

**ALT TELECOM PUBLIC COMPANY LIMITED**

**CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS**

**31 DECEMBER 2019**

## **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 2019, 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 2019;
- 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. I determine one key audit matter: Revenue recognition for long-term contracts. The matter was 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 the matter.

Key audit matter	How my audit addressed the key audit matter
<p><b><i>Revenue recognition for long-term contracts</i></b></p> <p>The Group has revenue from long-term contracts for the year ended 31 December 2019 of Baht 491.72 million representing 54% of total revenue in the consolidated income statement.</p> <p>Recognition of revenue for long-term contracts of the Group is complex due to the several contract types made with customers. Revenue is recognised when the Company satisfies a performance obligation by transferring services to customers over time.</p> <p>I focused on this area as revenue recognition involves significant judgement and estimation made by management in relation to a determination of whether contracts contain multiple performance obligations which should be accounted for separately and the most appropriate method for revenue recognition for each identified performance obligation. This also comprises an allocation of consideration to the individual performance obligations of multi-element contracts.</p> <p>In addition, I focused on assessing the stage of completion of contracts, which are accounted for over time.</p>	<p>My procedures in relation to management’s assessment of revenue recognition of those contracts included:</p> <ul style="list-style-type: none"> <li>• discussing the group accounting policy with management, including the key accounting estimates and judgements made by the management</li> <li>• 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;</li> <li>• testing the internal controls over the revenue and receivable cycle, and the purchase and payable cycle for projects;</li> <li>• 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;</li> <li>• evaluating the management’s significant judgements and estimates in applying the revenue recognition accounting policy to a sample of specific contracts and separable performance obligations of contracts by obtaining evidence to support them including client acceptance certificates, correspondence and minutes of meetings with customers, invoices, and delivery notes.</li> <li>• evaluating source of data and management’s judgement in calculation of the stage of completion of contracts.</li> </ul> <p>I found revenue recognition on long-term contracts were reasonable and appropriate based on the environment and circumstances.</p>

## **Other information**

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

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

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

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

## **Responsibilities of the directors for the consolidated and separate financial statements**

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

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

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

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

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

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

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

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

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

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

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

PricewaterhouseCoopers ABAS Ltd.

**Pisit Thangtanagul**

Certified Public Accountant (Thailand) No. 4095

Bangkok

24 February 2020

**ALT Telecom Public Company Limited**  
**Statement of Financial Position**  
**As at 31 December 2019**

	Notes	Consolidated		Separate	
		financial statements		financial statements	
		2019	2018	2019	2018
		Baht	Baht	Baht	Baht
<b>Assets</b>					
<b>Current assets</b>					
Cash and cash equivalents	8	35,375,657	191,741,677	15,193,700	53,850,312
Short-term investments	9	840,974	648,449	840,974	648,449
Trade and other receivables	10	246,977,955	454,618,844	222,359,414	167,486,942
Current portion of long-term receivables		23,466,498	17,296,765	1,351,250	-
Contract assets	11	135,860,710	212,489,638	41,734,724	35,166,906
Short-term loans to related parties	33	150,000,000	16,000,000	188,500,000	77,000,000
Inventories	12	364,453,536	314,180,746	276,417,132	186,537,790
Current portion of prepaid rent		24,330,097	22,829,111	18,684,716	20,073,390
Other current assets	13	113,240,239	145,771,149	57,791,952	76,767,486
<b>Total current assets</b>		<b>1,094,545,666</b>	<b>1,375,576,379</b>	<b>822,873,862</b>	<b>617,531,275</b>
<b>Non-current assets</b>					
Restricted cash	14	64,825,171	96,574,727	27,925,171	37,900,000
Long-term receivables		4,616,774	22,115,248	4,616,774	-
Prepaid rent		60,373,158	54,314,733	60,373,158	54,314,733
Investment in subsidiaries	15	-	-	800,311,507	802,811,432
Investment in associates	15	38,586,346	42,164,174	39,935,345	75,360,000
Interest in joint venture	15	41,974,942	48,355,810	37,214,815	35,499,900
Long-term loans to related parties	33	196,580,000	390,000,000	196,580,000	390,000,000
Property, plant and equipment	16	91,449,880	98,413,314	56,843,370	59,996,161
Fiber optic network equipment	17	1,086,507,276	1,071,653,211	732,830,027	814,869,944
Intangible assets	18	8,809,993	16,729,808	2,674,673	5,416,529
Deferred tax assets	19	115,547,241	100,945,905	49,965,972	44,526,562
Other non-current assets		71,261,729	20,895,853	32,918,579	2,082,470
<b>Total non-current assets</b>		<b>1,780,532,510</b>	<b>1,962,162,783</b>	<b>2,042,189,391</b>	<b>2,322,777,731</b>
<b>Total assets</b>		<b>2,875,078,176</b>	<b>3,337,739,162</b>	<b>2,865,063,253</b>	<b>2,940,309,006</b>

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 2019**

	Notes	Consolidated		Separate	
		financial statements		financial statements	
		2019	2018	2019	2018
		Baht	Baht	Baht	Baht
<b>Liabilities and equity</b>					
<b>Current liabilities</b>					
Bank overdrafts and short-term borrowings from financial institutions	20	881,004,761	1,113,214,585	513,044,109	683,000,000
Trade and other payables	21	381,166,228	483,433,154	576,329,001	525,690,547
Current portion of finance lease liability	20	313,205	356,252	-	-
Current portion of long-term borrowings from financial institutions	20	27,468,000	23,301,000	27,468,000	23,301,000
Short-term loans from related parties	20,33	1,000,000	-	69,100,000	102,000,000
Accrued income tax		225,156	-	-	-
Other current liabilities	22	55,961,599	58,682,384	20,879,610	18,872,392
<b>Total current liabilities</b>		<b>1,347,138,949</b>	<b>1,678,987,375</b>	<b>1,206,820,720</b>	<b>1,352,863,939</b>
<b>Non-current liabilities</b>					
Long-term borrowings from financial institutions	20	36,430,110	62,908,305	36,430,110	62,908,305
Finance lease liability	20	-	313,206	-	-
Employee benefit obligations	23	29,882,715	26,343,579	9,930,584	10,614,487
Provision for decommissioning		31,522,025	30,319,192	28,528,330	27,439,521
Other non-current liabilities		15,348,882	14,881,905	-	-
<b>Total non-current liabilities</b>		<b>113,183,732</b>	<b>134,766,187</b>	<b>74,889,024</b>	<b>100,962,313</b>
<b>Total liabilities</b>		<b>1,460,322,681</b>	<b>1,813,753,562</b>	<b>1,281,709,744</b>	<b>1,453,826,252</b>

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**ALT Telecom Public Company Limited**  
**Statement of Financial Position (Cont'd)**  
**As at 31 December 2019**

	Notes	Consolidated		Separate	
		financial statements		financial statements	
		2019	2018	2019	2018
		Baht	Baht	Baht	Baht
<b>Liabilities and equity (Cont'd)</b>					
<b>Equity</b>					
Share capital	24				
Authorised share capital					
Ordinary share 1,250,000,000 shares of par Baht 0.50 each (31 December 2018: 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 1,019,004,200 shares of paid-up Baht 0.50 each (31 December 2018: Ordinary share 1,016,004,200 shares of paid-up Baht 0.50 each)		509,502,100	508,002,100	509,502,100	508,002,100
Share premium	24	1,058,003,500	1,050,503,500	1,058,003,500	1,050,503,500
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	25	55,000,000	55,000,000	55,000,000	55,000,000
Unappropriated		(257,416,719)	(139,270,699)	(39,152,091)	(127,022,846)
Other components of equity		386,067	452,126	-	-
Equity attribute to owners of the parent		1,414,611,684	1,523,823,763	1,583,353,509	1,486,482,754
Non-controlling interests	15	143,811	161,837	-	-
<b>Total equity</b>		<b>1,414,755,495</b>	<b>1,523,985,600</b>	<b>1,583,353,509</b>	<b>1,486,482,754</b>
<b>Total liabilities and equity</b>		<b>2,875,078,176</b>	<b>3,337,739,162</b>	<b>2,865,063,253</b>	<b>2,940,309,006</b>

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**ALT Telecom Public Company Limited**  
**Statement of Comprehensive Income**  
**For the year ended 31 December 2019**

	Notes	Consolidated financial statements		Separate financial statements	
		2019 Baht	2018 Baht	2019 Baht	2018 Baht
<b>Revenues</b>					
Sales		256,830,673	171,601,404	60,440,675	71,946,811
Services income		491,717,991	636,232,174	171,504,919	162,079,343
Services income - fiber optic network		154,693,668	45,836,233	67,233,167	45,836,233
<b>Total revenues</b>		<b>903,242,332</b>	<b>853,669,811</b>	<b>299,178,761</b>	<b>279,862,387</b>
<b>Cost</b>					
Cost of sales		(200,856,071)	(138,177,552)	(44,302,018)	(58,595,119)
Cost of services		(332,929,907)	(510,799,853)	(136,817,383)	(151,521,723)
Cost of service - fiber optic network		(299,795,714)	(270,853,584)	(177,303,009)	(257,717,037)
<b>Total cost</b>		<b>(833,581,692)</b>	<b>(919,830,989)</b>	<b>(358,422,410)</b>	<b>(467,833,879)</b>
<b>Gross profit (loss)</b>		<b>69,660,640</b>	<b>(66,161,178)</b>	<b>(59,243,649)</b>	<b>(187,971,492)</b>
Other income	28	52,342,755	37,899,587	289,735,434	125,451,636
Selling expenses		(70,045,103)	(71,430,946)	(31,754,992)	(40,933,804)
Administrative expenses		(124,987,042)	(135,378,334)	(82,727,322)	(94,973,271)
Gain (loss) from exchange rate		262,294	473,250	(879,551)	274,586
Share of loss of investments in associate	15	(12,644,019)	(17,102,592)	-	-
Share of loss of interest in joint venture	15	(6,467,159)	(7,809,928)	-	-
Finance costs	29	(41,177,682)	(42,899,793)	(37,118,495)	(29,195,822)
<b>(Loss) profit before income tax</b>		<b>(133,055,316)</b>	<b>(302,409,934)</b>	<b>78,011,425</b>	<b>(227,348,167)</b>
Income tax	31	165,363	16,120,291	6,323,394	8,687,993
<b>(Loss) profit for the year</b>		<b>(132,889,953)</b>	<b>(286,289,643)</b>	<b>84,334,819</b>	<b>(218,660,174)</b>
<b>Other comprehensive income (expense) :</b>					
Items that will not be reclassified to profit or loss					
Other comprehensive income from investment in associate for using the equity method	15	9,132,250	-	-	-
Other comprehensive expense from interest in joint venture for using the equity method	15	(1,349,816)	-	-	-
Remeasurements of post - employment benefit obligations, net of tax		6,947,508	-	3,535,936	-
<b>Total items that will not be reclassified to profit or loss</b>		<b>14,729,942</b>	<b>-</b>	<b>3,535,936</b>	<b>-</b>
Item that will be reclassified subsequently to profit or loss					
Other comprehensive (expense) income from investment in associate for using the equity method	15	(66,059)	791,904	-	-
<b>Total item that will be reclassified to profit or loss</b>		<b>(66,059)</b>	<b>791,904</b>	<b>-</b>	<b>-</b>
<b>Other comprehensive income for the year, net of tax</b>		<b>14,663,883</b>	<b>791,904</b>	<b>3,535,936</b>	<b>-</b>
<b>Total comprehensive (expense) income for the year</b>		<b>(118,226,070)</b>	<b>(285,497,739)</b>	<b>87,870,755</b>	<b>(218,660,174)</b>

Director \_\_\_\_\_  
Pyut Bhuwakulwong

Director \_\_\_\_\_  
Preeyapun Bhuwakul

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

**ALT Telecom Public Company Limited**  
**Statement of Comprehensive Income (Cont'd)**  
**For the year ended 31 December 2019**

	Note	Consolidated financial statements		Separate financial statements	
		2019 Baht	2018 Baht	2019 Baht	2018 Baht
<b>(Loss) profit attributable to:</b>					
Owners of the parent		(132,876,338)	(286,275,790)	84,334,819	(218,660,174)
Non-controlling interests		(13,615)	(13,853)	-	-
		<u>(132,889,953)</u>	<u>(286,289,643)</u>	<u>84,334,819</u>	<u>(218,660,174)</u>
<b>Total comprehensive (expense) income attributable to:</b>					
Owners of the parent		(118,212,079)	(285,483,886)	87,870,755	(218,660,174)
Non-controlling interests		(13,991)	(13,853)	-	-
		<u>(118,226,070)</u>	<u>(285,497,739)</u>	<u>87,870,755</u>	<u>(218,660,174)</u>
<b>(Loss) earnings per share</b>	32				
Basic (loss) earnings per share		<u>(0.13)</u>	<u>(0.28)</u>	<u>0.08</u>	<u>(0.22)</u>
Diluted (loss) earnings per share		<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

Director \_\_\_\_\_  
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ALT Telecom Public Company Limited  
Statement of Changes in Equity  
For the year ended 31 December 2019

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 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				
<b>Opening balance at 1 January 2018</b>	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	24 8,002,100	40,010,500	-	-	-	-	-	-	48,012,600	300	48,012,900
Dividends payment	27 -	-	-	-	-	-	(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)
<b>Closing balance at 31 December 2018</b>	<b>508,002,100</b>	<b>1,050,503,500</b>	<b>4,605,502</b>	<b>1,836,570</b>	<b>42,694,664</b>	<b>55,000,000</b>	<b>(139,270,699)</b>	<b>452,126</b>	<b>1,523,823,763</b>	<b>161,837</b>	<b>1,523,985,600</b>
<b>Opening balance at 1 January 2019</b>	508,002,100	1,050,503,500	4,605,502	1,836,570	42,694,664	55,000,000	(139,270,699)	452,126	1,523,823,763	161,837	1,523,985,600
Proceeds from shares issued	24 1,500,000	7,500,000	-	-	-	-	-	-	9,000,000	-	9,000,000
Dividends payment from subsidiary	-	-	-	-	-	-	-	-	-	(3,960)	(3,960)
Loss of control of a subsidiary	15 -	-	-	-	-	-	-	-	-	(75)	(75)
Total comprehensive expense for the year	-	-	-	-	-	-	(118,146,020)	(66,059)	(118,212,079)	(13,991)	(118,226,070)
<b>Closing balance at 31 December 2019</b>	<b>509,502,100</b>	<b>1,058,003,500</b>	<b>4,605,502</b>	<b>1,836,570</b>	<b>42,694,664</b>	<b>55,000,000</b>	<b>(257,416,719)</b>	<b>386,067</b>	<b>1,414,611,684</b>	<b>143,811</b>	<b>1,414,755,495</b>

Director \_\_\_\_\_  
Pyut Bhuwakulwong

Director \_\_\_\_\_  
Preeyapun Bhuwakul

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

**ALT Telecom Public Company Limited**  
**Statement of Changes in Equity (Cont'd)**  
**For the year ended 31 December 2019**

	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	
<b>Opening balance at 1 January 2018</b>		500,000,000	1,010,493,000	55,000,000	131,952,348	1,697,445,348
Proceeds from shares issued	24	8,002,100	40,010,500	-	-	48,012,600
Dividends payment	27	-	-	-	(40,315,020)	(40,315,020)
Total comprehensive expense for the year		-	-	-	(218,660,174)	(218,660,174)
<b>Closing balance at 31 December 2018</b>		<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>
<b>Opening balance at 1 January 2019</b>		508,002,100	1,050,503,500	55,000,000	(127,022,846)	1,486,482,754
Proceeds from shares issued	24	1,500,000	7,500,000	-	-	9,000,000
Total comprehensive income for the year		-	-	-	87,870,755	87,870,755
<b>Closing balance at 31 December 2019</b>		<u>509,502,100</u>	<u>1,058,003,500</u>	<u>55,000,000</u>	<u>(39,152,091)</u>	<u>1,583,353,509</u>

Director \_\_\_\_\_  
Pyut Bhuwakulwong

Director \_\_\_\_\_  
Preeyapun Bhuwakul

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

ALT Telecom Public Company Limited

Statement of Cash Flows

For the year ended 31 December 2019

	Notes	Consolidated		Separate	
		financial statements		financial statements	
		2019	2018	2019	2018
		Baht	Baht	Baht	Baht
<b>Cash flows from operating activities</b>					
Profit (loss) before income tax		(133,055,316)	(302,409,934)	78,011,425	(227,348,167)
Adjustments for:					
Depreciation of building and equipment	16	13,735,436	12,755,792	4,106,852	4,764,075
Depreciation of fiber optic network	17	70,827,421	61,583,431	53,939,253	70,865,553
Amortisation expenses	18	1,710,982	2,041,350	646,454	1,164,791
Impairment of doubtful (reversal)		7,289,745	(2,219,330)	4,505,232	1,341,000
Impairment of contract assets (reversal)		(697,935)	13,289,662	(134,637)	12,674,637
(Gain) loss on disposal of equipment		(92,987)	(13,324)	(2,673)	31,180
Loss on disposal of intangible assets		12,327	-	12,327	25,990
Gain on disposal of fiber optic network		-	-	(1,236,372)	(71,860,606)
Loss on write-off of equipment	16	77	4,802,511	47	34,776
Loss on write-off of fiber optic network	17	19,917,320	7,760,561	19,917,320	7,760,561
Loss on impairment of investment in associate	15	-	-	35,424,655	-
Loss on disposal of investment in subsidiaries		-	-	283,108	-
Interest income		(21,055,511)	(24,423,187)	(21,454,675)	(25,347,313)
Interest expense	29	41,177,682	42,899,793	37,118,495	29,195,822
Loss on diminution in value of inventories (reversal of)		16,437,155	1,961,761	13,344,000	(4,157,000)
Write-off of withholding tax		298,680	-	-	-
Employee benefit obligations		14,358,233	5,408,844	3,736,017	1,725,044
Share of loss of investments in associate	15	12,644,019	17,102,592	-	-
Share of loss of interest in joint venture	15	6,467,159	7,809,928	-	-
Changes in operating assets and liabilities					
- trade and other receivables		182,318,924	24,611,522	(77,094,019)	(931,007)
- long-term trade receivables		12,477,504	110,224,975	(5,968,024)	-
- contract assets		77,326,863	429,441,929	(6,433,181)	111,853,175
- inventories		(66,709,945)	(113,849,746)	(103,223,342)	(152,055,856)
- other current assets		36,468,338	(30,136,399)	26,081,933	6,908,450
- prepaid rent		(7,559,411)	(52,395,311)	(4,669,751)	(53,060,202)
- other non-current assets		(50,365,876)	(1,352,523)	(30,836,109)	(324,728)
- trade and other payables		(100,962,019)	(14,054,494)	51,208,151	207,167,061
- other current liabilities		(2,720,785)	9,905,934	2,007,218	(40,278,854)
- other non-current liabilities		466,977	3,136,155	-	-
- employee benefit obligations		(2,134,712)	(26,000)	-	-
Cash generated from (used in) operations		128,580,345	213,856,492	79,289,704	(119,851,618)
<u>Less</u> Interest paid		(40,931,387)	(40,938,039)	(36,599,383)	(27,764,470)
Income tax refund		3,987,800	-	-	-
Income tax paid		(24,185,490)	(58,033,690)	(7,106,400)	(10,891,460)
Net cash generated from (used in) operating activities		67,451,268	114,884,763	35,583,921	(158,507,548)

Director \_\_\_\_\_  
Pyut Bhuwakulwong

Director \_\_\_\_\_  
Preeyapun Bhuwakul

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**ALT Telecom Public Company Limited**

**Statement of Cash Flows (Cont'd)**

**For the year ended 31 December 2019**

	Notes	Consolidated		Separate	
		financial statements		financial statements	
		2019	2018	2019	2018
		Baht	Baht	Baht	Baht
<b>Cash flow from investing activities</b>					
Purchase of short-term investment	9	(10,077,105)	(19,220,000)	(10,077,105)	(19,220,000)
Purchase of property, plant and equipment	16	(6,602,402)	(21,150,627)	(1,251,716)	(17,540,791)
Purchase of fiber optic network	17	(100,077,851)	(175,461,098)	(40,480,228)	(312,729,663)
Purchase of intangible assets	18	(131,650)	(5,882,958)	(61,700)	(3,490,597)
Decrease in restricted cash		31,749,556	36,604,802	9,974,829	14,222,000
Payment for investment in subsidiaries		-	-	-	(13,516,825)
Payment for investment in associates	15	-	(28,860,000)	-	(28,860,000)
Payment for interest in joint venture	15	(489,990)	-	(489,990)	-
Payment for loans to related parties	33	(97,580,000)	(56,000,000)	(267,480,000)	(115,300,000)
Proceeds from redemption of short-term investment	9	10,200,773	34,269,494	10,200,773	22,469,701
Proceeds from loans to related parties	33	157,000,000	-	349,400,000	179,300,000
Proceeds from disposals of equipment		670,927	15,938	76,142	2,979
Proceeds from disposals of fiber optic network		-	-	52,214,881	-
Proceeds from disposals of intangible assets		59,584	-	53,977	-
Proceeds from disposal of investment in subsidiary		-	-	991,892	-
Dividend received from subsidiary		-	-	-	179,998,380
Decrease from loss of control of investment in subsidiary, net		(1,245,967)	-	-	-
Interest received		37,622,776	6,187,337	38,854,798	7,131,212
Net cash from (used in) investing activities		21,098,651	(229,497,112)	141,926,553	(107,533,604)
<b>Cash flows from financing activities</b>					
Proceeds from short-term borrowing from related parties	33	49,000,000	-	489,400,000	124,300,000
Repayment of short-term borrowing from related parties	33	(48,000,000)	-	(522,300,000)	(22,300,000)
Proceeds from short-term borrowing from financial institutions	20	(232,209,824)	185,070,588	(169,955,891)	48,292,272
Proceeds from long-term borrowing					
from financial institutions		-	90,890,000	-	90,890,000
Repayment of long-term borrowing from financial institutions	20	(22,311,195)	(105,796,295)	(22,311,195)	(4,680,695)
Repayments of finance lease liabilities	20	(390,960)	(379,390)	-	-
Proceeds from shares issuance from non-controlling interest		-	300	-	-
Proceeds from shares issuance	24	9,000,000	48,012,600	9,000,000	48,012,600
Dividends paid to non-controlling interest		(3,960)	-	-	-
Dividends paid to shareholders	27	-	(40,315,020)	-	(40,315,020)
Net cash (used in) from financing activities		(244,915,939)	177,482,783	(216,167,086)	244,199,157

Director \_\_\_\_\_  
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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 2019**

	<b>Consolidated</b>		<b>Separate</b>	
	<b>financial statements</b>		<b>financial statements</b>	
	<b>2019</b>	<b>2018</b>	<b>2019</b>	<b>2018</b>
	<b>Baht</b>	<b>Baht</b>	<b>Baht</b>	<b>Baht</b>
<b>Net (decrease) increase in cash and cash equivalents</b>	(156,366,020)	62,870,434	(38,656,612)	(21,841,995)
Opening balance of cash and cash equivalents	191,741,677	128,871,243	53,850,312	75,692,307
<b>Closing balance of cash and cash equivalents</b>	<b>35,375,657</b>	<b>191,741,677</b>	<b>15,193,700</b>	<b>53,850,312</b>
<b>Significant non-cash transactions</b>				
Provision for decommissioning cost of fiber optic network	-	16,782,760	-	13,903,089
Payment for investment in a subsidiary with assets	-	-	-	612,732,800
Payable arising from purchases of fiber optic network	-	-	-	10,445,201

Director \_\_\_\_\_  
Pyut Bhuwakulwong

Director \_\_\_\_\_  
Preeyapun Bhuwakul

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

## 1 General information

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

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

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

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

These consolidated and separate financial statements were authorised for issue by the Board of Directors on 24 February 2020.

## 2 Financial position

As of 31 December 2019, the Group and the Company has the total current liabilities exceeding total current assets by Baht 252.59 million and Baht 383.95 million in consolidated and separate financial statements, respectively, and the Group has loss for the year of Baht 132.89 million in consolidated financial statements. 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. 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 2019. 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 Financial Reporting Standards (“TFRS”) and the financial reporting requirements issued under the Securities and Exchange Act.

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.

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 \_\_\_\_\_ Director \_\_\_\_\_  
Pyut Bhuwakulwong Preeyapun Bhuwakul



**3.2 New and amended financial reporting standards that are relevant and have significant impacts to the Group**

**3.2.1 The Group has applied the following standard and amendments for the first time for their annual reporting commencing 1 January 2019**

**a) Thai Financial Reporting Standard no.15 (TFRS 15), Revenue from contracts with customers**

The standard provides principle and approach of revenue recognition under five-step process. The underlying principle is that the Group will recognise revenue to depict the transfer of goods or services to customers at an amount that the entity expects to be entitled to in exchange for those goods or services. It replaces the principles of transferring the significant risks and rewards of ownership of the goods or services to the buyer in accordance with TAS 11, Construction contracts, TAS 18, Revenue and related interpretations.

The Group has adopted the new Thai Financial Reporting Standards (TFRS) no. 15, Revenue from contracts with customers from initial application date 1 January 2019 under the modified retrospective approach and the comparative figures have not been restated. The Group did apply practical expedient relates to completed contracts and contract modifications allowed by TFRS 15.

The adoption of TFRS 15 mainly affects the Group's accounting treatment on measuring of progress for long-term construction contracts. However, such a treatment does not have material impact to the Group.

**b) Thai Accounting Standard no.28 (revised 2018), Investments in associates and joint ventures**

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.

**3.2.2 New and amended financial reporting standards that are effective for accounting period beginning or after 1 January 2020**

**a) Financial instruments**

The new financial standards relate to financial instruments are:

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

These new standards address the classification, measurement, derecognition of financial assets and financial liabilities, impairment of financial assets, hedge accounting, and presentation and disclosure of financial instruments.

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

Director \_\_\_\_\_ Director \_\_\_\_\_  
Pyut Bhuwakulwong Preeyapun Bhuwakul

**b) TFRS 16, Leases**

Where the Group is a lessee, TFRS 16, *Leases* will result in almost all leases being recognised on the balance sheet as the distinction between operating and finance leases is removed. A right-of-use asset and a lease liability will be recognised, with exception on short-term and low-value leases.

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

**c) Other new/amended standards**

The new and amended financial reporting standards that will have significant impact on the Group are:

TAS 12	Income tax
TAS 19	Employee benefits
TAS 23	Borrowing cost
TAS 28	Investments in associates and joint ventures
TFRS 3	Business combinations
TFRIC 23	Uncertainty over income tax treatments

Amendment to TAS 12, Income tax - clarified that the income tax consequences of dividends of financial instruments classified as equity should be recognised according to where the past transactions or events that generated distributable profits were recognised.

Amendment to TAS 19, Employee benefits (plan amendment, curtailment or settlement) - clarified accounting for defined benefit plan amendments, curtailments and settlements that the updated assumptions on the date of change are applied to determine current service cost and net interest for the remainder of the reporting period after the plan amendment, curtailment or settlement.

Amendment to TAS 23, Borrowing costs - clarified that if a specific borrowing remains outstanding after the related qualifying asset is ready for its intended use or sale, it becomes part of general borrowings.

Amendment to TAS 28, Investments in associates and joint ventures (long-term interests in associates and joint ventures) - clarified the accounting for long-term interests in an associate or joint venture, which is in substance form part of the net investment in the associate or joint venture, but to which equity accounting is not applied. Entities must account for such interests under TFRS 9, *Financial instruments* before applying the loss allocation and impairment requirements in TAS 28, *Investments in associates and joint ventures*.

Amendment to TFRS 3, Business combinations - clarified that obtaining control of a business that is a joint operation is a business combination achieved in stages. The previously held interest is therefore re-measured.

TFRIC 23, Uncertainty over income tax treatments - explained how to recognise and measure deferred and current income tax assets and liabilities where there is uncertainty over a tax treatment. In particular, it discusses:

- that the Group should assume a tax authority will examine the uncertain tax treatments and have full knowledge of all related information, ie that detection risk should be ignored.
- that the Group should reflect the effect of the uncertainty in its income tax accounting when it is not probable that the tax authorities will accept the treatment.
- That the judgements and estimates made must be reassessed whenever circumstances have changed or there is new information that affects the judgements.

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

Director \_\_\_\_\_ Director \_\_\_\_\_  
Pyut Bhuwakulwong Preeyapun Bhuwakul

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

#### a) Subsidiaries

Subsidiaries are all 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 consolidated from the date on which control is transferred to the Group until the date that control ceases.

In the separate financial statements, investments in subsidiaries are accounted for using cost method.

#### b) Associates

Associates are all entities over which the Group has significant influence but not control or joint control. Investments in associates are accounted for using the equity method of accounting.

In the separate financial statements, investments in associates are accounted for using cost method.

#### c) 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 operations

A joint operation is a joint arrangement whereby the Group has rights to the assets, and obligations for the liabilities relating to the arrangement. The Group recognises its direct right to the assets, liabilities, revenues and expenses of joint operations and its share of any jointly held or incurred assets, liabilities, revenues and expenses. These have been incorporated in the Group's financial statement line items.

##### Joint ventures

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.

In the separate financial statements, investments in joint ventures are accounted for using cost method.

#### d) Equity method

The investment is initially recognised at cost which is consideration paid and directly attributable costs.

The Group's subsequently recognises shares of its associates and joint ventures' profits or losses and other comprehensive income in the profit or loss and other comprehensive income, respectively. The subsequent cumulative 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, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associates and joint ventures.

Director \_\_\_\_\_  
Pyut Bhuwakulwong

Director \_\_\_\_\_  
Preeyapun Bhuwakul

**e) Changes in ownership interests**

The Group treats transactions with non-controlling interests that do not result in a loss of control as transactions with equity owners of the Group. A difference between the amount of the adjustment to non-controlling interests to reflect their relative interest in the subsidiary and any consideration paid or received is recognised within equity.

If the ownership interest in associates and joint ventures is reduced but significant influence and joint control 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 associates and joint ventures is recognise in profit or loss.

When the Group losses control, joint control or significant influence over investments, any retained interest in the investment is remeasured to its fair value, with the change in carrying amount recognised in profit or loss. The fair value becomes the initial carrying amount of the retained interest which is reclassified to investment in an associate, or a joint venture or a financial asset accordingly.

**f) Intercompany transactions on consolidation**

Intra-group transactions, balances and unrealised gains on transactions are eliminated. 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 in the same manner unless the transaction provides evidence of an impairment of the asset transferred.

**3.4 Foreign currency translation**

**a) Functional and presentation currency**

The financial statements are presented in Thai Baht, which is the Company's and the Group's functional and 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.

Foreign exchange gains and losses resulting from foreign currency transactions of monetary assets and liabilities are recognised in the profit or loss.

Any exchange component of gains and losses on a non-monetary item that recognised in profit or loss, or other comprehensive income is recognised following the recognition of a gain or loss on the non-monetary item.

**c) Group companies**

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

- Assets and liabilities are translated at the closing rate at the date of respective statement of financial position;
- Income and expenses for statement of comprehensive income are translated at average exchange rates; and
- All resulting exchange differences are recognised in other comprehensive income.

Director \_\_\_\_\_  
Pyut Bhuwakulwong

Director \_\_\_\_\_  
Preeyapun Bhuwakul

### **3.5 Cash and cash equivalents**

In the statements of cash flows, cash and cash equivalents includes cash on hand, deposits held at call financial institution and short-term highly liquid investments with maturities of three months or less from acquisition date.

### **3.6 Trade accounts receivable**

Trade receivables are amounts due from customers for goods sold or service performed in the ordinary course of business.

Trade receivables are recognised initially at the amount of consideration that is unconditionally unless they contain significant financing components, when they are recognised at its present value. The Group presented trade receivables at cost less allowance for doubtful accounts.

### **3.7 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.

### **3.8 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, 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 when 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.

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

Director \_\_\_\_\_ Director \_\_\_\_\_  
Pyut Bhuwakulwong Preeyapun Bhuwakul

### 3.9 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.

### 3.10 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.

### 3.11 Impairment of assets

Assets that have an indefinite useful life are tested annually for impairment, or more frequently if events or changes in circumstances indicate that it might be impaired. Assets that are subject to amortisation are reviewed for impairment whenever there is an indication of impairment. 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 of disposal and value in use.

Where the reasons for previously recognised impairments no longer exist, the impairment losses on the assets concerned other than goodwill is reversed.

### 3.12 Leases

#### Leases - where the Group is the lessee

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.

At the inception of finance lease, the lower of the fair value of the leased property and the present value of the minimum lease payments is capitalised. Each lease payment is allocated between the liability and finance charges to achieve a constant rate on the liabilities balance outstanding. The corresponding rental obligations is presented net of finance charges. Finance cost is charged to profit or loss over the lease period.

#### 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 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.

Rental income under operating leases (net of any incentives given to lessees) is recognised on a straight-line basis over the lease term.

Director \_\_\_\_\_ Director \_\_\_\_\_  
 Pyut Bhuwakulwong Preeyapun Bhuwakul

### **3.13 Borrowings**

Borrowings are recognised initially at the fair value, net of directly attributable transaction costs incurred. Borrowings are subsequently stated at amortised cost.

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. The fee is deferred until the drawn down occurs and included in effective interest calculation. However, if it is probable that facility will not be drawn down, that portion of the fee paid is recognised as a prepayment and amortised over the period of related facility.

Borrowings are removed from the statement of financial position when the obligation specified in the contract is discharged, cancelled, or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss as finance costs.

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 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.

### **3.14 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.

#### **Current tax**

The current income tax is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period. 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**

Deferred income tax is recognised on temporary differences arising from differences between the tax base of assets and liabilities and their carrying amounts in the financial statements. However, deferred income tax is not recognised for temporary differences arise from:

- initial recognition of an asset or liability in a transaction other than a business combination that affects neither accounting nor taxable profit or loss is not recognised; and
- investments in subsidiaries, associates and joint arrangements 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 is measured using tax rates of the period in which temporary difference is expected to be reversed, based on tax rates and laws that have been enacted or substantially enacted by the end of the reporting period.

Deferred 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 tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Director \_\_\_\_\_  
Pyut Bhuwakulwong

Director \_\_\_\_\_  
Preeyapun Bhuwakul

### **3.15 Employee benefits**

#### **a) Short-term employee benefits**

Liabilities for short-term employee benefits such as wages, salaries, paid annual leave and paid sick leave, profit-sharing and bonuses that are expected to be settled wholly within 12 months after the end of the period are recognised in respect of employees' service up to the end of the reporting period. They are measured at the amount expected to be paid.

#### **b) Defined benefit plans**

Amount of retirement benefits is defined by the agreed benefits the employees will receive after the completion of employment. It usually depends on factors such as age, years of service and an employee's latest compensation at retirement.

The defined benefit obligation is calculated annually by an independent actuary using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using market yield of government bonds that matches the terms and currency of the expected cash outflows.

Remeasurement gains and losses are charged or credited to other comprehensive income in the period in which they arise. They are included in retained earnings in the statements of changes in equity.

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

#### **c) Other long-term benefits**

The Group gives gold rewards to employees when they have worked for the Group for 15 and 25 years.

These obligations are measured similar to defined benefit plans except remeasurment gains and losses that are charged to profit or loss.

#### **d) Termination benefits**

The Group recognises termination benefits at the earlier of (a) when the Group can no longer withdraw the offer of those benefits; and (b) when the entity recognises costs for the related restructuring. Benefits due more than 12 months are discounted to their present value.

### **3.16 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 measured at the present value of the expenditures expected to be required to settle the obligation. The increase in the provision due to passage of time is recognised as interest expense.

### **3.17 Share capital**

Ordinary shares are classified as equity.

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

Director \_\_\_\_\_ Director \_\_\_\_\_  
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### **3.18 Revenue recognition**

Revenue include all revenues from ordinary business activities. All ancillary income in connection with the delivery of goods and rendering of services in the course of the Group's ordinary activities is also presented as revenue.

Revenue are recorded net of value added tax. They are recognised in accordance with the provision of goods or services, provided that collectibility of the consideration is probable.

Multiple element arrangements involving delivery or provision of multiple products or services are separated into distinct performance obligations. Total transaction price of the bundled contract is allocated to each performance obligation based on their relative standalone selling prices or estimated standalone selling prices. Each performance obligation is recognised as revenue on fulfillment of the obligation to the customer.

#### **Sale of goods**

The Group sells a range of Telecommunication equipments. Sales are recognised when control of the products has transferred, being when the products are delivered, and there is no unfulfilled obligation that could affect the wholesaler's acceptance of the products. Delivery occurs when the products have been shipped to the specific location, the risks of obsolescence and loss have been transferred to the wholesaler, and either the wholesaler has accepted the products in accordance with the sales contract, the acceptance provisions have lapsed, or the Group has objective evidence that all criteria for acceptance have been satisfied. Revenue from these sales is recognised based on the price specified in the contract, net of the estimated volume discounts. Accumulated experience is used to estimate and provide for the discounts, using the expected value method, and revenue is only recognised to the extent that it is highly probable that a significant reversal will not occur.

#### **Services**

The Group recognised service contracts with a continuous service provision as revenue on a straight line basis over the contract term, regardless of the payment pattern.

Services revenue is recognised on an accrual basis in accordance with the substance of the relevant agreements.

#### **Revenue from construction**

Revenue from construction includes contracts to provide construction and foundation services for building and telecommunication network. Under the contracts, the Group's construction activities create or enhance an asset or work in progress that the customer controls as the asset is created or enhanced, and hence revenue is recognised over time by reference to the progress towards completing the construction works. Revenue from construction contract is recognised 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. When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognised as an expense immediately.

#### **Contract assets and contract liabilities**

A contract asset is recognised where the Group recorded revenue for fulfillment of a contractual performance obligation before the customer paid consideration or before the requirements for billing.

A contract liability is recognised when the customer paid consideration or a receivable from the customer that is due before the Group fulfilled a contractual performance obligation.

For each customer contract, contract liabilities is set off against contract assets.

#### **Interest income**

Interest income is recognised using the effective interest method.

Director \_\_\_\_\_ Director \_\_\_\_\_  
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### 3.19 Dividend distribution

Dividend distributed to the Company's shareholders is recognised as a liability when interim dividends are approved by the Board of Directors, and when the annual dividends are approved by the shareholders.

### 3.20 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.

## 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. Management believes that the maximum exposure on credit risk equate to the amount of trade receivables less provision for impairment of doubtful accounts as stated in the statement of financial position.

#### 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. Management believes that the maximum credit risk exposure equate to the amount of trade receivables less allowance for doubtful debt as shown in statement of financial position.

Director \_\_\_\_\_  
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Director \_\_\_\_\_  
Preeyapun Bhuwakul

#### **4.2 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.

### **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.

#### **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 23.

#### **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.

Director \_\_\_\_\_  
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Director \_\_\_\_\_  
Preeyapun Bhuwakul

## 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 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	
<b>For the year ended 31 December 2019</b>				
Total revenue	256,830,673	491,717,991	154,693,668	903,242,332
Segment results	55,974,602	158,788,084	(145,102,046)	69,660,640
Other income				52,342,755
Unallocated costs				(194,769,851)
Share of loss of investments				(19,111,178)
Finance costs				(41,177,682)
Loss before income tax				(133,055,316)
Income tax				165,363
Net loss				(132,889,953)
<b>Timing of revenue recognition:</b>				
At a point in time	256,830,673	-	-	256,830,673
Over time	-	491,717,991	154,693,668	646,411,659
	256,830,673	491,717,991	154,693,668	903,242,332
Fixed assets	30,098,716	43,099,824	1,104,758,616	1,177,957,156
Other assets	134,378,700	646,491,507	182,048,970	962,919,177
Unallocated assets				734,201,843
Consolidated total assets				2,875,078,176

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Director \_\_\_\_\_  
 Preeyapun Bhuwakul

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	<b>Consolidated financial statements</b>			
	<b>Network equipment distribution Baht</b>	<b>Network equipment installation Baht</b>	<b>Network equipment rental Baht</b>	<b>Total Baht</b>
<b>For the year ended 31 December 2018</b>				
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)
<b>Timing of revenue recognition:</b>				
At a point in time	171,601,404	-	-	171,601,404
Over time	-	636,232,174	45,836,233	646,411,659
	171,601,404	636,232,174	45,836,233	853,669,811
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

The Group has 3 major customers which operate in telecommunication businesses. The revenue generated from those customers is 36.77 % of the total revenue in the consolidated statement of comprehensive income for the year ended 31 December 2019 (2018: 61.93%). These customers belong to network equipment distribution and network equipment installation segments.

## 8 Cash and cash equivalents

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	<b>2019 Baht</b>	<b>2018 Baht</b>	<b>2019 Baht</b>	<b>2018 Baht</b>
Cash on hand	803,342	785,794	522,794	419,921
Deposits held at call with banks	34,572,315	190,955,883	14,670,906	53,430,391
	35,375,657	191,741,677	15,193,700	53,850,312

The interest rate on deposits held at call with banks is at 0.04% to 1.00% per annum (2018: 0.13% to 1.25% per annum).

Director Pyut Bhuwakulwong Director Preeyapun Bhuwakul

## 9 Short-term investments

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

	Consolidated financial statements		Separate financial statements	
	2019 Baht	2018 Baht	2019 Baht	2018 Baht
At 1 January	648,449	15,178,121	648,449	3,398,364
Addition	10,077,105	19,220,000	10,077,105	19,220,000
Redeem	(10,200,773)	(34,269,494)	(10,200,773)	(22,469,701)
Interest income	316,193	519,822	316,193	499,786
At 31 December	840,974	648,449	840,974	648,449

Short-term investments at 31 December 2019 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 0.70% to 1.05% per annum (2018: 0.90% to 1.00% per annum).

## 10 Trade and other receivables

	Consolidated financial statements		Separate financial statements	
	2019 Baht	2018 Baht	2019 Baht	2018 Baht
<b>Trade receivables</b>				
Trade receivables - third parties	161,337,316	354,691,614	59,952,464	76,674,184
Trade receivables - related parties (Note 33)	35,677,750	17,277,563	106,625,097	27,811,936
Total trade receivables	197,015,066	371,969,177	166,577,561	104,486,120
<u>Less</u> Provision for impairment trade receivables	(13,346,253)	(6,056,508)	(6,737,232)	(2,232,000)
Trade receivables, net	183,668,813	365,912,669	159,840,329	102,254,120
<b>Other receivables</b>				
Other receivables - third parties	5,766,787	6,228,236	657,945	402,622
Other receivables - related parties (Note 33)	12,994,961	6,722,868	25,029,114	8,250,227
Advance payment - third parties	308,697	3,297,858	101,259	66,700
Advance payment - related parties (Note 33)	-	-	811,041	684,319
Advance payment for inventory	1,348,142	5,860,871	1,226,147	4,168,040
Advance payment for inventory - related parties (Note 33)	21,658,178	17,730,014	21,658,178	17,730,014
Accrued interest income - related parties (Note 33)	10,989	17,727,016	10,989	17,727,304
Accrued income	13,292,873	26,199,647	6,886,203	6,670,820
Accrued income - related parties (Note 33)	9,377,747	8,482,461	5,147,764	8,482,461
Prepayments	3,400,768	1,307,204	990,445	1,050,315
Total other receivables	68,159,142	93,556,175	62,519,085	65,232,822
<u>Less</u> Provision for impairment trade receivables	(4,850,000)	(4,850,000)	-	-
Other receivables, net	63,309,142	88,706,175	62,519,085	65,232,822
Total trade and other receivables, net	246,977,955	454,618,844	222,359,414	167,486,942

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

	Consolidated financial statements		Separate financial statements	
	2019 Baht	2018 Baht	2019 Baht	2018 Baht
Trade account receivables				
Current	57,795,436	143,450,691	7,298,768	9,577,440
Overdue less than 3 months	39,007,845	138,375,409	2,256,905	20,538,110
Overdue 3 months but less than 6 months	7,932,043	21,197,492	451,937	1,155,814
Overdue 6 months but less than 9 months	2,107,365	947,237	2,107,365	-
Overdue 9 months but less than 12 months	3,593,931	1,086,954	3,593,931	-
Overdue over 12 months	50,900,696	49,633,831	44,243,558	45,402,820
Total trade account receivables	161,337,316	354,691,614	59,952,464	76,674,184
<u>Less</u> Provision for impairment trade receivables	(13,346,253)	(6,056,508)	(6,737,232)	(2,232,000)
Trade account receivables, net	147,991,063	348,635,106	53,215,232	74,442,184

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, this receivable has lodged an appeal against the court. On 20 February 2020, the Supreme Administrative Court issued an order relating to this lawsuit as disclosed in Note 36.

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.

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

	Consolidated financial statements		Separate financial statements	
	2019 Baht	2018 Baht	2019 Baht	2018 Baht
Trade account receivables - related parties				
Current	674,095	885,227	8,877,313	27,126,456
Overdue less than 3 months	8,212,645	3,481,284	55,671,905	-
Overdue more than 3 months but less than 6 months	2,445,934	9,836,379	15,000,976	19,645
Overdue more than 6 months but less than 9 months	5,047,270	3,074,673	44,940	665,835
Overdue more than 9 months but less than 12 months	4,120,600	-	27,029,963	-
	15,177,206	-	-	-
Total trade account receivables - related parties	35,677,750	17,277,563	106,625,097	27,811,936
<u>Less</u> Provision for impairment trade receivables	-	-	-	-
Trade account receivables - related parties, net	35,677,750	17,277,563	106,625,097	27,811,936

Director \_\_\_\_\_  
Pyut Bhuwakulwong

Director \_\_\_\_\_  
Preeyapun Bhuwakul

## 11 Contract assets

At 31 December	Consolidated financial statements		Separate financial statements	
	2019 Baht	2018 Baht	2019 Baht	2018 Baht
Contract costs to date	3,685,717,033	3,983,956,822	770,957,900	639,801,279
Recognised profits to date	1,337,684,347	1,516,286,572	178,020,276	168,431,242
Contract costs incurred and recognised profits to date	5,023,401,380	5,500,243,394	948,978,176	808,232,521
<u>Less</u> Progress billings	(4,937,584,390)	(5,343,131,984)	(955,420,015)	(827,188,931)
Net	85,816,990	157,111,410	(6,441,839)	(18,956,410)

Contract assets and contract liabilities are presented as current assets and current liabilities in the statement of financial position, respectively. Contract assets represent the excess of contract cost incurred and recognised profits to date over progress billings to date. Contract liabilities represent the excess of progress billings to date over contract costs incurred and recognised profits to date.

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

At 31 December	Consolidated financial statements		Separate financial statements	
	2019 Baht	2018 Baht	2019 Baht	2018 Baht
Contract assets	148,452,437	225,779,300	54,274,724	47,841,543
Less Allowance for impairment of contract assets	(12,591,727)	(13,289,662)	(12,540,000)	(12,674,637)
Total contract assets	135,860,710	212,489,638	41,734,724	35,166,906
Contract liabilities (Note 21)	(62,635,447)	(68,667,890)	(60,716,563)	(66,797,953)
Net	73,225,263	143,821,748	(18,981,839)	(31,631,047)

## 12 Inventories

	Consolidated financial statements		Separate financial statements	
	2019 Baht	2018 Baht	2019 Baht	2018 Baht
Raw materials	54,438,356	52,480,443	31,962,845	19,273,204
Work in process	613,723	1,423,009	613,723	1,268,060
Work in process - construction contract	251,364,793	148,020,593	242,610,473	134,692,047
Goods in Transit	721,066	-	-	-
Supplies	54,366,516	93,854,877	5,328,691	28,776,437
Finished goods	38,259,710	37,275,297	12,688,400	5,971,042
Total inventories	399,764,164	333,054,219	293,204,132	189,980,790
<u>Less</u> Provision for impairment of diminution in value of inventories	(35,310,628)	(18,873,473)	(16,787,000)	(3,443,000)
Inventories, net	364,453,536	314,180,746	276,417,132	186,537,790

In 2019, the Group and the company recognised provision on impairment of diminution in value of inventories, totalling Baht 16.44 million and 13.34 million, respectively (2018 : Baht 1.96 million and reversal of Baht 4.16 million)

Director \_\_\_\_\_ Director \_\_\_\_\_  
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### 13 Other current assets

	Consolidated financial statements		Separate financial statements	
	2019 Baht	2018 Baht	2019 Baht	2018 Baht
Input tax	73,197,563	67,459,747	26,139,086	25,588,730
Undue input tax	30,904,984	22,047,321	24,394,063	20,097,349
Withholding tax receivables	8,905,859	56,092,146	7,106,400	30,961,054
Others	231,833	171,935	152,403	120,353
	113,240,239	145,771,149	57,791,952	76,767,486

### 14 Restricted cash

On 31 December 2019, restricted cash represent fixed deposits with financial institutions carrying interest at the rate of 0.70% to 1.05% per annum (2018: 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.

### 15 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	
	2019 Baht	2018 Baht
At 1 January	802,811,432	176,561,807
Addition	-	626,249,625
Transfer to interest in joint venture	(1,224,925)	-
Disposals	(1,275,000)	-
At 31 December	800,311,507	802,811,432

#### Disposal of investment

##### 2019

##### Thaithanan Company Limited

On 31 October 2019, the Company disposed 51,000 share of Thaithanan Company Limited representing 51.00% of its shareholding interests to Navanakorn Public Company Limited for a total consideration of Baht 991,892. As a result of disposal, shareholding interest decreased from 99.99% to 48.99%.

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**Addition of investments in subsidiaries**

**2018**

**Thaithanan Company Limited**

On 26 February 2018, the Company paid for the investment 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.

Nature of investments in subsidiaries 2019 and 2018

Entity name	Country of incorporation	Nature of business	% of ownership interest		Separate financial statements	
			31 December 2019	31 December 2018	Investment at Cost method	
			%	%	31 December 2019 Baht	31 December 2018 Baht
<b>Subsidiaries:</b>						
Group Tech Solutions Company Limited	Thailand	Sales and installation electrical system and telecom	99.99	99.99	100,998,800	100,998,800
I Twenty One Inter Corporation Company Limited	Thailand	Sales and installation electrical equipment and telecom	99.99	99.99	31,317,228	31,317,228
Innova Telecommunication Company Limited	Thailand	Sales and maintenance electrical equipment and telecom	99.75	99.75	41,745,854	41,745,854
International Gateway Company Limited	Thailand	Leasing and management of telecommunication basic structure	99.99	99.99	624,999,700	624,999,700
Thaithanan Co., Ltd	Thailand	Leasing and management of telecommunication basic structure	-	99.99	-	2,499,925
Win and Win Telecom Company Limited	Thailand	Engaging in telecommunication business	99.99	99.99	1,249,925	1,249,925
<b>Total</b>					<b>800,311,507</b>	<b>802,811,4322</b>

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 2019 is Baht 143,811 (2018 : Baht 161,837) of which is not material to the financial statements.

Director Pyut Bhuwakulwong Director Preeyapun Bhuwakul

### Investments accounted for using equity method

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

	Consolidated financial statements		Separate financial statements	
	2019 Baht	2018 Baht	2019 Baht	2018 Baht
At 31 December				
Associate	38,586,346	42,164,174	39,935,345	75,360,000
Joint venture	41,974,942	48,355,810	37,214,815	35,499,900
	80,561,288	90,519,984	77,150,160	110,859,900

The amounts recognised in the income statement are as follows:

	Consolidated financial statements		Separate financial statements	
	2019 Baht	2018 Baht	2019 Baht	2018 Baht
For the year ended 31 December				
Associate	(12,644,019)	(17,102,592)	-	-
Joint venture	(6,467,159)	(7,809,928)	-	-
	(19,111,178)	(24,912,520)	-	-

The amounts recognised in the other comprehensive income are as follows:

	Consolidated financial statements		Separate financial statements	
	2019 Baht	2018 Baht	2019 Baht	2018 Baht
For the year ended 31 December				
Associate	(9,066,191)	791,904	-	-
Joint venture	(1,349,816)	-	-	-
	(10,416,007)	791,904	-	-

### (b) Investments in associate

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

	Consolidated financial statements		Separate financial statements	
	2019 Baht	2018 Baht	2019 Baht	2018 Baht
At 1 January	42,164,174	29,614,862	75,360,000	46,500,000
Addition	-	28,860,000	-	28,860,000
Share of loss	(12,644,019)	(17,102,592)	-	-
Currency translation differences	(66,059)	791,904	-	-
Change in equity	9,132,250	-	-	-
Impairment loss	-	-	(35,424,655)	-
At 31 December	38,586,346	42,164,174	39,935,345	75,360,000

Director \_\_\_\_\_  
Pyut Bhuwakulwong

Director \_\_\_\_\_  
Preeyapun Bhuwakul

**Addition of investment 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.

The Company completed the measurement the fair value of identifiable assets acquired and liabilities assumed of Spotwerkz (Thailand) Company Limited during the 3rd quarter of 2019. In consideration of fair value of assets, the Group determined the measurement of the identifiable assets and liabilities and considered the possibility that the Company received economic benefit reasonably.

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

	<u>Baht</u>
Cash	28,860,000
<b>Consideration paid</b>	<u>28,860,000</u>
<b>Assets and liabilities acquired</b>	
Current assets	44,700,225
Non-current assets	3,955,874
Current liabilities	(1,309,250)
Non- current liabilities	<u>(163,401)</u>
Net assets	47,183,448
% Ownership of interest	<u>45.19</u>
<b>Net book value of net assets acquired</b>	<u>21,322,200</u>
<b>Goodwill</b>	<u>7,537,800</u>

Set out below is the associate of the Group as at 31 December 2019, 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 2019 and 2018:

Entity name	Country of incorporation	Business	% of ownership interest		Separate financial information Investment at cost method	
			31 December 2019	31 December 2018	31 December 2019	31 December 2018
			%	%	Baht	Baht
<b>Associates</b>						
Telecom Solutions Provider Co., Ltd.	Thailand	Holding company investing in overseas	21.32	30.00	46,500,000	46,500,000
Spotwerkz (Thailand) Co., Ltd.	Thailand	Providing data analytics services	45.19	45.19	28,860,000	28,860,000
<b>Total</b>					<u>75,360,000</u>	<u>75,360,000</u>

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

Director \_\_\_\_\_ Director \_\_\_\_\_  
Pyut Bhuwakulwong Preeyapun Bhuwakul

### 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	
	2019 Baht	2018 Baht	2019 Baht	2018 Baht	2019 Baht	2018 Baht
Current assets	19,236,624	70,053,879	40,481,288	40,142,605	65,245,656	110,196,484
Non-current assets	237,897,449	140,329,774	39,906,750	1,461,287	277,804,199	141,791,061
Current liabilities	(206,283,709)	(97,824,351)	(36,026,360)	(1,237,356)	(242,310,069)	(99,061,707)
Non-current liabilities	-	(71,252,560)	(163,401)	(163,401)	(163,401)	(71,415,961)
Net assets including non-controlling interests	50,850,364	41,306,742	44,198,277	40,203,135	95,048,641	81,509,877
Non-controlling interests	1,318,004	3,707,172	-	-	1,318,004	3,707,172
Net assets excluding non-controlling interests	52,168,368	45,013,914	44,198,277	40,203,135	96,366,645	85,217,049

### Summarised statement of comprehensive income

	TSP		SW		Total	
	2019 Baht	2018 Baht	2019 Baht	2018 Baht	2019 Baht	2018 Baht
Revenue	44,810,405	17,964,086	24,799,272	1,735,062	69,609,677	19,699,148
(Loss) profit from continuing operation	(45,380,531)	(59,790,862)	3,995,142	(498,271)	(41,385,389)	(60,289,133)
Post-tax (loss) profit from continuing operations	(54,145,220)	(59,790,862)	3,995,142	(505,391)	(50,150,078)	(60,296,253)
Other comprehensive (expense) income	(311,158)	2,639,681	-	-	(311,158)	2,639,681
Total comprehensive (expense) income	(54,456,378)	(57,151,181)	3,995,142	(505,391)	(50,461,236)	(57,656,572)
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	
	2019 Baht	2018 Baht	2019 Baht	2018 Baht	2019 Baht	2018 Baht
Net assets excluding non-controlling interests as at period end	52,168,368	45,013,914	44,198,277	40,203,135	96,366,645	85,217,049
Interest in associate (%)	21.23	30.00	45.19	45.19	-	-
Interest in joint venture	11,075,345	13,504,174	19,973,201	18,167,797	31,048,546	31,671,971
Purchase price differences	-	-	-	10,492,203	-	10,492,203
Goodwill	-	-	7,537,800	-	7,537,800	-
Carrying value	11,075,345	13,504,174	27,511,001	28,660,000	38,586,346	42,164,174

Director \_\_\_\_\_  
Pyut Bhuwakulwong

Director \_\_\_\_\_  
Preeyapun Bhuwakul

**(c) Interests in joint venture**

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

	Consolidated financial statements		Separate financial statements	
	2019 Baht	2018 Baht	2019 Baht	2018 Baht
At 1 January	48,355,810	56,165,738	35,499,900	35,499,900
Additions	489,990	-	489,990	-
Transfer from investment in subsidiaries	946,117	-	1,224,925	-
Share of loss	(6,467,159)	(7,809,928)	-	-
Share of loss from statement of comprehensive income	(1,349,816)	-	-	-
At 31 December	41,974,942	48,355,810	37,214,815	35,499,900

**Additional interest in joint venture**

**2019**

**Smart Infranet Company Limited**

On 27 June 2019, the Company paid for the investment of Baht 489,990 to acquire 48,999 shares, representing 48.99% of issued shares with a par value of 10 Baht per share. Smart Infranet Company Limited is a company incorporated in Thailand and engages in telecommunications business.

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

Entity name	Country of incorporation	Business	% of ownership interest		Separate financial information	
			31 December 2019	31 December 2018	Investment at cost method	Investment at cost method
			%	%	30 December 2019	31 December 2018
					Baht	Baht
<b>Joint ventures</b>						
Information Highway Co., Ltd.	Thailand	Telecom network installation and network rental	71.00	71.00	35,499,900	35,499,900
Smart infranet Co., Ltd.	Thailand	Engaging in telecommunication business	48.99	-	489,990	-
Thaithanan Co., Ltd.	Thailand	Leasing and management of telecommunication basic structure	48.99	-	1,224,925	-
<b>Total</b>					<b>37,214,815</b>	<b>35,499,900</b>

**Information Highway Company Limited**

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.

Director \_\_\_\_\_ Pyut Bhuwakulwong      Director \_\_\_\_\_ Preeyapun Bhuwakul

### 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.

### Summarised statement of financial position

	IH	
	2019 Baht	2018 Baht
<b>Current assets</b>		
Cash and cash equivalents	4,585,713	8,813,634
Other current assets (excluding cash)	89,561,981	122,392,608
Total current assets	94,147,694	131,206,242
<b>Non-current assets</b>	443,593,767	491,760,079
	537,741,461	622,966,321
<b>Current liabilities</b>		
Financial liabilities (excluding trade payables)	353,100,000	426,820,000
Other current liabilities (including trade payables)	68,869,275	68,120,016
Total current liabilities	421,969,275	494,940,016
<b>Non-current liabilities</b>		
Financial liabilities	-	6,600,000
Other non-current liabilities	39,402,103	39,278,611
Total non-current liabilities	39,402,103	45,878,611
	461,371,378	540,818,627
<b>Net assets</b>	76,370,083	82,147,694

### Summarised statement of comprehensive income

	IH	
	2019 Baht	2018 Baht
Revenue	136,366,630	138,352,112
Interest income	3,448,599	5,435,209
Depreciation and amortisation	(40,725,270)	(39,381,984)
Interest expense	(21,971,621)	(25,263,899)
<b>Loss from continuing operations</b>	(4,004,557)	(13,389,683)
Income tax	128,092	1,442,427
<b>Post-tax loss from continuing operations</b>	(3,876,465)	(11,947,256)
Other comprehensive expense	(1,901,149)	-
<b>Total comprehensive expense</b>	(5,777,614)	(11,947,256)
<b>Dividends received from joint venture</b>	-	-

Director \_\_\_\_\_  
Pyut Bhuwakulwong

Director \_\_\_\_\_  
Preeyapun Bhuwakul

**Reconciliation of summarised financial information**

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

	IH	
	2019 Baht	2018 Baht
<b>Summarised financial information</b>		
<b>Opening net assets at 1 January</b>	82,147,697	94,094,950
Loss for the year	(5,777,614)	(11,947,256)
<b>Closing net assets at 31 December</b>	76,370,083	82,147,694
Interest in joint venture	71%	71%
Interest in joint venture	54,222,759	58,324,863
Loss from downstream transactions	(13,665,840)	(9,969,053)
<b>Carrying value</b>	40,556,919	48,355,810

Director \_\_\_\_\_  
Pyut Bhuwakulwong

Director \_\_\_\_\_  
Preeyapun Bhuwakul



16 Property, plant and equipment

	Consolidated financial statements								Total Baht
	Land and land improvement Baht	Buildings Baht	Utilities system Baht	Tools and equipment Baht	Furniture fixtures and office equipment Baht	Computer equipment Baht	Vehicles Baht	Work in progress Baht	
<b>At 1 January 2018</b>									
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
<u>Less</u> 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
<b>For the year ended 31 December 2018</b>									
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
<b>At 31 December 2018</b>									
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
<u>Less</u> 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	920,374	393,962	98,413,314

Director

Pyut Bhuwakulwong

Director

Preeyapun Bhuwakul

ALT Telecom Public Company Limited  
Notes to the Consolidated and Separate Financial statements  
For the year ended 31 December 2019

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
<b>At 1 January 2019</b>									
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
<u>Less</u> Accumulated depreciation	-	(29,703,151)	(335,388)	(42,498,909)	(10,463,476)	(8,697,862)	(5,082,804)	-	(96,781,590)
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
<b>For the year ended 31 December 2019</b>									
Opening 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
Additions	-	95,000	346,827	4,756,545	479,961	330,069	-	594,000	6,602,402
Disposals, net	-	(48,460)	(272,045)	(147,253)	(85,049)	(133)	-	(25,000)	(577,940)
Write-off, net	-	-	-	-	(14)	(63)	-	-	(77)
Transfer in (out)	850,000	-	-	1,005,756	(224,139)	-	-	(884,000)	747,617
Depreciation charge	-	(4,568,946)	(310,958)	(4,137,040)	(1,199,709)	(3,138,752)	(380,031)	-	(13,735,436)
Closing net book value	24,862,780	47,523,115	935,264	10,834,341	3,045,776	3,629,299	540,343	78,962	91,449,880
<b>At 31 December 2019</b>									
Cost	24,862,780	81,795,172	1,532,929	57,346,074	14,300,087	14,625,304	6,003,178	78,962	200,544,486
<u>Less</u> Accumulated depreciation	-	(34,272,057)	(597,665)	(46,511,733)	(11,254,311)	(10,996,005)	(5,462,835)	-	(109,094,606)
Closing net book value	24,862,780	47,523,115	935,264	10,834,341	3,045,776	3,629,299	540,343	78,962	91,449,880

Director

Pyut Bhwakulwong

Director

Preeyapun Bhwakul

ALT Telecom Public Company Limited  
Notes to the Consolidated and Separate Financial statements  
For the year ended 31 December 2019

	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	
<b>At 1 January 2018</b>									
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
<u>Less</u> 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
<b>For the year ended 31 December 2018</b>									
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
<b>At 31 December 2018</b>									
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
<u>Less</u> 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

Director

Pyut Bhuwakulwong

Director

Preeyapun Bhuwakul

ALT Telecom Public Company Limited  
Notes to the Consolidated and Separate Financial statements  
For the year ended 31 December 2019

	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	
<b>At 1 January 2019</b>									
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)
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
<b>For the year ended 31 December 2019</b>									
Opening 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
Additions	-	-	346,826	21,600	187,721	101,569	-	594,000	1,251,716
Disposals, net	-	(48,460)	-	-	-	(9)	-	(25,000)	(73,469)
Write-off, net	-	-	-	-	(9)	(38)	-	-	(47)
Transfer in (out)	850,000	-	-	34,000	(224,139)	-	-	(884,000)	(224,139)
Depreciation charge	-	(1,843,522)	(268,310)	(63,530)	(545,297)	(1,386,193)	-	-	(4,106,852)
Closing net book value	21,262,780	30,979,910	1,224,024	177,010	1,585,792	1,534,888	3	78,963	56,843,370
<b>At 31 December 2019</b>									
Cost	21,262,780	44,761,624	1,817,276	738,744	5,461,425	6,448,124	3,061,729	78,963	83,630,665
Less Accumulated depreciation	-	(13,781,714)	(593,252)	(561,734)	(3,875,633)	(4,913,236)	(3,061,726)	-	(26,787,295)
Closing net book value	21,262,780	30,979,910	1,224,024	177,010	1,585,792	1,534,888	3	78,963	56,843,370

Director

Pyut Bhuwakulwong

Director

Preeyapun Bhuwakul

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As at 31 December 2019, the land and buildings have been pledged with the net book value of Baht 73.32 million and Baht 53.47 million in the consolidated and separate financial statements, respectively (2018 : Baht 72.58 million and Baht 54.43 million in the consolidated and separate financial statements, respectively) under the short-term borrowings (Note 20).

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

	Consolidated financial statements		Separate financial statements	
	2019 Baht	2018 Baht	2019 Baht	2018 Baht
Cost of sales / cost of services	1,139,284	2,643,621	25,460	1,415,923
Selling expenses	929,478	1,025,353	228,271	296,327
Administrative expenses	11,666,674	9,086,818	3,853,121	3,051,825
Total	13,735,436	12,755,792	4,106,852	4,764,075

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

	Consolidated financial statements		Separate financial statements	
	2019 Baht	2018 Baht	2019 Baht	2018 Baht
Cost - capitalised under finance leases	1,518,692	1,518,692	-	-
<u>Less</u> Accumulated depreciation	(978,352)	(598,323)	-	-
Net book amount	540,340	920,369	-	-

## 17 Fiber optic network

	Consolidated financial statements Baht	Separate financial statements Baht
<b>At 31 December 2018</b>		
Cost	1,107,395,112	1,323,853,844
<u>Less</u> Accumulated depreciation	(159,411,767)	(163,825,817)
Closing net book value	947,983,345	1,160,028,027
<b>For the year ended 31 December 2018</b>		
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	(61,583,431)	(70,865,553)
Closing net book value	1,071,653,211	814,869,944
<b>At 31 December 2018</b>		
Cost	1,292,135,592	1,009,774,590
<u>Less</u> Accumulated depreciation	(220,482,381)	(194,904,646)
Closing net book value	1,071,653,211	814,869,944

Director \_\_\_\_\_  
Pyut Bhuwakulwong

Director \_\_\_\_\_  
Preeyapun Bhuwakul

	Consolidated financial statements	Separate financial statements
	Baht	Baht
<b>For the year ended 31 December 2019</b>		
Opening net book value	1,071,653,211	814,869,944
Additions	100,077,851	40,480,229
Disposals, net	-	(50,978,509)
Write-off, net	(19,917,320)	(19,917,320)
Transfer in	5,520,955	2,314,937
Depreciation charge	(70,827,421)	(53,939,253)
Closing net book value	1,086,507,276	732,830,028
<b>At 31 December 2019</b>		
Cost	1,376,225,409	980,082,256
<u>Less</u> Accumulated depreciation	(289,718,133)	(247,252,229)
Closing net book value	1,086,507,276	732,830,027

## 18 Intangible assets

	Consolidated financial statements			Separate financial statements	
	Computer program Baht	Patent Baht	Computer program under installation Baht	Total Baht	Computer program Baht
<b>At 31 December 2018</b>					
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	12,811,400	-	76,800	12,888,200	8,114,344
<b>For the year ended 31 December 2018</b>					
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	16,653,008	-	76,800	16,729,808	5,416,529
<b>At 31 December 2018</b>					
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	16,653,008	-	76,800	16,729,808	5,416,529

Director \_\_\_\_\_ Director \_\_\_\_\_  
Pyut Bhuwakulwong Preeyapun Bhuwakul

	Consolidated financial statements			Separate financial statements	
	Computer program Baht	Patent Baht	Computer program under installation Baht	Total Baht	Computer program Baht
<b>For the year ended 31 December 2019</b>					
Opening net book value	16,653,008	-	76,800	16,729,808	5,416,529
Additions	131,650	-	-	131,650	61,700
Disposals, net	(71,911)	-	-	(71,911)	(66,304)
Amortisation charge	(1,710,982)	-	-	(1,710,982)	(646,454)
	(6,268,572)	-	-	(6,268,572)	(2,090,798)
Closing net book value	8,733,193	-	76,800	8,809,993	2,674,673
<b>At 31 December 2019</b>					
Cost	18,393,976	926,725	76,800	19,397,501	6,430,490
<u>Less</u> Accumulated amortisation	(9,660,783)	(926,725)	-	(10,587,508)	(3,755,817)
Net book value	8,733,193	-	76,800	8,809,993	2,674,673

## 19 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	
	2019 Baht	2018 Baht	2019 Baht	2018 Baht
<b>Deferred tax assets:</b>				
Deferred tax asset to be recovered within 12 months	-	62,594	-	-
Deferred tax asset to be recovered after more than 12 months	149,836,824	139,716,530	84,255,555	83,359,781
	149,836,824	139,779,124	84,255,555	83,359,781
<b>Deferred tax liabilities:</b>				
Deferred tax liability to be settled within 12 months	(4,556,084)	(4,543,636)	(4,556,084)	(4,543,636)
Deferred tax liability to be settled after more than 12 months	(29,733,499)	(34,289,583)	(29,733,499)	(34,289,583)
	(34,289,583)	(38,833,219)	(34,289,583)	(38,833,219)
<b>Deferred tax asset, net</b>	<b>115,547,241</b>	<b>100,945,905</b>	<b>49,965,972</b>	<b>44,526,562</b>

Director \_\_\_\_\_  
Pyut Bhuwakulwong

Director \_\_\_\_\_  
Preeyapun Bhuwakul

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

	Consolidated financial statements		Separate financial statements	
	2019 Baht	2018 Baht	2019 Baht	2018 Baht
At 1 January	100,945,905	76,497,488	44,526,562	35,838,569
Charged to income statement	16,338,213	24,448,417	6,323,394	8,687,993
Decrease in other comprehensive income	(1,736,877)	-	(883,984)	-
At 31 December	115,547,241	100,945,905	49,965,972	44,526,562

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

	Consolidated financial statements		
	At 1 January 2018 Baht	Charged to Income statement Baht	At 31 December 2018 Baht
<b>Deferred tax assets</b>			
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
	119,874,344	19,904,780	139,779,124
<b>Deferred tax liabilities</b>			
Depreciation of fiber optic network	43,376,856	(4,543,637)	38,833,219
	43,376,856	(4,543,637)	38,833,219

	Consolidated financial statements			
	At 1 January 2019 Baht	Charged to Income statement Baht	Charged to statement of comprehensive income Baht	At 31 December 2019 Baht
<b>Deferred tax assets</b>				
Provision for impairment of diminution in value of inventories	3,123,038	728,362	-	3,851,400
Provision for impairment of doubtful account	3,622,204	243,587	-	3,865,791
Employee benefit obligations	5,141,046	1,771,484	(1,736,877)	5,175,653
Services income - fiber optic network	53,010,000	-	-	53,010,000
Prepaid expenses	1,903,241	587,607	-	2,490,848
Tax loss carry forward	22,023,315	11,770,999	-	33,794,314
Deferred interest income	62,594	(62,594)	-	-
Margins in inventories/assets	49,337,228	(2,688,595)	-	46,648,633
Others	1,556,458	(556,272)	-	1,000,186
	139,779,124	11,794,578	(1,736,877)	149,836,825
<b>Deferred tax liabilities</b>				
Depreciation of fiber optic network	38,833,219	(4,543,636)	-	34,289,583
	38,833,219	(4,543,636)	-	34,289,583

Director Pyut Bhuwakulwong Director Preeyapun Bhuwakul



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	Separate financial statements		
	At 1 January 2018 Baht	Charged to Income statement Baht	At 31 December 2018 Baht
<b>Deferred tax assets</b>			
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
	79,215,425	4,144,356	83,359,781

**Deferred tax liabilities**

Depreciation of fiber optic network	43,376,856	(4,543,637)	38,833,219
	43,376,856	(4,543,637)	38,833,219

	Separate financial statements			
	At 1 January 2019 Baht	Charged to Income statement Baht	Charged to Income statement Baht	At 31 December 2019 Baht
<b>Deferred tax assets</b>				
Provision for impairment of diminution in value of inventories	688,600	2,668,800	-	3,357,400
Provision for impairment of doubtful accounts	2,981,327	874,119	-	3,855,446
Employee benefit obligations	2,122,898	747,203	(883,984)	1,986,117
Services income - fiber optic network	53,010,000	-	-	53,010,000
Prepaid expenses	1,903,241	587,607	-	2,490,848
Tax loss carry forward	21,097,258	(2,497,284)	-	18,599,974
Others	1,556,457	(600,687)	-	955,770
	83,359,781	1,779,758	(883,984)	84,255,555
<b>Deferred tax liabilities</b>				
Depreciation of fiber optic network	38,833,219	(4,543,636)	-	34,289,583
	38,833,219	(4,543,636)	-	34,289,583

The Group did not recognise deferred income tax of Baht 51,521,271 in respect of losses amounting to Baht 257,606,354 that can be carried forward against future taxable income. This is because the Group did not anticipate the Company and its subsidiaries to have sufficient tax profit to utilise such tax loss carried forward (2018: The Group did not recognise deferred income tax of Baht 37,089,984 in respect of losses amounting to Baht 185,449,920).

Director \_\_\_\_\_ Director \_\_\_\_\_  
Pyut Bhuwakulwong Preeyapun Bhuwakul

20 Borrowings

	Consolidated financial statements		Separate financial statements	
	2019 Baht	2018 Baht	2019 Baht	2018 Baht
<b>Current</b>				
Promissory notes / Bill of Exchange	730,330,448	1,035,973,480	458,838,414	683,000,000
Trust receipt	62,944,749	77,241,105	8,469,817	-
Bank overdrafts and short-term borrowings from financial institutions	87,729,564		45,735,878	
Current portion of long-term borrowings from financial institutions	27,468,000	23,301,000	27,468,000	23,301,000
Short-term loans - related party (Note 33)	1,000,000	-	69,100,000	102,000,000
Current portion of finance lease liability	313,205	356,252	-	-
<b>Total current borrowings</b>	<b>909,785,966</b>	<b>1,136,871,837</b>	<b>609,612,109</b>	<b>808,301,000</b>
<b>Non-current</b>				
Long-term borrowings from financial institutions	36,430,110	62,908,305	36,430,110	62,908,305
Finance lease liability	-	313,206	-	-
<b>Total non-current borrowings</b>	<b>36,430,110</b>	<b>63,221,511</b>	<b>36,430,110</b>	<b>62,908,305</b>
<b>Total borrowings</b>	<b>946,216,076</b>	<b>1,200,093,348</b>	<b>646,042,219</b>	<b>871,209,305</b>

Promissory notes / Bill of Exchange are secured over a part of land and buildings of the Group (Note 16).

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

	Consolidated financial statements		Separate financial statements	
	2019 Baht	2018 Baht	2019 Baht	2018 Baht
<b>Borrowings</b>				
Fixed rates	631,352,912	907,203,348	508,262,698	710,319,305
Floating rates	314,863,164	292,890,000	137,779,521	160,890,000
<b>Total borrowings</b>	<b>946,216,076</b>	<b>1,200,093,348</b>	<b>646,042,219</b>	<b>871,209,305</b>

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

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Promissory note / Bill of Exchange	4.25 - 4.50 and MLR - 1.25 - MLR - 3.275	3.20 - 4.00 and MLR - 1.25 - MLR - 3.475	4.25 - 4.50 and MLR - 2.00	3.20 - 4.00 and MLR - 2.00 - MLR - 3.275
Trust Receipt	4.25 - 4.40	3.30 - 4.20	4.25 - 4.40	-
Bank overdrafts and short-term borrowings from financial institutions	4.50 - 6.50 and MOR - MOR - 1.00	-	4.50 and MOR - MOR - 1.00	-
Short-term loans - related parties	5.00	-	5.00 - 6.50	5.00
Finance lease liability	6.30	6.30	-	-
Long-term borrowing	4.75 and MLR - 1.50	4.75 and MLR - 1.50	4.75 and MLR - 1.50	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
<b>For the year ended 31 December 2019</b>		
Opening balance	86,209,305	86,209,305
Addition	-	-
Repayment	(22,311,195)	(22,311,195)
Closing balance	63,898,110	63,898,110

Finance lease liability - minimum lease payments:

	Consolidated financial statements		Separate financial statements	
	2019 Baht	2018 Baht	2019 Baht	2018 Baht
Not later than one year	325,800	390,960	-	-
Later than one year	-	325,800	-	-
	325,800	716,760	-	-
<u>Less</u> Future finance charges on finance leases	(12,595)	(47,302)	-	-
Present value of finance lease liability	313,205	669,458	-	-

The present value of finance lease liability is as follows:

	Consolidated financial statements		Separate financial statements	
	2019 Baht	2018 Baht	2019 Baht	2018 Baht
Not later than 1 year	313,205	356,252	-	-
More than 1 year	-	313,206	-	-
	313,205	669,458	-	-

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

Director \_\_\_\_\_ Director \_\_\_\_\_  
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**Borrowing facilities**

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

	Consolidated financial statements		Separate financial statements	
	2019 Baht	2018 Baht	2019 Baht	2018 Baht
Floating rate - expiring within a year	394,661,028	599,113,104	105,607,183	135,277,541

Borrowing facilities are reviewed annually.

**Reconciliation of liabilities arising from financial activities**

	31 December 2018 Baht	Cash flow Baht	Non-cash changes	31 December 2019 Baht
			Amortisation of prepaid interest expense Baht	
<b>Consolidated financial information</b>				
Short-term borrowings from financial institutions	1,113,214,585	(232,209,824)	-	881,004,761
Finance lease liability	669,458	(390,960)	34,707	313,205
Long-term borrowings from financial institutions	86,209,305	(22,311,195)	-	63,898,110
<b>Separate financial information</b>				
Short-term borrowings from financial institutions	683,000,000	(169,955,891)	-	513,044,109
Long-term borrowings from financial institutions	86,209,305	(22,311,195)	-	63,898,110

**21 Trade and other payables**

	Consolidated financial statements		Separate financial statements	
	2019 Baht	2018 Baht	2019 Baht	2018 Baht
<b>Trade accounts payable</b>				
Trade accounts payable - third parties	95,026,712	159,313,843	23,876,826	109,438,870
Trade accounts payable - related parties (Note 33)	58,876,014	432,489	426,003,108	273,961,065
Total	153,902,726	159,746,332	449,879,934	383,399,935
<b>Other accounts payable</b>				
Other accounts payable - third parties	4,305,499	6,430,175	2,771,660	4,157,644
Other accounts payable - related parties (Note 33)	179,867	-	-	-
Accrued interest expense	202,725	1,193,970	-	569,697
Accrued expense	31,877,920	46,976,161	17,759,085	33,952,598
Accrued expense - related party (Note 33)	-	-	11,411,235	11,347,012
Contract assets (Note 11)	62,635,447	68,667,890	60,716,563	66,797,953
Contract liabilities	32,658,639	9,465,570	22,550,349	131,342
Contract liabilities - related parties (Note 33)	-	12,705,000	-	12,705,000
Accrued construction costs	95,403,405	178,248,056	11,240,175	12,629,366
Total	227,263,502	323,686,822	126,449,067	142,290,612
Total trade and other payables	381,166,228	483,433,154	576,329,001	525,690,547

Director Pyut Bhuwakulwong Director Preeyapun Bhuwakul

## 22 Other current liabilities

	Consolidated financial statements		Separate financial statements	
	2019 Baht	2018 Baht	2019 Baht	2018 Baht
Undue output tax	53,924,013	56,297,908	20,101,275	18,068,893
Withholding tax payable	1,975,920	2,384,476	778,335	803,499
Other	61,666	-	-	-
<b>Total</b>	<b>55,961,599</b>	<b>58,682,384</b>	<b>20,879,610</b>	<b>18,872,392</b>

## 23 Employee benefit obligations

### Employee benefit obligations comprises

	Consolidated financial statements		Separate financial statements	
	2019 Baht	2018 Baht	2019 Baht	2018 Baht
Retirement benefits	28,432,581	24,864,691	9,467,150	10,048,626
Other employee benefits	1,450,134	1,478,888	463,434	565,861
Liability in the statement of financial position	29,882,715	26,343,579	9,930,584	10,614,487

### Post-retirement benefits

	Consolidated financial statements		Separate financial statements	
	2019 Baht	2018 Baht	2019 Baht	2018 Baht
<b>Statement of financial position</b>				
Retirement benefits	28,432,581	24,864,691	9,467,150	10,048,626
Liability in the statement of financial position	28,432,581	24,864,691	9,467,150	10,048,626
<b>Profit or loss charge included in operating profit for</b>				
Retirement benefits	14,300,035	5,105,564	3,838,444	1,615,188
	14,300,035	5,105,564	3,838,444	1,615,188
<b>Remeasurement for</b>				
Retirement benefits	(8,684,385)	-	(4,419,920)	-
	(8,684,385)	-	(4,419,920)	-

Director Pyut Bhuwakulwong Director Preeyapun Bhuwakul

**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	
	2019 Baht	2018 Baht	2019 Baht	2018 Baht
At 1 January	24,864,691	19,759,127	10,048,626	8,433,438
Current service cost	5,586,130	4,712,632	2,792,919	1,476,484
Interest cost	387,560	392,932	130,880	138,704
Past service cost	8,326,345	-	914,645	-
At 31 December	39,164,726	24,864,691	13,887,070	10,048,626
Remeasurements:				
Loss from change in demographic assumptions	3,225,158	-	1,681,729	-
Gain from change in financial assumptions	(3,504,451)	-	(1,086,999)	-
Experience gain	(8,405,092)	-	(5,014,650)	-
	(8,684,385)	-	(4,419,920)	-
	30,480,341	24,864,691	9,467,150	10,048,626
Exchange differences				
Benefit payment	(2,047,760)	-	-	-
At 31 December	28,432,581	24,864,691	9,467,150	10,048,626

On 5 April 2019, an amendment bill to the Labour Protection Law was published in the Government Gazette. The amended law will become effective 30 days after its publication. The main amendment is that the compensation for employees who have retired and have more than or equal to 20 years of service has changed from 300 day's pay to 400 day's pay. The effects of the amendment were recognised as past service cost during the year.

The principal actuarial assumptions used were as follows:

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Discount rate	1.88 - 2.19	1.79 - 2.35	2.00	1.79
Salary increase rate	4.00	6.00	4.00	6.00

**Sensitivity analysis**

	Consolidated financial statements					
	Impact on defined benefit obligation					
	Change in assumption		Increase in assumption		Decrease in assumption	
	2019	2018	2019	2018	2019	2018
Discount rate	1.0%	1.0%	Decrease by 6.17%	Decrease by 6.46%	Increase by 6.99%	Increase by 7.37%
Salary growth rate	1.0%	1.0%	Increase by 6.71%	Increase by 9.02%	Decrease by 6.04%	Decrease by 8.00%

Director \_\_\_\_\_  
Pyut Bhuwakulwong

Director \_\_\_\_\_  
Preeyapun Bhuwakul



**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	
	2019 Baht	2018 Baht	2019 Baht	2018 Baht
At 1 January	1,478,888	1,201,608	565,861	456,005
Current service cost	388,600	283,925	97,552	104,483
Interest expense	22,696	19,355	6,540	5,373
At 31 December	1,890,184	1,504,888	669,953	565,861
Remeasurements:				
Gain from change in demographic assumptions	209,960	-	94,915	-
Gain from change in financial assumptions	4,374	-	(3,685)	-
Experience loss	(567,432)	-	(297,749)	-
	(353,098)	-	(206,519)	-
	1,537,086	1,504,888	463,434	565,861
Exchange differences				
Benefit payment	(86,952)	(26,000)	-	-
At 31 December	1,450,134	1,478,888	463,434	565,861

**24 Share capital**

	Authorised number of Share	Number of Share	Ordinary shares Baht	Share Premium Baht	Total Baht
<b>At 1 January 2018</b>	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
<b>At 31 December 2018</b>	1,250,000,000	1,016,004,200	508,002,100	1,050,503,500	1,558,505,600
Issue of shares	-	3,000,000	1,500,000	7,500,000	9,000,000
<b>At 31 December 2019</b>	1,250,000,000	1,019,004,200	509,502,100	1,058,003,500	1,567,505,600

The total authorised number of ordinary shares is 1,250,000,000 shares (31 December 2018: 1,250,000,000 shares) with a par value of Baht 0.5 per share (31 December 2018: Baht 0.5 per share). The issued and fully paid-up ordinary shares is 1,019,004,200 shares (31 December 2018: 1,016,004,200 shares).

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 26) with the exercise ratio of 1:1 shares, totaling 16,004,200 shares with the exercise price 3 Baht per share.

During the year 2019, the shareholders exercised their rights to purchase ordinary shares of the Company in the amount of 3,000,000 rights (Note 26) with the exercise ratio of 1:1 shares, totaling 3,000,000 shares with the exercise price 3 Baht per share.

Director \_\_\_\_\_ Director \_\_\_\_\_  
Pyut Bhuwakulwong Preeyapun Bhuwakul



## 25 Legal reserve

	Consolidated and Separate financial statements	
	2019 Baht	2018 Baht
At 1 January	55,000,000	55,000,000
Appropriation during the year	-	-
At 31 December	55,000,000	55,000,000

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

## 26 Warrants

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

	Issued	Ended	As at	Exercise during the year	As at
			31 December 2018		31 December 2019
			Outstanding warrant Unit		Outstanding warrant Unit
ALT-W1	19 December 2018	18 December 2020	233,984,505	(3,000,000)	230,984,505
			233,984,505	(3,000,000)	230,984,505

During 2019, warrants of 3,000,000 options have been exercised with a value of Baht 9.00 million (Note 24).

## 27 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.

Director Pyut Bhuwakulwong Director Preeyapun Bhuwakul

## 28 Other income

	Consolidated financial statements		Separate financial statements	
	2019 Baht	2018 Baht	2019 Baht	2018 Baht
Dividend income - related party (Note 33)	-	-	219,998,020	-
Management fee income - related parties (Note 33)	5,290,680	7,256,952	19,659,528	19,738,896
Rental income	30,833	-	-	-
Rental income - related parties (Note 33)	1,113,566	1,155,492	4,305,017	6,092,784
Interest income	2,010,216	5,202,776	420,179	515,053
Interest income - related party (Note 33)	19,045,295	19,220,411	21,034,496	24,832,260
Gain from disposals	80,660	13,324	1,226,718	-
Gain from disposals - related parties (Note 33)	-	-	-	71,803,432
Compensation income	8,529,633	1,853,317	8,529,133	1,703,947
Others	16,241,872	3,197,315	14,562,343	765,264
<b>Total</b>	<b>52,342,755</b>	<b>37,899,587</b>	<b>289,735,434</b>	<b>125,451,636</b>

## 29 Finance costs

	Consolidated financial statements		Separate financial statements	
	2019 Baht	2018 Baht	2019 Baht	2018 Baht
Finance cost:				
Borrowings from financial institutions	39,668,635	42,296,483	23,377,562	26,734,048
Finance lease	34,708	55,482	-	-
Short-term borrowings from related parties (Note 33)	271,507	-	12,652,123	1,913,945
Others	1,202,832	547,828	1,088,810	547,829
<b>Total</b>	<b>41,177,682</b>	<b>42,899,793</b>	<b>37,118,495</b>	<b>29,195,822</b>

Director \_\_\_\_\_ Director \_\_\_\_\_  
Pyut Bhuwakulwong Preeyapun Bhuwakul

### 30 Expense by nature

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

	Consolidated financial statements		Separate financial statements	
	2019 Baht	2018 Baht	2019 Baht	2018 Baht
Changes in inventories	(66,709,944)	(113,849,746)	(103,223,342)	(112,474,282)
Raw material and consumables used	222,841,316	143,274,785	153,505,690	138,288,269
Construction supplies and subcontractor charges	227,628,450	444,901,478	93,076,529	176,576,037
Salaries, wages and other employee benefits	191,555,351	190,099,705	56,558,085	98,001,280
Depreciation and amortisation	86,509,272	76,380,573	58,927,992	76,794,419
Rental and utilities expenses	93,696,079	127,581,127	12,749,295	32,018,376
Service fee expenses	23,653,692	40,567,942	8,145,873	19,940,512
Transportation and import duty expense	5,061,676	8,011,612	344,116	1,062,795
Provision for impairment of diminution in value of inventories (reversal)	16,437,154	1,961,761	13,344,000	(4,157,000)
Provision for impairment of doubtful accounts (reversal)	7,289,745	(2,219,330)	4,505,232	1,341,000
Travelling expenses	13,159,366	11,420,098	3,030,373	4,799,412
Fee	8,685,746	6,719,328	4,722,076	4,938,163
Maintenance expenses - Fiber optic network	88,458,776	51,887,559	72,813,709	77,338,104

### 31 Income tax

	Consolidated financial statements		Separate financial statements	
	2019 Baht	2018 Baht	2019 Baht	2018 Baht
Current tax	16,172,849	8,328,126	-	-
Deferred income tax (Note 20)	(16,338,212)	(24,448,417)	(6,323,394)	(8,687,993)
Income tax	(165,363)	(16,120,291)	(6,323,394)	(8,687,993)

Director \_\_\_\_\_  
Pyut Bhuwakulwong

Director \_\_\_\_\_  
Preeyapun Bhuwakul

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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	
	2019 Baht	2018 Baht	2019 Baht	2018 Baht
(Loss) profit before tax	(133,055,316)	(302,409,934)	78,011,425	(225,348,167)
Tax calculated at a tax rate of 20% (2018: 20%)	(26,611,063)	(60,481,986)	15,602,285	(45,469,633)
Tax effect of:				
Share of profit (loss)	4,092,199	4,982,504	-	-
Income not subject to tax	(229,753)	(163,846)	(43,999,604)	-
Expenses not deductible for tax purpose	8,979,928	6,225,037	11,383,356	4,842,979
Expenses that are deductible at a greater amount	(697,006)	(3,771,984)	(380,192)	(1,319,094)
Tax losses for which no deferred income tax asset was recognised	14,300,332	37,089,984	11,070,761	33,257,755
Tax charge (credit)	(165,363)	(16,120,291)	(6,323,394)	(8,687,993)

The weighted average applicable tax rate was 0.12% (2018: 5.33%). The decrease is caused by an increase in permanent differences.

### 32 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	
	2019	2018	2019	2018
<b>Earnings (Loss) (Baht)</b>				
Profit (Loss) attributable to ordinary shareholders of the Company (Baht)	(132,876,338)	(286,275,790)	84,334,819	(218,660,174)
Weighted average number of ordinary shares outstanding (shares)	1,016,004,200	1,000,000,000	1,016,004,200	1,000,000,000
Weighted average number of ordinary shares disposal (shares)	2,400,000	9,291,915	2,400,000	9,291,915
Total weighted average number of ordinary shares (shares)	1,018,404,200	1,009,291,915	1,018,404,200	1,009,291,915
<b>Basic earnings (loss) per share (Baht per share)</b>	(0.13)	(0.28)	0.08	(0.22)

Director \_\_\_\_\_  
Pyut Bhuwakulwong

Director \_\_\_\_\_  
Preeyapun Bhuwakul

**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.

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	<b>2019</b>	<b>2018</b>	<b>2019</b>	<b>2018</b>
<b>Earnings (Loss) (Baht)</b>				
Profit (Loss) used to determine diluted earnings per share attributable to shareholders of the Company (Baht)	(132,876,338)	(286,275,790)	84,334,819	(218,660,174)
Weighted average number of ordinary shares outstanding (shares)	1,018,404,200	1,009,291,915	1,018,404,200	1,009,291,916
Adjustments for share options ALT-W1 (Note 26) (shares)	-	38,801,165	-	38,801,165
Weighted average number of ordinary shares for diluted earnings (loss) per share (shares)	1,018,404,200	1,048,093,080	1,018,404,200	1,048,093,081
<b>Diluted earnings (loss) per share (Baht per share)</b>	-	-	-	-

The Company's loss per share is not dilutive as the exercise price of the warrants is higher than the weighted average market price of the Company's share during the year.

The warrants will be expired on 18 December 2020.

**33 Related-party transactions**

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

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

The major shareholders of the Company is ALT Holding Company Limited, Ms.Preeyaporn Tangpaosak, Ms. Preeyapun Bhuwakul and Mr.Pyut Bhuwakulwong who own 50.01% and 6.84% and 6.84% and 5.86% of the Company's shares, respectively. The remaining 30.45% of the shares are widely held.

The following transactions were carried out with related parties:

Director Pyut Bhuwakulwong Director Preeyapun Bhuwakul

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Relationship of the related company as follows :

Company	Relationship	Related by
ALT Holding Co., Ltd.	Parent	Shareholders and directors
Group Tech Solutions Co., Ltd.	Subsidiary	Shareholders and directors
Innova Telecommunication Co., Ltd.	Subsidiary	Shareholders and directors
I Twenty One Inter Corporation Co., Ltd.	Subsidiary	Shareholders and directors
International Gateway Co., Ltd.	Subsidiary	Shareholders and directors
Win and Win Telecom Co., Ltd.	Subsidiary	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
Smart Infranet Co., Ltd.	Joint venture	Shareholders and directors
Thaithanan Co., Ltd.	Joint venture	Shareholders and directors
Information Highway Co., Ltd.	Joint venture	Shareholders and directors
Energymax Co., Ltd.	Related party	Directors

Related transaction pricing policy as follow :

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

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	
	2019 Baht	2018 Baht	2019 Baht	2018 Baht
<b>Sales of goods</b>				
Subsidiaries	-	-	(7,636,321)	65,030,043
Joint venture	1,301,041	841,816	9,541	841,816
	1,301,041	841,816	(7,626,780)	65,871,859
<b>Sales of services</b>				
Subsidiaries	-	-	-	919,411
Joint venture	42,000	20,111,665	42,000	4,260,150
	42,000	20,111,665	42,000	5,179,561
<b>Management fee income (Note 28)</b>				
Subsidiaries	-	-	14,368,848	12,481,944
Joint venture	5,290,680	7,256,952	5,290,680	7,256,952
	5,290,680	7,256,952	19,659,528	19,738,896

Director \_\_\_\_\_  
Pyut Bhuwakulwong

Director \_\_\_\_\_  
Preeyapun Bhuwakul

ALT Telecom Public Company Limited  
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For the years ended 31 December	Consolidated financial statements		Separate financial statements	
	2019 Baht	2018 Baht	2019 Baht	2018 Baht
<b>Rental and service income</b> (Note 28)				
Subsidiaries	-	-	3,712,157	4,937,292
Joint venture	1,113,566	1,155,492	592,860	1,155,492
	1,113,566	1,155,492	4,305,017	6,092,784
<b>Interest income</b> (Note 28)				
Subsidiaries	-	-	1,989,201	5,611,849
Associates	192,590	-	192,590	-
Joint venture	18,852,705	19,220,411	18,852,705	19,220,411
	19,045,295	19,220,411	21,034,496	24,832,260
<b>Gain from sales of assets</b> (Note 28)				
Subsidiaries	-	-	-	71,803,432
	-	-	-	71,803,432
<b>Dividend income</b> (Note 28)				
Subsidiaries	-	-	219,998,020	-
	-	-	219,998,020	-

**b) Purchases of goods and services**

For the years ended 31 December	Consolidated financial statements		Separate financial statements	
	2019 Baht	2018 Baht	2019 Baht	2018 Baht
<b>Cost of sales and services</b>				
Subsidiaries	-	-	25,363,565	344,464,119
Joint venture	-	8,512,325	-	3,644,286
Related party	61,954,156	331,132	61,954,156	208,000
	61,954,156	8,843,457	87,317,721	348,316,405
<b>Finance costs</b> (Note 29)				
Parent	271,507	-	271,507	-
Subsidiaries	-	-	12,380,616	1,913,945
	271,507	-	12,652,123	1,913,945

Director \_\_\_\_\_  
Pyut Bhuwakulwong

Director \_\_\_\_\_  
Preeyapun Bhuwakul

c) Outstanding balances arising from purchases of goods and services

	Consolidated financial statements		Separate financial statements	
	2019 Baht	2018 Baht	2019 Baht	2018 Baht
<b>Trade accounts receivable</b> (Note 10)				
Subsidiaries	-	-	106,242,344	27,116,633
Associates	337,813	-	337,813	-
Joint venture	35,339,937	17,277,563	44,940	695,303
	<u>35,677,750</u>	<u>17,277,563</u>	<u>106,625,097</u>	<u>27,811,936</u>
<b>Other receivables</b> (Note 10)				
Subsidiaries	-	-	12,034,153	1,531,859
Joint venture	12,994,961	6,722,868	12,994,961	6,718,368
	<u>12,994,961</u>	<u>6,722,868</u>	<u>25,029,114</u>	<u>8,250,227</u>
<b>Advance payment</b> (Note 10)				
Subsidiaries	-	-	811,041	684,319
	<u>-</u>	<u>-</u>	<u>811,041</u>	<u>684,319</u>
<b>Deposits</b> (Note 10)				
Related party	21,658,178	17,730,014	21,658,178	17,730,014
	<u>21,658,178</u>	<u>17,730,014</u>	<u>21,658,178</u>	<u>17,730,014</u>
<b>Accrued interest receivable</b> (Note 10)				
Subsidiaries	-	-	-	288
Joint venture	10,989	10,989	10,989	10,989
Related party	-	17,716,027	-	17,716,027
	<u>10,989</u>	<u>17,727,016</u>	<u>10,989</u>	<u>17,727,304</u>
<b>Accrued income</b> (Note 10)				
Subsidiaries	-	-	2,360,764	-
Associate	375,000	1,206,000	375,000	1,206,000
Joint venture	9,002,747	7,276,461	2,412,000	7,276,461
	<u>9,377,747</u>	<u>8,482,461</u>	<u>5,147,764</u>	<u>8,482,461</u>
<b>Trade accounts payable</b> (Note 21)				
Subsidiaries	-	-	371,272,749	273,528,576
Joint venture	4,782,664	432,489	635,609	432,489
Related parties	54,093,350	-	54,094,750	-
	<u>58,876,014</u>	<u>432,489</u>	<u>426,003,108</u>	<u>273,961,065</u>
<b>Other payable</b> (Note 21)				
Joint venture	179,867	-	-	-
	<u>179,867</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Accrued expense</b> (Note 21)				
Subsidiaries	-	-	11,411,235	11,347,012
	<u>-</u>	<u>-</u>	<u>11,411,235</u>	<u>11,347,012</u>
<b>Advance from customers</b> (Note 21)				
Associate	-	12,705,000	-	12,705,000
	<u>-</u>	<u>12,705,000</u>	<u>-</u>	<u>12,705,000</u>

Director \_\_\_\_\_  
Pyut Bhuwakulwong

Director \_\_\_\_\_  
Preeyapun Bhuwakul



d) **Loans to related parties**

	Consolidated financial statements		Separate financial statements	
	2019 Baht	2018 Baht	2019 Baht	2018 Baht
<b>Loans to related parties</b>				
Subsidiaries	-	-	38,500,000	61,000,000
Associates	5,080,000	-	5,080,000	-
Joint venture	341,500,000	406,000,000	341,500,000	406,000,000
	346,580,000	406,000,000	385,080,000	467,000,000
<b>Loans to related parties</b>				
Short-term loans	150,000,000	16,000,000	188,500,000	77,000,000
Long-term loans	196,580,000	390,000,000	196,580,000	390,000,000
	346,580,000	406,000,000	385,080,000	467,000,000

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

	Consolidated financial statements	Separate financial statements
	Baht	Baht
<b>For the year ended 31 December 2019</b>		
Opening balance	406,000,000	467,000,000
Loans additions	97,580,000	267,480,000
Loans repayments	(157,000,000)	(349,400,000)
Closing balance	346,580,000	385,080,000

The related interest income was Baht 19,045,295 and Baht 21,034,496 in the consolidated and separate financial statements, respectively (2018: Baht 19,220,411 and Baht 24,832,260 in the consolidated and separate financial statements, respectively). The borrowing from related parties are unsecured loans carrying interest rate 5.00% and 5.25% (2018 : 5.00% and 5.25%) per annum and due at call.

e) **Short-term loans from related parties**

	Consolidated financial statements		Separate financial statements	
	2019 Baht	2018 Baht	2019 Baht	2018 Baht
Parent	1,000,000	-	1,000,000	-
Subsidiaries	-	-	68,100,000	102,000,000
	1,000,000	-	69,100,000	102,000,000

Director \_\_\_\_\_  
Pyut Bhuwakulwong

Director \_\_\_\_\_  
Preeyapun Bhuwakul

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

	<b>Consolidated financial statements</b>	<b>Separate financial statements</b>
	<b>Baht</b>	<b>Baht</b>
<b>For the year ended 31 December 2019</b>		
Opening balance	-	102,000,000
Loans additions	49,000,000	489,400,000
Loans repayments	(48,000,000)	(522,300,000)
Closing balance	1,000,000	69,100,000

Short-term loans from related parties are unsecured and denominated in Thai Baht. The loans carry interest at the rates of 5.00% (2018 : 5.00%) per annum and due for repayment on demand.

**f) Key management compensation**

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	<b>2019 Baht</b>	<b>2018 Baht</b>	<b>2019 Baht</b>	<b>2018 Baht</b>
Short-term employee benefits	35,130,988	32,486,920	9,853,993	9,709,706
Post-employee benefits	1,233,016	1,495,243	494,330	807,356
	36,364,004	33,982,163	10,348,323	10,517,062

**34 Commitments and contingencies**

**a) Bank guarantees**

As at 31 December 2019, there are outstanding bank guarantees amounting to Baht 190.04 million and USD 3.00 million (2018: Baht 562.07 million and USD 3.00 million).

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

As at 31 December 2019, the future aggregated minimum lease payment under non-cancelable operating lease are as follows:

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	<b>2019 Baht</b>	<b>2018 Baht</b>	<b>2019 Baht</b>	<b>2018 Baht</b>
Less than 1 year	66,721,196	66,057,827	5,927,284	11,148,399
Later than 1 year but within 5 years	81,681,059	91,366,938	25,583,270	48,199,162
Later than 5 years	222,299,874	230,009,160	164,305,191	230,009,160
	370,702,129	387,433,925	195,815,745	289,356,721

Director \_\_\_\_\_  
Pyut Bhuwakulwong

Director \_\_\_\_\_  
Preeyapun Bhuwakul

### 35 Contingent assets

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

According to the Administrative Court’s judgment on 30 September 2016, contract party to pay compensation with a monthly rate of Baht 13.5 million, calculated since 12 February 2013 until the project is transferred back to the Company. However, the contract party has lodged an appeal to the court against the Company.

On 20 February 2020, the Supreme Administrative Court issued an order relating to a lawsuit mentioned above as disclosed in Note 36.

### 36 Subsequent events

On 20 February 2020, the Supreme Administrative Court issued an order relating to a lawsuit against the counter party in the service agreement for optical fiber cable network and signaling equipment (Fiber to the Factory - FTTF) within an industrial estate as disclosed in note 35, that the counter party must pay indemnification to the Company as follows;

1. Compensation for the use of optical fiber cable network and signaling equipment - from the date requested for returning the Fiber to the Factory - FTTF to the lawsuit filing date amounting to Baht 85.05 million.
2. Interest rate of 7.5% p.a. for the indemnification of Baht 85.05 million from the lawsuit filing date until the indemnification will be settled.
3. Compensation for the use of optical fiber cable network and signaling equipment - from the lawsuit filing date until the Fiber to the Factory - FTTF returning to the Company. The rate of indemnification will be referred to the service contract.

Director \_\_\_\_\_  
Pyut Bhuwakulwong

Director \_\_\_\_\_  
Preeyapun Bhuwakul