

ALT TELECOM PUBLIC COMPANY LIMITED

CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

31 DECEMBER 2018

Independent Auditor's Report

To the Shareholders and the Board of Directors 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 2018, 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 2018;
- 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><i>Accounting for long-term contracts, including revenue recognition, work in progress and accrued construction cost.</i></p> <p>Refer to note 3.7</p> <p>The Group has revenue from long-term contracts for the year ended 31 December 2018 of Baht 636.23 million representing 74.53% 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.</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 inquiring 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; • understanding and assessing the judgements applied in management's forecast, particularly, the key assumptions including the expected recovery in the forecast, and the historical financial performance and forecast out-turn against budget of other contracts of a similar nature and size; • inspecting client acceptance certificates, correspondence and minutes of meetings with customers; and • observing the method used to assess the progress of work by engineers. <p>I found management's preparation of the budget costs, as well as the estimation over the percentage of completion associated with revenue recognition on construction contracts were reasonable and appropriate based on the environment and circumstances.</p>

Key audit matter

How my audit addressed the key audit matter

Impairment of fiber optic network

Refer to note 18

The Company has total fiber optic network as at 31 December 2018 of Baht 814.87 million, including fiber optic cabling to the Factory (FTTF) project in Hemraj Eastern Seaboard Industrial Park and Eastern Seaboard Rayong Industrial Park of Baht 175.77 million. The Company signed a contract with a state enterprise to install fiber optic cables in the industrial parks and the state enterprise would rent this asset from the Company at Baht 13.5 million per month for 36 months (from 27 September 2011 - 26 September 2014). However, from 27 September 2011 to now, the state enterprise has not yet paid the Company. As a result, the Company decided to terminate the contract with the state enterprise on 7 February 2013.

Management determined the recoverable amount for the fiber optic network from the value in use model by applying a discounted cash flow approach. Key assumptions used in the discounted cash flow included:

- the cash flow forecasts derived from internal forecasts and assumptions around the future performance;
- the discount rate and the long-term growth rate, including the assessment of risk factors and growth expectation of the relevant factors; and

Based on the assessment of impairment, Management concluded that there is no impairment in respect of the fiber optic network. This conclusion was based on the value in use that is higher than carrying value.

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 2018 is Baht 175.77 million, representing 5.98% of total assets. Additionally, the determination of its recoverable amounts is dependent on a number of assumptions which involved significant management judgment.

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

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

I found management's assumptions in relation to value in use calculations were reasonable and supported by the available evidence. The recoverable amount is greater than the carrying value.

Other information

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

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

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

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

Responsibilities of the directors for the consolidated and separate financial statements

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

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

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

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

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

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

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

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

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

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

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

PricewaterhouseCoopers ABAS Ltd.

Pisit Thangtanagul
Certified Public Accountant (Thailand) No. 4095
Bangkok
22 February 2019

ALT Telecom Public Company Limited
Statement of Financial Position
As at 31 December 2018

	Notes	Consolidated financial statements		Separate financial statements	
		2018	2017	2018	2017
		Baht	Baht	Baht	Baht
Assets					
Current assets					
Cash and cash equivalents	9	191,741,677	128,871,243	53,850,312	75,692,307
Short-term investments	10	648,449	15,178,121	648,449	3,398,364
Trade and other receivables	11	454,618,844	459,295,007	167,486,942	330,179,000
Current portion of long-term receivables		17,296,765	149,636,988	-	-
Unbilled contract revenue	12	212,489,638	655,221,229	35,166,906	159,694,718
Short-term loans to related parties	34	16,000,000	350,000,000	77,000,000	531,000,000
Inventories	13	314,180,746	202,292,761	186,537,790	69,906,508
Current portion of prepaid rent		22,829,111	10,998,533	20,073,390	7,577,921
Other current assets	14	145,771,149	83,928,763	76,767,486	72,784,476
Total current assets		1,375,576,379	2,055,422,645	617,531,275	1,250,233,294
Non-current assets					
Restricted cash	15	96,574,727	133,179,529	37,900,000	52,122,000
Long-term receivables		22,115,248	-	-	-
Prepaid rent		54,314,733	13,750,000	54,314,733	13,750,000
Investment in associate	16	42,164,174	29,614,862	75,360,000	46,500,000
Investment in subsidiaries	16	-	-	802,811,432	176,561,807
Interest in joint venture	16	48,355,810	56,165,738	35,499,900	35,499,900
Long-term loans to related parties	34	390,000,000	-	390,000,000	-
Property, plant and equipment	17	98,413,314	95,593,604	59,996,161	54,443,304
Fiber optic network equipment	18	1,071,653,211	947,983,345	814,869,944	1,160,028,027
Intangible assets	19	16,729,808	12,888,200	5,416,529	8,114,344
Deferred tax assets	20	100,945,905	76,497,488	44,526,562	35,838,569
Other non-current assets		20,895,853	19,543,330	2,082,470	1,757,742
Total non-current assets		1,962,162,783	1,385,216,096	2,322,777,731	1,584,615,693
Total assets		3,337,739,162	3,440,638,741	2,940,309,006	2,834,848,987

Director _____
Pyut Bhuwakulwong

Director _____
Preeyapun Bhuwakul

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

ALT Telecom Public Company Limited
Statement of Financial Position (Cont'd)
As at 31 December 2018

	Notes	Consolidated financial statements		Separate financial statements	
		2018	2017	2018	2017
		Baht	Baht	Baht	Baht
Liabilities and equity					
Current liabilities					
Bank overdrafts and short-term borrowings from financial institutions	21	1,113,214,585	927,613,705	683,000,000	634,177,436
Trade and other payables	22	483,433,154	496,659,495	525,690,547	462,282,233
Current portion of finance lease liability	21	356,252	309,902	-	-
Current portion of long-term borrowings from financial institutions	21	23,301,000	101,115,600	23,301,000	-
Short-term loans from related parties	21,34	-	-	102,000,000	-
Accrued income tax		-	17,999,577	-	-
Other current liabilities	23	58,682,384	48,776,450	18,872,392	19,065,923
Total current liabilities		1,678,987,375	1,592,474,729	1,352,863,939	1,115,525,592
Non-current liabilities					
Long-term borrowings from financial institutions	21	62,908,305	-	62,908,305	-
Finance lease liability	21	313,206	683,464	-	-
Employee benefit obligations	24	26,343,579	20,960,735	10,614,487	8,889,443
Provision for decommissioning		30,319,192	12,988,604	27,439,521	12,988,604
Other liabilities		14,881,905	11,745,750	-	-
Total non-current liabilities		134,766,187	46,378,553	100,962,313	21,878,047
Total liabilities		1,813,753,562	1,638,853,282	1,453,826,252	1,137,403,639

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ALT Telecom Public Company Limited
Statement of Financial Position (Cont'd)
As at 31 December 2018

	Notes	Consolidated financial statements		Separate financial statements	
		2018	2017	2018	2017
		Baht	Baht	Baht	Baht
Liabilities and equity (Cont'd)					
Equity					
Share capital	25				
Authorised share capital					
Ordinary share 1,250,000,000 shares of par Baht 0.50 each (31 December 2017: Ordinary share 1,250,000,000 shares of paid-up Baht 0.50 each)		625,000,000	625,000,000	625,000,000	625,000,000
Issued and paid-up share capital					
Ordinary share 1,016,004,200 shares of paid-up Baht 0.50 each (31 December 2017: Ordinary share 1,000,000,000 shares of paid-up Baht 0.50 each)		508,002,100	500,000,000	508,002,100	500,000,000
Share premium	25	1,050,503,500	1,010,493,000	1,050,503,500	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	-	-
Change in parent's ownership interest in subsidiaries		42,694,664	42,694,664	-	-
Retained earnings					
Appropriated - legal reserve	26	55,000,000	55,000,000	55,000,000	55,000,000
Unappropriated		(139,270,699)	187,320,111	(127,022,846)	131,952,348
Other components of equity		452,126	(339,778)	-	-
Equity attribute to owners of the parent		1,523,823,763	1,801,610,069	1,486,482,754	1,697,445,348
Non-controlling interests	16	161,837	175,390	-	-
Total equity		1,523,985,600	1,801,785,459	1,486,482,754	1,697,445,348
Total liabilities and equity		3,337,739,162	3,440,638,741	2,940,309,006	2,834,848,987

Director _____
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ALT Telecom Public Company Limited
Statement of Comprehensive Income
For the year ended 31 December 2018

	Consolidated		Separate	
	financial statements		financial statements	
	2018	2017	2018	2017
Notes	Baht	Baht	Baht	Baht
Revenues				
Sales	171,601,404	398,369,046	71,946,811	154,701,312
Services income	636,232,174	850,138,147	162,079,343	191,955,624
Services income - fiber optic network	45,836,233	9,582,947	45,836,233	9,582,947
Total revenues	853,669,811	1,258,090,140	279,862,387	356,239,883
Cost				
Cost of sales	(138,177,552)	(303,896,838)	(58,595,119)	(124,194,197)
Cost of services	(510,799,853)	(573,003,346)	(151,521,723)	(143,700,460)
Cost of service - fiber optic network	(270,853,584)	(146,781,887)	(257,717,037)	(163,738,919)
Total cost	(919,830,989)	(1,023,682,071)	(467,833,879)	(431,633,576)
Gross profit (loss)	(66,161,178)	234,408,069	(187,971,492)	(75,393,693)
Other income	29 37,899,587	39,756,450	125,451,636	236,935,590
Selling expenses	(71,430,946)	(50,314,490)	(40,933,804)	(19,115,388)
Administrative expenses	(135,378,334)	(124,077,211)	(94,973,271)	(54,461,208)
Gain (loss) from exchange rate	473,250	2,169,506	274,586	(3,851,588)
Share of loss of investments in associate	16 (17,102,592)	(10,808,271)	-	-
Share of profit (loss) of interest in joint venture	16 (7,809,928)	9,303,000	-	-
Finance costs	30 (42,899,793)	(24,312,074)	(29,195,822)	(13,913,342)
Profit (loss) before income tax	(302,409,934)	76,124,979	(227,348,167)	70,200,371
Income tax	32 16,120,291	(19,256,114)	8,687,993	21,757,217
Profit (loss) for the year	(286,289,643)	56,868,865	(218,660,174)	91,957,588
Other comprehensive income (expense) :				
Item that will be reclassified subsequently to profit or loss				
Other comprehensive income (expense) from investment in associate	16 791,904	(1,298,990)	-	-
Total comprehensive income (expense) for the year	(285,497,739)	55,569,875	(218,660,174)	91,957,588

Director _____
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Director _____
Preeyapun Bhuwakul

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

ALT Telecom Public Company Limited
Statement of Comprehensive Income
For the year ended 31 December 2018

	Consolidated financial statements		Separate financial statements	
	2018 Baht	2017 Baht	2018 Baht	2017 Baht
Profit (loss) attributable to:				
Owners of the parent	(286,275,790)	56,856,440	(218,660,174)	91,957,588
Non-controlling interests	(13,853)	12,425	-	-
	<u>(286,289,643)</u>	<u>56,868,865</u>	<u>(218,660,174)</u>	<u>91,957,588</u>
Total comprehensive income (expense) attributable to:				
Owners of the parent	(285,483,886)	55,557,450	(218,660,174)	91,957,588
Non-controlling interests	(13,853)	12,425	-	-
	<u>(285,497,739)</u>	<u>55,569,875</u>	<u>(218,660,174)</u>	<u>91,957,588</u>
Earnings (Loss) per share				
		33		
Basic earnings (loss) per share	<u>(0.28)</u>	<u>0.06</u>	<u>(0.22)</u>	<u>0.09</u>
Diluted earnings (loss) per share	<u>-</u>	<u>0.05</u>	<u>-</u>	<u>0.08</u>

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ALT Telecom Public Company Limited
Statement of Changes in Equity
For the year ended 31 December 2018

Consolidated financial statements												
Attributable to owners of the parent												
	Notes	Issued and paid-up share capital Baht	Share premium Baht	Share surplus from business combination under common control Baht	Share surplus from share-based payment Baht	Changes in parent's ownership interest in subsidiaries Baht	Retained earnings		Other components of equity Share of other comprehensive income (expense) from investment in associate Baht	Total owners of the parent Baht	Non-controlling interests Baht	Total equity Baht
							Appropriated - Legal reserve Baht	Unappropriated Baht				
Opening balance at 1 January 2017		500,000,000	1,010,493,000	4,605,502	1,836,570	42,694,664	50,000,000	235,463,671	959,212	1,846,052,619	164,435	1,846,217,054
Investment in subsidiary		-	-	-	-	-	-	-	-	-	150	150
Dividends payment by subsidiary		-	-	-	-	-	-	-	-	-	(1,620)	(1,620)
Legal reserve	26	-	-	-	-	-	5,000,000	(5,000,000)	-	-	-	-
Dividends payment	28	-	-	-	-	-	-	(100,000,000)	-	(100,000,000)	-	(100,000,000)
Total comprehensive income for the year		-	-	-	-	-	-	56,856,440	(1,298,990)	55,557,450	12,425	55,569,875
Closing balance at 31 December 2017		<u>500,000,000</u>	<u>1,010,493,000</u>	<u>4,605,502</u>	<u>1,836,570</u>	<u>42,694,664</u>	<u>55,000,000</u>	<u>187,320,111</u>	<u>(339,778)</u>	<u>1,801,610,069</u>	<u>175,390</u>	<u>1,801,785,459</u>
Opening balance at 1 January 2018		500,000,000	1,010,493,000	4,605,502	1,836,570	42,694,664	55,000,000	187,320,111	(339,778)	1,801,610,069	175,390	1,801,785,459
Proceeds from shares issued	25	8,002,100	40,010,500	-	-	-	-	-	-	48,012,600	300	48,012,900
Dividends payment	28	-	-	-	-	-	-	(40,315,020)	-	(40,315,020)	-	(40,315,020)
Total comprehensive expense for the year		-	-	-	-	-	-	(286,275,790)	791,904	(285,483,886)	(13,853)	(285,497,739)
Closing balance at 31 December 2018		<u>508,002,100</u>	<u>1,050,503,500</u>	<u>4,605,502</u>	<u>1,836,570</u>	<u>42,694,664</u>	<u>55,000,000</u>	<u>(139,270,699)</u>	<u>452,126</u>	<u>1,523,823,763</u>	<u>161,837</u>	<u>1,523,985,600</u>

Director _____
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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 2018

Separate financial statements						
	Notes	Issued and paid-up share capital Baht	Share premium Baht	Retained earnings		Total equity Baht
				Appropriated - Legal reserve Baht	Unappropriated Baht	
Opening balance at 1 January 2017		500,000,000	1,010,493,000	50,000,000	144,994,760	1,705,487,760
Legal reserve	26	-	-	5,000,000	(5,000,000)	-
Dividends payment	28	-	-	-	(100,000,000)	(100,000,000)
Total comprehensive income for the year		-	-	-	91,957,588	91,957,588
Closing balance at 31 December 2017		<u>500,000,000</u>	<u>1,010,493,000</u>	<u>55,000,000</u>	<u>131,952,348</u>	<u>1,697,445,348</u>
Opening balance at 1 January 2018		500,000,000	1,010,493,000	55,000,000	131,952,348	1,697,445,348
Proceeds from shares issued	25	8,002,100	40,010,500	-	-	48,012,600
Dividends payment	28	-	-	-	(40,315,020)	(40,315,020)
Total comprehensive expense for the year		-	-	-	(218,660,174)	(218,660,174)
Closing balance at 31 December 2018		<u>508,002,100</u>	<u>1,050,503,500</u>	<u>55,000,000</u>	<u>(127,022,846)</u>	<u>1,486,482,754</u>

Director _____
Pyut Bhuwakulwong

Director _____
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ALT Telecom Public Company Limited
Statement of Cash Flows
For the year ended 31 December 2018

	Notes	Consolidated		Separate	
		financial statements		financial statements	
		2018	2017	2018	2017
		Baht	Baht	Baht	Baht
Cash flows from operating activities					
Profit (loss) before income tax		(302,409,934)	76,124,979	(227,348,167)	70,200,371
Adjustments for:					
Depreciation of building and equipment	17	12,755,792	11,697,231	4,764,075	2,671,275
Depreciation of fiber optic network	18	61,583,431	39,308,992	70,865,553	43,723,042
Amortisation expenses	19	2,041,350	1,428,010	1,164,791	690,274
Impairment of doubtful (reversal)		(2,219,330)	(608,747)	1,341,000	(177,908)
Impairment of unbilled contracts revenue (reversal)		13,289,662	-	12,674,637	-
Loss (gain) on disposal of equipment		(13,324)	91,163	31,180	-
Loss on disposal of intangible assets		-	-	25,990	-
Gain on disposal of fiber optic network		-	-	(71,860,606)	-
Loss on write-off of equipment	17	4,802,511	-	34,776	-
Loss on write-off of intangible assets	19	-	2,816,330	-	-
Loss on write-off of fiber optics	18	7,760,561	-	7,760,561	-
Interest income		(24,423,187)	(25,747,578)	(25,347,313)	(30,924,763)
Interest expense	30	42,899,793	24,312,074	29,195,822	13,913,342
Dividends income		-	-	-	(179,998,380)
Loss on diminution in value of inventories (reversal of)		1,961,761	(2,174,625)	(4,157,000)	(457,363)
Employee benefit obligations		5,408,844	4,579,987	1,725,044	1,796,971
Share of loss of investments in associate	16	17,102,592	10,808,271	-	-
Share of profit (loss) of investments in joint venture	16	7,809,928	(9,303,000)	-	-
Changes in operating assets and liabilities					
- trade and other receivables		24,611,522	74,924,940	(931,007)	(60,331,411)
- long-term trade receivables		110,224,975	-	-	-
- unbilled contract revenue		429,441,929	213,200,135	111,853,175	81,245,578
- inventories		(113,849,746)	130,004,795	(152,055,856)	896,067
- other current assets		(30,136,399)	(24,806,004)	6,908,450	(24,434,698)
- prepaid rent		(52,395,311)	(13,805,667)	(53,060,202)	(14,207,148)
- other non-current assets		(1,352,523)	(3,448,619)	(324,728)	1,761,051
- trade and other payables		(14,054,494)	(155,092,196)	207,167,061	217,464,821
- other current liabilities		9,905,934	19,463,735	(40,278,854)	1,702,209
- other non-current liabilities		3,136,155	3,105,750	-	-
- employee benefit obligations		(26,000)	-	-	-
Cash generated from (used in) operations		213,856,492	376,879,956	(119,851,618)	125,533,330
<u>Less</u> Interest paid		(40,938,039)	(17,684,100)	(27,764,470)	(7,324,651)
Income tax paid		(58,033,690)	(78,987,214)	(10,891,460)	(8,160,997)
Net cash generated from (used in) operating activities		114,884,763	280,208,642	(158,507,548)	110,047,682

Director _____
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Director _____
Preeyapun Bhuwakul

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

ALT Telecom Public Company Limited
Statement of Cash Flows (Cont'd)
For the year ended 31 December 2018

	Notes	Consolidated		Separate	
		financial statements		financial statements	
		2018	2017	2018	2017
		Baht	Baht	Baht	Baht
Cash flow from investing activities					
Purchase of short-term investment	10	(19,220,000)	(7,421,630)	(19,220,000)	(10,000)
Purchase of property, plant and equipment	17	(21,150,627)	(30,499,328)	(17,540,791)	(16,125,157)
Purchase of fiber optic network		(175,461,098)	(406,770,003)	(312,729,663)	(420,210,150)
Purchase of intangible assets	19	(5,882,958)	(6,651,515)	(3,490,597)	(5,886,500)
Increase in restricted cash		36,604,802	(74,971)	14,222,000	(24,720,685)
Payment for investment in subsidiaries		-	-	(13,516,825)	(2,499,925)
Payment for investment in associate	16	(28,860,000)	(24,000,000)	(28,860,000)	(24,000,000)
Payment for loans to related parties	34	(56,000,000)	(300,000,000)	(115,300,000)	(639,000,000)
Proceeds from redemption of short-term investment	10	34,269,494	18,077,993	22,469,701	18,063,152
Proceeds from loans to related parties	34	-	267,000,000	179,300,000	884,000,000
Proceeds from disposals of equipment		15,938	3,051	2,979	-
Dividends received from subsidiaries		-	-	179,998,380	99,999,100
Interest received		6,187,337	17,747,873	7,131,212	30,506,439
Net cash used in investing activities		(229,497,112)	(472,588,530)	(107,533,604)	(99,883,726)
Cash flows from financing activities					
Proceeds from short-term borrowing from related parties	34	-	-	124,300,000	-
Repayment of short-term borrowing from related parties	34	-	-	(22,300,000)	-
Proceeds from short-term borrowing from financial institutions		185,070,588	348,225,063	48,292,272	84,707,728
Proceeds from long-term borrowing					
from financial institutions	21	90,890,000	-	90,890,000	-
Repayment of long-term borrowing from financial institutions	21	(105,796,295)	(87,473,229)	(4,680,695)	-
Repayments of finance lease liabilities		(379,390)	(525,326)	-	-
Proceeds from shares issuance from non-controlling interest		300	150	-	-
Proceeds from shares issuance	25	48,012,600	-	48,012,600	-
Dividends paid to non-controlling interest		-	(1,620)	-	-
Dividends paid to shareholders	28	(40,315,020)	(100,000,000)	(40,315,020)	(100,000,000)
Net cash from (used in) financing activities		177,482,783	160,225,038	244,199,157	(15,292,272)

Director _____
Pyut Bhuwakulwong

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Preeyapun Bhuwakul

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

ALT Telecom Public Company Limited
Statement of Cash Flows (Cont'd)
For the year ended 31 December 2018

	Consolidated		Separate	
	financial statements		financial statements	
	2018	2017	2018	2017
Note	Baht	Baht	Baht	Baht
Net increase (decrease) in cash and cash equivalents	62,870,434	(32,154,850)	(21,841,995)	(5,128,316)
Opening balance of cash and cash equivalents	128,871,243	161,026,093	75,692,307	80,820,623
Closing balance of cash and cash equivalents	<u>191,741,677</u>	<u>128,871,243</u>	<u>53,850,312</u>	<u>75,692,307</u>

Significant non-cash transactions

Provision for decommissioning cost of fiber optic network		16,782,760	-	13,903,089	-
Payment for investment in a subsidiary with assets	16	-	-	612,732,800	-
Accrued dividend income	11	-	-	-	179,998,380
Payable arising from purchases of fiber optic network		-	-	10,445,201	154,557,180
Asset held under a finance lease agreement		-	1,518,692	-	-

Director _____
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Preeyapun Bhuwakul

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

1 General information

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

52/1 Moo 5, Bangkruiy-Sainoi Rd., Bangsithong, Bangkruiy, 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 22 February 2019.

2 Financial position

As of 31 December 2018, in consolidated and separate financial statements, the Group and the Company has the total current liabilities exceeding total current assets by Baht 303.41 million and Baht 735.33 million and loss for the period of Baht 285.50 million and Baht 218.66 million, respectively. In addition, in separate financial statements, there were negative cash flows from operating activities of Baht 158.51 million. These raised doubt on the entity's ability to continue as a going concern. However, management has prepared a cash flow forecast and analysed that the situation will be improved because of an increase in revenue from fiber optic network and revenue from sales. Management also forecasted cash inflow from share issue through warrants exercised. Accordingly, the Group and the Company could continue its operations as a going concern and fulfil all its financial obligations now and in the future. The undertaking was provided for a minimum period of twelve months from 31 December 2018. These financial statements have been prepared on a going concern basis.

3 Accounting policies

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

3.1 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 5.

Comparative figures have been reclassified to conform with the current year presentation as disclosed in Note 7.

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

Director _____
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3 Accounting policies (Cont'd)

3.2 Revised financial reporting standard

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

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

TAS 7 (revised 2017)	Statement of cash flows
TAS 12 (revised 2017)	Income taxes

TAS 7 (revised 2017), the amendments require additional disclosure of changes in liabilities arising from financing activities. This includes changes arising from cash and non-cash.

TAS 12 (revised 2017), the amendments clarify the accounting for deferred tax where an asset is measured at fair value and that fair value is below the asset's tax base. Specifically, the amendments confirm that:

- A temporary difference exists whenever the carrying amount of an asset is less than its tax base at the end of the reporting period.
- An entity can assume that it will recover an amount higher than the carrying amount of an asset to estimate its future taxable profit.
- Where the tax law restricts the source of taxable profits against which particular types of deferred tax assets can be recovered, the recoverability of the deferred tax assets can only be assessed in combination with other deferred tax assets of the same type.
- Tax deductions resulting from the reversal of deferred tax assets are excluded from the estimated future taxable profits.

The Group's management assessed and considered that the above revised standards do not have a significant impact on the Group except for disclosure.

3.2.2 New and revised financial reporting standard which have been issued but not yet effective.

3.2.2.1 The FAP has issued new standard, TFRS15 Revenue from contracts with customers. This standard will become effective for annual periods beginning on or after 1 January 2019. The Group has not early adopted this standard.

TFRS 15 provide the requirements for the recognition of revenue. This standard will supersede the following standards:

TAS 11 (revised 2017)	Construction contracts
TAS 18 (revised 2017)	Revenue
TFRIC 13 (revised 2017)	Customer Loyalty Programmes
TFRIC 15 (revised 2017)	Agreements for the Construction of Real Estate
TFRIC 18 (revised 2017)	Transfers of Assets from Customers

The new standard is based on the principle that revenue is recognised when control of a good or service transfers to a customer - so the notion of control replaces the existing notion of risks and rewards.

An entity recognises revenue in accordance with that core principle by applying the following steps:

- Step 1: Identify the contract(s) with a customer
- Step 2: Identify the performance obligations in the contract
- Step 3: Determine the transaction price
- Step 4: Allocate the transaction price to the performance obligations in the contract
- Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation

Director _____
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3 Accounting policies (Cont'd)

3.2 Revised financial reporting standard (Cont'd)

3.2.2 New and revised financial reporting standards which have been issued but not yet effective (Cont'd)

3.2.2.1 The FAP has issued new standard, TFRS15 Revenue from contracts with customers. This standard will become effective for annual periods beginning on or after 1 January 2019. The Group has not early adopted this standard. (Cont'd)

Key changes to current practice are:

- Any bundled goods or services that are distinct must be separately recognised, and any discounts or rebates on the contract price must generally be allocated to the separate elements
- Revenue may be recognised earlier than under current standards if the consideration varies for any reasons (such as for incentives, rebates, performance fees, royalties, success of an outcome etc) - minimum amounts must be recognised if they are not at significant risk of reversal
- The point at which revenue is able to be recognised may shift: some revenue which is currently recognised at a point in time at the end of a contract may have to be recognised over the contract term and vice versa
- There are new specific rules on licenses, warranties, non-refundable upfront fees and, consignment arrangements
- As with any new standard, there are also increased disclosures.

Entities will have a choice to apply this standard retrospectively in accordance with TAS 8 Accounting Policies, Changes in Accounting Estimates and Errors, subject to the expedients or retrospectively with the cumulative effect recognised as an adjustment to the opening balance of retained earnings of the annual reporting period that includes the date of initial application with additional disclosures.

The Group's management is currently assessing the impact of initial adoption of this standard.

3.2.2.2 Revised financial reporting standards will become effect for annual periods beginning on or after 1 January 2019 and are relevant to the Group. The Group has not yet adopt these standards.

TFRS 2 (revised 2018)	Share-based Payment
TAS 28 (revised 2018)	Investments in associates and joint ventures
TAS 40 (revised 2018)	Investment Property
TFRIC 22	Foreign Currency Transactions and Advance Consideration

TFRS 2, the amendments clarify;

- The measurement basis for cash-settled share-based payments, vesting conditions, other than market conditions, shall not be taken into account when estimating the fair value of the cash-settled share-based payment at the measurement date. Instead, vesting conditions, other than market conditions, shall be taken into account by adjusting the number of awards included in the measurement of the liability arising from the transaction.
- Where an employer is obliged to withhold an amount for the employee's tax obligation associated with a share-based payment and pay that amount to the tax authority, the whole award will be treated as if it was equity-settled provided it would have been equity-settled without the net settlement feature, and
- The accounting for modifications that change an award from cash-settled to equity-settled.

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3 Accounting policies (Cont'd)

3.2 Revised financial reporting standard (Cont'd)

3.2.2 New and revised financial reporting standards which have been issued but not yet effective (Cont'd)

3.2.2.2 Revised financial reporting standards will become effect for annual periods beginning on or after 1 January 2019 and are relevant to the Group. The Group has not yet adopt these standards. (Cont'd)

TAS 28, the amendment clarifies that the election by venture capital organisations, mutual funds, unit trusts and similar entities to measure investments in associates or joint ventures at fair value through profit or loss should be made separately for each associate or joint venture at initial recognition.

TAS 40, the amendments clarify that transfers to, or from, investment property can only be made if there has been a change in use that is supported by evidence. A change in use occurs when the property meets, or ceases to meet, the definition of investment property. A change in intention alone is not sufficient to support a transfer.

The TFRIC 22 interpretation provides guidance for determining the exchange rate to be used on the initial recognition of a related asset, expense or income where an entity pays or receives an advance consideration in a foreign currency. The interpretation requires an entity to use the exchange rate at the date on which an entity recognises the non-monetary assets, such as prepayments and advances, or non-monetary liability, such as deferred income arising from the advance consideration. If there are multiple advance payments or receipts of payments, the exchange rate is to be used on the date when each non-monetary asset or liability is recognised.

3.2.2.3 The Group of financial instruments reporting standards which are effective for annual periods beginning on or after 1 January 2020 consist of the following standards. These standards could be early adopted before the effective date only for the period beginning on or after 1 January 2019.

TAS 32	Financial instruments: Presentation
TFRS 7	Financial Instruments: Disclosures
TFRS 9	Financial Instruments
TFRIC 16	Hedges of a Net Investment in a Foreign Operation
TFRIC 19	Extinguishing Financial Liabilities with Equity Instruments

The above new standards and interpretations will supersede the following standards:

TAS 101	Bad and Doubtful Debts
TAS 103	Disclosures in the Financial Statements of Bank and Similar Financial Institutions
TAS 104	Accounting for Troubled Debt Restructuring
TAS 105	Accounting for Investment in Debts and Equity securities
TAS 106	Accounting for Investment Companies
TAS 107	Financial Instruments: Disclosure and Presentation

TAS 32 Financial Instruments: Presentation, provides the requirements for the presentation financial instruments as liabilities or equity and for offsetting financial assets and financial liabilities. It applies to the classification of financial instruments, from the perspective of the issuer, into financial assets, financial liabilities and equity instruments; the classification of related interest, dividends, losses and gains; and the circumstances in which financial assets and financial liabilities should be offset.

TFRS 7 Financial Instruments: Disclosures, provides the requirements for the disclosure that are intended to enable users to evaluate the significance of financial instruments for an entity's financial position and performance, and to understand the nature and extent of risks arising from those financial instruments to which the entity is exposed during the period and at the end of the reporting period, and how the entity manages those risks.

Director _____ Director _____
Pyut Bhuwakulwong Preeyapun Bhuwakul

3 Accounting policies (Cont'd)

3.2 Revised financial reporting standard (Cont'd)

3.2.2 New and revised financial reporting standards which have been issued but not yet effective (Cont'd)

3.2.2.3 The Group of financial instruments reporting standards which are effective for annual periods beginning on or after 1 January 2020 consist of the following standards. These standards could be early adopted before the effective date only for the period beginning on or after 1 January 2019. (Cont'd)

TFRS 9 Financial Instruments, establishes principles for the classification, measurement and derecognition of financial assets and financial liabilities, impairment requirement and hedge accounting as follow:

- Classification and measurement:
 - The classification and measurement of debt instrument financial assets has three classification categories, which are amortised cost, fair value through profit or loss and fair value through other comprehensive income. Classification of debt assets will be driven by the entity's business model for managing the financial assets and contractual cash flows characteristics of the financial assets.
 - Equity instrument financial assets shall be measured at fair value through profit or loss. An entity can make an irrevocable election to recognise the fair value change in other comprehensive income without subsequent recycling to profit or loss.
 - Financial liabilities are classified and measured at amortised cost. An entity can choose to measure a liability at fair value through profit or loss when the conditions are met.
 - Derivatives are classified and measured at fair value through profit or loss.
- The impairment requirements relating to the accounting for an entity's expected credit losses on its financial assets measured at amortised cost, investments in debt instruments measured at fair value through other comprehensive income, lease receivables, loan commitments and financial guarantee contracts. It is no longer necessary for a credit event to have occurred before credit losses are recognised. The entity always accounts for expected credit losses which involves a three stage approach. The stage dictates how the entity measures impairment losses and applies the effective interest rate method. Except for trade receivables and contractual assets which apply in TFRS 15 and are no significant financial components and lease receivables, they are permitted to measure by simplified approach for credit impaired consideration.
- The objective of hedge accounting is to represent, in the financial statements, the effect of an entity's risk management activities that use financial instruments to manage exposures arising from particular risks that could affect profit or loss (or other comprehensive income, in the case of investments in equity instruments for which an entity has elected to present changes in fair value in other comprehensive income). This approach aims to convey the context of hedging instruments for which hedge accounting is applied in order to allow insight into their purpose and effect.

TFRIC 16 Hedges of a Net Investment in a Foreign Operation, clarifies the accounting treatment in respect of net investment hedging, provides guidance on identifying the foreign currency risks that qualify as a hedged risk. Clarifying that hedging instruments that are hedges of a net investment in a foreign operation may be held anywhere in the group not only by the parent. This includes the guidance on how an entity should determine the amount to be reclassified from equity to profit or loss for both the hedging instrument and the hedged item.

Director _____
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3 Accounting policies (Cont'd)

3.2 Revised financial reporting standard (Cont'd)

3.2.2 New and revised financial reporting standards which have been issued but not yet effective (Cont'd)

3.2.2.3 The Group of financial instruments reporting standards which are effective for annual periods beginning on or after 1 January 2020 consist of the following standards. These standards could be early adopted before the effective date only for the period beginning on or after 1 January 2019. (Cont'd)

TFRIC 19 Extinguishing financial liabilities with equity instruments, provides the requirements for accounting treatment when the entity issues equity instruments to a creditor to extinguish all or part of a financial liability. The equity instruments issued shall be measured at fair value. The entity shall remove a financial liability (or part of a financial liability) from its statement of financial position when it is extinguished in accordance with TFRS 9. The difference between the carrying amount of the financial liability (or part of a financial liability) extinguished and the fair value of equity instruments issued shall be recognised in profit or loss.

The Group's management is currently assessing the impact of initial adoption of these standards.

3.3 Group accounting - investments in subsidiaries and associates and in joint arrangements

(1) Subsidiaries

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

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

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

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.

Director _____
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3 Accounting policies (Cont'd)

3.3 Group accounting - investments in subsidiaries and associates and in joint arrangements (Cont'd)

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

(4) Associates

Associates are all entities over which the Group has significant influence but not control, generally accompanying a shareholding of between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting.

(5) Joint arrangements

Investments in joint arrangements are classified as either joint operations or joint ventures depending on the contractual rights and obligations of each investor, rather than the legal structure of the joint arrangements.

Joint venture

A joint venture is a joint arrangement whereby the Group has rights to the net assets of the arrangement. Interests in joint ventures are accounted for using the equity method.

(6) Accounting under equity method

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 identifies on acquisition.

If the ownership interest in associates and joint ventures 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. Profit or loss from reduce of the ownership interest in an associates and joint ventures is recognise in profit or loss

The Group's share of its associates and joint ventures' 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 associates and joint ventures equals or exceeds its interest in the associates and joint ventures, together with any long-term interests that, in substance, form part of the entity's net investment in the associates or joint ventures, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associates and joint ventures

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3 Accounting policies (Cont'd)

3.3 Group accounting - investments in subsidiaries and associates and in joint arrangements (Cont'd)

(6) Accounting under equity method (Cont'd)

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

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

(7) Separate financial statement

In the separate financial statements, investments in subsidiaries, associates and joint ventures 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.

3.4 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.

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3 Accounting policies (Cont'd)

3.5 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.

3.6 Trade accounts receivable

Trade accounts receivable are carried at original invoice amount and subsequently measured at the remaining amount less provision for impairment of doubtful receivables based on a review of all outstanding amounts at the year end. The amount of the provision 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.

3.7 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".

3.8 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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3 Accounting policies (Cont'd)

3.9 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.

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3 Accounting policies (Cont'd)

3.10 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	20, 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.

3.11 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	10, 15, 25 years
Transceiver at base station	3, 5, 10 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.

3.12 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.

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3 Accounting policies (Cont'd)

3.13 Impairment of assets

Property, plant, equipment and other assets 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.

3.14 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.

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3 Accounting policies (Cont'd)

3.15 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.

3.16 Current and deferred income taxes

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

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

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

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

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.

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3 Accounting policies (Cont'd)

3.17 Employee benefits

A defined benefit plan is a retirement plan that is not a defined contribution plan. Typically defined benefit plans define an amount of retirement benefit that an employee will receive on retirement, usually depends on one or more factors such as age, years of service and compensation.

The liability recognised in the statement of financial position in respect of retirement obligation is the present value of the retirement obligation at the end of the reporting period, together with adjustments for unrecognised past-service costs. The retirement obligation is calculated annually by independent actuaries using the projected unit credit method. The present value of the retirement obligation is determined by discounting the estimated future cash outflows using market yield of 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.

3.18 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.

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3 Accounting policies (Cont'd)

3.19 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.

3.20 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.

3.21 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 3.7).

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.

3.22 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.

3.23 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.

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4 Financial risk management

4.1 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.

4.1.1 Foreign exchange risk

The Group has 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.

4.1.2 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.

4.1.3 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.

4.1.4 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.

4.2 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.

4.3 Fair value

The book values of financial assets and financial liabilities with a maturity of less than one year approximate their fair values. Long-term borrowings with financial institutions are carried an interest at the market interest rate. Management believe that their net book values are assumed to approximate their fair value.

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5 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.

5.1 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 24.

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) Provision for impairment of doubtful accounts

The Group records an provision for impairment of 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 provision for impairment of doubtful accounts might be changed.

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6 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.

7 Reclassification

Comparative figures have been reclassified to conform with the current year presentation.

The effect of reclassification to the financial statements for the year ended 31 December 2017 are as follows;

	Originally stated Baht	(Increase) Decrease Baht	Restated Baht
Consolidated statement of comprehensive income			
Cost of service	(520,639,494)	(52,363,852)	(573,003,346)
Selling expense	(56,843,306)	6,528,816	(50,314,490)
Administration expense	(169,912,247)	45,835,036	(124,077,211)
	Originally stated Baht	(Increase) Decrease Baht	Restated Baht
Separate statement of comprehensive income			
Cost of service	(137,171,645)	(6,528,815)	(143,700,460)
Selling expense	(25,644,203)	6,528,815	(19,115,388)

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8 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 2018				
Total revenue	171,601,404	636,232,174	45,836,233	853,669,811
Segment results	33,423,852	125,432,321	(225,017,351)	(66,161,178)
Other income				37,899,587
Unallocated costs				(206,336,030)
Share of loss of investments				(24,912,520)
Finance costs				(42,899,793)
Loss before income tax				(302,409,934)
Income tax				16,120,291
Net loss				(286,289,643)
Fixed assets	37,306,123	44,875,943	1,087,884,459	1,170,066,525
Other assets	118,287,313	704,100,219	153,803,468	976,191,000
Unallocated assets	-	-	-	1,191,481,637
Consolidated total assets				3,337,739,162

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8 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 2017				
Total revenue	398,369,046	850,138,147	9,582,947	1,258,090,140
Segment results	94,472,208	277,134,801	(137,198,940)	234,408,069
Other income				39,756,450
Unallocated costs				(172,222,195)
Share of loss of investments				(1,505,271)
Finance costs				(24,312,074)
Profit before income tax				76,124,979
Income tax				(19,256,114)
Net profit				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

The Group has 3 major customers which operate in telecommunication businesses. The revenue generated from those customers is 61.93% of the total revenue in the consolidated statement of comprehensive income for the year ended 31 December 2018 (2017 : 57.57%). These customers belong to network equipment distribution and network equipment installation segments.

9 Cash and cash equivalents

	Consolidated financial statements		Separate financial statements	
	2018 Baht	2017 Baht	2018 Baht	2017 Baht
Cash on hand	785,794	685,449	419,921	474,851
Deposits held at call with banks	190,955,883	128,185,794	53,430,391	75,217,456
	191,741,677	128,871,243	53,850,312	75,692,307

The interest rate on deposits held at call with banks is at 0.13% to 1.25% per annum (2017: 0.04% to 0.38% per annum).

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10 Short-term investments

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

	Consolidated financial statements		Separate financial statements	
	2018 Baht	2017 Baht	2018 Baht	2017 Baht
At 1 January	15,178,121	25,333,373	3,398,364	21,033,192
Addition	19,220,000	7,421,630	19,220,000	10,000
Redeem	(34,269,494)	(18,077,993)	(22,469,701)	(18,063,152)
Interest income	519,822	501,111	499,786	418,324
At 31 December	648,449	15,178,121	648,449	3,398,364

Short-term investments at 31 December 2018 represent fixed deposits with financial institution which is not restricted and have maturity period within 3 months to 12 months. Short-term investments bears interest at the rate of 0.90% to 1.00% per annum (2017: 0.90% to 1.00% per annum).

11 Trade and other receivables

	Consolidated financial statements		Separate financial statements	
	2018 Baht	2017 Baht	2018 Baht	2017 Baht
Trade receivables				
Trade receivables - third parties	354,691,614	405,872,726	76,674,184	132,366,917
Trade receivables - related parties (Note 34)	17,277,563	1,858,565	27,811,936	197,629
Total trade receivables	371,969,177	407,731,291	104,486,120	132,564,546
<u>Less</u> Provision for impairment trade receivables	(6,056,508)	(8,275,838)	(2,232,000)	(891,000)
Trade receivables, net	365,912,669	399,455,453	102,254,120	131,673,546
Other receivables				
Other receivables - third parties	6,228,236	14,992,933	402,622	643,657
Other receivables - related parties (Note 34)	6,722,868	998,713	8,250,227	2,342,302
Advance payment - third parties	3,297,858	413,489	66,700	114,180
Advance payment - related parties (Note 34)	-	56,995	684,319	11,579,406
Advance payment for inventory	5,860,871	22,079,895	4,168,040	2,672,466
Advance payment for inventory - related parties (Note 34)	17,730,014	-	17,730,014	-
Accrued interest income - related parties (Note 34)	17,727,016	10,989	17,727,304	10,989
Accrued income	26,199,647	25,071,520	6,670,820	292,500
Accrued income - related parties (Note 34)	8,482,461	-	8,482,461	-
Accrued dividend income (Note 34)	-	-	-	179,998,380
Prepayments	1,307,204	1,065,020	1,050,315	851,574
Total other receivables	93,556,175	64,689,554	65,232,822	198,505,454
<u>Less</u> Provision for impairment trade receivables	(4,850,000)	(4,850,000)	-	-
Other receivables, net	88,706,175	59,839,554	65,232,822	198,505,454
Total trade and other receivables, net	454,618,844	459,295,007	167,486,942	330,179,000

Director _____
Pyut Bhuwakulwong

Director _____
Preeyapun Bhuwakul

11 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	
	2018 Baht	2017 Baht	2018 Baht	2017 Baht
Trade account receivables				
Current	143,450,691	257,817,419	9,577,440	82,521,074
Overdue less than 3 months	138,375,409	84,185,007	20,538,110	9,834,283
Overdue 3 months but less than 6 months	21,197,492	12,961,082	1,155,814	-
Overdue 6 months but less than 9 months	947,237	3,499,580	-	1,064,115
Overdue 9 months but less than 12 months	1,086,954	1,658,706	-	206
Overdue over 12 months	49,633,831	45,750,932	45,402,820	38,947,239
Total trade account receivables	354,691,614	405,872,726	76,674,184	132,366,917
<u>Less</u> Provision for impairment trade receivables	(6,056,508)	(8,275,838)	(2,232,000)	(891,000)
Trade account receivables, net	<u>348,635,106</u>	<u>397,596,888</u>	<u>74,442,184</u>	<u>131,475,917</u>

Trade account receivable that overdue more than 12 months included a state enterprise receivable arising from the use of fiber optic network and equipment of Baht 37.56 million from total receivable of Baht 236.42 million. On 8 April 2014, the Company received compensation from insurance claimed amount of Baht 198.86 million and present net-off trade receivable in the financial statements because the insurer is the plaintiff who filed an arbitration claim against state enterprise. The Group's management did not reserve any provision for impairment of 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 Civil Court's process.

Director _____
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11 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	
	2018 Baht	2017 Baht	2018 Baht	2017 Baht
Trade account receivables - related parties				
Current	885,227	1,737,120	27,126,456	76,184
Overdue less than 3 months	3,481,284	121,445	-	121,445
Overdue more than 3 months but less than 6 months	9,836,379	-	19,645	-
Overdue more than 6 months but less than 9 months	3,074,673	-	665,835	-
Total trade account receivables - related parties	17,277,563	1,858,565	27,811,936	197,629
<u>Less</u> Provision for impairment trade receivables	-	-	-	-
Trade account receivables - related parties, net	<u>17,277,563</u>	<u>1,858,565</u>	<u>27,811,936</u>	<u>197,629</u>

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

At 31 December	Consolidated financial statements		Separate financial statements	
	2018 Baht	2017 Baht	2018 Baht	2017 Baht
Contract costs to date	3,983,956,822	3,825,208,722	639,801,279	613,707,236
Recognised profits to date	1,516,286,572	1,533,839,257	168,431,242	227,049,474
Contract costs incurred and recognised profits to date	5,500,243,394	5,359,047,979	808,232,521	840,756,710
<u>Less</u> Progress billings	<u>(5,343,131,984)</u>	<u>(4,741,421,816)</u>	<u>(827,188,931)</u>	<u>(681,061,992)</u>
Net	<u>157,111,410</u>	<u>617,626,163</u>	<u>(18,956,410)</u>	<u>159,694,718</u>

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

Director _____
Pyut Bhuwakulwong

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Preeyapun Bhuwakul

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

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

At 31 December	Consolidated financial statements		Separate financial statements	
	2018 Baht	2017 Baht	2018 Baht	2017 Baht
Unbilled contracts revenue	225,779,300	655,221,229	47,841,543	159,694,718
Progress billing in excess of work in progress (Note 22)	(68,667,890)	(37,595,066)	(66,797,953)	-
Net	157,111,410	617,626,163	(18,956,410)	159,694,718
<u>Less</u> Provision for impairment of unbilled contracts revenue	(13,289,662)	-	(12,674,637)	-
Net	143,821,748	617,626,163	(31,631,047)	159,694,718

13 Inventories

	Consolidated financial statements		Separate financial statements	
	2018 Baht	2017 Baht	2018 Baht	2017 Baht
Raw materials	52,480,443	54,203,764	19,273,204	14,998,302
Work in process	1,423,009	10,155,134	1,268,060	10,101,497
Work in process - construction contract	148,020,593	37,495,609	134,692,047	5,278,049
Goods in Transit	-	7,176,719	-	-
Supplies	93,854,877	35,523,936	28,776,437	35,523,936
Finished goods	37,275,297	74,649,311	5,971,042	11,604,724
Total inventories	333,054,219	219,204,473	189,980,790	77,506,508
<u>Less</u> Provision for impairment of diminution in value of inventories	(18,873,473)	(16,911,712)	(3,443,000)	(7,600,000)
Inventories, net	314,180,746	202,292,761	186,537,790	69,906,508

14 Other current assets

	Consolidated financial statements		Separate financial statements	
	2018 Baht	2017 Baht	2018 Baht	2017 Baht
Input tax	67,459,747	42,827,043	25,588,730	38,825,871
Undue input tax	22,047,321	16,778,058	20,097,349	13,803,108
Withholding tax receivables	56,092,146	24,172,068	30,961,054	20,069,594
Others	171,935	151,594	120,353	85,903
	145,771,149	83,928,763	76,767,486	72,784,476

Director _____
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15 Restricted cash

On 31 December 2018, restricted cash represent fixed deposits with financial institutions carrying interest at the rate of 0.90% to 1.00% per annum (2017: 0.90% to 1.00% per annum). The Company pledged a fixed deposit account with bank as security against the bank overdraft, bank guarantees and promissory note.

16 Investments in subsidiaries, associates and interests in joint ventures

(a) Principal subsidiaries

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

	Separate financial statements	
	2018 Baht	2017 Baht
At 1 January	176,561,807	174,061,882
Addition	626,249,625	2,499,925
At 31 December	<u>802,811,432</u>	<u>176,561,807</u>

Addition of investments in subsidiaries

2018

Thaithanan Company Limited (old name “2ocean Company Limited”)

On 26 February 2018, the Company paid for the investement of Baht 2,499,925 to acquire 99,997 shares, representing 99.99% of issued shares, of 2ocean Company Limited (later changing its name to Thaithanan Company Limited) from International Gateway Company Limited, a subsidiary of the Company.

On 27 March 2018, Thaithanan Company Limited registered the change of company name and shareholders with the Ministry of Commerce.

Win and Win Telecom Company Limited

On 5 September 2018, the Company paid for the investment of Baht 1,249,925 to acquire 49,997 shares at a par value of Baht 100 per share, representing 99.99% of issued shares. Win and Win Telecom Company Limited is a company incorporated in Thailand and engages in telecommunications business.

International Gateway Company Limited

On 13 December 2018, the Company paid for investment Baht 7,499,775 to acquire 99,997 shares at a par value of Baht 100 per share, representing 99.99% of issued shares.

On 28 December 2018, the Company paid for additional investment amounting to Baht 615,000,000 to acquire 6,150,000 shares at a par value of Baht 100 per share. The investment was settled by cash of Baht 2,267,200 and with assets valued at Baht 612,732,800, respectively.

Director _____
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16 Investments in subsidiaries, associates and interests in joint ventures (Cont'd)

(a) Principal subsidiaries (Cont'd)

Addition of investments in subsidiaries (Cont'd)

2017

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.

Nature of investments in subsidiaries 2018 and 2017

	Business	Country of incorporation	% Ownership interest		Nature of the relationship
			2018	2017	
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	99.99	Direct shareholders
Thaithanan Company Limited (formerly "2ocean Company Limited" : 2017 held by International Gateway Company Limited)	Leasing and management of telecommunication basic structure	Thailand	99.99	99.99	Direct shareholders
Win and Win Telecom Company Limited	Engaging in telecommunication business	Thailand	99.99	-	Direct shareholders

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

The total non-controlling interest at 31 December 2018 is Baht 161,837 (2017 : Baht 175,390) of which is not material to the financial statements.

Director _____ Director _____
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16 Investments in subsidiaries, associates and interests in joint ventures (Cont'd)

Investments accounted for using equity method

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

At 31 December	Consolidated financial statements		Separate financial statements	
	2018 Baht	2017 Baht	2018 Baht	2017 Baht
Associate	42,164,174	29,614,862	75,360,000	46,500,000
Joint venture	48,355,810	56,165,738	35,499,900	35,499,900
	<u>90,519,984</u>	<u>85,780,600</u>	<u>110,859,900</u>	<u>81,999,900</u>

The amounts recognised in the income statement are as follows:

For the year ended 31 December	Consolidated financial statements		Separate financial statements	
	2018 Baht	2017 Baht	2018 Baht	2017 Baht
Associate	(16,310,688)	(12,107,261)	-	-
Joint venture	(7,809,928)	9,303,000	-	-
	<u>(24,120,616)</u>	<u>(2,804,261)</u>	<u>-</u>	<u>-</u>

(b) Investments in associate

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

	Consolidated financial statements		Separate financial statements	
	2018 Baht	2017 Baht	2018 Baht	2017 Baht
At 1 January	29,614,862	17,722,123	46,500,000	22,500,000
Addition	28,860,000	24,000,000	28,860,000	24,000,000
Share of loss	(17,102,592)	(10,808,271)	-	-
Currency translation differences	791,904	(1,298,990)	-	-
At 31 December	<u>42,164,174</u>	<u>29,614,862</u>	<u>75,360,000</u>	<u>46,500,000</u>

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

(b) Investments in associate (Cont'd)

Addition of interests in associates

2018

Spotwerkz (Thailand) Company Limited

On 21 September 2018, the Company paid for investment in Spotwerkz (Thailand) Company Limited, amounting to Baht 5,000,000 to acquire 250,000 shares with a par value of Baht 10 per share, at a value of Baht 20 per share, representing 25.00% of issued shares. Spotwerkz (Thailand) Company Limited incorporated in Thailand and engages in business of providing marketing data derived from WI-FI network and selling of IT and related equipment. On 10 October 2018, Spotwerkz (Thailand) Company Limited registered changes in shareholders with the Ministry of Commerce.

On 16 November 2018, the Company paid for investment in Spotwerkz (Thailand) Company Limited, amounting to Baht 23,860,000 to acquire 1,193,000 shares with a par value of Baht 10 per share, at a value of Baht 20 per share. After the acquisition, the investment represents 45.19% of issued shares.

Consideration paid and net assets acquired from the acquisition are as follows:

	Consolidated financial statements
	Million Baht
Consideration paid	28.86
<u>Less</u> Net book value of net assets acquired*	<u>(18.37)</u>
Purchase price differences	<u>10.49</u>

* As at 31 December 2018, the Company was under the process of determining the fair value of the acquired net assets and reviewing purchase price allocation ("PPA"). Therefore, the difference between purchase price and net assets carrying value will be recorded as goodwill or other assets depending on the determination of fair value and the result of the PPA, which is expected to be finalised within the second quarter 2019.

Director _____ Director _____
 Pyut Bhuwakulwong Preeyapun Bhuwakul

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

(b) Investments in associate (Cont'd)

2017

Telecom Solutions Provider Company Limited

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.

Set out below is the associate of the Group as at 31 December 2018, which, in the opinion of the directors, are material to the Group. The associate as listed below 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 2018 and 2017:

Name	Business	Country of incorporation	% Ownership interest		Nature of the relationship	Measurement method
			2018	2017		
Telecom Solutions Provider ("TSP")	Holding company investing in overseas	Thailand	30.00	30.00	Direct shareholders	Equity method
Spotwerkz (Thailand) ("SW")	Providing data analytics services	Thailand	45.19	-	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 the associates that are material to the Group. The information disclosed reflects the amounting presented in the financial statements of the relevant associates (not the Group's shares of those amounts). They have been amended to reflect adjustments made using the equity method, including fair value adjustments and modifications for differences in accounting policy.

Summarised statement of financial position

	TSP		SW		Total	
	2018 Baht	2017 Baht	2018 Baht	2017 Baht	2018 Baht	2017 Baht
Current assets	70,053,879	77,449,576	40,142,605	-	110,196,484	77,449,576
Non-current assets	140,329,774	46,188,162	1,461,287	-	141,791,061	46,188,162
Current liabilities	(97,824,351)	(25,179,815)	(1,237,356)	-	(99,061,707)	(25,179,815)
Non-current liabilities	(71,252,560)	-	(163,401)	-	(71,415,961)	-
Net assets including non-controlling interests	41,306,742	98,457,923	40,203,135	-	81,509,877	98,457,923
Non-controlling interests	3,707,172	258,284	-	-	3,707,172	258,284
Net assets excluding non-controlling interests	45,013,914	98,716,207	40,203,135	-	85,217,049	98,716,207

Director _____
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Director _____
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16 Investments in subsidiaries, associates and interests in joint ventures (Cont'd)

(b) Investments in associate (Cont'd)

Summarised statement of comprehensive income

	TSP		SW		Total	
	2018 Baht	2017 Baht	2018 Baht	2017 Baht	2018 Baht	2017 Baht
Revenue	17,964,086	1,715,349	1,735,062	-	19,699,148	1,715,349
Profit from continuing operation	(59,790,862)	(30,222,077)	(498,271)	-	(60,289,133)	(30,222,077)
Post-tax profit from continuing operations	(59,790,862)	(30,222,077)	(505,391)	-	(60,296,253)	(30,222,077)
Other comprehensive income	2,639,681	(4,329,967)	-	-	2,639,681	(4,329,967)
Total comprehensive income	(57,151,181)	(34,552,044)	(505,391)	-	(57,656,572)	(34,552,044)
Dividends received from associates	-	-	-	-	-	-

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		SW		Total	
	2018 Baht	2017 Baht	2018 Baht	2017 Baht	2018 Baht	2017 Baht
Net assets excluding non-controlling interests as at period end	45,013,914	98,716,207	40,203,135	-	85,217,049	98,716,207
Interest in associate (%)	30.00	30.00	45.19	-	-	-
Interest in joint venture	13,504,174	29,614,862	18,167,797	-	31,671,971	29,614,862
Purchase price differences	-	-	10,492,203	-	10,492,203	-
Carrying value	13,504,174	29,614,862	28,660,000	-	42,164,174	29,614,862

Director _____
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16 Investments in subsidiaries, associates and interests in joint ventures (Cont'd)

(c) Interests in joint venture

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

	Consolidated financial statements		Separate financial statements	
	2018 Baht	2017 Baht	2018 Baht	2017 Baht
At 1 January	56,165,738	46,862,738	35,499,900	35,499,900
Share of profit (loss)	(7,809,928)	9,303,000	-	-
At 31 December	48,355,810	56,165,738	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 interests in joint venture 2018 and 2017

Name	Business	Country of incorporation	% Ownership interest		Nature of the relationship	Measurement method
			2018	2017		
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 interest 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.

Summarised financial information for joint venture

Set out below are the summarised financial information for the joint ventures that are material to the Group. The information disclosed reflects the amounting presented in the financial statements of the relevant joint ventures (not the Group's shares of those amounts). They have been amended to reflect adjustments made using the equity method, including fair value adjustments and modifications for differences in accounting policy.

Director _____ Director _____
Pyut Bhuwakulwong Preeyapun Bhuwakul

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

(c) Interests in joint venture (Cont'd)

Summarised statement of financial position

	IH	
	2018 Baht	2017 Baht
Current assets		
Cash and cash equivalents	8,813,634	15,010,236
Other current assets (excluding cash)	122,392,608	99,277,414
Total current assets	131,206,242	114,287,650
Non-current assets	491,760,079	551,243,881
	622,966,321	665,531,531
Current liabilities		
Financial liabilities (excluding trade payables)	426,820,000	467,290,000
Other current liabilities (including trade payables)	68,120,016	45,477,496
Total current liabilities	494,940,016	512,767,496
Non-current liabilities		
Financial liabilities	6,600,000	22,420,000
Other liabilities	39,278,611	36,249,085
Total non-current liabilities	45,878,611	58,669,085
	540,818,627	571,436,581
Net assets	82,147,694	94,094,950

Summarised statement of comprehensive income

	IH	
	2018 Baht	2017 Baht
Revenue	138,352,112	195,541,502
Interest income	5,435,209	7,477,467
Depreciation and amortisation	(39,381,984)	(35,484,655)
Interest expense	(25,263,899)	(27,946,850)
Profit (loss) from continuing operations	(13,389,683)	11,421,974
Income tax	1,442,427	729,577
Post-tax profit (loss) from continuing operations	(11,947,256)	12,151,551
Other comprehensive income (expense)	-	-
Total comprehensive income (expense)	(11,947,256)	12,151,551
Dividends received from joint venture	-	-

Director _____
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Director _____
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16 Investments in subsidiaries, associates and interests in joint ventures (Cont'd)

(c) Interests in joint venture (Cont'd)

Reconciliation of summarised financial information

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

	IH	
	2018 Baht	2017 Baht
Summarised financial information		
Opening net assets at 1 January	94,094,950	81,943,399
Gain (loss) for the year	(11,947,256)	12,151,551
Closing net assets at 31 December	82,147,694	94,094,950
Interest in joint venture	71%	71%
Interest in joint venture	58,324,863	66,807,415
Gains from downstream transactions	(9,969,053)	(10,641,677)
Carrying value	<u>48,355,810</u>	<u>56,165,738</u>

Director _____
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Director _____
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17 Property, plant and equipment

	Consolidated financial statements								
	Land and land improvement Baht	Buildings Baht	Utilities system Baht	Tools and equipment Baht	Furniture fixtures and office equipment Baht	Computer equipment Baht	Vehicles Baht	Work in progress Baht	Total Baht
At 1 January 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

Director

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Director

Preeyapun Bhuwakul

17 Property, plant and equipment (Cont'd)

	Consolidated financial statements								Total Baht
	Land and land improvement Baht	Buildings Baht	Utilities system Baht	Tools and equipment Baht	Furniture fixtures and office equipment Baht	Computer equipment Baht	Vehicles Baht	Work in progress Baht	
At 1 January 2018									
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)
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
For the year ended 31 December 2018									
Opening 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
Additions	-	259,684	20,746	1,170,083	1,494,776	4,867,477	-	13,337,861	21,150,627
Disposals, net	-	(1,081)	-	(1,499)	(26)	(8)	-	-	(2,614)
Write-off, net	-	(6)	(31,536)	-	(3,969)	-	-	(4,767,000)	(4,802,511)
Transfer in (out)	-	21,915,270	1,160,946	(816,986)	147,338	-	-	(23,176,568)	(770,000)
Depreciation charge	-	(4,549,414)	(109,210)	(4,072,677)	(1,247,741)	(2,473,012)	(303,738)	-	(12,755,792)
Closing net book value	24,012,780	52,045,521	1,171,440	9,356,333	4,074,726	6,438,178	920,374	393,962	98,413,314
At 31 December 2018									
Cost	24,012,780	81,748,672	1,506,828	51,855,242	14,538,202	15,136,040	6,003,178	393,962	195,194,904
Less Accumulated depreciation	-	(29,703,151)	(335,388)	(42,498,909)	(10,463,476)	(8,697,862)	(5,082,804)	-	(96,781,590)
Closing net book value	24,012,780	52,045,521	1,171,440	9,356,333	4,074,726	6,438,178	902,374	393,962	98,413,314

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17 Property, plant and equipment (Cont'd)

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

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17 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 2018									
Cost	20,412,780	28,798,156	1,226,674	6,457,454	4,458,588	5,813,211	3,061,729	5,864,669	76,093,261
Less Accumulated depreciation	-	(10,685,628)	(1,116,469)	(864,665)	(3,090,771)	(2,830,698)	(3,061,726)	-	(21,649,957)
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
For the year ended 31 December 2018									
Opening 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
Additions	-	259,683	20,746	366,150	1,290,281	2,266,070	-	13,337,861	17,540,791
Disposals, net	-	(978,000)	(12,625)	(4,508,010)	(102,451)	(817,997)	-	-	(6,419,083)
Write-off, net	-	-	(30,808)	-	(3,968)	-	-	-	(34,776)
Transfer in (out)	-	16,730,284	1,160,946	-	147,337	-	-	(18,808,567)	(770,000)
Depreciation charge	-	(1,252,603)	(102,956)	(1,265,989)	(531,500)	(1,611,027)	-	-	(4,764,075)
Closing net book value	20,412,780	32,871,892	1,145,508	184,940	2,167,516	2,819,559	3	393,963	59,996,161
At 31 December 2018									
Cost	20,412,780	44,810,124	1,470,450	683,144	5,741,525	6,982,491	3,061,729	393,963	83,556,206
Less Accumulated depreciation	-	(11,938,232)	(324,942)	(498,204)	(3,574,009)	(4,162,932)	(3,061,726)	-	(23,560,045)
Closing net book value	20,412,780	32,871,892	1,145,508	184,940	2,167,516	2,819,559	3	393,963	59,996,161

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17 Property, plant and equipment (Cont'd)

As at 31 December 2018, the land and buildings have been pledged with the net book value of Baht 72.58 million and Baht 54.43 million in the consolidated and separate financial statements, respectively (2017 : Baht 58.56 million and Baht 38.63 million in the consolidated and separate financial statements, respectively) under the short-term borrowings (Note 21).

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

	Consolidated financial statements		Separate financial statements	
	2018 Baht	2017 Baht	2018 Baht	2017 Baht
Cost of sales / cost of services	2,643,621	2,874,223	1,415,923	501,946
Selling expenses	1,025,353	1,309,050	296,327	235,768
Administrative expenses	9,086,818	7,513,958	3,051,825	1,933,561
Total	12,755,792	11,697,231	4,764,075	2,671,275

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

	Consolidated financial statements		Separate financial statements	
	2018 Baht	2017 Baht	2018 Baht	2017 Baht
Cost - capitalised under finance leases	1,518,692	1,518,692	-	-
<u>Less</u> Accumulated depreciation	(598,323)	(294,585)	-	-
Net book amount	920,369	1,224,107	-	-

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18 Fiber optic network

	Consolidated financial statements	Separate financial statements
	Baht	Baht
At 31 December 2017		
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
Additions	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>
For the year ended 31 December 2018		
Opening net book value	947,983,345	1,160,028,027
Additions	192,243,858	182,520,773
Disposals, net	-	(449,822,742)
Write-off, net	(7,760,561)	(7,760,561)
Transfer in	770,000	770,000
Depreciation charge	<u>(61,583,431)</u>	<u>(70,865,553)</u>
Closing net book value	<u>1,071,653,211</u>	<u>814,869,944</u>
At 31 December 2018		
Cost	1,292,135,592	1,009,774,590
<u>Less</u> Accumulated depreciation	<u>(220,482,381)</u>	<u>(194,904,646)</u>
Closing net book value	<u>1,071,653,211</u>	<u>814,869,944</u>

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19 Intangible assets

	Consolidated financial statements				Separate financial statements
	Computer program Baht	Patent Baht	Computer program under installation Baht	Total Baht	Computer program Baht
At 31 December 2017					
Cost	11,930,571	926,725	3,055,483	15,912,779	4,929,140
<u>Less</u> Accumulated amortisation	(4,505,029)	(926,725)	-	(5,431,754)	(2,011,022)
Net book value	<u>7,425,542</u>	<u>-</u>	<u>3,055,483</u>	<u>10,481,025</u>	<u>2,918,118</u>
For the year ended 31 December 2017					
Opening net book value	7,425,542	-	3,055,483	10,481,025	2,918,118
Additions	6,651,515	-	-	6,651,515	5,886,500
Disposals, net	-	-	(2,816,330)	(2,816,330)	-
Transfer in (out)	162,353	-	(162,353)	-	-
Amortisation charge	(1,428,010)	-	-	(1,428,010)	(690,274)
Closing net book value	<u>12,811,400</u>	<u>-</u>	<u>76,800</u>	<u>12,888,200</u>	<u>8,114,344</u>
At 31 December 2017					
Cost	18,744,439	926,725	76,800	19,747,964	10,815,640
<u>Less</u> Accumulated amortisation	(5,933,039)	(926,725)	-	(6,859,764)	(2,701,296)
Net book value	<u>12,811,400</u>	<u>-</u>	<u>76,800</u>	<u>12,888,200</u>	<u>8,114,344</u>
For the year ended 31 December 2018					
Opening net book value	12,811,400	-	76,800	12,888,200	8,114,344
Additions	5,882,958	-	-	5,882,958	3,490,597
Disposals, net	-	-	-	-	(5,023,621)
Amortisation charge	(2,041,350)	-	-	(2,041,350)	(1,164,791)
Closing net book value	<u>16,653,008</u>	<u>-</u>	<u>76,800</u>	<u>16,729,808</u>	<u>5,416,529</u>
At 31 December 2018					
Cost	24,627,397	926,725	76,800	25,630,922	9,282,616
<u>Less</u> Accumulated amortisation	(7,974,389)	(926,725)	-	(8,901,114)	(3,866,087)
Net book value	<u>16,653,008</u>	<u>-</u>	<u>76,800</u>	<u>16,729,808</u>	<u>5,416,529</u>

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20 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	
	2018 Baht	2017 Baht	2018 Baht	2017 Baht
Deferred tax assets:				
Deferred tax asset to be recovered within 12 months	62,594	153,515	-	153,515
Deferred tax asset to be recovered after more than 12 months	139,716,530	119,720,829	83,359,781	79,061,910
	<u>139,779,124</u>	<u>119,874,344</u>	<u>83,359,781</u>	<u>79,215,425</u>
Deferred tax liabilities:				
Deferred tax liability to be settled within 12 months	(4,543,636)	(4,543,636)	(4,543,636)	(4,543,636)
Deferred tax liability to be settled after more than 12 months	(34,289,583)	(38,833,220)	(34,289,583)	(38,833,220)
	<u>(38,833,219)</u>	<u>(43,376,856)</u>	<u>(38,833,219)</u>	<u>(43,376,856)</u>
Deferred tax asset, net	<u>100,945,905</u>	<u>76,497,488</u>	<u>44,526,562</u>	<u>35,838,569</u>

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

	Consolidated financial statements		Separate financial statements	
	2018 Baht	2017 Baht	2018 Baht	2017 Baht
At 1 January	76,497,488	39,653,650	35,838,569	14,081,352
Charged to income statement	24,448,417	36,843,838	8,687,993	21,757,217
At 31 December	<u>100,945,905</u>	<u>76,497,488</u>	<u>44,526,562</u>	<u>35,838,569</u>

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20 Deferred income taxes (Cont'd)

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

	Consolidated financial statements		
	At 1 January 2017 Baht	Charged to Income statement Baht	At 31 December 2017 Baht
Deferred tax assets			
Provision for impairment of diminution in value of inventories	3,815,867	(434,925)	3,380,942
Provision for impairment of doubtful account	1,776,917	(121,749)	1,655,168
Employee benefit obligations	3,276,150	915,997	4,192,147
Services income - fiber optic network	53,010,000	-	53,010,000
Prepaid expenses	736,432	620,447	1,356,879
Tax loss carry forward	4,890,702	16,375,849	21,266,551
Deferred interest income	2,159,553	(1,499,717)	659,836
Margins in inventories/assets	17,658,560	16,419,062	34,077,622
Others	249,960	25,239	275,199
	<u>87,574,141</u>	<u>32,300,203</u>	<u>119,874,344</u>
Deferred tax liabilities			
Depreciation of fiber optic network	47,920,491	(4,543,635)	43,376,856
	<u>47,920,491</u>	<u>(4,543,635)</u>	<u>43,376,856</u>
	Consolidated financial statements		
	At 1 January 2018 Baht	Charged to Income statement Baht	At 31 December 2018 Baht
Deferred tax assets			
Provision for impairment of diminution in value of inventories	3,380,942	(257,904)	3,123,038
Provision for impairment of doubtful account	1,655,168	1,967,036	3,622,204
Employee benefit obligations	4,192,147	948,899	5,141,046
Services income - fiber optic network	53,010,000	-	53,010,000
Prepaid expenses	1,356,879	546,362	1,903,241
Tax loss carry forward	21,266,551	756,764	22,023,315
Deferred interest income	659,836	(597,242)	62,594
Margins in inventories/assets	34,077,622	15,259,606	49,337,228
Others	275,199	1,281,259	1,556,458
	<u>119,874,344</u>	<u>19,904,780</u>	<u>139,779,124</u>
Deferred tax liabilities			
Depreciation of fiber optic network	43,376,856	(4,543,637)	38,833,219
	<u>43,376,856</u>	<u>(4,543,637)</u>	<u>38,833,219</u>

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20 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 2017 Baht	Charged to Income statement Baht	At 31 December 2017 Baht
Deferred tax assets			
Provision for impairment of diminution in value of inventories	1,611,472	(91,472)	1,520,000
Provision for impairment of 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>
	Separate financial statements		
	At 1 January 2018 Baht	Charged to Income statement Baht	At 31 December 2018 Baht
Deferred tax assets			
Provision for impairment of diminution in value of inventories	1,520,000	(831,400)	688,600
Provision for impairment of doubtful accounts	178,200	2,803,127	2,981,327
Employee benefit obligations	1,777,889	345,009	2,122,898
Services income - fiber optic network	53,010,000	-	53,010,000
Prepaid expenses	1,356,879	546,362	1,903,241
Tax loss carry forward	21,097,258	-	21,097,258
Others	275,199	1,281,258	1,556,457
	<u>79,215,425</u>	<u>4,144,356</u>	<u>83,359,781</u>
Deferred tax liabilities			
Depreciation of fiber optic network	43,376,856	(4,543,637)	38,833,219
	<u>43,376,856</u>	<u>(4,543,637)</u>	<u>38,833,219</u>

The Company did not recognise deferred income tax of Baht 33,257,755 in respect of losses amounting to Baht 166,288,777 and the Group did not recognise deferred income tax of Baht 37,089,984 in respect of losses amounting to Baht 185,449,920 from the Group 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 (2017: The Group did not recognise deferred income tax of Baht 2,272,752 in respect of losses amounting to Baht 11,363,759).

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20 Deferred income taxes (Cont'd)

Expiration of tax loss can be analysed as below:

	Consolidated financial statements 2018 Baht	Separate financial statements 2018 Baht
Tax losses for non-deferred tax assets		
Expire in 2022	654,774	-
Expire in 2023	184,795,146	166,288,777
	<u>185,449,920</u>	<u>166,288,777</u>

21 Borrowings

	Consolidated financial statements		Separate financial statements	
	2018 Baht	2017 Baht	2018 Baht	2017 Baht
Current				
Promissory notes / Bill of Exchange	1,035,973,480	862,158,301	683,000,000	604,366,708
Trust receipt	77,241,105	65,455,404	-	29,810,728
Current portion of long-term borrowings from financial institutions	23,301,000	101,115,600	23,301,000	-
Short-term loans				
- related party (Note 34)	-	-	102,000,000	-
Current portion of finance lease liability	356,252	309,902	-	-
Total current borrowings	<u>1,136,871,837</u>	<u>1,029,039,207</u>	<u>808,301,000</u>	<u>634,177,436</u>
Non-current				
Long-term borrowings from financial institutions	62,908,305	-	62,908,305	-
Finance lease liability	313,206	683,464	-	-
Total non-current borrowings	<u>63,221,511</u>	<u>683,464</u>	<u>62,908,305</u>	<u>-</u>
Total borrowings	<u>1,200,093,348</u>	<u>1,029,722,671</u>	<u>871,209,305</u>	<u>634,177,436</u>

Promissory notes / Bill of Exchange are secured over a part of land and buildings of the Group (Note 17).

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

	Consolidated financial statements		Separate financial statements	
	2018 Baht	2017 Baht	2018 Baht	2017 Baht
Borrowings				
Fixed rates	907,203,348	165,198,001	710,319,305	40,000,000
Floating rates	292,890,000	864,524,670	160,890,000	594,177,436
Total borrowings	<u>1,200,093,348</u>	<u>1,029,722,671</u>	<u>871,209,305</u>	<u>634,177,436</u>

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21 Borrowings (Cont'd)

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

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
Promissory note / Bill of Exchange	3.20 - 4.00 and MLR - 1.25 - MLR - 3.475	3.40 - 5.00 and MLR - 1.25 - MLR - 3.275	3.20 - 4.00 and MLR - 2.00 - MLR - 3.275	3.40 - 4.15 and MLR - 1.25 - MLR - 3.275
Trust Receipt	3.30 - 4.20	3.77 - 4.00	-	3.77
Short-term loans - related parties	-	-	5.00	-
Finance lease liability	6.30	6.30	-	-
Long-term borrowing	4.75 and MLR - 1.50	3.80	4.75 and MLR - 1.50	-

Change in long-term loans (exclude finance lease liability) can be analysed as below:

	Consolidated financial statements	Separate financial statements
	Baht	Baht
For the year ended 31 December 2018		
Opening balance	101,115,600	-
Addition	90,890,000	90,890,000
Repayment	(105,796,295)	(4,680,695)
Closing balance	86,209,305	86,209,305

Finance lease liability - minimum lease payments:

	Consolidated financial statements		Separate financial statements	
	2018 Baht	2017 Baht	2018 Baht	2017 Baht
Not later than one year	390,960	365,383	-	-
Later than one year	325,800	730,767	-	-
	716,760	1,096,150	-	-
<u>Less</u> Future finance charges on finance leases	(47,302)	(102,784)	-	-
Present value of finance lease liability	669,458	993,366	-	-

The present value of finance lease liability is as follows:

	Consolidated financial statements		Separate financial statements	
	2018 Baht	2017 Baht	2018 Baht	2017 Baht
Not later than 1 year	356,252	309,902	-	-
More than 1 year	313,206	683,464	-	-
	669,458	993,366	-	-

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

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21 Borrowings (Cont'd)

Borrowing facilities

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

	Consolidated financial statements		Separate financial statements	
	2018 Baht	2017 Baht	2018 Baht	2017 Baht
Floating rate				
- expiring within a year	599,113,104	654,381,749	135,277,541	176,179,272

Borrowing facilities are reviewed annually.

Reconciliation of liabilities arising from financial activities

	31 December 2017 Baht	Cash flow Baht	Non-cash changes	31 December 2018 Baht
			Amortisation of prepaid interest expense Baht	
Consolidated financial information				
Short-term borrowings from financial institutions	927,613,705	185,070,588	530,292	1,113,214,585
Finance lease liability	993,366	(379,390)	55,482	669,458
Long-term borrowings from financial institutions	101,115,600	(14,906,295)	-	86,209,305
Separate financial information				
Short-term borrowings from financial institutions	634,177,436	48,292,272	530,292	683,000,000
Long-term borrowings from financial institutions	-	86,209,305	-	86,209,305
Short-term loans from related party	-	102,000,000	-	102,000,000

22 Trade and other payables

	Consolidated financial statements		Separate financial statements	
	2018 Baht	2017 Baht	2018 Baht	2017 Baht
Trade accounts payable				
Trade accounts payable - third parties	159,313,843	140,330,024	109,438,870	17,879,402
Trade accounts payable - related parties (Note 34)	432,489	-	273,961,065	197,085,791
Total	159,746,332	140,330,024	383,399,935	214,965,193
Other accounts payable				
Other accounts payable - third parties	6,430,175	8,175,471	4,157,644	5,632,165
Accrued interest expense	1,193,970	365,817	569,697	216,465
Accrued expense	46,976,161	47,747,336	33,952,598	27,341,936
Accrued expense - related party (Note 34)	-	-	11,347,012	166,893,162
Progress billing in excess of work in progress (Note 12)	68,667,890	37,595,066	66,797,953	-
Advance from customers	9,465,570	7,987,227	131,342	1,826,680
Advance from customers - related parties (Note 34)	12,705,000	-	12,705,000	-
Accrued construction costs	178,248,056	254,458,554	12,629,366	45,406,632
Total	323,686,822	356,329,471	142,290,612	247,317,040
Total trade and other payables	483,433,154	496,659,495	525,690,547	462,282,233

Director Pyut Bhuwakulwong Director Preeyapun Bhuwakul

23 Other current liabilities

	Consolidated financial statements		Separate financial statements	
	2018 Baht	2017 Baht	2018 Baht	2017 Baht
Undue output tax	56,297,908	45,856,672	18,068,893	18,122,833
Withholding tax payable	2,384,476	2,842,885	803,499	943,090
Other	-	76,893	-	-
Total	<u>58,682,384</u>	<u>48,776,450</u>	<u>18,872,392</u>	<u>19,065,923</u>

24 Employee benefit obligations

Employee benefit obligations comprises:

	Consolidated financial statements		Separate financial statements	
	2018 Baht	2017 Baht	2018 Baht	2017 Baht
Retirement benefits	24,864,691	19,759,127	10,048,626	8,433,438
Other employee benefits	1,478,888	1,201,608	565,861	456,005
Liability in the statement of financial position	<u>26,343,579</u>	<u>20,960,735</u>	<u>10,614,487</u>	<u>8,889,443</u>

Post-retirement benefits

	Consolidated financial statements		Separate financial statements	
	2018 Baht	2017 Baht	2018 Baht	2017 Baht
Statement of financial position				
Retirement benefits	24,864,691	19,759,127	10,048,626	8,433,438
Liability in the statement of financial position	<u>24,864,691</u>	<u>19,759,127</u>	<u>10,048,626</u>	<u>8,433,438</u>
Profit or loss charge included in operating profit for:				
Retirement benefits	5,105,564	4,308,442	1,615,188	1,697,614
	<u>5,105,564</u>	<u>4,308,442</u>	<u>1,615,188</u>	<u>1,697,614</u>

Director _____
Pyut Bhuwakulwong

Director _____
Preeyapun Bhuwakul

24 Employee benefit obligations (Cont'd)

Retirement benefits

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

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

	Consolidated financial statements		Separate financial statements	
	2018 Baht	2017 Baht	2018 Baht	2017 Baht
At 1 January	19,759,127	15,450,685	8,433,438	6,735,824
Current service cost	4,712,632	3,996,156	1,476,484	1,580,488
Interest cost	392,932	312,286	138,704	117,126
At 31 December	24,864,691	19,759,127	10,048,626	8,433,438

The principal actuarial assumptions used were as follows:

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
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

Sensitivity analysis

	Consolidated financial statements					
	Change in assumption		Impact on defined benefit obligation			
	2018	2017	Increase in assumption		Decrease in assumption	
			2018	2017	2018	2017
Discount rate	1.0%	1.0%	Decrease by 6.46%	Decrease by 6.70%	Increase by 7.37%	Increase by 7.66%
Salary growth rate	1.0%	1.0%	Increase by 9.02%	Increase by 8.31%	Decrease by 8.00%	Decrease by 7.39%
Staff turnover rate	1.0%	1.0%	Decrease by 7.13%	Decrease by 7.41%	Increase by 3.66%	Increase by 3.79%

	Separate financial statements					
	Change in assumption		Impact on defined benefit obligation			
	2018	2017	Increase in assumption		Decrease in assumption	
			2018	2017	2018	2017
Discount rate	1.0%	1.0%	Decrease by 3.31%	Decrease by 3.30%	Increase by 3.72%	Increase by 3.68%
Salary growth rate	1.0%	1.0%	Increase by 5.60%	Increase by 4.61%	Decrease by 5.14%	Decrease by 4.25%
Staff turnover rate	1.0%	1.0%	Decrease by 3.84%	Decrease by 3.81%	Increase by 2.48%	Increase by 2.21%

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.

Director Pyut Bhuwakulwong Director Preeyapun Bhuwakul

24 Employee benefit obligations (Cont'd)

Retirement benefits (Cont'd)

Sensitivity analysis (Cont'd)

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 17.05 years.

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

	Consolidated 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 2018 Retirement benefits	4,905,747	3,935,589	2,375,211	27,161,977	38,378,524

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

	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 2018 Retirement benefits	2,725,211	2,989,394	1,954,359	4,729,484	12,398,448

	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

Director _____ Director _____
 Pyut Bhuwakulwong Preeyapun Bhuwakul

24 Employee benefit obligations (Cont'd)

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	
	2018 Baht	2017 Baht	2018 Baht	2017 Baht
At 1 January	1,201,608	930,063	456,005	356,648
Current service cost	283,925	254,957	104,483	94,089
Interest cost	19,355	16,588	5,373	5,268
Benefit paid	(26,000)	-	-	-
At 31 December	<u>1,478,888</u>	<u>1,201,608</u>	<u>565,861</u>	<u>456,005</u>

25 Share capital

	Authorised number of Share	Number of Share	Ordinary shares Baht	Share Premium Baht	Total Baht
At 1 January 2017	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
Issue of shares	-	16,004,200	8,002,100	40,010,500	48,012,600
At 31 December 2018	<u>1,250,000,000</u>	<u>1,016,004,200</u>	<u>508,002,100</u>	<u>1,050,503,500</u>	<u>1,558,505,600</u>

The total authorised number of ordinary shares is 1,250,000,000 shares (31 December 2017: 1,250,000,000 shares) with a par value of Baht 0.5 per share (31 December 2017: Baht 0.50 per share). The issued and fully paid-up ordinary shares is 1,016,004,200 shares (31 December 2017: 1,000,000,000 shares).

On 6 December 2017, the Company registered the increase in share capital with the Ministry of Commerce in the amount of 250 million shares at Baht 0.50 per share, totaling Baht 125 million in accordance with the resolution of the Extraordinary General Meeting of Shareholders No.1/2017. On 30 November 2017, the registration of the capital increase to support the allocation of warrants to purchase ordinary shares of the Company No.1 (ALT-W1), the amount of less than 250 million units to the existing shareholders at the ratio of 4 existing shares to 1 warrant unit without charge (Note 27).

During the year 2018, the shareholders exercised their rights to purchase ordinary shares of the Company in the amount of 16,004,200 rights (Note 27) with the exercise ratio of 1:1 shares, totaling 16,004,200 shares with the exercise price 3 Baht per share.

Director Pyut Bhuwakulwong Director Preeyapun Bhuwakul

26 Legal reserve

	Consolidated and Separate financial statements	
	2018 Baht	2017 Baht
At 1 January	55,000,000	50,000,000
Appropriation during the year	-	5,000,000
At 31 December	<u>55,000,000</u>	<u>55,000,000</u>

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

27 Warrants

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

	<u>Issued</u>	<u>Ended</u>	<u>As at 31 December 2017 Outstanding warrant Unit</u>	<u>Exercise during the year</u>	<u>As at 31 December 2018 Outstanding warrant Unit</u>
ALT-W1	19 December 2018	18 December 2020	249,988,705	(16,004,200)	233,984,505
			<u>249,988,705</u>	<u>(16,004,200)</u>	<u>233,984,505</u>

During 2018, warrants of 16,004,200 options have been exercised with a value of Baht 48.01 million (Note 25).

28 Dividends

2018

At the Annual General Meeting of Shareholders held on 26 April 2018, the shareholders passed the resolution to approve dividends payment from the result of operation in 2017 at Baht 0.04 per share, totalling Baht 40.32 million. The dividends were distributed to the shareholders in May 2018.

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.

Director _____ Director _____
Pyut Bhuwakulwong Preeyapun Bhuwakul

ALT Telecom Public Company Limited
Notes to the Consolidated and Separate Financial statements
For the year ended 31 December 2018

29 Other income

	Consolidated financial statements		Separate financial statements	
	2018 Baht	2017 Baht	2018 Baht	2017 Baht
Dividend income - related party (Note 34)	-	-	-	179,998,380
Management fee income - related parties (Note 34)	7,256,952	9,142,449	19,738,896	17,983,362
Rental income - related parties (Note 34)	1,155,492	1,204,452	6,092,784	7,201,728
Interest income	5,202,776	8,893,331	515,053	418,325
Interest income - related party (Note 34)	19,220,411	16,854,247	24,832,260	30,506,438
Gain from disposals	13,324	-	-	-
Gain from disposals - related parties (Note 34)	-	-	71,803,432	-
Others	5,050,632	3,383,582	2,269,211	601,468
Others - related parties (Note 34)	-	278,389	200,000	225,889
Total	37,899,587	39,756,450	125,451,636	236,935,590

30 Finance costs

	Consolidated financial statements		Separate financial statements	
	2018 Baht	2017 Baht	2018 Baht	2017 Baht
Finance cost:				
Bank borrowings	42,296,483	23,892,974	26,734,048	13,562,103
Finance lease	55,482	67,861	-	-
Short-term borrowings from related parties (Note 34)	-	-	1,913,945	-
Others	547,828	351,239	547,829	351,239
Total	42,899,793	24,312,074	29,195,822	13,913,342

31 Expense by nature

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

	Consolidated financial statements		Separate financial statements	
	2018 Baht	2017 Baht	2018 Baht	2017 Baht
Changes in inventories	(113,849,746)	130,004,795	(112,474,282)	896,068
Raw material and consumables used	143,274,785	342,318,979	138,288,269	142,273,321
Construction supplies and subcontractor charges	444,901,478	231,442,895	176,576,037	108,913,830
Salaries, wages and other employee benefits	190,099,705	169,601,958	98,001,280	60,083,834
Depreciation and amortisation	76,380,573	52,434,232	76,794,419	47,084,592
Rental and utilities expenses	127,581,127	116,437,887	32,018,376	25,779,450
Service fee expenses	40,567,942	19,693,512	19,940,512	4,332,906
Transportation and import duty expense	8,011,612	16,777,537	1,062,795	6,047,567
Provision for impairment of diminution in value of inventories (reversal)	1,961,761	(2,174,625)	(4,157,000)	(457,363)
Provision for impairment of doubtful accounts (reversal)	(2,219,330)	(608,747)	1,341,000	(177,908)
Travelling expenses	11,420,098	11,840,887	4,799,412	3,999,911
Fee	6,719,328	4,726,192	4,938,163	3,433,334
Maintenance expenses - Fiber optic network	51,887,559	24,401,501	77,338,104	36,944,483

Director _____
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Director _____
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32 Income tax

	Consolidated financial statements		Separate financial statements	
	2018 Baht	2017 Baht	2018 Baht	2017 Baht
Current tax	8,328,126	56,099,952	-	-
Deferred income tax (Note 20)	(24,448,417)	(36,843,838)	(8,687,993)	(21,757,217)
Income tax	<u>(16,120,291)</u>	<u>19,256,114</u>	<u>(8,687,993)</u>	<u>(21,757,217)</u>

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

	Consolidated financial statements		Separate financial statements	
	2018 Baht	2017 Baht	2018 Baht	2017 Baht
(Loss) profit before tax	<u>(302,409,934)</u>	<u>76,124,979</u>	<u>(227,348,167)</u>	<u>70,200,371</u>
Tax calculated at a tax rate of 20% (2017: 20%)	(60,481,986)	15,224,996	(45,469,633)	14,040,074
Tax effect of:				
Share of profit (loss)	4,982,504	301,054	-	-
Income not subject to tax	(163,846)	-	-	(35,999,676)
Expenses not deductible for tax purpose	6,225,037	2,228,889	4,842,979	704,483
Expenses that are deductible at a greater amount	(3,771,984)	(1,167,592)	(1,319,094)	(905,655)
Tax losses for which no deferred income tax asset was recognised	37,089,984	2,272,752	33,257,755	-
Adjustment in respect of prior period	-	396,015	-	403,557
Tax charge (credit)	<u>(16,120,291)</u>	<u>19,256,114</u>	<u>(8,687,993)</u>	<u>(21,757,217)</u>

The weighted average applicable tax rate was 5.33% and 3.82% (2017: 25.30% and 30.99% respectively). The decrease in average annual tax rate used for consolidated and separate financial statements is caused by an increase in tax losses for which no deferred income tax asset was recognised.

Director _____ Director _____
Pyut Bhuwakulwong Preeyapun Bhuwakul

33 Earnings (Loss) per share

Basic earnings (loss) per share

Basic earning (loss) per share is calculated by dividing the profit (loss) attributable to shareholders of the parent by the weighted average number of ordinary shares held by the shareholders during the year.

	Consolidated financial statements		Separate financial statements	
	2018 Baht	2017 Baht	2018 Baht	2017 Baht
Earnings (Loss) (Baht)				
Profit (Loss) attributable to ordinary shareholders of the Company (Baht)	(286,275,790)	56,856,440	(218,660,174)	91,957,588
Weighted average number of ordinary shares outstanding (shares)	1,000,000,000	1,000,000,000	1,000,000,000	1,000,000,000
Weighted average number of ordinary shares disposal (shares)	9,291,915	-	9,291,915	-
Total weighted average number of ordinary shares (shares)	<u>1,009,291,915</u>	<u>1,000,000,000</u>	<u>1,009,291,915</u>	<u>1,000,000,000</u>
Basic earnings (loss) per share (Baht per share)	<u>(0.28)</u>	<u>0.06</u>	<u>(0.22)</u>	<u>0.09</u>

Diluted earnings (loss) per share

Basic earning (loss) per share is calculated by dividing the profit (loss) attributable to shareholders of the parent by the weighted average number of ordinary shares held by the shareholders during the period.

Diluted earning (loss) per share is calculated by adjusting the weighted average number of ordinary shares used in calculation of basic loss per share to assumed conversion of all dilutive potential ordinary shares. During the period, the Company has dilutive potential ordinary shares arising from issuance of warrants to purchase ordinary shares. The calculation is made to determine the number of shares that could have been acquired at fair value as determined from the average market price of the Company's shares for the period based on the monetary value of the exercise rights attached to outstanding warrants. The number of shares calculated as above is compared with the number of shares that would have been issued assuming the exercise of the warrants. The warrants are dilutive when they would result in the issue of ordinary shares for less than the average market price of ordinary shares during the period.

	Consolidated financial statements		Separate financial statements	
	2018 Baht	2017 Baht	2018 Baht	2017 Baht
Earnings (Loss) (Baht)				
Profit (Loss) used to determine diluted earnings per share attributable to shareholders of the Company (Baht)	(286,275,790)	56,856,440	(218,660,174)	91,957,588
Weighted average number of ordinary shares outstanding (shares)	1,009,291,916	1,000,000,000	1,009,291,916	1,000,000,000
Adjustments for share options ALT-W1 (Note 27) (shares)	<u>38,801,165</u>	<u>100,692,199</u>	<u>38,801,165</u>	<u>100,692,199</u>
Weighted average number of ordinary shares for diluted earnings (loss) per share (shares)	<u>1,048,093,081</u>	<u>1,100,692,199</u>	<u>1,048,093,081</u>	<u>1,100,692,199</u>
Diluted earnings (loss) per share (Baht per share)	<u>-</u>	<u>0.05</u>	<u>-</u>	<u>0.08</u>

The company's loss per share is not dilutive as the calculated diluted earnings (loss) per share contribute to a decrease in loss per share.

The warrants will be expired on 18 December 2020.

Director Pyut Bhuwakulwong Director Preeyapun Bhuwakul

34 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 50.79% and 6.86% and 6.86% and 5.88% of the Company's shares, respectively. The remaining 29.61% of the shares are widely held.

The following transactions were carried out with related parties:

Relationship of the related company as follows :

<u>Company</u>	<u>Relationship</u>	<u>Related by</u>
ALT Holding Co., Ltd.	Parent	Shareholders and directors
Group Tech Solutions Co., Ltd.	Subsidiary	Shareholders and directors
Innova Telecommunication Co., Ltd.	Subsidiary	Shareholders and directors
I Twenty One Inter Corporation Co., Ltd.	Subsidiary	Shareholders and directors
International Gateway Co., Ltd.	Subsidiary	Shareholders and directors
Thaithanan Co., Ltd. (old name "2ocean Company limited")	Subsidiary	Indirect shareholders and directors
Win and Win Telecom Co., Ltd.	Subsidiary	Indirect shareholders and directors
Telecom Solutions Providers Co., Ltd.	Associate	Shareholders and directors
Myanmar Information Highway Co., Ltd.	Associate	Indirect shareholders
Spotwerkz (Thailand) Co., Ltd.	Associate	Shareholders
Information Highway Co., Ltd.	Joint venture	Shareholders and directors
Enegymax Co., Ltd.	Related party	Directors

Related transaction pricing policy as follow :

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

Director _____
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Director _____
Preeyapun Bhuwakul

34 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	
	2018 Baht	2017 Baht	2018 Baht	2017 Baht
Sales of goods				
Subsidiaries	-	-	65,030,043	1,941,952
Joint venture	841,816	14,467,574	841,816	10,692,174
	<u>841,816</u>	<u>14,467,574</u>	<u>65,871,859</u>	<u>12,634,126</u>
Sales of services				
Subsidiaries	-	-	919,411	1,246,694
Joint venture	20,111,665	14,444,137	4,260,150	-
	<u>20,111,665</u>	<u>14,444,137</u>	<u>5,179,561</u>	<u>1,246,694</u>
Management fee income (Note 29)				
Subsidiaries	-	-	12,481,944	8,840,913
Joint venture	7,256,952	9,142,449	7,256,952	9,142,449
	<u>7,256,952</u>	<u>9,142,449</u>	<u>19,738,896</u>	<u>17,983,362</u>
Rental and service income (Note 29)				
Subsidiaries	-	-	4,937,292	5,997,276
Joint venture	1,155,492	1,204,452	1,155,492	1,204,452
	<u>1,155,492</u>	<u>1,204,452</u>	<u>6,092,784</u>	<u>7,201,728</u>
Interest income (Note 29)				
Subsidiaries	-	-	5,611,849	13,652,191
Joint venture	19,220,411	16,854,247	19,220,411	16,854,247
	<u>19,220,411</u>	<u>16,854,247</u>	<u>24,832,260</u>	<u>30,506,438</u>
Gain from sales of assets (Note 29)				
Subsidiaries	-	-	71,803,432	-
	<u>-</u>	<u>-</u>	<u>71,803,432</u>	<u>-</u>
Other income (Note 29)				
Subsidiaries	-	-	200,000	-
Joint venture	-	278,389	-	225,889
	<u>-</u>	<u>278,389</u>	<u>200,000</u>	<u>225,889</u>
Dividend income (Note 29)				
Subsidiaries	-	-	-	179,998,380
	<u>-</u>	<u>-</u>	<u>-</u>	<u>179,998,380</u>

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34 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	
	2018 Baht	2017 Baht	2018 Baht	2017 Baht
Cost of sales and services				
Subsidiaries	-	-	344,464,119	264,733,940
Joint venture	8,512,325	-	3,644,286	-
Related party	331,132	50,000	208,000	-
	<u>8,843,457</u>	<u>50,000</u>	<u>348,316,405</u>	<u>264,733,940</u>
Finance costs (Note 30)				
Subsidiaries	-	-	1,913,945	-
	<u>-</u>	<u>-</u>	<u>1,913,945</u>	<u>-</u>

c) Outstanding balances arising from purchases of goods and services

	Consolidated financial statements		Separate financial statements	
	2018 Baht	2017 Baht	2018 Baht	2017 Baht
Trade accounts receivable (Note 11)				
Subsidiaries	-	-	27,116,633	-
Joint venture	17,277,563	1,858,565	695,303	197,629
	<u>17,277,563</u>	<u>1,858,565</u>	<u>27,811,936</u>	<u>197,629</u>
Other receivables (Note 11)				
Subsidiaries	-	-	1,531,859	1,343,589
Joint venture	6,722,868	998,713	6,718,368	998,713
	<u>6,722,868</u>	<u>998,713</u>	<u>8,250,227</u>	<u>2,342,302</u>
Advance payment (Note 11)				
Subsidiaries	-	-	684,319	11,522,411
Joint venture	-	56,995	-	56,995
	<u>-</u>	<u>56,995</u>	<u>684,319</u>	<u>11,579,406</u>
Deposits (Note 11)				
Related party	17,730,014	-	17,730,014	-
	<u>17,730,014</u>	<u>-</u>	<u>17,730,014</u>	<u>-</u>
Accrued interest receivable (Note 11)				
Subsidiaries	-	-	288	-
Joint venture	17,716,027	-	17,716,027	-
Related party	10,989	10,989	10,989	10,989
	<u>17,727,016</u>	<u>10,989</u>	<u>17,727,304</u>	<u>10,989</u>

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34 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 (Cont'd)

	Consolidated financial statements		Separate financial statements	
	2018 Baht	2017 Baht	2018 Baht	2017 Baht
Accrued income (Note 11)				
Associate	1,206,000	-	1,206,000	-
Joint venture	7,276,461	-	7,276,461	-
	<u>8,482,461</u>	<u>-</u>	<u>8,482,461</u>	<u>-</u>
Accrued dividend income (Note 11)				
Subsidiaries	-	-	-	179,998,380
	<u>-</u>	<u>-</u>	<u>-</u>	<u>179,998,380</u>
Trade accounts payable (Note 22)				
Subsidiaries	-	-	273,528,576	197,085,791
Joint venture	432,489	-	432,489	-
	<u>432,489</u>	<u>-</u>	<u>273,961,065</u>	<u>197,085,791</u>
Accrued expense (Note 22)				
Subsidiaries	-	-	11,347,012	166,893,162
	<u>-</u>	<u>-</u>	<u>11,347,012</u>	<u>166,893,162</u>
Advance from customers (Note 22)				
Associate	12,705,000	-	12,705,000	-
	<u>12,705,000</u>	<u>-</u>	<u>12,705,000</u>	<u>-</u>

d) Loans to related parties

	Consolidated financial statements		Separate financial statements	
	2018 Baht	2017 Baht	2018 Baht	2017 Baht
Loans to related parties				
Subsidiaries	-	-	61,000,000	181,000,000
Joint venture	406,000,000	350,000,000	406,000,000	350,000,000
	<u>406,000,000</u>	<u>350,000,000</u>	<u>467,000,000</u>	<u>531,000,000</u>
	Consolidated financial statements		Separate financial statements	
	2018 Baht	2017 Baht	2018 Baht	2017 Baht
Loans to related parties				
Short-term loans	16,000,000	350,000,000	77,000,000	531,000,000
Long-term loans	390,000,000	-	390,000,000	-
	<u>406,000,000</u>	<u>350,000,000</u>	<u>467,000,000</u>	<u>531,000,000</u>

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34 Related party transactions (Cont'd)

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

d) Loans to related parties (Cont'd)

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

	Consolidated financial statements	Separate financial statements
	Baht	Baht
For the year ended 31 December 2018		
Opening balance	350,000,000	531,000,000
Loans additions	56,000,000	115,300,000
Loans repayments	-	(179,300,000)
Closing balance	<u>406,000,000</u>	<u>467,000,000</u>

The related interest expense was Baht 19,220,411 and Baht 24,832,260 in the consolidated and separate financial statements, respectively (2017: Baht 16,854,247 and Baht 30,506,438 in the consolidated and separate financial statements, respectively). The borrowing from related parties are unsecured loans carrying interest rate 5.00% and 5.25% per annum and due at call.

e) Short-term loans from related parties

	Consolidated financial statements		Separate financial statements	
	2018 Baht	2017 Baht	2018 Baht	2017 Baht
Subsidiary	-	-	102,000,000	-
	<u>-</u>	<u>-</u>	<u>102,000,000</u>	<u>-</u>

The movement of short-term loans from related can be analysed as follows:

	Consolidated financial statements	Separate financial statements
	Baht	Baht
For the year ended 31 December 2018		
Opening balance	-	-
Loans additions	-	124,300,000
Loans repayments	-	(22,300,000)
Closing balance	<u>-</u>	<u>102,000,000</u>

Short-term loans from related parties are unsecured and denominated in Thai Baht. The loans carry interest at the rates of 5.00% per annum and due for repayment on demand.

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34 Related party transactions (Cont'd)

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

f) Key management compensation

	Consolidated financial statements		Separate financial statements	
	2018 Baht	2017 Baht	2018 Baht	2017 Baht
Short-term employee benefits	32,486,920	25,249,390	9,709,706	12,979,359
Post-employee benefits	1,495,243	1,488,199	807,356	911,783
	<u>33,982,163</u>	<u>26,737,589</u>	<u>10,517,062</u>	<u>13,891,142</u>

35 Commitments and contingencies

a) Bank guarantees

As at 31 December 2018, there are outstanding bank guarantees amounting to Baht 562.07 million and USD 3.00 million (2017: Baht 197.63 million and USD 0.25 million).

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

As at 31 December 2018, the future aggregated minimum lease payment under non-cancelable operating lease are as follows:

	Consolidated financial statements		Separate financial statements	
	2018 Baht	2017 Baht	2018 Baht	2017 Baht
Less than 1 year	66,057,827	107,529,619	11,148,399	52,517,449
Later than 1 year but within 5 years	91,366,938	84,397,545	48,199,162	47,101,878
Later than 5 years	230,009,160	236,856,476	230,009,160	236,856,476
	<u>387,433,925</u>	<u>428,783,640</u>	<u>289,356,721</u>	<u>336,475,803</u>

36 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.

37 Subsequent events

On 5 February 2019, the Company signed a contract with Ratchaburi Electricity Generating Holding Public Company Limited to jointly establish a new company to invest in underground optical fiber network. The establishment is expected to be completed within April 2019.

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