



Annual Report 2016

Connecting Future
for Sustainable
Growth



บริษัท เอแอลที เทลคอม จำกัด (มหาชน)
ALT Telecom Public Company Limited

ANNUAL REPORT 2016

CONNECT THE FUTURE,

TOWARDS SUSTAINABLE GROWTH

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Remark : Investors can find further information regarding the Company from the Annual Registration Statement (Form 56-1) which has been disclosed at www.sec.or.th or www.alt.co.th

Vision

To be leader in providing network infrastructure and being business partner with the telecom operators in this region



Mission

We are the neutral infrastructure provider of the telecommunication infrastructures responding to the highest quality of services in the substantially - economic areas and aiming for mutually - shared infrastructures to minimize cost of investment and national resource consumption





Connect the future, towards sustainable growth

We endeavor to create sustainable growth of telecommunication business
with an aspiration to, create a better future of communications
and push forward connecting region, connecting people.

Because we believe that every steps toward the excellence would lead to the best communication.

We, ALT Telecom Plc. Group, as part of the key driver in driven the sustainable growth in telecommunication business. We commit to improve and strengthen ourselves to be in the best suit customer demand position.



Creating opportunities, toward the excellence.

Because we believe that every firmly steps would lead us to sustainable future

We continuously strive for improvement, with our experience teams, we ensure the delivery of our high quality products and excellent service to meet the customer demand. A certified award in telecom design and development from a leading institute, is a proof of our potential for sustainable future.

Because we believe that opportunities are always there for those who realize them.

We ready to seize for new opportunity to continuously improve our products and services and to develop optical networks and base station facilities for lease with fully coverage in the most strategic locations, in order to be ready for the connection to our AEC neighbors. We strive for opportunities to expand our business and encourage the efficient usage of networking resources.



Integrated connection to the future

Because we believe the best networks would bring the best of communications.

Therefore, we have been continually developing new innovations and exploring capability for new businesses, became an integrated telecommunication services provider being able to serve every demand in telecommunications. We also create a partnership with our business partners to utilize each other strength to ensure a certain corroboration of the future business.



Move forward together to sustainable growth

Because we believe the best way to utilize the resource is to share with others for the best efficiency.

We never stop developing the leasing telecom infrastructure for better coverage and accessibility anywhere for anyone. We are ready to support and take part in the development leading Thailand's telecom industry to sustainable growth.



ALT Telecom Public Company Limited

MESSAGE FROM CHAIRMAN OF THE BOARD

In 2016, there were signals of overall economic improvement such as economic recovery, stable political climate and the establishment of ASEAN Economic Community (AEC), which the development in communication technology has become an important role. Both government and private sector increasingly use technology and telecommunication technology throughout their organization. ALT Telecom group is one of the key business driving, especially towards telecommunication service providers. ALT group emphasized on good corporate governance, transparency and auditability of the management. The Company and subsidiaries are a leader in providing integrated products and services relating to telecommunication infrastructures as follow;

- Base station construction, installation and repair of telecommunication equipment

The Company has expert teams providing turnkey solution services from site survey, base station design and construction, to telecommunication equipment installation and repair, including indoor equipment installation. Every processes will be inspected by the experts prior deliver the complete work to meet customer requirement.

- Telecommunication products distribution

The Company intensely prioritizes quality of its products and services. All products must achieve quality standard and be interoperated to other telecommunication equipment of the customers, to ensure the system highest efficient.

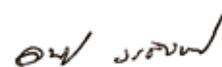
- Telecommunication infrastructure rental

Based on the Company's expertise in telecommunication equipment sales and network services, the Company has developed optical cable networks and telecommunication towers for rent, located in economic strategic location and along the railway lines all over the country in order to connect with neighbor countries in AEC.

It is not only quality of products and services providing to customers, the Company operate and is guaranteed by international quality management system standard; ISO 9001:2008, and with a winning award in telecommunication product design and innovation received from leading institutions, the Company entrusted by government organizations and businesses; both domestic and international, to provide telecommunication products and services.

However, the year 2016 was a challenging year for the Company. It was the first year of the Company to become a listed company, under high competitive market and multiple changes in business factors which considerably affected the Company's target and performance in short term. Nonetheless, the Company still confident in its business direction and strategy leading to sustainable success and aims to increase a profit from recurring income up to 50 percent of total profit within 5 years. In 2016 Even though the revenue from base station and telecommunication equipment installation sales and service has decreased, the telecommunication infrastructure rental business; the source of recurring income, has become fruitful and generated satisfied returns. This development altogether with cautious management under the Company policy, unison among employees within the organization and searching for business opportunity to support increasing demand for telecommunication infrastructure which will be connected throughout the country and the AEC in the very short future, will bring success and sustainable growth to the Company which shareholders and investors can be ensured of its sustainable business growth.

The growth of Company is a result of cooperation and support from all stakeholders; customers, suppliers, producers, financial institutions, business alliances and shareholders. On behalf of the Board of Directors, the executives, and employees, I am grateful for all of your support and encouragement. With vision and strategy of the Board of Director and determination of everyone in this Company to work with their best effort, I would like you to believe in our capability to grow strong even further.



Mr. Anant Voratitipong
(Chairman of the Board)



ALT Telecom Public Company Limited

MESSAGE FROM THE PRESIDENT

Communication technology has tendency of vast growth potential especially at this moment where, the government employs digital policy as a strategy in economy and social development, especially during the first phase of the strategy which is mainly focused on investing in and developing the foundation of digital economy and society. As a result, communication technology will be more integrated into our business and daily life. However, opportunity comes with competition; and competition is one of important factor that encourages us to remain active and energetic for continuous improvement of our products and services, seeking for new opportunity advantaging to better performance and sustainability of the Company and providing recurring revenue and profit. We, therefore, has set our vision “To be leader in providing network infrastructure and being business partner with the telecom operators in this region”.

With 16 years of experience, we realized that even though our revenue from sales and services on the construction of base station and installation of telecommunication equipment are to be satisfied, the flow of revenue is not consistency depending on an investment plan of the customers who are telecommunication service operators. The Company plans to mitigate such risk by investing in telecommunication infrastructure to provide services to the telecommunication service operators. Binding by long term service agreements, the Company will benefit from recurring income. Furthermore, to achieve the Company vision practically, the Company uses strategic plan for core business management as follows;

- Encouraging telecommunication infrastructure sharing
- Focusing on telecommunication infrastructure rental business by treating every customer equally and creating alliance with customers
- Providing one-stop service solution for customers

Employee skill development is one of important factors in human resource development, to increase knowledge, creativity and efficiency point of view of employees. The Company has arranged training sessions and encouraged employee morality and ethic in accordance to good corporate governance to improve awareness in responsibility and discipline which will result in an improvement on operational management, altogether with an improvement on organization reputation and competency for the best benefit of the organization.

As the year 2016 passed by, the Company has confronted with many challenges, changes and intense competition, which we were able to convert those circumstances into encouragement, to create unity among the organization which finally brings success to the Company. As the executive director of ALT Telecom Plc., I am grateful to our shareholders, customers, business alliances, executives, employees and all stakeholders for your support and trust which help us driving our business forward and leads the Company to success. The Company earnestly determines to develop its business and innovations by continuously improving its products and services, to encourage better quality of life and future for our society and country. We will never stop seeking for new opportunities inside the country or in ASEAN region, to be part of ones who provide the best one-stop telecommunication service.



Mrs. Preeyaporn Tangpaosak
(President)

BOARD OF DIRECTOR



1. Assoc. Prof. Suchart Laopreeda

- Independent Director
- Chairman of Nomination and Remuneration Committee
- Audit Committee
- Risk Management Committee

2. Mr. Pyut Bhuwakulwong

- Director
- Chairman of Risk Management Committee
- Nomination and Remuneration Committee
- Authorized Director
- Executive Director
- Vice President - Corporate Administration

3. General Sittisak Tayparsit

- Independent Director
- Chairman of Audit Committee

4. Mrs. Preeyaporn Tangpaosak

- Director
- Risk Management Committee
- Authorized Director
- Chairman of Executive Board
- President
- Vice President (Acting) Business Development

5. Mr. Anant Voratitipong

- Chairman of the Board
- Independent Director

6. Assoc. Prof. Dr.-Ing Panit Pujinda

- Independent Director
- Audit Committee
- Risk Management Committee

7. Ms. Preeyapun Bhuwakul

- Director
- Risk Management Committee
- Authorized Director
- Executive Director
- Vice President - Supply Chain





ALT Telecom Public Company Limited

MANAGEMENT COMMITTEE



**Mr. Pairoj
Rujirawanich**

- Vice President - Operations

**Mrs. Samorn
Deeseng**

- Executive Committee

**Mr. Supat
Eamwiwat**

- Vice President - Business Development Information Highway Co.,Ltd

**Mrs. Preeyaporn
Tangpaosak**

- Director
- Risk Management Committee
- Authorized Director
- Chairman of Executive Board
- President
- Vice President (Acting) - Business Development

**Mr. Somboon
Setsuntipong**

- Executive Committee
- Vice President - Finance and Accounting



**Mr. Disorn
Chatrupamai**

- Vice President -
Sales and Marketing

**Ms. Pattaporn
Wethatham**

- Business Development
Manager
Information Highway Co., Ltd

**Mr. Sirin
Promchot**

- Executive Committee

**Ms. Preeyapun
Bhuwakul**

- Director
- Risk Management
Committee
- Authorized Director
- Executive Director
- Vice President -
Supply Chain

**Mr. Pyut
Bhuwakulwong**

- Director
- Chairman of Risk
Management Committee
- Nomination and
Remuneration Committee
- Authorized Director
- Executive Director
- Vice President -
Corporate Administration

ALT Telecom Public Company Limited

BOARD AND MANAGEMENT PROFILE



MR. ANANT VORATITIPONG

Chairman of the Board / Independent Director

Age	62
Percentage of shareholding(%)*	-None-
Nationality	Thai
Date of first appointment	24 December 2014

Current positions

2014 – Present	Chairman of the Board / Independent Director
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Work experience during the past 5 years

2014 – Present	Member of Information and Communication Technology Committee, the National Legislative Assembly
2014 – Present	Advisor – The Expert ICT Co., Ltd
2014 – 2015	Vice Chairman of National High Speed Internet Strategic Working Group, NBTC
2012 – Present	Honorary President of Telecommunications Association of Thailand under the Royal Patronage

Education

Bachelor of electrical engineering
Master of Business Administration

Training

2014	Director Certification Program (DCP) Batch 184/2014, Thai Institution of Directors Association (IOD)
2011	Certificate on Promotion of Peaceful Society, 2nd Batch (King Prajadhipok's Institute) Certificate on Bhumipalang Phandin for Executives, 3rd Batch (Chulalongkorn University)
2009	Certificate on Politics and Governance in Democratic Systems for Executives, 12nd Batch (King Prajadhipok's Institute)
1979 – Present	Observation on information technology, telecommunication and computer in various countries such as USA, UK, Sweden, Germany, Franc, Japan, Korea, Taiwan, Hong Kong, and Singapore

Criminal record during the past 10 years -None-

Remark : Inclusive of those shares held by spouse and children who have not yet come of age as at December 30, 2016



GENERAL SITTISAK TAYPARSIT

Independent Director / Chairman of Audit Committee

Age	68
Percentage of shareholding(%)*	-None-
Nationality	Thai
Date of first appointment	24 December 2014

Current positions

2014 – Present	Independent Director / Chairman of Audit Committee
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Work experience during the past 5 years

2013 – Present	Member of subcommittee of the Office of Election Commission of Thailand
2009 – 2013	Chairman of 15th subcommittee on protest and argument judgement Office of Election Commission of Thailand
2006 – Present	Chairman of Audit Committee/ Independent Director Thai – German Products Public Company Limited

Education

1979	Master of Educational Counselling Psychology (Royal Thai Army Scholarship) Bridgeport University, USA
1972	Bachelor of Science Chulachomklao Royal Military Academy (CRMA 19)

Training

2005	Director Accreditation Program (DAP) Batch 32/2005 Thai Institution of Directors Association (IOD)
1998	National Defense Collage of Thailand
1988	Bachelor of Education Suan Dusit University
1984	Command and General Staff Course – Primary Course, 62nd Batch Command and General Staff Collage

Criminal record during the past 10 years -None-

Remark : Inclusive of those shares held by spouse and children who have not yet come of age as at December 30, 2016

ALT Telecom Public Company Limited



ASSOC. PROF. SUCHART LAOPREEDA

Independent Director / Chairman of Nomination and Remuneration Committee / Audit Committee
Risk Management Committee

Age	55
Percentage of shareholding(%)*	-None-
Nationality	Thai
Date of first appointment	20 February 2015

Current positions

2015 – Present	Independent Director / Chairman of Nomination and Remuneration Committee Audit Committee Risk Management Committee
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Work experience during the past 5 years

1992 – Present	Lecturer – Business Administration Department Ramkhamhaeng University
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Education

1991	Master of Accounting (Cost Accounting) Chulalongkorn University
1988	Bachelor of Political Science (Government) Ramkhamhaeng University
1985	Bachelor of Business Administration (Accounting) Kirik University

Training

2015	Director Accreditation Program (DAP), Batch 117/2015 Thai Institution of Directors Association (IOD)
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Criminal record during the past 10 years -None-

Remark : Inclusive of those shares held by spouse and children who have not yet come of age as at December 30, 2016



ASSOC. PROF. DR.-ING PANIT PUJINDA

Independent Director / Audit Committee
Risk Management Committee

Age	44
Percentage of shareholding(%)*	-None-
Nationality	Thai
Date of first appointment	24 December 2014

Current positions

2014 – Present	Independent Director Audit Committee Risk Management Committee
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Work experience during the past 5 years

2016 – Present	Head of Urban and Regional Planning Department Faculty of Architecture, Chulalongkorn University
2014 – Present	Advisor – Urban Design and Development Center, Chulalongkorn University
2014	Thai government representative in The GMS Task Force on Urban Development, Asian Development Bank (ADB)
2013 – Present	Academic director – Thai City Planners Society
2013 – Present	Managing Director – Metroscape Co., Ltd
2012 – Present	Managing Director – Auros Co., Ltd
2012 – Present	Academic Director – Thailand Cycling Club
2011 – Present	Chief of Healthy city research unit - Department of Urban and Regional Planning Faculty of Architecture, Chulalongkorn University
2006 – Present	Executive director – Department of Urban and Regional Planning
2006 – Present	Executive President – Master and Doctoral Program in of Urban and Regional Planning (continuous program)
1998 – Present	Lecturer – Department of Urban and Regional Planning Faculty of Architecture, Chulalongkorn University

Education

2006	Doctor of engineering (Traffic Engineering) DAAD scholarship Darmstadt University, Darmstadt, Germany
1998	Master of Planning, Department of Geography and Planning University at Albany, State University of New York, USA
1994	Bachelor of architecture, Faculty of Architecture, Chulalongkorn University

Training

2015	Director Accreditation Program (DAP) Batch 116/2015 Thai Institution of Directors Association (IOD)
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Criminal record during the past 10 years -None-

Remark : Inclusive of those shares held by spouse and children who have not yet come of age as at December 30, 2016

ALT Telecom Public Company Limited



MRS. PREEYAPORN TANGPAOSAK

Director / Risk Management Committee
Authorized Director / Chairman of Executive Board
President / Vice President (Acting) - Business Development

Age 45
Percentage of shareholding(%)* 6.965
Nationality Thai
Date of first appointment 19 March 2001

Current positions

2001 – Present Director / Risk Management Committee
Authorized Director / Chairman of Executive Board
President
Vice President (Acting) -Business Development

Work experience during the past 5 years

2014 – Present Director, Telecom Solutions Provider Co., Ltd
Director, Energy Max Co., Ltd
Vice President, Telecommunications Association of Thailand under the Royal Patronage

2013 – Present Director, Information Highway Co., Ltd

2008 – Present Director, Group Tech Solutions Co., Ltd
Director, Innova Telecommunication Co., Ltd

2002 – Present Director, I Twenty One Inter Corporation Co., Ltd.

Education

1993 Bachelor in Business Administration – Marketing Assumption University

Training

2015 TLCA Executive Development Program (EDP) Batch 15 Thai Listed Company Association
2012 Director Accreditation Program (DAP) Batch 96/2012 Thai Institution of Directors Association (IOD)

Criminal record during the past 10 years -None-

Remark : Inclusive of those shares held by spouse and children who have not yet come of age as at December 30, 2016



MS. PREEYAPUN BHUWAKUL

Director / Risk Management Committee
Authorized Director / Executive Director
Vice President – Supply Chain

Age 43
Percentage of shareholding(%)* 6.965
Nationality Thai
Date of first appointment 19 March 2001

Current positions

2001 – Present Director
Risk Management Committee
Authorized Director / Executive Director
Vice President – Supply Chain

Work experience during the past 5 years

2001 – Present Director, Group Tech Solutions Co., Ltd
Director, Innova Telecommunication Co., Ltd
Director, Information Highway Co., Ltd

Education

1995 Bachelor in Education Chulalongkorn University

Training

2012 Director Accreditation Program (DAP) Batch 96/2012 Thai Institution of Directors Association (IOD)

Criminal record during the past 10 years -None-

Remark : Inclusive of those shares held by spouse and children who have not yet come of age as at December 30, 2016

ALT Telecom Public Company Limited



MR. PYUT BHUWAKULWONG

Director / Chairman of Risk Management Committee
Nomination and Remuneration Committee
Authorized Director / Executive Director

Age 56
Percentage of shareholding(%)* 5.970
Nationality Thai
Date of first appointment 19 March 2002

Current positions

2002 – Present Director
Chairman of Risk Management Committee
Nomination and Remuneration Committee
Authorized Director / Executive Director
Vice President – Corporate Administration

Work experience during the past 5 years

2002 – Present Director, Group Tech Solutions Co., Ltd
Director, Innova Telecommunication Co., Ltd
Director, I Twenty One Inter Corporation Co., Ltd
Director, Information Highway Co., Ltd
Director, Energy Max Co., Ltd
Director, Telecom Solutions Provider Co., Ltd

Education

1983 Bachelor in Political Science / Public Administration
Thammasat University

Training

2016 "Fund management for best profit" (CSI), 11st Batch
2013 Risk Management Committee Program (RMP) Batch 2/2013
Thai Institution of Directors Association (IOD)
2012 Director Accreditation Program (DAP) Batch 96/2012
Thai Institution of Directors Association (IOD)
2012 Financial Statement for Director (FSD) Batch 16/2012
Thai Institution of Directors Association (IOD)

Criminal record during the past 10 years -None-

Remark : Inclusive of those shares held by spouse and children who have not yet come of age as at December 30, 2016



MR. SOMBOON SETSUNTIPONG

Executive Committee /
Vice President - Finance and Accounting

Age 53
Percentage of shareholding(%)* -None-
Nationality Thai
Date of first appointment 26 February 2017

Current positions

2017 Executive Committee
2016- Present Vice President - Finance and Accounting

Work experience during the past 5 years

2015 – 2016 Deputy Chief Executive Officer Finance and Accounting, Eastern Polymer Group PLC.
2013 – 2015 Chief Finance Officer, PT (Sole) Co., Ltd. – Lao PDR
2011 – 2013 VP - Financial and Accounting, System Development & Policy, PTT Global Chemical PLC.

Education

1986 Bachelor of Business Administration
(Banking and Finance) Chulalongkorn University

Training

2006 CFO Certification, 7th batch – Federation of Accounting Professions

Criminal record during the past 10 years -None-

Remark : Inclusive of those shares held by spouse and children who have not yet come of age as at December 30, 2016

ALT Telecom Public Company Limited



MR. SIRIN PROMCHOT

Executive Committee

Age 52
 Percentage of shareholding(%)* -None-
 Nationality Thai
 Date of first appointment 26 February 2017

Current Position

Executive Committee

Work experience during the past 5 years

2014 – Present Managing Director
 I Twenty One Inter Corporation Co., Ltd

Education

1988 – 1991 Bachelor of Electrical Industry: Electrical Engineering
 King Mongkut's University of Technology North Bangkok

Training

1999 MPR Program (2nd Edition)
 AMP (Singapore)
 1998 Product Presentation Technique
 AMP (Thailand) Ltd.
 1997 Auto CAD Program (13rd Edition) NECTEC
 1995 Product Value Added Management
 AT&T (Thailand) Ltd.

Criminal record during the past 10 years -None-



MRS. SAMORN DEESENG

Executive Committee

Age 45
 Percentage of shareholding(%)* -None-
 Nationality Thai
 Date of first appointment 26 February 2017

Current Position

Executive Committee

Work experience during the past 5 years

2017 Managing Director, Innova Telecommunication Co., Ltd
 2016-Present Deputy Managing Director, I Twenty One Inter Corporation Co., Ltd

Education

1997 Bachelor of Business Administration,
 Saint John University

Training

2016 GATT Declaration The Dharmniti PLC.
 2016 Integrated Internal Auditing The Dharmniti PLC.
 2016 "The One Team One Goal" External seminar
 2011 The Manager Management and Psychology Institute
 2002 Proactive News Reporting
 The Secretariat of the House of Representatives
 2001 Operation Assistant of Parliament Member
 King Prajadhipok's Institute

Criminal record during the past 10 years -None-

Remark : Inclusive of those shares held by spouse and children who have not yet come of age as at December 30, 2016

Remark : Inclusive of those shares held by spouse and children who have not yet come of age as at December 30, 2016

ALT Telecom Public Company Limited



MR. DISORN CHATRUPAMAI

Vice President - Sales and Marketing

Age 52
 Percentage of shareholding(%)* -None-
 Nationality Thai
 Date of first appointment 25 January 2016

Current Position
 2016 – Present Vice President - Sales and Marketing

Work experience during the past 5 years
 2008 – Present Director / Deputy Managing Director,
 Energy Max Co., Ltd

Education
 Bachelor of Industry (Industrial Electric)
 King Mongkut's University of Technology North
 Bangkok

Criminal record during the past 10 years -None-



MR. PAIROJ RUJIRAWANICH

Vice President - Operations

Age 47
 Percentage of shareholding(%)* -None-
 Nationality Thai
 Date of first appointment 25 January 2016

Current Position
 2016 – Present Vice President - Operations

Work experience during the past 5 years
 2016 – Present Vice President - Operation & Maintenance
 Information Highway Co., Ltd
 2008 – Present Director – Project Implement
 Group Tech Solutions Co., Ltd

Education
 1991 Education High Diploma of Construction
 Management

Training
 2014 Safety Officer at Management Level
 2012 Safety Officer Supervisor Level
 2012 Coaching and Mentoring Techniques
 2009 Project Management
 2009 Successfully Completed
 1997 The Manager
 1997 How to Assign Delegate and Follow Up to Get
 Good Job Back
 1994 Construction Management
 1992 Training in Japan (Building Structure Course)

Criminal record during the past 10 years -None-

Remark : Inclusive of those shares held by spouse and children who have not yet come of age as at December 30, 2016

Remark : Inclusive of those shares held by spouse and children who have not yet come of age as at December 30, 2016

ALT Telecom Public Company Limited



MR. SUPAT EAMWIWAT

Vice President - Business Development
Information Highway Co., Ltd

Age	49
Percentage of shareholding(%)*	0.03
Nationality	Thai
Date of first appointment	4 August 2016

Current positions
2016 – Present Vice President - Business Development
Information Highway Co., Ltd

Work experience during the past 5 years
2011 – 2013 Vice President - Operations,
2010 – 2011 Deputy Managing Director, Energy Max Co., Ltd

Education
1999 – 2001 Master of Telecommunication Management
Collage of Innovation, Thammasat University
1993 – 1995 Master of Business Administration,
Young Executive Program Kasetsart University
1985 – 1989 Bachelor of Engineering – Telecommunication
King Mongkut's Institute of Technology Ladkrabang

Criminal record during the past 10 years -None-



MS. PATRAPORN WETHATHAM

Business Development Manager
Information Highway Co., Ltd

Age	44
Percentage of shareholding(%)*	0.006
Nationality	Thai
Date of first appointment	1 January 2016

Current positions
2016 – Present Business Development Manager
Information Highway Co., Ltd

Work experience during the past 5 years
Specialist, Coordinator to Marketing & Admin
Director / Summit Auto Body Industry Co, Ltd.

Education
2001 Master of Business Administration – Marketing
Eastern Asia University
1990 Bachelor of Engineering – Electrical Engineering
(Telecommunication)
Mahanakorn University of Technology

Criminal record during the past 10 years -None-

Remark : Inclusive of those shares held by spouse and children who have not yet come of age as at December 30, 2016

Remark : Inclusive of those shares held by spouse and children who have not yet come of age as at December 30, 2016

ALT Telecom Public Company Limited

SECRETARY



MS.TANYAPORN MALILA

COMPANY SECRETARY



MRS.RAMIDA CHOOPUTTAPONG

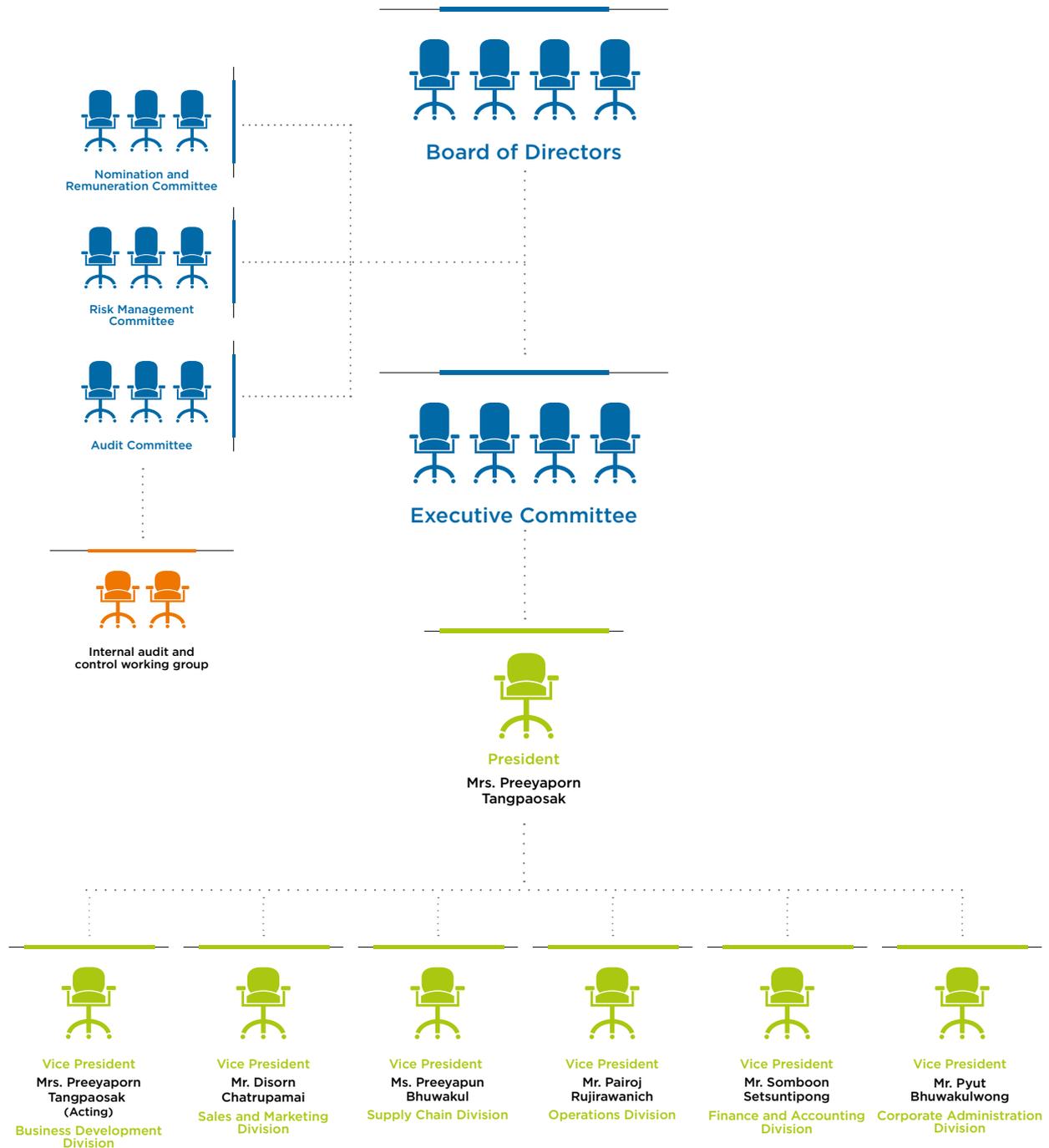
SECRETARY OF
THE AUDIT COMMITTEE



MS.ROSSALIN SORNPRATUM

SECRETARY OF THE NOMINATION AND
REMUNERATION COMMITTEE,
SECRETARY OF THE RISK
MANAGEMENT COMMITTEE

ORGANIZATION STRUCTURE



The Company’s organization structure consists of the Board of Directors and 4 sub-committees; Audit Committee, Nomination and Remuneration Committee, Risk Management Committee and Executive Committee. List of members and authorization of each committee are as follows;

Board of Directors

The Company's Board of Directors comprises of 7 directors with expertise and experience in various areas such as business management, telecommunication, urban planning, accounting and corporate governance. 4 out of 7 members are independent directors, including Chairman of the Board who is a different person with the person of highest authority in the management. The list of members are as follows;

Name - Surname	Position
1. Mr. Anant Voratitipong	Independent Director/ Chairman of the Board
2. General Sittisak Tayparsit	Independent Director / Chairman of Audit Committee
3. Mr. Suchart Laopreeda	Independent Director / Audit Committee
4. Mr. Panit Pujinda	Independent Director / Audit Committee
5. Mrs. Preeyaporn Tangpaosak	Authorized Director / Director
6. Ms. Preeyapun Bhuwakul	Authorized Director / Director
7. Mr. Pyut Bhuwakulwong	Authorized Director / Director

With Ms. Tanyaporn Malila as a company secretary.

To legally bind the Company, the authorized signatory of a contract must adhere to the restriction prescribed in the Company's Certificate, which indicated that Mrs. Preeyaporn Tangpaosak, Ms. Preeyapun Bhuwakul and Mr. Pyut Bhuwakulwong; 2 out of 3 directors jointly sign a contract with a common seal of the Company.

The Board of Directors is a representative for all shareholders and responsible for important duty in decision making for policies and strategies of the Company. Therefore, the Board of Director plays an important role in building up the Company's trustworthiness, business value added and providing investment returns to shareholders

Scope of duties and responsibilities of the Board of Directors

- Determine the Company's vision, mission, achievement and strategy, including offering an opinion on business operation, asset management, finance, fund raising and risk management.
- Approve the Company's annual budget, project

investment budget, and control and review the Company's operating performance

- Consider and approve the Company's performance report, financial reports, profit allocation and transactions with possible conflict of interest, as well as nominate personnel for directors, auditors and consider the auditors' remuneration.

- Asses the performance of the Board of Directors and sub-committees

- Appoint the audit committee, and acknowledge any significant report from the Audit Committee or internal control and auditing unit.

- Appoint and specify authority of the Executive Committee, Executive President and other sub-committees as appropriate.

- Enforce a disclosure of general information and financial information, and review sufficiency and suitability of internal control system and risk management.

Sub-Committees

As of 15 June 2015, the Board of Directors appointed 4 sub-committees to relieve the Board's duties. Each sub-committee carries out its duties according to the charter which clearly indicates roles and responsibility.

Audit Committee

The Board of Directors appointed the Audit Committee to assist the Board regarding the quality and trustworthiness of accounting system, internal auditing, and internal control, as well as the financial information disclosure procedure. The qualification of the appointed members completely complies with the rules of the Securities and Exchange Commission of Thailand. As of 31 January 2016, the Audit Committee comprised of 3 independent directors as follows;

Name - Surname ^{1/}	Position
1. General Sittisak Tayparsit	Chairman of Audit Committee
2. Mr. Suchart Laopreeda ^{2/}	Audit Committee
3. Mr. Panit Pujinda	Audit Committee

With Mrs. Ramida Chooputtapong as a secretary of the Audit Committee

Note:

1/ General Sittisak Tayparsit and Mr. Panit Pujinda was appointed for the committee during the Board of Directors meeting No. 16/2014 on 24 December 2014. Mr. Suchart Laopreeda was appointed for the committee during the Board of Directors meeting No. 2/2015 on 20 February 2015. The extraordinary general meeting of shareholders No. 3/2015, held on 10 November 2015, had a resolution to approve the public company transformation of the Company, and appointed new members of the Audit Committee with a term starting from 10 November 2015.

2/ A member of Audit Committee with expertise and experience in financial statements review

Scope of duties and responsibilities of the Audit Committee

- Review integrity of the Company's financial statements to meet the accounting standard
- Review adequacy and effectiveness of internal control and internal audit system
- Review the Company to ensure law-abiding practice, concerning securities and exchange law, the Stock exchange's regulation or other laws relating to the Company's business
- Recruit and nominate a financial auditor, with consideration of remuneration, trustworthiness, workload of the auditor. To participate with the auditor in a meeting without administrative personnel at least once a year.
- Consider a related transaction or a transaction with conflict of interest, compliantly with the Stock Exchange's regulations, to ensure that the transaction is reasonable and the best benefit for the Company.
- Consider acquisition or disposal of the Company's asset in compliance with regulations of the Securities and Exchange Commission of Thailand and the Capital Market Supervisory Board.
- Approve internal audit plan and to be informed of the internal auditor's report.
- Review and revise the Audit Committee's charter and present to the Board of Director for approval
- Report the Audit Committee's accomplishment to the Board of Directors, especially in a case of doubtful transactions or actions that will possibly cause significant effect to the Company's financial status and performance. Investigate any issue reported by the financial auditor and report the initial investigation result to the Securities and Exchange Commission of Thailand and the financial auditor within 30 days after being reported.
- Prepare the Audit Committee report signed by Chairman of the Audit Committee, and publish in the Company's annual report.

Nomination and Remuneration Committee

The Nomination and Remuneration Committee has responsibility to recommend on structure, size and component of the Board of Directors and each sub-committee, and specify personnel qualification and nomination procedure and criteria according to the structure, size and component as prescribed. The Committee responsible for nominating personnel suitable for the position of company director, member of sub-committee and executive president, and presenting to the Board of Directors and shareholders for approval accordingly. The Committee also supervises on the remuneration and performance evaluation of each position in consider to sustainable growth of the Company. As of

31 December 2016, the Nomination and Remuneration Committee comprise of 3 members as follows;

Name - Surname	Position
1. Mr. Suchart Laopreeda	Chairman of Nomination and Remuneration Committee
2. Mr. Pyut Bhuwakulwong	Nomination and Remuneration Committee
3. Mrs. Natika Praduttanachote ^{1/}	Nomination and Remuneration Committee

With Ms. Rossalin Sompratun as a secretary of the Nomination and Remuneration Committee

Note :

1/ Mrs. Natika Praduttanachote was appointed for the Nomination and Remuneration Committee by the Board of Directors during the meeting No. 4/2016 on 16 May 2016.

Scope of duties and responsibilities of the Nomination and Remuneration Committee

- Determine criteria and policy regarding the nomination of the company director and sub-committee member, presenting to the Board of Director and/or shareholders for approval.
- Recruit and nominate appropriate personnel to replace directors completing their term and/or resigning from their position, and/or to be appointed for an additional position.
- Evaluate performance of an executive president and present to the Board of Director for consideration.
- Determine criteria and policy regarding remuneration of the Board of Directors and sub-committees and present to the Board of Director and/or shareholders meeting for approval.
- Determine appropriate and necessary remuneration, either monetary term or not, for the Company director individually each year, and present to the Board of Directors and shareholders meeting for approval.
- Consider for the job evaluation criteria and annual remuneration of an executive president, vice presidents, senior executives and present to the Board of Directors for approval.
- Describe the policies, principles and reasons regarding the consideration on directors and executive remuneration according to the Stock Exchange's regulation, and publish in a disclosure report (Form 56-1) and the Company annual report.
- Consider appropriateness and approval for an issuance of securities offering to directors and employees.
- Clarify any question relating to the director remuneration during shareholders meeting.

Risk Management Committee

The Risk Management Committee is responsible for risk policies and general risk management of the Company in different aspects such as finance, investment and company reputation. As of 31 December 2016, the Risk Management Committee consists of 7 members as follows;

Name - Surname	Position
1. Mr. Pyut Bhuwakulwong	Chairman of Risk Management Committee
2. Mr. Suchart Laopreeda	Risk Management Committee
3. Mr. Panit Pujinda	Risk Management Committee
4. Mrs. Preeyaporn Tangpaosak	Risk Management Committee
5. Ms. Preeyapun Bhuwakul	Risk Management Committee
6. Mr. Satian Tantanasarit ^{1/}	Risk Management Committee
7. Mr. Narong Ongartmaneerut ^{1/}	Risk Management Committee

With Ms. Rossalin Sornpratrum as a secretary of the Risk Management Committee

Note:

^{1/} Mr. Satian Tantanasarit and Mr. Narong Ongartmaneerut was appointed for the Risk Management Committee in the Board of Directors meeting No. 5/2016 on 10 August 2016.

Scope of duties and responsibilities of Risk Management Committee

- Determine general risk management policy and guideline covering different aspects of risk which are significant and possible threat to the Company reputation, presenting to the Board of Directors for consideration.
- Specify risk management plan, scope of work, operations, implementation and evaluating procedure, following risk management framework. Review risk management report to ensure the adequacy and appropriateness of risk management.
- Follow up and evaluate the result of risk management to consecutively improve efficiency and effectiveness of risk management.
- Establish and assist a working group for risk management as necessary
- Make a decision and suggestion on important issues occurred in risk management processes.
- Quarterly report accomplishment of the Risk Management Committee to the Audit Committee for acknowledgement and/or consideration.

Executive Committee

The Executive Committee manages the Company according to the vision, mission, strategies and policies prescribed by the Board of Directors, laws, conditions, rules and regulations of the Company. The Executive Committee must relies on discretion for business decision making with consideration of the Company and shareholders best benefit. As of 26 February 2017. The Executive Committee consists of 6 members as follows;

Name - Surname	Position
1. Mrs. Preeyaporn Tangpaosak	Chairman of Executive Committee
2. Mr. Pyut Bhuwakulwong	Vice-chairman of Executive Committee
3. Ms. Preeyapun Bhuwakul	Executive Committee
4. Mr. Somboon Setsuntipong	Executive Committee
5. Mr. Sirin Promchot	Executive Committee
6. Mrs. Samorn Deeseng	Executive Committee

Scope of duties and responsibilities of Executive Committee

- Determine a business plan and achievement of the Company, and oversee the Company's operation compliantly to the vision, mission, strategies, policies and the Board of Directors' resolution
- Make a decision for the Company's investment, fund raising, including acquisition of fixed assets within approval authority and/or report to the Board of Directors
- Consider the organization structure, including salary structure and employee benefits, and assign personnel for every executive positions/
- Approve for advisors in various areas of expertise necessary for the Company and promote appropriate and secure internal control.

Executives

As of 31 December 2016, the Company has 6 executives, according to the Notification of the Securities and Exchange Commission No. KorJor 17/2551 notified on 15 December 2008, as follows;

Name - Surname	Position
1. Mrs. Preeyaporn Tangpaosak	Executive President / Vice President (Acting) - Business Development
2. Ms. Preeyapun Bhuwakul	Vice President - Supply Chain
3. Mr. Pyut Bhuwakulwong	Vice President - Corporate Administration
4. Mr. Disorn Chatrupamai	Vice President - Sales and Marketing
5. Mr. Pairoj Rujirawanich	Vice President - Operations
6. Mr. Somboon Setsuntipong	Vice President - Finance and Accounting

Company Secretary

The Board of Directors meeting No. 7/2015, held on 15 June 2015, appointed Ms. Tanyaporn Malila, as a company secretary. The qualification required for a company secretary was published in a disclosure report of year 2016 (Attachment 1). Scope of duties of the Company secretary are as follows;

1. Assist and advice the Company directors and executives to adhere to laws, rules, notification, and regulations of the Company, and carefully pursue to ensure legitimate practice.

2. Responsible for meeting arrangement for the Board of Directors and shareholders, and cooperate with relating parties to ensure that the meeting resolutions has been carried out.

3. Ensure that information and reports relating to responsible duties has been disclosed compliantly with the regulations of the Stock Exchanges of Thailand, the regulations of the Securities and Exchange Commission of Thailand, and relating laws.

4. Prepare and keep the following documents;

- (1) Company director register
- (2) Invitation letters for the Board of Directors meeting and meeting reports
- (3) Invitation letters for the shareholders meeting and meeting reports
- (4) Annual report of the Company
- (5) Report on conflict of interest of the Company directors and executives

The Board of Directors meeting

The attendant of the Board of Directors meeting during the year 2015 and 2016 are as follows;

Name - Surname	2015		2016	
	No. of meeting	No. of attendant	No. of meeting	No. of attendant
1. Mr. Anant Voratitipong ^{1/}	9	8	7	7
2. General Sittisak Tayparit ^{2/}	9	6	7	6
3. Mr. Suchart Laopreeda ^{3/}	9	7	7	6
4. Mr. Panit Pujinda ^{4/}	9	8	7	6
5. Mrs. Preeyaporn Tangpaosak ^{5/}	9	9	7	6
6. Ms. Preeyapun Bhuwakul	9	9	7	7
7. Mr. Pyut Bhuwakulwong ^{6/}	9	8	7	7
8. Mr. Buncha Kantanon ^{7/}	9	9	-	-

Note:

1/ Mr. Anant Voratitipong was appointed as Chairman of the Board during the Board of Directors meeting No. 16/2014 held on 24 December 2014, and did not attend the meeting No. 2/2015 held on 20 February 2015.

2/ General Sittisak Tayparit was appointed as Chairman of Audit Committee during the Board of Directors meeting No. 16/2014 held on 24 December 2014 and did not attend the Board of Directors meeting No. 1/2015 held on 20 January 2016, the meeting No. 2/2015 held on 20 February 2015, the meeting No. 8/2015 held on 22 October 2015 and the meeting No. 3/2016 held on 30 March 2016.

3/ Mr. Suchart Laopreeda was appointed as Audit Committee during the Board of Directors meeting No. 2/2015 held on 20 February 2015. Mr. Suchart Laopreeda firstly join the Board of Directors meeting No. 3/2015 held on 2 March 2015 and did not attend the Board of Directors meeting No. 3/2016 held on 30 March 2016.

4/ Mr. Panit Pujinda was appointed as Audit Committee during the Board of Directors meeting No. 16/2014 held on 24 December 2014 and did not attend the Board of Directors meeting No. 2/2015 held on 20 February 2015 and the meeting No. 3/2016 held on 30 March 2016.

5/ Mrs. Preeyaporn Tangpaosak was appointed as Executive President since 19 March 2001 and did not attend the Board of Directors meeting No. 2/2016 held on 24 February 2016

6/ Mr. Pyut Bhuwakulwong was appointed as Vice President since 19 March 2002, and did not attend the Board of Directors meeting No. 6/2015 held on 27 May 2015.

7/ Mr. Buncha Kantanon has resigned from the position of the Company director, Risk Management Committee and Executive Committee since 5 January 2016.

Remuneration of the directors and executives

1. Monetary remuneration

• Directors

The Annual General Meeting of 2015 held on 30 April 2015 approved the remuneration of the Company directors and sub-committees in term of attendant fee. The details are as follows;

Position	Attendant fee (Baht / person / per meeting)
Chairman of the Board	40,000
Directors (Independent Directors)	30,000
Chairman of Audit Committee	30,000
Audit Committee	25,000
Chairman of Risk Management Committee	20,000
Risk Management Committee	15,000
Chairman of Nomination and Remuneration Committee	20,000
Nomination and Remuneration Committee	15,000

- The Company did not remunerate for the directors who are members of Executive Committee, executives, and employee

- In case that the directors attend the Board of Directors meeting and meeting of sub-committees, only highest attendant fee will be remunerated.

As for 2015 and 2016, the Company paid for the directors' remuneration as follows;

Name - Surname	2015		2016			
	Director ^{1/} (Baht)	Audit Committee ^{1/} (Baht)	Director ^{1/} (Baht)	Audit Committee ^{1/} (Baht)	Nomination and Remuneration Committee ^{1/} (Baht)	Risk Management Committee ^{1/} (Baht)
1. Mr. Anant Voratitipong ^{2/}	360,000	-	440,000	-	-	-
2. General Sittisak Tayparsit ^{3/}	-	180,000	-	240,000	-	-
3. Mr. Suchart Laopreeda ^{4/}	-	210,000	-	210,000	20,000	15,000
4. Mr. Panit Pujinda ^{5/}	-	240,000	-	180,000	-	15,000
5. Mr. Satian Tantanararit ^{6/}	-	-	-	-	-	15,000
6. Mrs. Preeyapom Tangpaosak	-	-	-	-	-	-
7. Ms. Preeyapun Bhuwakul	-	-	-	-	-	-
8. Mr. Pyut Bhuwakulwong	-	-	-	-	-	-
Total	360,000	630,000	440,000	630,000	20,000	45,000

Note:

1/ The Remuneration for the Company directors and Audit Committee was approved by the Board of Directors during the meeting No.1/2015 held on 20 January 2015. The remuneration has been paid since January 2015.

2/ Mr. Anant Voratitipong was appointed as Chairman of the Board during the Board of Directors meeting No. 16/2014 held on 24 December 2014, and received the remuneration as Chairman of the Board since January 2015. Mr. Anant Worrathitipong did not attend the meeting No. 2/2015 held on 20 February 2015 and did not receive an attendant fee for the absence.

3/ General Sittisak Tayparsit was appointed as Chairman of Audit Committee during the Board of Directors meeting No. 16/2014 held on 24 December 2014 and received the remuneration as Chairman of the Audit Committee since February 2015 was absent from 4 meeting; the Board of Directors meeting No 1/2015 held on 20 January 2016, the meeting No 2/2015 held on 20 February 2015, the meeting No. 8/2015 held on 22 October 2015 and the meeting No. 3/2016 held on 30 March 2016, and did not receive an attendant fee for the 4 absence.

4/ Mr. Suchart Laopreeda was appointed as Audit Committee during the Board of Directors meeting No. 2/2015 held on 20 February 2015, and appointed as Chairman of Nomination and Remuneration Committee during the Board of Directors meeting No. 3/2015 held on 2 March 2015 and received the remuneration as Chairman of Nomination and Remuneration Committee since March 2015 and received the remuneration as Audit Committee since February 2015. Mr. Suchart Laopreeda did not attend the Board of Directors meeting No. 3/2016 held on 30 March 2016 and did not receive an attendant fee for the absence.

5/ Mr. Panit Pujinda was appointed as Audit Committee during the Board of Directors meeting No. 16/2014 held on 24 December 2014, and received the remuneration as Audit Committee since January 2015. and Mr. Panit Pujinda was absent from 2 meetings; the Board of Directors meeting No. 2/2015 held on 20 February 2015 and the meeting No. 3/2016 held on 30 March 2016, and did not receive an attendant fee for the 2 absence.

6/ Mr. Satian Tantanararit was appointed as Risk Management Committee during the Board of Directors meeting No. 5/2016 held on 10 August 2016 and received the remuneration as Risk Management Committee since August 2016

• Executives

As for 2015 and 2016, the Company paid for the executives' remuneration as follows;

Remuneration	2015		2016	
	No. of executives (person)	Remuneration (Million Baht)	No. of executives (person)	Remuneration (Million Baht)
Salary and bonus	6	14.69	6	16.53
Other payment such as social security fee and commission	6	2.15	6	0.59
Total	6	16.84	6	17.12

2. Other remunerations

In 2015 and 2016, the Company paid for other remunerations consisted of employee benefit and provident fund in total amount of 0.43 million Baht and 0.38 million Baht respectively.

• Personnel

In 2015 and 2016, the Company and subsidiaries employed 280 and 291 employees respectively (Executives are not included). The Company paid for employee remunerations; salary, bonus and commission, in total amount of 113.88 million Baht and 126.20 million Baht respectively. The remuneration amount of each department is presented as follows;

Department	No. of Employee (Person)		Remuneration (Million Baht)	
	2015	2016	2015	2016
Executive Department	9	11	4.99	4.28
Sales and Marketing	9	26	5.53	12.39
Procurement and Logistics	9	8	4.07	3.27
Project Management	41	28	12.97	10.20
General Management	20	6	6.45	2.93
Business Development	-	-	-	0.54
Finance and Accounting	-	15	-	7.67
Group Tech Solutions Co., Ltd	114	130	56.91	57.35
I21 Inter Corporation Co., Ltd	25	21	9.65	11.98
Innova Telecommunication Co., Ltd	53	46	13.31	15.59
Total	280	291	113.88	126.20

• Provident fund

The Company has established its provident fund since 1 May 2015 and assigned One Asset Management Co., Ltd as the fund manager, with intention to increase morale and motivation of employees in long term.



\$769.00

\$424.00

\$326.00

\$400.00

\$588.00

\$351.00

Copper

Steel

Beryllium

Manganese

Aluminum

Chrome

\$264.58

\$244.34

\$216.11

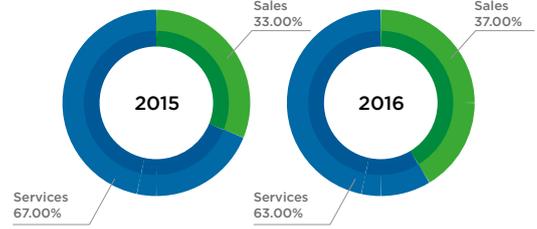
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FINANCIAL HIGHLIGHTS

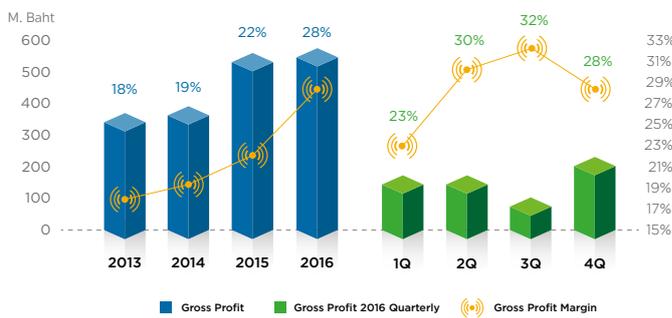
Revenue



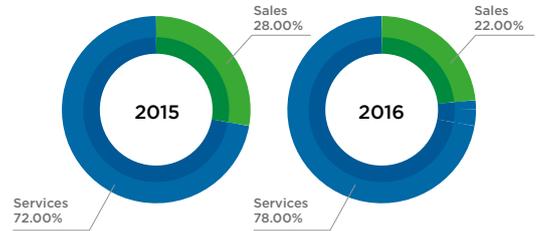
Revenue Contribution



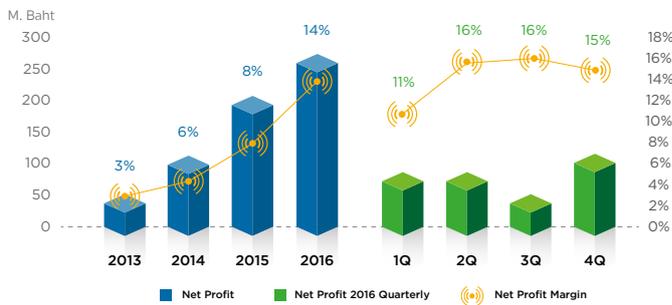
Gross Profit



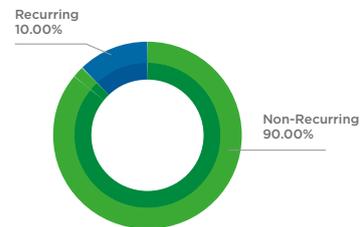
Gross Profit Contribution



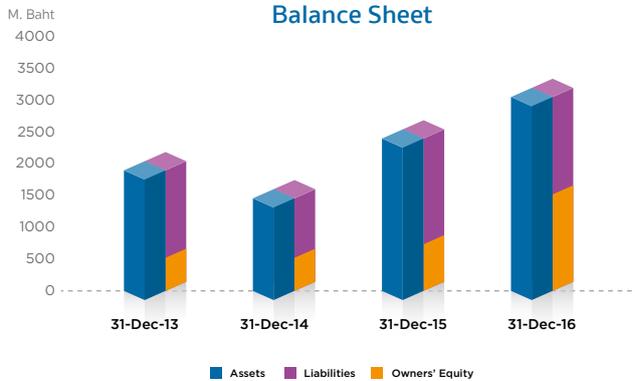
Net Profit



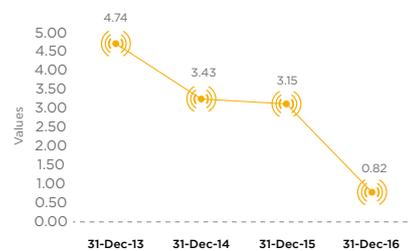
2016 Net Profit Contribution



Balance Sheet



Debt to Equity



BUSINESS OVERVIEW AND POLICY

Business Overview

ALT Telecom PLC (“The Company” or “ALT”) established on 19 March 2001 under the name ALT Inter Corporation Co., Ltd, with an initial registered capital of 1.00 million Baht. The Company’s first business was interior decoration service for buildings and base stations owned by mobile phone operators. With great effort to offer the best service to customers, ALT gradually entrusted by the operators, creating an opportunity for new business expansion; base stations implementation and telecom equipment installation, which later became ALT’s core business, hence the Company ceased its interior decorating service in 2007.

From the experiences in base stations site construction and telecom equipment installation, ALT’s shareholders realized an opportunity for telecommunication equipment trading business, as a result, I21 Inter Corporation Co., Ltd was founded by the shareholders in 2002, to sell telecommunication equipment such as fiber optic cable, RF feeder cable, wireless networking equipment etc., focusing on a target customers who were mobile phone operators and contractors involved in base stations implementation and telecom equipment installation. Later in 2006, I21 was bought by ALT and became ALT’s subsidiary.

In Addition to an expansion of telecommunication equipment trading business, ALT developed new product line; Telecom shelters. During that time, telecom shelters in the market usually came with large size and expensive price, which fail to serve the cost minimization demand of the operators. In 2002, ALT cooperated with a business partner to develop telecom shelters and sell under “ALT” brand. ALT’s telecom shelters were feature with size and quality serving customer demand at reasonable price. Later in 2005, ALT with a cooperation of business partner, developed rapid deployment unit (RDU) under “ALT” brand, as an alternative of imported products which were more expensive and had longer procurement lead-time. The RDU developed by ALT were featured with size and qualities meeting customer demand and better price. Moreover, ALT’s cell on legs RDU won Telecom Universal Service Obligation (USO) awarded from Telecom Innovation Award 2010, sponsored by NECTEC and NBTC.

As the telecom equipment trading business grew, the base station and telecom equipment installation business which was ALT’s core business, was growing continuously as well, therefore in 2008, ALT’s shareholders established Group Tech Solutions Co., Ltd (“GTS”) to support the growth of this business and develop new telecommunication rental business by offering spaces

on various locations, such as billboards and rooftop of buildings, for telecom antenna installation. To do so, GTS would survey for potential spaces capable for telecom site installation, and contact the landlord for rental agreement. GTS then offered the spaces together with all telecom site solution, installation and commissioning services of antenna and networking equipment to each mobile phone operator. This service was a stepping stone for ALT to build a source of recurring income. Later In 2010 GTS was bought by ALT and became a subsidiary of ALT group.

In 2008, ALT’s shareholders founded Innova Telecommunication Co., Ltd. (“INN”) to start telecom antenna trading business. During the initial stage of this business, all of INN’s products were imported products. However, in 2011 INN started to produce telecom antennas and PIM loads and sell under INN’s brand “SUMTEL”.

A prominent characteristic of INN is customizable products and co-development which INN would cooperate with customers to develop products that exactly serve the customers’ requirement. By doing so, INN was continuously requested by customers to develop products serving their special purposes. Moreover, INN also provided telecom equipment repair service.

With continuous growth in telecom equipment trading business and telecom service business of ALT, and the executives’ vision to notice the upcoming trend of telecom industry in oversea, ALT became one of companies in Thailand offering a concept of telecommunication infrastructure sharing to mobile phone operators. In 2011, the Company started its rental business of telecommunication infrastructure, which is one of the businesses generating recurring income for ALT group. ALT started the first project in Hemaraj Eastern Seaboard Industrial Estate and Eastern Seaboard Industrial Estate (Rayong), by installing optical networks within the industrial estates and offering network infrastructure leasing service to telecom service providers consist of mobile phone operators and internet service providers. By sharing the network infrastructure, the telecom service providers served their subscribers; the manufacturers within the industrial estates, via the same network infrastructure which reduced the cost of the telecom service providers, while the manufacturers benefited from the new facility of each industrial estate.

In 2013, Information Highway Co., Ltd (“IH”) was founded by the shareholders while ALT held 99.99 percent of shareholding proportion. In the middle of 2014, ALT diluted its shareholding proportion in IH from 99.99 percent to 71.00 percent of registered capital and sold them to a company in a group of a certain mobile

BUSINESS POLICY

phone operator. IH shareholders signed on an agreement for a co-investment in optical networks and networking equipment rental business. The shareholder agreement specified terms of business and director and shareholders authorities during the co-investment, which caused a change in IH's status from a subsidiary company of ALT, to a joint-venture between ALT and the investor, starting from an effective date of the agreement. IH currently has 3 optical network and base station projects under development for lease.

In 2014, ALT established Telecom Solution Provider Co., Ltd ("TSP") to invest in Myanmar Information Highway Limited ("MIH") which would operate telecommunication infrastructure rental business in Myanmar. However, for ALT to reach its achievement and mission on becoming a leader in telecommunication infrastructure service provider especially in Thailand's economic strategic location to support the development of telecommunication industry of the country, During July 2015, ALT made a decision to reduce its shareholding proportion in TSP from 99.99 percent to 30.00 percent of registered capital and offer 70 percent of TSP registered capital to a certain telecom service provider to become a co-investor.

With a concept of telecommunication infrastructure sharing, ALT would benefit to the customers from investment cost reduction, as well as encourage efficient telecommunication resource allocation. By sharing the telecom infrastructure, ALT would be able to support telecommunication development of the country, while the telecom service providers would enable to provide service for subscribers living in different parts of the country with better coverage which would ultimately resulted in the development in quality of life and business, conforming with the government's Digital Economy policy. In 2015, ALT developed a new project for telecommunication infrastructure leasing service by installing optical network on existing telegraph network along the railways.

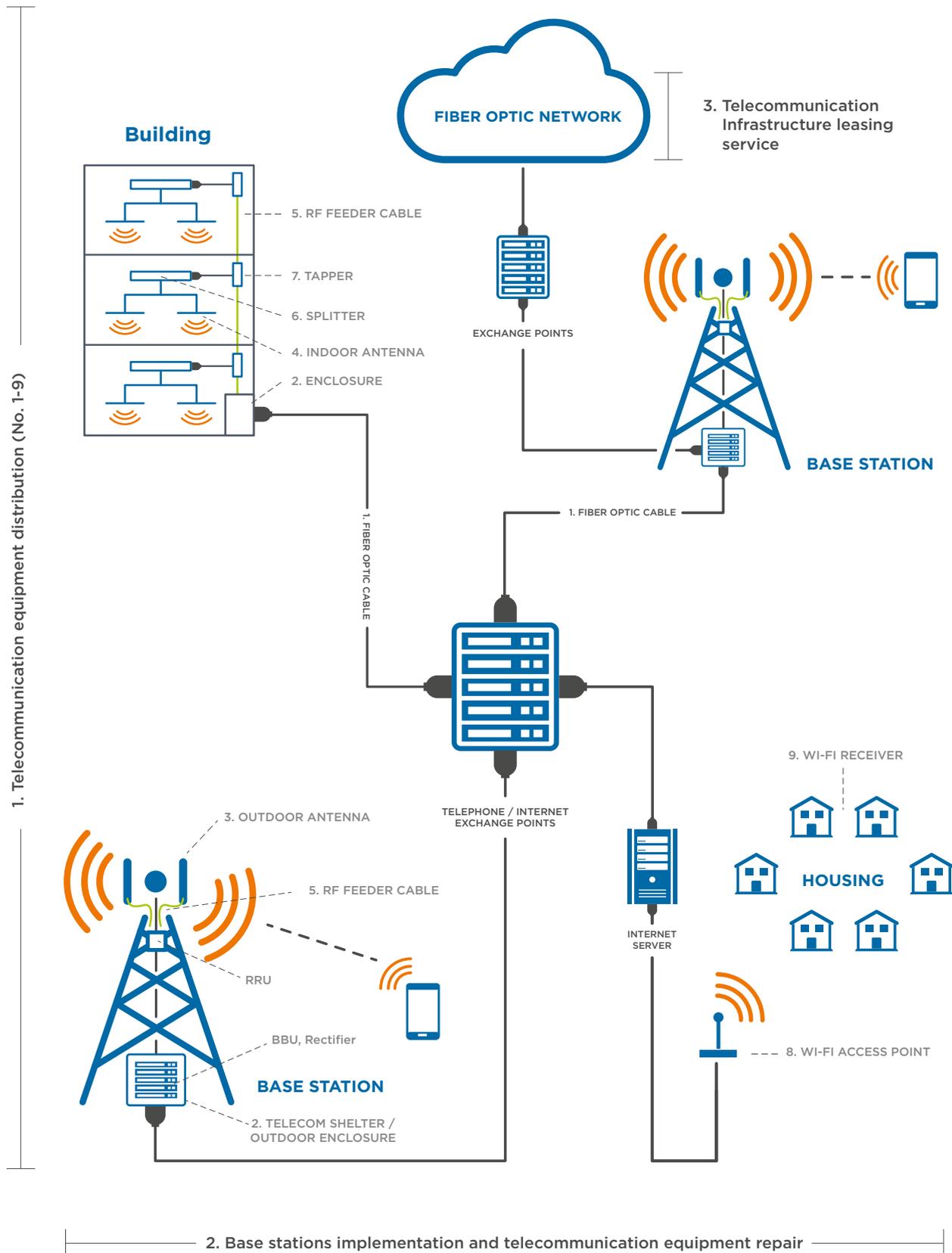
Since an establishment of the Company in 2001, ALT group continuously grows with a determination and devotion to endlessly develop telecommunication business. ALT now becomes a one-stop services provider and products distributor serving all of customer demand for telecommunications. ALT wish to be able to support and grow the business together with the customers which are telecommunication service providers, and become a part of Thailand's telecommunication industry development to be comparable with international countries.

ALT and subsidiary companies would build up sustainable growth together with our customers and would not auction for the spectrum licensing for telecommunications service, to be conform with the Act on Organization to Assign Radio Frequency and to Regulate the Broadcasting and Telecommunications Services B.E. 2553 (2010), and would not invest in a telecommunication infrastructure project that would cause either a comparison or a competition with the projects operated by ALT's joint-venture or associated company, such as a project located in the same area focusing on the same target customers, to remain its fairness in competition with all partners.

Business Strategies

1. Encourage telecommunication infrastructure sharing by investing in telecommunication infrastructure in strategic location to support the service providers reaching to consumers with less network development cost and to be able to fully focus on improving the quality of service.
2. Equally provide telecommunication infrastructure leasing service to every customers and would not enter into a business competing with the target customers who are telecom service providers, such as mobile phone service providers and internet service providers etc., as a commitment that ALT will grow its business together with all of its customers without a conflict of interest.
3. Serve the customer demand at best with the Company's knowledge, experience and well understanding in telecommunication business and with relating businesses operated by the subsidiary companies which efficiently support each other.
4. Increase proportion of income and profit from a source of recurring income, such as network rental services or long-term contract for equipment maintenance and repair, to ascertain its sustainability and stability of income and profit growth. ALT aims to increase the proportion of profit from recurring income to 50 percent of total profit within 5 years.

BUSINESS OVERVIEW



TYPE OF BUSINESS

PRODUCTS AND SERVICES

ALT Telecom PLC group provides one-stop services for telecommunication. The Company's businesses can be categorized into 3 groups as follows;

Group 1: The construction of Telecommunication Base station facilities and equipment repair.

Group 2: The Marketing and Sales of Telecommunication Products.

Group 3: The Rental Service for Telecommunication Infrastructure.

ALT's revenue structure of each business group, according to consolidated financial statements, is as follows;

Revenue Structure	Consolidated financial statements					
	2014		2015		2016	
	M. Baht	%	M. Baht	%	M. Baht	%
1. Base stations implementation and telecommunication equipment repair						
1.1 Base stations implementation, fiber optic network and networking equipment installation	845.97	43	1,690.05	65	1,148.58	58
1.2 Other services	37.42	2	56.94	2	89.40	5
Total revenue from services	883.39	45	1,746.99	67	1,237.98	63
2. Telecommunication products distribution						
2.1 Fiber optic cable	547.97	28	364.71	14	327.13	17
2.2 Telecom shelter and Rapid Deployment Unit (RDU)	129.11	7	253.22	10	210.85	11
2.3 / 2.4 Antenna and other telecommunication hardware	413.20	21	236.69	9	188.72	10
Total revenue from sales	1,090.28	55	854.89	33	726.69	37
3. Telecommunication Infrastructure leasing service ¹⁾	-	-	-	-	-	-
Total Income from leasing service	-	-	-	-	-	-
Total revenue from sales and services	1,973.67	100	2,601.88	100	1,964.67	100
Share of profit (loss) from joint-venture ²⁾	(2.95)	-	(24.43)	-	44.67	-

Note:

1) During 2014 – 2016, revenue from rental services of telecommunication infrastructure had yet to be recognized.

2) Share of profit (loss) from joint-venture are profit (loss) recognized from the joint-venture; IH, regarding the consolidated financial statements. IH currently operates 3 telecommunication infrastructure rental projects. ALT is able to recognized profit and loss from IH in accordance to its shareholding proportion which is 71 percent of IH's registered capital.

1. The construction of Telecommunication Base station facilities and equipment repair

During 2014, 2015, and 2016, ALT earned revenue from base stations implementation and telecommunication equipment repair services 883.39 million Baht, 1,747.00 million Baht, and 1,237.98 million Baht respectively, which equaled to 45 Percent, 67 Percent and 63 percent of total revenue from sales and services according to ALT's consolidated financial statements. Type of services provided by ALT groups can be summarized as follows;

1.1 Telecom Turnkey Site Solutions



ALT and its subsidiary (GTS) offers telecommunication turnkey site solutions for mobile phone operators, starting from site survey for base stations, design, civil construction of the telecommunication tower and equipment installation, and maintenance.

For job acceptance consideration, due to the different in procedures and documentation of each mobile phone service providers, ALT group has a policy for each company to prioritize job offering from regular customers. Therefore, ALT and GTS would focus on providing service for different service providers, creating flexible cooperation during each process of works. However, both ALT and GTS are enabled to provide service for non-regular customers. GTS is registered in approved vendor list of 3 major mobile phone service providers, including AIS, DTAC and TRUE, and are able to work for main contractors of mobile phone service providers. ALT is currently registered as an approved vendor by 2 major mobile phone service providers; AIS and DTAC.

Every processes of service provided by ALT group are supervised by expert engineers to ensure on-time service completion and achieving safety standard. Each base station generally takes 2 – 3 months for implementation, starting from survey, design, construction to finished work. However, scope of works offered by the customers to ALT group are mainly project based works which customers will inform the number of base stations to be implementation in batch. Each batch of work must be delivered within approximately 3 – 4 months. The processes of work are as follows;

- Site survey for suitable location, in consideration

of coordinates, environment, soil profiles etc.

- Civil construction and transmission tower structural analysis and design regarding customers' requirement and budget, such as foundation designed for telecommunication lattice tower with 35 meter and 45 meter height, guyed mast tower with 45 – 60 meter height or separate foundation designed for lattice tower with 60 meter height etc. Tower construction area, soil profiles, ratio, type of tower, weight of equipment to be installed on the tower and transmission efficiency must be considered during design process.

- Civil work for foundation and tower construction are supervised by engineers to ensure the construction is in line with the design and meets safety standard.

- Systems and hardware installation to make the base station Ready for Service (on service) on-time, including multiple installation such as transmission and access network, OSP, transmission line system, radio frequency (RF) system and radio access network (RAN). Furthermore, ALT provides on-site facility maintenance and surge protection system installation,

- Transmission system Implementation, RF system Implementation, RAN system Implementation, including surge/lighting protection system, base station fence, and lighting.

During the implementation processes, the Company would contract external contractors for site survey, civil work construction, telecommunication tower and hardware installation, in order to reduce operating cost. The Company would contract famous chartered engineers who are accepted by the customers, to work on the foundation and transmission tower structural design. Whereas ALT's expert engineers would oversee important project management control processes, which are crucial in telecom site solutions and services, including project presentation and development with customers, contractor site supervisor, quality control of every implementation processes conforming to a quality and safety standard within the project schedule, and site system testing prior delivery to customers.

1.1.1 Site survey, design and radio access network installation

In addition to large-scale mobile base transceiver station, GTS; the Company's subsidiary, also provides transceiver system hardware installation service, both indoor and outdoor. As the demand for mobile phone service is rapidly increase, the quality of mobile phone signal in many locations, such as indoor or in an alley, is not enough to serve customer demand, causing a drop in signal strength, disruption or no reception, especially in the location exposed to poor reception such as car park, inside an elevator, underground floor, slum, and tourist attractions. Additional mobile transceiver system hardware is required to improve mobile service efficiency

to better serve the demand.

Scope of services regarding the installations are;

- Site /building survey and design to install equipment in crucial location providing most efficient transmission signal.
- Hardware installation conforming to a plan and engineer standards, such as outdoor antennas, indoor antennas, and repeaters.
- System test after the installation, by walk test or drive test for optimization of whole area; within a building or site area, to meet standard requirement.

1.1.2 Site survey, design and fiber optic cable installation (Outside plant)



GTS; ALT's subsidiary, offers services including site survey, design and fiber optic cable installation (outside plant), either backbone network installation interconnecting regional exchange locations with thousands of kilo-meter distance, or within the regional network installation, to connect the exchanges within a region which is less distance. Scope of works regarding to this service are;

- Route survey and deployment design for the highest efficiency in optical network installation, from the starting point to a destination as required by customers.
- Installation procedures analysis selecting a deployment method for optical network such as overhead line, or underground line deployment.
- Installation of Fiber optic cable, grounding system, cable gripping and pulling tools, and other connectors.

1.2 Other services

Additional to the prescribed services, ALT group also provides other service such as,

- Site rental for antenna installation for mobile signal transmission. GTS would survey and rent a space in suitable location capable for mobile transceivers installation, such as large billboard or rooftop etc. The rented spaces will be offered to customers, mostly TELCOs, for their efficiency improvement service. Not only rental space for antenna installation but GTS also provides antenna and relating hardware installation services.

• Telecommunication equipment repair services. Instead of exporting faulty equipment for oversea repair which is expensive and requires long lead-time, INN has experienced staffs with expertise in telecommunication equipment; especially antennas, to revamp and re-fabricate equipment.

- Intelligent building systems installation services, provided by GTS, for example, data center solutions, air conditioning system, fire protection system, electrical distribution and panel board, lighting system and power outlet system and security system; such as CCTV, building entry security control, emergency exit.



- Managed service for base stations located at BTS stations, which is consortium services provided to 3 major mobile phone service providers and managed by GTS. GTS is responsible for survey, design, implementation and maintenance of all base stations installed at BTS stations.

2. The Marketing and Sales of Telecommunication Products

In 2014, 2015 and 2016 ALT group earned revenue from telecommunication equipment distribution 1,090.28 million Baht, 854.89 million Baht and 726.69 million Baht respectively, accounted for 55 percent, 33 percent and 37 percent of revenue from sales and services regarding the consolidated financial statements. ALT group's products can be categorized into 4 major groups as follows;

2.1 Fiber Optic Cable or FOC



Fiber Optic Cable (FOC) is a cable applicable for data transmission. The cable consists of optical fibers manufactured from high-purity glass with a diameter approximately equal to a human hair and coated with plastic layers. By applying the law of reflection, during the transmission, digital data is converted into optical signals and transmitted through optical fibers from one end to the other; such as data transmission between exchange points and base stations, or between a BBU located on the ground of base station and a signal amplifier on the telecom tower. Optical transmission and reflection allow high-speed data transmission close to light speed with less attenuation. Therefore, fiber optic cable can be used for data transmission over longer distance than other wire cables.

I21 (ALT's subsidiary) is ALT group's main distributor of fiber optic cables. I21 has several domestic and oversea partners for FOC supplies to satisfy its

customers with products that meet the specification and price requirement, for example, FOC for aerial installation requires high durability to the climate, FOC for underground or undersea installation requires high corrosion resistance etc. Moreover, ALT is entrusted by LS Cable & System Corp. which is South Korean based FOC leading manufacturer, to be a distributor in Thailand for FOC products under the brand "LS Cable", and to co-develop new products to serve customer demand, such as FOC with rodent proof.

2.2 Telecom shelters and Rapid Deployment Unit (RDU)



Telecom shelter protects telecommunication equipment from the environment which can cause a disruption of the equipment. ALT telecom shelters, under the brand "ALT", are designed by engineering team and manufactured by ALT's contract partners in accordance to the product specification. ALT telecom shelters are designed for different applications as follows;

- Prefabricated shelter: A product suitable for multi-equipment protection such as FOC exchange points (Addrop) and transmitting equipment etc. The type of shelter usually has large size from 1.5m x 2.2m x 2.8m to 6m x 6m x 2.8m (Width x length x height) and has strong and durable structure, with IP55 standard for dust and water resistance; which can endure against water projected from any direction. The prefabricated shelter also supports additional insulation, ventilation fan or air-condition for temperature control, and can be knocked-down for easy transportation, relocation, installation and demolition.

- Outdoor enclosure shelter: A product suitable for medium-size telecom equipment protection such as telecom equipment installed on the base station or electrical pole. The size of this type of shelter is generally ranging from 0.65m x 0.45m x 1.11m to 1,3m x 0.7m x 2.20m (Width x length x height). ALT outdoor enclosure shelter is certified with IP55 standard for dust and water resistance; which can endure against water projected from any direction. Outdoor enclosure shelter supports additional air-condition, ventilation fan and equipment. Moreover, sun and rain protection can be enhanced with additional sun shelter, and by raising floor level of the sun shelter, flood protection can be enhanced as well.

- Main distribution board (MDB) : MDB is used to control electricity supply for buildings and base

stations, by limiting electrical power feed to base station's equipment,

Rapid deployment units (RDUs) are telecom equipment designed and integrated to operate as a transportable base station, allowing fast access to a location and rapid installation suitable for temporary or emergency service providing. For example, RDUs are deployed as emergency base stations during graduation ceremony day or live broadcasting, or as a temporary base station while implementing the permanent base station.

ALT group supplies RDUs under "ALT" brand. The RDUs are designed by ALT engineering team and manufactured by ALT's contract partners in accordance to the product specification, under supervision of ALT engineering team. The RDUs distributed by ALT are designed to support different applications which can be divided into 2 main categories;



- Ready to Drive (RTD): RTD is a vehicle attached with RDUs. With high mobility, RTD can be deployed as a base station in any destined location. ALT engineering team designed and developed RTDs in different formats and competency to suit customer need, such as a RTD which can be transported by a helicopter to provide service in disaster area, or a RTD powered by solar power.

- Cell on wheels (COWs) and Cell on legs (COLs): COWs are RDUs attached on wheeled chassis transportable to destine location. COLs are RDUs enclosed in a large telecom shelter which can be relocated and deployed as a permanent site solution by releasing a stand attached to the ground. COWs and COLs are mostly deployed as temporary site solution during an implementation of permanent base station, or deployed as a survey unit to measure the demand of subscribers in each location.

2.3 Antenna



Antennas are radio receiving and transmitting equipment. There are various size and types of antenna for different utilization. Wireless communication

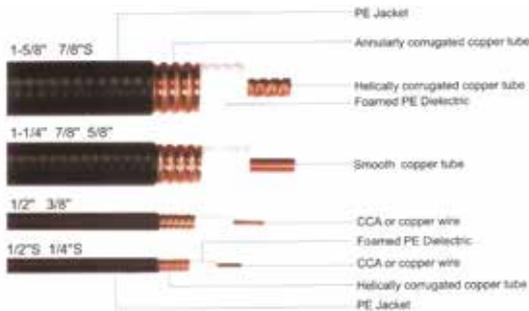
antennas distributed by ALT group are managed by ALT's subsidiary; INN, under its brand "SUMTEL". Most antennas used in Thailand are imported from overseas. The imported antennas which are mass-produced for international market has its own standard and specification causing difficulty in repair and customization. Therefore, ALT group, with INN's expert engineering team, has developed antennas for customer's specific demand such as an antenna concealed with In Building interior decoration, an antenna transmitting wireless signal into specific direction etc. ALT supplies antennas in 2 categories including;

- Indoor antennas: Antennas designed for indoor transmission which will be installed in various locations within a building, such as hallway ceiling, elevator shaft etc.
- Outdoor antennas: Antennas designed for outdoor transmission which will be installed on base station tower, or on small telecommunication towers on rooftop or billboards.

2.4 Other telecommunication equipment

Other telecom equipment sold by ALT are as follows;

- RF feeder cable (RFC) and connector. RFC is used for receiving and transmitting data converted into radio signal. RFCs are distributed by INN.



- Wireless networking equipment and software such as Wi-Fi Access Point, Wi-Fi receiver etc. Distributed by I21.



- Radio transmission reinforcement and efficiency enhancement equipment, such as network filters using for eliminate noise, repeaters using for wireless signal amplifier, tappers using for wireless signal asymmetrically splitting, and splitters using for splitting wireless signal for better coverage. Distributed by INN

3. The Rental Service for Telecommunication Infrastructure

ALT started telecom infrastructure rental business under a concept of telecom infrastructure sharing which will benefit the operators such as mobile phone service providers and internet service providers, to be able to concentrate only on service providing less burden of investment on network infrastructure. ALT operates this business together with IH (joint-venture), TSP (associated company) which established for investing in another joint-venture; MIH, a Myanmar-based company which is currently installing optical network and networking equipment for lease.

Type of telecom infrastructure leasing services consist of 2 types of service.

1. Fiber Optic Cable network and networking equipment:



ALT is currently implementing fiber optic networks in economic strategic location and preparing access point for customers to connect their network equipment with ALT optical network. ALT currently has 4 on-going projects. 2 implementation projects are managed by ALT which are; optical network in Hemaraj industrial estate and optical network attached on telegraph network along the railway path, while other 2 implementation projects are managed by IH, which will be implemented on main transportation route in CBD and main streets around Bangkok. All of on-going optical networks will be provided for operating lease.

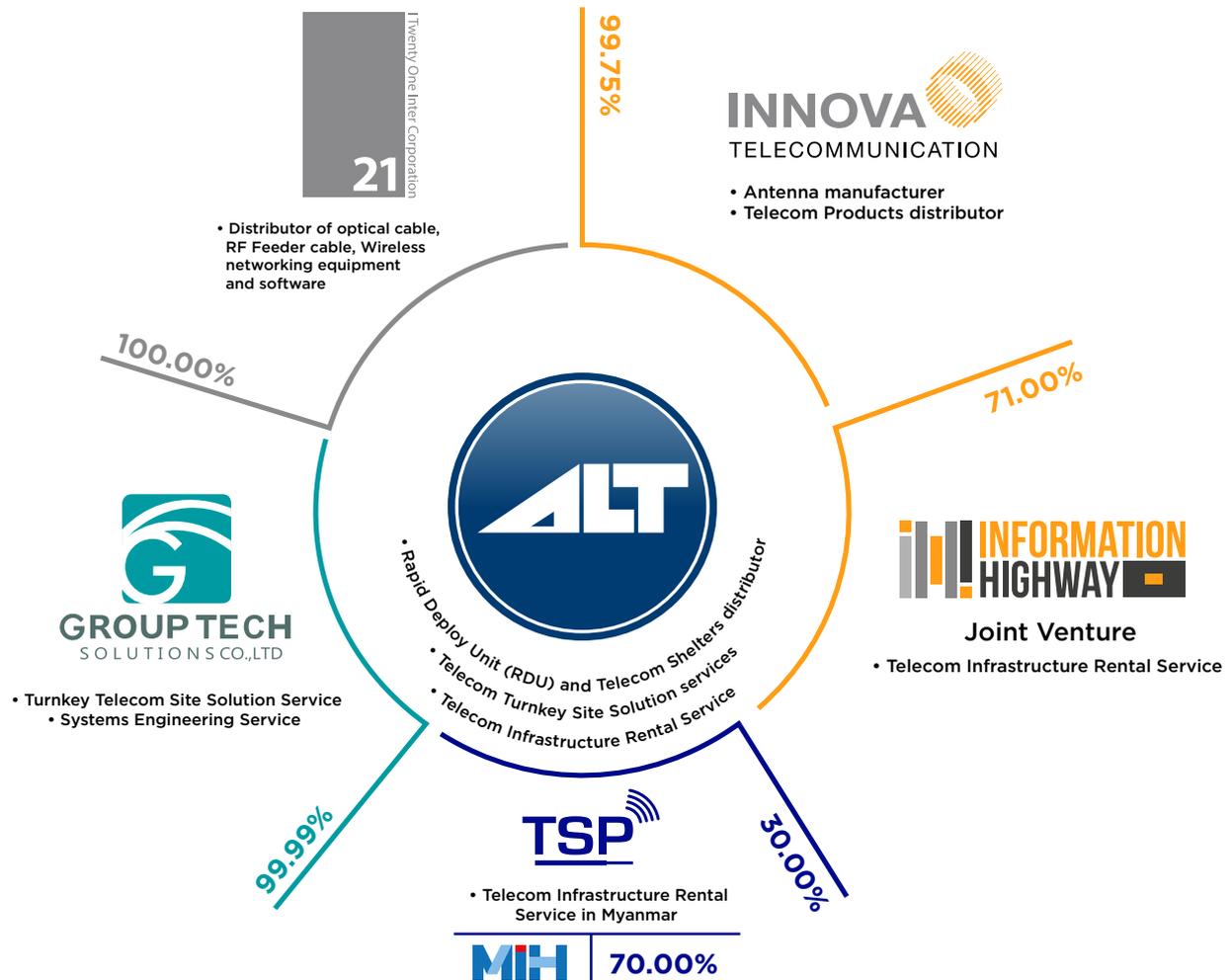
2. Telecom tower and site facilities rental :



ALT is currently constructing and implementing telecom towers including site facilities such as antenna, telecom shelter, and batteries etc., located in potential locations. The telecom tower and site facilities will be offered to telecom operators to install their active network equipment and put the site on service. ALT group currently developing 1 projects; managed by IH, which is telecom towers and site facilities leasing service, located in gas stations.



COMPANY STRUCTURE



Summary of the Company and subsidiaries business structure

• ALT Telecom Public Company Limited (“The Company” and “ALT”) was established in March 2001 and currently has registered capital of Baht 500 million. ALT’s key business is to supply telecommunication infrastructure deployment products such as Rapid Deployment Unit (RED), telecom shelters, it also supplies the turnkey telecom site solution services and develop the telecom infrastructure for rent including optical cable networks and other required connection hardware.

• Group Tech Solutions Co., Ltd (“GTS”) was established in May 2008 and has current register capital of Baht 100 million. GTS delivers turnkey telecom site solution service, starting from site survey, design, construction, optical cable network installation to finally telecom equipment installation. It also provides building system engineering service such as electric system, air conditioning system and fire protection system. Since 1 March 2016, ALT held 99.99 percent of GTS’s registered capital.

- **I Twenty One Inter Corporation Co., Ltd (“I21”)**

established in September 2002, currently has registered capital of Baht 30 million. I21 supplies several telecom products which main products are fiber optic cables, RF Feeder cables, network management software system for WiFi. Since 1 March 2016, ALT held 100 percent of I21's registered capital.

- **Innova Telecommunication Co., Ltd (“INN”)**

established in December 2008 and currently has registered capital of Baht 40 million. INN manufactures and distributes antenna, made to order or custom design, as well as other telecom products such as filters and combiners. INN also delivers one-stop repair service for integrated telecom hardware reparation and testing. Since 1 March 2016, ALT held 99.75 percent of INN's registered capital.

- **Information Highway Co., Ltd. (“IH”)**

established in April 2013 and has current registered capital of Baht 50 million. IH develops its build for rent the telecommunication infrastructure, including optical cable network and networking equipment and financial-leased base station site solution, focusing on strategic economic area of Thailand. Since 9th June 2014, ALT diluted its shareholding in IH from 99.99 percent to 71.00 percent of registered capital, while the new investor; Super Broadband Network Co., Ltd (“SBN”) held 29.00 percent of IH's registered capital. The shareholders agreed to co-invest in optical cable network and networking equipment rental business, which the type of business, directors and shareholders authority has been specified in the shareholder agreement. Therefore, IH's status was changed from ALT's subsidiary to a joint venture between ALT and SBN (Due to SBN's group restructuring, all shares of IH held by SBN was later on transferred to Advance Broadband Network Co., Ltd (“ABN”)).

- **Telecom Solutions Provider Co., Ltd (“TSP”)**

was established in August 2014 and currently has registered capital of 75 million Baht. TSP is a holding company which as of 1 March 2016, TSP held 70 percent of shareholding proportion in Myanmar Information Highway Limited (“MIH”) which operates telecommunication infrastructure rental business in Myanmar. Since 24 July 2015, ALT has diluted its shareholding proportion in TSP from 100 percent to 30 percent of registered capital, whereas the new shareholders; UIH International Co., Ltd (“UIH”) together with United Distribution Solution Co., Ltd (“UDS”) held 70 percent of TSP's registered capital. As a result, TSP became an associated company of ALT.

GENERAL INFORMATION

Company Information

Company Name	: ALT Telecom Public Company Limited
Head Office	: 52/1 Moo 5 Bangkruay - Sainoi Road, Bangsithong, Bangkruay, Nonthaburi 11130
Type of Business	: Telecommunication products distribution such as telecom shelter, Rapid Deployment Unit (RDU). Telecom turnkey site solution service and Telecommunication infrastructure rental service.
Registration Number	: 0107558000440
Tel.	: (662) 863 - 8999
Fax	: (662) 886 - 3364
Website	: http://www.alt.co.th
Paid-up Capital	: 500 million Baht, divided into of 1,000 million common shares at par value of 0.50 Baht.

Subsidiaries

Company Name	: Group Tech Solutions Co., Ltd
Head Office	: 52/1 Moo 5 Bangkruay - Sainoi Road, Bangsithong, Bangkruay, Nonthaburi 11130
Type of Business	: Telecom turnkey site solution service, including survey, design, construction, optical cable network and telecom equipment installation. Building system engineering services such as electric system, air conditioning system and fire protection system.
Registration Number	: 0125551006017
Tel.	: (662) 863 - 8929
Fax	: (662) 886 - 3084
Website	: http://www.grouptech.co.th
Paid-up Capital	: 100 million Baht, divided into 1 million common shares at par value of 100 Baht

Company Name	: I Twenty One Inter Corporation Co., Ltd.
Head Office	: 365 Bond Street Road, Bangpud, Pakkred, Nonthaburi 11120
Type of Business	: Telecommunication products distribution with main products of Fiber Optic Cable (FOC), RF Feeder Cable and wireless networking equipment and software
Registration Number	: 0125545007988
Tel.	: (662) 503 - 4977
Fax	: (662) 503 - 4979
Website	: http://www.i21.co.th
Paid-up Capital	: 30 million Baht, divided into 300,000 common shares at par value of 100 Baht

Company Name : Innova Telecommunication Co., Ltd
 Head Office : 365 Bond Street Road, Bangpud, Pakkred, Nonthaburi 11120
 Type of Business : Antenna manufacturer, by order or custom design. Telecommunication equipment distribution such as filters and combiners. One-stop repair service, providing integrated repair and testing service for telecomequipment.
 Registration Number : 0125551015172
 Tel. : (662) 503 - 3950
 Fax : (662) 503 - 4979
 Website : <http://www.innovatelecom.co.th>
 Paid-up Capital : 40 million Baht, divided into 400,000 common shares at par value of 100 Baht

Associated company

Company Name : Telecom Solutions Provider Co., Ltd
 Head Office : 499 Kamphaengphet Road, Lat Yao, Chatuchak, Bangkok 10900
 Type of Business : Share investment in Myanmar Information Highway (“MIH”) which operates telecommunication infrastructure rental business in Myanmar
 Registration Number : 0125557016928
 Tel. : (662) 016 – 5111 ต่อ 5041
 Fax : (662) 016 – 5043
 Paid-up Capital : 75 million Baht, divided into 750,000 common shares at par value of 100 Baht

Joint Venture

Company Name : Information Highway Co., Ltd
 Head Office : 52/1 Moo 5 Bangkruey - Sainoi Road, Bangsithong, Bangkruey, Nonthaburi 11130
 Type of Business : Telecommunication infrastructure development for rent, including optical cable network and networking equipment, financial-leased base station, focusing on Thailand’s economic strategic area.
 Registration Number : 0105556062781
 Tel. : (662) 863 - 8999
 Fax : (662) 886 - 3364
 Paid-up Capital : 50 million Baht, divided into 500,000 common shares at par value of 100 Baht

Securities Registrar

Company : Thailand Securities Depository Co., Ltd.
Head Office : Level 1, the Stock Exchange of Thailand Building B
93 Ratchadaphisek Road, Dindaeng, Bangkok 10400
Tel. : (662) 009 - 9000
Fax : (662) 009 - 9991

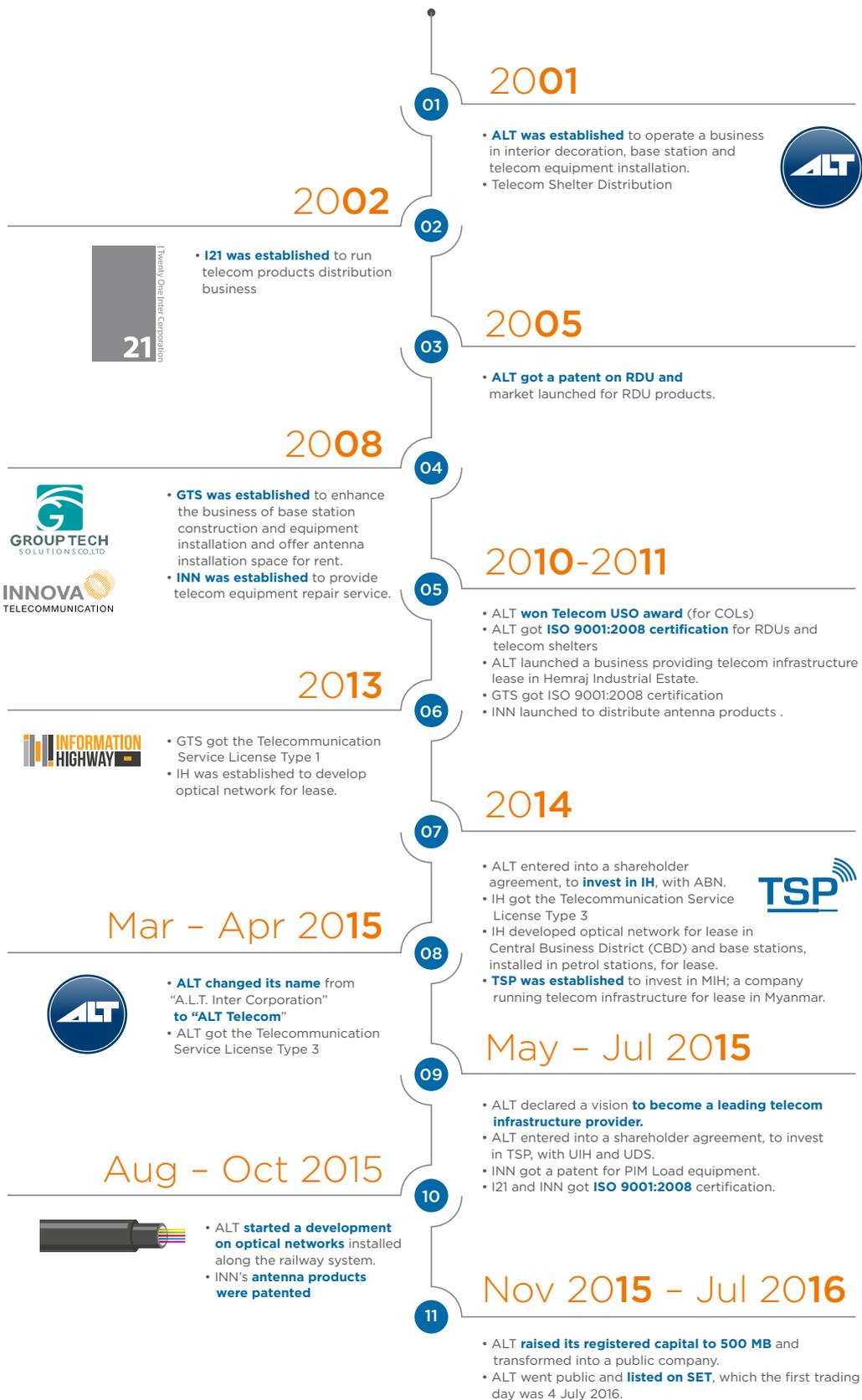
Auditor

Company : Pricewaterhousecoopers ABAS Ltd.
Head Office : 179/74-80 South Sathorn Road, Thung Maha Mek, Sathorn,
Bangkok 10120
Tel. : (662) 344 - 1000
Fax : (662) 286 - 5050
Website : <http://www.pwc.com>

Legal Advisor

Company : Seri Manop and Doyle Ltd.
Head Office : 21 Soi Amnuaiwat, Sutthisan-Vinijchai Road, Huai Khwang, Bangkok 10310
Tel. : (662) 693 – 2036
Fax : (662) 693 – 4189
Website : <http://www.serimanop.com>

IMPORTANT EVENTS



RISK FACTORS

1. Risk from technological change

Telecommunication business is always facing a challenge of technological change, for example, a technological shift from 2G technology, which emphasized on voice communication, to 3G/4G technology, which enhanced data transfers. As a result, telecom operators are pressured to install or upgrade their relevant equipment to support the advancement of technology. ALT group, as a telecom products distributors and services provider for base station and telecom equipment installation and repair, inevitably exposed to the risk in product and service sourcing, the risk of obsolete products and the risk in human resource development to catch up with an advance in technology, which possibly affect to the Company's operations.

As for telecom products distribution business, ALT products are sourced from domestic and overseas suppliers. In case of technological change, ALT can swiftly source new product supporting advance technology from suppliers or manufacturers capable for production line changeover. As for telecom antennas which are in-house products, because telecom antennas are passive equipment, the crucial manufacturing process lies upon a design of transmitting function while other processes can be easily adjusted without changeover cost. As for services, ALT offers continuous training and skill development for employees, to ensure that all personnel of ALT group have sufficient professional skills to serve customers. Moreover, strong partnership between ALT and major overseas telecom product manufacturers and firm relationship with the customers provide a communication channel for ALT group's employees to access to news on technology updates. Moreover, ALT is ready to cooperate with its partners to deliver services to customer more efficiently together.

Telecommunication infrastructure services provided by ALT group, including telecom infrastructures that are offered for lease, are passive network infrastructure mainly focused on core network consists of primary components such as, optical cables, telecom towers and base station equipment, that are used for connecting customers' telecom networks to ALT's. These core network components do not require frequent technology upgrade, unlike the components of access network or the last mile; a terminal part of telecom operator's network connecting to customer premises, which requires frequent technology upgrade. The access networks are mostly the responsibility of ALT's customers to upgrade the equipment. As a result, ALT's telecommunication infrastructure leasing service exposes to relatively low risk from technological advancement.

2. Risk from failure to acquire the right of way

As for telecommunication infrastructure business or other businesses that need to deploy optical cable network through personal premises or properties, the right of way must be granted from the owner of properties or land, where telecom towers and equipment or optical cable will be installed. In case that ALT could not acquire a right of way, or could not extend a right of way contract with the owner of land and properties where the base stations, telecom towers, equipment and optical cable of ALT are installed, ALT would be unable to implement the telecom infrastructures for leasing service or unable to deliver the service within scheduled timeframe. ALT would have lost potential revenue and would have to pay a penalty fee, if the Company failed to deploy the infrastructure within a deadline as agreed with customers.

However, according to the notification of National Broadcasting and Telecommunication Commission ("NBTC") regarding the rules and methods for deployments of overhead and underground line network, or equipment installation to deliver telecommunication service, the licensees of Telecommunication Service License Type 2 and 3 have a right to install overhead or underground network through the ground or properties of 1) other telecom operators 2) government agencies, public utility providers and national parks, or 3) other persons. Enforcement of the rights prescribed in the notification would be similar to the enforcement of administrative power by NBTC, which can force the owner of land and properties to allow telecom operator to deploy overhead or underground line network in the area. However, in normal business practice, ALT has a policy to negotiate with a land and properties owner, without submitting a request to NBTC for the enforcement as previously mentioned. Furthermore, as defined in the Company's business plan, ALT would concentrate on the deployment of telecom infrastructures only in economic strategic locations that usually have distinct ownership. Thus, the number of counterparties is limited to the few, which mitigates the risk that the Company fails to negotiate for a right of way, and there is no need to enforce the rights as prescribed by NBTC. Moreover, regarding the negotiation for a right of way, the management believe that with ALT'S business policy, which emphasizes on sustainable growth together with all partners, and a solid foundation in telecom business, ALT will be capable to bring up a collaborative business plan to the properties owners in concern of mutual benefit. The management's belief can be proof with historical records which ALT has never fail to acquire an approval from land and properties owners to deploy telecommunication network for lease.

3. Risk from failure to extend a contract

Regarding the right of way for telecom infrastructure deployment, there is a possibility that the duration of access the land and properties granted by the owner does not match with the service period which ALT agreed with customers. ALT currently has one contract to access the area for optical network leasing service which the access duration is shorter than the service period that ALT offered to customer. As a result, in case that ALT fails to extend the contract with the landowner, the Company will be unable to serve the customer as promised.

However, there is a clause in the contract stated that; at the end of contract, if the landowner wish to maintain the right of way over the properties, ALT group will be granted the first priority to make a decision. Furthermore, given that the Company be in strict compliance with criteria and agreements of the contract, and the Company's business which benefit to the development of the country in overall, ALT believes the landowner will be likely to extend the contract with the Company. If necessary, ALT can enforce the rights of power as prescribed in the notifications of NBTC, for the right to use the properties until the end of telecommunication service license.

4. Risk from major customers dependency

In 2015 and 2016, ALT delivered a service on base station and telecom equipment installation to a major customer which accounted for 52.14% and 47.58% of revenue from sales and services of the Company in each respective period. The customer is a mobile phone operator planning to deploy more base stations and extend the range of its optical network infrastructure. Therefore, ALT is exposed to the risk from dependency on major customer.

However, the major customers of ALT is changeable in each time period, depending on the change in telecom operators' investment plan and the Company's service capacity. Since ALT has a policy to continuously maintain the quality standard of products and services, as well as customer relationship, the Company believes that it can maintain its competitiveness to keep the customers. Moreover, the Company has a policy to diversify customer dependency on particular product and service which relies on telecom operator's investment plan as previously mentioned, by engaging into telecom infrastructure leasing business which will level out the revenue stream in long term, and provide an opportunity to expand a customer base.

5. Risk from dependency on major players in the industry

Given that ALT's major customers are mobile phone operators and there are only 4 mobile phone operators in Thailand, ALT is possibly exposed to inferior bargaining power in compared to the major players in several aspects such as, product pricing, criteria of contracts, credit terms etc. However, given the quality of products and services, expertise in telecom business, and a business policy which clearly clarifies that ALT will not compete with its customers and wish to cooperate with the customers to develop products and services which support the customer to be able to deliver services to end-users more efficiently, the management of ALT believe that the Company has sufficient competency to negotiate with major players in telecom industry for highest mutual benefit.

6. Risk from revenue fluctuation

Because ALT group's businesses are mostly project based such as, base station and telecom equipment installation service, and sales of telecom equipment for the installation service, ALT's sales and services revenue fluctuated depending on an investment plan of the customers who are telecom operators, and the Company's capacity to serve the customers. In case that the customers discontinue the investment or ALT fails to keep the customers, the Company will expose to revenue fluctuation risk.

However, due to the quality of products and services, expertise of employees, capability to offer one-stop services and the Company's policy to secure a relationship with major customers who are mobile phone operators and internet service providers by restraining from an investment in a business that might compete with the customers and providing full support to enhance the growth of business of the customers, the management believe that ALT will be continually entrusted by the customers. Furthermore, ALT has a policy to mitigate revenue fluctuation by engaging into telecom infrastructure leasing business, which emphasized on the investment in passive network infrastructure located in economic strategic location that will level out revenue fluctuation in long-term and provide an opportunity to expend the Company's target customers such as, customers in government and private sector who want to transfer data through optical network.

7. Risk from the cost management of base station installation service

ALT offers turn-key base station service which customers; the telecom operators, would specify the

number of base stations to be deployed and delivered within specific period. ALT will undertake a cost estimation of entire project to measure the project cost and present to the customer during a negotiation for job acceptance. In case that the actual cost of project defers from the forecast and ALT fail to negotiate with the customer for price adjustment, the Company has a risk to earn revenue under expectation.

To counteract a risk, all relevant personnel of ALT would participate in the meeting to estimate the revenue and project cost to be presented to the customer. Product design and development team would be responsible for a bill of quantities (BOQ) required for the project. Procurement team would check the price of material and labor according to the BOQ while taking price trend of material and labor into account, and inform the marketing team to submit a quotation to the customer. After getting a customer reply, procurement team would confirm the price and delivery period with suppliers in compliance with the project's delivery schedule in order to minimize the fluctuation of material price. In general, the duration between survey, design and construction process will take approximately 2-3 months per site. However, in case of high fluctuating price of material, or in case that the customer request for an adjustment in details of the project which cause surplus cost without a miscalculation caused by the Company, ALT will negotiate for price adjustment with the customer to compensate with increasing cost.

However, based on historical records, ALT never fail to negotiate the price to compensate the surplus cost. The Company would also negotiate with suppliers for material price confirmation which will reduce the effect from the surplus cost which ALT are not compensated from the customer.

8. Risk from major suppliers and manufacturers dependency

In 2015 and 2016, ALT's product are sourced from a major overseas manufacturer/distributor of fiber-optic cable, which are accounted for 18.66% and 26.34% of cost of goods sold and cost of services, regarding the Company's consolidated financial statements of each respective period.

The cost of fiber-optic cable procured from the manufacturer/distributor are accounted for 90% and 100% of purchases amount of fiber-optic cable in 2015 and 2016 respectively. The manufacturer/distributor previously mentioned is world leading manufacturer offering quality products widely accepted by customers. ALT's subsidiary has been act as a distributor of the manufacturer since 2004, however, the subsidiary did not appointed as an official distributor by written agreement because the manufacturer has a policy not to enter into a long-term agreement with any partner. Therefore, if the

manufacturer refuses to sell products to ALT or unable to deliver products on-time, and ALT is unable to source the replacement products, the Company's business will be affected.

However, ALT group has been distributing products of the manufacturer for over than 10 year and has been in good relationship with the manufacturer. Furthermore, ALT and the manufacturer have been sharing knowledge and information regarding customer demand, and have been cooperating in product development. Thus, the management of ALT is certain that the Company will be trusted and able to continually distribute products of the manufacturer. Whereas the manufacturer does not has a policy to sell its products to end-customers directly. However, in case that the manufacturer unable to source and deliver products on-time, ALT still has other partners who are able to source for replacement products and deliver to customers, which will protect the Company from such risk.

9. Risk of industrial competition and new competitor

Telecom products distribution business has low barrier to entry for a new competitor who capable for product sourcing from manufacturers or suppliers; domestic and overseas. However, ALT believes that apart from the capability in product sourcing and marketing channels, several factors are required to gain a customer trust such as, an ability to offer selective quality product, on-time delivery, expert advice teams, product integrated service such as equipment installation and repair. With these competency, ALT will be able to maintain its competitiveness.

Base station and equipment installation and repair business required expertise, solid financial status and customer trust from previous track records, which cause it to become a relatively high barrier to entry business.

Telecommunication infrastructure leasing business requires large sum of investment, expertise in networking, ability to select a potential location, competency to offer deliver quality service, and managerial policy in acquiring a right of way. These are essential factors especially to the Company's telecom infrastructure located on economic strategic location which to cost of access is high, telecom infrastructure sharing therefore becomes an optimum choice for the operators including telecom operators and other companies in the same business with ALT which do not have network infrastructure in the strategic location. With these requirements and limitation, telecommunication infrastructure leasing business can be considered to have low competition.

10. Risk from human resource dependency

Telecom products distribution business requires personnel who are well-knowledge in the business and able to catch up with an advance in technology, to develop or source products that serve the changing demand of customers. Furthermore, in order to manufacture or to import particular telecom products, ALT must abide to laws regarding the control of radio communication equipment which demands well-knowledged personnel regarding importing procedures and procedures to comply with laws and regulations. As for the service business, ALT is depended on expert engineering teams with experience and competency to supervise every processes of work starting from design, construction, installation, and testing, to ensure that ALT will be able to deliver on-time service that meets customer's standard of quality. In case of the Company to lose these personnel, business operation will be interrupted.

ALT is aware of an importance of human resource to the organization, and attempts to persuade staffs to stay with the Company for long-term mutual growth, by building up solid clear career path, offering appropriate remuneration for each position and education level comparable to other companies in the same industry, and providing appropriate training and skill improvement.

Moreover, since ALT operates diversified telecom businesses, the Company therefore offers job rotation for employees to be able to work in their interested area and acquire an opportunity to earn new knowledge, as well as promote better understanding between colleagues from different departments.

Furthermore, ALT promotes employees satisfaction on being a part of the organization through several activities to build up employees awareness in their value and importance as a part of organization, to be able to undertake their responsibility and grow together with the Company. According to historical records, average employee turnover takes approximately 5 - 6 years.

11. Risk from shareholders agreement on joint venture and associated company

ALT has signed in shareholders' agreement on a joint venture and an associated company. The agreement defied the type of businesses to be operate by the joint venture and the associated company, agreement regarding the business operations, cancellation conditions and termination conditions of the agreement. In case that ALT fails to comply with the agreement and are filed a lawsuit against, if it causes the agreement to be terminated, the joint venture and associated company will be affected. However, ALT has been strictly abided to the agreement to minimize the risk of being filed a lawsuit

against. Whereas the management of ALT has measured the level of exposure to the risk to be insignificant, since the agreement was established from the intention of both parties who recognized the potential of their counterparty, to support each other business for be able to sustainably grow together. Moreover, ALT has a solid business policy to continue and concentrate on providing products and services to support the telecom operators. The management of ALT, therefore, believe that by entering into the shareholders' agreement, ALT will be able to grow its business along with the counterparty's business.

12. Risk from majority shareholders controlling the managerial policy

After listing in the Stock Exchange of Thailand, ALT's majority shareholders are the management of the Company including ALT Holding Co., Ltd, holding 74.40% of issued and paid-up share capital. The management consist of the Executive President and authorized directors of ALT, as a result, the majority shareholders become controlling shareholders who undertake a control of the Company management and hold majority votes for most of important agendas in a shareholders meeting such as director appointment, or other agendas that requires majority votes from shareholders meeting, except the agendas related to legal matters or the Company's articles of association which require three-fourth of shares hold by the shareholders attending the meeting and have voting right. Therefore, other shareholders who attend the meeting and have voting right might not be able to collect the votes for check and balance with the majority shareholders.

However, ALT's managerial structure consist of the Board of Directors and 4 sub-committees including Audit Committee, Risk Management Committee, Nomination and Remuneration Committee, and Executive Committee. Each committee has definite scope of duties and responsibilities, which make ALT managerial system become standardized and accountable. Moreover, out of 7 members of the Board of Directors, 4 members are independent directors. The Audit Committee consists of 3 independent directors who are well-knowledged and able to monitor the Company's operation to ensure the transparency. The Company has separated the role of Chairman from the top authority of the management; the Executive President, into 2 different persons. Such actions would promote check and balance to a certain degree, regarding the matters brought into the shareholders meeting for approval. Moreover, ALT had defied regulations regarding the connected transactions between ALT group and directors, major shareholders, controlling persons or other persons that are possible for

the conflict of interest. Those persons as prescribed will not be authorized for approval to enter into the transaction, which will mitigate the potential risk.

13. Risk from non-compliance with business regulations

ALT operates businesses in telecommunication industry and must comply with relevant regulations and rules enforcement such as, Telecommunication Service License, Radio Communication Equipment Import License, or the acquisition of a right of way etc. ALT inevitably expose to the risk upon failure to comply with relevant business regulation and expose to penalty risk. ALT attempts to operate the business with transparency under the principle of good corporate governance. To ensure that the Company is able to legally comply with the relevant regulations, ALT has assigned person to study and follow up with the information regarding the enforcement of regulations and practices, including news and update in the industry, to communicate with government agencies and to collect information regarding the Company's suppliers and report to personnel in relevant departments to be able to comply with the regulations correctly. However, ALT has never been sued due to non-compliance with relevant business regulations.

14. Risk of interest rate

In 2015 and 2016, ALT's financial expense equaled to 35.83 million Baht and 36.38 million Baht respectively. A part of the Company's debt is on floating rate. Thus, in case of the rise of interest rate, ALT will suffer from increasing financial expense.

However, after became a listed company in the Stock Exchange of Thailand, some of the capital increase would be pay back for the debt which would substantially lessen the impact of changing interest rate.

15. Risk from business financial liquidity

The major customers which ALT offers base station and equipment installation services, are Thailand's major telecom operators which usually demand for extensive period for final inspection and have several documentation processes, thus ALT's unbilled contract revenue has been increased in proportion to the increase of service contracts, as well as longer cash cycle; from 48.41 days in 2015 to 115.51 days in 2016. ALT expose to the liquidity risk which pressured the Company to get additional sources of business financing while the contract revenue is unbillable. This could be a threat to the Company's profitability since most of the additional financing source are from short-term borrowing.

To minimize the risk, ALT attempted to negotiate

with the customers for an adjustment in the inspection and documentation process, to coordinate with the delivery period, which would help the Company to be able to bill for the delivered service within schedule date. ALT also negotiated with suppliers and subcontractors for an adjustment in credit term for products and services, to match with the customer's credit term as much as possible. As for the source of business financing prior the payment due date, several financial institutions has been offering financial support to ALT. Those financial institutions understand the business characteristic of the Company and has been supported the Company through all this time. Moreover, in order to reduce the impact of increasing financial cost on the Company's profitability, ALT has included expected financial cost into the calculation of service pricing and has presented to the customer.

16. Risk from exchange rate

ALT groups both imports and exports the products overseas, in 2015 and 2016, the Company imported products and services in foreign currencies equaled to 624.84 million Baht and 39.19 million Baht respectively, or 39.02% and 2.59% of the amount of imported products and services according to the consolidated financial statement of each respective period. ALT exported products and services overseas equalled to 213.17 million Baht and 76.46 million Baht, or 8.20% and 3.89% of revenue from sales and services according to the consolidated financial statement of each respective period. Primary foreign currency use by ALT group is US Dollar, which the Company exposed to exchange rate risk. High fluctuation in THB/USD exchange rate causes significant impact on the Company's revenue and profit margin, when import and export amount are converted into THB, ALT might have both currency gains and losses from the exchange rate, if the exchange rate on the entry date significantly defers from the exchange rate used to convert into THB. In 2015, ALT has an exchange loss of 17.30 million Baht and in 2016, ALT has an exchange gain of 3.22 million Baht.

Therefore, to mitigate the risk from the fluctuation of exchange rate, the management of ALT group closely monitor the exchange rate, to measure the situation and the trend of exchange rate on different currencies. The Company attempts to minimize the risk by using foreign currency deposit account (FCD) and foreign exchange forward contracts, depending on a decision of the management which complied with the policy that approved by the Board of Directors meeting No. 7/2015 on 15 June 2015. ALT group had forward contract with financial institutions in the amount of 345.20 million Baht and 5.64 million US Dollar. Nonetheless, the Company does not attempt to speculate for foreign exchange.

INDUSTRIAL STATUS AND BUSINESS TRENDS

Socio Economic development are currently accelerating by digital technologies. Various information, either for academic or entertainment purpose are swept into online platform. Any traditional business failed to adapt itself into digital era, would be eventually out of business. Information, news, entertainment media are spreading out all the time. The flow of information is increasing unstopably due to a change in consumer behavior and an integration of digital technology with their daily life. Information accessibility has become affordable. Business competition nowadays is not limited by geographical boundary and becomes a competition in single global market. Therefore, the competition among business is tensing up. Online data transmission requires communication technology which relies on telecom infrastructure; such as telecom networks integrated with data transmitting equipment, operating software and applications developed by telecom service providers. Under this circumstance, ALT businesses revolve around the fundamental factors driving digital economy, both products and services such as;

- **The Marketing and Sales of Telecommunication Products, trading business for:**
 - Optical Fiber Cable
 - RF Feeder Cable
 - Wireless networking hardware and software
 - Telecom antenna, either made-to-stock or made-to-order products such as filters and repeaters.
 - Telecom shelter and RDU
- **The construction, implementation and installation of Telecommunication Base station and equipment repair**
 - Telecom turnkey site solutions for base stations, and optical networks, including area survey, design, construction, telecom equipment installation and maintenance.
 - System engineering service for buildings such as electrical system, air-conditioning system, fire protection system, for base stations.
- **The Rental Service for Telecommunication Infrastructure.**
 - Develop telecommunication infrastructure offered for rent, including optical networks and networking equipment and base stations, focusing on telecom infrastructure in economic strategic location in Thailand.
 - Develop optical network along the railway route throughout the country, to encourage telecom infrastructure sharing and network connection with neighbor countries.

With a concept of telecommunication infrastructure sharing, ALT would benefit to the customers from investment reduction, as well as encourage efficient telecommunication resource allocation. By sharing

telecom infrastructures, ALT would be able to support telecommunication development of the country, while telecom service providers would enable to provide service for their subscribers living in different parts of the country with better coverage, which would ultimately resulted in the development in quality of life and business, conforming with the government's Digital Economy policy.

The vision and missions of ALT group are; to focus on telecom infrastructure development and encourage telecom infrastructure sharing among the telecom service providers, building up partnership between entrepreneurs to support and expand each other business. It can be concluded that ALT's vision and missions are totally comply with the government policies, according to Thailand digital economy and society development plan. The first strategy of the development plan is to build country-wide high capacity digital infrastructure, while in order to reach the goals, the development plan has been divided into 4 phrases as follows;

1. Develop broadband internet infrastructure: Using modern telecom technology, to ensure nation-wide coverage, increase stability, availability, and affordability.
2. Push Thailand forward into a center of information network and connection of AEC: To become a center of information transmission and a base location of world-class content providers.
3. Develop policy and plans to manage the infrastructure, frequencies, and integrated technology in the future to encourage efficient resource consumption.
4. Transform the telecom state enterprises to become adaptable to changing circumstance and the development in digital industry, and ready for future changes.

In 2017, ALT group is willing and ready to become one part pushing Thailand economy forward through several activities during 4 phases of the government's digital economy and society development plan, such as deploying broadband internet to all villages in the country, connecting Thailand with AEC through telecom infrastructure, encouraging telecom infrastructure sharing to reduce the operating cost of telecom service providers, building a partnership with telecom state enterprises to maximize efficiency of telecom resource consumption, along with ALT's sustainable growth.

From over 15 years of experience, one of ALT's risk is unstable revenue and profit which rely on investment plans of telecom service providers and the Company's capacity. ALT, therefore, expands its business toward telecom infrastructure lease in strategic location which would generate recurring income in long term and create a chance the Company to seize new target customers such as state enterprises and businesses that want to transfer information through optical network. ALT has set a goal to increase a proportion of profit from this business to 50 percent of total profit within 5 years, starting from 2016 which ALT's recurring income accounted for 15 percent of total profit and the proportion is likely to increase in this year and the next year.

SHAREHOLDER STRUCTURE

	Top 10 major shareholders	Number of shares	% of shares
1.	ALT Holding Co.,Ltd	500,000,000	50.000
2.	Mrs. Preeyaporn Tangpaosak	69,650,000	6.965
3.	Ms. Preeyapun Bhuwakul	69,650,000	6.965
4.	Mr. Pyut Bhuwakulwong	59,700,000	5.970
5.	Ms. Nattawan Sae Kang	45,070,000	4.507
6.	Mr. Pichit Shinwittayakul	12,400,000	1.240
7.	Mr. Perajed Suwannapasri	11,825,000	1.183
8.	Mr. Taweesak Weeraprasert	9,000,000	0.900
9.	Krungthai-AXA Life Insurance Public Company Limited – KTAM Growth, by Krungthai Asset Management Co., Ltd.	7,973,500	0.797
10	Ms. Thanyarat Shidentri	6,905,000	0.691

Top 10 major shareholders of ALT Telecom Public Company Limited on 30 December 2016

DIVIDEND PAYMENT POLICY

The Company will pay dividend to shareholders not less than 40 percent of net profit after deduction of all reserves as specified in its individual financial statements. However, the dividend payment can be less than the specified rate depending on necessities in working capital, investment plan and other circumstances relating to the Company's operations specified by the Board of directors. However, the decision shall be done for the best benefit of shareholders.

The resolution of the Board of directors on dividend payment must be submitted to shareholders' meeting for approval, in exception of interim dividend which can be approved by the Board of directors and then reported in the next shareholders' meeting.

The Company's subsidiaries have a policy to pay dividend not less than 40 percent of net profit after deduction of all reserves as specified on individual financial statements, in consideration of cash flow, financial status, financial liquidity and investment plan of each subsidiaries in each respective period.

CORPORATE GOVERNANCE

Corporate Governance Policy

ALT is aware of the importance of good corporate governance representing efficiency, transparency and auditability of the Company's managerial system, which will build up confidence among the Company's shareholders, investors, stakeholders and all relating parties and will lead to competitiveness, value-added and sustainable growth of ALT. Thus, ALT's corporate governance policy has been setup abiding with the principles of good corporate governance provided by the Stock Exchange of Thailand, and has been considered a continuous mission that ALT must achieve in order to promote good corporate governance practice. The policy shall be revised to at all the time comply with an amendment of the Stock Exchange of Thailand's principles of good corporate governance, which comprises of the following practices;

1. Rights of shareholders

ALT respects fundamental rights and equality of shareholders either minor shareholders or major shareholders. All shareholders have equitable rights as follows;

- The right to receive sufficient Company's information
- The right to equally receive profit sharing
- The right to participate in the shareholders' meeting. The right to offer an opinion or suggestion to the Board of Directors, and participate in important decisions such as consolidated transactions, asset acquisition and disposal etc.
- The right to submit questions prior the meeting
- The right to elect the Board of Director individually

2. Equitable treatment of shareholders

ALT holds the principle of equitable and fair treatment of shareholders; executives or non-executives, Thai nationality or non-Thai nationality, major shareholders or minor shareholders, to build up the trust from all shareholders. The Board and the executives would make certain to equally disclose information to all shareholders.

Shareholders meeting is an important channel for the Company to communicate with shareholders. Thus, the Company shall arrange an annual general meeting once a year within 4 months after the end of a fiscal year, while an extraordinary general meeting of shareholders will be arranged as necessary. In case of

emergency issues, which directly impacts shareholder benefit or relates to law-abidance, those agendas requires shareholder approval. The Company shall send invitation letters for shareholder meeting, enclosed with attachments, to shareholders within the prescribed time limit prior the meeting date. The invitation documentations shall be published on the Company's website which shareholders are eligible to submit any relating question prior the meeting date.

All shareholders are encouraged to participate in the shareholders meeting, to exercise their right to elect the Board of Directors individually. Shareholders who cannot attend the meeting can apply to vote by proxy. After the meeting, the meeting report shall be prepared within 14 days and published on the Company website.

In additional to the above, ALT would abide to laws, regulations, or rules currently enforced, and any relating amendment to be issued by regulators, through announcements, orders and other methods.

3. Roles of stakeholders

ALT holds the principle of equitable and fair treatment of stakeholders consist of shareholders, customers, employees, suppliers, partners, creditors, competitors, public community and entire society. In order to maintain fairness and transparency, with an awareness of both legal and contractual rights of stakeholders, stakeholder policy has been defied as follows;

Shareholders

The Company shall be a good representor of shareholders in generating profit with a consideration toward sustainable growth, transparency, and information disclosure with accuracy, integrity and regularity.

Customers

The Company endeavors to build up the highest customer satisfaction by offering quality products and services within reasonable price and fairness, high quality after-sales services, with a consideration to customer confidentiality.

Employees

Employees are valued resource which is important to the Company's growth. Thus, the Company attempts to create positive work environment, in consider with health and security of employees, as well as the skills, knowledge, potential and efficiency of employees development, to persuade high-performance employees to stay with the Company.

Suppliers, partners and creditors

The Company strives to establish a concrete and sustainable relationship relied on trust with suppliers, partners and creditors. The Company shall equally treat suppliers, partners and creditors, as well as strictly abide by the contracts, and provide accurate financial information to creditors.

Competitors

The Company promotes fair and ethical treatment to the competitors, and shall conduct the business with an aim to develop and move-forward the industry.

Community

The Company is aware of to the importance of society, environment and quality of life of people relevant to the Company's operation.

Authorities and Regulators

With an awareness in laws and regulations issued by the government agencies, ALT attempts to abide by the intention of such of laws and regulations.

4. Information disclosure and transparency

ALT greatly concerns the importance of accuracy, integrity and transparency of information disclosure; financial/non-financial information and other information impacting to the Company securities' price and investor/stakeholder's decision. In accordance to the regulations of the Stock Exchange of Thailand, the Company has defied an information disclosure policy as follows;

- Principle of information disclosure: The Company shall timely disclose significant information to shareholders and investors with accuracy and transparency. The Company is aware of its responsibility to the integrity, accuracy, and reasonableness of financial statements.

- Shareholder/Investor relationship: The Company believes in the importance of the relationship with shareholders and investors, and has assigned Investor Relationship Department to communicate with investors and shareholders; both individuals and institutions, and inform beneficial information to shareholders and investors through the Company's website.

- Information relating to the directors: The Company shall publish the profile and number of attendance of each director, including duties and responsibilities of the Board of Directors and sub-

committees, in an annual report.

- Financial reports: The Company shall, with consideration, ensure that the financial statements reflect actual status and performance of the Company, based on accurate, complete and sufficient accounting information as required by general accepted accounting standard. The Company shall disclose auditing fee and other fee for services provided by the auditor.

- Directors and managerial remuneration: The remuneration of the directors and executives shall be published in the Company's annual report, as well as the director and executive remuneration policy indicating roles, responsibilities and terms of remuneration of each person.

5. The use of Insider Information

The Company has setup a policy to prohibit the exploitation of non-public information for personal benefit as follows;

- Educate the directors and executives about their responsibility regarding; the securities holding reports of themselves, their spouses and minor children, submitted to the Securities and Exchange Commission, regarding Section 59 and Section 275 of the Securities and Exchange Act. B.E.2535 (1992) (and amendments), and the change in securities holding reports of themselves, their spouses and minor children, submitted to the Securities and Exchange Commission, regarding Section 246 and Section 298 of the Securities and Exchange Act. B.E.2535 (1992) (and amendments).

- Instruct the directors and executives; including their spouses and minors, to prepare and submit the securities holding report and the change in securities holding report, to the Securities and Exchange Commission, according to Section 59 and Section 275 of the Securities and Exchange Act. B.E.2535 (1992) (and amendments). A copy of the reports must be sent to the Company within the same day.

- Directors, executives, employees, and contractual employees of the Company, Subsidiaries, who has accessed to significant internal information, which will impact the Company's securities price, must be aware of trading of the Company's securities during 30 days prior public disclosure of financial statements and during 24 hours after public disclosure of such information. Relating persons are prohibited from sharing the information to third parties until the information has been disclosed to the Stock Exchange.

- Directors, executives, employees, and contractual employees of the Company are prohibited from exploiting insider information (non-public information); that could cause a change in the Company's securities price, which they received by using their positions or statuses in the Company. Those individuals are prohibited from insider trading, bidding and offering, neither by themselves or through third parties, of the Company's stocks or other securities (if any), whether or not such activities are executed directly or indirectly, for personal benefit or not. Those individuals are also forbidden to disclose the insider information to others to carry out such activities; whether or not the actions would benefit to themselves or others.

6. The management of subsidiaries, associated companies and joint ventures

For investment in subsidiaries, the Company's representatives shall be appointed for director and managing director positions of each subsidiary, while the number of representative directors depends on the Company's shareholding proportion of the subsidiaries. The representative directors and managing directors must be appointed by ALT's Board of Directors. In case that the subsidiary's business are presumed to significantly affect the Company, the authorities and responsibilities of the representative directors and executives have been defined by ALT as a guideline for the subsidiary management, which indicate the subjects that require an approval from ALT's Executive Committee or Board of Directors, such as the subsidiary's annual budget, annual budget for fixed asset investment, capital increase and capital reduction etc. Moreover, the representative directors are assigned to ensure that the subsidiaries have appropriate policies for connected transactions, assets acquisition and disposal, other significant transactions, and information disclosure policy which must be in compliance with ALT's. The representative directors must ensure that the subsidiaries' accounting data and documentation are appropriately collected and accountable for timely preparation of the consolidated financial statements of ALT.

As for the associated companies, the Company's representative directors will be appointed proportionally to ALT's shareholding proportion of each associated company. As for the joint ventures, the number of ALT's representative management depends on an agreement with co-investors. As for the investment policies in a subsidiary, an associated company or a joint venture to be established in the future, ALT has a policy to invest in a business benefiting to ALT's current business, a business

in growing industry or in the same field of business as ALT. The Company, moreover, prioritizes the rate of returns from the investment.

7. The Board of Directors' responsibilities

The Board of Directors has duties and responsibilities, as committed to shareholders, to manage the Company in compliance with its objectives, the articles of association, and the resolutions of shareholders' meeting. The Board of Directors commits to carry out its duties honestly and to carefully derive benefit, either short-term or long-term, to shareholders and stakeholders.

The Board of Directors shall concern of the Company's vision, missions, targets, policies, strategic plans, operating plan and annual budget. Before an approval, the Board shall discuss for better understanding in the overview of business, and oversee the management's operation in order to achieve the targets, while abiding to the regulations of the SET and the SEC.

The Board of Directors has appointed 3 sub-committees consisted of Audit Committee, Risk Management Committee, and Nomination and Remuneration Committee, to increase flexibility in management and to closely oversee the management's operation.

Roles and responsibilities of the Board and the executives have been concretely separated. The Board is responsible to manage the policies and oversee the company management at policy level, whereas the executives are responsible for the Company's operation management achieve the targets according to the Company's policies.

Moreover, the roles of the Chairman and the top authority of the management; the President have been clearly distinguished, in order to separate the roles of each position promoting the balance of power, along with checks-and-balances. Hence, none of those positions has absolute authority. The Chairman shall not have any relationship with the management and shall only be responsible for policies and providing advice to the management.

Terms of the Board of Directors

According to ALT's articles of association, during the annual general meeting, one-third of the directors must resign. In case that the number of directors cannot be perfectly divided by three, the number of directors to resign must be the closet number. In the first and second year of the company registration, the directors must draw lots to resign. As for later years, the directors with the longest term must resign. The resigned directors are

eligible for re-election.

In case of vacant seat on the Board due to circumstances other than the end of term, during the next meeting of the Board, the remaining directors shall appoint a qualified individual without any legal prohibition as a replacement, except that remaining term of the resigned director is less than 2 months. The replacement director's term equals to remaining term of the resigned director. The resolution of the Board must be approved by not less than three-fourth of the remaining directors.

8. Internal Control

The Board of Directors instructed the Company to implement an internal control system covering both finance and operations to comply with relevant laws and regulations. Procedures for efficient check-and-balance have been set in place to protect the Company's wealth and assets. A hierarchy of authorization, roles and responsibilities of the executives and employees have been defined to maintain a separation of powers, as well as checks and balances. Operating rules have been defined and written. Moreover, an internal control section has been established to operate independently by outsourcing professionals, who shall regularly inspect the operations and internal control of the Company, then directly report to the Audit Committee every quarter. The procedures and activities previously mentioned are to ensure that the Company has reliable internal control system complying with international standard.

SOCIAL RESPONSIBILITY

ALT group operates with a responsibility towards the society, environment and the communities wherever ALT's businesses are operated. To reach this goal, ALT group through its social and environmental responsibility policy, focuses on the collaborating as follows;

1. Endeavor to drive sustainable business with an awareness of any possible effect on environment and communities

2. Support and develop the society by using the Company's knowledge, experiences, and expertise in telecommunication industry, focusing on efficient utilize of required resources and follow the Sufficiency Economy Philosophy to encourage self-sufficiency and sustainability.

3. Engage in activities relevant to social responsibility, focusing on local community involvement and local authority cooperation.

4. Encourage the involvement of ALT's employee to cultivate the Corporate Social Responsibility to be part of Organization culture.

Operational strategies

To achieve corporate goals under the principle of sustainable business, ALT group's CSR strategies has been defined as follows;

1. Engage in social activities, especially the projects that significantly affect ALT group's business.

2. Engage in 4 prospects of activities; Telecommunication education, environmental preservation, quality of life improvement, self-sufficient and sustainable development.

3. Create collaborating networks with educational institutions and government agencies which are experts and widely accepted.

4. Encourage the stakeholders such as; government agencies, customers, suppliers and employees, to participate in social responsible activities.

These strategies has been used to guide ALT group toward business development and creating a value of social responsibility. We believe good quality of life will lead to further development in various aspects of society and communities, and will eventually result in capability development of the country. Last year, ALT group therefore engaged in many important projects. With a cooperation and support from the communities, the breadth and depth of projects has been extended. ALT have continuously arranged several activities relating to various aspects of social responsibility, which can be summarized as follows;

1. ALT group signed a memorandum of understanding with King Mongkut's University of Technology Thonburi (KMUTT), to cooperate and sponsor for academic support and development of professional standard and certification in "Telecommunication". ALT group, collaborating with Thailand Professional Qualification Institute (public organization) and the faculty members of KMUTT, sponsored for venues, equipment, and professionals for the test of professional competence and certification. The purpose of the cooperation is to encourage a combination of theoretical knowledge and practices, to be able to adapt into practical uses.



Sponsor of the professional certification test (RBS) during 12-13 March 2016



Sponsor of the professional certification test (Fiber) during 12-13 November 2016



2. Career and educational counselling for high school students: ALT group, cooperated with the faculty of Engineering, King Mongkut's University of Technology Thonburi (KMUTT), offered an educational and career counselling to the students of Suankularb Collage (Thonburi), the further education in telecommunication, in order to provide reference information for the students to make a decision for higher education, and to disseminate the knowledge in telecommunication of ALT group to the students.



3. Co-operative Education (Co-op)

ALT group, in collaboration with King Mongkut's University of Technology North Bangkok (KMUTNB), have launched a Co-operative Education project (Co-op); a combination between in-class educations and actual practices, which students will be able to gain direct experience. During the project, students must similar to temporary employees of a corporate for one semester. The students therefore have an opportunity to understand and accustom to actual working environment, as well as a chance to gain and develop their professional skills. The Co-op is an integrated education providing both in-class education and actual work experience at a corporate.



4. Public interest activities

ALT group encourages the employees to volunteer for public benefit using their knowledge and skills, and persuade the employees to arrange group volunteering activities in many places throughout the country such as, "Volunteer for children" project, which ALT group voluntarily repaired 300 student chairs for Suankularb Collage (Thonburi).



5. Charity for the foundation for disability, Sri Sangwan School (Chiang Mai): ALT group arranged a charity to offer scholarships for disabled students, to pay tribute to the late Princess Mother Srinagarindra on her birthday anniversary.



6. ALT group "Volunteer for Dad" projects which, in every year, the employees of ALT group volunteer for blood donation to Thai Red Cross Society, as a merit-making for the King.

7. ALT group arranged voluntary supports for children and youth in remote schools throughout the country to encourage potential development for the children to be able to take care of themselves sustainably. ALT group provided several supports to improve quality of life of the children such as, scholarships, sport equipment and BBL playgrounds or Brain Based Learning playgrounds which offer several activities for children to stimulate brain development.



8. ALT group, through Group Tech Solutions Co., Ltd, supported Thai junior encyclopedia library project by royal command of the late King Bhumibol Adulyadej, Rama 9.



9. Providing supports for Thai rice farmers: As Thai rice farmers struggled with the dropping price and increase supply of rice from over cultivation, the government has put an effort in solving this problem urgently. ALT group wished to be part of supports in compliance with the government policy to relief Thai rice farmer's troubles. ALT group therefore bought rice directly from the farmers and packed into gift sets for 2017 new year celebration. Each rice gift set was packed in a basket containing varieties of Thai rice such as, organic Jasmin rice, organic riceberry, Thai Jasmin rice etc., in order to deliver healthy gifts with care to ALT group's customers, suppliers and employees.

10. "Volunteer for Dad" Project

On 24 December 2016, ALT group arranged a project to preserve a community forest in Khao Kraphuk - Khao TorMor wildlife preservation area initiated by royal command of the late King Bhumibol Adulyadej and has connected area with another royal initiative project; Chang-Hua-Mun, located in Tah Yang district, Petchaburi. The executives and employees of ALT group jointly planted Freshwater Mangroves and fertilized the trees within the wildlife preservation area, and donated marble benches for people visiting the nature trails initiated by royal command in honor of King Bhumibol Adulyadej.



RELATED TRANSACTIONS

ALT and subsidiaries have agreed to enter into transaction with related persons. The transactions are normal business transactions of the Company and subsidiaries and are in the normal course of business, in compliance with The Securities and Exchange Act No.4 (B.E. 2551) Section 89/12 (1).

The Company has set policy and procedures regarding an approval on related transaction which were approved by the Board of Directors during the Board of Directors meeting No. 7/2015 on 15 June 2015. In case where it is necessary for the Company to enter into transaction with an interested person which has possible conflict of interest, the Audit Committee will provide an advice regarding the necessity and appropriateness of the transaction. If the Audit Committee does not have appropriate competency to consider potential related transaction, the Company will appoint independent expert or accounting auditor of the Company to provide

an advice regarding the transaction as a reference to support a decision of the Board of Directors and/or the Audit Committee and/or the shareholders, depending on the matters. Whereas the interested person or the person with possible conflict of interests on the transaction will not eligible to cast a vote for approval on the transaction.

Moreover, the Audit Committee shall review transaction between the Company and subsidiaries and connected persons in every quarter, to carefully eliminate the conflict of interests in concern of the Company's overall benefit. As for the fiscal year ended 31 December 2016 and 31 December 2015, ALT and subsidiaries had entered into transaction with related persons which have been disclosed by the auditor in the note to financial statements audited, and reviewed by the Audit Committee with comments on the transaction that all related transactions are reasonable, in the normal course of business, as described below;

Related company/ Relationship with the Company	Transaction type	Consolidated financial statements		Separated financial statements		Reasonableness and necessities
		Transaction amount for fiscal year ended 31 December				
		2016 (Baht)	2015 (Baht)	2016 (Baht)	2015 (Baht)	
1. ALT Holding Co., Ltd						
ALT's majority shareholders holding 50 percent of shares and sharing the same directors as follows; 1. Mr. Pyut Bhuwakulwong 2. Mrs. Preeyapom Tangpaosak 3. Ms. Preeyapun Bhuwakul	ALT borrowed from ALT Holding Co., Ltd for business operation Purchase of products and services Interest payable Dividend payment	102,890 107,000,000	81,027 -	90,425 107,000,000	81,027 -	ALT returned the debt and interest payment to ALT Holding Co., Ltd
2. Information Highway Co.,Ltd ("IH") ("Joint venture")						
ALT holds 71% of shares and sharing the same directors as follows; 1. Mr. Pyut Bhuwakulwong 2. Mrs. Preeyapom Tangpaosak 3. Ms. Preeyapun Bhuwakul	ALT and subsidiaries offer service to construct the assets and sell telecom equipment to the joint venture Sell of products and services Revenue from sales and services	68,032,826	139,789,745	50,955,949	121,685,346	ALT and subsidiaries sold products and services to IH with the same price sold to normal customers in comparable products and services

Related company/ Relationship with the Company	Transaction type	Consolidated financial statements		Separated financial statements		Reasonableness and necessities
		Transaction amount for fiscal year ended 31 December				
		2016 (Baht)	2015 (Baht)	2016 (Baht)	2015 (Baht)	
	Revenue from management service	7,574,604	7,263,666	7,574,604	7,263,666	IH rent partial of ALT's office space at comparable rental fee in comparison to nearby Office building
	Revenue from rental and common charge	1,042,572	369,357	1,042,572	369,357	
	Other revenue	287,651	360,124	224,812	227,475	
	Interest received	13,621,193	2,292,225	8,031,664	1,213,678	ALT and subsidiaries provided loans to IH to use in a project
	Loan to related parties	317,000,000	40,000,000	317,000,000	40,000,000	
	Trade account receivables	6,476,021	1,131,684	5,842,175	-	
	Other receivables	1,784,912	957,698	900,912	957,698	
	Purchase of products and services					
	Interest paid		317,162		317,162	
3. Group Tech Solutions Co., Ltd ("GTS") ("Subsidiary")	GTS provided network installation service and sold base station equipment to ALT. ALT sold telecom shelters and telecom equipment to GTS					
ALT holds 99.99% of shares and sharing the same directors as follows; 1. Mr. Pyut Bhuwakulwong 2. Mrs. Preeyaporn Tangpaosak 3. Ms. Preeyapun Bhuwakul	Sell of products and services					
	Revenue from sales and services	-	-	578,400	10,263,400	ALT sold telecom shelters and telecom equipment to GTS at the price comparable to normal customers
	Revenue from management service	-	-	5,321,304	4,380,177	GTS rent partial of A's office space at comparable rental fee in comparison to nearby Office building
	Revenue from rental and common charge	-	-	4,753,716	3,820,818	
	Other revenue	-	-	93,406	185,833	
	Dividend received	-	-	324,996,850	181,182,168	
	Interest received	-	-	7,706,712	-	ALT provided loans to GTS for normal business operation

Related company/ Relationship with the Company	Transaction type	Consolidated financial statements		Separated financial statements		Reasonableness and necessities
		Transaction amount for fiscal year ended 31 December				
		2016 (Baht)	2015 (Baht)	2016 (Baht)	2015 (Baht)	
	Lending	-	-	305,000,000	-	
	Trade account receivables	-	-	-	101,215	
	Other receivables	-	-	875,636	853,063	
	Purchase of products and services					
	Network installation service	-	-	303,497,696	-	ALT hired GTS to deploy fiber-optic cable networks
	Trade account payable	-	-	12,608,626	-	
	Interest payment	-	-	1,023,438	4,985,524	
	Borrowing	-	-	-	81,000,000	
4. Innova Telecommunication Co., Ltd ("INN") ("Subsidiary")	ALT charged management fee from INN					
ALT holds 99.75% of shares and sharing the same directors as follows;	Sell of products and services					
1. Mr. Pyut Bhuwakulwong	Revenue from management service	-	-	553,478	509,166	ALT charged management fee from INN at the actual cost.
2. Mrs. Preeyaporn Tangpaosak	Revenue from rental and common charge	-	-	268,032	317,694	INN rented warehouse space from ALT to store inventory
3. Ms. Preeyapun Bhuwakul	Other revenue	-	-	-	60,000	
	Dividend received	-	-	-	36,418,358	
	Other receivables	-	-	71,929	-	
5. I21 Inter Corporation Co.,Ltd ("I21") ("Subsidiary")	ALT bought optical cable and charged management fee from I21					
ALT holds 99.99% of shares and sharing the same directors as follows;	Sell of products and services					
1. Mr. Pyut Bhuwakulwong	Revenue from management service	-	-	973,164	230,883	ALT charged management fee from I21 at the actual cost
2. Mrs. Preeyaporn Tangpaosak						

Related company/ Relationship with the Company	Transaction type	Consolidated financial statements		Separated financial statements		Reasonableness and necessities
		Transaction amount for fiscal year ended 31 December				
		2016 (Baht)	2015 (Baht)	2016 (Baht)	2015 (Baht)	
	Other revenue	-	-	3,750	84,761	
	Dividend received	-	-	-	15,510,321	
	Lending	-	-	154,000,000	-	In 2016, ALT provides a loan to I21 for business operation
	Interest received	-	-	2,594,795	-	
	Other receivables	-	-	86,774	-	
	Purchase of products and services					
	Purchase	-	-	-	247,280	ALT bought optical cable from I21 at normal price, which I21 is a distributor of overseas manufacturer
	Interest payment	-	-	-	1,173,673	ALT borrowed from I21 and has returned in full amount
6. Telecom Solutions Provider Co., Ltd ("TSP") ("Associated Company")	ALT offered a loan to TSP to use as initial funds					
ALT holds 30.00% of shares and sharing the same directors as follows 1. Mr. Pyut Bhuwakulwong 2. Mrs. Preeyaporn Tangpaosak	Sell of products and services					
	Interest received	-	84,870	-	25,322	ALT offered a loan to TSP to use as initial funds for company registration with an interest rate of 6.63% per year
	Accrued interest	10,989	10,989	10,989	10,989	
7. Centure Co., Ltd	Centure Co., Ltd sells operates office furniture					
A family business of Mr. Eakapol Tangpaosak, a spouse of Mrs. Preeyaporn Tangpaosak.	Purchase of products and services					
Mr. Eakapol Tangpaosak is a shareholder of Centure Co., Ltd holding 2.94% of registered capital which is 17.00 million Baht	Purchase	96,000	107,000	52,000	63,000	ALT bought office furniture from Centure Co., Ltd at normal price through normal procurement process

ALT Telecom Public Company Limited

REPORT FROM THE AUDIT COMMITTEE

Dear Shareholders,

As appointed by the Board of Directors, the Audit Committee comprises of 3 independent directors who have knowledge and experience in finance, accounting, auditing, and completely qualified in compliant with the Audit Committee charter which is in line with guidelines and regulations of the Securities and Exchange Commission (SEC) and the Stock Exchange of Thailand (SET). Members of the Committee are as follows;

1. General Sittisak Tayparsit Chairman of the Audit Committee
2. Assoc. Prof. Suchart Laopreeda Audit Committee
3. Assoc. Prof. Dr.- Ing Panit Pujinda Audit Committee

During fiscal year 2016, the Audit Committee completely carried out its duties independently as assigned by the Board of Directors, by participating with the executives, auditor, and internal auditor during relating agendas in 5 meetings which can be summarized as follows;

- Financial statement review: The Audit committee reviewed the Company and subsidiaries' quarterly and annual financial statement for fiscal year 2016, which the financial and accounting management is responsible for financial statements preparation, the auditor is responsible for providing report and opinion concerning the financial statements. The Audit Committee has an opinion that the financial statements have been prepared accurately to meet generally accepted accounting standard with significant information sufficiently disclosed in footnotes to financial statements.

- Consideration on nomination and remuneration of an auditor: The Audit committee considered the nomination of the Company accounting auditor in consideration of the auditor's independence, competency and expertise. As for fiscal year 2016, the Audit committee nominated Pricewaterhousecoopers ABAS Ltd. as the Company's auditor which were presented to the Board of directors and shareholders for approval respectively.

- Transactions review: The Audit committee has considered and reviewed the Company and subsidiaries' connected transactions and transactions with possible conflict of interest, in align with regulations of the Stock Exchange of Thailand, to ensure that the Company is compliant to the rules and regulations strictly in accordance to normal business for the best benefit of the Company. The Committee did not find any significant irregular transaction and information on transaction was disclosed appropriately, completely and sufficiently.

- Internal control review: The Audit Committee evaluated the Company's internal control align with the guideline specified by the Securities and Exchange Commission (SEC), including independency of internal auditor, annual internal audit plan, and scope of internal audit. The Committee has followed the result of internal auditing as well as the progress on quarterly plan and has evaluated the performance of internal auditor to ensure adequate independence and efficiency.

- Participating with the executives: The Audit committee consecutively participated with the executives and acquired an update or changes in rules and regulations relating to the Company's business in order to carry out its duties efficiently and promptly to any possible changes.

Annual self-review and evaluation: The Committee had annual self-review and evaluation adhering good corporate governance and the Audit Committee charter. The evaluation result reflected that the Audit committee had carried out its duties efficiently according to the Charter.

In conclusion, the Audit Committee suggested that in the past year, the Company had prepared its financial statements and provided adequate information disclosure to meet generally accepted accounting standard and had effective internal control.



General Sittisak Tayparsit
Chairman of Audit Committee

ALT Telecom Public Company Limited

REPORT FROM THE RISK MANAGEMENT COMMITTEE

Dear Shareholders,

The Risk Management Committee was appointed by the Board of Directors to comply with good corporate governance practice and principal, and to encourage the policy and set up the overall practical process for risk management. The Risk Management Committee is responsible for establishing the entitle organization for the overall risk relevant to the Company in different crucial aspects such as finance, investment, company reputation etc., The committee shall be presented to the Board of directors for approval in compliance with the Company risk management policy. The Committee also followed up the implementation result and reviewed effectiveness of the executives' scope of risk management.

In 2016, the Risk Management Committee arranged one meeting to carry out its duties as assigned by the Board of directors. However, during the year 2016, there was neither an incident nor a risk affecting the Company business.

The Company is currently developing risk management system covering all aspect of risk to ensure the continuity of risk management adaptable to changing situation and to achieve effective and suitable management of crucial organizational risk in sufficient level.



Mr. Pyut Bhuwakulwong
(Chairman of Risk Management Committee)

REPORT FROM THE NOMINATION AND REMUNERATION COMMITTEE

Dear Shareholders,

The Nomination and Remuneration Committee was appointed by the Board of Directors to encourage good corporate governance. The Committee is responsible for determining principle and policy of nomination and remuneration for directors and member of other committees, nominating and suggesting suitable person and remuneration for a director position, and performing other duties as appointed by the Board of Directors.

In 2016, the Nomination and Remuneration Committee arranged 5 meetings considering several agendas. The Committee has nominated executives with appropriate qualification for several departments. Furthermore, the Committee has enforced an appropriate nomination criteria in which the director who has conflict of interest with any agenda will abstain from voting during the agenda. Every meetings result were reported to the Board of Director with the Committee's opinion and suggestion. In the past year, the Committee has been evaluated its performance in different aspects as prescribed in the Nomination and Remuneration Committee evaluation form. The evaluation result were reported to the Board of Director for further improvement. Nonetheless, the Committee operation was carried out with transparency and accountability, as the information on director remuneration are presented in the section of Directors and Executives remuneration in 2016 Annual Report.

The Nomination and Remuneration Committee has carried out its appointed duties thoroughly, securely, transparently, independently, and has straightforwardly commented on relating issues in consider of the best benefit of shareholders, investors and stakeholders. The Committee intends to perform its duties in concern of equality and fairness conforming to good corporate governance, to ensure sustainable growth of the Company.



Associate Professor Suchart Laopreda
(Chairman of Nomination and Remuneration Committee)

ALT Telecom Public Company Limited

REPORT ON THE BOARD OF DIRECTORS RESPONSIBILITIES FOR FINANCIAL REPORTS

Dear Shareholders,

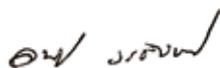
The Board of Directors is responsible for financial statements of ALT Telecom Plc. and consolidated financial statements of ALT Telecom Plc. and subsidiaries, including financial information which published in the annual report. The consolidated financial statements of the Company and subsidiaries and the separated financial statement for fiscal year ended 31 December 2016 has been prepared in accordance with general accepted accounting principles of Thailand. In the preparation of these financial statements, proper accounting policies have been employed and consistently adhered to, including careful consideration, prudent and reasonable estimations, and appropriate information disclosure in the note to the financial statements. The financial statements has been audited and opined by an independent certified public accountant. Therefore, a true and fair financial position and operating performance have been reflected with transparency and reasonableness to be useful to all shareholders and investors.

The Board of Directors has arranged for proper and efficient internal control system and internal audit system, to reasonably assure that the financial records are accurate, complete, and adequate to protect the Company's assets and to prevent any corruption and significant irregular operation.

The Board of Directors has appointed an Audit Committee entirely comprised of independent director responsible for the quality review of the financial reporting, proper and efficient internal control system and internal audit system, risk management system, information disclosure and compliance to laws and regulation relating to the Company's business. Whereas the opinion of the Audit Committee regarding the issues has been disclosed in a report of the Audit Committee which is published in this annual report.

The Company's financial statements and the consolidated financial statements of the Company and subsidiaries have been audited by the Company's accounting auditor; Pricewaterhousecoopers ABAS Ltd. During the auditing, the Board of Directors provided information and document supports to the auditor to be able to audit and give an opinion in accordance to the financial audit standard, which unqualified opinions are stated therein and published in this annual report.

The Board of Directors has an opinion that the Company's internal control system was, in overall, in satisfied level and adequate to reasonably trust that the financial statements of ALT Telecom Plc. and the consolidated financial statements of ALT Telecom Plc. and subsidiaries for the fiscal year ended 31 December 2016 are accountable in accordance to general accepted accounting principles with compliance to relevant laws and regulations.



(Mr. Anant Voratitipong)
Chairman of the Board



(Mrs. Preeyaporn Tangpaosak)
President

ANALYSIS OF OPERATING RESULTS

In 2016, Telecommunication business remained challenging from continuous competition and the flow of change in business sector accelerating a shift from traditional platform to online. Government policy was also an influenced factor which encouraged for leap forward development in business sector through digital economy policy starting from telecommunication infrastructure development to provide equitable accessibility and coverage. Hence, the Company was inevitable from both positive and negative changes.

OPERATING RESULTS

The Company's revenue was directly affected by investment plans of telecom service providers which were adjusted according to competitive climate. However, ALT has been prepared in advance for such impacts. Through the clarification of the Company's vision and business direction, and efficient cost management, ALT managed to lessen a negative effect caused by revenue reduction, and eventually increased the net profit. The Company's operating results for the year ended 31 December 2016, according to the consolidated financial statements, are as follows;

STATEMENT OF INCOME	2016		2015		Increase (Decrease)	
Revenues from sales and services	1,964.67	100.00%	2,601.88	100.00%	(637.20)	-24.49%
Cost of goods sold and services	(1,423.13)	-72.44%	(2,037.64)	-78.31%	(614.51)	-30.16%
Gross profit	541.54	27.56%	564.24	21.69%	(22.70)	-4.02%
other income	26.20	1.33%	22.30	0.86%	3.90	17.51%
Selling and admin expenses	(255.74)	-13.02%	(243.14)	-9.34%	12.60	5.18%
Gain (loss) from exchange rate	3.22	0.16%	(17.30)	-0.66%	20.52	118.62%
Share of profit (loss) of investments in associate and joint venture	41.65	2.12%	(25.24)	-0.97%	66.89	265.04%
Finance costs	(36.38)	-1.85%	(35.83)	-1.38%	0.55	1.54%
Profit before income tax expense	320.49	16.31%	265.02	10.19%	55.47	29.93%
Income tax (expense) revenue	(40.96)	-2.08%	(57.01)	-2.19%	(16.05)	-28.15%
Profit for the period	279.54	14.23%	208.02	7.99%	71.52	34.38%

MAJOR REVENUE AND GROSS PROFIT

ALT's revenue from sales and services in 2016 decreased by 637.20 million Baht or 24.49% from 2015. However, gross profit only downed by 4.02% or 22.70 million Baht which reflected the Company's ability to increase gross profit margin through efficient project cost management, keeping actual contingency expense under the budget. Nevertheless, the quality of products and services were maintained to meet a standard and customer expectation.

As for the revenue structure, the proportion of revenue from services and sales has been changed from 67.1%: 32.9% in 2015, to 63.0%: 37.0% in 2016. In contrast, gross profit from services and sales has increased from 71.9%: 28.1% in 2015, to 77.5%: 22.5% in 2016. Significant development of each business during the past year are as follows;

Service businesses

Due to an adjustment in the investment plan of telecom service providers, in 2016, the Company's revenue from services decreased by 509.02 million Baht, or 29.14% downed from 1,747.00 million Baht in 2015 to 1,237.98 million Baht in 2016. Whereas, gross profit has increased by 23.31 million Baht or 5.50%, from 423.98 million Baht in 2015 to 447.29 million Baht in 2016, which means that gross profit margin has increased from 24.27% in 2015, to 36.13% in 2016.

Sales businesses

In 2016, ALT earned 726.99 million Baht from sales, which decreased by 128.19 million Baht or 14.99% downed from prior year which was 854.88 million Baht.

Gross profit has decreased by 36.22 million Baht or 21.82%, from 166.00 million Baht in 2015 to 129.78 million Baht in 2016. Gross profit margin has dropped from 19.42% in 2015 to 17.86% in 2016.

Recurring income business

As of the end of 2016, ALT had 5 telecommunication infrastructure projects developed for lease. 2 projects were operated by ALT, while other 3 projects were operated ALT's joint venture and began its revenue recognition from Q4/2015 onward. The joint venture's revenue was recognized by ALT proportionally with ALT's shareholding proportion in the joint venture, which is 71% of registered capital, and recorded under "Share of profit (loss) of investments in joint venture". In 2016, ALT recognized the share of profit in the amount of 44.67 million Baht in compared to 2015 which ALT recognized the loss of 24.43 million Baht from the investment.

The 2 projects operated by ALT consisted of;

1) Hemaraj Industrial Estate

- Revenue recognition of the project has been ceased since early of 2013, because the customer failed to pay for services which ALT has received an insurance subsidy covering 90% of the default. The Company filed a lawsuit to the Administrative Court for the remaining amount of default.
- On 30 September 2016, the Administrative Court rendered a judgement that the defendant must compensate for the lost earning from the network infrastructure in the amount of 13.50 million Baht per month, starting from 12 February 2013 (the next day after a deadline to return leased network infrastructure) till a day the network infrastructure has been returned to ALT. However, the defendant has appealed to the Administrative Court which the judgment have yet to be rendered. Hence, the prior judgement has not yet been recognized in ALT's financial position and operating results.

2) Leasing optical network on existing telegraph network along the railways

The project is currently under construction. In order to serve more customers both in the country and abroad, some of network route has been extended and installed with additional equipment to make the network richer. The project is expected to be ready for service within Q3/2017.

Selling and Administrative expense

In 2016, the Company had selling and administrative expense of 255.74 million Baht which increased by 5.18% or 12.60 million Baht in compared to 2015.

Net Profit

Even though ALT's revenue dropped down from the change in investment plan of major customers who were mobile phone service providers, the Company have prepared its business plan to handle the risk. ALT had set main strategy to increase a proportion of revenue/profit from a business that generates recurring income, by investing in telecommunication infrastructure network, through the Company or joint ventures. ALT attempted to increase the proportion of recurring income to 50% of the Company's total net profit within 5 years or by the year 2020.

Profit Structure

Million THB

	2016		2015		Change +/-	
Sales & Services Business	273.41	97.81%	259.00	124.51%	14.41	5.57%
Recurring Income Business	28.91	10.34%	(28.26)	-13.59%	57.17	202.29%
Project in court case	(22.78)	-8.15%	(22.72)	-10.92%	(0.06)	-0.27%
Total Net Profit	279.54	100.00%	208.02	100.00%	71.52	34.38%

In 2016, revenue and profit from infrastructure leasing business have increased considerably. The Company's net profit was 279.54 million Baht with a net profit margin of 14.23%, which was 71.52 million Baht or 34.38% increased from 2015 which ALT's net profit was 208.02 million Baht with a net profit margin of 7.99%. Income from recurring revenue business; a business that ALT has been focusing on, was accountable for 10.34% of total net profit in 2016, or 57.17 million Baht, while 14.41 million Baht of additional profit was contributed by sales and services of ALT's current business. The loss from ongoing lawsuits, which equaled to 22.72 million Baht and 22.78 million Baht in 2015 and 2016 respectively, was caused by a depreciation expense on the network infrastructures which ALT was unable to recognize the revenue, whereas the depreciation expense remain continued. However, after the court renders a final judgement on the lawsuit, such loss will cease.

Million THB

Statement of Financial Position	31 Dec 16		31 Dec 15		Increase(decrease)	
Asset						
Current assets	2,288.19	68.16%	2,012.38	80.75%	275.81	13.71%
Non - current assets	1,069.14	31.84%	479.60	19.25%	589.53	122.92%
Total assets	3,357.33	100.00%	2,491.99	100.00%	865.34	34.73%
Liabilities and equity						
Current liabilities	1,383.12	41.20%	1,876.39	75.30%	(493.27)	-26.29%
Non - current liabilities	127.99	3.81%	15.05	0.60%	112.94	750.21%
Total liabilities	1,511.11	45.01%	1,891.45	75.90%	(380.33)	-20.11%
Paid - up capital	500.00	14.89%	375.00	15.05%	125.00	33.33%
Share premium	1,010.49	-	-	-	1,010.49	0.00%
Other components	50.10	1.49%	49.38	1.98%	0.71	1.45%
Retained earning	285.46	8.50%	166.41	6.68%	119.06	71.55%
Non-controlling interests	0.16	0.00%	9.75	0.39%	(9.58)	-98.31%
Total equity	1,846.22	54.99%	600.54	24.10%	1,245.68	207.43%
Total liabilities and equity	3,357.33	100.00%	2,491.99	100.00%	865.34	34.73%

Asset

As of 31 December 2016, ALT had total asset of 3,357.33 million Baht, increased by 865.34 million Baht or 34.73% in compared to the end of 2015. The increase of assets was contributed by non-current assets, which increased by 589.53 million Baht, mainly consisted of an increasing value in; railways optical network, 318.40 million Baht, and long-term receivables, 275.81 million Baht. The increase in long-term receivables was due to the increase in trade account receivables, short-term loans provided to related parties, cash and short-term investment.

Liabilities

ALT's liabilities decreased by 380.33 million Baht or 20.11% in compared to the previous year, due to a 493.27 million Baht decrease in current liabilities caused by a reduction in trade account payables and short-term borrowing from financial institutions. Long-term liabilities increased by 112.94 Baht, mostly from long-term borrowing from financial institutions.

Shareholders' equity

Shareholders' equity of the Company increased by 1,245.68 million Baht, mostly from capital increase and share premium which equaled to 125.00 million Baht and 1,010.49 million Baht respectively. Additional increase in equity was due to an increase in retained earnings, which was the profit earned during the fiscal year deducted with dividend payment.

The company's financial status had been strengthen by the capital increase from IPO. Debt to Equity Ratio of ALT decreased from 3.15 in 2015, to 0.82 in 2016, while Current Ratio increased from 1.07 in 2015, to 1.65 in 2016.

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 2016, 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

I have audited the accompanying consolidated and separate financial statements of the Group and the Company, which comprise the consolidated and separate statements of financial position as at 31 December 2016, and the related consolidated and separate statements of comprehensive income, changes in equity and cash flows for the year then ended, and notes to the consolidated and separate financial statements, including 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.

INDEPENDENT AUDITOR'S REPORT

Key audit matter	How my audit addressed the key audit matter
<p><i>Accounting for long-term contracts - including profit recognition, work in progress and accrued construction cost.</i></p> <p>Refer to note 2.7</p> <p>The Group has significant long-term contracts in the construction division. Total revenue from long-term contract for the year ended 31 December 2016 is Baht 1,307 million represent 66.55% of total revenue in the consolidated income statement.</p> <p>The Group recognized its revenue from construction contract based on the percentage-of-completion method. Percentage-of-completion was determined by responsible engineers. This was assessed by reference to the physical proportion of the contract work performed as assessed by the project engineers and customers as a percentage of total services to be performed.</p> <p>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 percentage of completion. Moreover, there was an estimation uncertainty over the final contract values. The uncertainty included variations to the contract requested by the customer, material variance etc. and also impacted to profit outcomes. An uncertainty in the contract forecast could result in a material variance in the amount of profit or loss, work in progress and accrued construction cost recognised to date and therefore also in the current period.</p>	<p>My procedure in relation to management's assessment of revenue recognition of those contracts included:</p> <ul style="list-style-type: none"> • tested internal controls over the budgeting process relating to the estimated total contract costs and verified management's estimated costs to complete by interviewing the project engineer and inspecting the supporting evidences; • tested the internal controls over revenue and receivable cycle, purchase and payable cycle for projects; • challenged the judgements applied in management's forecast, in particular, 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; • inspected client acceptance certificates, correspondence and minutes of meetings with customers concerning variations. Moreover, I obtained third-party assessments of these from customers to assess whether this information was consistent with the estimate made; • inspected 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 and assessed whether these key clauses were appropriately reflected in the amounts included in the forecasts; and • observed the method used to assess the progress of work by engineers. <p>I found that the management's estimation over the percentage of completion in each project and the consideration on any potential project gain or loss were reasonable and appropriate based on the environment and circumstances.</p>

Key audit matter	How my audit addressed the key audit matter
<p><i>Recoverability of long-outstanding trade receivables of Baht 37.56 million.</i></p> <p>Refer to note 9 and note 34</p> <p>The Company has total trade accounts receivables of Baht 450.12 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 from total receivable of Baht 236.42 million represent 1.58% 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.</p> <p>Management provide the explanation for this matter that they has strong evidence of the counterparty's use of the Company's assets to generate revenue. Moreover, the legal advisor give a strong opinion that it is probable that the Company will win the case. In this respect, the Group's management did not provided any allowance for doubtful accounts on this long-outstanding balance.</p> <p>I focus on this area because there is an uncertainty over the outcome of the claim.</p>	<p>My procedure in relation to management's assessment of the recoverable amount of receivables included:</p> <ul style="list-style-type: none"> • reading and gaining understanding on the Administrative Court's judgment dated on 30 September 2016. This contract party was judged to pay the Company for compensation after contract cancelled other than receivable amount Baht 236.42 million as disclosed in note 34 "Contingent assets"; • considering the enforcement of related contracts; • challenging the possibility of judgement with the Company's lawyer responsible for this case; • inspecting second opinion from another lawyer; and • considering the appropriateness of management's assessment based on my knowledge of the Telecommunications industry. <p>I found management's assessment in relation to the recoverability of the receivables were supported by the available evidence. Evidence that I inspected strongly suggested that the Group has a high chance of winning the case. As such, the management's assessment for not providing allowance for doubtful debt for this customer sounds reasonable.</p>

INDEPENDENT AUDITOR'S REPORT

Key audit matter	How my audit addressed the key audit matter
<p><i>Impairment of fiber optic network</i></p> <p>Refer to note 16.</p> <p>The Company signed a contract with a state enterprise on 5 January 2011 for fiber optic cabling to the Factory (FTTF) project in Hemraj Eastern Seaboard Industrial Park and Eastern Seaboard Rayong industrial park. The Company's responsibilities were to install fiber optic cables in the industrial park and the state enterprise will 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 hasn't paid anything to the Company. As a result, the Company decided to terminate contract with the state enterprise on 7 February 2013.</p> <p>Managements applied a discounted cash flow in determining a recoverable amount of fiber optic network. Key assumptions used in the discounted cash flow included:</p> <ul style="list-style-type: none"> • the cash flow forecasts derived from internal forecasts and assumption 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 assumption used in the valuations prepared to support the fair value of certain assets and also the external evidence from third parties. <p>Management has 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 value in use model.</p> <p>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. There is no revenue recognised after contract 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 2016 is Baht 221.21 million represent 9.31% of total assets. Moreover, the determination of its recoverable amounts depended on a number of assumptions which involved significant management's judgment.</p>	<p>My procedure in relation to management's assessment of the recoverability of the fiber optic network included:</p> <ul style="list-style-type: none"> • 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 discount rate, number of customer and growth expectation based on my knowledge of the business and industry; • reconciling input data to supporting evidence such as quotation from third party and considering the reasonableness of the budget; and • considering the potential impact of any possible negative changes in these key assumptions. <p>I found that 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</p>

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.

INDEPENDENT AUDITOR'S REPORT

- 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 2017

ALT Telecom Public Company Limited
Statement of Financial Position
As at 31 December 2016

	Notes	Consolidated financial statements		Separate financial statements	
		2016 Baht	2015 Baht	2016 Baht	2015 Baht
Assets					
Current assets					
Cash and cash equivalents	7	161,026,093	67,847,620	80,820,623	3,728,740
Short-term investments	8	25,333,373	2,803,550	21,033,192	1,353,006
Trade and other receivables	9	430,075,190	501,937,368	189,670,401	133,396,361
Unbilled contract revenue	10	868,421,364	823,821,461	240,940,296	298,615,425
Short-term loans to related parties	32	317,000,000	145,700,000	776,000,000	40,000,000
Current portion of long-term receivables		96,346,433	-	-	-
Inventories	11	330,122,931	446,777,162	70,345,212	135,544,701
Current portion of prepaid rent		10,942,866	6,535,141	7,120,773	2,675,662
Other current assets	12	48,925,667	16,958,779	40,188,781	9,078,863
Total current assets		2,288,193,917	2,012,381,081	1,426,119,278	624,392,758
Non-current assets					
Restricted cash	13	133,104,558	78,981,851	27,401,315	24,401,315
Long-term receivables		149,327,972	-	-	-
Investment in associate	14	17,722,123	11,406,498	22,500,000	13,500,000
Investment in subsidiaries	14	-	-	174,061,882	94,463,080
Interest in joint venture	14	46,862,738	2,195,505	35,499,900	35,499,900
Property, plant and equipment	15	75,367,029	72,083,961	40,989,422	41,368,031
Fiber optic network equipment	16	580,522,334	285,262,970	628,983,739	247,361,789
Intangible assets	17	10,481,025	9,955,573	2,918,118	2,821,946
Deferred tax assets	18	39,653,650	8,124,187	14,081,352	4,400,884
Other non-current assets		16,094,711	11,593,777	3,518,793	2,644,558
Total non-current assets		1,069,136,140	479,604,322	949,954,521	466,461,503
Total assets		3,357,330,057	2,491,985,403	2,376,073,799	1,090,854,261

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

ALT Telecom Public Company Limited
Statement of Financial Position (Cont'd)
As at 31 December 2016

	Notes	Consolidated financial statements		Separate financial statements	
		2016 Baht	2015 Baht	2016 Baht	2015 Baht
Liabilities and equity					
Current liabilities					
Bank overdrafts and short-term borrowings from financial institutions	19	573,448,721	715,073,355	543,448,721	347,046,891
Trade and other payables	20	651,414,878	1,065,752,150	90,043,767	192,933,468
Current portion of finance lease liability	19	-	46,739	-	-
Current portion of long-term borrowings from financial institutions	19	98,254,000	-	-	-
Short-term borrowings from third parties	19	-	32,500,000	-	32,500,000
Short-term borrowings from related parties	19, 32	-	7,000,000	-	88,000,000
Accrued income tax		30,689,747	31,025,824	-	-
Other current liabilities	21	29,312,715	24,995,433	17,363,714	17,249,677
Total current liabilities		1,383,120,061	1,876,393,501	650,856,202	677,730,036
Non-current liabilities					
Long-term borrowings from financial institutions	19	90,334,829	-	-	-
Employee benefit obligations	22	16,380,748	11,155,909	7,092,472	4,716,344
Provision for decommissioning		12,637,365	-	12,637,365	-
Other liabilities		8,640,000	3,898,337	-	-
Total non-current liabilities		127,992,942	15,054,246	19,729,837	4,716,344
Total liabilities		1,511,113,003	1,891,447,747	670,586,039	682,446,380

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

ALT Telecom Public Company Limited
Statement of Financial Position (Cont'd)
As at 31 December 2016

	Notes	Consolidated financial statements		Separate financial statements	
		2016	2015	2016	2015
		Baht	Baht	Baht	Baht
Liabilities and equity (Cont'd)					
Equity	23				
Authorised share capital					
Ordinary share 1,000,000,000 shares of par Baht 0.50 each		500,000,000	500,000,000	500,000,000	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 2015: Ordinary share 750,000,000 shares of paid-up Baht 0.50 each)		500,000,000	375,000,000	500,000,000	375,000,000
Share premium	23	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	26	1,836,570	1,836,570	-	-
Retained earnings					
Appropriated - legal reserve	24	50,000,000	28,600,000	50,000,000	28,600,000
Unappropriated		235,463,671	137,806,897	144,994,760	4,807,881
Other components of equity		43,653,876	42,940,185	-	-
Equity attribute to owners of the parent		1,846,052,619	590,789,154	1,705,487,760	408,407,881
Non-controlling interests	14	164,435	9,748,502	-	-
Total equity		1,846,217,054	600,537,656	1,705,487,760	408,407,881
Total liabilities and equity		3,357,330,057	2,491,985,403	2,376,073,799	1,090,854,261

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

ALT Telecom Public Company Limited
Income Statement
For the year ended 31 December 2016

	Notes	Consolidated financial statements		Separate financial statements	
		2016 Baht	2015 Baht	2016 Baht	2015 Baht
Revenues					
Sales		726,694,548	854,881,440	210,854,972	263,479,355
Services income		1,237,979,762	1,746,995,057	196,640,347	286,701,296
Services income - fiber optic network		-	-	-	-
Total revenues		1,964,674,310	2,601,876,497	407,495,319	550,180,651
Cost					
Cost of sales		(596,915,655)	(688,884,446)	(178,471,637)	(205,893,164)
Cost of services		(790,692,729)	(1,323,014,421)	(127,820,182)	(215,644,233)
Cost of service - fiber optic network		(35,526,072)	(25,741,339)	(35,526,072)	(25,741,339)
Total cost		(1,423,134,456)	(2,037,640,206)	(341,817,891)	(447,278,736)
Gross profit		541,539,854	564,236,291	65,677,428	102,901,915
Other income	27	26,199,410	22,296,383	364,566,479	257,084,769
Selling expenses		(91,673,374)	(84,334,323)	(49,133,406)	(32,682,973)
Administrative expenses		(164,062,847)	(158,804,559)	(47,345,628)	(42,587,765)
Gain (loss) from exchange rate		3,221,762	(17,301,522)	(760,697)	1,950,745
Share of loss of investments in associate	14	(3,014,981)	(807,813)	-	-
Share of profit (loss) of investments in joint venture	14	44,667,233	(24,429,420)	-	-
Finance costs	28	(36,384,812)	(35,833,330)	(20,190,715)	(24,297,110)
Profit before income tax expense		320,492,245	265,021,707	312,813,461	262,369,581
Income tax (expense) revenue	30	(40,957,119)	(57,005,112)	9,599,058	(6,262,803)
Profit for the year		279,535,126	208,016,595	322,412,519	256,106,778
Other comprehensive income:					
Item that will be reclassified subsequently to profit or loss					
Currency translation differences	14	330,606	628,606	-	-
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		280,288,350	208,645,201	322,086,879	256,106,778

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

ALT Telecom Public Company Limited
Statement of Comprehensive Income
For the year ended 31 December 2016

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
	Note	Baht	Baht	Baht
Profit (loss) attributable to:				
Owners of the parent		279,134,156	206,676,081	322,412,519
Non-controlling interests		400,970	1,340,514	-
		<u>279,535,126</u>	<u>208,016,595</u>	<u>322,412,519</u>
Total comprehensive income attributable to:				
Owners of the parent		279,887,380	207,304,687	322,086,879
Non-controlling interests		400,970	1,340,514	-
		<u>280,288,350</u>	<u>208,645,201</u>	<u>322,086,879</u>
Earnings per share				
Basic earnings per share	31	<u>0.32</u>	<u>0.36</u>	<u>0.37</u>

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

ALT Telecom Public Company Limited
Statement of Changes in Equity
For the year ended 31 December 2016

	Separate financial statements									
	Notes	Issued and paid-up share capital	Share premium	Retained earnings		Unappropriated	Total equity			
				Legal reserve	Appropriated			Baht	Baht	
	Baht	Baht	Baht	Baht	Baht	Baht	Baht			
Opening balance at 1 January 2015										
Issue of shares	23	155,000,000	-	15,500,000	28,378,603	198,878,603				
Legal reserve	24	220,000,000	-	-	-	220,000,000				
Dividends payment	25	-	-	13,100,000	(13,100,000)	-				
Total comprehensive income for the year		-	-	-	(266,577,500)	(266,577,500)				
Closing balance at 31 December 2015		375,000,000	-	28,600,000	4,807,881	408,407,881				
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	25	-	-	-	(160,500,000)	(160,500,000)				
Total comprehensive income for the year		-	-	-	322,086,879	322,086,879				
Closing balance at 31 December 2016		500,000,000	1,010,493,000	50,000,000	144,994,760	1,705,487,760				

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

ALT Telecom Public Company Limited
Statement of Cash Flows
For the year ended 31 December 2016

	Notes	Consolidated financial statements		Separate financial statements	
		2016 Baht	2015 Baht	2016 Baht	2015 Baht
Cash flows from operating activities					
Profit before income tax		320,492,245	265,021,707	312,813,461	262,369,581
Adjustments for:					
Depreciation of building and equipment	15	10,822,345	13,183,753	1,693,713	1,614,008
Depreciation of fiber optic network	16	23,139,515	22,730,629	23,139,515	22,730,629
Amortisation expenses	17	1,070,313	1,094,989	448,628	416,676
Amortisation of prepaid rents		53,634,316	3,010,710	6,162,338	-
Doubtful accounts (reversal)	9	5,489,015	1,845,196	124,671	(341,507)
(Gain) Loss on disposal of equipment		(647,629)	2,266	3,454	(2,718)
Loss on write-off of equipment	15	-	6,185	-	-
Interest income	27	(14,599,760)	(5,715,254)	(18,580,850)	(1,570,260)
Interest expense	28	36,384,812	35,833,330	20,190,715	24,297,110
Dividends income	14, 27	-	-	(324,996,850)	(233,110,848)
Loss on diminution in value of inventories (reversal of)	11	2,709,841	(5,273,990)	1,413,485	(8,581,815)
Employee benefit obligations	22	5,753,111	3,426,887	1,969,078	1,383,847
Gain on change status from investment in subsidiary to investment in associate	27	-	(3,003,717)	-	-
Gain on disposal of investment	27	-	-	-	(4,327,259)
Share of loss of investments in associate	14	3,014,981	807,813	-	-
Share of (profit) loss of investments in joint venture	14	(44,667,233)	24,429,420	-	-
Share-based payment	26	-	1,836,570	-	-
Changes in operating assets and liabilities					
- trade and other receivables		(184,162,415)	(109,546,826)	42,365,326	(62,478,581)
- unbilled contract revenue		(44,599,903)	(457,557,143)	57,675,129	(193,041,162)
- inventories		113,944,390	115,092,118	63,786,004	(6,948,635)
- other current assets		(24,166,021)	(9,801,352)	(23,309,051)	(4,711,749)
- prepaid rent		(58,042,041)	(9,545,851)	(10,607,449)	(2,675,662)
- other non-current assets		(4,500,935)	(3,481,800)	(874,236)	302,050
- trade and other payables		(414,066,781)	178,231,577	(102,042,939)	118,452,600
- other current liabilities		4,317,282	(4,065,224)	114,037	(4,019,803)
- other non-current liabilities		4,741,663	3,525,106	-	-
- employee benefit obligations		-	(1,574,557)	-	(722,313)
Cash (used in) generated from operations		(203,938,889)	60,512,542	51,488,179	(90,965,811)
<u>Less</u> Interest paid		(36,604,446)	(24,203,697)	(22,920,995)	(23,671,519)
Income tax paid		(80,729,178)	(40,403,669)	(7,800,867)	(9,986,772)
Net cash (used in) generated from operating activities		(321,272,513)	(4,094,824)	20,766,317	(124,624,102)

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

ALT Telecom Public Company Limited
Statement of Cash Flows (Cont'd)
For the year ended 31 December 2016

	Notes	Consolidated		Separate	
		financial statements		financial statements	
		2016	2015	2016	2015
		Baht	Baht	Baht	Baht
Cash flow from investing activities					
Net cash from disposal of a subsidiary		-	9,482,330	-	-
Cash decrease from status change from subsidiary to associate		-	(710,394)	-	-
Purchase of short-term investment	8	(22,233,740)	-	(19,400,000)	-
Purchase of property, plant and equipment	15	(14,115,355)	(8,658,162)	(1,319,692)	(3,246,383)
Purchase of fiber optic network		(306,033,803)	(41,266,789)	(392,396,389)	(3,365,608)
Purchase of intangible assets	17	(1,595,765)	(1,931,689)	(544,800)	(536,330)
Increase in restricted cash		(54,122,707)	(5,345,936)	(3,000,000)	-
Payment for investment in subsidiaries	14	-	-	(79,598,802)	(54,900,400)
Payment for investment in associate	14	(9,000,000)	(8,500,200)	(9,000,000)	-
Payment for investment in joint venture		-	(26,624,925)	-	(26,624,925)
Payment for short-term loans to related parties	32	(506,000,000)	(136,400,000)	(761,000,000)	(48,000,000)
Proceeds from short-term loans to related parties	32	334,700,000	38,893,427	25,000,000	8,000,000
Proceeds from disposals of equipment		657,571	625,703	1,134	53,606
Proceeds from disposals of investment		-	-	-	13,520,382
Proceeds from disposals of intangible assets		-	380,030	-	-
Dividends received from subsidiaries		-	-	224,997,750	233,110,848
Interest received		19,164,847	3,810,415	19,535,728	39,851
Net cash (used in) from investing activities		(558,578,952)	(176,246,190)	(996,725,071)	118,051,041
Cash flows from financing activities					
Proceeds from short-term borrowing from related parties	32	4,000,000	62,300,000	4,000,000	151,000,000
Proceeds from short-term borrowing from financial institutions		-	1,203,771,015	238,000,950	664,382,851
Proceeds from short-term borrowing from third parties		-	32,500,000	-	32,500,000
Proceeds from shares issuance by subsidiaries		600	3,600,089	-	-
(Repayments) proceeds from bank overdraft		(39,443,313)	2,786,233	(39,443,313)	(274,157)
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		(46,739)	(534,096)	-	-
Repayment of short-term borrowing from related parties	32	(11,000,000)	(55,300,000)	(92,000,000)	(277,310,000)
Repayment of short-term borrowing from financial institutions		(101,959,887)	(1,011,560,607)	-	(486,344,135)
Repayment of short-term borrowing from third parties		(32,500,000)	(32,500,000)	(32,500,000)	(32,500,000)
Repayments of debenture		(100,000,000)	-	(100,000,000)	-
Repayment of long-term borrowing from financial institutions		-	(785,880)	-	-
Proceeds from shares issuance	23	1,135,493,000	220,000,000	1,135,493,000	220,000,000
Payment for investment purchased from non-controlling interest		(9,599,402)	-	-	-
Dividends paid to non-controlling interest		(3,150)	(3,895,152)	-	-
Dividends paid to shareholders	25	(160,500,000)	(266,577,500)	(160,500,000)	(266,577,500)
Net cash from financing activities		973,029,938	153,804,102	1,053,050,637	4,877,059

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

ALT Telecom Public Company Limited
Statement of Cash Flows (Cont'd)
For the year ended 31 December 2016

	Note	Consolidated financial statements		Separate financial statements	
		2016 Baht	2015 Baht	2016 Baht	2015 Baht
Net increase (decrease) in cash and cash equivalents		93,178,473	(26,536,912)	77,091,883	(1,696,002)
Opening balance of cash and cash equivalents		67,847,620	94,384,532	3,728,740	5,424,742
Closing balance of cash and cash equivalents		<u>161,026,093</u>	<u>67,847,620</u>	<u>80,820,623</u>	<u>3,728,740</u>
Significant non-cash transactions					
Provision for decommissioning cost of fiber optic network	16	12,365,076	-	12,365,076	-
Change status from investment in subsidiary to investment in associate		-	12,214,311	-	13,500,000
Short-term loans to related parties increase from the disposal of investment in subsidiary		-	8,000,000	-	-
Transfer from assets under construction to inventories		-	1,349,706	-	1,349,706
Short-term borrowing from financial institutions increase from financial cost		-	14,403,371	-	7,853,454
Accrued dividend income		-	-	99,999,100	-

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

ALT Telecom Public Company Limited
Notes to the Consolidated and Separate Financial statements
For the year ended 31 December 2016

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 2017.

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.

ALT Telecom Public Company Limited
Notes to the Consolidated and Separate Financial statements
For the year ended 31 December 2016

2 Accounting policies (Cont'd)

2.2 New/revised financial reporting standards, and related interpretations

2.2.1 New/revised financial reporting standards and interpretations are effective on 1 January 2016.

The Group has considered new/revised financial reporting standards and interpretation that are revised 2015 and found that there are not related and impact to recognition, measurement and disclosure to the Group.

2.2.2 Revised financial reporting standards are effective for annual periods beginning on or after 1 January 2017. The Group has not early adopted these revised standards.

a) Financial reporting standards, which have significant changes and are relevant to the Group :

TAS 1 (revised 2016)	Presentation of financial statements
TAS 16 (revised 2016)	Property, plant and equipment
TAS 19 (revised 2016)	Employee benefits
TAS 27 (revised 2016)	Separate financial statements
TAS 28 (revised 2016)	Investments in associates and joint ventures
TAS 34 (revised 2016)	Interim financial reporting
TAS 38 (revised 2016)	Intangible assets
TFRS 10 (revised 2016)	Consolidated financial statements
TFRS 11 (revised 2016)	Joint arrangements
TFRS 12 (revised 2016)	Disclosure of interests in other entities

TAS 1 (revised 2016), the amendments provide clarifications on a number of issues, including:

- Materiality - an entity should not aggregate or disaggregate information in a manner that obscures useful information. Where items are material, sufficient information must be provided to explain the impact on the financial position or performance .
- Disaggregation and subtotals - line items specified in TAS 1 may need to be disaggregated where this is relevant to an understanding of the entity's financial position or performance. There is also new guidance on the use of subtotals.
- Notes - confirmation that the notes do not need to be presented in a particular order.
- OCI arising from investments accounted for under the equity method - the share of OCI arising from investments accounted for under the equity method is grouped based on whether the items will or will not subsequently be reclassified to profit or loss. Each group should then be presented as a single line item in the statement of other comprehensive income

TAS 16 (revised 2016), key amendments are 1) The amendments clarify that depreciation of an item of property, plant and equipment based on revenue generated by using the assets is not appropriate and 2) The amendments include bearer plants in scope of TAS 16.

TAS 19 (revised 2016), the amendments clarify that when determining the discount rate for post-employment benefit obligations, it is the currency that the liabilities are denominated in that is important and not the country where they arise.

TAS 27 (revised 2016), the amendments allow an entity a policy choice to account for investments in subsidiaries, joint ventures and associates in its separate financial statements using the equity method as described in TAS 28. While current TAS 27 allows entities to measure their investments in subsidiaries, joint ventures and associates either at cost or at fair value (when announced). The election can be made independently for each category of investment (subsidiaries, joint ventures and associates). Entities wishing to change to the equity method must do so retrospectively.

ALT Telecom Public Company Limited
Notes to the Consolidated and Separate Financial statements
For the year ended 31 December 2016

2 Accounting policies (Cont'd)

2.2 New/revised financial reporting standards, and related interpretations (Cont'd)

2.2.2 Revised financial reporting standards are effective for annual periods beginning on or after 1 January 2017. The Group has not early adopted these revised standards. (Cont'd)

- a) Financial reporting standards, which have significant changes and are relevant to the Group: (Cont'd)

TAS 28 (revised 2016), the significant changes are 1) the amendments allow an entity which is not an investment entity, but has an interest in an associate or joint venture which is an investment entity, a policy choice when applying the equity method of accounting. The entity may choose to retain the fair value measurement and instead perform a consolidation at the level of the investment entity associate or joint venture and 2) the amendments allow an entity a policy choice to account for investment in subsidiaries, joint ventures and associates in its separate financial statements using the equity method.

TAS 34 (revised 2016), the amendments clarify that what is meant by the reference in the standard to 'information disclosed elsewhere in the interim financial report'; entities taking advantage of the relief must provide a cross-reference from the interim financial statements to the location of that information and make the information available to users on the same terms and at the same time as the interim financial statements.

TAS 38 (revised 2016), the amendments include a rebuttable presumption that the amortisation of intangible assets based on revenue is inappropriate. This presumption can be overcome if either the intangible asset is expressed as a measure of revenue, or it can be shown that revenue and the consumption of economic benefits generated by the asset are highly correlated.

TFRS 10 (revised 2016), the amendments clarify that: 1) the exception from preparing consolidated financial statements is also available to intermediate parent entities which are subsidiaries of investment entities and 2) an investment entity should consolidate a subsidiary which is not an investment entity and whose main purpose and activity is to provide services in support of the investment activities.

TFRS 11 (revised 2016), the amendments clarify that 1) the accounting for the acquisition of an interest in a joint operation where the activities of the operation constitute a business. They require an investor to apply the principles of business combination accounting and 2) existing interest in the joint operation are not remeasured on acquisition of an additional interest, provided joint control is maintained.

TFRS 12 (revised 2016), the amendments clarify that 1) the accounting for the acquisition of an interest in a joint operation where the activities of the operation constitute a business. They require an investor to apply the principles of business combination accounting and 2) existing interest in the joint operation are not remeasured on acquisition of an additional interest, provided joint control is maintained.

ALT Telecom Public Company Limited
Notes to the Consolidated and Separate Financial statements
For the year ended 31 December 2016

2 Accounting policies (Cont'd)

2.2 New/revised financial reporting standards, and related interpretations (Cont'd)

2.2.2 Revised financial reporting standards are effective for annual periods beginning on or after 1 January 2017. The Group has not early adopted these revised standards. (Cont'd)

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

TAS 2 (revised 2016)	Inventories
TAS 7 (revised 2016)	Statement of cash flows
TAS 8 (revised 2016)	Accounting policies, changes in accounting estimates and errors
TAS 10 (revised 2016)	Events after the reporting period
TAS 11 (revised 2016)	Construction contracts
TAS 12 (revised 2016)	Income taxes
TAS 17 (revised 2016)	Leases
TAS 18 (revised 2016)	Revenue
TAS 20 (revised 2016)	Accounting for government grants and disclosure of government assistance
TAS 21 (revised 2016)	The effects of changes in foreign exchange rates
TAS 23 (revised 2016)	Borrowing costs
TAS 24 (revised 2016)	Related party disclosures
TAS 26 (revised 2016)	Accounting and reporting by retirement benefit plans
TAS 29 (revised 2016)	Financial reporting in hyper-inflationary economies
TAS 33 (revised 2016)	Earnings per share
TAS 36 (revised 2016)	Impairment of assets
TAS 37 (revised 2016)	Provisions, contingent liabilities and contingent assets
TAS 40 (revised 2016)	Investment property
TFRS 2 (revised 2016)	Share-based payment
TFRS 3 (revised 2016)	Business combinations
TFRS 4 (revised 2016)	Insurance contracts
TFRS 6 (revised 2016)	Exploration for and evaluation of mineral resources
TFRS 8 (revised 2016)	Operating segments
TFRS 13 (revised 2016)	Fair value measurement
TSIC 10 (revised 2016)	Government Assistance - No specific relation to operating activities
TSIC 15 (revised 2016)	Operating leases - Incentives
TSIC 25 (revised 2016)	Income taxes - changes in the tax status of an entity or its shareholders
TSIC 27 (revised 2016)	Evaluating the substance of transactions involving the legal form of a lease
TSIC 29 (revised 2016)	Service Concession Arrangements: Disclosures
TSIC 31 (revised 2016)	Revenue - Barter transactions involving advertising services
TSIC 32 (revised 2016)	Intangible assets - Web site costs
TFRIC 1 (revised 2016)	Changes in existing decommissioning, restoration and similar liabilities
TFRIC 4 (revised 2016)	Determining whether an arrangement contains a lease

ALT Telecom Public Company Limited
Notes to the Consolidated and Separate Financial statements
For the year ended 31 December 2016

2 Accounting policies (Cont'd)

2.2 New/revised financial reporting standards, and related interpretations (Cont'd)

2.2.2 Revised financial reporting standards are effective for annual periods beginning on or after 1 January 2017. The Group has not early adopted these revised standards. (Cont'd)

b) Revised financial reporting standards and interpretations with minor changes and do not have impact to the Group are as follows: (Cont'd)

TFRIC 5 (revised 2016)	Rights to interests arising from decommissioning, restoration and environmental rehabilitation funds
TFRIC 7 (revised 2016)	Applying the restatement approach under TAS 29 Financial reporting in hyper-inflationary economies
TFRIC 10 (revised 2016)	Interim financial reporting and impairment
TFRIC 12 (revised 2016)	Service concession arrangements
TFRIC 13 (revised 2016)	Customer loyalty programmes
TFRIC 14 (revised 2016)	TAS 19 - The limit on a defined benefit asset, minimum funding requirements and their interaction
TFRIC 15 (revised 2016)	Agreements for the construction of real estate
TFRIC 17 (revised 2016)	Distributions of non-cash assets to owners
TFRIC 18 (revised 2016)	Transfers of assets from customers
TFRIC 20 (revised 2016)	Stripping costs in the production phase of a surface mine
TFRIC 21 (revised 2016)	Levies
TAS 104 (revised 2016)	Accounting for Troubled Debt Restructurings
TAS 105 (revised 2016)	Accounting for Investments in Debt and Equity Securities
TAS 107 (revised 2016)	Financial Instruments: Disclosure and Presentation

2.3 Group accounting - investments in subsidiaries and associates

(1) Subsidiaries

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

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

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

ALT Telecom Public Company Limited
Notes to the Consolidated and Separate Financial statements
For the year ended 31 December 2016

2 Accounting policies (Cont'd)

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 recognise 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.

ALT Telecom Public Company Limited
Notes to the Consolidated and Separate Financial statements
For the year ended 31 December 2016

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.

ALT Telecom Public Company Limited
Notes to the Consolidated and Separate Financial statements
For the year ended 31 December 2016

2 Accounting policies (Cont'd)

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

(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.

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.

ALT Telecom Public Company Limited
Notes to the Consolidated and Separate Financial statements
For the year ended 31 December 2016

2 Accounting policies (Cont'd)

2.4 Foreign currency translation (Cont'd)

(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.

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.

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.

ALT Telecom Public Company Limited
Notes to the Consolidated and Separate Financial statements
For the year ended 31 December 2016

2 Accounting policies (Cont'd)

2.7 Construction contracts (Cont'd)

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.

ALT Telecom Public Company Limited
Notes to the Consolidated and Separate Financial statements
For the year ended 31 December 2016

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.

ALT Telecom Public Company Limited
Notes to the Consolidated and Separate Financial statements
For the year ended 31 December 2016

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.

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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.

ALT Telecom Public Company Limited
Notes to the Consolidated and Separate Financial statements
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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.

ALT Telecom Public Company Limited
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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 government bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related liability.

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

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

2.18 Provisions

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

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

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

ALT Telecom Public Company Limited
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2 Accounting policies (Cont'd)

2.19 Share capital

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

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

2.20 Revenue recognition

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

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

Interest income is recognised 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.

2.21 Dividend distribution

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

2.22 Segment reporting

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

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Notes to the Consolidated and Separate Financial statements
For the year ended 31 December 2016

3 Financial risk management

3.1 Financial risk factors

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

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

3.1.1 Interest rate risk

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

3.1.2 Foreign exchange risk

The Group'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 use the exchange rate derivative to manage exposure from fluctuation in exchange 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 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.

ALT Telecom Public Company Limited
Notes to the Consolidated and Separate Financial statements
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4 Critical accounting estimates, assumptions and judgements

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

4.1 Critical accounting estimates and assumptions

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

a) Estimated impairment of assets

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

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

b) Property plant and equipment and intangible assets

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

c) Employee benefit obligations

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

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

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

d) Construction revenue and costs

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.

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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 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

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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 2015				
Total revenue	854,881,440	1,746,995,057	-	2,601,876,497
Segment results	165,996,994	423,980,636	(25,741,339)	564,236,291
Other income				22,296,383
Unallocated costs				(260,440,404)
Share of loss of investments				(25,237,233)
Finance costs				(35,833,330)
Profit before income tax expense				265,021,707
Income tax expense				(57,005,112)
Net profit for the year				208,016,595
Fixed assets	43,391,711	28,692,251	285,262,969	357,346,931
Other assets	426,731,634	1,363,391,186	37,561,500	1,827,684,320
Unallocated assets				306,954,152
Consolidated total assets				2,491,985,403

7 Cash and cash equivalents

	Consolidated financial statements		Separate financial statements	
	2016 Baht	2015 Baht	2016 Baht	2015 Baht
Cash on hand	772,789	769,773	515,414	497,105
Deposits held at call with banks	160,253,304	67,077,847	80,305,209	3,231,635
	161,026,093	67,847,620	80,820,623	3,728,740

The interest rate on deposits held at call with banks is at 0.37% to 0.40% per annum (2015: 0.37% to 0.38% per annum).

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8 Short-term investments

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

	Consolidated financial statements		Separate financial statements	
	2016 Baht	2015 Baht	2016 Baht	2015 Baht
At 1 January	2,803,550	2,445,262	1,353,006	1,013,238
Addition	22,233,740	-	19,400,000	-
Interest income	296,083	358,288	280,186	339,768
At 31 December	<u>25,333,373</u>	<u>2,803,550</u>	<u>21,033,192</u>	<u>1,353,006</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 0.80% to 1.50% per annum (2015: 1.00% to 1.70% 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	
	2016 Baht	2015 Baht	2016 Baht	2015 Baht
Trade receivables				
Trade receivables - third parties	397,123,717	449,166,557	75,332,791	117,661,133
Trade receivables - related parties (Note 32)	6,476,021	1,131,684	5,842,176	101,215
Post dated cheque	956,707	2,142,981	-	-
Total trade receivables	404,556,445	452,441,222	81,174,967	117,762,348
<u>Less</u> Allowance for doubtful accounts	<u>(8,884,585)</u>	<u>(3,395,570)</u>	<u>(1,068,908)</u>	<u>(944,237)</u>
Trade receivables, net	<u>395,671,860</u>	<u>449,045,652</u>	<u>80,106,059</u>	<u>116,818,111</u>
Other receivables				
Other receivables - third parties	11,734,492	14,551,718	963,752	1,176,607
Other receivables - related parties (Note 32)	1,784,912	957,698	1,935,251	2,022,424
Advance payment	1,217,675	1,823,966	432,969	1,793,945
Advance payment for inventory	10,093,268	24,239,496	5,758,719	9,276,993
Accrued interest income	10,989	4,872,161	10,989	1,246,053
Accrued rental income	13,933,573	10,157,779	30,000	-
Accrued dividend income	-	-	99,999,100	-
Prepayments	478,421	1,138,898	433,562	1,062,228
Total other receivables	39,253,330	57,741,716	109,564,342	16,578,250
<u>Less</u> Allowance for doubtful accounts	<u>(4,850,000)</u>	<u>(4,850,000)</u>	<u>-</u>	<u>-</u>
Other receivables, net	<u>34,403,330</u>	<u>52,891,716</u>	<u>109,564,342</u>	<u>16,578,250</u>
Total trade and other receivables, net	<u>430,075,190</u>	<u>501,937,368</u>	<u>189,670,401</u>	<u>133,396,361</u>

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9 Trade and other receivables (Cont'd)

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

	Consolidated financial statements		Separate financial statements	
	2016 Baht	2015 Baht	2016 Baht	2015 Baht
Trade account receivables				
Current	295,034,538	322,610,007	26,312,170	70,109,028
Overdue less than 3 months	50,924,474	57,358,950	9,770,317	5,331,505
Overdue 3 months but less than 6 months	2,753,793	3,297,103	506,858	996,872
Overdue 6 months but less than 12 months	4,786,639	26,976,964	285,270	793,061
Overdue over 12 months	44,580,980	41,066,514	38,458,176	40,430,667
Total trade account receivables	398,080,424	451,309,538	75,332,791	117,661,133
<u>Less</u> Allowance for doubtful accounts	(8,884,585)	(3,395,570)	(1,068,908)	(944,237)
Trade account receivables, net	389,195,839	447,913,968	74,263,883	116,716,896

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

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

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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	
	2016 Baht	2015 Baht	2016 Baht	2015 Baht
Trade account receivables - related parties				
Current	6,343,586	1,131,684	5,709,741	101,215
Overdue less than 3 months	132,435	-	132,435	-
Total trade account receivables - related parties	6,476,021	1,131,684	5,842,176	101,215
<u>Less</u> Allowance for doubtful accounts	-	-	-	-
Trade account receivables - related parties, net	<u>6,476,021</u>	<u>1,131,684</u>	<u>5,842,176</u>	<u>101,215</u>

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

At 31 December	Consolidated financial statements		Separate financial statements	
	2016 Baht	2015 Baht	2016 Baht	2015 Baht
Contract costs to date	3,077,624,462	2,293,876,930	486,711,990	381,980,246
Recognised profits to date	1,153,535,646	764,686,803	171,878,304	127,906,674
Contract costs incurred and recognised profits to date	4,231,160,108	3,058,563,733	658,590,294	509,886,920
<u>Less</u> Progress billings	<u>(3,366,350,509)</u>	<u>(2,338,046,221)</u>	<u>(419,228,756)</u>	<u>(215,885,160)</u>
Net	<u>864,809,599</u>	<u>720,517,512</u>	<u>239,361,538</u>	<u>294,001,760</u>

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.

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10 Unbilled contracts revenue and progress billing in excess of work in progress (Cont'd)

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	
	2016 Baht	2015 Baht	2016 Baht	2015 Baht
Unbilled contracts revenue	868,421,364	823,821,461	240,940,296	298,615,425
Progress billing in excess of work in progress (Note 20)	(3,611,765)	(103,303,949)	(1,578,758)	(4,613,665)
Net	864,809,599	720,517,512	239,361,538	294,001,760

11 Inventories

	Consolidated financial statements		Separate financial statements	
	2016 Baht	2015 Baht	2016 Baht	2015 Baht
Raw materials	205,290,291	256,827,363	9,056,457	15,585,484
Work in process	34,481,651	71,758,301	29,607,247	64,605,350
Work in process - construction contract	23,131,567	9,245,172	6,322,844	4,600,046
Goods in Transit	1,451,583	-	-	-
Supplies	798,532	-	743,393	-
Finished goods	84,055,644	125,322,822	32,672,634	57,397,699
Total inventories	349,209,268	463,153,658	78,402,575	142,188,579
Less Allowance for diminution in value of inventories	(19,086,337)	(16,376,496)	(8,057,363)	(6,643,878)
Inventories, net	330,122,931	446,777,162	70,345,212	135,544,701

Inventory with a value of Baht 63,800,555 and Baht 18,465,377 (2015: Baht 41,453,236 and Baht 19,192,007) is carried at net realisable value, this being lower than cost.

12 Other current assets

	Consolidated financial statements		Separate financial statements	
	2016 Baht	2015 Baht	2016 Baht	2015 Baht
Undued input tax	34,726,822	10,736,344	28,151,859	4,948,254
Prepaid income tax	13,974,976	6,174,109	11,908,597	4,107,730
Others	223,869	48,326	128,325	22,879
	48,925,667	16,958,779	40,188,781	9,078,863

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13 Restricted cash

Restricted cash represent fixed deposits with financial institutions carrying interest at the rate of 0.80% to 1.50% per annum (2015: 1.00% to 1.70% per annum). The Company pledged a fixed deposit account with bank as security against the bank overdraft, bank guarantees and promissory note.

14 Investments in subsidiaries, associates and interests in joint ventures

Investments accounted for using equity method.

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

	Consolidated financial statements		Separate financial statements	
	2016 Baht	2015 Baht	2016 Baht	2015 Baht
Associate	17,722,123	11,406,498	22,500,000	13,500,000
Joint venture	46,862,738	2,195,505	35,499,900	35,499,900
At 31 December	<u>64,584,861</u>	<u>13,602,003</u>	<u>57,999,900</u>	<u>48,999,900</u>

The amounts recognised in the income statement are as follows:

	Consolidated financial statements		Separate financial statements	
	2016 Baht	2015 Baht	2016 Baht	2015 Baht
Associate	(3,014,981)	(807,813)	-	-
Joint venture	44,667,233	(24,429,420)	-	-
For the year ended 31 December	<u>41,652,252</u>	<u>(25,237,233)</u>	<u>-</u>	<u>-</u>

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For the year ended 31 December 2016

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

(a) Investments in associate

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

	Consolidated financial statements	Separate financial statements
	Baht	Baht
At 1 January 2016	11,406,498	13,500,000
Addition	9,000,000	9,000,000
Share of loss	(3,014,981)	-
Currency translation differences	330,606	-
At 31 December 2016	<u>17,722,123</u>	<u>22,500,000</u>

Addition of interests in associate

Telecom Solutions Provider Company Limited ("TSP")

At the Extra-Ordinary Shareholders meeting held on 5 September 2016, resolution was passed to approve the increase in the registered shares by 300,000 shares from registered shares 450,000 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 2015, which, in the opinion of the directors, are material to the Group. The associates as listed below have share capital consisting solely of ordinary shares, which are held directly by the Group; the country of incorporation or registration is also their principal place of business.

Nature of investments in associate 2016 and 2015:

	Business	Country of incorporation	% Ownership interest		Nature of the relationship	Measurement method
			2016	2015		
Telecom Solutions Provider ("TSP")	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.

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

(a) Investments in associate (Cont'd)

Summarised financial information for associate

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

Summarised statement of financial position

	TSP	
	2016 Baht	2015 Baht
Current assets		
Cash and cash equivalents	18,537,570	5,586,669
Other current assets (excluding cash)	13,470,595	34,737,569
Total current assets	<u>32,008,165</u>	<u>40,324,238</u>
Non-current assets	<u>33,458,467</u>	<u>593,084</u>
	<u>65,466,632</u>	<u>40,917,322</u>
Current liabilities		
Financial liabilities (excluding trade payables)	1,100,988	3,451,244
Other current liabilities (including trade payables)	11,355,677	219,660
Total current liabilities	<u>12,456,665</u>	<u>3,670,904</u>
Net assets included non-controlling interest	53,009,967	37,246,418
<u>Add</u> Loss of non-controlling interest	<u>6,063,778</u>	<u>775,242</u>
Net assets excluded non-controlling interest	<u>59,073,745</u>	<u>38,021,660</u>

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

(a) Investments in associate (Cont'd)

Summarised statement of comprehensive income

	TSP	
	2016	2015
	Baht	Baht
Revenue	687,759	-
Depreciation and amortisation	519,531	-
Interest expense	-	245,465
Loss from continuing operations	(14,971,828)	(5,890,353)
Income tax expense	-	-
Post-tax loss from continuing operations	(14,971,828)	(5,890,353)
Other comprehensive income	735,376	-
Total comprehensive income	(14,236,452)	(5,890,353)
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.

Reconciliation of summarised financial information

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

	TSP	
	2016	2015
	Baht	Baht
Summarised financial information		
Opening net assets at 1 January	37,246,418	2,004,528
Share issuance	30,000,000	40,000,000
Loss for the year	(14,971,828)	(5,890,353)
Currency translation differences	355,543	-
Unrealised gain from translating available-for-sale investment	379,833	-
Increase in share capital by non-controlling interest	-	1,132,243
Net assets included non-controlling interest at 31 December	53,009,966	37,246,418
<u>Add</u> Loss for non-controlling interest	<u>6,063,778</u>	<u>775,242</u>
Net assets excluded non-controlling interest at 31 December	<u>59,073,744</u>	<u>38,021,660</u>
Interest in associate (percent)	30%	30%
Carrying value	<u>17,722,123</u>	<u>11,406,498</u>

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

(b) Investments in joint venture

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

	Consolidated financial statements	Separate financial statements
	Baht	Baht
At 1 January 2016	2,195,505	35,499,900
Share of profit	44,667,233	-
At 31 December 2016	<u>46,862,738</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 2016 and 2015

	Business	Country of incorporation	% Ownership interest		Nature of the relationship	Measurement method
			2016	2015		
Information Highway ("IH")	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.

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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	
	2016	2015
	Baht	Baht
Current assets		
Cash and cash equivalents	22,183,865	21,137,032
Other current assets (excluding cash)	170,680,331	111,509,423
Total current assets	<u>192,864,196</u>	<u>132,646,455</u>
Non-current assets	<u>587,448,560</u>	<u>499,808,952</u>
	<u>780,312,756</u>	<u>632,455,407</u>
Current liabilities		
Financial liabilities (excluding trade payables)	447,320,000	229,373,329
Other current liabilities (including trade payables)	106,128,189	17,477,207
Total current liabilities	<u>553,448,189</u>	<u>246,850,536</u>
Non-current liabilities		
Financial liabilities	108,910,000	333,900,000
Other liabilities	36,011,168	36,600,546
Total non-current liabilities	<u>144,921,168</u>	<u>370,500,546</u>
	<u>698,369,357</u>	<u>617,351,082</u>
Net assets	<u>81,943,399</u>	<u>15,104,325</u>

Summarised statement of comprehensive income

	IH	
	2016	2015
	Baht	Baht
Revenue	263,646,117	127,434,800
Depreciation and amortisation	34,040,712	6,401,908
Interest income	7,939,962	3,753,294
Interest expense	29,481,141	4,831,370
Loss from continuing operations	<u>84,511,162</u>	<u>(5,279,172)</u>
Income tax expense	(17,306,778)	11,943,639
Post-tax loss from continuing operations	<u>67,204,384</u>	<u>(17,222,811)</u>
Other comprehensive income	-	-
Total comprehensive income	<u>67,204,384</u>	<u>(17,222,811)</u>
Dividends received from joint venture	<u>-</u>	<u>-</u>

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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	
	2016 Baht	2015 Baht
Summarised financial information		
Opening net assets at 1 January	14,739,014	(5,538,175)
Share issuance	-	37,500,000
Gain (loss) for the year	67,204,385	(17,222,811)
Closing net assets	81,943,399	14,739,014
Interest in joint venture (percent)	71%	71%
Interest in joint venture	58,179,813	10,464,670
Gains from downstream transactions	(11,316,911)	(8,269,165)
Share of losses of a joint venture exceeds its interest in joint venture	-	-
Carrying value	46,862,738	2,195,505

(c) Principal subsidiaries

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

	Separate financial statements Baht
At 1 January 2016	94,463,080
Addition	79,598,802
At 31 December 2016	174,061,882

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

(c) Principal subsidiaries (Cont'd)

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 2016 and 2015, the Company received dividends income from subsidiaries amounting to Baht 325 million and Baht 233 million included in "Other income" in the company income statement. Dividends income can be analysed as follows:

	2016	2015
	Baht	Baht
Group Tech Solution Company Limited	324,996,850	181,182,168
I Twenty-one Inter corporation Company Limited	-	15,510,321
Innova Telecommunication Company Limited	-	36,418,359
	<u>324,996,850</u>	<u>233,110,848</u>

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

(c) Principal subsidiaries (Cont'd)

Nature of investments in subsidiaries 2016 and 2015

	Business	Country of incorporation	% Ownership interest		Nature of the relationship
			2016	2015	
Group Tech Solution Company Limited ("GTS")	Sales and installation electrical system and telecom	Thailand	99.99	99.99	Direct shareholders
I Twenty-one Intercorporation Company Limited ("I21")	Sales and installation electrical equipment and telecom	Thailand	99.99	90.21	Direct shareholders
Innova Telecommunication Company Limited ("INN")	Sales and maintenance electrical equipment and telecom	Thailand	99.75	89.75	Direct 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 2016 is Baht 164,435 of which is not material to the financial statements.

ALT Telecom Public Company Limited
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15 Property, plant and equipment

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

ALT Telecom Public Company Limited
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15 Property, plant and equipment (Cont'd)

	Consolidated 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 in progress Baht	Work in progress 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	
Less 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	23,677,780	29,252,981	266,109	13,592,986	3,190,670	1,668,312	58,495	376,628			72,083,961	
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	23,677,780	27,187,897	191,014	9,027,421	2,597,202	2,446,515	5	10,239,195			75,367,029	
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	
Less 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	23,677,780	27,187,897	191,014	9,027,421	2,597,202	2,446,515	5	10,239,195			75,367,029	

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

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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 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	20,077,780	17,977,313	197,713	69,362	1,869,870	799,362	3	376,628				41,368,031
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	20,077,780	17,268,919	147,797	139,085	1,585,507	1,183,703	3	586,628				40,989,422
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	20,077,780	17,268,919	147,797	139,085	1,585,507	1,183,703	3	586,628				40,989,422

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15 Property, plant and equipment (Cont'd)

As at 31 December 2016, the land and buildings have been pledged with the net book value of Baht 51.06 million and Baht 37.49 million in the consolidated and separate financial statements, respectively (2015 : Baht 53.20 million and Baht 38.25 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	
	2016 Baht	2015 Baht	2016 Baht	2015 Baht
Cost of sales	3,769,899	5,225,398	56,129	58,568
Selling expenses	1,361,200	1,435,098	224,423	157,017
Administrative expenses	5,691,246	6,523,257	1,413,161	1,398,423
Total	10,822,345	13,183,753	1,693,713	1,614,008

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

	Consolidated financial statements		Separate financial statements	
	2016 Baht	2015 Baht	2016 Baht	2015 Baht
Cost - capitalised under finance leases	-	2,809,000	-	-
<u>Less</u> Accumulated depreciation	-	(2,750,510)	-	-
Net book amount	-	58,490	-	-

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16 Fiber optic network

	Consolidated financial statements	Separate financial statements
	Baht	Baht
At 1 January 2015		
Cost	340,959,441	340,959,441
<u>Less</u> Accumulated depreciation	<u>(74,232,631)</u>	<u>(74,232,631)</u>
Net book amount	<u>266,726,810</u>	<u>266,726,810</u>
For the year ended 31 December 2015		
Opening net book value	266,726,810	266,726,810
Addition	41,266,789	3,365,608
Depreciation charge	<u>(22,730,629)</u>	<u>(22,730,629)</u>
Closing net book value	<u>285,262,970</u>	<u>247,361,789</u>
At 31 December 2015		
Cost	382,226,230	344,325,049
<u>Less</u> Accumulated depreciation	<u>(96,963,260)</u>	<u>(96,963,260)</u>
Closing net book value	<u>285,262,970</u>	<u>247,361,789</u>
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	<u>(23,139,515)</u>	<u>(23,139,515)</u>
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	<u>(120,102,775)</u>	<u>(120,102,775)</u>
Closing net book value	<u>580,522,334</u>	<u>628,983,739</u>

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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 2015					
Cost	9,383,336	1,559,791	5,406,301	16,349,428	3,848,010
<u>Less</u> Accumulated amortisation	(2,422,643)	(843,808)	-	(3,266,451)	(1,145,718)
Net book value	<u>6,960,693</u>	<u>715,983</u>	<u>5,406,301</u>	<u>13,082,977</u>	<u>2,702,292</u>
For the year ended 31 December 2015					
Opening net book value	6,960,693	715,983	5,406,301	13,082,977	2,702,292
Addition	1,931,689	-	-	1,931,689	536,330
Disposal, net	(380,030)	-	-	(380,030)	-
Disposal of subsidiary	(361,037)	(633,066)	(2,589,971)	(3,584,074)	-
Amortisation charge	(1,012,072)	(82,917)	-	(1,094,989)	(416,676)
Closing net book value	<u>7,139,243</u>	<u>-</u>	<u>2,816,330</u>	<u>9,955,573</u>	<u>2,821,946</u>
At 31 December 2015					
Cost	10,573,959	926,725	2,816,330	14,317,014	4,384,340
<u>Less</u> Accumulated amortisation	(3,434,716)	(926,725)	-	(4,361,441)	(1,562,394)
Net book value	<u>7,139,243</u>	<u>-</u>	<u>2,816,330</u>	<u>9,955,573</u>	<u>2,821,946</u>
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>

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18 Deferred income taxes

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

	Consolidated financial statements		Separate financial statements	
	2016 Baht	2015 Baht	2016 Baht	2015 Baht
Deferred tax asset to be recovered after more than 12 months	87,574,141	64,444,726	62,001,843	60,721,423
Deferred tax liability to be settled after more than 12 months	(47,920,491)	(56,320,539)	(47,920,491)	(56,320,539)
Deferred tax asset, net	39,653,650	8,124,187	14,081,352	4,400,884

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

	Consolidated financial statements		Separate financial statements	
	2016 Baht	2015 Baht	2016 Baht	2015 Baht
At 1 January	8,124,187	1,676,099	4,400,884	8,702,927
Charged/(credited) to profit or loss	31,635,117	6,448,088	9,599,058	(4,302,043)
(Credited)/charged to other comprehensive income	(105,654)	-	81,410	-
At 31 December	39,653,650	8,124,187	14,081,352	4,400,884

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

	Consolidated financial statements		
	At 1 January 2016 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	1,044,968	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
	64,444,726	23,129,415	87,574,141
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)	-
	56,320,539	(8,400,048)	47,920,491

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18 Deferred income taxes (Cont'd)

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

	Separate financial statements		
	At 1 January 2016 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	475,226	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>1,280,420</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>47,920,491</u>

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19 Borrowings

	Consolidated financial statements		Separate financial statements	
	2016 Baht	2015 Baht	2016 Baht	2015 Baht
Current				
Bank overdrafts	-	39,443,313	-	39,443,313
Promissory notes	573,448,721	667,517,556	543,448,721	307,603,578
Factoring payable	-	8,112,486	-	-
Current portion of long-term borrowings from financial institutions	98,254,000	-	-	-
Current portion of finance lease liability	-	46,739	-	-
Short-term borrowings from third parties	-	32,500,000	-	32,500,000
Short-term borrowings from related parties (Note 32)	-	7,000,000	-	88,000,000
Total current borrowings	671,702,721	754,620,094	543,448,721	467,546,891
Non-current				
Long-term borrowings from financial institutions	90,334,829	-	-	-
Total non-current borrowings	90,334,829	-	-	-
Total borrowings	762,037,550	754,620,094	543,448,721	467,546,891

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	
	2016 Baht	2015 Baht	2016 Baht	2015 Baht
Borrowings				
Fixed rates	732,037,550	482,120,094	543,448,721	360,903,578
Floating rates	30,000,000	272,500,000	-	106,643,313
Total borrowings	762,037,550	754,620,094	543,448,721	467,546,891

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19 Borrowings (Cont'd)

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

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
Bank overdrafts	MOR	MOR	MOR	MOR
Promissory note	3.80 - 4.50, MKT MLR - 0.5 - MLR - 1.25	3.54 - 6.25 and MLR-0.5 - MLR-1.5	4.00 - 4.50, MKT MLR - 0.5 - MLR - 1.25	3.54 - 6.25 and MLR-0.5 - MLR-1.0
Factoring payables	-	6.50 - 8.75	-	6.50 - 8.75
Short-term borrowing	-	5.00 - 8.00	-	6.00 - 8.00
Long-term borrowing	3.80	MLR-0.75 - MLR-1.0	-	MLR-1.0

Finance lease liability - minimum lease payments:

	Consolidated financial statements		Separate financial statements	
	2016 Baht	2015 Baht	2016 Baht	2015 Baht
Not later than one year	-	47,094	-	-
		47,094		-
<u>Less</u> Future finance charges on finance leases	-	(355)	-	-
Present value of finance lease liability	-	46,739	-	-

The present value of finance lease liability is as follows:

	Consolidated financial statements		Separate financial statements	
	2016 Baht	2015 Baht	2016 Baht	2015 Baht
Not later than 1 year	-	46,739	-	-
	-	46,739	-	-

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	
	2016 Baht	2015 Baht	2016 Baht	2015 Baht
Floating rate - expiring within a year	915,933,225	79,247,882	281,198,400	556,687

Borrowing facilities are reviewed annually.

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20 Trade and other payables

	Consolidated financial statements		Separate financial statements	
	2016 Baht	2015 Baht	2016 Baht	2015 Baht
Trade accounts payable				
Trade accounts payable - third parties	139,035,819	361,546,465	15,891,688	56,777,694
Trade accounts payable - related parties(Note 32)	-	5,000	12,608,626	5,000
Total	139,035,819	361,551,465	28,500,314	56,782,694
Other accounts payable				
Other accounts payable - third parties	6,511,438	8,735,322	3,623,671	3,640,857
Accrued interest expense	29,004	299,493	-	846,762
Accrued expense	56,738,200	33,075,406	26,778,358	13,053,414
Progress billing in excess of work in progress (Note 10)	3,611,765	103,303,949	1,578,758	4,613,665
Advance from customers	43,853,843	154,967,555	14,547,896	31,248,465
Accrued construction costs	401,634,809	403,818,960	15,014,770	82,747,611
Total	512,379,059	704,200,685	61,543,453	136,150,774
Total trade and other payables	651,414,878	1,065,752,150	90,043,767	192,933,468

21 Other current liabilities

	Consolidated financial statements		Separate financial statements	
	2016 Baht	2015 Baht	2016 Baht	2015 Baht
Undued output tax	26,442,733	20,567,540	16,529,154	16,071,657
Withholding tax payable	2,869,982	3,541,075	834,560	1,178,020
Other	-	886,818	-	-
Total	29,312,715	24,995,433	17,363,714	17,249,677

22 Employee benefit obligations

Employee benefit obligations comprises:

	Consolidated financial statements		Separate financial statements	
	2016 Baht	2015 Baht	2016 Baht	2015 Baht
Retirement benefits	15,450,685	11,155,909	6,735,824	4,716,344
Other employee benefits	930,063	-	356,648	-
Liability in the statement of financial position	16,380,748	11,155,909	7,092,472	4,716,344

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22 Employee benefit obligations (Cont'd)

Post-retirement benefits

	Consolidated financial statements		Separate financial statements	
	2016 Baht	2015 Baht	2016 Baht	2015 Baht
Statement of financial position				
Retirement benefits	15,450,685	11,155,909	6,735,824	4,716,344
Liability in the statement of financial position	15,450,685	11,155,909	6,735,824	4,716,344
Profit or loss charge included in operating profit for:				
Retirement benefits	4,823,048	3,426,887	1,612,430	1,383,847
	4,823,048	3,426,887	1,612,430	1,383,847
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	
	2016 Baht	2015 Baht	2016 Baht	2015 Baht
At 1 January	11,155,909	10,133,838	4,716,344	4,054,810
Current service cost	4,425,440	3,115,474	1,462,682	1,267,654
Interest cost	397,608	311,413	149,748	116,193
Actuarial (gain) loss	(528,272)	-	407,050	-
Benefit paid	-	(1,574,557)	-	(722,313)
Decrease from disposal of investment in a subsidiary	-	(830,259)	-	-
At 31 December	15,450,685	11,155,909	6,735,824	4,716,344

The principal actuarial assumptions used were as follows:

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
Discount rate	1.79 - 2.35	3.18 - 4.19	1.79	3.18
Salary increase rate	6.00	6.55 - 10.00	6.00	6.55
Staff turnover rate	11.00 - 31.00	11.00 - 40.00	18.00 - 30.00	17.00 - 27.00
Retirement age	55 years	55 years	55 years	55 years

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22 Employee benefit obligations (Cont'd)

Sensitivity analysis

	Consolidated financial statements					
	Impact on defined benefit obligation					
	Change in assumption		Increase in assumption		Decrease in assumption	
	2016	2015	2016	2015	2016	2015
Discount rate	1.0%	0.5%	Decrease by 6.86%	Decrease by 4.21%	Increase by 7.87%	Increase by 4.50%
Salary growth rate	1.0%	0.5%	Increase by 7.50%	Increase by 5.34%	Decrease by 6.68%	Decrease by 5.01%
Staff turnover rate	1.0%	0.5%	Decrease by 7.59%	Decrease by 4.77%	Increase by 3.95%	Increase by 2.31%

	Separate financial statements					
	Impact on defined benefit obligation					
	Change in assumption		Increase in assumption		Decrease in assumption	
	2016	2015	2016	2015	2016	2015
Discount rate	1.0%	0.5%	Decrease by 3.38%	Decrease by 2.65%	Increase by 3.76%	Increase by 2.79%
Salary growth rate	1.0%	0.5%	Increase by 3.71%	Increase by 3.73%	Decrease by 3.41%	Decrease by 3.56%
Staff turnover rate	1.0%	0.5%	Decrease by 3.89%	Decrease by 3.07%	Increase by 2.16%	Increase by 1.57%

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.

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 2016 Retirement benefits	419,262	741,576	9,573,187	28,805,337	39,539,362

	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 2015 Retirement benefits	-	1,777,838	4,748,837	16,296,731	22,823,406

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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 2016 Retirement benefits	419,262	741,576	6,446,456	5,951,992	13,559,286

	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 2015 Retirement benefits	-	1,626,341	3,252,142	4,881,192	9,759,675

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	
	2016 Baht	2015 Baht	2016 Baht	2015 Baht
At 1 January	-	-	-	-
Current service cost	930,063	-	356,648	-
At 31 December 2016	930,063	-	356,648	-

The principal actuarial assumptions used were as follows:

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
Discount rate	1.79 - 2.35	-	1.79	-
Retirement age	55 years	-	55 years	-

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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
Discount rate	1.00%	Decrease by 5.99%	Increase by 6.71%
Staff turnover rate	1.00%	Decrease by 6.95%	Increase by 5.66%

	Separate financial statements		
	Impact on defined benefit obligation		
	Change in assumption	Increase in assumption	Decrease in assumption
Discount rate	1.00%	Decrease by 4.18%	Increase by 4.59%
Staff turnover rate	1.00%	Decrease by 5.19%	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 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 2016					
Other employee benefits	130,000	26,000	312,000	738,000	1,206,000

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23 Share capital

	Authorised number of Share	Number of Share	Ordinary shares Baht	Share Premium Baht	Total Baht
At 1 January 2015	1,550,000	1,550,000	155,000,000	-	155,000,000
Issue of shares	3,450,000	2,200,000	220,000,000	-	220,000,000
Change in par value of Baht 100 per share to Baht 0.50 per share	995,000,000	746,250,000	-	-	-
At 31 December 2015	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	<u>1,000,000,000</u>	<u>1,000,000,000</u>	<u>500,000,000</u>	<u>1,010,493,000</u>	<u>1,510,493,000</u>

The total authorised number of ordinary shares is 1,000,000,000 shares (2015: 1,000,000,000 shares) with a par value of Baht 0.50 per share (2015: Baht 0.50 per share). The issued and fully paid-up ordinary shares is 1,000,000,000 shares (2015: 750,000,000 shares).

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

At the Extraordinary General Meeting held on 10 November 2015, resolution was passed to approve the increase in the registered shares by 1,250,000 shares from registered shares 3,750,000 shares at the par value of Baht 100 per share to 5,000,000 shares at the par value of Baht 100 per share. The shareholders also passed a resolution to approve the change in the par value of the Company's ordinary shares from Baht 100 to Baht 0.50 per share. As a result, the number of registered shares increased from 5,000,000 to 1,000,000,000 shares. The Company registered the increased share capital with the Ministry of Commerce on 16 November 2015.

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	
	2016 Baht	2015 Baht
At 1 January	28,600,000	15,500,000
Appropriation during the year	21,400,000	13,100,000
At 31 December	<u>50,000,000</u>	<u>28,600,000</u>

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

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25 Dividends

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.

2015

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

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

26 Share-based payment

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

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

27 Other income

	Consolidated financial statements		Separate financial statements	
	2016 Baht	2015 Baht	2016 Baht	2015 Baht
Dividend income (Note 14)	-	-	324,996,850	233,110,848
Management fee income - related parties (Note 32)	7,574,604	7,402,008	14,422,500	12,660,576
Rental income - related parties (Note 32)	1,042,572	369,357	6,064,320	4,507,869
Interest income	14,599,760	5,715,254	18,580,850	1,570,260
Gain from change status from subsidiary to associate	-	3,003,717	-	-
Gain on disposal of investment in subsidiary	-	-	-	4,327,259
Others - related parties (Note 32)	287,651	360,124	321,969	558,069
Others	2,694,823	5,445,923	179,990	349,888
Total	26,199,410	22,296,383	364,566,479	257,084,769

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28 Finance costs

	Consolidated financial statements		Separate financial statements	
	2016 Baht	2015 Baht	2016 Baht	2015 Baht
Finance cost:				
Bank borrowings	36,009,276	35,404,105	18,804,562	17,511,332
Finance lease	356	31,036	-	-
Short-term borrowings from related parties (Note 32)	102,890	398,189	1,113,863	6,785,778
Others	272,290	-	272,290	-
Total	36,384,812	35,833,330	20,190,715	24,297,110

29 Expense by nature

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

	Consolidated financial statements		Separate financial statements	
	2016 Baht	2015 Baht	2016 Baht	2015 Baht
Changes in inventories	113,944,391	121,826,973	63,786,005	(8,298,342)
Raw material and consumables used	484,939,617	1,160,153,196	34,503,761	285,829,964
Construction supplies and subcontractor charges	668,988,733	621,590,290	187,234,754	124,519,807
Salaries, wages and other employee benefits	177,931,496	159,122,604	64,207,397	48,726,018
Depreciation and amortisation	35,032,173	37,009,371	25,281,856	24,761,313
Rental and utilities expenses	81,661,809	56,801,114	14,760,354	7,440,762
Service fee expenses	28,114,632	30,623,223	7,516,994	9,396,203
Transportation and import duty expense	32,324,576	43,912,335	18,406,539	23,237,230
Allowance for diminution in value of inventories (reversal)	511,293	(3,065,188)	1,413,484	(8,581,814)
Provision for impairment of assets (reversal)	5,489,015	2,109,826	124,671	(341,507)
Travelling expense	12,076,561	10,496,968	6,008,529	3,713,390
Fee	9,997,898	12,360,084	2,743,665	5,313,280
Others	27,858,483	27,838,292	12,308,916	6,833,170
Total	1,678,870,677	2,280,779,088	438,296,925	522,549,474

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30 Income tax expense

	Consolidated financial statements		Separate financial statements	
	2016 Baht	2015 Baht	2016 Baht	2015 Baht
Current tax	72,592,236	63,453,200	-	1,960,760
Deferred income tax (Note 18)	(31,635,117)	(6,448,088)	(9,599,058)	4,302,043
Income tax expense (revenue)	<u>40,957,119</u>	<u>57,005,112</u>	<u>(9,599,058)</u>	<u>6,262,803</u>

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	
	2016 Baht	2015 Baht	2016 Baht	2015 Baht
Profit before tax	320,492,245	265,021,707	312,813,461	262,369,581
Tax calculated at a tax rate of 20% (2015: 20%)	64,098,449	53,004,341	62,562,692	52,473,916
Tax effect of:				
Share of profit (loss)	(8,330,450)	5,047,447	-	-
Income not subject to tax	-	-	(64,999,370)	(46,622,170)
Expenses not deductible for tax purpose	1,118,219	392,891	647,240	444,318
Expenses that are deductible at a greater amount	(8,785,350)	(1,439,567)	(7,809,620)	(33,261)
Recognition of previously unrecognised deferred taxes	(7,143,749)	-	-	-
Tax charge (credit)	<u>40,957,119</u>	<u>57,005,112</u>	<u>(9,599,058)</u>	<u>6,262,803</u>

The weighted average applicable tax rate was 12.78% and 3.07% (2015: 21.51% and 2.38% respectively).

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31 Earnings per share

Basic earnings per share is calculated by dividing the net 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	
	2016 Baht	2015 Baht	2016 Baht	2015 Baht
Net profit attributable to ordinary shareholders of the Company	279,134,156	206,676,081	322,412,519	256,106,778
Weighted average number of ordinary shares outstanding (shares)	877,397,260	572,794,521	877,397,260	572,794,521
Basic earnings per share (Baht per share)	0.32	0.36	0.37	0.45

There are no potential dilutive shares issue during the years.

32 Related-party transactions

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

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

The major shareholders of the Company is ALT Holding Company Limited, that own 50% of the Company's shares. The remaining 50% of the shares are widely held.

Relationship of the related company as follows :

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

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32 Related-party transactions (Cont'd)

Related transaction pricing policy as follow :

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

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	
	2016 Baht	2015 Baht	2016 Baht	2015 Baht
Sales of goods and services				
Subsidiaries	-	-	578,400	10,263,400
Joint venture	68,032,826	139,789,745	50,955,949	121,685,346
	<u>68,032,826</u>	<u>139,789,745</u>	<u>51,534,349</u>	<u>131,948,746</u>
Management fee income				
Subsidiaries	-	-	6,847,896	5,120,226
Joint venture	7,574,604	7,263,666	7,574,604	7,263,666
Related party	-	138,342	-	276,684
	<u>7,574,604</u>	<u>7,402,008</u>	<u>14,422,500</u>	<u>12,660,576</u>
Rental income				
Subsidiaries	-	-	5,021,748	4,138,512
Joint venture	1,042,572	369,357	1,042,572	369,357
	<u>1,042,572</u>	<u>369,357</u>	<u>6,064,320</u>	<u>4,507,869</u>
Other income				
Subsidiaries	-	-	97,156	330,594
Joint venture	287,651	360,124	224,813	227,475
	<u>287,651</u>	<u>360,124</u>	<u>321,969</u>	<u>558,069</u>
Interest income				
Subsidiaries	-	-	10,301,507	-
Joint venture	13,621,193	2,292,225	8,031,664	1,213,678
Associate	-	84,870	-	25,322
	<u>13,621,193</u>	<u>2,377,095</u>	<u>18,333,171</u>	<u>1,239,000</u>

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32 Related party transactions (Cont'd)

a) Revenue from sales and services (Cont'd)

	Consolidated financial statements		Separate financial statements	
	2016 Baht	2015 Baht	2016 Baht	2015 Baht
For the years ended 31 December				
Dividend income				
Subsidiaries	-	-	324,996,850	233,110,848
	-	-	324,996,850	233,110,848

b) Purchases of goods and services

	Consolidated financial statements		Separate financial statements	
	2016 Baht	2015 Baht	2016 Baht	2015 Baht
For the years ended 31 December				
Cost of sales and services				
Subsidiaries	-	-	303,497,697	1,029,568
Related party	-	6,750	-	51,000
	-	6,750	303,497,697	1,080,568
Finance costs				
Parent company	102,890	81,027	90,425	81,027
Subsidiaries	-	-	1,023,438	6,387,589
Joint venture	-	317,162	-	317,162
	102,890	398,189	1,113,863	6,785,778
Dividend income				
Parent company	107,000,000	-	107,000,000	-
	107,000,000	-	107,000,000	-

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32 Related party transactions (Cont'd)

c) Outstanding balances arising from purchases of goods and services

	Consolidated financial statements		Separate financial statements	
	2016 Baht	2015 Baht	2016 Baht	2015 Baht
Trade account receivable (Note 9)				
Subsidiaries	-	-	-	101,215
Joint venture	6,476,021	1,131,684	5,842,176	-
	<u>6,476,021</u>	<u>1,131,684</u>	<u>5,842,176</u>	<u>101,215</u>
Other receivables (Note 9)				
Subsidiaries	-	-	1,034,339	1,064,726
Joint venture	1,784,912	957,698	900,912	957,698
	<u>1,784,912</u>	<u>957,698</u>	<u>1,935,251</u>	<u>2,022,424</u>
Accrued interest receivable				
Joint venture	-	4,816,811	-	1,193,151
Related party	10,989	10,989	10,989	10,989
	<u>10,989</u>	<u>4,827,800</u>	<u>10,989</u>	<u>1,204,140</u>
Trade accounts payable (Note 20)				
Subsidiaries	-	-	12,608,626	-
Related party	-	5,000	-	5,000
	<u>-</u>	<u>5,000</u>	<u>12,608,626</u>	<u>5,000</u>
Accrued interest expense				
Parent company	-	81,027	-	81,027
Subsidiaries	-	-	-	645,013
	<u>-</u>	<u>81,027</u>	<u>-</u>	<u>726,040</u>
Other non current liabilities				
Joint venture	1,605,000	825,000	-	-
	<u>1,605,000</u>	<u>825,000</u>	<u>-</u>	<u>-</u>

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32 Related party transactions (Cont'd)

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

d) Short-term loans to related parties

	Consolidated financial statements		Separate financial statements	
	2016 Baht	2015 Baht	2016 Baht	2015 Baht
Short-term loans to related parties				
Subsidiaries	-	-	459,000,000	-
Joint venture	317,000,000	145,700,000	317,000,000	40,000,000
	<u>317,000,000</u>	<u>145,700,000</u>	<u>776,000,000</u>	<u>40,000,000</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 2016		
Opening balance	145,700,000	40,000,000
Loans advanced during the year	506,000,000	761,000,000
Loans repaid during the year	<u>(334,700,000)</u>	<u>(25,000,000)</u>
Closing balance	<u>317,000,000</u>	<u>776,000,000</u>

The related interest expense was Baht 13,621,193 and Baht 18,333,171 in the consolidated and separate financial statements, respectively (2015: Baht 2,377,095 and Baht 1,239,000 in the consolidated and separate financial statements, respectively). The short-term borrowing from related parties as at 31 December 2016 are unsecured loans carrying interest rate 5.0% per annum and due at call.

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32 Related party transactions (Cont'd)

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

e) Short-term borrowings from related parties

	Consolidated financial statements		Separate financial statements	
	2016 Baht	2015 Baht	2016 Baht	2015 Baht
Short-term loans to related parties				
Parent company	-	7,000,000	-	7,000,000
Subsidiaries	-	-	-	81,000,000
	-	7,000,000	-	88,000,000

The movements of short-term borrowings from related parties can be analysed as follows:

	Consolidated financial statements	Separate financial statements
	Baht	Baht
For the year ended 31 December 2016		
Opening balance	7,000,000	88,000,000
Loans borrowed during the year	4,000,000	4,000,000
Loans repaid during the year	(11,000,000)	(92,000,000)
Closing balance	-	-

The related interest expense was Baht 102,890 and Baht 1,113,863 in the consolidated and separate financial statements, respectively (2015: Baht 389,189 and Baht 6,785,778 in the consolidated and separate financial statements, respectively). The short-term borrowing from related parties as at 31 December 2016 are due at call.

f) Key management compensation

	Consolidated financial statements		Separate financial statements	
	2016 Baht	2015 Baht	2016 Baht	2015 Baht
Short-term employee benefits	20,986,441	14,943,852	9,979,873	3,552,183
Post-employee benefits	1,185,236	1,178,845	700,398	710,131
	22,171,677	16,122,697	10,680,271	4,262,314

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33 Commitments and contingencies

i) Bank guarantees

As at 31 December 2016, there are outstanding bank guarantees amounting to Baht 58.95 million and USD 0.85 million (31 December 2015: Baht 72.01 million and USD 0.47 million).

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

As at 31 December 2016, the future aggregated minimum lease payment under non-cancelable operating lease are as follows:

	Consolidated financial statements		Separate financial statements	
	2016 Baht	2015 Baht	2016 Baht	2015 Baht
Less than 1 year	58,772,070	44,177,650	10,607,449	8,356,646
Later than 1 year but within 5 years	88,966,377	68,662,778	44,862,258	33,073,332
Later than 5 years	248,789,819	201,576,879	248,789,819	201,576,879
	<u>396,528,266</u>	<u>314,417,307</u>	<u>304,259,526</u>	<u>243,006,857</u>

34 Contingent assets

On 22 August 2014, 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.

35 Subsequent events

At the Board of Directors Meeting held on 26 February 2016, the Board passed the resolutions to approve dividends in respect of the operating results for the year 2016 at Baht 0.10 per share, totalling Baht 100 million. The dividends will be distributed to shareholders listed in the register on 8 May 2017. The closing date of the register of the Company is on 9 May 2017 which comply with Securities and Exchange Act B.E. 2535 paragraph 225. The dividends will be distributed to the shareholders on 25 May 2017.



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