 1,000,000,000 shares of paid-up Baht 0.50 each)		625,000,000	500,000,000	625,000,000	500,000,000
Issued and paid-up share capital					
Ordinary share 1,000,000,000 shares of paid-up Baht 0.50 each (31 December 2016: Ordinary share 1,000,000,000 shares of paid-up Baht 0.50 each)		500,000,000	500,000,000	500,000,000	500,000,000
Share premium	23	1,010,493,000	1,010,493,000	1,010,493,000	1,010,493,000
Share surplus from business combination under common control		4,605,502	4,605,502	-	-
Share surplus from share-based payment		1,836,570	1,836,570	-	-
Retained earnings					
Appropriated - legal reserve	24	55,000,000	50,000,000	55,000,000	50,000,000
Unappropriated		187,320,111	235,463,671	131,952,348	144,994,760
Other components of equity		42,354,886	43,653,876	-	-
Equity attribute to owners of the parent		1,801,610,069	1,846,052,619	1,697,445,348	1,705,487,760
Non-controlling interests	14	175,390	164,435	-	-
Total equity		1,801,785,459	1,846,217,054	1,697,445,348	1,705,487,760
Total liabilities and equity		3,440,638,741	3,357,330,057	2,834,848,987	2,376,073,799

Director _____
Pyut Bhuwakulwong

Director _____
Preeyapun Bhuwakul

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

ALT Telecom Public Company Limited

Income Statement

For the year ended 31 December 2017

	Notes	Consolidated financial statements		Separate financial statements	
		2017 Baht	2016 Baht	2017 Baht	2016 Baht
Revenues					
Sales		398,369,046	726,694,548	154,701,312	210,854,972
Services income		850,138,147	1,237,979,762	191,955,624	196,640,347
Services income - fiber optic network		9,582,947	-	9,582,947	-
Total revenues		1,258,090,140	1,964,674,310	356,239,883	407,495,319
Cost					
Cost of sales		(303,896,838)	(596,915,655)	(124,194,197)	(178,471,637)
Cost of services		(520,639,494)	(790,692,729)	(137,171,645)	(127,820,182)
Cost of service - fiber optic network		(146,781,887)	(35,526,072)	(163,738,919)	(35,526,072)
Total cost		(971,318,219)	(1,423,134,456)	(425,104,761)	(341,817,891)
Gross profit (loss)		286,771,921	541,539,854	(68,864,878)	65,677,428
Other income	27	39,756,450	26,199,410	236,935,590	364,566,479
Selling expenses		(56,843,306)	(91,673,374)	(25,644,203)	(49,133,406)
Administrative expenses		(169,912,247)	(164,062,847)	(54,461,208)	(47,345,628)
Gain (loss) from exchange rate		2,169,506	3,221,762	(3,851,588)	(760,697)
Share of loss of investments in associate	14	(10,808,271)	(3,014,981)	-	-
Share of profit of investments in joint venture	14	9,303,000	44,667,233	-	-
Finance costs	28	(24,312,074)	(36,384,812)	(13,913,342)	(20,190,715)
Profit before income tax expense		76,124,979	320,492,245	70,200,371	312,813,461
Income tax (expense) revenue	30	(19,256,114)	(40,957,119)	21,757,217	9,599,058
Profit for the year		56,868,865	279,535,126	91,957,588	322,412,519
Other comprehensive income (expense) :					
Item that will be reclassified subsequently to profit or loss					
Currency translation differences	14	(1,298,990)	330,606	-	-
Item that will not be reclassified subsequently to profit or loss					
Actuarial gains (loss) on defined employee benefit plan	22	-	528,272	-	(407,050)
Income tax relating to items that will be reclassified	18	-	(105,654)	-	81,410
Total comprehensive income for the year		55,569,875	280,288,350	91,957,588	322,086,879

Director _____
Pyut Bhuwakulwong

Director _____
Preeyapun Bhuwakul

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

ALT Telecom Public Company Limited
Statement of Comprehensive Income
For the year ended 31 December 2017

	Consolidated		Separate	
	financial statements		financial statements	
	2017	2016	2017	2016
Note	Baht	Baht	Baht	Baht
Profit attributable to:				
Owners of the parent	56,856,440	279,134,156	91,957,588	322,412,519
Non-controlling interests	12,425	400,970	-	-
	<u>56,868,865</u>	<u>279,535,126</u>	<u>91,957,588</u>	<u>322,412,519</u>
Total comprehensive income				
Owners of the parent	55,557,450	279,887,380	91,957,588	322,086,879
Non-controlling interests	12,425	400,970	-	-
	<u>55,569,875</u>	<u>280,288,350</u>	<u>91,957,588</u>	<u>322,086,879</u>
Earnings per share	31			
Basic earnings per share	<u>0.06</u>	<u>0.32</u>	<u>0.09</u>	<u>0.37</u>
Diluted earnings per share	<u>0.05</u>	<u>0.32</u>	<u>0.08</u>	<u>0.37</u>

Director _____
Pyut Bhuwakulwong

Director _____
Preeyapun Bhuwakul

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

ALT Telecom Public Company Limited
Statement of Changes in Equity
For the year ended 31 December 2017

Consolidated financial statements												
Attributable to owners of the parent												
Notes	Attributable to owners of the parent					Other components of equity						
	Issued and paid-up share capital	Share premium	Share surplus from business combination under common control	Share surplus from share-based payment	Retained earnings		Change in parent's ownership interest in subsidiaries	Other comprehensive income (expense) from translation of financial statements	Total other component of equity	Total owners of the parent	Non-controlling interests	Total equity
					Legal reserve	Unappropriated						
Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht
Opening balance at 1 January 2016	375,000,000	-	4,605,502	1,836,570	28,600,000	137,806,897	42,311,579	628,606	42,940,185	590,789,154	9,748,502	600,537,656
Issue of shares	23 125,000,000	1,010,493,000	-	-	-	-	-	-	-	1,135,493,000	-	1,135,493,000
Issue of shares by subsidiary	-	-	-	-	-	-	-	-	-	-	600	600
Investment in subsidiary	-	-	-	-	-	-	383,085	-	383,085	383,085	(9,982,487)	(9,599,402)
Dividends payment by subsidiary	-	-	-	-	-	-	-	-	-	-	(3,150)	(3,150)
Legal reserve	24 -	-	-	-	21,400,000	(21,400,000)	-	-	-	-	-	-
Dividends payment	26 -	-	-	-	-	(160,500,000)	-	-	-	(160,500,000)	-	(160,500,000)
Total comprehensive income for the year	-	-	-	-	-	279,556,774	-	330,606	330,606	279,887,380	400,970	280,288,350
Closing balance at 31 December 2016	<u>500,000,000</u>	<u>1,010,493,000</u>	<u>4,605,502</u>	<u>1,836,570</u>	<u>50,000,000</u>	<u>235,463,671</u>	<u>42,694,664</u>	<u>959,212</u>	<u>43,653,876</u>	<u>1,846,052,619</u>	<u>164,435</u>	<u>1,846,217,054</u>
Opening balance at 1 January 2017	500,000,000	1,010,493,000	4,605,502	1,836,570	50,000,000	235,463,671	42,694,664	959,212	43,653,876	1,846,052,619	164,435	1,846,217,054
Investment in subsidiary	-	-	-	-	-	-	-	-	-	-	150	150
Dividends payment by subsidiary	-	-	-	-	-	-	-	-	-	-	(1,620)	(1,620)
Legal reserve	24 -	-	-	-	5,000,000	(5,000,000)	-	-	-	-	-	-
Dividends payment	26 -	-	-	-	-	(100,000,000)	-	-	-	(100,000,000)	-	(100,000,000)
Total comprehensive income for the year	-	-	-	-	-	56,856,440	-	(1,298,990)	(1,298,990)	55,557,450	12,425	55,569,875
Closing balance at 31 December 2017	<u>500,000,000</u>	<u>1,010,493,000</u>	<u>4,605,502</u>	<u>1,836,570</u>	<u>55,000,000</u>	<u>187,320,111</u>	<u>42,694,664</u>	<u>(339,778)</u>	<u>42,354,886</u>	<u>1,801,610,069</u>	<u>175,390</u>	<u>1,801,785,459</u>

Director _____
Pyut Bhuwakulwong

Director _____
Preeyapun Bhuwakul

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

ALT Telecom Public Company Limited
Statement of Changes in Equity
For the year ended 31 December 2017

	Notes	Separate financial statements				Total equity Baht
		Issued and paid-up share capital Baht	Share premium Baht	Retained earnings		
				Appropriated		
				Legal reserve Baht	Unappropriated Baht	
Opening balance at 1 January 2016		375,000,000	-	28,600,000	4,807,881	408,407,881
Issue of shares	23	125,000,000	1,010,493,000	-	-	1,135,493,000
Legal reserve	24	-	-	21,400,000	(21,400,000)	-
Dividends payment	26	-	-	-	(160,500,000)	(160,500,000)
Total comprehensive income for the year		-	-	-	322,086,879	322,086,879
Closing balance at 31 December 2016		<u>500,000,000</u>	<u>1,010,493,000</u>	<u>50,000,000</u>	<u>144,994,760</u>	<u>1,705,487,760</u>
Opening balance at 1 January 2017		500,000,000	1,010,493,000	50,000,000	144,994,760	1,705,487,760
Legal reserve		-	-	5,000,000	(5,000,000)	-
Dividends payment	26	-	-	-	(100,000,000)	(100,000,000)
Total comprehensive income for the year		-	-	-	91,957,588	91,957,588
Closing balance at 31 December 2017		<u>500,000,000</u>	<u>1,010,493,000</u>	<u>55,000,000</u>	<u>131,952,348</u>	<u>1,697,445,348</u>

Director _____
Pyut Bhuwakulwong

Director _____
Preeyapun Bhuwakul

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

ALT Telecom Public Company Limited
Statement of Cash Flows
For the year ended 31 December 2017

	Notes	Consolidated financial statements		Separate financial statements	
		2017	2016	2017	2016
		Baht	Baht	Baht	Baht
Cash flows from operating activities					
Profit before income tax		76,124,979	320,492,245	70,200,371	312,813,461
Adjustments for:					
Depreciation of building and equipment	15	11,697,231	10,822,345	2,671,275	1,693,713
Depreciation of fiber optic network	16	39,308,992	23,139,515	43,723,042	23,139,515
Amortisation expenses	17	1,428,010	1,070,313	690,274	448,628
Doubtful accounts (reversal)		(608,747)	5,489,015	(177,908)	124,671
Loss (gain) on disposal of equipment		91,163	(647,629)	-	3,454
Loss on write-off of intangible assets	17	2,816,330	-	-	-
Interest income	27	(25,747,578)	(14,599,760)	(30,924,763)	(18,580,850)
Interest expense	28	24,312,074	36,384,812	13,913,342	20,190,715
Dividends income	14	-	-	(179,998,380)	(324,996,850)
Loss on diminution in value of inventories (reversal of)		(2,174,625)	2,709,841	(457,363)	1,413,485
Employee benefit obligations	22	4,579,987	5,753,111	1,796,971	1,969,078
Share of loss of investments in associate	14	10,808,271	3,014,981	-	-
Share of profit of investments in joint venture	14	(9,303,000)	(44,667,233)	-	-
Changes in operating assets and liabilities					
- trade and other receivables		74,924,940	(184,162,415)	(60,331,411)	42,365,326
- unbilled contract revenue		213,200,135	(44,599,903)	81,245,578	57,675,129
- inventories		130,004,795	113,944,390	896,067	63,786,004
- other current assets		(24,806,004)	(24,166,021)	(24,434,698)	(23,309,051)
- prepaid rent		(13,805,667)	(4,407,725)	(14,207,148)	(4,445,111)
- other non-current assets		(3,448,619)	(4,500,935)	1,761,051	(874,236)
- trade and other payables		(155,092,196)	(414,066,781)	217,464,821	(102,042,939)
- other current liabilities		19,463,735	4,317,282	1,702,209	114,037
- other non-current liabilities		3,105,750	4,741,663	-	-
Cash generated from (used in) operations		376,879,956	(203,938,889)	125,533,330	51,488,179
<u>Less</u> Interest paid		(17,684,100)	(36,604,446)	(7,324,651)	(22,920,995)
Income tax paid		(78,987,214)	(80,729,178)	(8,160,997)	(7,800,867)
Net cash generated from (used in) operating activities		280,208,642	(321,272,513)	110,047,682	20,766,317

Director _____
Pyut Bhuwakulwong

Director _____
Preeyapun Bhuwakul

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

ALT Telecom Public Company Limited
Statement of Cash Flows (Cont'd)
For the year ended 31 December 2017

	Notes	Consolidated financial statements		Separate financial statements	
		2017	2016	2017	2016
		Baht	Baht	Baht	Baht
Cash flow from investing activities					
Purchase of short-term investment	8	(7,421,630)	(22,233,740)	(10,000)	(19,400,000)
Proceeds from redemption of short-term investment	8	18,077,993	-	18,063,152	-
Purchase of property, plant and equipment		(30,499,328)	(14,115,355)	(16,125,157)	(1,319,692)
Purchase of fiber optic network		(406,770,003)	(306,033,803)	(420,210,150)	(392,396,389)
Purchase of intangible assets	17	(6,651,515)	(1,595,765)	(5,886,500)	(544,800)
Increase in restricted cash		(74,971)	(54,122,707)	(24,720,685)	(3,000,000)
Payment for investment in subsidiaries	14	-	-	(2,499,925)	(79,598,802)
Payment for investment in associate	14	(24,000,000)	(9,000,000)	(24,000,000)	(9,000,000)
Payment for short-term loans to related parties	33	(300,000,000)	(506,000,000)	(639,000,000)	(761,000,000)
Proceeds from short-term loans to related parties	33	267,000,000	334,700,000	884,000,000	25,000,000
Proceeds from disposals of equipment		3,051	657,571	-	1,134
Dividends received from subsidiaries		-	-	99,999,100	224,997,750
Interest received		17,747,873	19,164,847	30,506,439	19,535,728
Net cash used in investing activities		(472,588,530)	(558,578,952)	(99,883,726)	(996,725,071)
Cash flows from financing activities					
Proceeds from short-term borrowing from related parties		-	4,000,000	-	4,000,000
Proceeds from short-term borrowing from financial institutions		348,225,063	-	84,707,728	238,000,950
Proceeds from shares issuance by subsidiaries		150	600	-	-
Repayments of bank overdraft		-	(39,443,313)	-	(39,443,313)
Proceeds from debenture		-	100,000,000	-	100,000,000
Proceeds from long-term borrowing from financial institutions		-	188,588,829	-	-
Repayments of finance lease liabilities		(525,326)	(46,739)	-	-
Repayment of short-term borrowing from related parties		-	(11,000,000)	-	(92,000,000)
Repayment of short-term borrowing from financial institutions		-	(101,959,887)	-	-
Repayment of short-term borrowing from third parties		-	(32,500,000)	-	(32,500,000)
Repayments of debenture		-	(100,000,000)	-	(100,000,000)
Repayment of long-term borrowing from financial institutions		(87,473,229)	-	-	-
Proceeds from shares issuance	23	-	1,175,000,000	-	1,175,000,000
Payment for shares issuance		-	(39,507,000)	-	(39,507,000)
Payment for investment purchased from non-controlling interest		-	(9,599,402)	-	-
Dividends paid to non-controlling interest		(1,620)	(3,150)	-	-
Dividends paid to shareholders	26	(100,000,000)	(160,500,000)	(100,000,000)	(160,500,000)
Net cash from (used in) financing activities		160,225,038	973,029,938	(15,292,272)	1,053,050,637

Director _____
Pyut Bhuwakulwong

Director _____
Preeyapun Bhuwakul

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

ALT Telecom Public Company Limited
Statement of Cash Flows (Cont'd)
For the year ended 31 December 2017

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
Note	Baht	Baht	Baht	Baht
Net (decrease) increase in cash and cash equivalents	(32,154,850)	93,178,473	(5,128,316)	77,091,883
Opening balance of cash and cash equivalents	161,026,093	67,847,620	80,820,623	3,728,740
Closing balance of cash and cash equivalents	128,871,243	161,026,093	75,692,307	80,820,623
Significant non-cash transactions				
Provision for decommissioning cost of fiber optic network	-	12,365,076	-	12,365,076
Accrued dividend income	9	-	179,998,380	99,999,100
Payable arising from purchases of fiber optic network	-	-	154,557,180	-
Asset held under a finance lease agreement	1,518,692	-	-	-

Director _____
Pyut Bhuwakulwong

Director _____
Preeyapun Bhuwakul

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

1 General information

ALT Telecom Public Company Limited (the “Company”) is a public limited company which is listed on the Stock Exchange of Thailand and is incorporated and domiciled in Thailand. The address of the Company’s registered office is as follows:

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

For reporting purposes, the Company and its subsidiaries are referred to as ‘the Group’.

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 26 February 2018.

2 Accounting policies

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

2.1 Basis for preparation

The consolidated and separate 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 separate 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 separate 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

Pyut Bhuwakulwong

Director

Preeyapun Bhuwakul

2 Accounting policies (Cont'd)

2.2 Revised financial reporting standards, and related interpretations

2.2.1 Revised financial reporting standards are effective for annual periods beginning on or after 1 January 2017 and 2018.

The Group has assessed and considered that the revised financial reporting standards do not have significant impact to the Group.

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

(1) Subsidiaries (Cont'd)

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 in profit or loss. 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 on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

In the separate 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.

(2) Transactions with 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.

Director

Pyut Bhwakulwong

Director

Preeyapun Bhwakul

2 Accounting policies (Cont'd)

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

(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 is 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.

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 separate 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

Investments in joint arrangements are classified as either joint operations or joint ventures depending on the contractual rights and obligations each investor. The Group 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.

Director _____ Director _____
Pyut Bhuwakulwong 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 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 statements 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 statements 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 profit or loss within selling and expenses.

Director

Pyut Bhuwakulwong

Director

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

Pyut Bhuwakulwong

Director

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

Pyut Bhuwakulwong

Director

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.

Fiber optic network	15, 20 years
Transceiver at base station	5 years
Computer equipment	3, 5 years
Computer software	10 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

Pyut Bhuwakulwong

Director

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

Leases - where the 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.

Leases - where the Group 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.

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.

Director

Pyut Bhuwakulwong

Director

Preeyapun Bhuwakul

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 substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Director

Pyut Bhuwakulwong

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

The Group operate various retirement benefits schemes. The Group has both defined benefit and defined contribution plans.

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 Thai government bonds 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 Share-based payment

The Group operates a number of equity-settled, share-based compensation plans, under which the entity receives services from employees as consideration for equity instruments (options) of the Group. The fair value of the employee services received in exchange for the grant of the options is recognised as an expense. The total amount to be expensed is determined by reference to the fair value of the options granted:

- Including any market performance conditions;
- Excluding the impact of any service and non-market performance vesting conditions (for example, profitability, sales growth targets and remaining an employee of the entity over a specified time period); and
- Including the impact of any non-vesting conditions (for example, the requirement for employees to save or holdings shares for a specific period of time).

Non-market performance and service conditions are included in assumptions about the number of options that are expected to vest. The total expense is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. At the end of each reporting period, the entity revises its estimates of the number of options that are expected to vest based on the non-marketing vesting conditions. It recognises the impact of the revision to original estimates, if any, in profit or loss, with a corresponding adjustment to equity.

When the options are exercised, the Company issues new shares. The proceeds received net of any directly attributable transaction costs are credited to share capital (nominal value) and share premium.

The grant by the Company of options over its equity instruments to the employees of subsidiary undertakings in the Group is treated as a capital contribution. The fair value of employee services received, measured by reference to the grant date fair value, is recognised over the vesting period as an increase to investment in subsidiary, in separate financial statement undertakings, with a corresponding credit to equity.

Director _____ Director _____
Pyut Bhuwakulwong Preeyapun Bhuwakul

2 Accounting policies (Cont'd)

2.19 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.

2.20 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.

2.21 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 using the effective interest method.

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.

2.22 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.

2.23 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.

Director

Pyut Bhuwakulwong

Director

Preeyapun Bhuwakul

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 Foreign exchange risk

The Group has significant exposure to foreign currency risk from purchase of goods in various currencies. Entities in the Group use forward contracts, transacted with the commercial banks, to hedge their exposure to foreign currency risk in connection with measurement currency.

3.1.2 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.

3.1.3 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 Accounting for derivative financial instruments and hedging activities

The Group is party to derivative financial instruments, which is forward contracts. Such instruments are not recognised in the financial statements on inception.

Foreign currency forward contracts protect the Group from movements in exchange rates. The Group enters into contract establishing the rate at which a foreign currency asset will be realised or a foreign currency liability will be settled in the future. The Group does not recognise foreign currency forward contracts transaction in the financial statements until the contracts are settled. The realised gain (loss) from the settlement of foreign currency forward contracts will be included in gain (loss) on exchange rate in profit or loss. The fee incurred in establishing each agreement is amortised over the contract period, if any.

Disclosures about derivative financial instruments to which the Group is a party are provided in note 32.

3.3 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.

Director

Pyut Bhuwakulwong

Director

Preeyapun Bhuwakul

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

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.

e) Allowance for doubtful accounts

The Group records an allowance for doubtful accounts which is equivalent to the estimated collection losses that may be incurred in the collection of all receivables. The estimated losses are based on historical collection experience combined with a review of all outstanding receivables at the statement of financial position date. The allowance for doubtful accounts might be changed.

Director

Pyut Bhuwakulwong

Director

Preeyapun Bhuwakul

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 financial statements			Total Baht
	Network equipment distribution Baht	Network equipment installation Baht	Network equipment rental Baht	
For the year ended 31 December 2017				
Total revenue	398,369,046	850,138,147	9,582,947	1,258,090,140
Segment results	94,472,208	329,498,653	(137,198,940)	286,771,921
Other income				39,756,450
Unallocated costs				(224,586,047)
Share of profit of investments				(1,505,271)
Finance costs				(24,312,074)
Profit before income tax expense				76,124,979
Income tax expense				(19,256,114)
Net profit for the year				56,868,865
Fixed assets	50,942,896	43,186,183	949,447,870	1,043,576,949
Other assets	373,513,962	1,053,667,727	42,262,505	1,469,444,194
Unallocated assets				927,617,598
Consolidated total assets				3,440,638,741

Director _____
Pyut Bhuwakulwong

Director _____
Preeyapun Bhuwakul

6 Segment information (Cont'd)

	Consolidated financial statements			Total Baht
	Network equipment distribution Baht	Network equipment installation Baht	Network equipment rental Baht	
For the year ended 31 December 2016				
Total revenue	726,694,548	1,237,979,762	-	1,964,674,310
Segment results	129,778,893	447,287,033	(35,526,072)	541,539,854
Other income				26,199,410
Unallocated costs				(252,514,459)
Share of profit of investments				41,652,252
Finance costs				(36,384,812)
Profit before income tax expense				320,492,245
Income tax expense				(40,957,119)
Net profit for the year				279,535,126
Fixed assets	46,752,930	28,614,099	580,522,334	655,889,363
Other assets	419,042,053	1,413,279,411	37,853,814	1,870,175,278
Unallocated assets				831,265,416
Consolidated total assets				3,357,330,057

The Group has 3 major customers which operate in telecommunication businesses. The revenue generated from those customers is 57.57% of the total revenue in the consolidated statement of comprehensive income for the year ended 31 December 2017 (2016 : 76.67%).

7 Cash and cash equivalents

	Consolidated financial statements		Separate financial statements	
	2017 Baht	2016 Baht	2017 Baht	2016 Baht
Cash on hand	685,449	772,789	474,851	515,414
Deposits held at call with banks	128,185,794	160,253,304	75,217,456	80,305,209
	128,871,243	161,026,093	75,692,307	80,820,623

The interest rate on deposits held at call with banks is at 0.04% to 0.38% per annum (2016: 0.37% to 0.40% per annum).

Director

Pyut Bhuwakulwong

Director

Preeyapun Bhuwakul

8 Short-term investments

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

	Consolidated financial statements		Separate financial statements	
	2017 Baht	2016 Baht	2017 Baht	2016 Baht
At 1 January	25,333,373	2,803,550	21,033,192	1,353,006
Addition	7,421,630	22,233,740	10,000	19,400,000
Redeem	(18,077,993)	-	(18,063,152)	-
Interest income	501,111	296,083	418,324	280,186
At 31 December	<u>15,178,121</u>	<u>25,333,373</u>	<u>3,398,364</u>	<u>21,033,192</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 0.90% to 1.00% per annum (2016: 0.80% to 1.50% 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 financial statements		Separate financial statements	
	2017 Baht	2016 Baht	2017 Baht	2016 Baht
Trade receivables				
Trade receivables - third parties	405,872,726	397,123,717	132,366,917	75,332,791
Trade receivables - related parties (Note 33)	1,858,565	6,476,021	197,629	5,842,176
Post dated cheque	-	956,707	-	-
Total trade receivables	407,731,291	404,556,445	132,564,546	81,174,967
Less Allowance for doubtful accounts	(8,275,838)	(8,884,585)	(891,000)	(1,068,908)
Trade receivables, net	<u>399,455,453</u>	<u>395,671,860</u>	<u>131,673,546</u>	<u>80,106,059</u>
Other receivables				
Other receivables - third parties	14,992,933	11,734,492	643,657	963,752
Other receivables - related parties (Note 33)	998,713	1,784,912	2,342,302	1,935,251
Advance payment - third parties	413,489	1,217,675	114,180	432,969
Advance payment - related parties (Note 33)	56,995	-	11,579,406	-
Advance payment for inventory	22,079,895	10,093,268	2,672,466	5,758,719
Accrued interest income - related parties (Note 33)	10,989	10,989	10,989	10,989
Accrued income	25,071,520	13,933,573	292,500	30,000
Accrued dividend income (Note 33)	-	-	179,998,380	99,999,100
Prepayments	1,065,020	478,421	851,574	433,562
Total other receivables	64,689,554	39,253,330	198,505,454	109,564,342
Less Allowance for doubtful accounts	(4,850,000)	(4,850,000)	-	-
Other receivables, net	<u>59,839,554</u>	<u>34,403,330</u>	<u>198,505,454</u>	<u>109,564,342</u>
Total trade and other receivables, net	<u>459,295,007</u>	<u>430,075,190</u>	<u>330,179,000</u>	<u>189,670,401</u>

Director

Pyut Bhuwakulwong

Director

Preeyapun Bhuwakul

9 Trade and other receivables (Cont'd)

Outstanding trade account receivables as at 31 December can be analysed as follows:

	Consolidated financial statements		Separate financial statements	
	2017 Baht	2016 Baht	2017 Baht	2016 Baht
Trade account receivables				
Current	257,817,419	295,034,538	82,521,074	26,312,170
Overdue less than 3 months	84,185,007	50,924,474	9,834,283	9,770,317
Overdue 3 months but less than 6 months	12,961,082	2,753,793	-	506,858
Overdue 6 months but less than 9 months	3,499,580	4,786,639	1,064,115	285,270
Overdue 9 months but less than 12 months	1,658,706	-	206	-
Overdue over 12 months	45,750,932	44,580,980	38,947,239	38,458,176
Total trade account receivables	405,872,726	398,080,424	132,366,917	75,332,791
<u>Less</u> Allowance for doubtful accounts	<u>(8,275,838)</u>	<u>(8,884,585)</u>	<u>(891,000)</u>	<u>(1,068,908)</u>
Trade account receivables, net	<u>397,596,888</u>	<u>389,195,839</u>	<u>131,475,917</u>	<u>74,263,883</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 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 to support that counterparty use the Group's assets to generate revenue. Legal advisor gave 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). According to the Administrative Court's judgment on 30 September 2016, this receivable was judged to pay the Company for compensation with a monthly rate of Baht 13.5 million, calculated since 12 February 2013 until the project is transferred back. However, the case is currently within the arbitration process because this receivable has lodged an appeal against the court.

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. The case is currently within the Administrative Court's process.

Director

Pyut Bhuwakulwong

Director

Preeyapun Bhuwakul

9 Trade and other receivables (Cont'd)

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

	Consolidated financial statements		Separate financial statements	
	2017 Baht	2016 Baht	2017 Baht	2016 Baht
Trade account receivables				
- related parties				
Current	1,737,120	6,343,586	76,184	5,709,741
Overdue less than 3 months	121,445	132,435	121,445	132,435
Total trade account receivables				
- related parties	1,858,565	6,476,021	197,629	5,842,176
<u>Less</u> Allowance for doubtful accounts	-	-	-	-
Trade account receivables				
- related parties, net	1,858,565	6,476,021	197,629	5,842,176

10 Unbilled contracts revenue and progress billing in excess of work in progress

At 31 December	Consolidated financial statements		Separate financial statements	
	2017 Baht	2016 Baht	2017 Baht	2016 Baht
Contract costs to date	3,825,208,722	3,077,624,462	613,707,236	486,711,990
Recognised profits to date	1,533,839,257	1,153,535,646	227,049,474	171,878,304
Contract costs incurred and recognised profits to date	5,359,047,979	4,231,160,108	840,756,710	658,590,294
<u>Less</u> Progress billings	(4,741,421,816)	(3,366,350,509)	(681,061,991)	(419,228,756)
Net	617,626,163	864,809,599	159,694,719	239,361,538

Unbilled contracts revenue and progress billing in excess of work in progress are presented as current asset and current liability in the statement of financial position, respectively. Unbilled contracts revenue represents the excess of contract cost incurred and recognised profits to date over progress billings to date. Progress billing in excess of work in progress represents the excess of progress billings to date over contract costs incurred and recognised profits to date.

The difference between contract costs incurred and recognised profits to date and progress billings can be presented as follows:

At 31 December	Consolidated financial statements		Separate financial statements	
	2017 Baht	2016 Baht	2017 Baht	2016 Baht
Unbilled contracts revenue	655,221,229	868,421,364	159,694,718	240,940,296
Progress billing in excess of work in progress (Note 20)	(37,595,066)	(3,611,765)	-	(1,578,758)
Net	617,626,163	864,809,599	159,694,718	239,361,538

Director _____
Pyut Bhuwakulwong

Director _____
Preeyapun Bhuwakul

11 Inventories

	Consolidated financial statements		Separate financial statements	
	2017 Baht	2016 Baht	2017 Baht	2016 Baht
Raw materials	54,203,764	205,290,291	14,998,302	9,056,457
Work in process	10,155,134	34,481,651	10,101,497	29,607,247
Work in process - construction contract	37,495,609	23,131,567	5,278,049	6,322,844
Goods in Transit	7,176,719	1,451,583	-	-
Supplies	35,523,936	798,532	35,523,936	743,393
Finished goods	74,649,311	84,055,644	11,604,724	32,672,634
Total inventories	219,204,473	349,209,268	77,506,508	78,402,575
Less Allowance for diminution in value of inventories	(16,911,712)	(19,086,337)	(7,600,000)	(8,057,363)
Inventories, net	202,292,761	330,122,931	69,906,508	70,345,212

Inventory with a value of Baht 36,683,915 and Baht 21,061,756 (2016: Baht 63,800,555 and Baht 18,465,377) is carried at net realisable value, this being lower than cost.

12 Other current assets

	Consolidated financial statements		Separate financial statements	
	2017 Baht	2016 Baht	2017 Baht	2016 Baht
Input tax	42,827,043	32,405,311	38,825,871	26,858,620
Undued input tax	16,778,058	2,321,511	13,803,108	1,293,239
Withholding tax receivables	24,172,068	13,974,976	20,069,594	11,908,597
Others	151,594	223,869	85,903	128,325
	83,928,763	48,925,667	72,784,476	40,188,781

13 Restricted cash

On 31 December 2017, restricted cash represent fixed deposits with financial institutions carrying interest at the rate of 0.90% to 1.00% per annum (2016: 0.80% to 1.50% per annum). The Company pledged a fixed deposit account with bank as security against the bank overdraft, bank guarantees and promissory note.

Director

Pyut Bhuwakulwong

Director

Preeyapun Bhuwakul

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 financial statements		Separate financial statements	
	2017 Baht	2016 Baht	2017 Baht	2016 Baht
At 31 December				
Associate	29,614,862	17,722,123	46,500,000	22,500,000
Joint venture	56,165,738	46,862,738	35,499,900	35,499,900
	<u>85,780,600</u>	<u>64,584,861</u>	<u>81,999,900</u>	<u>57,999,900</u>

The amounts recognised in the income statement are as follows:

	Consolidated financial statements		Separate financial statements	
	2017 Baht	2016 Baht	2017 Baht	2016 Baht
For the year ended 31 December				
Associate	(12,107,261)	(2,684,375)	-	-
Joint venture	9,303,000	44,667,233	-	-
	<u>(2,804,261)</u>	<u>41,982,858</u>	<u>-</u>	<u>-</u>

(a) Investments in associate

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

	Consolidated financial statements		Separate financial statements	
	2017 Bath	2016 Bath	2017 Bath	2016 Bath
At 1 January	17,722,123	11,406,498	22,500,000	13,500,000
Addition	24,000,000	9,000,000	24,000,000	9,000,000
Share of loss	(10,808,271)	(3,014,981)	-	-
Currency translation differences	(1,298,990)	330,606	-	-
At 31 December	<u>29,614,862</u>	<u>17,722,123</u>	<u>46,500,000</u>	<u>22,500,000</u>

Director _____
Pyut Bhuwakulwong

Director _____
Preeyapun Bhuwakul

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

(a) Investments in associate (Cont'd)

Addition of interests in associate

Telecom Solutions Provider Company Limited (“TSP”)

At the Board of Director meeting held on 12 May 2017, resolution was passed to approve the increase in the registered shares by 300,000 shares to 750,000 shares at the par value of Baht 100 per share. The Company paid Baht 24 million for 240,000 shares increase on 9 June 2017. There is no effect to the control power in this associate.

At the Board of Director meeting held on 10 August 2016, resolution was passed to approve the increase in the registered shares by 300,000 shares to 750,000 shares at the par value of Baht 100 per share. The Company paid Baht 9 million for 90,000 shares increase on 12 September 2016. There is no effect to the control power in this associate.

Set out below is the associate of the Group as at 31 December 2017, 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 investments in associate 2017 and 2016:

	<u>Business</u>	<u>Country of incorporation</u>	<u>% Ownership interest</u>		<u>Nature of the relationship</u>	<u>Measurement method</u>
			<u>2017</u>	<u>2016</u>		
Telecom Solutions Provider	Holding company who invest in overseas company	Thailand	30.00	30.00	Direct shareholders	Equity method

There are no contingent liabilities relating to the Group's interests in the associate.

Summarised financial information for associate

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

Director _____ Director _____
Pyut Bhuwakulwong Preeyapun Bhuwakul

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

(a) Investments in associate (Cont'd)

Summarised statement of financial position

	TSP	
	2017 Baht	2016 Baht
Current assets		
Cash and cash equivalents	60,969,210	18,537,570
Other current assets (excluding cash)	16,480,366	13,470,595
Total current assets	<u>77,449,576</u>	<u>32,008,165</u>
Non-current assets	46,188,162	33,458,467
	<u>123,637,738</u>	<u>65,466,632</u>
Current liabilities		
Financial liabilities (excluding trade payables)	960,080	1,100,988
Other current liabilities (including trade payables)	24,219,735	11,355,677
Total current liabilities	<u>25,179,815</u>	<u>12,456,665</u>
Net assets (included non-controlling interest)	98,457,923	53,009,967
Add Loss of non-controlling interest	258,284	6,063,778
Net assets (excluded non-controlling interest)	<u>98,716,207</u>	<u>59,073,745</u>

Summarised statement of comprehensive income

	TSP	
	2017 Baht	2016 Baht
Revenue	1,715,349	687,759
Depreciation and amortisation	(987,131)	(519,531)
Interest expense	-	-
Loss from continuing operations	(30,222,077)	(14,971,828)
Income tax expense	-	-
Post-tax loss from continuing operations	(30,222,077)	(14,971,828)
Other comprehensive (loss) income	(4,329,967)	735,376
Total comprehensive expense (included non-controlling interest)	(34,552,044)	(14,236,452)
Add Gain of non-controlling interest	-	5,288,536
Total comprehensive expense (excluded non-controlling interest)	<u>(34,552,044)</u>	<u>(8,947,916)</u>
Dividends received from associate	-	-

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

Director

Pyut Bhuwakulwong

Director

Preeyapun Bhuwakul

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

(a) Investments in associate (Cont'd)

Reconciliation of summarised financial information

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

Summarised financial information	TSP	
	2017 Baht	2016 Baht
Opening net assets at 1 January	59,073,745	38,021,661
Share issuance	80,000,000	30,000,000
Loss for the year	(30,222,077)	(10,049,936)
Currency translation differences	(4,329,967)	1,102,020
Decrease in interest in a subsidiary by non-controlling interest	(5,805,494)	-
Net assets at 31 December	98,716,207	59,073,745
Interest in associate	30%	30%
Carrying value	29,614,862	17,722,123

(b) Investments in joint venture

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

	Consolidated financial statements		Separate financial statements	
	2017 Baht	2016 Baht	2017 Baht	2016 Baht
At 1 January	46,862,738	2,195,505	35,499,900	35,499,900
Share of profit	9,303,000	44,667,233	-	-
At 31 December	<u>56,165,738</u>	<u>46,862,738</u>	<u>35,499,900</u>	<u>35,499,900</u>

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

Nature of investments in joint venture 2017 and 2016

	Business	Country of incorporation	% Ownership interest		Nature of the relationship	Measurement method
			2017	2016		
Information Highway	Telecom network installation and network rental	Thailand	71.00	71.00	Direct shareholders	Equity method

Shareholders agreement of Information Highway Company Limited between the Company and external party identified that the Company and external party have joint control over Information Highway Company Limited. The resolution of Board of Directors and shareholders must receive the approval of the representative appointed by the Company and the representative appointed party. If there is a disagreement between representatives of both parties the resolution cannot resolve. Considering the above condition the Group classify investment in Information Highway Company Limited as investment in joint venture.

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 interests in the joint venture.

Director _____ Director _____
Pyut Bhuwakulwong Preeyapun Bhuwakul

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

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

Summarised financial information for joint venture

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	
	2017 Baht	2016 Baht
Current assets		
Cash and cash equivalents	15,010,236	22,183,865
Other current assets (excluding cash)	99,277,414	170,680,331
Total current assets	114,287,650	192,864,196
Non-current assets	551,243,881	587,448,560
	665,531,531	780,312,756
Current liabilities		
Financial liabilities (excluding trade payables)	467,290,000	447,320,000
Other current liabilities (including trade payables)	45,477,496	106,128,189
Total current liabilities	512,767,496	553,448,189
Non-current liabilities		
Financial liabilities	22,420,000	108,910,000
Other liabilities	36,249,085	36,011,168
Total non-current liabilities	58,669,085	144,921,168
	571,436,581	698,369,357
Net assets	94,094,950	81,943,399

Summarised statement of comprehensive income

	IH	
	2017 Baht	2016 Baht
Revenue	195,541,502	263,646,117
Interest income	7,477,467	7,939,962
Depreciation and amortisation	(35,484,655)	(34,040,712)
Interest expense	(27,946,850)	(29,481,141)
Profit from continuing operations	11,421,974	84,511,162
Income tax income (expense)	729,577	(17,306,778)
Post-tax profit from continuing operations	12,151,551	67,204,384
Other comprehensive income	-	-
Total comprehensive income	12,151,551	67,204,384
Dividends received from joint venture	-	-

Director _____
Pyut Bhuwakulwong

Director _____
Preeyapun Bhuwakul

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

(b) Investments 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	
	2017 Baht	2016 Baht
Summarised financial information		
Opening net assets at 1 January	81,943,399	14,739,014
Gain for the year	12,151,551	67,204,385
Closing net assets	94,094,950	81,943,399
Interest in joint venture	71%	71%
Interest in joint venture	66,807,415	58,179,813
Gains from downstream transactions	(10,641,677)	(11,316,911)
Share of losses of a joint venture exceeds its interest in joint venture	-	-
Carrying value	56,165,738	46,862,738

(c) Principal subsidiaries

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

	Separate financial statements	
	2017 Baht	2016 Baht
At 1 January	174,061,882	94,463,080
Addition	2,499,925	79,598,802
At 31 December	176,561,807	174,061,882

Director _____
Pyut Bhuwakulwong

Director _____
Preeyapun Bhuwakul

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

(c) Principal subsidiaries (Cont'd)

2017

Addition of investments in subsidiaries

International Gateway Company Limited

On 5 September 2017, the Company paid for the investment amounting to Baht 2,499,925 to acquire 99,997 shares at a par value of Baht 100 per share, representing 99.99% of issued shares. International Gateway Company Limited incorporated in Thailand and engages in rental and management of telecommunication network infrastructures.

A subsidiary under International Gateway Company Limited

2Ocean Company Limited

On 5 September 2017, International Gateway Company Limited which is a subsidiary of the Company paid for investment in 2Ocean Company Limited, amounting to Baht 2,499,925 to acquire 99,997 shares at a par value of Baht 100 per share, representing 99.99% of issued shares. 2Ocean Company Limited incorporated in Thailand and engages in rental and management of telecommunication network infrastructures.

2016

Addition of investments in subsidiaries

Group Tech Solutions Company Limited (“GTS”)

At the Extra-Ordinary Shareholders meeting held on 19 August 2016, resolution was passed to approve the increase in the registered shares by 700,000 shares from registered shares 300,000 shares to 1,000,000 shares at the par value of Baht 100 per share. The Company paid Baht 70 million for 699,994 shares increase on 22 August 2016. There is no effect to the control power in this subsidiary.

Innova Telecommunication Company Limited (“INN”)

On 4 March 2016, the Company invest in 39,999 shares of INN totalling Baht 5.85 million. As a result, the shareholding interest income increase from 89.75% to 99.75%. The difference between the considerations paid amount of non-controlling interest of Baht 0.15 million was recognised as “Changes in parent’s ownership interest in subsidiaries” in the consolidated equity.

I Twenty One Inter Corporation Company Limited (“I Twenty One”)

On 4 March 2016, the Company invest in 29,359 shares of I Twenty One totalling Baht 3.75 million. As a result, the shareholding interest income increase from 90.21% to 99.99%. The difference between the considerations paid amount of non-controlling interest of Baht 0.23 million was recognised as “Changes in parent’s ownership interest in subsidiaries” in the consolidated equity.

Dividends income

During 2017 and 2016, the Company received dividends income from subsidiaries amounting to Baht 180 million and Baht 325 million included in “Other income” in the company income statement. Dividends income can be analysed as follows:

	2017	2016
	Baht	Baht
Group Tech Solutions Company Limited	179,998,380	324,996,850
	<u>179,998,380</u>	<u>324,996,850</u>

Director _____
Pyut Bhuwakulwong

Director _____
Preeyapun Bhuwakul

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

(c) Principal subsidiaries (Cont'd)

Nature of investments in subsidiaries 2017 and 2016

	Business	Country of incorporation	% Ownership interest		Nature of the relationship
			2017	2016	
Group Tech Solutions Company Limited	Sales and installation electrical system and telecom	Thailand	99.99	99.99	Direct shareholders
I Twenty One Inter Corporation Company Limited	Sales and installation electrical equipment and telecom	Thailand	99.99	99.99	Direct shareholders
Innova Telecommunication Company Limited	Sales and maintenance electrical equipment and telecom	Thailand	99.75	99.75	Direct shareholders
International Gateway Company limited	Leasing and management of telecommunication basic structure	Thailand	99.99	-	Direct shareholders
2Ocean Company limited	Leasing and management of telecommunication basic structure	Thailand	99.99	-	Indirect shareholders

All subsidiary undertakings are included in the consolidation. 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 2017 is Baht 175,390 (2016 : Baht 164,435) of which is not material to the financial statements.

Director

 Pyut Bhuwakulwong

Director

 Preeyapun Bhuwakul

ALT Telecom Public Company Limited
Notes to the Consolidated and Separate Financial statements
For the year ended 31 December 2017

15 Property, plant and equipment

Consolidated financial statements

	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 2016									
Cost	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)
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>
For the year ended 31 December 2016									
Opening net book value	23,677,780	29,252,981	266,109	13,592,986	3,190,670	1,668,312	58,495	376,628	72,083,961
Additions	-	33,000	6,200	2,046,518	344,050	1,823,020	-	9,862,567	14,115,355
Disposals, net	-	-	-	(1)	(2)	(9,938)	(1)	-	(9,942)
Depreciation charge	-	(2,098,084)	(81,295)	(6,612,082)	(937,516)	(1,034,879)	(58,489)	-	(10,822,345)
Closing net book value	<u>23,677,780</u>	<u>27,187,897</u>	<u>191,014</u>	<u>9,027,421</u>	<u>2,597,202</u>	<u>2,446,515</u>	<u>5</u>	<u>10,239,195</u>	<u>75,367,029</u>
At 31 December 2016									
Cost	23,677,780	50,323,575	2,052,493	43,183,591	10,969,455	7,596,364	4,484,486	10,239,195	152,526,939
<u>Less</u> Accumulated depreciation	-	(23,135,678)	(1,861,479)	(34,156,170)	(8,372,253)	(5,149,849)	(4,484,481)	-	(77,159,910)
Closing net book value	<u>23,677,780</u>	<u>27,187,897</u>	<u>191,014</u>	<u>9,027,421</u>	<u>2,597,202</u>	<u>2,446,515</u>	<u>5</u>	<u>10,239,195</u>	<u>75,367,029</u>

Director Pyut Bhuwakulwong Director Preeyapun Bhuwakul

ALT Telecom Public Company Limited
Notes to the Consolidated and Separate Financial statements
For the year ended 31 December 2017

15 Property, plant and equipment (Cont'd)

		Consolidated financial statements								
		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 2017										
Cost		23,677,780	50,323,575	2,052,493	43,183,591	10,969,455	7,596,364	4,484,486	10,239,195	152,526,939
Less Accumulated depreciation		-	(23,135,678)	(1,861,479)	(34,156,170)	(8,372,253)	(5,149,849)	(4,484,481)	-	(77,159,910)
Net book value		<u>23,677,780</u>	<u>27,187,897</u>	<u>191,014</u>	<u>9,027,421</u>	<u>2,597,202</u>	<u>2,446,515</u>	<u>5</u>	<u>10,239,195</u>	<u>75,367,029</u>
For the year ended 31 December 2017										
Opening net book value		23,677,780	27,187,897	191,014	9,027,421	2,597,202	2,446,515	5	10,239,195	75,367,029
Additions		335,000	3,433,021	20,084	9,683,950	2,197,788	3,122,476	1,518,692	11,707,009	32,018,020
Transfer in (out)		-	6,946,535	-	-	-	-	-	(6,946,535)	-
Disposals, net		-	(72,094)	-	(9,556)	(12,553)	(11)	-	-	(94,214)
Depreciation charge		-	(3,074,291)	(80,604)	(5,624,403)	(1,098,089)	(1,525,259)	(294,585)	-	(11,697,231)
Closing net book value		<u>24,012,780</u>	<u>34,421,068</u>	<u>130,494</u>	<u>13,077,412</u>	<u>3,684,348</u>	<u>4,043,721</u>	<u>1,224,112</u>	<u>14,999,669</u>	<u>95,593,604</u>
At 31 December 2017										
Cost		24,012,780	60,258,330	2,072,577	52,644,976	13,037,106	10,315,350	6,003,178	14,999,669	183,343,966
Less Accumulated depreciation		-	(25,837,262)	(1,942,083)	(39,567,564)	(9,352,758)	(6,271,629)	(4,779,066)	-	(87,750,362)
Closing net book value		<u>24,012,780</u>	<u>34,421,068</u>	<u>130,494</u>	<u>13,077,412</u>	<u>3,684,348</u>	<u>4,043,721</u>	<u>1,224,112</u>	<u>14,999,669</u>	<u>95,593,604</u>

Director _____ Director _____
Pyut Bhuwakulwong Preeyapun Bhuwakul

ALT Telecom Public Company Limited
Notes to the Consolidated and Separate Financial statements
For the year ended 31 December 2017

15 Property, plant and equipment (Cont'd)

	Separate financial statements								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 2016									
Cost	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)
Net book value	<u>20,077,780</u>	<u>17,977,313</u>	<u>197,713</u>	<u>69,362</u>	<u>1,869,870</u>	<u>799,362</u>	<u>3</u>	<u>376,628</u>	<u>41,368,031</u>
For the year ended 31 December 2016									
Opening net book value	20,077,780	17,977,313	197,713	69,362	1,869,870	799,362	3	376,628	41,368,031
Additions	-	-	6,200	103,840	124,932	874,720	-	210,000	1,319,692
Disposal, net	-	-	-	(1)	(1)	(4,586)	-	-	(4,588)
Depreciation charge	-	(708,394)	(56,116)	(34,116)	(409,294)	(485,793)	-	-	(1,693,713)
Closing net book value	<u>20,077,780</u>	<u>17,268,919</u>	<u>147,797</u>	<u>139,085</u>	<u>1,585,507</u>	<u>1,183,703</u>	<u>3</u>	<u>586,628</u>	<u>40,989,422</u>
At 31 December 2016									
Cost	20,077,780	26,998,276	1,206,590	556,254	4,246,523	3,234,324	3,061,729	586,628	59,968,104
Less Accumulated depreciation	-	(9,729,357)	(1,058,793)	(417,169)	(2,661,016)	(2,050,621)	(3,061,726)	-	(18,978,682)
Closing net book value	<u>20,077,780</u>	<u>17,268,919</u>	<u>147,797</u>	<u>139,085</u>	<u>1,585,507</u>	<u>1,183,703</u>	<u>3</u>	<u>586,628</u>	<u>40,989,422</u>

Director

Pyut Bhuwakulwong

Director

Preeyapun Bhuwakul

ALT Telecom Public Company Limited
Notes to the Consolidated and Separate Financial statements
For the year ended 31 December 2017

15 Property, plant and equipment (Cont'd)

	Separate financial statements								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 2017									
Cost	20,077,780	26,998,276	1,206,590	556,254	4,246,523	3,234,324	3,061,729	586,628	59,968,104
Less Accumulated depreciation	-	(9,729,357)	(1,058,793)	(417,169)	(2,661,016)	(2,050,621)	(3,061,726)	-	(18,978,682)
Net book value	<u>20,077,780</u>	<u>17,268,919</u>	<u>147,797</u>	<u>139,085</u>	<u>1,585,507</u>	<u>1,183,703</u>	<u>3</u>	<u>586,628</u>	<u>40,989,422</u>
For the year ended 31 December 2017									
Opening net book value	20,077,780	17,268,919	147,797	139,085	1,585,507	1,183,703	3	586,628	40,989,422
Additions	335,000	1,799,880	20,084	5,901,200	212,065	2,578,887	-	5,278,041	16,125,157
Depreciation charge	-	(956,271)	(57,676)	(447,496)	(429,755)	(780,077)	-	-	(2,671,275)
Closing net book value	<u>20,412,780</u>	<u>18,112,528</u>	<u>110,205</u>	<u>5,592,789</u>	<u>1,367,817</u>	<u>2,982,513</u>	<u>3</u>	<u>5,864,669</u>	<u>54,443,304</u>
At 31 December 2017									
Cost	20,412,780	28,798,156	1,226,674	6,457,454	4,458,588	5,813,211	3,061,729	5,864,669	76,093,261
Less Accumulated depreciation	-	(10,685,628)	(1,116,469)	(864,665)	(3,090,771)	(2,830,698)	(3,061,726)	-	(21,649,957)
Closing net book value	<u>20,412,780</u>	<u>18,112,528</u>	<u>110,205</u>	<u>5,592,789</u>	<u>1,367,817</u>	<u>2,982,513</u>	<u>3</u>	<u>5,864,669</u>	<u>54,443,304</u>

Director Pyut Bhuwakulwong Director Preeyapun Bhuwakul

15 Property, plant and equipment (Cont'd)

As at 31 December 2017, the land and buildings have been pledged with the net book value of Baht 58.56 million and Baht 38.63 million in the consolidated and separate financial statements, respectively (2016 : Baht 51.06 million and Baht 37.49 million in the consolidated and separate financial statements, respectively) under the short-term and long-term borrowings from financial institutions (Note 19).

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

	Consolidated financial statements		Separate financial statements	
	2017 Baht	2016 Baht	2017 Baht	2016 Baht
Cost of sales / cost of services	2,874,223	3,769,899	501,946	56,129
Selling expenses	1,309,050	1,361,200	235,768	224,423
Administrative expenses	7,513,958	5,691,246	1,933,561	1,413,161
Total	11,697,231	10,822,345	2,671,275	1,693,713

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

	Consolidated financial statements		Separate financial statements	
	2017 Baht	2016 Baht	2017 Baht	2016 Baht
Cost - capitalised under finance leases	1,518,692	2,809,000	-	-
<u>Less</u> Accumulated depreciation	<u>(294,585)</u>	<u>(2,750,510)</u>	-	-
Net book amount	1,224,107	58,490	-	-

Director _____ Director _____
Pyut Bhuwakulwong Preeyapun Bhuwakul

16 Fiber optic network

	Consolidated financial statements	Separate financial statements
	Baht	Baht
At 1 January 2016		
Cost	382,226,230	344,325,049
<u>Less</u> Accumulated depreciation	(96,963,260)	(96,963,260)
Closing net book value	<u>285,262,970</u>	<u>247,361,789</u>
For the year ended 31 December 2016		
Opening net book value	285,262,970	247,361,789
Addition	318,398,879	404,761,465
Depreciation charge	(23,139,515)	(23,139,515)
Closing net book value	<u>580,522,334</u>	<u>628,983,739</u>
At 31 December 2016		
Cost	700,625,109	749,086,514
<u>Less</u> Accumulated depreciation	(120,102,775)	(120,102,775)
Closing net book value	<u>580,522,334</u>	<u>628,983,739</u>
For the year ended 31 December 2017		
Opening net book value	580,522,334	628,983,739
Addition	406,770,003	574,767,330
Depreciation charge	(39,308,992)	(43,723,042)
Closing net book value	<u>947,983,345</u>	<u>1,160,028,027</u>
At 31 December 2017		
Cost	1,107,395,112	1,323,853,844
<u>Less</u> Accumulated depreciation	(159,411,767)	(163,825,817)
Closing net book value	<u>947,983,345</u>	<u>1,160,028,027</u>

Borrowing costs of Baht 7,297,000 (2016: 16,382,000 Baht), arising from financing specifically entered into for the construction of a new fiber optic network, were capitalised during the year and are included in 'Additions'. A capitalisation rate of 3.85% (2016: 4.50 %) was used representing the actual borrowing cost of the loan used to finance the project.

Director _____ Director _____
Pyut Bhuwakulwong Preeyapun Bhuwakul

17 Intangible assets

	Consolidated financial statements				Separate financial statements
	Computer program Baht	Patent Baht	Computer program under installation Baht	Total Baht	Computer program Baht
At 1 January 2016					
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>
For the year ended 31 December 2016					
Opening net book value	7,139,243	-	2,816,330	9,955,573	2,821,946
Addition	1,356,612	-	239,153	1,595,765	544,800
Amortisation charge	(1,070,313)	-	-	(1,070,313)	(448,628)
Closing net book value	<u>7,425,542</u>	<u>-</u>	<u>3,055,483</u>	<u>10,481,025</u>	<u>2,918,118</u>
At 31 December 2016					
Cost	11,930,571	926,725	3,055,483	15,912,779	4,929,140
<u>Less</u> Accumulated amortisation	(4,505,029)	(926,725)	-	(5,431,754)	(2,011,022)
Net book value	<u>7,425,542</u>	<u>-</u>	<u>3,055,483</u>	<u>10,481,025</u>	<u>2,918,118</u>
For the year ended 31 December 2017					
Opening net book value	7,425,542	-	3,055,483	10,481,025	2,918,118
Addition	6,651,515	-	-	6,651,515	5,886,500
Disposal	-	-	(2,816,330)	(2,816,330)	-
Transfer in (out)	162,353	-	(162,353)	-	-
Amortisation charge	(1,428,010)	-	-	(1,428,010)	(690,274)
Closing net book value	<u>12,811,400</u>	<u>-</u>	<u>76,800</u>	<u>12,888,200</u>	<u>8,114,344</u>
At 31 December 2017					
Cost	18,744,439	926,725	76,800	19,747,964	10,815,640
<u>Less</u> Accumulated amortisation	(5,933,039)	(926,725)	-	(6,859,764)	(2,701,296)
Net book value	<u>12,811,400</u>	<u>-</u>	<u>76,800</u>	<u>12,888,200</u>	<u>8,114,344</u>

Director _____ Director _____
Pyut Bhuwakulwong Preeyapun Bhuwakul

18 Deferred income taxes

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

	Consolidated financial statements		Separate financial statements	
	2017 Baht	2016 Baht	2017 Baht	2016 Baht
Deferred tax assets:				
Deferred tax asset to be recovered within 12 months	153,515	-	153,515	-
Deferred tax asset to be recovered after more than 12 months	119,720,829	87,574,141	79,061,910	62,001,843
	<u>119,874,344</u>	<u>87,574,141</u>	<u>79,215,425</u>	<u>62,001,843</u>
Deferred tax liabilities:				
Deferred tax liability to be settled within 12 months	(4,543,636)	(4,543,635)	(4,543,636)	(4,543,635)
Deferred tax liability to be settled after more than 12 months	(38,833,220)	(43,376,856)	(38,833,220)	(43,376,856)
	<u>(43,376,856)</u>	<u>(47,920,491)</u>	<u>(43,376,856)</u>	<u>(47,920,491)</u>
Deferred tax asset, net	<u>76,497,488</u>	<u>39,653,650</u>	<u>35,838,569</u>	<u>14,081,352</u>

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

	Consolidated financial statements		Separate financial statements	
	2017 Baht	2016 Baht	2017 Baht	2016 Baht
At 1 January	39,653,650	8,124,187	14,081,352	4,400,884
Charged to profit or loss (Credited)/charged to other comprehensive income	36,843,838	31,635,117	21,757,217	9,599,058
	-	(105,654)	-	81,410
At 31 December	<u>76,497,488</u>	<u>39,653,650</u>	<u>35,838,569</u>	<u>14,081,352</u>

Director _____ Director _____
Pyut Bhuwakulwong Preeyapun Bhuwakul

ALT Telecom Public Company Limited
Notes to the Consolidated and Separate Financial statements
For the year ended 31 December 2017

18 Deferred income taxes (Cont'd)

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

	Consolidated financial statements			
	At 1 January 2016 Baht	Charged to Income statement Baht	Charged to comprehensive income Baht	At 31 December 2016 Baht
Deferred tax assets				
Allowance for diminution in value of inventories	3,273,899	541,968	-	3,815,867
Allowance for doubtful account	490,267	1,286,650	-	1,776,917
Employee benefit obligations	2,231,182	1,150,622	(105,654)	3,276,150
Services income - fiber optic network	53,010,000	-	-	53,010,000
Prepaid expenses	189,015	547,417	-	736,432
Advance receive	5,250,363	(5,250,363)	-	-
Tax loss carry forward	-	4,890,702	-	4,890,702
Deferred interest income	-	2,159,553	-	2,159,553
Margins in inventories/assets	-	17,658,560	-	17,658,560
Others	-	249,960	-	249,960
	<u>64,444,726</u>	<u>23,235,069</u>	<u>(105,654)</u>	<u>87,574,141</u>
Deferred tax liabilities				
Depreciation of fiber optic network	52,478,403	(4,557,912)	-	47,920,491
Accrued cost	3,842,136	(3,842,136)	-	-
	<u>56,320,539</u>	<u>(8,400,048)</u>	<u>-</u>	<u>47,920,491</u>

	Consolidated financial statements		
	At 1 January 2017 Baht	Charged to comprehensive income Baht	At 31 December 2017 Baht
Deferred tax assets			
Allowance for diminution in value of inventories	3,815,867	(434,925)	3,380,942
Allowance for doubtful account	1,776,917	(121,749)	1,655,168
Employee benefit obligations	3,276,150	915,997	4,192,147
Services income - fiber optic network	53,010,000	-	53,010,000
Prepaid expenses	736,432	620,447	1,356,879
Tax loss carry forward	4,890,702	16,375,849	21,266,551
Deferred interest income	2,159,553	(1,499,717)	659,836
Margins in inventories/assets	17,658,560	16,419,062	34,077,622
Others	249,960	25,239	275,199
	<u>87,574,141</u>	<u>32,300,203</u>	<u>119,874,344</u>
Deferred tax liabilities			
Depreciation of fiber optic network	47,920,491	(4,543,635)	43,376,856
	<u>47,920,491</u>	<u>(4,543,635)</u>	<u>43,376,856</u>

Director _____ Director _____
Pyut Bhuwakulwong Preeyapun Bhuwakul

18 Deferred income taxes (Cont'd)

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

	Separate financial statements			
	At 1 January 2016 Baht	Charged to income statement Baht	Charged to comprehensive income Baht	At 31 December 2016 Baht
Deferred tax assets				
Allowance for diminution in value of inventories	1,328,776	282,696	-	1,611,472
Investments in subsidiaries	-	213,782	-	213,782
Employee benefit obligations	943,269	393,816	81,410	1,418,495
Services income - fiber optic network	53,010,000	-	-	53,010,000
Prepaid expenses	189,015	547,417	-	736,432
Advance receive	5,250,363	(5,250,363)	-	-
Tax loss carry forward	-	4,890,702	-	4,890,702
Others	-	120,960	-	120,960
	<u>60,721,423</u>	<u>1,199,010</u>	<u>81,410</u>	<u>62,001,843</u>
Deferred tax liabilities				
Depreciation of fiber optic network	52,478,403	(4,557,912)	-	47,920,491
Accrued cost	3,842,136	(3,842,136)	-	-
	<u>56,320,539</u>	<u>(8,400,048)</u>	<u>-</u>	<u>47,920,491</u>

	Separate financial statements		
	At 1 January 2017 Baht	Charged to Income statement Baht	At 31 December 2017 Baht
Deferred tax assets			
Allowance for diminution in value of inventories	1,611,472	(91,472)	1,520,000
Allowance for doubtful accounts	213,782	(35,582)	178,200
Employee benefit obligations	1,418,495	359,394	1,777,889
Services income - fiber optic network	53,010,000	-	53,010,000
Prepaid expenses	736,432	620,447	1,356,879
Tax loss carry forward	4,890,702	16,206,556	21,097,258
Others	120,960	154,239	275,199
	<u>62,001,843</u>	<u>17,213,582</u>	<u>79,215,425</u>
Deferred tax liabilities			
Depreciation of fiber optic network	47,920,491	(4,543,635)	43,376,856
	<u>47,920,491</u>	<u>(4,543,635)</u>	<u>43,376,856</u>

The Group did not recognise deferred income tax of Baht 2,272,752 in respect of losses amounting to Baht 11,363,759 from subsidiaries that can be carried forward against future taxable income. This is because the Group did not anticipate these subsidiaries to have sufficient tax profit to utilise such tax loss carried forward.

Expiration of tax loss can be analysed as below:

	Consolidated financial statements	
	2017 Baht	2016 Baht
Expire in 2022	11,363,759	-
	<u>11,363,759</u>	<u>-</u>

Director _____
Pyut Bhuwakulwong

Director _____
Preeyapun Bhuwakul

19 Borrowings

	Consolidated financial statements		Separate financial statements	
	2017 Baht	2016 Baht	2017 Baht	2016 Baht
Current				
Promissory notes / Bill of Exchange	862,158,301	573,448,721	604,366,708	543,448,721
Trust receipt	65,455,404	-	29,810,728	-
Current portion of long-term borrowings from financial institutions	101,115,600	98,254,000	-	-
Current portion of finance lease liability	309,902	-	-	-
Total current borrowings	1,029,039,207	671,702,721	634,177,436	543,448,721
Non-current				
Long-term borrowings from financial institutions	-	90,334,829	-	-
Finance lease liability	683,464	-	-	-
Total non-current borrowings	683,464	90,334,829	-	-
Total borrowings	1,029,722,671	762,037,550	634,177,436	543,448,721

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

The interest rates exposure on the borrowings of the Group and the Company are as follows:

	Consolidated financial statements		Separate financial statements	
	2017 Baht	2016 Baht	2017 Baht	2016 Baht
Borrowings				
Fixed rates	165,198,001	732,037,550	40,000,000	543,448,721
Floating rates	864,524,670	30,000,000	594,177,436	-
Total borrowings	1,029,722,671	762,037,550	634,177,436	543,448,721

Director _____ Director _____
Pyut Bhuwakulwong Preeyapun Bhuwakul

19 Borrowings (Cont'd)

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

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
Bank overdraft	-	MOR	-	MOR
Promissory note / Bill of Exchange	4.15 - 5.00, MKT MLR - 1.25 - MLR - 3.285	3.80 - 4.50, MKT MLR - 0.5 - MLR - 1.25	4.15, MKT MLR - 2.00 - MLR - 3.25	4.00 - 4.50, MKT MLR - 0.5 - MLR - 1.25
Trust Receipt	4.00 and MKT	-	MKT	-
Finance lease liability	6.30	-	-	-
Long-term borrowing	3.80	3.80	-	-

Finance lease liability - minimum lease payments:

	Consolidated financial statements		Separate financial statements	
	2017 Baht	2016 Baht	2017 Baht	2016 Baht
Not later than one year	365,383	-	-	-
Later than one year	730,767	-	-	-
	1,096,150	-	-	-
<u>Less</u> Future finance charges on finance leases	(102,784)	-	-	-
Present value of finance lease liability	993,366	-	-	-

The present value of finance lease liability is as follows:

	Consolidated financial statements		Separate financial statements	
	2017 Baht	2016 Baht	2017 Baht	2016 Baht
Not later than 1 year	309,902	-	-	-
More than 1 year	683,464	-	-	-
	993,366	-	-	-

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 financial statements		Separate financial statements	
	2017 Baht	2016 Baht	2017 Baht	2016 Baht
Floating rate - expiring within a year	654,381,749	915,933,225	176,179,272	281,198,400

Borrowing facilities are reviewed annually.

Director _____ Director _____
 Pyut Bhuwakulwong Preeyapun Bhuwakul

20 Trade and other payables

	Consolidated financial statements		Separate financial statements	
	2017 Baht	2016 Baht	2017 Baht	2016 Baht
Trade accounts payable				
Trade accounts payable - third parties	140,330,024	139,035,819	17,879,402	15,891,688
Trade accounts payable - related parties(Note 33)	-	-	197,085,791	12,608,626
Total	140,330,024	139,035,819	214,965,193	28,500,314
Other accounts payable				
Other accounts payable - third parties	8,175,471	6,511,438	5,632,165	3,623,671
Accrued interest expense	365,817	29,004	216,465	-
Accrued expense	47,747,336	56,738,200	27,341,936	26,778,358
Accrued expense - related party(Note 33)	-	-	166,893,162	-
Progress billing in excess of work in progress (Note 10)	37,595,066	3,611,765	-	1,578,758
Advance from customers	7,987,227	43,853,843	1,826,680	14,547,896
Accrued construction costs	254,458,554	401,634,809	45,406,632	15,014,770
Total	356,329,471	512,379,059	247,317,040	61,543,453
Total trade and other payables	496,659,495	651,414,878	462,282,233	90,043,767

21 Other current liabilities

	Consolidated financial statements		Separate financial statements	
	2017 Baht	2016 Baht	2017 Baht	2016 Baht
Undued output tax	45,856,672	26,442,733	18,122,833	16,529,154
Withholding tax payable	2,842,885	2,869,982	943,090	834,560
Other	76,893	-	-	-
Total	48,776,450	29,312,715	19,065,923	17,363,714

22 Employee benefit obligations

Employee benefit obligations comprises:

	Consolidated financial statements		Separate financial statements	
	2017 Baht	2016 Baht	2017 Baht	2016 Baht
Retirement benefits	19,759,127	15,450,685	8,433,438	6,735,824
Other employee benefits	1,201,608	930,063	456,005	356,648
Liability in the statement of financial position	20,960,735	16,380,748	8,889,443	7,092,472

Director _____ Director _____
Pyut Bhuwakulwong Preeyapun Bhuwakul

22 Employee benefit obligations (Cont'd)

Post-retirement benefits

	Consolidated financial statements		Separate financial statements	
	2017 Baht	2016 Baht	2017 Baht	2016 Baht
Statement of financial position				
Retirement benefits	19,759,127	15,450,685	8,433,438	6,735,824
Liability in the statement of financial position	19,759,127	15,450,685	8,433,438	6,735,824
Profit or loss charge included in operating profit for:				
Retirement benefits	4,308,442	4,823,048	1,697,614	1,612,430
	4,308,442	4,823,048	1,697,614	1,612,430
Remeasurement for:				
Retirement benefits	-	(528,272)	-	407,050
	-	(528,272)	-	407,050

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 financial statements		Separate financial statements	
	2017 Baht	2016 Baht	2017 Baht	2016 Baht
At 1 January	15,450,685	11,155,909	6,735,824	4,716,344
Current service cost	3,996,156	4,425,440	1,580,488	1,462,682
Interest cost	312,286	397,608	117,126	149,748
Actuarial (gain) loss	-	(528,272)	-	407,050
At 31 December	19,759,127	15,450,685	8,433,438	6,735,824

The principal actuarial assumptions used were as follows:

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
Discount rate	1.79 - 2.35	1.79 - 2.35	1.79	1.79
Salary increase rate	6.00	6.00	6.00	6.00
Staff turnover rate	11.00 - 31.00	11.00 - 31.00	18.00 - 30.00	18.00 - 30.00
Retirement age	55 years	55 years	55 years	55 years

Director _____ Director _____
Pyut Bhuwakulwong Preeyapun Bhuwakul

22 Employee benefit obligations (Cont'd)

Retirement benefits (Cont'd)

Sensitivity analysis

	Consolidated financial statements					
	Impact on defined benefit obligation					
	Change in assumption		Increase in assumption		Decrease in assumption	
	2017	2016	2017	2016	2017	2016
Discount rate	1.0%	1.0%	Decrease by 6.70%	Decrease by 6.86%	Increase by 7.66%	Increase by 7.87%
Salary growth rate	1.0%	1.0%	Increase by 8.31%	Increase by 7.50%	Decrease by 7.39%	Decrease by 6.68%
Staff turnover rate	1.0%	1.0%	Decrease by 7.41%	Decrease by 7.59%	Increase by 3.79%	Increase by 3.95%

	Separate financial statements					
	Impact on defined benefit obligation					
	Change in assumption		Increase in assumption		Decrease in assumption	
	2017	2016	2017	2016	2017	2016
Discount rate	1.0%	1.0%	Decrease by 3.30%	Decrease by 3.38%	Increase by 3.68%	Increase by 3.76%
Salary growth rate	1.0%	1.0%	Increase by 4.61%	Increase by 3.71%	Decrease by 4.25%	Decrease by 3.41%
Staff turnover rate	1.0%	1.0%	Decrease by 3.81%	Decrease by 3.89%	Increase by 2.21%	Increase by 2.16%

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the pension liability recognised within the statement of financial position.

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the previous period.

Through its defined benefit retirement benefit plans the Group is exposed to a number of risks, the most significant of which are detailed below:

Changes in bond yields A decrease in Government bond yields will increase plan liabilities.

The weighted average duration of the defined benefit obligation is 19.56 years.

Expected maturity analysis of undiscounted retirement and post-employment medical benefits:

	Consolidated financial statements				
	Less than a year Baht	Between 1 - 2 years Baht	Between 2 - 5 years Baht	Over 5 years Baht	Total Baht
At 31 December 2017 Retirement benefits	741,576	4,905,747	6,111,599	27,361,178	39,120,100

	Consolidated financial statements				
	Less than a year Baht	Between 1 - 2 years Baht	Between 2 - 5 years Baht	Over 5 years Baht	Total Baht
At 31 December 2016 Retirement benefits	419,262	741,576	9,573,187	28,805,337	39,539,362

Director _____ Director _____
Pyut Bhuwakulwong Preeyapun Bhuwakul

22 Employee benefit obligations (Cont'd)

Sensitivity analysis (Cont'd)

Expected maturity analysis of undiscounted retirement and post-employment medical benefits: (Cont'd)

	Separate financial statements				Total Baht
	Less than a year Baht	Between 1 - 2 years Baht	Between 2 - 5 years Baht	Over 5 years Baht	
At 31 December 2017 Retirement benefits	741,576	2,725,211	4,744,552	4,928,685	13,140,024

	Separate financial statements				Total Baht
	Less than a year Baht	Between 1 - 2 years Baht	Between 2 - 5 years Baht	Over 5 years Baht	
At 31 December 2016 Retirement benefits	419,262	741,576	6,446,456	5,951,992	13,559,286

Other employee benefits

Other employee benefits are benefit plans which provide gold pendants to members. The level of benefits provided depends on service years before retirement.

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

	Consolidated financial statements		Separate financial statements	
	2017 Baht	2016 Baht	2017 Baht	2016 Baht
At 1 January	930,063	-	356,648	-
Current service cost	254,957	930,063	94,089	356,648
Interest cost	16,588	-	5,268	-
At 31 December	<u>1,201,608</u>	<u>930,063</u>	<u>456,005</u>	<u>356,648</u>

The principal actuarial assumptions used were as follows:

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
Discount rate	1.79 – 2.35	1.79 - 2.35	1.79	1.79
Retirement age	55 years	55 years	55 years	55 years

Director _____ Director _____
 Pyut Bhuwakulwong Preeyapun Bhuwakul

22 Employee benefit obligations (Cont'd)

Other employee benefits (Cont'd)

Sensitivity analysis (Cont'd)

	Consolidated financial statements					
	Impact on defined benefit obligation					
	Change in assumption		Increase in assumption		Decrease in assumption	
	2017	2016	2017	2016	2017	2016
Discount rate	1.00%	1.00%	Decrease by 6.72%	Decrease by 5.99%	Increase by 7.53%	Increase by 6.71%
Staff turnover rate	1.00%	1.00%	Decrease by 7.8%	Decrease by 6.95%	Increase by 6.17%	Increase by 5.66%
	Separate financial statements					
	Impact on defined benefit obligation					
	Change in assumption		Increase in assumption		Decrease in assumption	
	2017	2016	2017	2016	2017	2016
Discount rate	1.00%	1.00%	Decrease by 4.76%	Decrease by 4.18%	Increase by 5.25%	Increase by 4.59%
Staff turnover rate	1.00%	1.00%	Decrease by 5.96%	Decrease by 5.19%	Increase by 5.99%	Increase by 5.00%

Expected maturity analysis of undiscounted other employee benefits:

	Consolidated financial statements				
	Less than a year Baht	Between 1 - 2 years Baht	Between 2 - 5 years Baht	Over 5 years Baht	Total Baht
At 31 December 2017					
Other employee benefits	52,000	182,000	416,000	3,132,000	3,782,000
	Consolidated financial statements				
	Less than a year Baht	Between 1 - 2 years Baht	Between 2 - 5 years Baht	Over 5 years Baht	Total Baht
At 31 December 2016					
Other employee benefits	234,000	52,000	546,000	3,184,000	4,016,000
	Separate financial statements				
	Less than a year Baht	Between 1 - 2 years Baht	Between 2 - 5 years Baht	Over 5 years Baht	Total Baht
At 31 December 2017					
Other employee benefits	26,000	130,000	234,000	686,000	1,076,000
	Separate financial statements				
	Less than a year Baht	Between 1 - 2 years Baht	Between 2 - 5 years Baht	Over 5 years Baht	Total Baht
At 31 December 2016					
Other employee benefits	130,000	26,000	312,000	738,000	1,206,000

Director _____ Director _____
Pyut Bhuwakulwong Preeyapun Bhuwakul

23 Share capital

	Authorised number of Share	Number of Share	Ordinary shares Baht	Share Premium Baht	Total Baht
At 1 January 2016	1,000,000,000	750,000,000	375,000,000	-	375,000,000
Issue of shares	-	250,000,000	125,000,000	1,010,493,000	1,135,493,000
At 31 December 2016	1,000,000,000	1,000,000,000	500,000,000	1,010,493,000	1,510,493,000
Issue of shares	250,000,000	-	-	-	-
At 31 December 2017	1,250,000,000	1,000,000,000	500,000,000	1,010,493,000	1,510,493,000

The total authorised number of ordinary shares is 1,250,000,000 shares (2016: 1,000,000,000 shares) with a par value of Baht 0.50 per share (2016: Baht 0.50 per share). The issued and fully paid-up ordinary shares is 1,000,000,000 shares (2016: 1,000,000,000 shares).

On 30 November 2017, the shareholders at the extraordinary annual meeting passed a resolution to approve increase the authorised share capital 250,000,000 ordinary shares with a par value of Baht 0.50 per share totally to Baht 125 million. The Company registered the increased share capital with the Ministry of Commerce on 6 December 2017. The Shareholders have passed the solution to purchase the first issuance of warrants of ordinary share (ATL-W1). Total number of warrants to be allotted not exceeding 250 million. The warrant will be allocated to existing shareholder at ratio of 4 existing ordinary share per 1 unit of warrant. (Note 25)

During 24 to 28 June 2016, the Company initial public offered its ordinary shares of 250,000,000 shares, with the par value of Baht 0.50 per share. The offering price of these shares was Baht 4.70 per share totally to Baht 1,175 million. The Company recorded expenses in respect of shares distribution amount of Baht 39.51 million as a deduction to the share premium. As a result, the number of registered shares and paid-up shares increased from 750,000,000 shares to 1,000,000,000 shares. The Company registered the increased share capital with the Ministry of Commerce on 29 June 2016

24 Legal reserve

	Consolidated and Separate financial statements	
	2017 Baht	2016 Baht
At 1 January	50,000,000	28,600,000
Appropriation during the year	5,000,000	21,400,000
At 31 December	55,000,000	50,000,000

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.

Director _____ Director _____
Pyut Bhuwakulwong Preeyapun Bhuwakul

25 Warrants

At the Extraordinary General Meeting of Shareholders No. 1/2017 held on 30 November 2017, the shareholders have passed the solution to issue warrants to purchase of ordinary shares, issued in a named certificate and transferable ('ALT-W1') by allocating to existing shareholders in proportion to their shares before the capital increase at proportion of 4 ordinary shares to 1 warrant. Total number of warrants to be allotted not exceeding 250,000,000 warrants and the exercise price is of Baht 3 per share. The exercise right is 1 warrant per 1 ordinary share. The warrant has the period of 3 years from the date of issuance and offering.

	Issued	As at	Increase during the year	As at
		19 December 2017		31 December 2017
		Outstanding warrant Unit		Outstanding warrant Unit
ALT-W1	19 December 2017	249,988,705	-	249,988,705
		249,988,705	-	249,988,705

26 Dividends

2017

At the Annual General Meeting of Shareholders held on 26 April 2017, the shareholders passed the re solution to approve dividends payment from the result of operation in 2016 at Baht 0.1 per share, totalling Baht 100.00 million. The dividends were distributed to the shareholders in May 2017.

2016

At the Board of Directors Meeting held on 30 March 2016, the directors passed the resolution to approved interim dividends payment at Baht 0.214 per share, totalling Baht 160.50 million. The dividends were distributed to the shareholders in April 2016.

27 Other income

	Consolidated financial statements		Separate financial statements	
	2017 Baht	2016 Baht	2017 Baht	2016 Baht
Dividend income - related party (Note14)	-	-	179,998,380	324,996,850
Management fee income - related parties (Note 33)	9,142,449	7,574,604	17,983,362	14,422,500
Rental income - related parties (Note 33)	1,204,452	1,042,572	7,201,728	6,064,320
Interest income	8,893,331	978,567	418,325	247,679
Interest income - related party (Note33)	16,854,247	13,621,193	30,506,438	18,333,171
Others	3,383,582	2,694,823	601,468	179,990
Others - related parties (Note 33)	278,389	287,651	225,889	321,969
Total	39,756,450	26,199,410	236,935,590	364,566,479

Director Pyut Bhuwakulwong Director Preeyapun Bhuwakul

ALT Telecom Public Company Limited
Notes to the Consolidated and Separate Financial statements
For the year ended 31 December 2017

28 Finance costs

	Consolidated financial statements		Separate financial statements	
	2017 Baht	2016 Baht	2017 Baht	2016 Baht
Finance cost:				
Bank borrowings	23,892,974	36,009,276	13,562,103	18,804,562
Finance lease	67,861	356	-	-
Short-term borrowings from related parties (Note 33)	-	102,890	-	1,113,863
Others	351,239	272,290	351,239	272,290
Total	24,312,074	36,384,812	13,913,342	20,190,715

29 Expense by nature

The following items, classified by nature, have been charged in arriving at the profit:

	Consolidated financial statements		Separate financial statements	
	2017 Baht	2016 Baht	2017 Baht	2016 Baht
Changes in inventories	130,004,795	113,944,391	896,068	63,786,005
Raw material and consumables used	342,318,979	484,939,617	142,273,321	34,503,761
Construction supplies and subcontractor charges	231,442,895	668,988,733	108,913,830	187,234,754
Salaries, wages and other employee benefits	169,601,958	177,931,496	60,083,834	64,207,397
Depreciation and amortisation	52,434,232	35,032,173	47,084,592	25,281,856
Rental and utilities expenses	116,437,887	81,661,809	25,779,450	14,760,354
Service fee expenses	19,693,512	28,114,632	4,332,906	7,516,994
Transportation and import duty expense	16,777,537	32,324,576	6,047,567	18,406,539
Allowance for diminution in value of inventories (reversal)	(2,174,625)	511,293	(457,363)	1,413,484
Allowance for doubtful accounts (reversal)	(608,747)	5,489,015	(177,908)	124,671
Travelling expenses	11,840,887	12,076,561	3,999,911	6,008,529
Fee	4,726,192	9,997,898	3,433,334	2,743,665
Maintenance expenses - Fiber optic network	24,401,501	-	36,944,483	-
Others	81,176,768	27,858,483	66,056,147	12,308,916
	1,198,073,771	1,678,870,677	505,210,172	438,296,925

30 Income tax expense

	Consolidated financial statements		Separate financial statements	
	2017 Baht	2016 Baht	2017 Baht	2016 Baht
Current tax	56,099,952	72,592,236	-	-
Deferred income tax (Note 18)	(36,843,838)	(31,635,117)	(21,757,217)	(9,599,058)
Income tax expense (revenue)	19,256,114	40,957,119	(21,757,217)	(9,599,058)

Director _____ Director _____
Pyut Bhuwakulwong Preeyapun Bhuwakul

30 Income tax expense (Cont'd)

The tax on the Group's profit before tax differs from the theoretical amount that would arise using the basic weighted average tax rate applicable to profit of the home country of the Company as follows:

	Consolidated financial statements		Separate financial statements	
	2017 Baht	2016 Baht	2017 Baht	2016 Baht
Profit before tax	76,124,979	320,492,245	70,200,370	312,813,461
Tax calculated at a tax rate of 20% (2016: 20%)	15,224,996	64,098,449	14,040,074	62,562,692
Tax effect of:				
Share of profit (loss)	301,054	(8,330,450)	-	-
Income not subject to tax	-	-	(35,999,676)	(64,999,370)
Expenses not deductible for tax purpose	2,228,889	1,118,219	704,483	647,240
Expenses that are deductible at a greater amount	(1,167,592)	(8,785,350)	(905,655)	(7,809,620)
Unrecorded accrued tax loss	2,272,752	-	-	-
Recognition of previously unrecognised deferred taxes	-	(7,143,749)	-	-
Adjustment in respect of prior period	396,015	-	403,557	-
Tax charge (credit)	19,256,114	40,957,119	(21,757,217)	(9,599,058)

The weighted average applicable tax rate was 25.30% and 30.99% (2016: 12.78% and 3.07% respectively).

31 Earnings per share

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

	Consolidated financial statements		Separate financial statements	
	2017 Baht	2016 Baht	2017 Baht	2016 Baht
Earnings (Baht)				
Profit attributable to ordinary shareholders of the Company	56,868,865	279,134,156	91,957,588	322,412,519
Weighted average number of ordinary shares outstanding (shares)	1,000,000,000	877,397,260	1,000,000,000	877,397,260
Basic earnings per share (Baht per share)	0.06	0.32	0.09	0.37

The diluted earnings per share is calculated adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares. The Company has two categories of dilutive potential ordinary shares: convertible debt and share options. The convertible debt is assumed to have been converted into ordinary shares and the net profit is adjusted to eliminate the interest expense less the tax effect. For the share options a calculation is made to determine the number of shares that could have been acquired at fair value (determined as the average annual market price of the Company's shares) based on the monetary value of the subscription rights attached to outstanding share options. The number of shares calculated as above is compared with the number of shares that would have been issued assuming the exercise of the share options. The difference is added to the denominator as an issue of ordinary shares for no consideration. No adjustment is made to earnings (numerator).

Director _____ Director _____
Pyut Bhuwakulwong Preeyapun Bhuwakul

31 Earnings per share (Cont'd)

	Consolidated financial statements		Separate financial statements	
	2017 Baht	2016 Baht	2017 Baht	2016 Baht
Earnings (Baht)				
Profit used to determine diluted earnings per share attributable to shareholders of the Company	56,868,865	279,134,156	91,957,588	322,412,519
Weighted average number of ordinary shares outstanding (shares)	1,000,000,000	877,397,260	1,000,000,000	877,397,260
Adjustments for share options	100,692,199	-	100,692,199	-
Weighted average number of ordinary shares for diluted earnings per share	<u>1,100,692,199</u>	<u>877,397,260</u>	<u>1,100,692,199</u>	<u>877,397,260</u>
Diluted earnings per share (Baht per share)	<u>0.05</u>	<u>0.32</u>	<u>0.08</u>	<u>0.37</u>

32 Financial instruments - forward contracts

The Company's forward exchange contracts outstanding is as follow:

	Currency	31 December 2017	
		Amount per Contract	Contract exchange rate Fair value rate
Buy	USD	856,498	32.53 - 32.63 32.75 - 32.78

Net fair value

The net fair values of the open forward foreign exchange contracts is as follows:

	Unit: Baht
	31 December 2017
Unfavourable forward foreign exchange contracts	<u>164,925</u>

Fair value of forward foreign contracts are within level 2 of the value hierarchy.

Forward foreign exchange contracts are financial instruments not traded in an active market. The valuation technique used to determine the fair value of forward foreign contracts is the net present value technique which is the estimated amount that a bank would receive or pay to terminate the forward contracts at the reporting date, taking into account current interest rates and current exchange rates. The fair value forward foreign contracts approximates the net present value of future cash flows.

Director _____ Director _____
 Pyut Bhuwakulwong Preeyapun Bhuwakul

33 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, Ms.Preeyaporn Tangpaosak, Ms. Preeyapun Bhuwakul and Mr.Pyut Bhuwakulwong who own 50.00% and 6.97% and 6.97% and 5.97% of the Company's shares, respectively. The remaining 30.09% of the shares are widely held.

Relationship of the related company as follows :

	<u>Relationship</u>	<u>Related by</u>
ALT Holding Co., Ltd.	Parent	Shareholders and directors
Group Tech Solutions Co., Ltd.	Subsidiary	Shareholders and directors
Innova Telecommunication Co., Ltd.	Subsidiary	Shareholders and directors
I Twenty One Inter Corporation Co., Ltd.	Subsidiary	Shareholders and directors
International Gateway Co., Ltd.	Subsidiary	Shareholders and directors
2Ocean Co., Ltd.	Subsidiary	Indirect 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 :

<u>Related transaction</u>	<u>Pricing policy</u>
Sale revenues	Cost plus margin
Service revenues	Negotiate price
Management fee income	Cost plus margin
Interest income/expenses	Loans rates plus margin
Dividend income/payment	Declared
Rental and service income	Negotiate price - refer to monthly rental nearby

Director _____ Director _____
 Pyut Bhuwakulwong Preeyapun Bhuwakul

33 Related-party transactions (Cont'd)

The following material transactions were carried out with related parties:

a) Revenue from sales and services

For the years ended 31 December	Consolidated financial statements		Separate financial statements	
	2017 Baht	2016 Baht	2017 Baht	2016 Baht
Sales of goods				
Subsidiaries	-	-	1,941,952	578,400
Joint venture	14,467,574	32,177,542	10,692,174	25,316,042
	<u>14,467,574</u>	<u>32,177,542</u>	<u>12,634,126</u>	<u>25,894,442</u>
Sales of services				
Subsidiaries	-	-	1,246,694	-
Joint venture	14,444,137	35,855,284	-	25,639,907
	<u>14,444,137</u>	<u>35,855,284</u>	<u>1,246,694</u>	<u>25,639,907</u>
Management fee income (Note 27)				
Subsidiaries	-	-	8,840,913	6,847,896
Joint venture	9,142,449	7,574,604	9,142,449	7,574,604
	<u>9,142,449</u>	<u>7,574,604</u>	<u>17,983,362</u>	<u>14,422,500</u>
Rental and service income (Note 27)				
Subsidiaries	-	-	5,997,276	5,021,748
Joint venture	1,204,452	1,042,572	1,204,452	1,042,572
	<u>1,204,452</u>	<u>1,042,572</u>	<u>7,201,728</u>	<u>6,064,320</u>
Interest income (Note 27)				
Subsidiaries	-	-	13,652,191	10,301,507
Joint venture	16,854,247	13,621,193	16,854,247	8,031,664
	<u>16,854,247</u>	<u>13,621,193</u>	<u>30,506,438</u>	<u>18,333,171</u>
Other income (Note 27)				
Subsidiaries	-	-	-	97,156
Joint venture	278,389	287,651	225,889	224,813
	<u>278,389</u>	<u>287,651</u>	<u>225,889</u>	<u>321,969</u>
Dividend income (Note 14)				
Subsidiaries	-	-	179,998,380	324,996,850
	<u>-</u>	<u>-</u>	<u>179,998,380</u>	<u>324,996,850</u>

Director _____
Pyut Bhuwakulwong

Director _____
Preeyapun Bhuwakul

33 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 financial statements		Separate financial statements	
	2017 Baht	2016 Baht	2017 Baht	2016 Baht
Cost of sales and services				
Subsidiaries	-	-	264,733,940	303,497,697
Related party	50,000	-	-	-
	<u>50,000</u>	<u>-</u>	<u>264,733,940</u>	<u>303,497,697</u>
Finance costs (Note 28)				
Parent	-	102,890	-	90,425
Subsidiaries	-	-	-	1,023,438
	<u>-</u>	<u>102,890</u>	<u>-</u>	<u>1,113,863</u>
Dividend payment				
Parent	50,000,000	107,000,000	50,000,000	107,000,000
	<u>50,000,000</u>	<u>107,000,000</u>	<u>50,000,000</u>	<u>107,000,000</u>

Director _____ Director _____
Pyut Bhuwakulwong Preeyapun Bhuwakul

33 Related party transactions (Cont'd)

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

c) Outstanding balances arising from purchases of goods and services

	Consolidated financial statements		Separate financial statements	
	2017 Baht	2016 Baht	2017 Baht	2016 Baht
Trade account receivable (Note 9)				
Subsidiaries	-	-	-	-
Joint venture	1,858,565	6,476,021	197,629	5,842,176
	<u>1,858,565</u>	<u>6,476,021</u>	<u>197,629</u>	<u>5,842,176</u>
Other receivables (Note 9)				
Subsidiaries	-	-	1,343,589	1,034,339
Joint venture	998,713	1,784,912	998,713	900,912
	<u>998,713</u>	<u>1,784,912</u>	<u>2,342,302</u>	<u>1,935,251</u>
Advance payment (Note 9)				
Subsidiaries	-	-	11,522,411	-
Joint venture	56,995	-	56,995	-
	<u>56,995</u>	<u>-</u>	<u>11,579,406</u>	<u>-</u>
Accrued interest receivable (Note 9)				
Joint venture	-	-	-	-
Related party	10,989	10,989	10,989	10,989
	<u>10,989</u>	<u>10,989</u>	<u>10,989</u>	<u>10,989</u>
Accrued dividend income (Note 9)				
Subsidiaries	-	-	179,998,380	99,999,100
	<u>-</u>	<u>-</u>	<u>179,998,380</u>	<u>99,999,100</u>
Trade accounts payable (Note 20)				
Subsidiaries	-	-	197,085,791	12,608,626
	<u>-</u>	<u>-</u>	<u>197,085,791</u>	<u>12,608,626</u>
Accrued expense (Note 20)				
Subsidiaries	-	-	166,893,162	-
	<u>-</u>	<u>-</u>	<u>166,893,162</u>	<u>-</u>
Other non current liabilities				
Joint venture	-	1,605,000	-	-
	<u>-</u>	<u>1,605,000</u>	<u>-</u>	<u>-</u>

Director _____ Director _____
Pyut Bhuwakulwong Preeyapun Bhuwakul

33 Related party transactions (Cont'd)

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

d) Short-term loans to related parties

	Consolidated financial statements		Separate financial statements	
	2017 Baht	2016 Baht	2017 Baht	2016 Baht
Short-term loans to related parties				
Subsidiaries	-	-	181,000,000	459,000,000
Joint venture	350,000,000	317,000,000	350,000,000	317,000,000
	<u>350,000,000</u>	<u>317,000,000</u>	<u>531,000,000</u>	<u>776,000,000</u>

The movements of short-term loans to related parties can be analysed as follows:

	Consolidated financial statements	Separate financial statements
	Baht	Baht
For the year ended 31 December 2017		
Opening balance	317,000,000	776,000,000
Loans advanced during the year	300,000,000	639,000,000
Loans repaid during the year	(267,000,000)	(884,000,000)
Closing balance	<u>350,000,000</u>	<u>531,000,000</u>

The related interest expense was Baht 16,854,247 and Baht 30,506,438 in the consolidated and separate financial statements, respectively (2016: Baht 13,621,193 and Baht 18,333,171 in the consolidated and separate financial statements, respectively). The short-term borrowing from related parties as at 31 December 2017 are unsecured loans carrying interest rate 5.00% per annum and due at call.

e) Key management compensation

	Consolidated financial statements		Separate financial statements	
	2017 Baht	2016 Baht	2017 Baht	2016 Baht
Short-term employee benefits	25,249,390	20,986,441	12,979,359	9,979,873
Post-employee benefits	1,488,199	1,185,236	911,783	700,398
	<u>26,737,589</u>	<u>22,171,677</u>	<u>13,891,142</u>	<u>10,680,271</u>

Director _____ Director _____
Pyut Bhuwakulwong Preeyapun Bhuwakul

34 Commitments and contingencies

i) Bank guarantees

As at 31 December 2017, there are outstanding bank guarantees amounting to Baht 197.63 million and USD 0.25 million (2016: Baht 58.95 million and USD 0.85 million).

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

As at 31 December 2017, the future aggregated minimum lease payment under non-cancelable operating lease are as follows:

	Consolidated financial statements		Separate financial statements	
	2017 Baht	2016 Baht	2017 Baht	2016 Baht
Less than 1 year	107,529,619	58,772,070	52,517,449	10,607,449
Later than 1 year but within 5 years	84,397,545	88,966,377	47,101,878	44,862,258
Later than 5 years	236,856,476	248,789,819	236,856,476	248,789,819
	<u>428,783,640</u>	<u>396,528,266</u>	<u>336,475,803</u>	<u>304,259,526</u>

35 Contingent assets

On 22 August 2013, the Company has filed a claim against a receivable ("contract party") to Administrative Court regarding that contract party breached the service agreement of the use of fiber optic network and Fiber To The Factory (FTTF) equipment at an industrial estate.

According to the Administrative Court's judgment on 30 September 2016, contract party to pay compensation with a monthly rate of Baht 13.5 million, calculated since 12 February 2013 until the project is transferred back to the Company. However, the case has not been finalised the court order because the contract party has lodged an appeal to the court against the Company.

36 Subsequent events

- a) At the Board of Directors Meeting held on 26 February 2018, the Board passed the resolutions to approve dividends in respect of the operating results for the year 2017 at Baht 0.04 per share, totalling Baht 40 million. The dividends will be distributed to shareholders listed in the register on 7 May 2018. The dividends will be distributed to the shareholders on 24 May 2018.
- b) On 31 January 2018, the Company established a new subsidiary which its business is to provide telecommunication network infrastructure, totalling 50,000 shares at a par value of Baht 100 per share, representing 99.99% of issued shares.

Director _____ Director _____
 Pyut Bhuwakulwong Preeyapun Bhuwakul