



ALT Telecom Public Company Limited

ANNUAL REPORT 2017

Moving towards Thailand 4.0
with the strong foundation of telecommunication.





ANNUAL REPORT 2017



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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

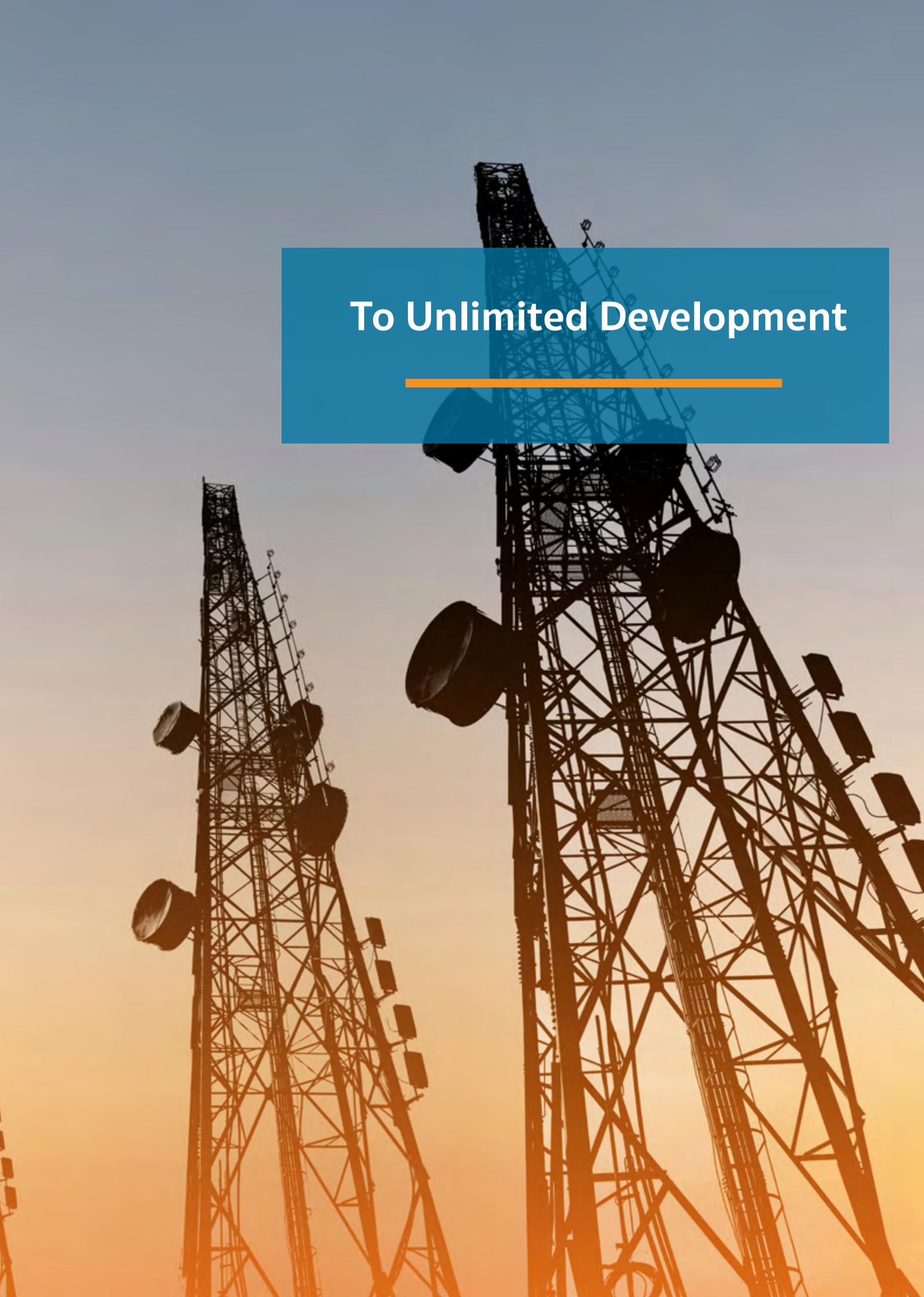
To be leader in providing network infrastructure and being business partner with the telecom operators in this region

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

From Foundation



The image features several tall, lattice-structured communication towers silhouetted against a bright, orange-hued sky, likely at sunset or sunrise. The towers are equipped with various antennas and satellite dishes. A semi-transparent blue rectangular box is overlaid on the upper portion of the image, containing the text 'To Unlimited Development' in white. Below the text is a thin orange horizontal line.

To Unlimited Development



With strong foundation, support the drive towards Thailand 4.0

Because we believe, solid foundation leads to unlimited development. ALT, as a full-range telecom service providers, has adapted its strategies to be consistent and ready for the emergence of Thailand 4.0, to achieve sustainable growth and long term benefit to shareholders.

We will never cease to improve our capability and competency, as a part of crucial element driving telecommunication business to achieve sustainable growth, to serve customers demand.

We determine

to drive the business of telecom service providers to achieve sustainable growth

We're strong

to become a solid foundation for the future of communication

We're full-serve

to offer quality networks and the best communication

We move forward

to support the emergence of Thailand 4.0

As of today, we have been trusted by government agencies, local and foreign business organizations and the stock market. We will strive forward to become a leader in infrastructure service and will establish partnership with telecom service providers throughout the region.

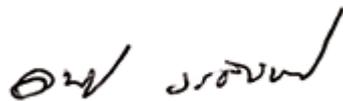
Message from the Board of Directors

The government have been pushing their effort to move forward Thailand's economy to overcome middle-income trap, by changing from "Do more, get less" to "Do less, get more". In order to accomplish "Thailand 4.0", Thailand needs to transform its production from "commodity" to "innovative product", and change its economy driver from industries to technology, creativity, and innovation, in accordance to the digital economy policy. The change in technology leads to technology disruption which unavoidably affected against some industries and is becoming more widespread. To survive from the change and move forward, businesses have to be adaptable since no one can stay the same. To be adaptable and ready for change becomes an urgent priority. We, ALT Telecom Public Company Limited, has become aware of such change and its effects, and has built the organizational strategy in accordance to the national strategy, complying with the digital economy policy to accomplish "Thailand 4.0", which requires communication technology as one of important engines and a foundation of growth.

The Company's performance for 2017 presented diminish revenue and profit since the Company's customers demanded less new base stations to be constructed. Customers mostly invested in equipment replacement or upgrade which were not the Company's major revenue. However, the circumstance has been expected by the Company since the business of base station and equipment installation, as well as telecom equipment distribution is volatile business depending on the position and timing of investment in telecommunication industry. Therefore, the Company has built a strategy focusing on increasing profit from telecom infrastructure leasing business which is long-term contract providing recurring income to the Company. The Company has set a goal to generate half of its total profit from recurring income by the year 2020. Unfortunately for 2017, the growth in revenue and profit from the telecom infrastructure leasing business cannot compensate with the decrease in revenue from services and sales since the business has just been started up and faced a delay. However, the Company believes in its direction as specified in the Company's strategic plan, and estimates that the decrease in company performance will be short-term. Consider to the good response of the investment in accordance with the Smart City Development Plan which the Company was appointed by the government agency as the representative of the private sector to perform undergrounding; a replacement of overhead communication cables with underground communication cables, for main roads in Bangkok, such as Phahonyothin, Phayathai, Pradipat, and the beginning of Sukhumvit Road. The project is a good pioneer project and can be used as a model for further development of other roads in Bangkok and other major cities. Furthermore, the project's concept can be applied with development in other economic areas such as industrial estates and industrial parks, which the Company has initiated projects in some areas such as Nava Nakorn Industrial Park Pathumthani, etc. The projects certainly can be used as a model for other development projects in industrial estates or other economic areas.

In addition to the undergrounding project in accordance to the Smart City previously mentioned, the Company has setup a framework focusing on maximize utilization of the Company's resource for an upcoming project; a communication network installed along the railway routes throughout the country, which the Company has upgraded capacity and stability of the network to support network connection with neighbour countries such as Myanmar, Lao, Cambodia and Malaysia across national borders. The development complies with a government policy for Thailand to become a transportation and communication hub of the region. The Company is also seeking for business opportunities to fully utilize its current communication network, in line with the direction of economic development encouraging cashless payment, and consumer behaviour relating to increasing internet usage. The Company shall seek for business partners to strengthen its capability which will turn its strategic plan into an action plan in shorter period of time or lessen business risks.

On behalf of the Board of Directors of ALT Telecom Public Company Limited, we would like to appreciate our Shareholders, Business Partners, Suppliers, Customers, Financial Institutes, Executives and Employees, as well as all Stakeholder for support and trust the Company consistently. The Board of Directors assures that the Company will continuously and sustainably grow with transparency, honest and fairness. Lastly, we hope the Company to continue receive support and trust from you as always.



Mr. Anant Voratitipong
(Chairman of the Board)



Mrs. Preeyaporn Tangpaosak
(President)

BOARD OF DIRECTOR

1. ASST.PROF. CHIRASIL CHAYAWAN, PH.D.

• Independent Director

2. ASSOC. PROF. SUCHART LAOPREEDA

• Independent Director • Chairman of Nomination and Remuneration Committee • Member of Audit Committee
• Member of Risk Management Committee

3. MR. PYUT BHUWAKULWONG

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

4. GENERAL SITTISAK TAYPARSIT

• Independent Director • Chairman of Audit Committee



5. MRS. PREEYAPORN TANGPAOSAK

- Director • Chairman of Executive Board • Member of Risk Management Committee • President • Vice President (Acting) - Business Development • Vice President (Acting) - Sales and Marketing • Authorized Director

6. MR. ANANT VORATITIPONG

- Chairman of the Board
- Independent Director

7. ASSOC. PROF. DR.- ING PANIT PUJINDA

- Independent Director • Member of Audit Committee
- Member of Risk Management Committee

8. MS. PREEYAPUN BHUWAKUL

- Director • Executive Director • Member of the Risk Management Committee • Vice President – Supply Chain • Authorized Director



MANAGEMENT COMMITTEE



**MR. PAIROJ
RUJIRAWANICH**

- Vice President –
Operations

**MRS. SAMORN
DEESENG**

- Executive Committee

**MR. SUPAT
EAMWIWAT**

- Deputy Managing
Director – System
Development
International Gateway
Co., Ltd.

**MRS. PREEYAPORN
TANGPAOSAK**

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

**MR. SOMBOON
SETSUNTIPONG**

- Executive Committee
- Vice President - Finance
and Accounting



**MR. DISORN
CHATRUPAMAI**

- Deputy Managing Director – Commercial International Gateway Co., Ltd.

**MR. SIRIN
PROMCHOT**

- Executive Committee

**MS. PREEYAPUN
BHUWAKUL**

- Director
- Executive Director
- Member of the Risk Management Committee
- Vice President – Supply Chain
- Authorized Director

**MR. PYUT
BHUWAKULWONG**

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

**MR. PICHIT
SATAPATTAYANONT**

- Chief Executive Officer International Gateway Co., Ltd.

Board Profile



MR. ANANT VORATITIPONG

Chairman of the Board / Independent Director

Age	63
Percentage of shareholding(%)*	None
Nationality	Thai
Date of first appointment	24 December 2014

Current positions in ALT Telecom Public Company Limited

2014 – Present Chairman of the Board
Independent Director

Education

Master of Business Administration
Bachelor of electrical engineering

Other positions in listed company

None

Positions in other companies

2014 – Present Advisor – The Expert ICT Co., Ltd

Other positions in a company competing with ALT

None

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

2012 – Present Honorary President of Telecommunications Association of Thailand under the Royal Patronage

2014 – 2015 Vice Chairman of National High Speed Internet Strategic Working Group, NBTC

Training

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

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)

Criminal record during the past 10 years

None

* Remark: Amount of shares held by spouse and underage child are included in the shareholding proportion as at 29 December 2017



GENERAL SITTISAK TAYPARSIT

Chairman of Audit Committee / Independent Director

Age	69
Percentage of shareholding(%)*	None
Nationality	Thai
Date of first appointment	24 December 2014

Current positions in ALT Telecom Public Company Limited

2014 – Present	Independent Director Chairman of Audit Committee
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Education

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
1979	Master of Educational Counselling Psychology (Royal Thai Army Scholarship) Bridgeport University, USA
1972	Bachelor of Science Chulachomklao Royal Military Academy (CRMA 19)
1967	Armed Forces Academies preparatory School
1965	Saint Gabriel's College

Other positions in listed company

2006 – Present	Independence Director / Chairman or Audit Committee Thai – German Products Public Company Limited
2004 – 2014	Independence Director / Chairman of Audit Committee Sino – Thai Resources Development Public Company Limited

Positions in other companies

2014	Director The Thai Dairy Industry Company Co., Ltd
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Other positions in a company competing with ALT

None

Work experience during the past 5 years

2013 – Present	Sub-Committee ,Office of The Election Commission of Thailand
2006 – Present	Independent Director/Chairman of Audit Committee ,Thai – German Products Public Company Limited
2009 – 2013	Sub-committee Chairman of Diagnosis of objections and dispute 15 ,The Election Commission of Thailand

Training

2005	Director Accreditation Program (DAP) Batch 32/2005 Thai Institution of Directors Association (IOD)
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Criminal record during the past 10 years

None

* Remark: Amount of shares held by spouse and underage child are included in the shareholding proportion as at 29 December 2017

Board Profile



ASSOC. PROF. SUCHART LAOPREEDA

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

Age	56
Percentage of shareholding(%)*	None
Nationality	Thai
Date of first appointment	20 February 2015

Current positions in ALT Telecom Public Company Limited

2015 – Present	Independent Director Chairman of Nomination and Remuneration Committee Member of Audit Committee Member of Risk Management Committee
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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) Krirk University

Other positions in listed company

Present	Chairman of Audit Committee/ Independent Director AEC Securities Public Company Limited.
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Positions in other companies

Present	Chairman of Audit Committee/ Independent Director Sirivej Medical Co., Ltd Audit Committee/ Independent Director Munkong Steel Co., Ltd
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Other positions in a company competing with ALT

None

Work experience during the past 5 years

1992 – Present	Lecturer – Business Administration Department Ramkhamhaeng University
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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: Amount of shares held by spouse and underage child are included in the shareholding proportion as at 29 December 2017



ASSOC. PROF. DR.- ING PANIT PUJINDA

Independent Director / Member of Audit Committee / Member of Risk Management Committee

Age	45
Percentage of shareholding(%)*	None
Nationality	Thai
Date of first appointment	24 December 2014

Current positions in ALT Telecom Public Company Limited

2014 – Present	Independent Director Member of Audit Committee Member of Risk Management Committee
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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

Other positions in listed company

None

Positions in other companies

2013 – Present	Managing Director – Metroscape Co., Ltd Managing Director – Auros Co., Ltd
1994 – 1997	Project Engineer – Plan Consultant Co., Ltd

Other positions in a company competing with ALT

None

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	Managing Director – Metroscape Co., Ltd Managing Director – Auros Co., Ltd
2013 – Present	Academic director – Thai City Planners Society
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

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: Amount of shares held by spouse and underage child are included in the shareholding proportion as at 29 December 2017

Board Profile



ASST.PROF. CHIRASIL CHAYAWAN, PH.D.

Independent Director

Age	48
Percentage of shareholding(%)*	0.005
Nationality	Thai
Date of first appointment	26 April 2017

Current positions in ALT Telecom Public Company Limited

Present Independent Director

Education

- Doctor of Electrical Engineering, State University System of Florida (Florida Atlantic University), USA
- Master of Science (Electrical Engineering), University of Massachusetts Amherst, USA
- Bachelor of Science (Electronics), King Mongkut's Institute of Technology Ladkrabang

Other positions in listed company

2007 – 2008 Director, The Committee for Supervision of Business and the CAT Project.
CAT Telecom Public Company Limited

Positions in other companies

2010 Information Technology Consultant,
Bangkok Broadcasting and TV Co., Ltd.

1992 – 1993 Engineer, IBM Thailand Co., Ltd

1991 Engineer, Control Data (Thailand) Co., Ltd

Other positions in a company competing with ALT

None

Work experience during the past 5 years

Present Spectrum Reframing Subcommittee, the National Broadcasting and Telecommunications Commission

2009 – Present Peer reviewer

2010 – 2014 Lecturer, Faculty of Engineering (Electronics and Telecommunications Engineering)

2008 – 2012 Member of Examination Review Committee, Chaopraya University

2005 – 2012 Advisor, Telecommunications Association of Thailand under Royal Patrol

Training

2017 Director Accreditation Program (DAP), Batch 134/2017, Thai Institution of Directors Association (IOD)

- Intermediate Manager

- Total Productive Management (TPM) (JIPM Certified)

- Spectrum Management, ITU

- Network Planning, ITU ISO17024, ISO9000

- Assessor with professional standard course

Criminal record during the past 10 years

None

* Remark: Amount of shares held by spouse and underage child are included in the shareholding proportion as at 29 December 2017



MRS. PREEYAPORN TANGPAOSAK

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

Age	46
Percentage of shareholding(%)*	6.965
Nationality	Thai
Date of first appointment	19 March 2001

Current positions in ALT Telecom Public Company Limited

2001 – Present	Director Chairman of Executive Board Member of Risk Management Committee President Vice President (Acting) – Business Development Vice President (Acting) – Sales and Marketing Authorized Director
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Education

1993	Bachelor in Business Administration – Marketing Assumption University
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Other positions in listed company

None

Positions in other companies

2017 – Present	Director / International Gateway Co., Ltd
2014 – Present	Director / Telecom Solutions Provider Co., Ltd
2013 – Present	Director / Information Highway Co., Ltd
2008 – Present	Director / Group Tech Solutions Co., Ltd Director / Innova Telecommunication Co., Ltd
2002 – Present	Director / Energy Max Co., Ltd Director / I Twenty One Inter Corporation Co., Ltd

Other positions in a company competing with ALT

None

Work experience during the past 5 years

2018	Treasurer / Telecommunications Association of Thailand under the Royal Patronage
2017 – Present	Director / International Gateway Co., Ltd
2017	Vice President / Telecommunications Association of Thailand under the Royal Patronage
2014 – Present	Director / Telecom Solutions Provider Co., Ltd
2013 – Present	Director / Information Highway Co., Ltd
2008 – Present	Director / Group Tech Solutions Co., Ltd Director / Innova Telecommunication Co., Ltd
2002 – Present	Director / Energy Max Co., Ltd Director / I Twenty One Inter Corporation Co., Ltd.

Training

2017	Capital Market Academy Leader Program (CMA24)
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: Amount of shares held by spouse and underage child are included in the shareholding proportion as at 29 December 2017

Board Profile



MS. PREEYAPUN BHUWAKUL

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

Age	44
Percentage of shareholding(%)*	6.965
Nationality	Thai
Date of first appointment	19 March 2001

Current positions in ALT Telecom Public Company Limited

2001 – Present	Director Executive Director Member of the Risk Management Committee Vice President – Supply Chain Authorized Director
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Education

1995	Bachelor in Education Chulalongkorn University
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Other positions in listed company

None

Positions in other companies

2017 – Present	Director / International Gateway Co., Ltd
2001 – Present	Director / Group Tech Solutions Co., Ltd Director / Innova Telecommunication Co., Ltd Director / Information Highway Co., Ltd

Other positions in a company competing with ALT

None

Work experience during the past 5 years

2017 – Present	Director / International Gateway Co., Ltd
2001 – Present	Director / Group Tech Solutions Co., Ltd Director / Innova Telecommunication Co., Ltd Director / Information Highway Co., Ltd

Training

2012	Director Accreditation Program (DAP) Batch 98/2012 Thai Institution of Directors Association (IOD)
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Criminal record during the past 10 years

None

* Remark: Amount of shares held by spouse and underage child are included in the shareholding proportion as at 29 December 2017



MR. PYUT BHUWAKULWONG

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

Age	57
Percentage of shareholding(%)*	5.970
Nationality	Thai
Date of first appointment	19 March 2002

Current positions in ALT Telecom Public Company Limited

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

1983	Bachelor in Political Science / Public Administration Thammasat University
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Other positions in listed company

None

Positions in other companies

2017– Present	Director / International Gateway Co., Ltd
2015 – 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
2014 – Present	Director / Telecom Solutions Provider Co., Ltd

Other positions in a company competing with ALT

None

Work experience during the past 5 years

2017 – Present	Director / International Gateway Co., Ltd
2014 – Present	Director / Telecom Solutions Provider Co., Ltd
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

Training

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: Amount of shares held by spouse and underage child are included in the shareholding proportion as at 29 December 2017

Management Profile



MR. SOMBOON SETSUNTIPONG

Executive Committee / Vice President - Finance and Accounting

Age	54
Percentage of shareholding(%)*	None
Nationality	Thai
Date of first appointment	16 June 2016

Current positions in ALT Telecom Public Company Limited

2016 – Present Executive Committee
 Vice President – Finance and Accounting

Education

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

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.

Training

2017 Director Accreditation Program (DAP)
 136/2017, Thai Institute of Directors
 Association (IOD)
 2006 CFO Certification, 7th batch – Federation
 of Accounting Professions

Criminal record during the past 10 years

None

* Remark: Amount of shares held by spouse and underage child are included in the shareholding proportion as at 29 December 2017



MR. SIRIN PROMCHOT

Executive Committee

Age	53
Percentage of shareholding(%)*	None
Nationality	Thai
Date of first appointment	1 July 2016

Current positions in ALT Telecom Public Company Limited

2016 – Present Executive Committee

Education

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

Work experience during the past 5 years

2016 – Present Managing Director
I Twenty One Inter Corporation Co., Ltd

Training

2017 Director Accreditation Program (DAP)
136/2017, Thai Institute of Directors
Association (IOD)

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

* Remark: Amount of shares held by spouse and underage child are included in the shareholding proportion as at 29 December 2017

Management Profile



MRS. SAMORN DEESENG

Executive Committee

Age	46
Percentage of shareholding(%)*	None
Nationality	Thai
Date of first appointment	1 July 2016

Current positions in ALT Telecom Public Company Limited

2016 – Present Executive Committee

Education

1997 Bachelor of Business Administration, Saint John University

Work experience during the past 5 years

2016 – Present Managing Director, Innova Telecommunication Co., Ltd
 Deputy Managing Director, I Twenty One Inter Corporation Co., Ltd
 2004 – Present Manager – Procurement and Store, I Twenty One Inter Corporation Co., Ltd

Training

2017 Director Accreditation Program (DAP) 136/2017, Thai Institute of Directors Association (IOD)
 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: Amount of shares held by spouse and underage child are included in the shareholding proportion as at 29 December 2017



MR. PAIROJ RUJIRAWANICH

Vice President – Operations

Age	48
Percentage of shareholding(%)*	None
Nationality	Thai
Date of first appointment	25 January 2016

Current positions in ALT Telecom Public Company Limited

2016 – Present Vice President – Operations

Education

1991 Education High Diploma of Construction Management

Work experience during the past 5 years

2008 – Present Director – Project Implement , Group Tech Solutions Co., Ltd

Training

2017 Director Accreditation Program (DAP) 141/2017, Thai Institute of Directors Association (IOD)

2014 Safety Officer at Management Level

2012 Coaching and Mentoring Techniques

2012 Safety Officer Supervisor Level

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: Amount of shares held by spouse and underage child are included in the shareholding proportion as at 29 December 2017

Management Profile



MR. PICHIT SATAPATTAYANONT

Chief Executive Officer
International Gateway Co., Ltd.

Age	59
Percentage of shareholding(%)*	None
Nationality	Thai
Date of first appointment	20 September 2017

Current positions

2017 – Present Chief Executive Officer , International Gateway Co., Ltd.

Education

Bachelor of Engineering King Mongkut's University of Technology North Bangkok

Work experience during the past 5 years

- Instructor of Power Electronics , KMIT North Bangkok
- Data Communication System Support, Krung Thai Bank
- Service Manager, Phillips Electric Thailand
- Service Manager, Digital Equipment Solution Services
- Country Customer Services and Partner Management , BT Worldwide Ltd.,
- Corporate Manager , Ericsson Thailand
- Vice President – the new customer, Cambodia market and Ericsson Enterprise Business , Ericsson Thailand
- Company Budget Committee, Risks Management Committee and Talent Development Committee., Summit Auto Body Industry

Training

- 1998 Global Telecommunication Workshop conducted by the American Graduate School of International Management, Thunderbird Executive University
- 1996 Business Leader Skill in Asia Consortium Programme conducted by Insead Euro-Asia Center

Criminal record during the past 10 years

None

* Remark: Amount of shares held by spouse and underage child are included in the shareholding proportion as at 29 December 2017



MR. DISORN CHATRUPAMAI

Deputy Managing Director – Commercial
International Gateway Co., Ltd.

Age	53
Percentage of shareholding(%)*	None
Nationality	Thai
Date of first appointment	3 August 2017

Current positions

2017 – Present Deputy Managing Director – Commercial ,
International Gateway Co., Ltd.

Education

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

Work experience during the past 5 years

2008 – Present Deputy Managing Director , Energy Max
Co., Ltd.
2016 – 2017 Vice President – Sales and Marketing ,
ALT Telecom Public Company Limited

Training

2017 Director Accreditation Program (DAP)
136/2017 ,Thai Institute of Directors
Association (IOD)

Criminal record during the past 10 years

None

* Remark: Amount of shares held by spouse and underage
child are included in the shareholding proportion as at 29
December 2017

Management Profile



MR. SUPAT EAMWIWAT

**Deputy Managing Director – System Development
International Gateway Co., Ltd.**

Age	59
Percentage of shareholding(%)*	None
Nationality	Thai
Date of first appointment	3 August 2017

Current positions

2017 – Present Deputy Managing Director – System Development, International Gateway 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

Work experience during the past 5 years

2016 – 2017 Vice President – Business Development Information Highway Co., Ltd
 2011 – 2013 Vice President – Operations , ALT Telecom Public Company Limited
 2010 – 2011 Deputy Managing Director ,Energy Max Co., Ltd

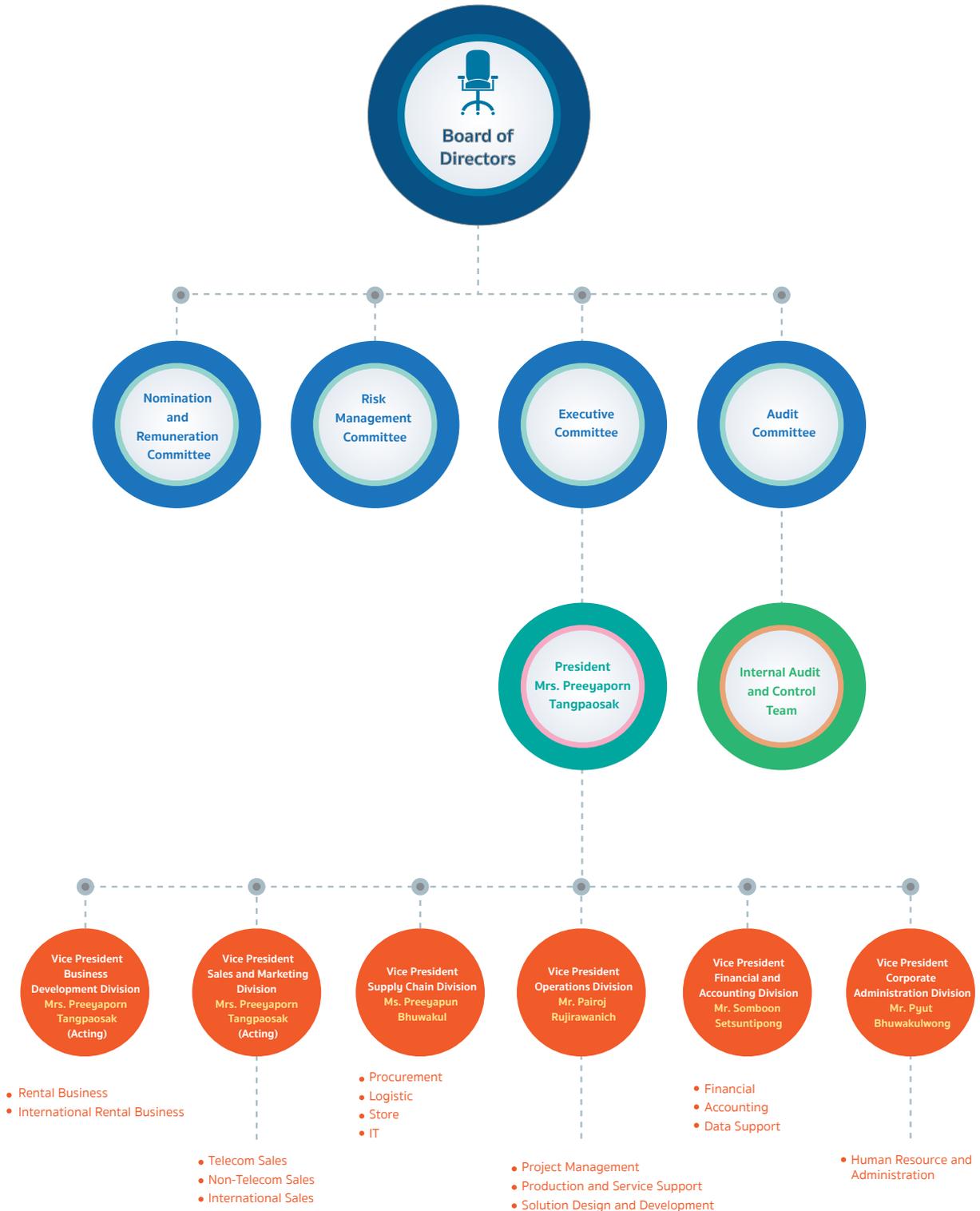
Criminal record during the past 10 years

None

* Remark: Amount of shares held by spouse and underage child are included in the shareholding proportion as at 29 December 2017



Organization Structure



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

Board of Directors

The Company's Board of Directors comprises of 8 directors who have competency and experience in various areas including business management, telecommunication, urban planning, accounting and corporate governance. 5 out of the 8 members are independent directors, including Chairman of the Board who is not the same person as 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.	Gen. 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.	Mr. Chirasil	Chayawan	Independent Director
6.	Mrs. Preeyaporn	Tangpaosak	Authorized Director / Director
7.	Ms. Preeyapun	Bhuwakul	Authorized Director / Director
8.	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

- o Determine the Company's vision, mission, achievement and strategy, including offering an opinion on business operation, asset management, finance, fund raising and risk management.
- o Approve the Company's annual budget, project investment budget, and control and review the Company's operating performance.
- o 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.
- o Assess the performance of the Board of Directors and sub-committees
- o Appoint the audit committee, and acknowledge any significant report from the Audit Committee or internal control and auditing unit.
- o Appoint and specify authority of the Executive Committee, Executive President and other sub-committees as appropriate.
- o 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 December 2017, the Audit Committee comprised of 3 independent directors as follows;

NAME - SURNAME			POSITION
1.	Gen. Sittisak	Tayparsit	Chairman of Audit Committee
2.	Mr. Suchart	Laopreeda ^{1/}	Audit Committee
3.	Mr. Panit	Pujinda	Audit Committee

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

Note : ^{1/} A member of Audit Committee with expertise and experience in financial statements review

Scope of duties and responsibilities of the Audit Committee

- o Review integrity of the Company's financial statements to meet the accounting standard
- o Review adequacy and effectiveness of internal control and internal audit system
- o 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
- o 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.
- o 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.
- o 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.
- o Approve internal audit plan and to be informed of the internal auditor's report.
- o Review and revise the Audit Committee's charter and present to the Board of Director for approval.
- o 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.
- o Prepare the Audit Committee report signed by Chairman of 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 2017, 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	Nomination and Remuneration Committee

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

Scope of duties and responsibilities of the Nomination and Remuneration Committee

- o 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.
- o 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.
- o Evaluate performance of an executive president and present to the Board of Director for consideration.
- o 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.
- o 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.
- o Consider for the job evaluation criteria and annual remuneration of an executive president, vice presidents, senior executives and present to the Board of Directors and shareholders meeting for approval.
- o 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.
- o Consider appropriateness and approval for an issuance of securities offering to directors and employees.
- o 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 2017, 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	Risk Management Committee
7.	Mr. Narong	Ongartmaneerut	Risk Management Committee

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

Scope of duties and responsibilities of Risk Management Committee

- o 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.

- o 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.

- o Follow up and evaluate the result of risk management to consecutively improve efficiency and effectiveness of risk management.

- o Establish and assist a working group for risk management as necessary

- o Make a decision and suggestion on important issues occurred in risk management processes.

- o Report accomplishment of the Risk Management Committee to the Audit Committee for acknowledgement and/or consideration every half year.

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 31 December 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

o 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

o 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

o Consider the organization structure, including salary structure and employee benefits, and assign personnel for every executive positions.

o Approve for advisors in various areas of expertise necessary for the Company and promote appropriate and secure internal control.

Executives

As of 31 December 2017, the Company has 5 executives, according to the Notification of the Securities and Exchange Commission No. Kor.Jor 17/2551 notified on 15 December 2008, as follows;

NAME - SURNAME			POSITION
1.	Mrs. Preeyaporn	Tangpaosak	President / Vice President – Business Development (Acting) / Vice President – Sales and Marketing (Acting)
2.	Ms. Preeyapun	Bhuwakul	Vice President – Procurement and Logistics
3.	Mr. Pyut	Bhuwakulwong	Vice President – General Management
4.	Mr. Pairaj	Rujirawanich	Vice President – Project Management
5.	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 2016 and 2017 are as follows;

NAME - SURNAME	2016		2017	
	No. of meeting	No. of attendant	No. of meeting	No. of attendant
1. Mr. Anant Voratitipong	7	7	8	8
2. Gen. Sittisak Tayparsit ^{1/}	7	6	8	8
3. Mr. Suchart Laopreeda ^{2/}	7	6	8	8
4. Mr. Panit Pujinda ^{3/}	7	6	8	8
5. Mr. Chirasil Chayawan ^{4/}	-	-	7	7
6. Mrs. Preeyaporn Tangpaosak ^{5/}	7	6	8	8
7. Ms. Preeyapun Bhuwakul ^{6/}	7	7	8	7
8. Mr. Pyut Bhuwakulwong	7	7	8	8

Note : ^{1/} Gen. Sittisak Tayparsit was appointed as Chairman of Audit Committee during the Board of Directors meeting No. 16/2014 held on 24 December 2014 and was absent from the Board of Directors' meeting No. 3/2016 held on 30 March 2016.

^{2/} Mr. Suchart Laopreeda was appointed as Audit Committee during the Board of Directors meeting No. 2/2015 held on 20 February 2015, and was absent from the Board of Directors' meeting No. 3/2016 held on 30 March 2016.

^{3/} Mr. Panit Pujinda was appointed as Audit Committee during the Board of Directors meeting No. 16/2014 held on 24 December 2014 and was absent from the Board of Directors meeting No. 3/2016 held on 30 March 2016.

^{4/} Mr. Chirasil Chayawan was appointed as an independent director during the General Meeting of Shareholders 2017, and joined the Board of Directors' meeting starting from the meeting No. 2/2017 on 12 May 2017.

^{5/} Mrs. Preeyaporn Tangpaosak was appointed as Executive President since 19 March 2001 and was absent from the Board of Directors meeting No. 2/2016 held on 24 February 2016

^{6/} Ms. Preeyapun Bhuwakul was appointed as a Director since 19 March 2001 and was absent from the Board of Directors meeting No. 8/2017 held on 24 November 2017

Performance Evaluation of the Board of Directors

The Board of Directors has set up a performance evaluation form for the Board of Directors to perform the assessment at least once a year. The company secretary will responsible for distributing and collecting the assessment form, and report the assessment result to the Board of Directors' meeting where the members of the Board will consider and improve their performance according to the result. The assessment

scoring is that; 0 = Never conducted, 1 = Seldom conducted, 2 = Moderately conducted, 3 = Well conducted, 4 = Excellently conducted. The assessment of the Board of Directors as a whole focused on, the Board's structure, the directors' qualification, roles, duties and responsibilities, the Board's meeting, conduct, and relationship with the management, which the Board received an excellent score of 94.55 percent.

Remuneration of the directors and executives

A. Monetary remuneration

• Directors

The Annual General Meeting of 2017 held on 26 April 2017 approved the remuneration of the Company directors and sub-committees in term of attendance fee. The details are as follows:

POSITION	ATTENDANCE 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, the executives, and employees of the Company.

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

As for 2016 and 2017, the Company paid for the directors' remuneration as follows:

NAME - SURNAME	2015				2016	
	Director ^{1/} (Baht)	Audit Committee ^{1/} (Baht)	Nomination and Remuneration Committee ^{1/} (Baht)	Risk Management Committee ^{1/} (Baht)	Director ^{1/} (Baht)	Risk Management Committee ^{1/} (Baht)
	1. Mr. Anant Voratitipong ^{2/}	440,000	–	–	–	400,000
2. Gen. Sittisak Tayparsit ^{3/}	–	240,000	–	–	300,000	–
3. Mr. Suchart Laopreeda ^{4/}	–	210,000	20,000	15,000	300,000	–
4. Mr. Panit Pujinda ^{5/}	–	180,000	–	15,000	300,000	–
5. Mr. Chirasil Chayawan ^{6/}	–	–	–	–	240,000	–
6. Mr. Satian Tantanararit ^{7/}	–	–	–	15,000	–	30,000
7. Mr. Narong Ongartmaneerut ^{8/}	–	–	–	–	–	45,000
8. Mrs. Preeyaporn Tangpaosak ^{5/}	–	–	–	–	–	–
9. Ms. Preeyapun Bhuwakul	–	–	–	–	–	–
10. Mr. Pyut Bhuwakulwong	–	–	–	–	–	–
Total	440,000	630,000	20,000	45,000	1,540,000	75,000

Note : ^{1/} The remuneration of the Board of Directors and Audit Committee was approved by the Board of Directors during the meeting No.1/2016 held on 26 February 2017 and has been effective since February 2017. The remuneration includes attendance fee for the Annual General Meeting and the Extraordinary General Meeting of shareholders.

^{2/} Mr. Anant Worrathitipong was appointed as a chairman of the Board during the Board of Directors meeting No. 16/2014 held on 24 December 2014, and has received the remuneration as a chairman of the Board since January 2015.

^{3/} Gen. Sittisak Tayparsit was appointed as a chairman of Audit Committee during the Board of Directors meeting No. 16/2014 held on 24 December 2014 and has received the remuneration as a chairman of the Audit Committee since February 2015. Gen. Sittisak Tayparsit was absent from the Board of Directors meeting No. 3/2016 on 30 March 2016 and did not receive the attendance fee for the absence.

^{4/} Mr. Suchart Laopreeda was appointed as an audit committee during the Board of Directors meeting No. 2/2015 held on 20 February 2015, and has received the remuneration as an audit committee since February 2015. Mr. Suchart Laopreeda was absent from the Board of Directors meeting No. 3/2016 held on 30 March 2016 and did not receive the attendance fee for the absence.

^{5/} Mr. Panit Pujinda was appointed as an Audit Committee during the Board of Directors meeting No. 16/2014 held on 24 December 2014, and has received the remuneration as an audit committee since January 2015. Mr. Panit Pujinda was absent the Board of Directors meeting No. 3/2016 held on 30 March 2016 and did not receive the attendance fee for the absence.

^{6/} Mr. Chirasil Chayawan was appointed as an independent director during the Annual General Meeting of shareholders 2017 held on 26 April 2017, and has received the remuneration as an independent director since May 2017.

^{7/} Mr. Satian Tantanasarit was appointed as a risk management committee during the Board of Directors meeting No. 5/2016 held on 10 August 2016, and has received the remuneration as an independent director since August 2016. Mr. Satian Tantanasarit was absent from the Risk Management Committee meeting No. 2/2016 held on 11 August 2016 and did not received the attendance fee for the absence.

^{8/} Mr. Narong Ongartmaneerut was appointed as a risk management committee during the Board of Directors meeting No. 5/2016 held on 10 August 2016, and has received the remuneration as an independent director since August 2016.

- Executives

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

REMUNERATION	2016		2017	
	No. of executives (person)	Remuneration (Million Baht)	No. of executives (person)	Remuneration (Million Baht)
Salary and bonus	6	16.53	10	30.23
Other payment such as social security fee and commission	6	0.59	10	1.38
Total	6	17.12	10	31.62

B. Other remunerations

In 2016 and 2017, the Company paid for other remuneration consisted of employee benefit and provident fund in total amount of 0.38 million Baht and 0.74 million Baht respectively.

Personnel

In 2016 and 2017, the Company and subsidiaries employed 291 and 318 employees respectively (Executives are excluded). The Company paid for employee remunerations; salary, bonus and commission, in total amount of 126.20 million Baht and 144.23 million Baht respectively. The remuneration amount of each department is presented as follows;

DEPARTMENT	NO. OF EMPLOYEE (PERSON)		REMUNERATION (MILLION BAHT)	
	2016	2017	2016	2017
Executive Department	11	8	4.28	4.65
Sales and Marketing	26	7	12.39	6.25
Procurement and Logistics	8	13	3.27	5.64
Project Management	28	29	10.20	12.86
General Management	6	6	2.93	2.62
Business Development	-	-	0.54	-
Finance and Accounting	15	18	7.67	8.46
Group Tech Solution Co., Ltd	130	141	57.35	65.40
I21 Inter Corporation Co., Ltd	21	21	11.98	11.45
Innova Telecommunication Co., Ltd	46	50	15.59	14.39
International Gateway Co.,Ltd	-	25	-	12.5
Total	291	318	126.20	144.23

- Provident fund

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

- Human Resource Development

The Company focuses on continuing personnel development for greater operating capability matching corporate goals, policies, and directions—apart from international competitiveness to accommodate the growth of AEC (ASEAN Economic Community). To this end, define an approach for corporate culture development, and forge a sound employee attitude so that the efficiency of ALT's corporate administration may be on a par with business peers and in keeping with its business status and goal. In the year 2017, training was provided in various areas, with an average of 14 hours per employee.



Success

Solution

Business Strategy

- Innovation
- Branding
- Solution
- Marketing
- Analysis
- Ideas
- Success
- Management

- Innovation
- Branding
- Solution
- Marketing
- Analysis
- Ideas
- Success
- Management

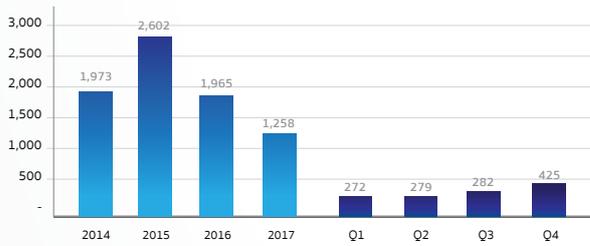
● SOCIAL NETWORK



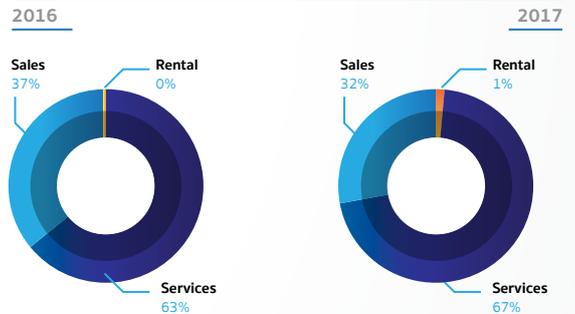
Jul Aug Sep Oct Nov Dec

Financial Highlights

Revenue



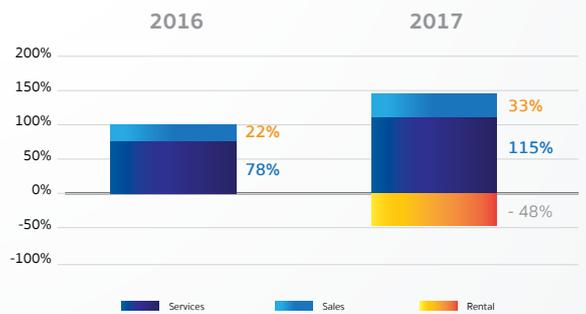
Revenue Contribution



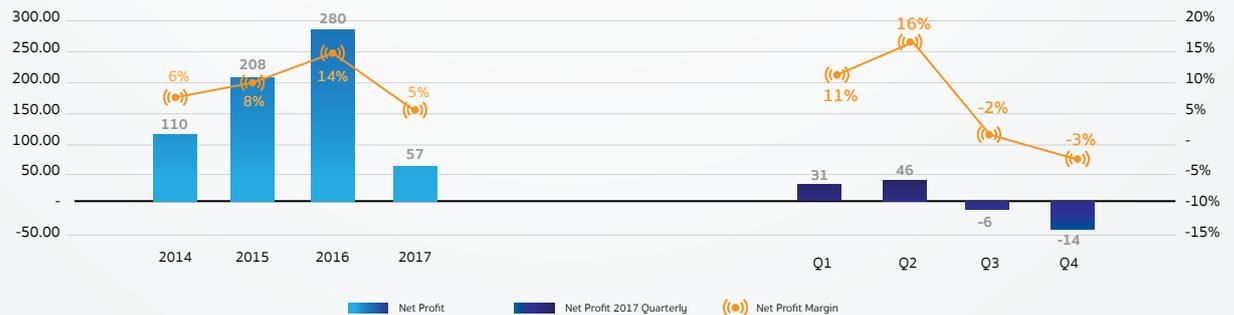
Gross Profit



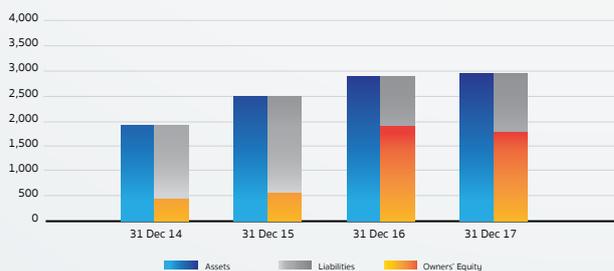
Gross Profit Contribution



Net Profit



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 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. Currently, ALT developed 7 projects for telecommunication infrastructure leasing service such as; optical network in Hemaraj industrial estate, optical network attached on telegraph network along the railway path, optical network in Navanakorn industrial estate, the project of relocation the optical fiber cable network from aerial on the electricity pole to underground, optical network on main transportation route in CBD, optical network on main streets around Bangkok and telecom towers and site facilities leasing service located in gas stations.

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.



BUSINESS POLICY

"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

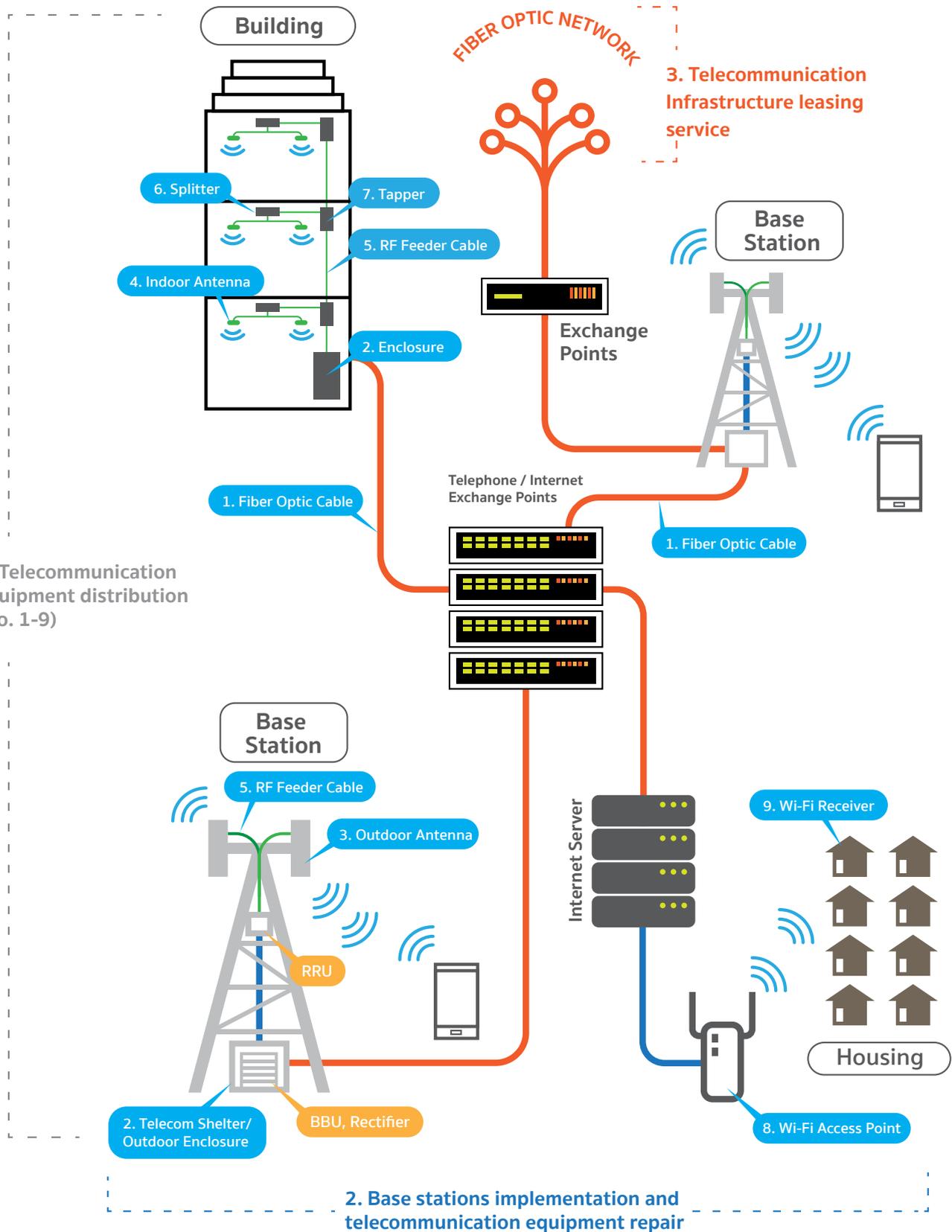
1. Encourage telecommunication infrastructure sharing by investing in telecommunication infrastructure in strategic location to support the service providers reaching to consumers with less network development cost and to be able to fully focus on improving the quality of service.

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 (2016–2020).



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	1,690.05	65	1,148.58	58	743.42	59
1.2 Other services	56.94	2	89.40	5	106.72	8
Total revenue from services	1,746.99	67	1,237.98	63	850.14	68
2. Telecommunication products distribution						
2.1 Fiber optic cable	364.71	14	327.13	17	91.03	7
2.2 Telecom shelter and Rapid Deployment Unit (RDU)	253.22	10	210.85	11	154.70	12
2.3 Antenna and other telecommunication hardware	236.96	9	188.72	10	152.64	12
Total revenue from sales	854.89	33	726.69	37	398.37	31
3. Telecommunication Infrastructure leasing service ¹⁾	-					
Total Income from leasing service	-	-	-	-	9.58	1
Total revenue from sales and services	2,601.88	100	1,964.67	100	1,258.09	100
Share of profit (loss) from joint-venture ²⁾	(24.43)		44.67		9.30	

Note :

1) During 2015 — 2016, revenue from rental services of telecommunication infrastructure had yet to be recognized. And started recognized a part in 2017.

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 2015, 2016, and 2017, ALT earned revenue from base stations implementation and telecommunication equipment repair services 1,747.00 million Baht, 1,237.98 million Baht,

and 850.14 million Baht respectively, which equaled to 67 Percent, 63 Percent and 68 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 2015, 2016 and 2017 ALT group earned revenue from telecommunication equipment distribution 854.88 million Baht, 726.69 million Baht and 398.37 million Baht respectively, accounted for 33 percent, 37 percent and 31 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



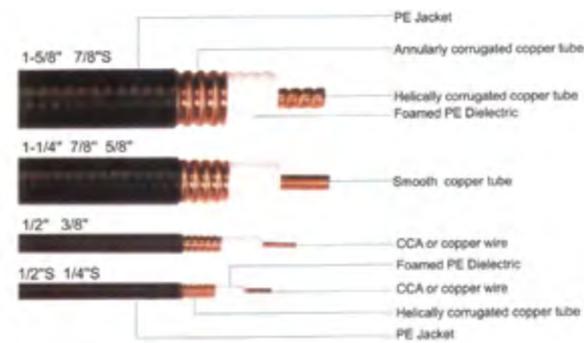
Antennas are radio receiving and transmitting equipment. There are various size and types of antenna for different utilization. Wireless communication antennas distributed by ALT group are managed by ALT's subsidiary; INN, under its brand "SUMTEL". Most antennas used in Thailand are imported from overseas. 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

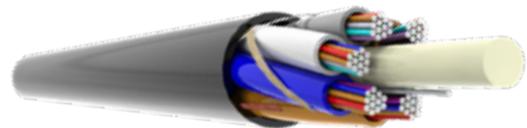
3. The Rental Service for Telecommunication Infrastructure

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 and expected to be operational in 2018.

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 6 on-going projects. 4 implementation projects are managed by ALT which are; optical network in Hemaraj industrial estate, optical network attached on telegraph network along the railway path, optical network in Navanakorn industrial estate, the project of relocation the optical fiber cable network from aerial on the electricity pole to underground, 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.



3. Provides high speed data transmission service over fiber optic network – the optical fiber cable network on telegraph poles along with the railway (SRT Project) :

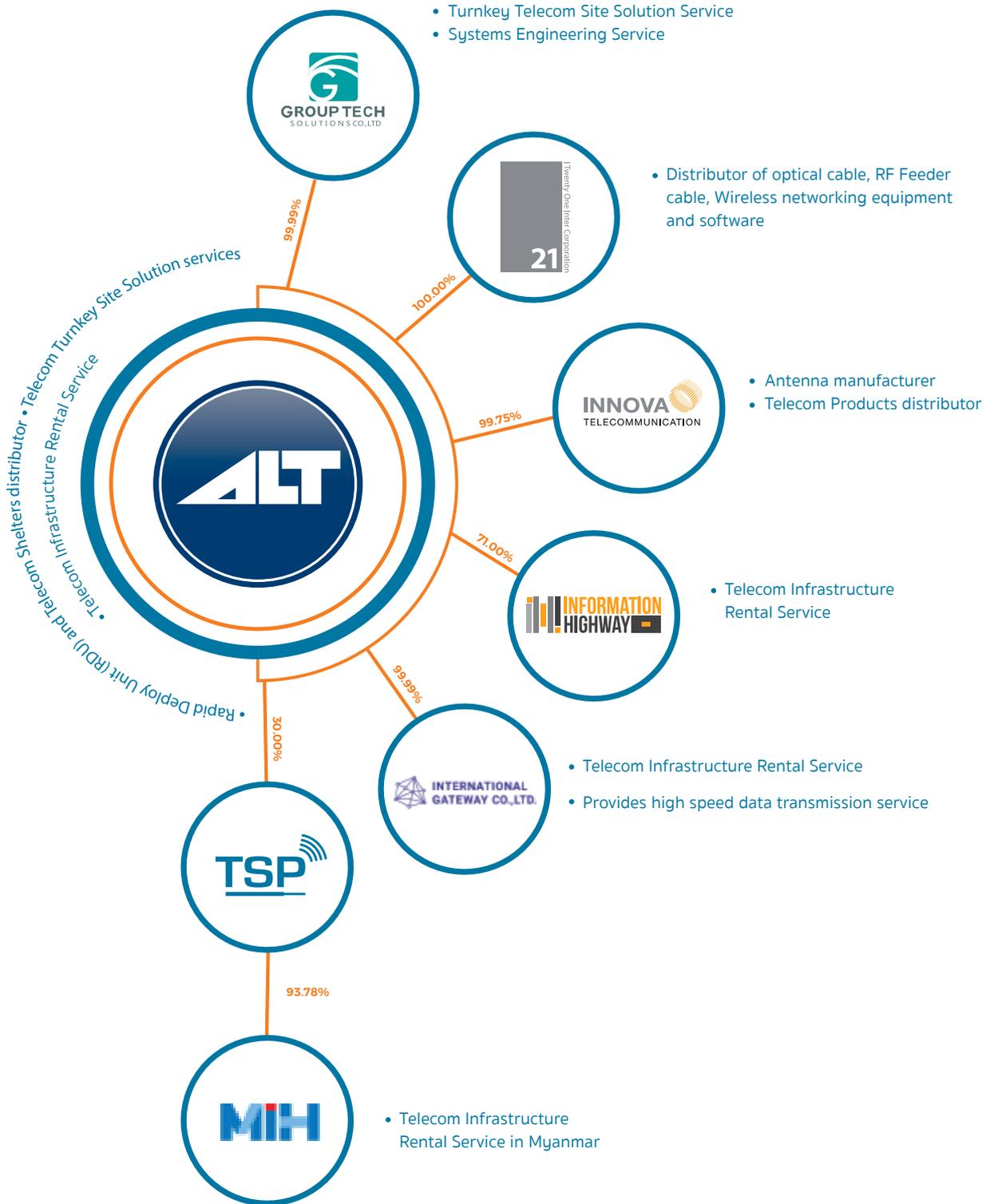
Initially, the company has invested in the fiber optic cable network on the railway network to serve the domestic telecommunication operators both mobile operators and internet service providers. Later, the company saw the opportunity to take advantage of the potential of the network and the government's policy to support Thailand as a regional telecommunication center. The company has decided to expand the scope of its services from providing fiber-optic cable infrastructure services to local telecommunication operators to



Communication networks for both domestic and international telecommunications operators. With the installation of Dense Wavelength Division Multiplexing (DWDM) and related systems. The SRT network is capable of delivering up to 8 Tbps (Terabits Per Second) data traffic, with a focus on connecting Thailand to the region. It can connect to other regions around the world. The company has been licensed by The National Broadcasting and Telecommunications Commission (NBTC) to connect with neighboring countries through 14 border checkpoints and three access points to the sea. In addition, the Company has also invested in the additional fiber optic networks and network rentals from partners in some routes. To use as a backup route and upgraded the quality of our network to international standards. It provides stable international data transmission. Guaranteed quality of service. With a thorough backup route across all destinations. The distance of the communications network over 12,400 kilometers for whole network. And started commercial service in the third quarter of 2017.



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 625 million. ALT's key business is to supply telecommunication infrastructure deployment products such as Rapid Deployment Unit (RDU), 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.

I TWENTY ONE INTER CORPORATION CO., LTD ("I21") was 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.

GROUP TECH SOLUTION 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.

INNOVA TELECOMMUNICATION CO., LTD ("INN") was 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 SOLUTION PROVIDER CO., LTD ("TSP") was established in August 2014 and currently has registered capital of 155 million Baht. TSP is a holding company which as of 12 May 2017, TSP held 93.775 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.

INTERNATIONAL GATEWAY CO., LTD ("IG") was established in July 2017 and currently has registered capital of 10 million Baht. IG provides telecommunication infrastructure rental service and high speed data transmission service over fiber optic network to domestic and international telecommunications operators. Since 6 July 2017, ALT held 99.99 percent of IG's registered capital.

General Information



COMPANY INFORMATION

Company Name	:	ALT Telecom Public Company Limited
Head Office	:	52/1 Moo 5 Bangkruay – Sainoi Rd., 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.
Telecommunication License	:	License type 3 No. 3 Kor/58/002 to providing fiber optic telecommunication services and providing telecommunications services.



SUBSIDIARIES

Company Name	:	Group Tech Solutions Co., Ltd
Head Office	:	52/1 Moo 5 Bangkruay – Sainoi Rd., 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
Telecommunication License	:	License type 1 No. 1/56/030 to leasing network to provide telecommunications services.

General Information



SUBSIDIARIES

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



SUBSIDIARIES

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 telecom equipment.
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

General Information



INTERNATIONAL GATEWAY CO.,LTD.

SUBSIDIARIES

Company Name	:	International Gateway Co., Ltd
Head Office	:	52/1 Moo 5 Bangkruey – Sainoi Rd., Bangsithong, Bangkruey, Nonthaburi 11130
Type of Business	:	Telecommunication infrastructure rental service and Provides high speed data transmission service over fiber optic network to domestic and international telecommunications operators.
Registration Number	:	0125560018162
Tel.	:	(662) 863 – 8999
Fax	:	(662) 886 – 3364
Paid-up Capital	:	2.5 million Baht, divided into 100,000 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 Ext. 5041
Fax	:	(662) 016 – 5043
Paid-up Capital	:	155 million Baht, divided into 1,550,000 common shares at par value of 100 Baht

General Information



JOINT VENTURE

Company Name	:	Information Highway Co., Ltd
Head Office	:	52/1 Moo 5 Bangkruay – Sainoi Rd., Bangsithong, Bangkruay, 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
Telecommunication License	:	License type 3 No. 3 Kor/57/001 to providing telecommunication network services.

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

01 2001

- ALT was established to operate a business in interior decoration, base station and telecom equipment installation.
- Telecom Shelter Distribution



02 2002

21 Twenty-One Inter Corporation

- I21 was established to run telecom products distribution business

03 2005

- ALT got a patent on RDU and market launched for RDU products.

04 2008




- GTS was established to enhance the business of base station construction and equipment installation and offer antenna installation space for rent.
- INN was established to provide telecom equipment repair service.

05 2010-2011

- ALT won Telecom USO award (for COLs)
- ALT got ISO 9001:2008 certification for RDU and telecom shelters
- ALT launched a business providing telecom infrastructure lease in Hemraj Industrial Estate.
- GTS got ISO 9001:2008 certification
- INN launched to distribute antenna products .

06 2013



- GTS got the Telecommunication Service License Type 1
- IH was established to develop optical network for lease.

07 2014

- ALT entered into a shareholder agreement, to invest in IH, with ABN.
- IH got the Telecommunication Service License Type 3
- IH developed optical network for lease in Central Business District (CBD) and base stations, installed in petrol stations, for lease.
- TSP was established to invest in MIH; a company running telecom infrastructure for lease in Myanmar.



08 March - April 2015



- ALT changed its name from "A.L.T. Inter Corporation" to "ALT Telecom"
- ALT got the Telecommunication Service License Type 3

09 May - July 2015

- ALT declared a vision to become a leading telecom infrastructure provider.
- ALT entered into a shareholder agreement, to invest in TSP, with UIH and UDS.
- INN got a patent for PIM Load equipment.
- I21 and INN got ISO 9001:2008 certification.

10 August - October 2015



- ALT started a development on optical networks installed along the railway system.
- INN's antenna products were patented

11 November 2015 - July 2016

- ALT raised its registered capital to 500 MB and transformed into a public company.
- ALT went public and listed on SET, which the first trading day was 4 July 2016.

12 2017

- ALT got the right of way to launch a pilot project for laying telecom wires underground.
- ALT started the installation of fiber optic network for lease in Nava Nakorn Industrial Zone.
- Issued ALT-W1 to support future investments
- Installed DwDm on optical networks along the railway system and began commenced commercial service.
- Signed the Memorandum of Understanding between ALT and edotco

Investment after becoming a listed company in the Stock Exchange of Thailand

Trackside Telecommunication Network for SRT Project

The Company has spent 450 million Baht establishing fiber optic network infrastructure running alongside railway lines more than 3,000 km across the country, while it received a concession from the State Railway of Thailand to provide infrastructure services for domestic telecommunication operators including mobile phone operators and internet providers for 30 years starting from 2015.



As Thailand is located on the center of the region, Thai government developed strategic plans to drive the country's economy with digital technology in accordance to Thailand 4.0 policy, such as the Eastern Economic Corridor (EEC), the Greater Mekong Subregion Economic Cooperation Program

(GMS Program) which is a cooperation between countries in the Greater Mekong Sub Region and nearby countries consisting of Thailand, Laos, Vietnam, Cambodia, Myanmar, and Malaysia, and the East–West Economic Corridor. As telecommunication infrastructure plays a critical role in these development schemes, the Company then took an opportunity to develop and increase the value of its trackside telecom network (SRT project) and expand the scope of its business from fiber optic network services provided for domestic telecom operators, to high-speed data transmission services for domestic and international telecom operators. With the newly installed data transmission equipment containing the latest technology Dense Wavelength Division Multiplexing (DWDM) and other component equipment, the Company's SRT trackside telecom network can transfer data with a speed up to 8Tbps (TeraBits per second) and connect to world regions. The Company was granted a permission from the National Broadcasting and Telecommunication Commission (NBTC) to connect its network with neighbor countries via 14 inland border points throughout the country and 3 maritime border points. Moreover, the Company has further expanded its fiber optic network and rented networks in some routes from its partners to serve as protection routes to improve quality of the Company's telecom network service to international standard, and to increase stability of international data transfer with service quality guarantee and protection routes for all destinations. To serve its customers, with optical fibre cable on major route along the railways over 12,400 kilometers for the whole network. The Company spent approximately 550 million Baht to install the networks and increase service quality to meet international standard. The network development has been finished in the 3rd quarter of 2017.

Installing Underground Electrical Line for the Smart City Project

Bangkok's Smart City plan was to develop the city to become modern, beautiful and secure metropolis, altogether with a development in communication system facilitating business and urban living which heavily relies on mobile phone and internet access that become essentials of living in modern age. However, Thailand's telecom infrastructure development both in Bangkok and other provinces were not regulated from the start. All communication lines were hanged on electricity poles, causing danger and harm to life and property. As a result, a plan to organize the communication lines and remove overhead lines to underground was prioritized by the government. Several organizations from government sector and telecommunication industry, including the Telecommunications Association of Thailand under the Royal Patronage, have cooperated together. The Metropolitan Electricity Authority, as the government

organization supplied with several installed underground conduits, allowed telecom operators to lay their fiber optic cables within the underground conduits to replace the overhead cables. Thus, MEA's plan to remove electricity poles along the street of Paholyothin, Pradipat, Phayathai, and part of Sukhumvit road etc., has been succeed. The Company was selected from telecom operators to proceed communication line undergrounding on the area previously mentioned, which was completed in 2017.

The Company earned from the project in terms of communication line undergrounding fee paid by other telecom operators as co-investors, and a monthly or yearly service fee for fiber optic network installed by the Company which is recurring income of the Company.



As for the undergrounding project, the Bangkok Metropolitan Administration and the Metropolitan Electricity Authority plan to proceed communication line undergrounding for more streets such as Rama 3 and Ratchada etc. Many cities located in other provinces are also considering of such plan. Therefore, it is an opportunity for the Company to offer undergrounding service for other area in Bangkok and other provinces.

Navanakorn Smart City

Navanakorn Smart City is a project to organize the city creating beautiful and safe environment. The Company was appointed by Navanakorn Public Company Limited to lay communication lines on the ground and remove existing communication lines installed on electricity poles in Navanakorn Industrial Estate, Pathumthani. The Company will earn service fee for the communication network from telecom operators providing internet, mobile phone and landline telephone services for customers located in the industrial estate. The project is expected to be completed and operate within middle of the year 2018.

The installation of communication line on the ground in replacement of overhead line, in economic area which is open area, will be the Company's prototype for further development and installation in other areas which are currently in consideration.



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 major customers dependency

In 2015, 2016 and 2017, ALT delivered a service on base station and telecom equipment installation to a major customer which accounted for 52.14%, 47.58% and 35.33% 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.

4. 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.

5. 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 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.

6. Risk from major suppliers and manufacturers dependency

In 2015, 2016 and 2017, ALT's product are sourced from a major overseas manufacturer/distributor of fiber-optic cable, which are accounted for 18.66%, 26.34% and 15.16% 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%, 100% 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 dose 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.

7. 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. In addition, the company is looking for new partners to help bring the competition. Reduce costs and learn new processes and technologies to enhance the company's 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.

8. 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.

9. 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 defined 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.

10. 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 74.59% 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 8 members of the Board of Directors, 5 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.

11. 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.

12. Risk of interest rate

In 2015, 2016 and 2017, ALT's financial expense equaled to 35.83 million Baht, 36.38 million Baht and 24.31 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.

13. 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 123.19 days in 2016 to 256.07 days in 2017. 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.

14. Risk from exchange rate

ALT groups both imports and exports the products overseas, in 2015, 2016 and 2017, the Company imported products and services in foreign currencies equaled to 624.84 million Baht, 443.72 million Baht and 242.80 million Baht respectively, or 39.02%, 2.59% and 22.53% 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, 76.46 million Baht and 47.70 million Baht, or 8.20%, 3.89% and 3.79% 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. In 2016, ALT has an exchange gain of 3.22 million Baht and in 2017, ALT has an exchange gain(loss) of 2.17 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.

Industry Situation and Business Direction

Telecommunication industry continues to grow as a result of evolving consumer behavior as communication technology becomes a part of daily life and enables convenience and satisfaction to the new life style. Moreover, consumers demand for better data transmission speed, in response to increasing internet access from smartphones and tablets on daily basis, such as financial transactions, social networking, and online entertainment; especially video-on-demand services. As a result, a demand for telecommunication network has been increasing continuously. Thus, the Company remains its positive attitude towards the development, since telecommunication infrastructure development has become more crucial to serve the new life style of consumers. The government's policy towards digital economy and Thailand 4.0 are the influential factors driving several projects of the Company. Consequently, ALT is operating its businesses, both products and services, amid the fundamental elements which are the key factors driving economy via digital technology, including;

Telecommunication infrastructure implementation and installation services

- 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.

Telecom equipment trading business

- 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

Telecom Infrastructure lease

- Develop telecommunication infrastructure offered for lease, 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.
- Move the overhead telecommunication cables in Bangkok to underground, improving cityscape and security to become the smart city according to the government plan, and to reduce the investment cost of the service providers.
- Develop optical cable networking for the leased network in the industrial area, to be more orderly and secure.

Over the last year of 2017, the Company showed declining revenue and profit from business operation due to a shift in the base station and equipment installation services, as well as the telecommunication equipment business, in response to the climate of telecommunication industry. However, the circumstance only caused revenue fluctuation which was within the Company's estimation. The Company has established a long-term plan to reduce the fluctuation by increasing recurring income from services or rent. The Company developed telecommunication infrastructure; fibre-optic networks, for lease and offered the network to telecom providers including domestic and regional mobile phone operators and internet service providers. The service providers were encouraged to share the network resource for cost reduction. Moreover, the Company has developed projects in accordance to the government plans to develop the digital economy and Thailand 4.0, which will improve livelihood and well-being of people, as well as beautification and security of the country, and develop the society to become a smart city. The Company has set a target to raise a portion of profit from the recurring income up to half of its net profit by 2020. However, since the telecom

network leasing business was in an initial stage, there has been a delay in the business plan. Thus, revenue and profit from the business could not compensate for the reduction of revenue from sales and services. Nonetheless, the Company believes in its direction towards its strategy.

In conclusion, as for long-term investment, the Company remains certain of its business direction and will carefully decide its investment. Though in short-term the performance might slow down as the plan to generate recurring income has

been delayed resulting in the revenue cannot compensate for a decline of revenue from sales and services. However, The Company has been searching for an opportunity for new business to utilize its telecommunication network to the fullest, in consistent with a cashless economy and increasing consumer internet usage. The Company is also seeking for new business partnership to strengthen its business competency, accelerating the conversion of the Company's strategic plan into action or reducing the business risk which will lead the Company's to sustainable growth and prosper.



Shareholder Structure

REGISTERED CAPITAL AND PAID-UP CAPITAL

The Company's registered capital amounted to Baht 625,000,000 of which Baht 500,000,000 was paid up. An equal number of common shares were issued at a par value of 0.50 Baht each.

Shareholder

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	Thai NVDR Co., Ltd.	49,353,710	4.935
6	Ms. Nattawan Sae Kang	46,909,500	4.690
7	Mr. Tawan Soonthonyankit	6,660,000	0.666
8	Mr. Surin Chunhachatchawankul	5,433,000	0.543
9	Mrs. Piriya Apinotai	2,910,000	0.291
10	Mr. Noppadol Tangpaosak	2,794,000	0.279
Top 10 Total		813,060,210	81.306
Grand Total		1,000,000,000	100.00

Remark : Top 10 major shareholders of ALT Telecom Public Company Limited on 29 December 2017

Shareholders Through Thai Nvdr Co., Ltd. Who Owns More Than 0.50% Of The Paid-Up Alt Shares

TOP 10 MAJOR SHAREHOLDERS		NUMBER OF SHARES	(%) OF SHARES
1	AIA TH-EQ1-P	20,747,600	2.07
2	AIA TH-EQ2-P	18,853,100	1.89
Total		39,600,700	3.96

Source : <https://www.set.or.th/set/companyholder.do?symbol=ALT-R&language=en&country=US>

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.

Dividend Payment History

OPERATING PERIOD	EARNING PER SHARE	DIVIDEND (BAHT/SHARE)	PAYOUT RATIO (%)	PAYMENT DATE	TYPE
1 Jan 2016 — 31 Dec 2016	0.32	0.10	31.24	25 May 2560	Cash

Corporate Governance

CORPORATE GOVERNANCE POLICY

1. The Board of Directors

The Board of Directors has appointed 4 sub-committees including Audit Committee, Risk Management Committee, Nomination and Remuneration Committee, and Executive Committee. Chairman of the Board does not take a position in any sub-committee to encourage separation of duties and independence in internal control. The Board of Directors has clearly separate the roles and responsibilities of its members from the management's. The details of the Board of Directors are presented in "Organization Structure".

2. Nomination and Appointment of the Executives

The Company currently has 8 directors consist of 5 independence directors and 3 executive directors. The Board of Directors shall select Chairman of the Board and Chairman of Audit Committee from the independent directors. Moreover, for the directors to dedicate their effort to the Company adequately, the Board of Directors has prescribed that the directors should not held a position with more than 5 companies listed in the Stock Exchange of Thailand.

3. Internal Control

The Company has specified an internal control system covering all aspects of the Company including finance and operations, to comply with laws and related regulations. The internal control system has an appropriate balance of power to secure the Company's assets. An approval hierarchy and responsibility of the executives and employees have been as well established and implemented with checks and balances, while the operating procedures have been clearly specified in written documents. Moreover, the Company has setup an independent internal control unit and outsourced the function to an expert outsource provider who regularly assesses and follow-up the Company's internal control, and reports to the Audit Committee quarterly, to ensure that the Company's internal control is trustworthy and meets the international standard.

4. 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 the Company'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 defied by the Company as a guideline for the subsidiary management, which indicate the subjects that require an approval from the Company'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 the Company'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 the Company.

As for the Associated companies, the Company's representative directors will be appointed proportionally to the Company's shareholding proportion of each associated company. As for the joint ventures, the number of the Company'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, the Company has a policy to invest in a business benefiting to the Company's current business, a business in growing industry or in the same field of business as the Company. The Company, moreover, prioritizes the rate of returns from the investment.

5. Auditor's Remuneration for the Past Fiscal Year

ALT Telecom Public Company Limited

1. Accounting Audit Fees

– The Company's auditors (Mrs. Nattaporn Panudom or Mr. Pisit Thangtanakul or Mr. Pairoon Tankul) for the past fiscal year
: None

– The audit firm (Pricewaterhousecoopers ABAS Ltd.) including a person or a firm related to the auditors and the audit firm

: 1,568,000 Baht

2. Other fees

: None

Subsidiaries

1. Accounting Audit Fees

– The Company's auditors (Mrs. Nattaporn Panudom or Mr. Pisit Thangtanakul or Mr. Paiboon Tankul) for the past year

: None

– The audit firm (Pricewaterhousecoopers ABAS Ltd.) including a person or a firm related to the auditors and the audit firm

: 3,180,000 Baht

2. Other fees

: None

6. Abidance to the Principles of Good Corporate Governance for listed company

ALT is aware of the importance of Good Corporate Governance representing efficiency, transparency and accountability of the Company's managerial system, which will build up trust 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 comply with an amendment of the Stock Exchange of Thailand's principles of Good Corporate Governance, which comprises of 5 categories of practice as follows;

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;

– A Record Date for the AGM was set so that shareholders may have enough time to review meeting notices and various data ahead of the meeting.

– The right to receive sufficient information regarding the Company.

– 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 connected transactions, asset acquisition and disposal etc.

– The right to vote for an appointment or a dismissal of director, auditor, or an agenda affecting the Company such as dividend payment, specification or amendment of the Company's articles of association and memorandum of association, capital decrease or capital increase, and special transactions.

– Allowed the shareholders to submit a question in advanced, the Company which will be included in the agendas for the next Annual General Meeting of Shareholders.

– The Company shall facilitate shareholders regarding the shareholders meeting by;

- Using barcode for registration and voting to increase efficiency and speed of the processes.

- Using a computer application in registration and voting to increase efficiency and transparency of the processes.

- Offering revenue stamps, free of charge, for proxy holders.

– Prior to the meeting, the meeting conductor shall clarify voting and vote counting procedures for each agenda.

– During the meeting, shareholders have equal rights to express their opinions and ask questions. Inquiries and opinions discussed in the meeting shall be recorded in the minute of meeting.

– After the meeting was adjourned, the Company shall;

- Disclose the meeting's resolutions and voting score of each agenda through the channels provided by the Stock Exchange of Thailand and the Company's website by the evening of the meeting date.

- Publish the meeting's minutes through the channels provided by the Stock Exchange of Thailand and the Company's website.

2) Equitable Treatment of Shareholders

The Board of Directors has specified an equitable treatment of shareholders within the Section 2 of the Company's Corporate Governance Policy. In addition to legal practice, the Company has completely abided to the principles of Good Corporate Governance prescribed by the Stock Exchange of Thailand. The Company adheres to an equitable treatment of all shareholders whether they are executive or non-executive, Thai or foreign, major or minor shareholder, to ensure that the Board of Directors and the executives equally disclose information to every groups of shareholders.

– Shareholder’s 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 require 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 and publish the invitation documents on the Company’s website.

– The Company encourages shareholders to submit an item for the agenda, or to nominate a person as a director, altogether with a profile of the nominated person prior to the shareholders’ meeting.

– 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. In such cases, the Company shall abide to the amendment that will be enforced in the future.

The use of Insider Information

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

- o 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).

- o 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.

- o Directors, executives, employees, and contractual employees of the Company, 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.

- o 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 shares 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 forbidding to disclose the insider information to others to carry out such activities; whether or not the actions would benefit to themselves or others.

3) Roles of stakeholders

The Board of Directors has specified the roles of stakeholders within the Good Corporate Governance policy. The Company has completely complied with the principles of good corporate governance issued by the Stock Exchange of Thailand.

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 defined 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 highest customer satisfaction by offering quality products and services within reasonable price and fairness, high quality after-sales services, with a consideration to customer privacy.

Employees

Employees are valued resource which is important to the Company's growth. Thus, the Company has setup a policy of quality, occupational health and work environment for employees to comply with, and a safety policy. In 2016 and 2017 there is a statistic of the accident of work only once a year. The Company attempts to create positive work environment, in consider with health and security of employees, as well as the development of skills, knowledge, potential and efficiency of employees, 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.

Public community

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

Regulators overseeing the Company

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.

Non-infringement of human rights and intellectual property

The Company has specified a policy of non-infringement

regarding human rights and intellectual property in every aspects, either direct or indirect, with the code of practices as follows;

1. The Company encourages employees to contribute their knowledge in research and development to invent and create modernized and practical tools, devices and innovation that meet international standard. The development must be original without intellectual property infringement.

2. Employees should comply with intellectual property laws such as trademark law, patent law, license law and other relevance laws etc.

3. The Company shall monitor software and hardware utilized in equipment or office equipment of the Company, to prevent illegal and non-work related software and/or hardware.

4. Upon termination of employment, employees must return all intellectual properties including works to the Company, regardless of the content format.

Whistleblowing and complaint-filing channels

The Board of Directors has specified a communication channel for whistleblower reports and complaints, from employees or stakeholders, regarding illegal practices, breaches of ethics, or any action indicating corruption or misbehavior of the Company's personnel as well as inaccurate financial reporting or defective internal control. For any channels of communication, the Company shall keep confidentiality of the whistleblowers. The Board of Director has assigned the Audit Committee to consider reports and complaints of activities suspicious for corruption related to the Company; directly or indirectly, through the following channels;

By mail :

Chairman of Audit Committee/
Audit Committee/ Secretary of
Audit Committee
ALT Telecom Public Company
Limited, 52/1 Moo 5 Bangkruay-
Sai Noi Road, Bangsrithong Sub-
District, Bang Kruey District
Nonthaburi 11130
Tel. 02-863-8999

By e-mail : auditcommittee@alt.co.th
 Website : Go to "Contact" section on
<http://www.alt.co.th>
 Company Contact
 Board of Directors : Tel. (662) 863-8997
 Fax. (662)886-3364
 E-mail tanyaporn_m@alt.co.th
 Company Secretary : Tel. (662) 863-8997
 Fax. (662) 886-3364
 E-mail tanyaporn_m@alt.co.th
 Investor Relations : Tel. (662) 863-8943
 Fax. (662) 886-3364
 E-mail thitiwat@alt.co.th

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;

- o 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.

- o Shareholder/Investor relationship: The Company has concerned the relationship with shareholders and investors, and has assigned Investor Relationship Department to communicate with investors and shareholders; both individuals and institutions, who want to access the Company's information including financial information, performance report, financial status and the information of transaction affecting the Company. The Company shall regularly arrange an analyst meeting.

- o 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.

- o 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.

- o 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 Board of Directors' responsibilities

The Board of Directors specified the roles, duties, responsibilities of the Board of Directors as presented in the Company's Good Corporate Governance policy (More details in "Organization Structure"). The practices are as follows;

The Board of Directors has duties and responsibilities, as committed to shareholders, to manage the Company in compliance with laws, the Company's objectives, the articles of association, and the resolutions of lawful shareholders' meeting. Roles, Duties, Responsibilities of the Board of Directors shall be in accordance to the Board of Directors' charter.

The Board of Directors shall regularly revise the Corporate Governance policy and practices at least once a year and has specified the Code of Conducts in written documents to promote acknowledgement on ethical standards of the Company to Directors, Executives, and Employees. The Board of Directors will monitor compliance with the Code of Conducts and will revise the policy in response to any internal and external change.

The Board of Directors shall cautiously consider any issue related to a conflict of interest. A transaction that might cause conflict of interests shall be considered with solid decision criteria prioritizing the benefit of the Company and its shareholders. A person who has a conflict of interest with the transaction shall not be a part of decision making. The Board of Directors shall ensure the procedures have been conducted in accordance to the policy, and information regarding the transaction was disclosed completely.

The Board of Directors shall arrange for a control system for operation, financial reporting, and regulation and policy compliance. The Board will also appoint an independent person or an independent unit to be responsible for the internal control audit and shall revise key functions at least once a year.

The Board of Directors shall regularly receive a report from the management regarding the risk management and shall revise or assess the effectiveness of the Company's risk management at least once a year.

The Board of Directors or the Audit Committee shall report their opinions regarding the adequacy of internal control system and risk management within the Company's Annual Report or other necessary channels.

The Board of Directors shall annually evaluate performance of the Executive President according to the principles of good corporate governance issued by the Stock Exchange of Thailand. The scope of evaluation shall be clearly specified and comparable to the results of each year.

The Board of Directors commits to perform its duties in compliance with the good corporate governance to ensure transparency and effectiveness of the Company's business operation, and to ensure that the Company is responsible for all stakeholders which the Company has been complied with the principles of Good Corporate Governance of listed company. As for the noncompliance issues, the Company shall consider and apply the principles with its operations later on. The Company also arranges for yearly performance evaluation of the Board of Directors as a whole.

Terms of the Board of Directors

The Board of Directors prescribed the qualification of "an independent director" in accordance to the requirement of the Securities and Exchange Commission (SEC) and the Stock Exchange of Thailand (SET). Moreover, a person can be in the position of independent director for not over than 9 years from the first appointment, except for a necessary reason. According to the article of associations, for each annual general meeting of shareholders, one-third of the directors who are in the position at the time 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.

7. Investor Relations

The Company acknowledges that all information regarding the Company including financial or non-financial information can affect investment decision of investors and stakeholders. The management gives precedence to accuracy, trustworthiness, regularity of information disclosure in accordance to the requirement of SEC and SET. Thus, the Company has established an Investor Relation Department as a communication center to disclose and distribute information to public and investors, including financial reports, business performance and trends, and other key information affecting the Company's security price. The department also controls quality of information to be equally disclosed to investors and stakeholders. The Company reported its performance and disclosed related information, via both direct and indirect channels, as follows:

- Direct Channel : The Company arranged activities for shareholders, securities analyst, investors and employees to receive updates on its performance; such as analyst meeting, roadshows, and conferences held in Thailand and foreign country.

- Indirect Channel : The Company disclosed information regarding the Company, performance, financial reports, information memorandums and reports, which have been published on the Stock Exchange of Thailand's website, on the investor relations section of the company website (<http://www.alt.co.th>). The disclosed information was published in Thai and English and are regularly updated.

Corporate Social Responsibility

ALT Telecom Public Company Limited ("the Company") and Subsidiaries aim to achieve efficient growth of the business, and create highest satisfaction to all stakeholders. The Company strives to become an organization with social responsibility and morality with a respect and obligation to laws, along with transparency and auditability, for the Company to grow strongly and sustainably in long term.

1. Fair Business Conduct

The Company concentrates on conducting a business with honesty and responsibility in terms of laws, regulations, ethics, for society and environment. The Company then has adopted standardized operating procedures and proper control to its business, and cautiously fully applied its knowledge altogether with sufficient information, and trustworthy evidence. Related laws and regulations are as well strictly complied by the Company.

2. Responsibility for Stakeholders

The Company equally places important to all stakeholders since it is aware of how the support received from every stakeholders contributes to its competitiveness which is an important factor for long-term success of the Company. Thus, the Company determined its business ethics and code of conduct as parts of the corporate governance for the Company's employees and executives to strictly abide with, in order to take care all stakeholders, shareholders, customers, employees, suppliers, business partners, debtors, competitors, public or government agencies supervising the Company's business operation. The business ethics and code of conduct are disclosed on the Company website (www.alt.co.th).

3. Anti-Corruption

The Company's director, executives and employees must strictly abide with the Company's anti-corruption policy and business ethics. The Company has determined "Anti-Corruption Policy" in written document as a concrete guideline for business operations to achieve organizational sustainability, for personnel to be cautious in decision making and business operation involving a risk of corruption.

4. Responsibility for Public Community, Society and Environment

With an intention to conduct the business with responsibility for society, environment and local community which the Company's business has been set in, the Company has continuously arranged several activities concerning social responsibility

in many aspects, by emphasizing on social participation and involvement to achieve sustainable development. The Company's activities arranged in 2017 were as follows;

- ALT group provided educational supports to King Mongkut's University of Technology Thonburi (KMUTT) by offering 16 units of Outdoor Enclosure Unit (OEU) and 16 units of Wind Speed Censer. The supports are in accordance to the memorandum of understanding between the Company and KMUTT, to encourage and develop academic cooperation, professional standard and professional qualification in "Telecommunication". ALT sponsored for venues, equipment, and specialists for proficiency test and professional qualification examination, in cooperate with Thailand Professional Qualification Institute (public organization) and the faculty members of KMUTT. The purpose of the cooperation is to encourage students to apply theoretical knowledge in practical uses, and work efficiently.



- Career and educational counselling for high school students: ALT group, with a cooperation of 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), concerning further education in telecommunication, as a 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.

- The Company supports an improvement in quality of life for students throughout the country to help students to be able to stand by themselves, and to improve the quality of education. Thus, on 29 August 2017, the Company offered scholarships to the students of Suankularb Collage (Thonburi) who lack of funds.



- On 10 August 2017, on the occasion of Mother Day which was 12 August 2017, the Company offered scholarships to students of Bankoiton School, Ayutthaya who lack of funds.

- On an occasion of Children's Day, ALT group arranged activities for children to emphasize the important of children as crucial human resource of the nation, who are becoming an important part of development for the nation to prosper and secure. As the Company places important on creating happiness for children, the Company therefore gave out gifts during the activity on Children's Day. As for 2017, the Company held Children Day's activity at Wat Ruak Bang Si Thong School located in Bang Si Thong, Bang Kruai, Nonthaburi; a local area which the Company set in, to bring happiness to children and family in local community.



- As for a contribution to the royal cremation ceremony of King Bhumibol, ALT group held an activity to craft sandalwood flowers (Daffodil) for the royal cremation ceremony of King Bhumibol. The Company arranged a handicraft session to make sandalwood flower (Daffodil) at the Company's location. The crafted sandalwood flowers were gave to the Division of Occupational Promotion, Department of Social Development Bangkok, which would be distributed to public. Moreover, the Company held a charity for the King by giving out drinking water to Bang Aoi Chang temple, Bang Si Thong, Nonthaburi, for the royal cremation ceremony.

Related Transactions

The Company 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 a policy and procedure 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 containing 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 an independent expert or the 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 2017 and 31 December 2016, the Company and subsidiaries have entered into transaction with related persons which the transaction details were 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				
		2017 BAHT	2016 BAHT	2017 BAHT	2016 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 Bhwakulwong 2. Mrs. Preeyaporn Tangpaosak 3. Ms. Preeyapun Bhwakul	The Company borrowed from ALT Holding Co., Ltd for business operation Purchase of products and services Interest payable Dividend payout	- 50,000,000	102,890 107,000,000	- 50,000,000	90,425 107,000,000	The Company 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 Bhwakulwong 2. Mrs. Preeyaporn Tangpaosak 3. Ms. Preeyapun Bhwakul	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 Revenue from services	14,467,574 14,444,137	32,177,542 35,855,284	10,692,174 -	25,316,042 25,639,907	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					
		2017 BAHT	2016 BAHT	2017 BAHT	2016 BAHT		
	Revenue from management service	9,142,449	7,574,604	9,142,449	7,574,604	IH rent partial of ALT's office space at comparable rental fee in comparison to nearby Office building	
	Revenue from rental and common charge	1,204,452	1,042,572	1,204,452	1,042,572		
	Other revenue	278,389	287,651	225,889	224,812		
	Interest received	16,854,247	13,621,193	16,854,247	8,031,664		ALT and subsidiaries provided loans to IH to use in a project.
	Trade account receivables	1,858,565	6,476,021	197,629	5,842,175		
	Other receivables	998,713	1,784,912	998,713	900,912		
	Lending	350,000,000	317,000,000	350,000,000	317,000,000		ALT provided a loan to IH for business operation.
3. Group Tech Solutions Co., Ltd ("GTS") ("Associated Company") 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	GTS provided network installation service and sold base station equipment to ALT. ALT sold telecom shelters and telecom equipment to GTS Sell of products and services Revenue from sales and services	-	-	1,941,951	578,400	ALT sold telecom shelters and telecom equipment to GTS at the price comparable to normal customers.	
	Revenue from management service	-	-	4,898,253	5,321,304		
	Revenue from rental and common charge	-	-	5,726,136	4,753,716	GTS rent partial of ALT's office space at comparable rental fee in comparison to nearby Office building	
	Other revenue	-	-	-	93,406		
	Dividend received	-	-	179,998,380	324,996,850	ALT provided loans to GTS for normal business operation	
	Interest received	-	-	8,537,671	7,706,712		
	Lending	-	-	105,000,000	305,000,000		
	Trade account receivables	-	-	-	-		
	Other receivables	-	-	937,621	875,636	ALT hired GTS to deploy fiber-optic cable networks	
	Purchase of products and services Network installation service	-	-	221,490,558	303,497,696		
	Trade account payable	-	-	183,679,761	12,608,626		
	Interest payment	-	-	-	1,023,438		
	Borrowing	-	-	-	-		
4. Innova Telecommunication Co., Ltd ("INN") ("Subsidiary") ALT holds 99.75% of shares and sharing the same directors as follows: 1. Mr. Pyut Bhuwakulwong 2. Mrs. Preeyaporn Tangpaosak 3. Ms. Preeyapun Bhuwakul	ALT charged management fee from INN Sell of products and services Revenue from management service	-	-	1,160,476	553,478	ALT charged management fee from INN at the actual cost.	
	Revenue from rental and common charge	-	-	271,140	268,032		
	Other revenue	-	-	-	-	INN rented warehouse space from ALT to store inventory	
	Dividend received	-	-	-	-		
	Other receivables	-	-	130,360	71,929		

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				
		2017 BAHT	2016 BAHT	2017 BAHT	2016 BAHT	
<p>5. I21 Intercorporation Co., Ltd ("I21") ("Subsidiary")</p> <p>ALT holds 99.99% of shares and sharing the same directors as follows</p> <p>1. Mr. Pyut Bhuwakulwong 2. Mrs. Preeyaporn Tangpaosak</p>	<p>ALT bought optical cable and charged management fee from I21</p> <p>Sell of products and services</p> <p>Revenue from management service</p> <p>Other revenue</p> <p>Dividend received</p> <p>Lending</p> <p>Interest received</p> <p>Other receivables</p> <p>Purchase of products and services</p> <p>Purchase</p>	<p>-</p> <p>-</p> <p>-</p> <p>-</p> <p>-</p> <p>-</p> <p>-</p> <p>-</p> <p>-</p>	<p>-</p> <p>-</p> <p>-</p> <p>-</p> <p>-</p> <p>-</p> <p>-</p> <p>-</p> <p>-</p>	<p>2,782,184</p> <p>-</p> <p>76,000,000</p> <p>5,114,520</p> <p>275,607</p> <p>30,700,400</p>	<p>973,164</p> <p>3,750</p> <p>-</p> <p>154,000,000</p> <p>2,594,795</p> <p>86,774</p> <p>-</p>	<p>ALT charged management fee from I21 at the actual cost.</p> <p>Since 2016, ALT provided a loan to I21 for business operation.</p> <p>ALT bought optical cable from I21 at normal price, which I21 is a distributor of overseas manufacturer</p>
<p>6. Telecom Solutions Provider Co., Ltd ("TSP") ("Associated Company")</p> <p>ALT holds 30.00% of shares and sharing the same directors as follows:</p> <p>1. Mr. Pyut Bhuwakulwong 2. Mrs. Preeyaporn Tangpaosak</p>	<p>ALT offered a loan to TSP to use as initial funds</p> <p>Sell of products and services</p> <p>Interest received</p> <p>Accrued interest</p>	<p>-</p> <p>10,989</p>	<p>-</p> <p>10,989</p>	<p>-</p> <p>10,989</p>	<p>-</p> <p>10,989</p>	<p>ALT offered a loan to TSP to use as initial funds for company registration with an interest rate of 6.63% per year.</p>
<p>7. Centure Co., Ltd</p> <p>A family business of Mr. Eakpol Tangpaosak, a spouse of Mrs. Preeyaporn Tangpaosak.</p> <p>Mr. Eakpol Tangpaosak is a shareholder of Centure Co., Ltd holding 2.94% of registered capital which is 17.00 million Baht.</p>	<p>Centure Co., Ltd sells operates office furniture</p> <p>Purchase of products and services</p> <p>Purchase</p>	<p>6,000</p>	<p>96,000</p>	<p>2,000</p>	<p>52,000</p>	<p>ALT bought office furniture from Centure Co., Ltd at normal price through normal procurement process.</p>



Report from The Audit Committee

Dear Shareholders of ALT Telecom Public Company Limited,

As appointed by the Board of Directors, the Audit Committee of ALT Telecom Public Company Limited ("the Company") consists of independent directors who are professional, knowledgeable and experienced in finance and accounting, and fully qualified in compliant with the Audit Committee Charter. The Audit Committee comprises of the following members:

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

During the fiscal year 2017, the Audit Committee has completely carried out its duties independently as assigned by the Board of Directors, in accordance with the regulations of the Securities and Exchange Commission (SEC) and the Stock Exchange of Thailand (SET).

In 2017, the Audit Committee had four meetings which the performance results for the year can be summarized as follows:

1. Reviewed quarterly and annual financial statements, including the consolidated financial statements of the Company and its subsidiaries. The financial statements were reviewed by the Audit Committee prior to submission to the Securities and Exchange Commission and the Stock Exchange of Thailand. According to the review results and explanation of auditors and the executives, the Audit Committee concluded that the financial statements have been accurately and completely prepared with sufficient information disclosed in accordance with the financial reporting standards.

2. Reviewed connected transactions and transactions involving a potential conflict of interest which might be considered as related transactions according to the notification of the Stock Exchange of Thailand and the notification of the Securities and Exchange Commission. According to the reviews of the connected transactions between the Company and related parties, the Audit Committee observed that the Company has followed the general trade terms which were fair, reasonable and do not cause a transfer of interest. The information was fully and sufficiently disclosed in accordance with the good corporate governance practices which are in compliance with the notification of the Stock Exchange of Thailand.

3. Considered the nomination and remuneration of auditors for the year 2017. The Audit Committee considered the auditors based on their independence, qualification, competency and expertise in financial statement audit during the previous year, as well as their auditing fee. The Audit Committee suggested an opinion to the Board of Director to seek approval of shareholders at the annual general meeting 2017 to appoint the auditors from Pricewaterhousecoopers ABAS Ltd. as the Company's auditors for the year 2017.

4. Evaluate the adequacy and appropriateness of the Company's internal control through a supervisory and an audit procedure of the internal audit department and the Company's auditors, which the independence of the internal audit department and the auditors were fully encouraged by the Audit Committee. The risk evaluation reports were applied as a guideline for internal audit planning, to lessen possible threat for operational loss. The Audit Committee held meetings with the internal auditors and the auditors to review suggestions concerning the issues and presented to the executives and the Board of Directors to improve the efficiency of the Company's operations and internal control. The performance of the operations which had been improved and developed were as well investigated by the Committee. The Audit Committee then concluded that the Company had appropriate and adequate internal control and risk management.

5. Discussed with the auditors and the executives' representative to acknowledge significant issues concerning a threat in business management affecting the Company's performance, and an improvement of information disclosure and reports. The issues were as well presented to the executives as appropriate.



Gen. Sittisak Tayparsit
Chairman of Audit Committee

Report from the Risk Management Committee

Dear Shareholders,

ALT Telecom Public Company Limited places important on risk management as a safeguard from both threats and vulnerability caused from external and internal risks which might affect the Company's goals and achievements. Thus, the Company had sought out for and appointed professionals and experts as members of the Risk Management Committees as follows:

1. Mr. Pyut Bhuwakulwong	Chairman of Risk Management Committee
2. Assoc. Prof. Suchart Laopreeda	Risk Management Committee
3. Assoc. Prof. Dr.- Ing Panit Pujinda	Risk Management Committee
4. Mr. Satian Tantanasarit	Risk Management Committee
5. Mr. Narong Ongartmaneerut	Risk Management Committee
6. Mrs. Preeyaporn Tangpaosak	Risk Management Committee
7. Ms. Preeyapun Bhuwakul	Risk Management Committee

During the year 2017, the Risk Management Committee held three meetings and carried out its duties according to the charter of the Risk Management Committee, which the Company's management was invited to the meeting as appropriate. In the previous year, the Committee revised the risk management policy and the charter of the Risk Management Committee, as well as observed the Company's major projects which the Committee independently, cautiously and completely offered suggestions and opinions concerning the projects, for the Company to achieve its goal in short-term and long-term. According to the results, the Risk Management Committee concluded that the Company has adequate and appropriate risk management, which is fully compliance with to the good corporate governance practices, laws, and regulations relating to the Company's business.



Mr. Pyut Bhuwakulwong
Chairman of Risk Management Committee

Report of the Nomination and Remuneration Committee

Dear Shareholders,

The Nomination and Remuneration Committee comprises of at least three independent directors and executives, while one-third of the members must be independent directors, as follows;

- | | |
|-----------------------------------|---|
| 1. Assoc. Prof. Suchart Laopreeda | Chairman of Nomination and Remuneration Committee |
| 2. Mr. Pyut Bhuwakulwong | Nomination and Remuneration Committee |
| 3. Mrs. Natika Pradujtanachoti | Nomination and Remuneration Committee |

In 2017, the Nomination and Remuneration Committee held two meetings to consider the nomination of an independent director and an executive, and to evaluate the performance and remuneration of the executives. The evaluation results was reported to the Board of Directors to improve the performance and efficiency. The Committee also evaluated the performance of the Board of Directors and considered the remuneration of the Board of Directors and other sub-committees, which the results are disclosed in the Company's annual report.

The Nomination and Remuneration Committee cautiously, transparently, faithfully and reasonably carried out its duties as assigned by the Board of Directors which were prescribed in the charter of the Nomination and Remuneration Committee. Moreover, the Committee encouraged each member to share their opinion freely and creatively, taking into account of the best benefit of shareholders and stakeholders.



Assoc. Prof. Suchart Laopreeda
Chairman of Nomination and Remuneration Committee

Report On The Board Of Directors Responsibilities For Financial Reports

Dear Shareholders,

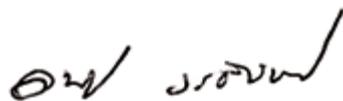
The Board of Directors is responsible for the consolidated financial reports and the separated financial reports of ALT Telecom Public Company Limited and its subsidiaries for the year ended 31 December 2017 which have been disclosed in the annual report of the Company. The financial reports have been prepared in accordance with general accepted accounting principles of Thailand which proper accounting policies have been employed and consistently adhered to, as well as careful consideration, prudent and reasonable estimations. Key information has been adequately disclosed in the note to the financial reports. The financial reports were audited and opined by an independent certified public accountant. Thus, 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 prevent any corruption and significant irregular operation.

The Board of Directors has appointed the Audit Committee which was 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, as well as information disclosure and compliance of laws and regulations 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 published in this annual report.

The consolidated financial reports and the separated financial reports of the Company and its subsidiaries were audited by Pricewaterhousecoopers ABAS Ltd.; the Company's accounting auditor. As for accounting audit, the Board of Directors provided information and document supports to the auditor to accomplish their duties and provide the auditor's opinion in accordance to the financial audit standard, which unqualified opinions are stated therein and published in this annual report.

The Board of Directors had an opinion that the Company's internal control system was, in overall, in satisfied level and adequate to reasonably trust that the financial reports of ALT Telecom Public Company Limited and the consolidated financial report of the Company and subsidiaries for the fiscal year ended 31 December 2017 were 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

Management Discussion and Analysis

For the past year of 2017, telecommunication business was persistently challenged with competition and a changing trend of business sector from traditional business to online platform which has been continuing with increasing acceleration. Government policy was another factor moving forward business sector intensely with the digital economy policy, starting from a development of telecom infrastructure to be more thorough and equal. Those changes, in either positive or negative terms, were inevitable for the Company.

Operating Results

For the year 2017, the Company reported diminishing revenue and profit, since the revenue from base station construction and installation which was the Company's primary income has been decrease significantly. Customers had less demand to establish new base stations and instead upgrade or change equipment installed on existing base stations which were not the Company's major income. Moreover, the competition in the industry has become more challenging. Many businesses

changed their way of business such as cost reduction or seeking for new business opportunity which results in a rapid change in telecom industry affecting all players in the market. Businesses had to adjust and change their businesses' direction to cope with the changes. As a result, the Company's performance for 2017 has been significantly dropped. The Company's operating results, from the consolidated financial statements for the year ended 31 December 2017, are as follows:

STATEMENT OF PROFIT AND LOSS	2016		2017		INCREASE/DECREASE	
	M.Baht	%	M.Baht	%	(+/-)	%
Revenue from sales and services	1,964.7	100.0%	1,258.1	100.0%	(706.6)	-36.0%
Cost of sales and services	(1,423.1)	-72.4%	(971.3)	-77.2%	(451.8)	-31.7%
Gross profit	541.5	27.6%	286.8	22.8%	(254.8)	-47.0%
Other revenue	26.2	1.3%	39.8	3.2%	13.6	51.7%
Selling and Administrative expenses	(255.7)	-13.0%	(226.8)	-18.0%	(29.0)	-11.3%
Profit (Loss) from foreign exchange	3.2	0.2%	2.2	0.2%	(1.1)	-32.7%
Share of profit (loss) from the investment in associates and joint-ventures	41.7	2.1%	(1.5)	-0.1%	(43.2)	-103.6%
Financial expense	(36.4)	-1.9%	(24.3)	-1.9%	(12.1)	-33.2%
Earning before income tax	320.5	16.3%	76.1	6.1%	(244.4)	-76.2%
Tax (Expense) revenue	(41.0)	-2.1%	(19.3)	-1.5%	(21.7)	-53.0%
Net profit	279.5	14.2%	56.9	4.5%	(222.7)	-79.7%

Major Revenue and Gross Profit

The Company's revenue from sales and services for 2017 has been declined by 706.6 million Baht of 36.0% from 2016 and gross profit has been decreased by 47.0 million Baht, because the projects which will generate recurring income to the Company have been completed and partially commenced commercial service. Thus, the depreciation expense of the projects were recognized causing a proportion of revenue from services, sales, and telecom network lease to change from 63.0%, 37.0% and 0.0% in 2016, to 67.6%, 31.7%, and 0.8% in 2017 respectively.

Service Business

As the mobile phone operators have reviewed and adjusted their investment plans, in 2017, the Company's revenue from contracting service; such as base station construction and equipment and cable installation, was 850.1 million Baht which decreased by 387.8 million Baht or 31.3% from 2016. The revenue of 2017 was 1,238 million Baht with a gross profit of 329.5 million Baht, decreasing from the previous year which was 447.29 million Baht by 117.8 million Baht or 26.3%. Gross profit margin for the year was 38.8% increasing from 36.1% of 2016.

Sales Business

In 2017, the Company sold telecom equipment such as optical fiber cable and Wi-Fi equipment totaling 398.4 million Baht, decreasing by 328.3 million Baht or 45.2% from 2016 which the sales revenue was 726.7 million Baht. Gross profit for the year was 94.5 million Baht, decreasing by 35.3 million Baht or 27.2% from 2016 which the gross profit was 129.8 million Baht. Gross profit margin was 23.7% increasing from 17.9% of 2016.

Recurring Income Business (Telecom Infrastructure Lease)

As the end of 2017, the Company had 7 telecommunication infrastructure projects available for lease. Four projects were owned by the Company including the communication network for lease which were installed in Hemaraj Industrial Estate, and Navanakorn Industrial Estate, the telecommunication networks alongside railways and the underground telecommunication networks. The remaining 3 projects were owned by the Company's joint-venture including the telecommunication network installed in CBD and major streets of Bangkok, and the telecommunication tower for lease installed on gas stations. The JV-project has been generating revenue since the fourth quarter of 2015, which the Company recognized 71% of the revenue in relative to its shareholding in the joint-venture. The revenue is presented in the section "Share of profit (loss) of joint ventures" of Company's financial statements.

Selling and Administrative Expenses

In 2017, the Company had selling and administrative expense of 226.8 million Baht, decreasing by 29 million Baht or 11.3% from 2016 which the expense was 255.7 million Baht.

Net Profit

A decline in the Company's performance in 2017 is only short-term since the Company has investment in several projects that will generate recurring income in a long-run. In 2017, the Company has recognized revenue from some projects and expected that the recurring revenue will be increase in significant proportion according to the Company's plan to increase the proportion of recurring income up to 50% of net profit by 2020.

PROFIT STRUCTURE	2016	2017	INCREASE / DECREASE	
Sales and Services business	273.4	195.6	(77.8)	-28.5%
Recurring income business	28.9	(116.0)	(144.9)	-501.2%
Lawsuits	(22.78)	(22.72)	0.06	-0.3%
Net profit	279.5	56.9	(222.7)	-79.7%

In 2017, the Company reported net profit of 56.9 million Baht, declined by 222.7 million Baht or 79.7% from 2016 which the net profit was 279.5 million Baht because of the recognition of depreciation expense of SRT project. Moreover, the increasing revenue from telecom network leasing could not compensate a decline of revenue from sales and services, due to a delay in the initial stage of projects. However, the Company shall maintain its business direction according to the strategic plan and expected that a declined of its performance in 2016 would be a short-term effect from the transition. The loss from lawsuits in the amount of 22.78 million Baht and 22.72 million Baht during 2016 and 2017 respectively, was recorded as depreciation expense of the network which the revenue has yet to be recognized in contrary to the depreciation expense. The net loss will be recognized until the final judgment.

Financial Status

STATEMENT OF FINANCIAL STATUS	2016	2017	INCREASE / DECREASE	
Assets				
Current assets	2,288.19	2,055.42	(232.77)	-10.17%
Non-current assets	1,069.14	1,385.22	316.08	29.56%
Total assets	3,357.33	3,440.64	83.31	2.48%
Liabilities and shareholders' equity				
Current liabilities	1,383.12	1,592.47	209.35	15.14%
Non-current liabilities	127.99	46.38	(81.61)	-63.76%
Total liabilities	1,511.11	1,638.85	127.74	8.45%
Registered capital	500.00	500.00	-	0.00%
Share premium	1,010.49	1,010.49	-	0.00%
Other components of shareholders' equity	50.10	48.80	(1.30)	-2.59%
Retained earning	285.46	242.32	(43.14)	-15.11%
Non-controlling interest	0.16	0.18	0.01	6.66%
Total shareholders' equity	1,846.22	1,801.79	(44.43)	-2.41%
Total liabilities and shareholders' equity	3,357.33	3,440.64	83.31	2.48%

Assets

As of 31 December 2017, the Company had 3,440.64 million Baht of assets, increasing by 83.31 million Baht or 2.48% from 2016, due to an increase in non-current assets in the amount of 316.08 million Baht or 29.56%. The major item of the increased assets was the fiber optic networks of SRT project which increased by 367.46 million Baht. Current assets decreased by 232.77 million Baht or 10.17% which the major item was unbilled contract revenue which decreased by 213.20 million Baht.

Liabilities

As of 31 December 2017, the Company had 1,638.85 million Baht of liabilities, increasing by 127.74 million Baht or 8.45% from 2016, causing from an increase in current liabilities in the amount of 209.35 million Baht which the major items were, bank overdraft and short-term borrowing from financial institutions increasing by 354.16 million Baht and long-term borrowing from financial institutions decreasing by 90.33 million Baht.

Shareholders' Equity

The Company's shareholders' equity was 1,801.79 million Baht, decreasing by 44.43 million Baht from the previous year which the equity was 1,864.22 million Baht, due to a decrease of retained earnings in the amount of 43.14 million Baht.

As of 31 December 2017, the Company's debt-to-equity ratio was 0.91, increasing from the last year which was 0.82.

Cash Flow

STATEMENT OF CASH FLOW	FY2016	FY2016
Net Cash (used in) generated from operating activities	(321.27)	272.91
Net Cash (used in) from investing activities	(558.58)	(465.29)
Net Cash from financing activities	973.03	160.23
Net Cash (decrease) in cash and cash equivalents	93.18	(32.15)
Opening balance of cash and cash equivalents	67.85	161.03
Closing balance of cash and cash equivalents	161.03	128.87

Net cash used in generated from operating activities of Baht 279.91 million in 2017, which was net trade and other receivables and unbilled contract revenue of Baht 288.16 million, trade and other payables of Baht 155.09 million, included cash received from trade-off inventories of Baht 130.00 million.

Net cash used in investing activities of Baht 465.29 million in 2017, which the main was investment in fiber optic network and equipment of Baht 399.47 million.

Net cash from financing activities of Baht 160.23 million in 2017, which was proceeds from short-term borrowing from financial institutions of Baht 260.76 million and dividends paid to shareholders of Baht 100.00 million.

Independent Auditor's Report and Statement of Financial Position



Independent Auditor's Report

To the Shareholders of ALT Telecom Public Company Limited

My opinion

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

What I have audited

The consolidated financial statements and the separate financial statements comprise:

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

Basis for opinion

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

Key audit matters

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



Key audit matter	How my audit addressed the key audit matter
<p>Accounting for long-term contracts, including profit recognition, work in progress and accrued construction cost.</p> <p>Refer to note 2.7</p> <p>The Group has significant long-term contracts in its construction division. Total revenue from long-term contracts for the year ended 31 December 2017 was Baht 850.14 million representing 67.57% of total revenue in the consolidated income statement.</p> <p>The Group recognised its revenue from construction contracts based on the percentage-of-completion method. Percentage of completion was determined by the responsible engineers. This was assessed by reference to the physical proportion of the performed contract work assessed by the project engineers and customers to the total contract work to be performed.</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 the percentage of completion. Also, there was uncertainty over the estimated final contract values. The uncertainty came from variations to the contract requested by the customer, material variances etc. Such uncertainty will impact profit or loss, work in progress and accrued construction costs recognised to date and in the current period.</p>	<p>My procedures in relation to management's assessment of revenue recognition of those contracts included:</p> <ul style="list-style-type: none"> • testing internal controls over the budgeting process relating to the estimated total contract costs and verifying management's estimated total contract costs by interviewing the project engineer and inspecting the supporting evidence; • testing the internal controls over the revenue and receivable cycle, and the purchase and payable cycle for projects; • challenging the judgements applied in management's forecast, particularly, the key assumptions including the expected recovery of variations in the forecast, and the historical financial performance and forecast out-turn against budget of other contracts of a similar nature and size and industry knowledge; • inspecting client acceptance certificates, correspondence and minutes of meetings with customers concerning variations. I also obtained third-party assessments of these from customers to assess whether this information was consistent with the estimate made; and • inspecting selected signed contracts for key clauses to identify relevant contractual mechanisms such as variations to the contract requested by the customer, sharing of cost overruns or efficiencies with the customer, contractual damages and success fees. I also assessed whether these key clauses were appropriately reflected in the amounts included in the forecasts. <p>I found management's preparation of the budget costs, as well as the estimation over the percentage of completion in each project were reasonable and appropriate based on the environment and circumstances.</p>



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

Refer to note 9 and note 35

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

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

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

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

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

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



Key audit matter	How my audit addressed the key audit matter
<p data-bbox="427 651 751 674">Impairment of fiber optic network</p> <p data-bbox="427 696 576 719">Refer to note 16</p> <p data-bbox="427 741 916 1066">The Company has total fiber optic network as at 31 December 2017 of Baht 947.98 million, including fiber optic cabling to the Factory (FTTF) project in Hemraj Eastern Seaboard Industrial Park and Eastern Seaboard Rayong Industrial Park of Baht 198.40 million. The Company signed a contract with a state enterprise to install fiber optic cables in the industrial parks and the state enterprise would rent this asset from the Company at Baht 13.5 million per month for 36 months (from 27 September 2011 - 26 September 2014). However, from 27 September 2011 to now, the state enterprise has not yet paid the Company. As a result, the Company decided to terminate the contract with the state enterprise on 7 February 2013.</p> <p data-bbox="427 1088 916 1178">Management applied a discounted cash flow approach in determining the recoverable amount for the fiber optic network. Key assumptions used in the discounted cash flow included:</p> <ul data-bbox="464 1200 916 1458" style="list-style-type: none"> • the cash flow forecasts derived from internal forecasts and assumptions around the future performance; • the discount rate and the long term growth rate, including the assessment of risk factors and growth expectation of the relevant factors; and • the assumptions used in the valuations prepared to support the fair value of certain assets and also the external evidence from third parties. <p data-bbox="427 1480 916 1615">Management concluded that there is no impairment in respect of the fiber optic network in Hemraj Eastern Seaboard Industrial Park and Eastern Seaboard Rayong industrial park. This conclusion was based on both the fair value less costs of disposal model and the value in use model.</p> <p data-bbox="427 1637 916 1917">I focused on this area because there is an indication of impairment on the fiber optic network that its carrying value may be lower than its recoverable amount. No revenue was recognised after the contract was terminated. However, the Company still recognises depreciation expenses for this network in the financial statement. The net book value of the fiber optic network as at 31 December 2017 is Baht 198.49 million, representing 5.77% of total assets. Additionally, the determination of its recoverable amounts is dependent on a number of assumptions which involved significant management judgment.</p>	<p data-bbox="932 741 1437 797">My procedures in relation to management's assessment of the recoverability of the fiber optic network included:</p> <ul data-bbox="970 819 1437 1211" 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 the discount rate, number of customers and growth expectation. The procedures included comparing the key assumptions to external sources; • reconciling input data to supporting evidence such as quotations from third parties and considering the reasonableness of the budget; and • considering the potential impact of any possible negative changes in these key assumptions. <p data-bbox="932 1234 1437 1346">I found management's assumptions in relation to the fair value less costs of disposal and value in use calculations were reasonable and supported by the available evidence. The present value of both methods are greater than the carrying value.</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.



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

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

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

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

PricewaterhouseCoopers ABAS Ltd.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

	Separate financial statements							Total equity Baht
	Notes	Issued and paid-up share capital Baht	Share premium Baht	Retained earnings		Unappropriated Baht	Total equity Baht	
				Legal reserve Baht	Appropriated			
Opening balance at 1 January 2016								
Issue of shares	23	375,000,000	-	28,600,000	4,807,881	-	408,407,881	
Legal reserve	24	125,000,000	1,010,493,000	-	-	-	1,135,493,000	
Dividends payment	26	-	-	21,400,000	(21,400,000)	-	-	
Total comprehensive income for the year		-	-	-	(160,500,000)	322,086,879	(160,500,000)	
Closing balance at 31 December 2016		500,000,000	1,010,493,000	50,000,000	144,994,760	144,994,760	1,705,487,760	
Opening balance at 1 January 2017								
Legal reserve		500,000,000	1,010,493,000	50,000,000	144,994,760	(5,000,000)	1,705,487,760	
Dividends payment	26	-	-	5,000,000	(5,000,000)	-	-	
Total comprehensive income for the year		-	-	-	(100,000,000)	91,957,588	(100,000,000)	
Closing balance at 31 December 2017		500,000,000	1,010,493,000	55,000,000	131,962,348	131,962,348	1,697,445,348	

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

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

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

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

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

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

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

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

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

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

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

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, Bangkruey-Sainoi Rd., Bangsithong, Bangkruey, Nonthaburi.

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

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

These Group consolidated financial statements were authorised for issue by the Board of Directors on 26 February 2018.

2 Accounting policies

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

2.1 Basis for preparation

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

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

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

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

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

2 Accounting policies (Cont'd)

2.2 Revised financial reporting standards, and related interpretations

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

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

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

(1) Subsidiaries (Cont'd)

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

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

Intercompany transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

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

(2) Transactions with non-controlling interests

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

(3) Disposal of subsidiaries

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

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

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 the case, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value and recognises the amount adjacent to share of profit/(loss) of associates in the income statement.

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

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

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

(5) Joint arrangements

Investments in joint arrangements are classified as either joint operations or joint ventures depending on the contractual rights and obligations each investor. The Group has assessed the nature of its joint arrangements and determined them to be joint ventures. Joint ventures are accounted for using the equity method.

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

Unrealised gains on transactions between the Group and its joint ventures are eliminated to the extent of the Group's interest in the joint ventures. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of the joint ventures have been changed where necessary to ensure consistency with the policies adopted by the Group.

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

2 Accounting policies (Cont'd)

2.4 Foreign currency translation

(a) Functional and presentation currency

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

(b) Transactions and balances

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

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

(c) Group companies

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

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

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

2.5 Cash and cash equivalents

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

2.6 Trade accounts receivable

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

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

2.7 Construction contracts

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

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

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

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

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

2.8 Inventories

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

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

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For the year ended 31 December 2017

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 2017

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
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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 substantively 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.

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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 Thai government bonds that have terms to maturity approximating to the terms of the related liability.

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

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

2.18 Share-based payment

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

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

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

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

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

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

2.19 Provisions

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

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

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

2.20 Share capital

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

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

2.21 Revenue recognition

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

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

Interest income is recognised using the effective interest method.

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

2.22 Dividend distribution

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

2.23 Segment reporting

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

ALT Telecom Public Company Limited
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3 Financial risk management

3.1 Financial risk factors

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

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

3.1.1 Foreign exchange risk

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

3.1.2 Interest rate risk

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

3.1.3 Credit risk

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

3.1.4 Liquidity risk

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

3.2 Accounting for derivative financial instruments and hedging activities

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

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

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

3.3 Fair value

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

ALT Telecom Public Company Limited
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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.

e) **Allowance for doubtful accounts**

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

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

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

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

7 Cash and cash equivalents

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

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

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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	
	2017 Baht	2016 Baht	2017 Baht	2016 Baht
At 1 January	25,333,373	2,803,550	21,033,192	1,353,006
Addition	7,421,630	22,233,740	10,000	19,400,000
Redeem	(18,077,993)	-	(18,063,152)	-
Interest income	501,111	296,083	418,324	280,186
At 31 December	15,178,121	25,333,373	3,398,364	21,033,192

Short-term investments represent fixed deposits with financial institution which is not restricted and have maturity period within 3 months to 12 months and carrying interest at the rate of 0.90% to 1.00% per annum (2016: 0.80% to 1.50% per annum). Short-term investments are deposits in the same bank accounts with the restricted cash. Interest income is calculated from total account balance, including restricted (Note 13) and non-restricted.

9 Trade and other receivables

	Consolidated financial statements		Separate financial statements	
	2017 Baht	2016 Baht	2017 Baht	2016 Baht
Trade receivables				
Trade receivables - third parties	405,872,726	397,123,717	132,366,917	75,332,791
Trade receivables - related parties (Note 33)	1,858,565	6,476,021	197,629	5,842,176
Post dated cheque	-	956,707	-	-
Total trade receivables	407,731,291	404,556,445	132,564,546	81,174,967
Less: Allowance for doubtful accounts	(8,275,838)	(8,884,585)	(891,000)	(1,068,908)
Trade receivables, net	399,455,453	395,671,860	131,673,546	80,106,059
Other receivables				
Other receivables - third parties	14,992,933	11,734,492	643,657	963,752
Other receivables - related parties (Note 33)	998,713	1,784,912	2,342,302	1,935,251
Advance payment - third parties	413,489	1,217,675	114,180	432,969
Advance payment - related parties (Note 33)	56,995	-	11,579,406	-
Advance payment for inventory	22,079,895	10,093,268	2,672,466	5,758,719
Accrued interest income - related parties (Note 33)	10,989	10,989	10,989	10,989
Accrued income	25,071,520	13,933,573	292,500	30,000
Accrued dividend income (Note 33)	-	-	179,998,380	99,999,100
Prepayments	1,065,020	478,421	851,574	433,562
Total other receivables	64,689,554	39,253,330	198,505,454	109,564,342
Less: Allowance for doubtful accounts	(4,850,000)	(4,850,000)	-	-
Other receivables, net	59,839,554	34,403,330	198,505,454	109,564,342
Total trade and other receivables, net	459,295,007	430,075,190	330,179,000	189,670,401

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9 Trade and other receivables (Cont'd)

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

	Consolidated financial statements		Separate financial statements	
	2017 Baht	2016 Baht	2017 Baht	2016 Baht
Trade account receivables				
Current	257,817,419	295,034,538	82,521,074	26,312,170
Overdue less than 3 months	84,185,007	50,924,474	9,834,283	9,770,317
Overdue 3 months but less than 6 months	12,961,082	2,753,793	-	506,858
Overdue 6 months but less than 9 months	3,499,580	4,786,639	1,064,115	285,270
Overdue 9 months but less than 12 months	1,658,706	-	206	-
Overdue over 12 months	45,750,932	44,580,980	38,947,239	38,458,176
Total trade account receivables	405,872,726	398,080,424	132,366,917	75,332,791
Less Allowance for doubtful accounts	(8,275,838)	(8,884,585)	(891,000)	(1,068,908)
Trade account receivables, net	397,596,888	389,195,839	131,475,917	74,263,883

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

During 2013, the Company has filed an arbitration claim against this receivable to Administrative Court regarding the additional claim of Baht 275.56 million for service income from the use of fiber optic network and equipment under the services agreement and damages other than amount mentioned above (the Company did not record this claim as revenue in the financial statements). According to the Administrative Court's judgment on 30 September 2016, this receivable was judged to pay the Company for compensation with a monthly rate of Baht 13.5 million, calculated since 12 February 2013 until the project is transferred back. However, the case is currently within the arbitration process because this receivable has lodged an appeal against the court.

During 2014, the Company therefore filed an arbitration claim against this receivable to Civil Court to claimed amount of Baht 96.88 million for the remaining balance at Baht 37.56 million included related damages. The case is currently within the Administrative Court's process.

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

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

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

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

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

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

ALT Telecom Public Company Limited
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11 Inventories

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

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

12 Other current assets

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

13 Restricted cash

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

ALT Telecom Public Company Limited
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14 Investments in subsidiaries, associates and interests in joint ventures

Investments accounted for using equity method.

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

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

The amounts recognised in the income statement are as follows:

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

(a) Investments in associate

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

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

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For the year ended 31 December 2017

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

(a) Investments in associate (Cont'd)

Addition of interests in associate

Telecom Solutions Provider Company Limited ("TSP")

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

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

Set out below is the associate of the Group as at 31 December 2017, which, in the opinion of the directors, are material to the Group. The associates as listed below have share capital consisting solely of ordinary shares, which are held directly by the Group; the country of incorporation or registration is also their principal place of business.

Nature of investments in associate 2017 and 2016:

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

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

Summarised financial information for associate

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

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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 financial position

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

Summarised statement of comprehensive income

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

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Notes to the Consolidated and Separate Financial statements
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14 Investments in subsidiaries, associates and interests in joint ventures (Cont'd)

(a) Investments in associate (Cont'd)

Reconciliation of summarised financial information

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

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

(b) Investments in joint venture

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

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

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

Nature of investments in joint venture 2017 and 2016

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

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

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

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

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

Summarised statement of comprehensive income

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

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

(c) Principal subsidiaries

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

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

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

(c) Principal subsidiaries (Cont'd)

2017

Addition of investments in subsidiaries

International Gateway Company Limited

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

A subsidiary under International Gateway Company Limited

2Ocean Company Limited

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

2016

Addition of investments in subsidiaries

Group Tech Solutions Company Limited ("GTS")

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

Innova Telecommunication Company Limited ("INN")

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

I Twenty One Inter Corporation Company Limited ("I Twenty One")

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

Dividends income

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

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

ALT Telecom Public Company Limited
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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 2017 and 2016

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

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

The total non-controlling interest at 31 December 2017 is Baht 175,390 (2016 : Baht 164,435) of which is not material to the financial statements.

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15 Property, plant and equipment

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

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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 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)	-	-	(4,586)
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	40,969,422
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	40,969,422

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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 2017													
Cost	20,077,780	26,998,276	1,206,590	556,254	4,246,523	3,234,324	3,061,729	586,628					59,968,104
Less: Accumulated depreciation	-	(9,729,357)	(1,058,793)	(417,169)	(2,661,016)	(2,050,621)	(3,061,726)	-					(18,978,682)
Net book value	20,077,780	17,268,919	147,797	139,085	1,585,507	1,183,703	3	586,628					40,989,422
For the year ended 31 December 2017													
Opening net book value	20,077,780	17,268,919	147,797	139,085	1,585,507	1,183,703	3	586,628					40,989,422
Additions	335,000	1,799,880	20,084	5,901,200	212,065	2,578,887	-	5,278,041					16,125,157
Depreciation charge	-	(956,271)	(57,676)	(447,496)	(429,755)	(780,077)	-	-					(2,671,275)
Closing net book value	20,412,780	18,112,528	110,205	5,592,789	1,367,817	2,982,513	3	5,864,669					54,443,304
At 31 December 2017													
Cost	20,412,780	28,798,156	1,226,674	6,457,454	4,458,588	5,813,211	3,061,729	5,864,669					76,083,261
Less: Accumulated depreciation	-	(10,685,628)	(1,116,469)	(864,665)	(3,090,771)	(2,830,698)	(3,061,726)	-					(21,649,957)
Closing net book value	20,412,780	18,112,528	110,205	5,592,789	1,367,817	2,982,513	3	5,864,669					54,443,304

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15 Property, plant and equipment (Cont'd)

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

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

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

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

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

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16 Fiber optic network

	Consolidated financial statements	Separate financial statements
	Baht	Baht
At 1 January 2016		
Cost	382,226,230	344,325,049
<u>Less</u> Accumulated depreciation	<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>
For the year ended 31 December 2017		
Opening net book value	580,522,334	628,983,739
Addition	406,770,003	574,767,330
Depreciation charge	<u>(39,308,992)</u>	<u>(43,723,042)</u>
Closing net book value	<u>947,983,345</u>	<u>1,160,028,027</u>
At 31 December 2017		
Cost	1,107,395,112	1,323,853,844
<u>Less</u> Accumulated depreciation	<u>(159,411,767)</u>	<u>(163,825,817)</u>
Closing net book value	<u>947,983,345</u>	<u>1,160,028,027</u>

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

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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 2016					
Cost	10,573,959	926,725	2,816,330	14,317,014	4,384,340
Less Accumulated amortisation	(3,434,716)	(926,725)	-	(4,361,441)	(1,562,394)
Net book value	7,139,243	-	2,816,330	9,955,573	2,821,946
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	7,425,542	-	3,055,483	10,481,025	2,918,118
At 31 December 2016					
Cost	11,930,571	926,725	3,055,483	15,912,779	4,929,140
Less Accumulated amortisation	(4,505,029)	(926,725)	-	(5,431,754)	(2,011,022)
Net book value	7,425,542	-	3,055,483	10,481,025	2,918,118
For the year ended 31 December 2017					
Opening net book value	7,425,542	-	3,055,483	10,481,025	2,918,118
Addition	6,651,515	-	-	6,651,515	5,886,500
Disposal	-	-	(2,816,330)	(2,816,330)	-
Transfer in (out)	162,353	-	(162,353)	-	-
Amortisation charge	(1,428,010)	-	-	(1,428,010)	(690,274)
Closing net book value	12,811,400	-	76,800	12,888,200	8,114,344
At 31 December 2017					
Cost	18,744,439	926,725	76,800	19,747,964	10,815,640
Less Accumulated amortisation	(5,933,039)	(926,725)	-	(6,859,764)	(2,701,296)
Net book value	12,811,400	-	76,800	12,888,200	8,114,344

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

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

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

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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 income statement Baht	Charged to comprehensive income Baht	At 31 December 2016 Baht
Deferred tax assets				
Allowance for diminution in value of inventories	1,328,776	282,696	-	1,611,472
Investments in subsidiaries	-	213,782	-	213,782
Employee benefit obligations	943,269	393,816	81,410	1,418,495
Services income - fiber optic network	53,010,000	-	-	53,010,000
Prepaid expenses	189,015	547,417	-	736,432
Advance receive	5,250,363	(5,250,363)	-	-
Tax loss carry forward	-	4,890,702	-	4,890,702
Others	-	120,960	-	120,960
	<u>60,721,423</u>	<u>1,199,010</u>	<u>81,410</u>	<u>62,001,843</u>
Deferred tax liabilities				
Depreciation of fiber optic network	52,478,403	(4,557,912)	-	47,920,491
Accrued cost	3,842,136	(3,842,136)	-	-
	<u>56,320,539</u>	<u>(8,400,048)</u>	<u>-</u>	<u>47,920,491</u>
	Separate financial statements			
	At 1 January 2017 Baht	Charged to Income statement Baht		At 31 December 2017 Baht
Deferred tax assets				
Allowance for diminution in value of inventories	1,611,472	(91,472)		1,520,000
Allowance for doubtful accounts	213,782	(35,582)		178,200
Employee benefit obligations	1,418,495	359,394		1,777,889
Services income - fiber optic network	53,010,000	-		53,010,000
Prepaid expenses	736,432	620,447		1,356,879
Tax loss carry forward	4,890,702	16,206,556		21,097,258
Others	120,960	154,239		275,199
	<u>62,001,843</u>	<u>17,213,582</u>		<u>79,215,425</u>
Deferred tax liabilities				
Depreciation of fiber optic network	47,920,491	(4,543,635)		43,376,856
	<u>47,920,491</u>	<u>(4,543,635)</u>		<u>43,376,856</u>

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

Expiration of tax loss can be analysed as below:

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

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19 Borrowings

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

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

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

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

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

Finance lease liability - minimum lease payments:

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

The present value of finance lease liability is as follows:

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

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

Borrowing facilities

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

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

Borrowing facilities are reviewed annually.

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20 Trade and other payables

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

21 Other current liabilities

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

22 Employee benefit obligations

Employee benefit obligations comprises:

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

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22 Employee benefit obligations (Cont'd)

Post-retirement benefits

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

Retirement benefits

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

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

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

The principal actuarial assumptions used were as follows:

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

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22 Employee benefit obligations (Cont'd)

Retirement benefits (Cont'd)

Sensitivity analysis

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

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

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

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

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

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

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

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

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

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

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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 2017					
Retirement benefits	741,576	2,725,211	4,744,552	4,928,685	13,140,024

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

Other employee benefits

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

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

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

The principal actuarial assumptions used were as follows:

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

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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	
	2017	2016	2017	2016	2017	2016
Discount rate	1.00%	1.00%	Decrease by 6.72%	Decrease by 5.99%	Increase by 7.53%	Increase by 6.71%
Staff turnover rate	1.00%	1.00%	Decrease by 7.8%	Decrease by 6.95%	Increase by 6.17%	Increase by 5.66%

	Separate financial statements					
	Impact on defined benefit obligation					
	Change in assumption		Increase in assumption		Decrease in assumption	
	2017	2016	2017	2016	2017	2016
Discount rate	1.00%	1.00%	Decrease by 4.76%	Decrease by 4.18%	Increase by 5.25%	Increase by 4.59%
Staff turnover rate	1.00%	1.00%	Decrease by 5.96%	Decrease by 5.19%	Increase by 5.99%	Increase by 5.00%

Expected maturity analysis of undiscounted other employee benefits:

	Consolidated financial statements				
	Less than a year Baht	Between 1 - 2 years Baht	Between 2 - 5 years Baht	Over 5 years Baht	Total Baht
At 31 December 2017 Other employee benefits	52,000	182,000	416,000	3,132,000	3,782,000

	Consolidated financial statements				
	Less than a year Baht	Between 1 - 2 years Baht	Between 2 - 5 years Baht	Over 5 years Baht	Total Baht
At 31 December 2016 Other employee benefits	234,000	52,000	546,000	3,184,000	4,016,000

	Separate financial statements				
	Less than a year Baht	Between 1 - 2 years Baht	Between 2 - 5 years Baht	Over 5 years Baht	Total Baht
At 31 December 2017 Other employee benefits	26,000	130,000	234,000	686,000	1,076,000

	Separate financial statements				
	Less than a year Baht	Between 1 - 2 years Baht	Between 2 - 5 years Baht	Over 5 years Baht	Total Baht
At 31 December 2016 Other employee benefits	130,000	26,000	312,000	738,000	1,206,000

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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 2016	1,000,000,000	750,000,000	375,000,000	-	375,000,000
Issue of shares	-	250,000,000	125,000,000	1,010,493,000	1,135,493,000
At 31 December 2016	1,000,000,000	1,000,000,000	500,000,000	1,010,493,000	1,510,493,000
Issue of shares	250,000,000	-	-	-	-
At 31 December 2017	1,250,000,000	1,000,000,000	500,000,000	1,010,493,000	1,510,493,000

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

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

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

24 Legal reserve

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

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

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25 Warrants

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

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

26 Dividends

2017

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

2016

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

27 Other income

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

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28 Finance costs

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

29 Expense by nature

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

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

30 Income tax expense

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

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30 Income tax expense (Cont'd)

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

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

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

31 Earnings per share

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

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

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

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31 Earnings per share (Cont'd)

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

32 Financial instruments - forward contracts

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

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

Net fair value

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

	Unit: Baht
	31 December 2017
Unfavourable forward foreign exchange contracts	164,925

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

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

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33 Related-party transactions

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

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

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

Relationship of the related company as follows :

	Relationship	Related by
ALT Holding Co., Ltd.	Parent	Shareholders and directors
Group Tech Solutions Co., Ltd.	Subsidiary	Shareholders and directors
Innova Telecommunication Co., Ltd.	Subsidiary	Shareholders and directors
I Twenty One Inter Corporation Co., Ltd.	Subsidiary	Shareholders and directors
International Gateway Co., Ltd.	Subsidiary	Shareholders and directors
2Ocean Co., Ltd.	Subsidiary	Indirect shareholders and directors
Telecom Solutions Providers Co., Ltd.	Associate	Shareholders and directors
Myanmar Information Highway Co., Ltd.	Associate	Indirect shareholders
Information Highway Co., Ltd.	Joint venture	Shareholders and directors

Related transaction pricing policy as follow :

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

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33 Related-party transactions (Cont'd)

The following material transactions were carried out with related parties:

a) Revenue from sales and services

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

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33 Related party transactions (Cont'd)

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

b) Purchases of goods and services

For the years ended 31 December	Consolidated financial statements		Separate financial statements	
	2017 Baht	2016 Baht	2017 Baht	2016 Baht
Cost of sales and services				
Subsidiaries	-	-	264,733,940	303,497,697
Related party	50,000	-	-	-
	<u>50,000</u>	<u>-</u>	<u>264,733,940</u>	<u>303,497,697</u>
Finance costs (Note 28)				
Parent	-	102,890	-	90,425
Subsidiaries	-	-	-	1,023,438
	<u>-</u>	<u>102,890</u>	<u>-</u>	<u>1,113,863</u>
Dividend payment				
Parent	50,000,000	107,000,000	50,000,000	107,000,000
	<u>50,000,000</u>	<u>107,000,000</u>	<u>50,000,000</u>	<u>107,000,000</u>

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33 Related party transactions (Cont'd)

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

c) Outstanding balances arising from purchases of goods and services

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

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33 Related party transactions (Cont'd)

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

d) Short-term loans to related parties

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

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

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

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

e) Key management compensation

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

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34 Commitments and contingencies

i) Bank guarantees

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

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

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

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

35 Contingent assets

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

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

36 Subsequent events

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



ALT Telecom Public Company Limited

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