

Remuneration and Nomination Committee's Report

Appointed by the Board of Directors (the "BOD"), the Remuneration and Nomination Committee is responsible for the recruitment, the selection and the nomination of the persons, possessing the qualifications suitable for assuming the position of director, subcommittee member, Chief Executive Officer (the "CEO") and President of the Company in addition to proposing, for the BOD's consideration, the policy on the benefits as well as the guidelines on the payment of remuneration, gratuities and other benefits for the BOD, the subcommittees, the CEO and the President of the Company that are prudently prepared by taking into account the suitability between the proposed amount and the duties and responsibilities of a director, the Company's operating results, and current market conditions.

The Remuneration and Nomination Committee is chaired by Dr.Yodhin Anavil, an Independent Director with Mr.Somboon Patcharasopak and Mr. Pleumjai Sinarkorn, the Company Directors, as its members.

In 2016, the Remuneration and Nomination Committee arranged the meetings to consider the issues that were within the scope of their duties and responsibilities, as summarized below:-

- The consideration on the remuneration, gratuities and other benefits for the BOD and the subcommittees of the Company

The Remuneration and Nomination Committee considered the remuneration, gratuities and other benefits for the Board of Directors and the subcommittees of the Company thoroughly and with prudence, taking into account, the payment rates of the companies in the same industry, business expansion, the Company's growth of profits, apart from the directors' duties and responsibilities. Nonetheless, the directors who were assigned with more duties and responsibilities in any of the subcommittees received increasing remuneration at the amount appropriate for the increasing work in charge; the rising remuneration payment, to this respect, was both an incentive and a way to keep a qualified director to be with the Company.

- The consideration on the remuneration and the annual bonus for the CEO and the President

The Remuneration and Nomination Committee considered the remuneration and the annual bonus of the CEO to be at a proper rate, comparable to the rates of the companies in the same industry and also in accordance with the Company's operating results each year.

- The recruitment, selection and nomination of a person to replace the director who resigned and was due to retire from office by rotation

The Remuneration and Nomination Committee recruited, selected and nominated a person to replace a director who resigned to propose for the Board of Directors' approval. As for the directors who were due to retire from office by rotation, the Remuneration and Nomination Committee also proposed for the BOD's and the shareholders' meeting's approvals, respectively.

- The Remuneration and Nomination Committee Self Assessment

The Remuneration and Nomination Committee evaluated their performances both as an individual and a party. The Self Assessment Form was divided into 6 parts which comprised Structure and Qualifications of the Committee, Roles and Responsibilities of the Committee, Committee Meetings, Fulfillment of duties of the Committee, Relationship with the Management Support Team and Self-development of the Committee. The self assessment results of the Remuneration and Nomination Committee for the year 2016 were reported as excellence, showing that the Committee performed the duties as being assigned completely well. Each appropriately applied his knowledge with responsibility, prudence and discretion; hence, enabling the work to be accomplished efficiently, in alignment with business operation of the Company.

The Remuneration and Nomination Committee accordingly reported its meeting resolutions to the BOD on a regular basis. In 2016, the Committee had worked with full efforts, prudence, transparency and independence to accomplish the tasks as assigned by the BOD for the optimum benefit of the Company and the shareholders and also to be in line with the Good Corporate Governance as required by the Stock Exchange of Thailand.


(Dr.Yodhin Anavil)

Chairman of Remuneration and Nomination Committee

Risk Management Committee's Report

Appointed by the Board of Directors, the Risk Management Committee of Jasmine International Group consists of 8 members. In 2016, the Risk Management Committee arranged 4 meetings to consider risks and analyze risk factors in all aspects to be appropriate and in line with the strategies and the policies of the Company; the Committee also completed the tasks that were essential to managing risks of Jasmine International Group and accordingly reported the results of risk management as summarized below to the Board of Directors in order to ensure that the targets could be achieved as planned.

- 1) Risk assessment : The Risk Management Committee assessed risks that might affect the Company's business operation and assigned the officers in charge to manage them appropriately. To this regard, the risk management framework and risk management policy were prudently revised to be in accordance with changing situations.
- 2) Risk management administration : The Risk Management Committee administered risk management tasks, covering 5 major areas which were revenue, finance, human resources, market and competition and operation and maintenance.
- 3) Risk management monitoring and supervision : The Risk Management Committee arranged the meeting quarterly, aiming at monitoring, considering and managing major risk factors appropriately and in time to be at an acceptable level by the Company's standard.
- 4) Building an awareness of risk management task : The Risk Management Committee supported the development of the risk management task of all levels, organization-wide, by encouraging the personnel of all ranks in every department to participate in considering risks, risk probabilities, and impacts arising from risks, in addition to partaking in risk management planning so that the Committee can obtain information and opinions relating to risks continuously, on a regular basis.

The tasks, assigned by the Board of Directors as stated above, were completely carried out. The Risk Management Committee also followed up the success of those tasks to assure the efficiency of risk management and administration of the Company.

Furthermore, the Risk Management Committee conducted its roles and ran its day-to-day affairs with prudence and discretion in order to assure that both the administration and the management of risks to reduce risk impacts on the Company's business operation were efficient and would continue incessantly.



(Mr.Somboon Patcharasopak)

Chairman of the Risk Management Committee

Audit Committee's Report

The Audit Committee of Jasmine International Public Company Limited (the "Company") consists of 3 independent directors who are expert in auditing and possess all the qualifications as stipulated by the Audit Committee Charter, prepared based on the guidelines and the regulations of the Office of the Securities and Exchange Commission (the "SEC") and the Stock Exchange of Thailand (the "SET"), namely :-

- | | | |
|----------------|--------------|-----------------------------|
| 1. Dr.Vichit | Yamboonruang | Chairman of Audit Committee |
| 2. Dr.Yodhin | Anavil | Audit Committee Member |
| 3. Mrs.Chantra | Purnariksha | Audit Committee Member |

The Committee carried out its duties as required by the Audit Committee Charter and placed emphasis on overseeing the Company's compliance with the principles of Good Corporate Governance, rules and regulations of the SET as well as the applicable laws. It also verified the Company's internal control system and internal audit system to be appropriate and efficient. For the past fiscal year, the tasks completed by the Committee are summarized as follows:-

Verification of Financial Statements

The Audit Committee verified the completeness, the accuracy and the reliability of the quarterly and the annual financial statements of the Company and the consolidated financial statements for the year 2016 that had been reviewed and audited by the external auditor of the Company prior to proposing for the Board of Directors' (the "BOD") approval.

The Committee was of the opinion that the above mentioned financial statements correctly recorded the Company's financial position and operating results; they were in conformity with the generally accepted accounting principles and were also adequately disclosed.

Verification of Related Party Transaction

The Audit Committee verified the related party transactions that the Company had with its subsidiaries/ associate companies in 2016, to be in line with the regulations of the SET and the SEC, principally taking into consideration the optimum benefit of the Company.

The Committee was of the opinion that the related party transactions of the Company proceeded fairly and reasonably under normal business conditions and the material information was adequately disclosed.

Verification of Internal Control System

The Audit Committee verified the effectiveness and the adequacy of the Company's internal control system, taking into account, internal audit result reports and internal control system evaluation results, in alignment with the SEC regulations. The Committee found no significant issue that may impact internal control. Thus, it was of the opinion that the control system of the Company was suitable and adequately efficient for the Company's business operation.

Verification of Compliance with Law

The Audit Committee verified the Company's operation to be in compliance with the Securities and Exchange Act, the rules and the regulations of the SET, including laws that are applicable to the business of the Company. According to the verification result, the Committee found no trace that may lead to the understanding that the Company had involved in a transaction that was against laws.

Verification and Oversight of Work of Office of Internal Audit

The Audit Committee verified and supervised the work of the Office of Internal Audit. It also considered internal audit results and provided internal auditors with useful recommendations. The Committee has approved the internal audit work plan for the year 2017 that was prepared based on risks of all the companies in Jasmine International Group, focusing on auditing significant control activities. The Committee was of the opinion that the internal control system of the Company was appropriate, efficient and independent; the audit plan was set up in alignment with Company's risk management and the Office of Internal Audit achieved its goals as planned.

Selection and Nomination of the Company's Auditors to Propose for Appointment for the Year 2017

The Audit Committee selected and nominated the auditors for the year 2017 by taking into consideration, independence, expertise, knowledge, auditing experiences, other beneficial services that they may provide for the Company and the appropriateness of the proposed audit fee. The Committee finally resolved to propose the BOD to consider nominating the auditors from EY Office Limited to be appointed as the Company's auditors for the year 2017.

Audit Committee Self Assessment

The Audit Committee evaluated their own performance, both as a party and as an individual committee, complying with the guideline of the SET that encompasses the topics of Audit Committee's qualifications, meeting arrangement, roles & duties and compliance with the rules and regulations. According to the self assessment result, the Committee fulfilled its duties and responsibility for the tasks assigned, carrying them out completely and appropriately with independence, knowledge, abilities and prudence in addition to providing every group of the stakeholders equitably with useful opinions and suggestions.

(Dr.Vichit Yamboonruang)
Chairman of Audit Committee

Report on the Responsibilities of the Board of Directors for Financial Reports

The Board of Directors of Jasmine International Public Company Limited (the “Company”) is responsible for overseeing the financial reports of the Company and its subsidiaries to be in accordance with the generally accepted accounting principles in Thailand and completely audited by the Company’s auditor, employing appropriate accounting policy that the Company practised consistently; the material information therein is also supervised to be sufficiently disclosed in Notes to the Financial Statements, for the benefits of shareholders and investors in general.

The Board of Directors has established good corporate governance for the Company and has also maintained the proper, efficient and effective risk management and internal control systems to ensure that the Company’s assets usage control is truly for the Company’s benefit. In addition, the Board of Directors places importance on the segregation of duties to prevent frauds and significant irregularities.

The Board of Directors has appointed the Company’s Audit Committee, comprising independent directors who possess the qualifications in accordance with the regulations of the Stock Exchange of Thailand and the Office of the Securities and Exchange Commission to be in charge of overseeing the reliability and the correctness of the financial reports as well as the efficiency of both the internal control systems and the internal audit of the Company. Opinions provided by the Audit Committee on these issues are set forth in the Audit Committee Report in this Annual Report.

The consolidated financial statements of the Company and its subsidiaries have been audited by EY Office Limited, the Company’s auditor. The Board of Directors supported the audit work by providing the Company’s auditor with the information and the documents as per requests in order to facilitate the Company’s auditor in carrying out the audit task and providing the auditor’s opinions to be in congruent with the accounting principles, as set forth in the Auditor’s Report in this Annual Report.

The Board of Directors is of the opinion that the internal control systems and the internal audit of the Company are overall good enough to assure the reliability of the financial reports of the Company and its subsidiaries for the year ended 31 December 2016, in line with generally accepted accounting principles, the applicable laws and the regulations of the relevant regulators.



(Mr. Pete Bodharamik)

Chief Executive Officer

Independent Auditor's Report

To the Shareholders of Jasmine International Public Company Limited

Qualified Opinion on the Consolidated Financial Statements

I have audited the accompanying consolidated financial statements of Jasmine International Public Company Limited and its subsidiaries (the Group), which comprise the consolidated statement of financial position as at 31 December 2016, and the related consolidated statements of comprehensive income, changes in shareholders' equity and cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies, and have also audited the separate financial statements of Jasmine International Public Company Limited for the same period.

In my opinion, except for the possible effects on the matters described in the *Basis for Qualified Opinion on the Consolidated Financial Statements* section of my report, the financial statements referred to above present fairly, in all material respects, the financial position of Jasmine International Public Company Limited and its subsidiaries and of Jasmine International Public Company Limited as at 31 December 2016, their financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards.

Basis for Qualified Opinion on the Consolidated Financial Statements

- a) As described in Note 9 to the financial statements, a concession provider had ceased making payment to a subsidiary for service under the co-investor agreement made between the subsidiary and the concession provider as from September 2008 to 4 October 2011, the end date of the co-investor agreement, as the revenue sharing rate is still being disputed between a concession provider and the subsidiary. The subsidiary took the dispute to the Arbitration Institute and is currently awaiting this ruling from the Arbitration Institute. Subsequently on 19 August 2016, a concession provider submitted a dispute proposal to the Arbitration Institute, Office of Dispute Resolution, the Judiciary, asking a subsidiary to return the excess revenue sharing received based on the co-investor agreement and to pay opportunity costs, together amounting to approximately Baht 9,931 million. This is currently being considered by the Arbitration Institute. Furthermore, on 26 August 2016, a concession provider submitted a dispute proposal to the Arbitration Institute, asking a subsidiary and another subsidiary to pay costs, damages with interest and business opportunity costs in total amounting to approximately Baht 258 million. However, the management and the legal advisor of the subsidiaries believe that the subsidiaries have fully complied with the co-investor agreement. The ruling on the revenue sharing rate may significantly affect the Baht 2,518 million balance of trade receivable as at 31 December 2016 (2015: Baht 2,518 million), and the costs and damages which may result from the above event, in the consolidated financial statements and may significantly impact on the balances of other receivables and dividend receivables from the subsidiary and value of the investment in the subsidiary as at 31 December 2016 totaling amounting to Baht 2,394 million (2015: Baht 2,404 million) in the separate financial statements. I was unable to audit to satisfy myself as to the balances of such trade receivable, other receivables, dividend receivables and the value of the investment in the subsidiary and damages which may result from the above event, and this constitutes a limitation imposed by circumstance.

- b) As described in Note 33.6 to the financial statements, the Central Bankruptcy Court read the judgement of the Supreme Court, rejecting the rehabilitation plan and cancelling the Central Bankruptcy Court's business rehabilitation order. As a result the rights of claim of the creditors of the Company returned to what they were prior to the rehabilitation order. Since the Company has proceeded in accordance with the rehabilitation plan for a long time and has, in particular, completed repayment of debt to the creditors in various forms under the rehabilitation plan, the legal advisor is of the opinion that, whether the Company will be required to pay to any particular creditor depends solely on whether any creditors present themselves and their rights to the Company, and no creditors have presented themselves since the time that the Central Bankruptcy Court read the judgement of the Supreme Court. The Company was therefore of the opinion that it was highly unlikely that the Company would have to pay any obligations in respect of such events and did not record a provision with respect to the judgement of the Supreme Court. The Company and the legal advisor made a preliminary assessment and found that additional liabilities of up to Baht 1,343 million, might arise from such event. The Company therefore disclosed the event in note to the financial statements and believed that such practice complied with the relevant financial reporting standards. However, in August 2014, five asset management company and financial institutions filed lawsuits petitioning the Central Intellectual Property and International Trade Court to order the Company to make debt repayments equivalent to a total of approximately Baht 1,965 million (principal of Baht 1,177 million and interest of Baht 788 million). The Company has assessed the conditions of accounting under these new circumstances, and believes that the Company should record provision whenever lawsuits are filed with the court. However, the rights of claim of two plaintiffs were assigned by various former creditors, and the legal advisor is of the opinion that it is uncertain that these two plaintiffs will receive payment of the amount claimed in the petitions. Therefore, the Company recorded provision amounting to Baht 301 million (principal of Baht 260 million and interest of Baht 41 million) for the three plaintiffs who are the original creditors named in applications for payment in the Company's rehabilitation plan (principal of Baht 711 million and interest of Baht 329 million) in the financial statements since it is highly likely that the Company will be liable for these amounts. This was determined based on the claims filed by the three plaintiffs less the approximate amounts of settlements made in any form under the rehabilitation plan, in accordance with the legal advisor's opinion. The Company has disputed the authority of the Central Intellectual Property and International Trade Court in respect of these cases to the Supreme Court. Currently, the Central Intellectual Property Court has temporarily struck the lawsuits brought by two plaintiffs from the case list while awaiting a ruling from the president of the Supreme Court on the authority of the Court. The lawsuits brought by the other three plaintiffs are in the process of being considered by the Central Intellectual Property and International Trade Court. The ultimate outcome of the cases cannot be determined at present. The Company believes that the amount of provision recorded in the accounts is adequate and appropriate in the current circumstances. This constitutes a limitation imposed by circumstance and I was unable to audit to satisfy myself as to the amount of additional provision that the Company needs to record as a result of the cancellation of the rehabilitation order.
- c) As described in Note 33.7 to the financial statements, a subsidiary was unable to deliver tablets to two government agencies as scheduled in the relevant agreements, as a result of a massive fire at a production facility where a part for the tablets was produced. As stipulated in the sale and purchase agreements, the subsidiary is obliged to pay a penalty for delayed shipment at a daily rate of 0.2 percent of the price of the unshipped tablets. In 2014, counterparties of the agreements submitted letters to the subsidiary to terminate the sale and purchase agreements and asked the subsidiary to pay a penalty totaling Baht 148 million. However, the subsidiary submitted letters to these counterparties objecting the imposition of the penalty. The management of the subsidiary clarified that the delay in shipment was due to force majeure

and the subsidiary did not breach the agreement. Subsequently, these counterparties filed lawsuits against the subsidiary, petitioning the courts to order the subsidiary to pay penalties totaling approximately Baht 196 million. The cases are currently being considered by the court which the outcomes are unknown. However, as a result of the execution of a sale and purchase of tablets agreement between the subsidiary and a local counterparty, the subsidiary received a cash performance bond of Baht 38 million from this counterparty. The subsidiary has a legal right to seize this amount as compensation for losses caused by this company or incurred as a result of a breach of agreement by this company. The subsidiary recorded the performance bond as a liability under the caption of trade and other payables in the consolidated statement of financial position and treated the amount as if it was a provision for any penalties and losses that might be incurred. I was unable to audit to satisfy myself as to the penalties and losses that may be incurred as a result of inability to deliver the tablets, and this constitutes a limitation imposed by circumstance.

I have audited the consolidated financial statements of Jasmine International Public Company Limited and its subsidiaries, and the separate financial statements of Jasmine International Public Company Limited as at 31 December 2015 and for the year then ended, and expressed a qualified opinion on those statements with respect to limitation imposed by circumstance as described in a), b) and c), under my report dated 25 January 2016.

I conducted my audit in accordance with Thai Standards on Auditing. My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of my report. I am independent of the Group in accordance with the *Code of Ethics for Professional Accountants* as issued by the Federation of Accounting Professions under the Royal Patronage of His Majesty the King as relevant to my audit of the financial statements, and I have fulfilled my other ethical responsibilities in accordance with the Code. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified opinion on the consolidated financial statements.

Emphasis of Matters

I draw attention to the following matters:

1. As described in Note 33.10 to the financial statements, regarding a subsidiary's inability to obtain a spectrum license for International Mobile Telecommunications in the frequency band 900 MHz, during the current year the subsidiary made payment of damages
2. Matters between subsidiaries and an unrelated company
 - 2.1 The settlement of outstanding balances of approximately Baht 877 million and the leased line service agreements, as described in Note 10 to the financial statements
 - 2.2 The court proceedings and various disputes described in Note 33.8 to the financial statements
3. As described in Note 33.5 to the financial statements, regarding the delay in the delivery of work of a subsidiary, with a contract value of Baht 31 million, on which a penalty is charged at a rate of 0.2 percent of the contract value per each day of delay

My conclusion is not qualified in respect of these above matters.

Key Audit Matters

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

I have fulfilled the responsibilities described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of my report, including in relation to these matters. Accordingly, my audit included the performance of procedures designed to respond to my assessment of the risks of material misstatement of the financial statements. The results of my audit procedures, including the procedures performed to address the matters below, provide the basis for my audit opinion on the accompanying financial statements as a whole.

In addition to the matter described in the *Basis for Qualified Opinion on the Consolidated Financial Statements* section, key audit matters and how audit procedures respond for each matter are described below.

Revenue recognition

Revenue of the Group presented in the 2016 financial statements, was primarily revenue from the provision of internet services, amounting to Baht 14,507 million. For audit purposes, I paid attention to recognition of revenue from provision of internet services because the amount is significant and directly affects the Group operating results. In addition, given the competitive environment in the telecommunications industry, marketing and pricing strategies are adjusted regularly, which may affect the Group recognition of revenue.

I have examined the revenue recognition of the Group by assessing and testing IT systems and internal controls with respect to the revenue cycle by making enquiry of responsible executives, gaining an understanding of the controls and selecting representative samples to test the operation of the designed controls and with special consideration given to expanding the scope of the testing of the internal controls which respond to the above revenue recognition. Applying a sampling method to the examination of invoices and collections from customers to check the recognition, as well as credit notes issued after the period-end, performing analytical procedures on revenue data to detect possible irregularities in sales transactions throughout the period, particularly for accounting entries made through journal vouchers, and testing the calculation of advances received for provision of services.

Deferred tax

As at 31 December 2016, the Group had outstanding balances of deferred tax assets amounting to Baht 3,397 million. The Group has disclosed their accounting policies and details relating to deferred tax in Note 4 and Note 26 to the financial statements. A deferred tax asset is recognised when it is highly probable that the taxable profit of the Group will be sufficient to allow utilisation of the deferred tax in the future. Determining whether there will be sufficient future taxable profits to utilise the deferred tax requires significant management judgement with respect to the preparation of business plans and projections of future taxable profits based on approved business plans. This exercise of judgement directly affects the value of the deferred tax assets presented in the financial statements.

I gained an understanding and assessing the preparation and approval of the estimates of future taxable profit used as supporting evidence for deferred tax asset recognition, by checking the required information and significant assumptions used in the projections against information from related sources. In addition, I assessed the accuracy and credibility of projections by comparing them with previous actual taxable profits. I also tested the calculation of future taxable profits based on the above information and assumptions, and considered the effects of changes to key assumptions on the projected future taxable profits.

Other Information

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

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

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

When I read the annual report of the Group, if I conclude that there is a material misstatement therein, I am required to communicate the matter to those charged with governance for correction of the misstatement.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fairly presentation of the financial statements in accordance with Thai Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Group'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 management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

My objectives are to obtain reasonable assurance about whether the 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 Thai Standards on Auditing 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 financial statements.

As part of an audit in accordance with Thai Standards on Auditing, I exercise professional judgement and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the 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's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's 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'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 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 to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the 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 those charged with governance 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 those charged with governance 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 those charged with governance, I determine those matters that were of most significance in the audit of the 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.

The engagement partner on the audit resulting in this independent auditor's report is Mr. Supachai Phanyawattano.



Supachai Phanyawattano

Certified Public Accountant (Thailand) No. 3930

EY Office Limited

Bangkok: 20 February 2017

Consolidated Financial Statements

Jasmine International Public Company Limited and its subsidiaries

Statement of financial position

As at 31 December 2016

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2016	2015	2016	2015
Assets					
Current assets					
Cash and cash equivalents	7	2,481,799,979	7,879,720,050	617,686,610	1,379,997,802
Current investments - deposits with banks	8	376,727,415	1,195,290,923	250,123,134	122,070
Trade and other receivables	9	3,020,258,365	3,088,267,691	171,203,998	127,718,003
Unbilled receivables		13,147,714	33,238,443	-	-
Short-term loans to related parties	6	-	3,850,000,000	100,000,000	401,503,500
Dividend receivable from subsidiaries	6	-	-	701,245,136	861,685,842
Revenue department receivable		675,165,966	12,669,657	-	-
Withholding tax deducted at source		119,510,261	147,819,566	81,394,003	103,085,627
Input tax pending payments		620,192,510	656,807,888	275,940	217,024
Prepaid expenses		53,231,191	41,975,737	3,898,945	1,281,357
Other current assets		29,774,631	33,396,718	34,834	997,176
Total current assets		7,389,808,032	16,939,186,673	1,925,862,600	2,876,608,401
Non-current assets held for sale		-	87,500,000	-	-
		7,389,808,032	17,026,686,673	1,925,862,600	2,876,608,401
Non-current assets					
Restricted deposits with banks		472,728,113	477,767,240	-	8,431,125
Accounts receivable under troubled debt restructuring	10	-	54,029,879	-	-
Investments in subsidiaries	11	-	-	2,961,665,763	3,292,122,181
Investments in associates	12	6,849,768,559	8,770,443,209	18,119,388,161	18,347,981,967
Investment properties	13	515,211,124	543,063,306	-	-
Property, plant and equipment	14	27,976,169,871	18,957,707,948	2,985,768	4,157,132
Deferred tax assets	26	3,396,565,394	3,366,447,709	65,972,953	63,508,197
Advance rental payment	6, 15, 28	816,510,000	816,510,000	160,370,580	174,189,747
Deposit guarantee on auction of spectrum licensing	33.10	-	644,000,000	-	-
Other non-current assets		177,356,824	138,915,221	11,018,813	10,801,888
Total non-current assets		40,204,309,885	33,768,884,512	21,321,402,038	21,901,192,237
Total assets		47,594,117,917	50,795,571,185	23,247,264,638	24,777,800,638

The accompanying notes are an integral part of the financial statements.

Jasmine International Public Company Limited and its subsidiaries

Statement of financial position (Continued)

As at 31 December 2016

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2016	2015	2016	2015
Liabilities and shareholders' equity					
Current liabilities					
Short-term loans from banks	16	2,229,119,134	1,518,730,826	-	-
Trade and other payables	17	3,949,944,041	3,753,220,537	429,127,101	48,579,969
Accrued project costs		160,218,274	166,045,392	-	-
Short-term loan from subsidiaries	6	-	-	8,695,628,400	17,637,628,400
Current portions of the long-term liabilities					
Long-term loans from banks	18	1,410,139,815	119,968,000	1,182,139,815	-
Liabilities under finance lease agreements	19	51,346,792	44,838,503	-	-
Accounts payable for equipment	20	766,114,445	-	-	-
Provision for rental assurance	6, 28	1,753,704,590	1,576,648,030	-	-
Withholding tax payable		147,891,410	63,661,295	83,449,502	2,249,387
Income tax payable		256,254,482	4,650,048,734	-	-
Undue output tax		472,106,617	405,838,068	11,033,382	8,237,657
Advance received from customers		467,977,236	529,615,656	-	-
Advance received for assets delivered in the future	6, 28	-	5,131,208,333	-	-
Provision for reversal of judgement by the Supreme Court	33.6	301,220,892	289,048,686	301,220,892	289,048,686
Other current liabilities		24,256,656	30,120,621	2,792,815	3,422,864
Total current liabilities		11,990,294,384	18,278,992,681	10,705,391,907	17,989,166,963
Non-current liabilities					
Long-term liabilities - net of current portions					
Long-term loans from banks	18	5,121,785,490	695,522,693	4,764,065,752	-
Liabilities under finance lease agreements	19	72,939,740	89,279,360	-	-
Accounts payable for equipment	20	4,519,845,020	-	-	-
Provision for rental assurance	6, 28	13,763,193,671	13,889,402,397	-	-
Provision for long-term employee benefits	21	377,961,634	354,570,924	28,643,872	28,492,298
Provision for entry fee for laying the optical fiber cables	28	461,034,798	470,778,800	-	-
Other non-current liabilities		19,698,321	6,820,332	22,636,926	8,776,140
Total non-current liabilities		24,336,458,674	15,506,374,506	4,815,346,550	37,268,438
Total liabilities		36,326,753,058	33,785,367,187	15,520,738,457	18,026,435,401

The accompanying notes are an integral part of the financial statements.

Jasmine International Public Company Limited and its subsidiaries

Statement of financial position (Continued)

As at 31 December 2016

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2016	2015	2016	2015
Shareholders' equity					
Share capital					
Registered					
9,291,996,567 ordinary shares of Baht 0.5 each (2015: 10,491,996,567 ordinary shares of Baht 0.5 each)	22	4,645,998,284	5,245,998,284	4,645,998,284	5,245,998,284
Issued and fully paid-up					
5,936,957,115 ordinary shares of Baht 0.5 each (2015: 7,133,472,259 ordinary shares of Baht 0.5 each)	22	2,968,478,258	3,566,736,129	2,968,478,258	3,566,736,129
Share subscription received in advance	23	1,264,227,510	251,094	1,264,227,510	251,094
Premium on ordinary shares		314,806,203	302,920,329	314,806,203	302,920,329
Retained earnings					
Appropriated					
Statutory reserve - the Company	24	464,599,828	356,869,719	464,599,828	356,869,719
- subsidiaries	24	547,352,151	534,807,646	-	-
Unappropriated		4,418,420,455	10,861,918,929	2,488,463,478	2,298,639,786
Other components of shareholders' equity		258,179,963	258,177,239	225,950,904	225,948,180
Equity attributable to owners of the Company		10,236,064,368	15,881,681,085	7,726,526,181	6,751,365,237
Non-controlling interests of the subsidiaries		1,031,300,491	1,128,522,913	-	-
Total shareholders' equity		11,267,364,859	17,010,203,998	7,726,526,181	6,751,365,237
Total liabilities and shareholders' equity		47,594,117,917	50,795,571,185	23,247,264,638	24,777,800,638

The accompanying notes are an integral part of the financial statements.

Jasmine International Public Company Limited and its subsidiaries

Statement of comprehensive income

For the year ended 31 December 2016

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2016	2015	2016	2015
Profit or loss:					
Revenues					
Sales and service income		15,619,264,085	13,982,677,626	-	-
Other income					
Gains on sales of assets to the fund	28	2,159,900,003	18,859,325,567	-	-
Management fee income	6	-	-	524,052,600	509,311,071
Interest income		70,386,195	274,021,291	8,993,560	26,258,519
Income from management and maintenance of assets	6, 28	205,524,462	154,142,322	-	-
Dividend income from subsidiaries	11	-	-	8,946,704,395	12,484,283,650
Dividend income from associate	12	-	-	1,631,503,500	953,238,000
Others		95,766,885	156,973,006	12,208,186	81,117,203
Total other income		2,531,577,545	19,444,462,186	11,123,462,241	14,054,208,443
Total revenues		18,150,841,630	33,427,139,812	11,123,462,241	14,054,208,443
Expenses					
Cost of sales and services		9,711,218,325	8,406,506,200	-	-
Selling and servicing expenses		1,156,376,081	1,000,200,306	-	-
Administrative expenses		2,769,402,510	2,346,943,881	242,960,119	184,297,620
Exchange losses		105,212,188	127,355,273	-	-
Damages from non-compliance with the conditions precedent to be met before granting a license	33.10	840,655,645	-	-	-
Loss from impairment of investment in subsidiary	11.1	-	-	832,440,961	-
Doubtful accounts and bad debt		337,835,255	222,974,746	-	-
Total expenses		14,920,700,004	12,103,980,406	1,075,401,080	184,297,620
Profit before share of profit from investments					
in associates, finance cost and income tax					
Shares of profit from investments in associates	12	1,019,210,672	796,857,131	-	-
Profit before finance cost and income tax		4,249,352,298	22,120,016,537	10,048,061,161	13,869,910,823
Finance cost		(395,046,772)	(197,436,691)	(428,142,744)	(357,669,755)
Profit before income tax		3,854,305,526	21,922,579,846	9,619,918,417	13,512,241,068
Income tax	26	(862,526,455)	(6,022,844,444)	2,464,756	(81,470,245)
Profit for the year		2,991,779,071	15,899,735,402	9,622,383,173	13,430,770,823

The accompanying notes are an integral part of the financial statements.

Jasmine International Public Company Limited and its subsidiaries

Statement of comprehensive income (Continued)

For the year ended 31 December 2016

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2016	2015	2016	2015
Other comprehensive income:					
<i>Other comprehensive income not to be reclassified to profit or loss in subsequent periods</i>					
Actuarial loss	21	-	(78,635,512)	-	(11,996,458)
Less: Income tax effect		-	18,101,445	-	2,399,292
Other comprehensive income for the year		-	(60,534,067)	-	(9,597,166)
Total comprehensive income for the year		2,991,779,071	15,839,201,335	9,622,383,173	13,421,173,657
Profit attributable to:					
Equity holders of the Company		3,001,605,512	15,710,408,063	9,622,383,173	13,430,770,823
Non-controlling interests of the subsidiaries		(9,826,441)	189,327,339		
		2,991,779,071	15,899,735,402		
Total comprehensive income attributable to:					
Equity holders of the Company		3,001,605,512	15,649,873,996	9,622,383,173	13,421,173,657
Non-controlling interests of the subsidiaries		(9,826,441)	189,327,339		
		2,991,779,071	15,839,201,335		
Earnings per share	29				
Basic earnings per share					
Profit attributable to equity holders of the Company		0.46	2.23	1.49	1.91
Diluted earnings per share					
Profit attributable to equity holders of the Company		0.41	2.15	1.31	1.84

The accompanying notes are an integral part of the financial statements.

Jasmine International Public Company Limited and its subsidiaries
Statement of changes in shareholders' equity
For the year ended 31 December 2016

(Unit: Baht)

	Consolidated financial statements														
	Equity attributable to owners of the Company											Equity attributable to non-controlling interests of the subsidiaries			
	Note	Retained earnings			Treasury shares	Other components of shareholders' equity				Total equity attributable to owners of the Company					
		Issued and fully paid-up share capital	Share subscription received in advance	Premium (discount) on ordinary shares		Appropriated		Other changes by the owners							
Statutory reserve						Treasury share reserve	Unappropriated	Premium on ordinary shares from expired warrants	Premium on capital reduction		Capital surplus from share premium of subsidiary		Deficit from changes in shareholding in subsidiaries		
Balance as at 1 January 2015	3,568,697,189	-	(224,549,619)	849,715,545	991,662,088	7,434,161,926	(991,662,088)	25,169,527	200,781,377	49,665,575	(17,436,516)	258,177,239	11,886,202,280	1,040,530,651	12,926,732,931
Profit for the year	-	-	-	-	-	15,710,408,063	-	-	-	-	-	-	-	189,927,339	15,899,735,402
Other comprehensive income for the year	-	-	-	-	-	(60,534,067)	-	-	-	-	-	-	-	-	(60,534,067)
Total comprehensive income for the year	-	-	-	-	-	15,649,873,996	-	-	-	-	-	-	-	189,927,339	15,839,201,335
Dividend paid to the Company's shareholders	32	-	-	-	-	(12,251,520,173)	-	-	-	-	-	-	(12,251,520,173)	-	(12,251,520,173)
Reduction of paid-up share capital by writing off treasury shares		(71,365,000)	-	-	-	(920,297,088)	991,662,088	-	-	-	-	-	-	-	-
Reversal of appropriated retained earnings for treasury shares		-	-	-	(991,662,088)	991,662,088	-	-	-	-	-	-	-	-	-
Increase in share capital		69,403,940	527,469,948	-	-	-	-	-	-	-	-	-	-	596,873,888	596,873,888
Share subscription received in advance		-	251,094	-	-	-	-	-	-	-	-	-	-	251,094	251,094
Dividend paid to non-controlling interests of the subsidiaries		-	-	-	-	-	-	-	-	-	-	-	-	(101,335,077)	(101,335,077)
Transferred to statutory reserve	24	-	-	41,961,820	-	(41,961,820)	-	-	-	-	-	-	-	-	-
Balance as at 31 December 2015		3,566,736,129	251,094	302,820,329	891,677,365	10,861,918,929	-	25,169,527	200,781,377	49,665,575	(17,436,516)	258,177,239	15,981,681,085	1,128,522,913	17,010,203,998

The accompanying notes are an integral part of the financial statements.

Jasmine International Public Company Limited and its subsidiaries
Statement of changes in shareholders' equity (Continued)
For the year ended 31 December 2016

(Unit: Baht)

Consolidated financial statements																	
	Equity attributable to owners of the Company																
	Other components of shareholders' equity											Equity attributable to non-controlling interests of the subsidiaries					
	Note	Issued and fully paid-up share capital	Share subscription received in advance	Premium on ordinary shares	Retained earnings			Treasury shares	Other changes by the owners				Total equity attributable to owners of the Company				
Statutory reserve					Treasury share reserve	Unappropriated	Deficit on changes in value of investments in available-for-sale securities		Premium on ordinary shares from expired warrants	Premium reduction on capital	Capital surplus from share premium of subsidiary			Deficit from changes in shareholding in subsidiaries	Total other components of shareholders' equity		
Balance as at 1 January 2016		3,566,736,129	251,094	302,920,329	891,677,365	-	10,861,918,929	-	(2,724)	25,169,527	200,781,377	49,665,575	(17,436,516)	258,177,239	15,881,681,085	1,128,522,913	17,010,203,998
Total comprehensive income for the year		-	-	-	-	-	3,001,605,512	-	-	-	-	-	-	-	3,001,605,512	(9,826,441)	2,991,779,071
Dividend paid to the Company's shareholders	32	-	-	-	-	-	(3,920,843,372)	-	-	-	-	-	-	-	(3,920,843,372)	-	(3,920,843,372)
Transferred unrealised loss to loss from impairment of investment		-	-	-	-	-	-	-	2,724	-	-	-	-	2,724	2,724	-	2,724
Treasury shares purchased during the year	22	-	-	-	-	-	-	-	-	-	-	-	-	-	(6,003,986,000)	-	(6,003,986,000)
Transferred to treasury share reserve	22	-	-	-	-	-	6,003,986,000	(6,003,986,000)	-	-	-	-	-	-	-	-	-
Reduction of paid-up share capital by writing off treasury shares	22	(600,000,000)	-	-	-	-	-	(5,403,986,000)	-	-	6,003,986,000	-	-	-	-	-	-
Reversal of appropriated retained earnings for treasury shares	22	-	-	-	-	-	(6,003,986,000)	6,003,986,000	-	-	-	-	-	-	-	-	-
Increase in share capital	22	1,742,129	(251,094)	11,885,874	-	-	-	-	-	-	-	-	-	-	13,376,909	-	13,376,909
Share subscription received in advance	23	-	1,264,227,510	-	-	-	-	-	-	-	-	-	-	-	1,264,227,510	-	1,264,227,510
Dividend paid to non-controlling interests of the subsidiaries		-	-	-	-	-	-	-	-	-	-	-	-	-	-	(106,791,604)	(106,791,604)
Transferred to statutory reserve	24	-	-	-	120,274,614	-	(120,274,614)	-	-	-	-	-	-	-	-	-	-
Net income from sales of equipment of subsidiary attributable to minority interests		-	-	-	-	-	-	-	-	-	-	-	-	-	-	19,395,623	19,395,623
Balance as at 31 December 2016		2,968,478,258	1,264,227,510	314,806,203	1,011,951,979	-	4,418,420,455	-	-	25,169,527	200,781,377	49,665,575	(17,436,516)	258,179,963	10,236,064,368	1,031,300,491	11,267,364,859

The accompanying notes are an integral part of the financial statements.

Jasmine International Public Company Limited and its subsidiaries
Statement of changes in shareholders' equity (Continued)

For the year ended 31 December 2016

(Unit: Baht)

	Note	Separate financial statements											
		Issued and fully paid-up share capital	Share subscription received in advance	Premium (discount) on ordinary shares	Retained earnings			Treasury shares	Other components of shareholders' equity			Total shareholders' equity	
					Statutory reserve	Appropriated	Unappropriated		Other comprehensive income	Other changes by the owners			Total other components of shareholders' equity
										Treasury shares reserve	Treasury shares		
Balance as at 1 January 2015		3,568,697,189	-	(224,549,619)	331,107,500	991,662,088	1,083,383,521	(991,662,088)	(2,724)	25,169,527	200,781,377	225,948,180	4,984,566,771
Profit for the year		-	-	-	-	-	13,430,770,823	-	-	-	-	-	13,430,770,823
Other comprehensive income for the year		-	-	-	-	-	(9,597,166)	-	-	-	-	-	(9,597,166)
Total comprehensive income for the year		-	-	-	-	-	13,421,173,657	-	-	-	-	-	13,421,173,657
Dividend paid to the Company's shareholders	32	-	-	-	-	-	(12,251,520,173)	-	-	-	-	-	(12,251,520,173)
Reduction of paid-up share capital by writing off treasury shares		(71,365,000)	-	-	-	-	(920,297,088)	991,662,088	-	-	-	-	-
Reversal of appropriated retained earnings for treasury shares		-	-	-	-	-	-	(991,662,088)	-	-	-	-	-
Increase in share capital		69,403,940	-	527,469,948	-	-	-	-	-	-	-	-	596,873,888
Share subscription received in advance		-	251,094	-	-	-	-	-	-	-	-	-	251,094
Transferred to statutory reserve	24	-	-	-	25,762,219	-	(25,762,219)	-	-	-	-	-	-
Balance as at 31 December 2015		3,566,736,129	251,094	302,920,329	356,869,719	-	2,298,639,786	-	(2,724)	25,169,527	200,781,377	225,948,180	6,751,365,237
Balance as at 1 January 2016		3,566,736,129	251,094	302,920,329	356,869,719	-	2,298,639,786	-	(2,724)	25,169,527	200,781,377	225,948,180	6,751,365,237
Total comprehensive income for the year		-	-	-	-	-	9,622,383,173	-	-	-	-	-	9,622,383,173
Dividend paid to the Company's shareholders	32	-	-	-	-	-	(3,920,843,372)	-	-	-	-	-	(3,920,843,372)
Transferred unrealised loss to loss from impairment of investment		-	-	-	-	-	-	-	-	-	-	-	-
Treasury shares purchased during the year	22	-	-	-	-	-	(6,003,986,000)	6,003,986,000	2,724	-	-	2,724	2,724
Transferred to treasury share reserve	22	-	-	-	-	-	(6,003,986,000)	6,003,986,000	-	-	-	-	(6,003,986,000)
Reduction of paid-up share capital by writing off treasury shares	22	(600,000,000)	-	-	-	-	(5,403,986,000)	6,003,986,000	-	-	-	-	-
Reversal of appropriated retained earnings for treasury shares	22	-	-	-	-	-	(6,003,986,000)	6,003,986,000	-	-	-	-	-
Increase in share capital	22	1,742,129	(251,094)	11,885,874	-	-	-	-	-	-	-	-	13,376,909
Share subscription received in advance	23	-	1,264,227,510	-	-	-	-	-	-	-	-	-	1,264,227,510
Transferred to statutory reserve	24	-	-	-	107,730,109	-	(107,730,109)	-	-	-	-	-	-
Balance as at 31 December 2016		2,968,478,258	1,264,227,510	314,806,203	464,599,828	-	2,488,463,478	-	-	25,169,527	200,781,377	225,950,904	7,726,526,181

The accompanying notes are an integral part of the financial statements.

Jasmine International Public Company Limited and its subsidiaries

Cash flow statement

For the year ended 31 December 2016

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2016	2015	2016	2015
Cash flows from operating activities					
Profit before income tax		3,854,305,526	21,922,579,846	9,619,918,417	13,512,241,068
Adjustments to reconcile profit before tax to net cash					
provided by (paid from) operating activities					
Depreciation and amortisation		2,612,447,149	2,031,928,189	16,494,869	17,322,692
Loss from impairment of investment in subsidiary	11.1	-	-	832,440,961	-
Damages from non-compliance with the conditions precedent to be met before granting a license	33.10	644,000,000	-	-	-
Doubtful accounts		177,492,011	161,018,948	-	-
Bad debt		160,343,244	61,955,798	-	-
Gains on sales of assets to the fund	28	(2,159,900,003)	(18,859,325,567)	-	-
Losses (gains) on sales of equipment		(27,702,310)	(16,708,004)	(35,527)	865
Dividend income from investments in subsidiaries	11	-	-	(8,946,704,395)	(12,484,283,650)
Dividend income from investment in an associate	12	-	-	(1,631,503,500)	(953,238,000)
Share of profit from investments in an associates	12	(1,019,210,672)	(796,857,131)	-	-
Unrealised exchange losses		134,555,234	27,407,691	-	-
Realised exchange losses (gains) from accounts payable for equipment		(29,497,646)	104,882,049	-	-
Provision for long-term employee benefits	21	32,000,274	26,265,108	2,459,550	2,084,807
Net income from sales of equipment of subsidiary attributable to minority interests		19,395,623	-	-	-
Interest income		(70,386,195)	(274,021,291)	(8,993,560)	(26,258,519)
Interest expenses		391,923,021	197,436,691	428,142,744	357,669,755
Profit from operating activities before changes in operating assets and liabilities		4,719,765,256	4,586,562,327	312,219,559	425,539,018
Operating assets decrease (increase)					
Trade and other receivables		(211,915,830)	(142,838,887)	(44,352,839)	280,659,209
Unbilled receivables		20,090,729	29,388,788	-	-
Inventories		144,672,708	227,362,938	-	-
Revenue department receivable		(402,434,760)	4,693,442	-	2,535,628
Input tax pending payments		36,615,378	(249,175,294)	(58,916)	2,751,253
Prepaid expenses		(11,255,454)	203,529,074	(2,617,588)	(354,193)
Other current assets		2,153,646	486,896	568,777	96,596
Advance rental payment	6, 28	-	(816,510,000)	-	-
Deposit guarantee on application for spectrum licensing	33.10	-	(644,000,000)	-	-
Other non-current assets		(48,049,635)	(52,316,976)	(216,925)	32,618
Operating liabilities increase (decrease)					
Trade and other payables		(50,086,796)	154,606,952	800,658,995	(48,487,313)
Accrued project costs		(5,617,518)	(4,622,324)	-	-
Withholding tax payable		3,163,450	17,308,188	133,452	555,354
Undue output tax		66,268,549	(14,635,517)	2,795,725	(4,745,871)
Advances received from customers		(61,638,420)	60,776,853	-	-
Other current liabilities		(599,515)	(3,554,231)	(630,049)	1,132,561
Provision for rental assurance		(1,331,765,783)	(1,096,994,489)	-	-
Cash paid for long-term employee benefits		(8,609,564)	(4,253,194)	(2,307,976)	(448,310)
Provision for entry fee for laying the optical fiber cables		(105,619,002)	(115,267,256)	-	-
Other non-current liabilities		22,852,963	(2,535,328)	23,835,760	(788,400)
Cash from operating activities		2,777,990,402	2,138,011,962	1,090,027,975	658,478,150
Cash received (paid) for income tax		(5,258,129,087)	(4,859,439,542)	21,691,623	(65,222,573)
Net cash from (used in) operating activities		(2,480,138,685)	(2,721,427,580)	1,111,719,598	593,255,577

The accompanying notes are an integral part of the financial statements.

Jasmine International Public Company Limited and its subsidiaries

Cash flow statement (Continued)

For the year ended 31 December 2016

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2016	2015	2016	2015
Cash flows from investing activities					
Interest income		75,264,394	268,608,598	10,005,598	25,120,790
Decrease (increase) in current investments		818,563,508	(301,232,304)	(250,001,064)	20,097,352
Decrease (increase) in restricted deposits with banks		5,039,127	(170,059,086)	8,431,125	(97,900)
Short-term loans to related parties		-	(3,850,000,000)	-	(301,503,500)
Cash received from short-term loans to related parties		3,850,000,000	-	301,503,500	198,000,000
Increase in investment in a subsidiary	11	-	-	(4,650,000,000)	(349,989,500)
Cash received from return of capital of a subsidiary	11	-	-	3,750,000,000	-
Dividend received from investments in subsidiaries		-	-	9,097,145,101	12,793,539,538
Cash paid for purchase of investment in an associate	12	-	(18,331,500,000)	-	(18,331,500,000)
Cash received from return of capital of an associate	12	228,593,806	-	228,593,806	-
Dividend received from investment in an associate	12	1,631,503,500	953,238,000	1,631,503,500	953,238,000
Proceeds from sales of asset to the fund - net selling expenses	28	-	53,431,038,996	-	-
Acquisitions of investment properties		(13,775,117)	(4,149,708)	-	-
Acquisitions of plant and equipment		(3,817,394,676)	(3,599,956,521)	(1,517,210)	(1,418,544)
Proceeds from sales of equipment		67,889,876	7,518,878	48,399	-
Net cash from (used in) investing activities		2,845,684,418	28,403,506,853	10,125,712,755	(4,994,513,764)
Cash flows from financing activities					
Interest expenses		(304,382,014)	(172,765,677)	(434,033,583)	(316,687,805)
Decrease in short-term loans from banks		(1,909,444,490)	(5,551,089,035)	-	-
Cash received from short-term loans		-	-	8,110,000,000	18,331,500,000
Repayment of short-term loans		-	-	(17,052,000,000)	(693,871,600)
Repayment of accounts payable for equipment		(532,028,401)	(373,932,841)	-	-
Cash received from long-term loan from bank	18	5,940,000,000	-	5,940,000,000	-
Repayment of long-term loans from banks	18	(229,770,955)	(1,399,864,045)	-	(439,867,124)
Proceeds from increase in share capital	22	13,628,003	596,873,888	13,628,003	596,873,888
Cash received from share subscription received in advance	23	1,264,227,510	-	1,264,227,510	-
Dividend paid to the Company's shareholders	32	(3,837,579,475)	(12,251,520,173)	(3,837,579,475)	(12,251,520,173)
Dividend paid to non-controlling interests of the subsidiaries		(106,791,604)	(101,335,077)	-	-
Repayment of liabilities under finance lease agreements		(57,338,378)	(49,641,149)	-	-
Cash paid to purchase treasury shares	22	(6,003,986,000)	-	(6,003,986,000)	-
Net cash from (used in) financing activities		(5,763,465,804)	(19,303,274,109)	(11,999,743,545)	5,226,427,186
Net increase (decrease) in cash and cash equivalents		(5,397,920,071)	6,378,805,164	(762,311,192)	825,168,999
Cash and cash equivalents at beginning of year		7,879,720,050	1,500,914,886	1,379,997,802	554,828,803
Cash and cash equivalents at end of year		2,481,799,979	7,879,720,050	617,686,610	1,379,997,802
Supplemental cash flow information					
Non-cash transactions					
Purchase of equipment for which no cash has been paid		8,271,199,871	5,201,842,316	-	-

The accompanying notes are an integral part of the financial statements.

Notes to consolidated financial statements

Jasmine International Public Company Limited and its subsidiaries

Notes to consolidated financial statements

For the year ended 31 December 2016

1. Corporate information

Jasmine International Public Company Limited (“the Company”) is a public company incorporated and domiciled in Thailand. The Company is principally engaged in the investments in the companies involved in the telecommunications business and its registered address is 200, 29th - 30th Floor, Moo 4, Chaengwatana Road, Pakkred, Nonthaburi.

2. Basis of preparation

2.1 The financial statements have been prepared in accordance with Thai Financial Reporting Standards enunciated under the Accounting Professions Act B.E. 2547 and their presentation has been made in compliance with the stipulations of the Notification of the Department of Business Development dated 28 September 2011, issued under the Accounting Act B.E. 2543.

The financial statements in Thai language are the official statutory financial statements of the Company. The financial statements in English language have been translated from the Thai language financial statements.

The financial statements have been prepared on a historical cost basis except where otherwise disclosed in the accounting policies.

2.2 Basis of consolidation

a) The consolidated financial statements include the financial statements of Jasmine International Public Company Limited (“the Company”) and the following subsidiaries (“the subsidiaries”):

Company's name	Nature of business	Country of incorporation	Percentage of shareholding	
			2016	2015
			Percent	Percent
Held by the Company				
Jasmine Submarine Telecommunications Co., Ltd.	Operator of submarine optical fiber cable network and repair and maintenance services for local submarine cable systems	Thailand	100	100
Acumen Co., Ltd.	Satellite telecommunications service provider and internet service provider	Thailand	100	100
Jasmine Telecom Systems Plc. (Another 9% held by T.J.P. Engineering Co., Ltd. and another 9% held by ACeS Regional Services Co., Ltd.)	Design, installation and testing of telecommunication systems	Thailand	33	33
Jasmine Internet Co., Ltd.	Internet service provider and international calling card services	Thailand	98	98
T.J.P. Engineering Co., Ltd. (Another 20% held by Acumen Co., Ltd.)	Survey, design and construction for civil work of telecommunication projects	Thailand	80	80
Jasmine International Overseas Co., Ltd. (Another 34% held by ACeS (Thailand) Co., Ltd. and another 26% held by ACeS Regional Services Co., Ltd.)	Investment holding	Thailand	40	40
Chaengwatana Planner Co., Ltd.	Rehabilitation plan administrator	Thailand	100	100
Three BB Co., Ltd.	Ceased operation	Thailand	100	100
Jasmine Smart Shop Co., Ltd.	Ceased operation	Thailand	100	100
Mobile Communication Services Co., Ltd.	Not yet operate	Thailand	70	70
Compunet Corporation Limited	Ceased operation	Thailand	100	100
JAS Mobile Broadband Company Limited	Mobile phone service business	Thailand	100	100

Company's name	Nature of business	Country of incorporation	Percentage of shareholding	
			2016 Percent	2015 Percent
Held by subsidiaries				
Cloud Computing Solutions Co., Ltd. (98% held by Jasmine Telecom Systems Plc.)	Design and provision of computer system integration services, software development and sale of computer products	Thailand	-	-
Smart Highway Co., Ltd. (67% held by Acumen Co., Ltd.)	Domestic high speed data communication service provider	Thailand	-	-
Triple T Broadband Plc. (99% held by Acumen Co., Ltd.)	Service provider in telecommunications services, fixed-line services and data communication network services	Thailand	-	-
Triple T Internet Co., Ltd. (100% held by Triple T Broadband Plc.)	Internet service provider	Thailand	-	-
In Cloud Co., Ltd. (100% held by Triple T Broadband Plc.)	Development, distribution and service in several kinds of software	Thailand	-	-
ACeS (Thailand) Co., Ltd. (59% held by Jasmine International Overseas Co., Ltd.)	Investment holding	Thailand	-	-
ACeS Regional Services Co., Ltd. (98% held by ACeS (Thailand) Co., Ltd.)	Marketing and distribution of equipment and providing services to satellite-based cellular phone users	Thailand	-	-
Pakkret Planner Co., Ltd. (100% held by Jasmine International Overseas Co., Ltd.)	Rehabilitation plan administrator	Thailand	-	-
Clippership Investments (BVI) Limited (100% held by Jasmine International Overseas Co., Ltd.)	Ceased operation	British Virgin Island	-	-
Thai Long Distance Telecommunications Co., Ltd. (90% held by Jasmine Submarine Telecommunications Co., Ltd.)	Operator of submarine optical fiber cable network and repair and maintenance service for local submarine	Thailand	-	-
Jastel Network Co., Ltd. (100% held by Jasmine Submarine Telecommunications Co., Ltd.)	Circuit leasing service and local and international data communication services	Thailand	-	-
Premium Assets Co., Ltd. (54% held by Acumen Co., Ltd. and 46% held by Jasmine Submarine Telecommunications Co., Ltd.)	Office rental	Thailand	-	-

- b) The Company is deemed to have control over an investee or subsidiaries if it has rights, or is exposed, to variable returns from its involvement with the investee, and it has the ability to direct the activities that affect the amount of its returns.
 - c) Subsidiaries are fully consolidated as from the date on which the Company obtains control, and continue to be consolidated until the date when such control ceases.
 - d) The financial statements of the subsidiaries are prepared using the same significant accounting policies as the Company.
 - e) Material balances and transactions between the Company and its subsidiaries have been eliminated from the consolidated financial statements.
 - f) Non-controlling interests represent the portion of profit or loss and net assets of the subsidiaries that are not held by the Company and are presented separately in the consolidated profit or loss and within equity in the consolidated statement of financial position.
- 2.3 The separate financial statements present investments in subsidiaries and associates under the cost method.

3. New financial reporting standards

Below is a summary of financial reporting standards that became effective in the current accounting year and those that will become effective in the future.

(a) Financial reporting standards that became effective in the current year

The Company and its subsidiaries have adopted the revised (revised 2015) and new financial reporting standards issued by the Federation of Accounting Professions which became effective for fiscal years beginning on or after 1 January 2016. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards, with most of the changes directed towards revision of wording and terminology, and provision of interpretations and accounting guidance to users of standards. The adoption of these financial reporting standards did not have any significant impact on the financial statements of the Company and its subsidiaries.

(b) Financial reporting standard that will become effective in the future

During the current year, the Federation of Accounting Professions issued a number of the revised financial reporting standards and interpretations (revised 2016) and new accounting treatment guidance which is effective for fiscal years beginning on or after 1 January 2017. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards revision of wording and terminology, and provision of interpretations and accounting guidance to users of standards.

The management of the Company and its subsidiaries believe that the revised financial reporting standards and interpretations and new accounting treatment guidance will not have any significant impact on the financial statements when they are initially applied. However, one standard involves changes to key principles, which is summarised below.

TAS 27 (revised 2016) Separate Financial Statements

This revised standard stipulates an additional option to account for investments in subsidiaries, joint ventures and associates in separate financial statements under the equity method, as described in

TAS 28 (revised 2016) Investments in Associates and Joint Ventures. However, the entity is to apply the same accounting treatment for each category of investment. If an entity elects to account for such investments using the equity method in the separate financial statements, it has to adjust the transaction retrospectively.

This standard will not have any significant impact on the financial statements of the Company and its subsidiaries because the management has decided to continue accounting for such investments under the cost method in the separate financial statements.

4. Significant accounting policies

4.1 Revenue recognition

Sales of goods are recognised when the significant risks and rewards of ownership of the goods have passed to the buyer. Sales are the invoiced value, excluding value added tax, of goods supplied after deducting discounts and allowances.

Revenues from providing telecommunications network service, internet service and other businesses related to the internet business, and management service are recognised when services have been rendered.

Revenue from design and installation of telecommunication systems including provision of related equipment is recognised when services have been rendered.

Sales of international calling cards are recognised when the service has been rendered. The prepaid value in such cards is recorded as deferred service income in current liabilities.

Interest income is recognised on an accrual basis based on the effective interest rate.

Dividends are recognised when the right to receive the dividends is established.

4.2 Cash and cash equivalents

Cash and cash equivalents consist of cash in hand and at banks, and all highly liquid investments with an original maturity of three months or less and not subject to withdrawal restrictions.

4.3 Trade and other receivables

Trade and other receivables are stated at the net realisable value. Allowance for doubtful accounts is provided for the estimated losses that may be incurred in collection of receivables. The allowance is generally based on collection experience and analysis of debt aging.

4.4 Inventories

Inventories are valued at the lower of weighted average cost (specific cost for computer) and net realisable value.

4.5 Non-current assets held for sale

A non-current asset is classified as non-current asset held for sales if its carrying amount will be recovered principally through a sales transaction rather than through continuing use, the asset is available for

immediate distribution in its present condition and a sale is considered highly probable. A non-current asset held for sales is not depreciated while it is classified as held for sale. Moreover, it is stated at the lower of the carrying amount and fair value less cost to sell.

4.6 Investments

- a) Investments in securities held for trading are stated at fair value. Changes in the fair value of these securities are recorded in profit or loss.
- b) Investments in available-for-sale securities are stated at fair value. Changes in the fair value of these securities are recorded in comprehensive income, and will be recorded in profit or loss when the securities are sold. In addition, the Company and its subsidiaries treat available-for-sale investments as impaired in profit or loss when the management judges that there has been a significant or prolonged decline in fair value below their cost or when other objective evidence of impairment exists.

The fair value of marketable securities is based on the latest bid price of the last working day of the year.

- c) Investments in non-marketable equity securities, which classifies as other investments, are stated at cost net of allowance for loss on impairment in value (if any).
- d) Investments in associates are accounted for in the consolidated financial statements using the equity method.
- e) Investments in subsidiaries and associates are accounted for in the separate financial statements using the cost method net of allowance for loss on impairment.

The fair value of unit trusts is determined from their net asset value.

The weighted average method is used for computation the cost of investments.

On disposal of an investment, the difference between net disposal proceeds and the carrying amount of the investment is recognised in profit or loss.

4.7 Investment properties

Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and allowance for loss on impairment (if any).

Depreciation of investment properties is calculated by reference to their costs on the straight-line basis over estimated useful lives of 5 - 24 years. Depreciation of the investment properties is recognised in profit or loss.

No depreciation is provided for land classified as investment properties.

On disposal of investment properties, the difference between the net disposal proceeds and the carrying amount of the asset is recognised in profit or loss in the period when the asset is derecognised.

4.8 Property, plant and equipment/Depreciation

Land is stated at cost. Buildings and equipment are stated at cost less accumulated depreciation and allowance for loss on impairment.

Depreciation of plant and equipment is calculated by reference to their costs on the straight-line basis over the following estimated useful lives:

Buildings	-	20 and 24 years
Building improvements	-	5 - 12 years
Leasehold improvements	-	5 years
Telecommunications equipment	-	3 - 15 years
Satellite transmission equipment	-	5 years
Tools and equipment	-	3 and 5 years
Furniture, fixtures and office equipment	-	3 and 5 years
Motor vehicles	-	5 years

Depreciation is recognised in profit or loss.

No depreciation is provided on land and assets under installation.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on disposal of an asset is included in profit or loss when the asset is derecognised.

4.9 Prepaid rent and amortisation

Prepaid rent is stated at cost less accumulated amortisation. Amortisation is calculated on a straight-line basis over the lease period of 30 years. Amortisation is recognised in profit or loss.

4.10 Related party transactions

Related parties comprise individuals or enterprises that control, or are controlled by, the Company and its subsidiaries, whether directly or indirectly, or which are under common control with the Company and its subsidiaries.

They also include associates companies, individuals or enterprises which directly or indirectly own a voting interest in the Company and its subsidiaries that give them significant influence over the Company and its subsidiaries, key management personnel, directors and officers of the Company and its subsidiaries with authority in the planning and direction of the operations of the Company and its subsidiaries.

4.11 Long-term leases

Leases of equipment which transfer substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the lower of the fair value of the leased assets and the present value of the minimum lease payments. The outstanding rental obligations, net of finance charges, are included in long-term liabilities, while the interest element is charged to profit or loss over the lease period. The asset acquired under finance leases is depreciated over the useful life of the asset.

Leases of property, plant and equipment which do not transfer substantially all the risks and rewards of ownership are classified as operating leases. Operating lease payments are recognised as an expense in profit or loss on a straight-line basis over the lease term.

4.12 Foreign currencies

The consolidated and separate financial statements are presented in Baht, which is also the functional currency of the Company and its subsidiaries.

Transactions in foreign currencies are translated into Baht at the exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated into Baht at the exchange rate ruling at the end of reporting period.

Gains and losses on exchange are included in profit or loss.

4.13 Impairment of assets

At the end of reporting period, the Company and its subsidiaries perform impairment reviews in respect of the assets whenever events or changes in circumstances indicate that an asset may be impaired. An impairment loss is recognised when the recoverable amount of an asset, which is the higher of the asset's fair value less costs to sell and its value in use, is less than the carrying amount.

An impairment loss is recognised in profit or loss.

4.14 Employee benefits

Short-term employee benefits

Salaries, wages, bonuses and contributions to the social security fund are recognised as expenses when incurred.

Post-employment benefits

Defined contribution plans

The Company, its subsidiaries and their employees have jointly established a provident fund. The fund is monthly contributed by employees and by the Company and its subsidiaries. The fund's assets are held in a separate trust fund and the contributions of the Company and its subsidiaries are recognised as expenses when incurred.

Defined benefit plans

The Company and its subsidiaries have obligations in respect of the severance payments they must make to employees upon retirement under labor law. The Company and its subsidiaries treat these severance payment obligations as a defined benefit plan.

The obligation under the defined benefit plan is determined by a professionally qualified independent actuary based on actuarial techniques, using the projected unit credit method.

Actuarial gains and losses arising from post-employment benefits are recognised immediately in other comprehensive income.

4.15 Provisions

Provisions are recognised when the Company and its subsidiaries have a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

4.16 Treasury shares

Treasury shares are stated at cost and presented as a deduction from shareholders' equity in the statement of financial position. If the selling price of treasury shares is greater than the purchase price of treasury shares, the Company recognises the difference under the caption of "Premium on treasury shares". If the selling price of treasury shares is less than the purchase price of treasury shares, the difference is initially deducted from premium on treasury shares, with the remaining balance deducted against retained earnings.

4.17 Income tax

Income tax expense represents the sum of corporate income tax currently payable and deferred tax.

Current tax

Current income tax is provided in the accounts at the amount expected to be paid to the taxation authorities, based on taxable profits determined in accordance with tax legislation.

Deferred tax

Deferred income tax is provided on temporary differences between the tax bases of assets and liabilities and their carrying amounts at the end of each reporting period, using the tax rates enacted at the end of the reporting period.

The Company and its subsidiaries recognise deferred tax liabilities for all taxable temporary differences while they recognise deferred tax assets for all deductible temporary differences and tax losses carried forward to the extent that it is probable that future taxable profit will be available against which such deductible temporary differences and tax losses carried forward can be utilised.

At each reporting date, the Company and its subsidiaries review and reduce the carrying amount of deferred tax assets to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised.

The Company and its subsidiaries record deferred tax directly to shareholders' equity if the tax relates to items that are recorded directly to shareholders' equity.

4.18 Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between buyer and seller (market participants) at the measurement date. The Company and its subsidiaries apply a quoted market price in an active market to measure their assets and liabilities that are required to be measured at fair value by relevant financial reporting standards. Except in case

of no active market of an identical asset or liability or when a quoted market price is not available, the Company and its subsidiaries measure fair value using valuation technique that are appropriate in the circumstances and maximises the use of relevant observable inputs related to assets and liabilities that are required to be measured at fair value.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy into three levels based on categorise of input to be used in fair value measurement as follows:

Level 1 - Use of quoted market prices in an observable active market for such assets or liabilities

Level 2 - Use of other observable inputs for such assets or liabilities, whether directly or indirectly

Level 3 - Use of unobservable inputs such as estimates of future cash flows

At the end of each reporting period, the Company and its subsidiaries determine whether transfers have occurred between levels within the fair value hierarchy for assets and liabilities held at the end of the reporting period that are measured at fair value on a recurring basis.

5. Significant accounting judgements and estimates

The preparation of financial statements in conformity with financial reporting standards requires management to make subjective judgements and estimates regarding matters that are inherently uncertain. These judgements and estimates affect reported amounts and disclosures; and actual results could differ from these estimates. Significant judgements and estimates are as follows:

Leases

In determining whether a lease is to be classified as an operating lease or finance lease, the management is required to use judgement regarding whether significant risk and rewards of ownership of the leased asset has been transferred, taking into consideration terms and conditions of the arrangement.

Allowance for doubtful accounts

In determining an allowance for doubtful accounts, the management needs to make judgement and estimates based upon, among other things, past collection history, aging profile of outstanding debts and the prevailing economic condition.

Impairment of investments

The Company treats other investments as impaired when there has been a significant or prolonged decline in the fair value below their cost or where other objective evidence of impairment exists. The determination of what is “significant” or “prolonged” requires judgement of the management.

Property plant and equipment/Depreciation

In determining depreciation of plant and equipment, the management is required to make estimates of the useful lives and residual values of plant and equipment and to review estimate useful lives and residual values when there are any changes.

In addition, the management is required to review property, plant and equipment for impairment on a periodical basis and record impairment losses when it is determined that their recoverable amount is lower than the carrying amount. This requires judgements regarding forecast of future revenues and expenses relating to the assets subject to the review.

Deferred tax assets

Deferred tax assets are recognised for deductible temporary differences and unused tax losses to the extent that it is probable that taxable profit will be available against which the temporary differences and losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of estimate future taxable profits.

Post-employment benefits under defined benefit plans

The obligation under the defined benefit plan is determined based on actuarial techniques. Such determination is made based on various assumptions, including discount rate, future salary increase rate, mortality rate and staff turnover rate.

Litigation

The Company and its subsidiaries have contingent liabilities as a result of litigations. The Company and its subsidiaries' management have used judgement to assess of the results of the litigation and believes that no loss will result. Therefore no contingent liabilities are recorded as at the end of reporting period.

6. Related party transactions

The following are relationships with companies and individuals that control, or are controlled by, the Company and its subsidiaries, whether directly or indirectly, or which are under common control with the Company and its subsidiaries.

Name of entities	Nature of relationship
Subsidiaries	The group of companies that the Company has power to set financial and operating policies in order to generate benefits from their activities.
Jasmine Broadband Internet Infrastructure Fund ("JASIF")	Associated company
Premium Real Estate Co., Ltd.	Associated company
Mono Group	Common directors

During the years, the Company and its subsidiaries had significant business transactions with related parties. Such transactions, which are summarised below, arose in the ordinary course of business and were concluded on commercial terms and bases agreed upon between the Company its subsidiaries and those related parties.

(Unit: Million Baht)

	Consolidated financial statements		Transfer Pricing Policy
	2016	2015	
Transactions with associated company			
Sales of assets	5,131	49,869	Contract price (Note 28)
Other service income	206	154	Contract price or normal business price charged to other customers
Interest income	6	68	2% per annum
Cost of equipment and network rental	4,110	3,280	Contract price (Note 28)
Transactions with related companies			
Sales and service income	32	37	Contract price or normal business price charged to other customers
Rental and other service income	58	59	Contract price or normal business price charged to other customers
Cost of sales and services	1	1	Contract price
Other expenses	29	30	Contract price or normal business price charged to other customers

(Unit: Million Baht)

	Separate financial statements		Transfer Pricing Policy
	2016	2015	
Transactions with subsidiaries			
(eliminated from the consolidated financial statements)			
Management fee income	524	509	Contract price
Rental and other service income	43	111	Contract price or normal business price charged to other customers
Interest income	3	6	Base on the deposit interest rate of commercial bank + 0.5%
Other expenses	30	29	Contract price
Interest expenses	282	327	1.8% to 2.0% per annum

As at 31 December 2016 and 2015, the balances of the accounts between the Company, its subsidiaries and those related parties are as follows:

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
Trade receivables - related parties (Note 9)				
Related companies				
Mono Group	24	23	-	-
Other receivables - related parties (Note 9)				
Subsidiaries	-	-	187	144
(eliminated from the consolidated financial statements)				
Associated company				
JASIF	48	34	-	-
Total	48	34	187	144
Less: Allowance for doubtful accounts	-	-	(16)	(16)
Total other receivables - related parties - net	48	34	171	128
Short-term loans to related parties				
Subsidiaries	-	-	106	408
(eliminated from the consolidated financial statements)				
Associated company				
JASIF	-	3,850	-	-
Total	-	3,850	106	408
Less: Allowance for doubtful accounts	-	-	(6)	(6)
Total short-term loans to related parties - net	-	3,850	100	402
Advance rental payment - related party (Note 28.b)				
Associated company				
JASIF	817	817	-	-
Dividend receivables from subsidiaries				
Subsidiaries	-	-	701	861
(eliminated from the consolidated financial statements)				

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
Other payables - related parties (Note 17)				
Subsidiaries	-	-	411*	31
(eliminated from the consolidated financial statements)				
Associate company				
Premium real estate Co.,Ltd.	4	4	-	-
Related companies				
Mono Group	4	6	-	-
Total other payables - related parties	8	10	411	31
* During the year, the Company had received an advance from Jasmine Telecom System Plc. ("JTS"), totalling Baht 530 million and subsequently fully repaid this advance.				
Short-term loans from subsidiaries				
Subsidiaries	-	-	8,696	17,638
(eliminated from the consolidated financial statements)				
Advance received for assets delivered in the future - related party (Note 28.a)				
Associated company				
JASIF	-	5,131	-	-
Provision for rental assurance - related party (Note 28.c)				
Associated company				
JASIF	15,517	15,466	-	-

During 2016, the balances of short-term loans to related parties and short-term loan from related party between the Company, its subsidiaries and those related parties and the movements were as follows:

(Unit: Million Baht)

	Consolidated financial statements			
	Balance as at 31 December 2015	Movements during the year		Balance as at 31 December 2016
		Increase	Decrease	
Short-term loan to related party				
Associated company				
JASIF (Note 28.F)	3,850	-	(3,850)	-

(Unit: Million Baht)

	Separate financial statements			
	Balance as at 31 December 2015	Movements during the year		Balance as at 31 December 2016
		Increase	Decrease	
Short-term loans to related parties				
Subsidiaries				
Acumen Co., Ltd.	100	-	-	100
JAS Mobile Broadband Co., Ltd.	302	-	(302)	-
Jasmine Smart Shop Co., Ltd.	6	-	-	6
Total	408	-	(302)	106
Less: Allowance for doubtful debts	(6)	-	-	(6)
Net	402	-	(302)	100
Short-term loan from subsidiaries				
Subsidiaries				
ACeS Regional Services Co., Ltd.	-	270	-	270
Premium Assets Co., Ltd.	-	400	-	400
Triple T Broadband Plc.	17,638	6,680	(17,052)	7,266
Triple T Internet Co., Ltd.	-	760	-	760
Total	17,638	8,110	(17,052)	8,696

As at 31 December 2015, a subsidiary had short-term loan to JASIF amounting to Baht 3,850 million with interest at the rate of 2 percent per annum. During the current year, a subsidiary had received full repayment from JASIF.

Directors and management's benefits

During the year ended 31 December 2016 and 2015, the Company and its subsidiaries had employee benefit expenses payable to their directors and management as below.

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
Short-term employee benefits	201	209	49	49
Post-employment benefits	18	18	4	3
Total	219	227	53	52

Guarantee obligations with subsidiaries

The Company has outstanding guarantee obligations with its subsidiaries, as described in Note 33.3 b) to the financial statements.

7. Cash and cash equivalents

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
Cash	7	8	-	-
Bank deposits	2,149	6,254	618	593
Bills of exchange	326	1,618	-	787
Total	2,482	7,880	618	1,380

As at 31 December 2016, bank deposits in saving accounts, fixed deposits and bills of exchange of the Company and its subsidiaries carried interests between 0.10 and 2.00 percent per annum (2015: between 0.10 and 1.80 percent per annum) and of the Company carried interests between 0.25 and 1.00 percent per annum (2015: between 0.25 and 1.10 percent per annum).

8. Current investments - deposits with banks

As at 31 December 2016, the Company had investments in unit trust in balanced open-ended fund debt securities totalling Baht 250 million and equity securities are stated at fair value using inputs of Level 2 which is use of other observable inputs for such assets or liabilities, whether directly or indirectly. Such fair value of investments in unit trust has been determined by using the net asset value as published by the Asset Management.

Included in the balances of current investments as at 31 December 2016 are savings and fixed deposits of the Company and its subsidiaries amounting to approximately Baht 16 million (2015: Baht 440 million) and of the Company only amounting to approximately Baht 0.1 million (2015: Baht 0.1 million) which have been pledged to secure credit facilities.

9. Trade and other receivables

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
Trade receivables - related parties (Note 6)	24	23	-	-
Trade receivables - unrelated parties	3,567	3,540	60	61
Other receivables - related parties (Note 6)	48	34	187	144
Other receivables - unrelated parties	81	116	-	-
Total	3,720	3,713	247	205
Less: Allowance for doubtful debts	(700)	(625)	(76)	(77)
Trade and other receivables - net	3,020	3,088	171	128

The balances of trade accounts receivable as at 31 December 2016 and 2015, aged on the basis of due dates, are summarised below.

(Unit: Million Baht)

Age of receivables	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
Related parties				
Not yet due	6	7	-	-
Past due				
Up to 3 months	14	15	-	-
Longer than 3 - 6 months	1	1	-	-
Longer than 6 - 12 months	3	-	-	-
Total (Note 6)	24	23	-	-
Unrelated parties				
Not yet due	120	166	-	-
Past due				
Up to 3 months	149	159	-	-
Longer than 3 - 6 months	62	120	-	-
Longer than 6 - 12 months	79	82	-	-
Longer than 12 months	3,157	3,013	60	61
Total	3,567	3,540	60	61
Less: Allowance for doubtful accounts	(700)	(625)	(60)	(61)
Net	2,867	2,915	-	-
Trade accounts receivable - net	2,891	2,938	-	-

In 2016, subsidiaries wrote-off trade accounts receivable as bad debt amounting to approximately Baht 172 million (2015: Baht 66 million).

An outstanding trade receivable balances of Jasmine Submarine Telecommunications Co., Ltd. (“JSTC”) amounting to Baht 2,518 million (2015: Baht 2,518 million), are receivable for service under a co-investor agreement made between JSTC and TOT Plc. (“TOT”), its concession provider. TOT had ceased making payment as from September 2008 to 4 October 2011, the end date of the co-investor agreement, because the revenue sharing rates are still being disputed between TOT and JSTC. In order to finalise the revenue sharing rate, on 22 December 2014, JSTC took the dispute to the Arbitration Institute, Office of Dispute Resolution, the Judiciary, for a ruling. Subsequently, on 19 August 2016, TOT submitted a dispute proposal to the Arbitration Institute, asking JSTC to return the excess revenue sharing received based on the co-investor agreement and to pay opportunity costs, together amounting to approximately Baht 9,931 million, JSTC filed an objection with the Arbitration Institute. This is currently being considered by the Arbitration Institute.

Furthermore, on 26 August 2016, TOT submitted a dispute proposal to the Arbitration Institute, asking Thai Long Distance Telecommunications Co., Ltd. (“TLDT”) and JSTC to jointly or separately pay costs of repairing or replacing equipment and overseas training, together with damages with interest, and business opportunity costs under the co-investor agreement and the addendum to the agreement, in total amounting to approximately Baht 258 million. At present, the dispute is being considered by the Arbitration Institute.

However, the management and the legal advisor of JSTC and TLDT believe that they have fully complied with the co-investor agreement.

In addition, the Company has other receivables amounting to Baht 47 million and dividend receivable amounting to Baht 401 million, which are long outstanding balances receivable from JSTC.

JSTC and TLDT transferred their rights over the collection of their share of the revenues from TOT, under the above joint investment contracts, to secure long-term loan of JSTC, as described in Note 18 to the financial statements.

10. Accounts receivable under troubled debt restructuring

On 22 April 2008, TT&T Public Company Limited (“TT&T”) filed a petition for business rehabilitation with the Central Bankruptcy Court for the purpose of restructuring its debt and on 22 July 2009, the Central Bankruptcy Court ordered the appointment of P Planner Co., Ltd. as the rehabilitation plan preparer. On 11 August 2010, the creditors passed an extraordinary resolution to accept the plan. Subsequently, on 5 October 2010, the number of creditors, including the subsidiaries, submitted objections to the plan to the Central Bankruptcy Court. However, on 28 December 2010 the Court had an order accepting the business rehabilitation plan of TT&T. However, during the year 2011 the subsidiaries filed an appeal against the approval of the business rehabilitation plan to the Supreme Court. At present, the case is being considered by the Supreme Court.

According to the TT&T’s rehabilitation plan, the subsidiaries will receive settlement of both principal and interest receivable in cash and by conversion to ordinary shares in TT&T in accordance with term and condition as stipulated in the plan.

As at 31 December 2015, certain subsidiaries had an outstanding balance totalling approximately Baht 54 million that were receivable from TT&T, under the rehabilitation plan of TT&T, and which was to be fully repaid in cash in a single payment on the last working day of the first quarter of 2015. However,

on 15 March 2016, the Central Bankruptcy Court issued an absolute receivership order against TT&T. For prudent reasons, the subsidiaries therefore recorded full allowance for doubtful accounts for the remaining balances of accounts receivable from TT&T in the current year.

Furthermore, the rehabilitation plan stipulates that the settlement of the balances between Triple T Broadband Plc. (“TTTBB”), and TT&T in 2009 by way of the assignment of promissory notes amounting to Baht 707 million that were issued by TT&T, and which were endorsed by TT&T Subscriber Services Co., Ltd. (“TT&TSS”), a subsidiary of TT&T, for transfer to TTTBB, and notification by TTTBB of its intention to offset balances with TT&T by way of exercising its rights in proceeds payable by TT&T to TT&TSS, and TT&TSS transfers of claims amounting to Baht 170 million to TTTBB to offset debt payable by TTTBB to TT&T, constituted settlement that are out of line with the purpose of the contract and thus do not constitute a complete and legitimate debt settlement transaction. Grounds for this are that TTTBB has to settle the debt by the method stipulated in the concession agreement of TT&T, whereby TTTBB has to directly settle debt to TOT and TOT will then allocate the settled amount to TT&T in accordance with the revenue sharing rate agreed under the concession. Non-cash settlements by TTTBB, such as by exercising claims or promissory notes and/or direct settlement with TT&T are out of line with the purpose of the contracts and do not constitute a complete and legitimate debt settlement transaction.

On 18 January 2011, P Planner Co., Ltd., as the rehabilitation plan administrator at that time, issued a notification refusing to accept rights arising from non-compliance with the contract. On 2 February 2011, TTTBB filed a lawsuit with the Central Bankruptcy Court requesting the Court to order that issuing of the notification of the plan administrator is unlawful. However, on 2 February 2012, the Central Bankruptcy Court ordered disagreement with TTTBB’s request because the Court considered that TTTBB’s request was not correct. On 9 March 2012, TTTBB filed an appeal with the Supreme Court. At present, the case is being considered by the Supreme Court.

However, the legal advisor of TTTBB has expressed an opinion that TTTBB is entitled to make direct settlement of leased line service payable under the leased line service contract made with TT&T as a result of objection of payment method because TTTBB and TT&T are direct counterparties. In addition, the making payment of leased line service payable by endorsing and transferring promissory notes to TT&T as stated above means that TT&T is the issuer and the holder of the promissory notes at the same time. Therefore, rights and liabilities under the promissory notes in the debt are subject to the same person, and fully in harmony. Therefore, debt by the promissory notes and the service payable will be suspended in an equal amount of the promissory notes. TTTBB notified TT&T of its intention to offsetting by way of exercise its rights from TT&TSS as discussed above means that TTTBB is a debtor and creditor of TT&T at the same time; TT&T and TTTBB are therefore mutual with the same purpose of debt. TTTBB is eligible to offset payable with TT&T in an equal amount.

Moreover, the plan stipulates that the plan preparer has authority to refuse to acknowledge rights over the leased line service contracts, including any additional revisions of agreements and/or memorandums, and all agreements regarding the leased line service rate, as described in Note 33.4 b) to the financial statements, pursuant to section 90/40 or 90/41 bis of the Bankruptcy Act. However, the legal advisor of TTTBB expressed an opinion that the exercising rights of the plan preparer will not retrospectively have any impact on the rights and obligations under the said contracts.

However, the management of TTTBB is confident that TTTBB has correctly complied with legal opinions of its legal advisor for the matters mentioned above, and therefore does not reflect the effect of these matters in its accounts.

11. Investments in subsidiaries

11.1 Details of investments in subsidiaries as presented in the separate financial statements are as follows:

(Unit: Million Baht)

Company's name	Paid-up capital		Cost		Dividend received during the year	
	2016	2015	2016	2015	2016	2015
Jasmine Submarine Telecommunications Co., Ltd.	1,550	1,550	1,946	1,946	-	-
Acumen Co., Ltd.	760	760	760	760	8,924	12,477
JAS Mobile Broadband Co., Ltd.	20	350	852	350	-	-
T.J.P. Engineering Co., Ltd.	200	200	160	160	-	-
Jasmine Smart Shop Co., Ltd.	110	110	110	110	-	-
Compunet Corporation Ltd.	260	260	100	100	-	-
Mobile Communication Services Co., Ltd.	100	100	70	70	-	-
Jasmine Telecom Systems Plc.	706	706	58	58	23	-
Three BB Co., Ltd.	52	52	52	52	-	-
Jasmine International Overseas Co., Ltd.	115	115	46	46	-	-
Jasmine Internet Co., Ltd.	15	15	7	7	-	7
Chaengwatana Planner Co., Ltd.	0.1	0.1	-	-	-	-
			4,161	3,659	8,947	12,484
Less: Allowance for impairment of investments			(1,199)	(367)		
Total investments in subsidiaries - net			2,962	3,292		

The meeting of the Company's Board of Directors No.6/2558 held on 21 August 2015 passed a resolution to establish a company namely, JAS Mobile Broadband Co., Ltd. ("JASMOBILE"). The Company invested in all JASMOBILE's ordinary shares, totalling 34,998,950 shares, of Baht 10 per share (fully called-up).

Subsequently, in January 2016, JASMOBILE increased its registered share capital by 465 million ordinary shares (fully called-up) and 1,500 million ordinary shares (25 percent called-up). As a result, the registered share capital was increase to be Baht 20,000 million (500 million shares of Baht 10 per share, fully called-up, and 1,500 million shares of Baht 10 per share, 25 percent called-up). On 11 January 2016, JASMOBILE registered the increase in share capital with the Ministry of Commerce.

However, on 22 March 2016, the Extraordinary General Meeting of shareholders No.3/2559 of the JASMOBILE passed a resolution approving a decrease in its share capital by 15,000 million to be returned to the shareholders. As a result, the registered share capital was decrease to be Baht 5,000 million (500 million shares of Baht 10 per share, 25 percent called-up). JASMOBILE registered the decrease in share capital with the Ministry of Commerce on 22 April 2016. The Company received a capital return and recorded a decrease in cost of investment in JASMOBILE from this return of capital.

On 27 June 2016 and 18 August 2016, the Extraordinary General Meeting of shareholders No. 5/2559 and No. 6/2559 of JASMOBILE passed a resolution approving a decrease in its share capital from Baht 5,000 million (500 million shares of Baht 10 per share, 25 percent called-up) to Baht 312.5 million (31.25 million shares of Baht 10 per share, 25 percent called-up), with Baht 833 million used to offset the deficit as of 30 June 2016, and the remainder returned to shareholders. JASMOBILE registered the decrease in share capital with the Ministry of Commerce on 20 September 2016. The Company received the return of capital totalling Baht 339 million and recorded a decrease in its investment in JASMOBILE as a result of this return of capital.

On 7 October 2016 the Extraordinary General Meeting of shareholders No. 7/2559 of JASMOBILE passed a resolution approving an additional decrease in its share capital in amount of Baht 78.1 million (7.81 million shares of Baht 10 per share, 25 percent called-up) JASMOBILE registered the decrease in share capital with the Ministry of Commerce on 14 November 2016. The Company received the return of capital totalling Baht 58.6 million and recorded a decrease in its investment in JASMOBILE as a result of this return of capital.

In addition, as a result of JASMOBILE's forfeiture of its deposit guarantee for the auction of a spectrum license in the frequency band 900 MHz, amounting to Baht 644 million, and the call for it to accept liability for damages resulting from its non-compliance with the conditions precedent for granting a license, amounting to Baht 197 million as described in Note 33.10 to the financial statements. For prudent reasons, the Company recorded allowance for impairment of investment in JASMOBILE amounting to Baht 832 million in the separate financial statements in of the current year.

- 11.2 As described in Note 9 to the financial statements, at present, JSTC is currently awaiting the ruling from the Arbitration Institute for the service revenue sharing rates under a co-investor agreement made with TOT. The management of JSTC believes that the recorded revenue of such service is consistent with the co-investor agreement.

12. Investments in associates

12.1 Details of associates

(Unit: Million Baht)

Company's name	Nature of business	Country of incorporation	Consolidated financial statements							
			Shareholding percentage		Cost		Carrying amounts based on equity method		Share of profit from investments in associates during the year	
			2016 (%)	2015 (%)	2016	2015	2016	2015	2016	2015
Jasmine Broadband Internet Infrastructure Fund	Invest in infrastructure businesses	Thailand	33	33	18,103	18,332	6,826	8,747	1,019	797
Internet Knowledge Service Center Co., Ltd.	Communication equipment rental	Thailand	38	38	49	49	24	23	-	-
Premium Real Estate Co., Ltd.	Ceased operation	Thailand	49	49	402	402	-	-	-	-
Telecom KSC Co., Ltd.	Not yet operate	Thailand	40	40	-	-	-	-	-	-
Total					18,554	18,783	6,850	8,770	1,019	797

(Unit: Million Baht)

Company's name	Nature of business	Country of incorporation	Separate financial statements							
			Shareholding percentage		Cost		Allowance for impairment of investments		Carrying amounts based on cost method - net	
			2016	2015	2016	2015	2016	2015	2016	2015
			(%)	(%)						
Jasmine Broadband Internet Infrastructure Fund	Invest in infrastructure businesses	Thailand	33	33	18,103	18,332	-	-	18,103	18,332
Internet Knowledge Service Center Co., Ltd.	Communication equipment rental	Thailand	38	38	49	49	(33)	(33)	16	16
Premium Real Estate Co., Ltd.	Ceased operation	Thailand	49	49	402	402	(402)	(402)	-	-
Telecom KSC Co., Ltd.	Not yet operate	Thailand	40	40	-	-	-	-	-	-
Total					18,554	18,783	(435)	(435)	18,119	18,348

- 12.2 On 9 February 2015, the Company had purchased 1,833 million shares (“initial investment units”) of Jasmine Broadband Internet Infrastructure Fund (“JASIF”), for a total of Baht 18,332 million or 33.33% of the total number of investment units. The Company has to maintain a percentage unit holding by not selling, transferring or disposing of the initial investment units for three years, unless it receives prior written consent from JASIF, and during the fourth to sixth years, the Company may not sell, transfer or dispose of the investment units of JASIF to the extent that its unitholding falls below 19% of the total initial number of investment units issued, unless it receives prior written consent from JASIF.

During the year, the Company received dividends of Baht 1,631 million from JASIF.

Investment in JASIF under equity and cost method as at 31 December 2016 and 2015 was detailed below.

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	Equity method		Cost method	
	2016	2015	2016	2015
Cost	18,332	18,332	18,332	18,332
Add: Accumulated share of income from investment	1,816	797	-	-
Less: Gains on sales of assets to the fund in proportion to the Company's unit holding	(10,509)	(9,429)	-	-
Less: Accumulated dividend income	(2,584)	(953)	-	-
Less: Return of capital	(229)	-	(229)	-
Net	6,826	8,747	18,103	18,332

As at 31 December 2016, the fair value of the investment in JASIF which is the listed company on the Stock Exchange of Thailand was Baht 21,265 million (2015: Baht 16,682 million).

However, on 14 July 2016, the Company entered into a long-term loan agreement with a local bank, granting a loan facility of Baht 6,000 million. The Company has placed the certificates for 1,833 million investment units of JASIF as collateral to secure the loan, as described in Note 18 to the financial statements.

13. Investment properties

(Unit: Million Baht)

	Consolidated financial statements
31 December 2016	
Cost	919
Less: Accumulated depreciation	(404)
Net book value - net	515
31 December 2015	
Cost	937
Less: Accumulated depreciation	(394)
Net book value - net	543

A reconciliation of the net book value of investment properties for the years 2016 and 2015 is presented below.

(Unit: Million Baht)

	Consolidated financial statements	
	2016	2015
Net book value at beginning of year	543	585
Acquisition	14	4
Disposals during the period - net book value at disposal date	(1)	-
Transfers to property, plant and equipment - net book value	(15)	(7)
Depreciation	(26)	(39)
Net book value at end of year	515	543
Fair Value	1,865	1,777
Rental Income	30	31

The fair values of the above investment properties were determined in the current year based on valuations performed by an accredited independent value. The fair value of the land awaiting sale were determined based on market prices, while that of the office building for rent were determined using the income approach. The main assumptions used in the valuation were as to yield rate, inflation rate, long-term vacancy rate and long-term growth in real rental rates.

The subsidiary has operating leases in respect of the lease of building space. The terms of the agreements ranging from 1 year to 3 years. As at 31 December 2016 and 2015, future minimum rental income generated from the investment properties under those lease agreements is as follows.

(Unit: Million Baht)

	Consolidated financial statements	
	As at 31 December	
	2016	2015
Less than 1 year	20	26
1 to 3 years	18	14

14. Property, plant and equipment

(Unit: Million Baht)

	Consolidated financial statements										Total	
	Land	Buildings, leasehold improvement and building improvement	Gateway station for the ACeS Satellite - based mobile project	Motor vehicles	Telecommunications equipment	Satellite transmission equipment	Tools and equipment	Furniture, fixtures and office equipment	Others	Assets under installation		
Cost												
1 January 2015	101	1,037	774	399	14,669	504	456	782	126	3,408	22,256	
Additions	-	69	-	73	895	18	84	126	2	7,535	8,802	
Disposals	-	-	-	(5)	(7)	(117)	(16)	(27)	(1)	(7)	(180)	
Transfer to non-current assets held-for-sale	-	-	-	-	-	-	-	-	-	(153)	(153)	
Transfer from investment Properties	4	7	-	-	-	-	-	-	2	-	13	
Transfers in (out)	-	-	-	-	3,841	40	11	18	(2)	(4,133)	(225)	
31 December 2015	105	1,113	774	467	19,398	445	535	899	127	6,650	30,513	
Additions	10	20	-	43	993	1	102	84	2	10,834	12,089	
Disposals	-	-	(190)	(10)	(14)	(403)	(28)	(18)	(2)	(4)	(669)	
Transfer to non-current assets held-for-sale	-	-	-	-	-	-	-	-	-	(326)	(326)	
Transfer from investment properties	5	15	-	-	-	-	-	-	5	-	25	
Transfers in (out)	-	-	-	-	10,450	-	17	47	-	(10,659)	(145)	
31 December 2016	120	1,148	584	500	30,827	43	626	1,012	132	6,495	41,487	

(Unit: Million Baht)

	Consolidated financial statements (Continued)										
	Land	Buildings, leasehold improvement and building improvement	Gateway station for the ACeS Satellite - based mobile project	Motor vehicles	Telecommunications equipment	Satellite transmission equipment	Tools and equipment	Furniture, fixtures and office equipment	Others	Assets under installation	Total
Accumulated depreciation											
1 January 2015	-	598	150	278	6,570	413	326	626	99	-	9,060
Depreciation for the year	-	62	-	48	1,677	44	46	98	13	-	1,988
Depreciation on disposals	-	-	-	(4)	(4)	(74)	(16)	(27)	(1)	-	(126)
Transfer from investment properties	-	4	-	-	-	-	-	-	2	-	6
Transfers in (out)	-	-	-	(2)	-	-	1	-	(3)	-	(4)
31 December 2015	-	664	150	320	8,243	383	357	697	110	-	10,924
Depreciation for the year	-	63	-	50	2,253	24	64	114	9	-	2,577
Depreciation on disposals	-	-	(27)	(9)	(14)	(364)	(28)	(17)	(2)	-	(461)
Transfer from investment properties	-	5	-	-	-	-	-	-	5	-	10
Transfers in (out)	-	-	-	-	2	-	-	(2)	-	-	-
31 December 2016	-	732	123	361	10,484	43	393	792	122	-	13,050

(Unit: Million Baht)

Consolidated financial statements (Continued)

	Land	Buildings, leasehold improvement and building improvement	Gateway station for the ACeS Satellite - based mobile project	Motor vehicles	Telecommunications equipment	Satellite transmission equipment	Tools and equipment	Furniture, fixtures and office equipment	Others	Assets under installation	Total
Allowance for impairment											
1 January 2015	-	-	624	-	-	70	-	-	-	-	694
Allowance for impairment on transfer out	-	-	-	-	-	(63)	-	-	-	-	(63)
31 December 2015	-	-	624	-	-	7	-	-	-	-	631
Allowance for impairment on disposals	-	-	(163)	-	-	(7)	-	-	-	-	(170)
31 December 2016	-	-	461	-	-	-	-	-	-	-	461
Net book value											
31 December 2015	105	449	-	147	11,155	55	178	202	17	6,650	18,958
31 December 2016	120	416	-	139	20,343	-	233	220	10	6,495	27,976
Depreciation for the year											
2015 (Baht 1,830 million included in cost of service, and the balance in selling, servicing and administrative expenses)											1,988
2016 (Baht 2,402 million included in cost of service, and the balance in selling, servicing and administrative expenses)											2,577

(Unit: Million Baht)

	Separate financial statements					Total
	Leasehold improvement	Furniture and office equipment	Tools and equipment	Motor vehicles		
Cost						
1 January 2015	54	26	2	2		84
Additions	-	1	-	-		1
Disposals	-	(1)	-	-		(1)
31 December 2015	54	26	2	2		84
Additions	-	2	-	-		2
31 December 2016	54	28	2	2		86
Accumulated depreciation						
1 January 2015	51	23	2	2		78
Depreciation for the year	1	2	-	-		3
Depreciation on disposals	-	(1)	-	-		(1)
31 December 2015	52	24	2	2		80
Depreciation for the year	1	2	-	-		3
31 December 2016	53	26	2	2		83
Net book value						
31 December 2015	2	2	-	-		4
31 December 2016	1	2	-	-		3
Depreciation for the year						
2015 (included in administrative expenses)						3
2016 (included in administrative expenses)						3

As at 31 December 2016, certain plant and equipment items of the Company and its subsidiaries had been fully depreciated but were still in use. The gross carrying amount before deducting accumulated depreciation and allowance for impairment of those assets amounted to approximately Baht 4,885 million, of which Baht 79 million is from the Company (2015: Baht 4,584 million and Baht 75 million, respectively).

As at 31 December 2016, subsidiaries had motor vehicles and equipment under finance lease agreements with net book values amounting to Baht 118 million (2015: Baht 134 million).

In 2005, Premium Assets Co., Ltd. (“PA”), purchased Jasmine International Tower from a financial institution at a price of Baht 1,200 million. The Company has prepaid rent in space in this building, as described in Note 15 to the financial statements, and therefore presents this prepaid rent as part of the purchase building in the consolidated financial statements, in order that the presentation of information reflects its underlying economic substance.

15. Prepaid rent

In 1998, the Company entered into a 30-year agreement to lease space in an office building (Jasmine International Tower) from Premium Real Estate Co., Ltd., an associate, and paid advance rental of Baht 415 million. Subsequently, in 2000, the associate transferred ownership of the building to financial institutions in settlement of liabilities, in accordance with a debt restructuring agreement.

In 2005, PA acquired the building back from the financial institution, as described in Note 14 to the financial statements. As a result, in order to present information in accordance with its underlying economic substance, the Company has presented its prepaid rent as part of the purchase building in the consolidated financial statements.

The prepaid rent balances as at 31 December 2016 and 2015 are as follows:

(Unit: Million Baht)

	Separate financial statements	
	2016	2015
Prepaid rent	415	415
Less: Accumulated amortisation	(255)	(241)
Prepaid rent - net	160	174
Amortisation expenses recognised in profit or loss	14	14

16. Short-term loans from banks

Short-term loans from banks of subsidiaries, on which interest is charged at a rate close to the Minimum Loan Rate, are secured by fixed deposits of subsidiaries.

17. Trade and other payables

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
Trade payables - unrelated parties	2,711	3,071	-	-
Retention payable	781	264	-	-
Accrued expenses	52	62	13	16
Other payables - related parties (Note 6)	8	10	411	31
Other payables - unrelated parties	398	346	5	2
Total trade and other payables	3,950	3,753	429	49

TTTBB has ongoing disputes with TT&T related to the debt settlements in 2009 by way of the assignment of promissory notes and transfer of rights in the receivable totalling Baht 877 million and leased line service agreements, as described in Note 10 to the financial statements.

18. Long-term loans

(Unit: Million Baht)

Loan	Interest rate (% per annum)	Consolidated financial statements		Separate financial statements	
		2016	2015	2016	2015
1	MLR - 0.25	6,000	-	6,000	-
2	MLR	586	677	-	-
3	MLR	-	139	-	-
Total		6,586	816	6,000	-
Less: Deferred fees and interest cost		(54)	-	(54)	-
Net balance		6,532	816	5,946	-
Less: Current portion		(1,410)	(120)	(1,182)	-
Long-term loans - net of current portion		5,122	696	4,764	-

(Unit: Million Baht)

	Consolidated financial statements	Separate financial statements
Balance as at 1 January 2016	816	-
Add: Addition	6,000	6,000
Less: Repayment	(230)	-
Balance as at 31 December 2016	6,586	6,000

Details of the above loans are summarised below.

1. This long-term loan is the loan of the Company, under the loan facility of Baht 6,000 million. Payment of an interest to be made on a monthly basis, and principal is repayable in 10 semi-annual installments of Baht 600 million each, with the remaining principal balance to be paid in full in the final instalment, the first of these due on 25 June 2017, and is to be repaid in full within 25 December 2021. This loan is secured by guarantees provided by four subsidiaries, the pledge of all investment units held in JASIF and the transfer of rights to receive dividend from JASIF. The loan agreement stipulates certain covenants relating to matters such as the maintenance of financial ratios, the maintenance of shareholdings and the creation of obligation.
2. This long-term loan is the loan of JSTC, payment of an interest to be made in monthly basis and payment of principal to be made at the end of each March, June, September and December, with quarterly installments of Baht 11 million during 2012 - 2014, Baht 23 million during 2015 - 2016, Baht 57 million in 2017 and Baht 91 million in 2018. Jastel Network Co., Ltd. ("JTN"), is assuming joint responsibility for the debt. In addition, this loan is secured by all rights and benefits pertaining to concession agreements as described in Note 9 to the financial statements and guaranteed by TLDT.
3. This long-term loan is the loan of Cloud Computing Solutions Co., Ltd. ("CCS"), repayable in 2011 in 3 installments, which are in August, September and December 2011, and in 28 quarterly installments from March 2012 to December 2018. The loan is guaranteed by JTS. The loan agreement contains an additional condition relating to repayment, whereby, if CCS receives settlements from TT&T and/or cash receipts from sales of TT&T shares received under TT&T's rehabilitation plan, CCS agrees to pay the bank all funds received to settle the loan interest first, with any remaining amount to be used to settle the loan principal. If the amount received is more than the interest and principal of any installment, CCS agrees to use the excess to settle the principal of the next installment due.

In 2016, CCS has been repayment of the loans principal prior to maturity totaling Baht 139 million without any charges.

19. Liabilities under finance lease agreements

(Unit: Million Baht)

	Consolidated financial statements	
	2016	2015
Liabilities under finance lease agreements	132	144
Less: Deferred interest expenses	(8)	(10)
Total	124	134
Less: Current portion	(51)	(45)
Liabilities under finance lease agreements - net of current portion	73	89

The subsidiaries have entered into the finance lease agreements with leasing companies for rental of motor vehicles and equipment for use in their operations, whereby they are committed to pay rental on a monthly basis. The terms of the agreements are generally between 2 and 5 years.

As at 31 December 2016 and 2015, future minimum lease payments required under the finance lease agreements were as follows:

(Unit: Million Baht)

	As at 31 December 2016		
	Less than 1 year	1-5 years	Total
Future minimum lease payments	56	76	132
Less: Deferred interest expenses	(5)	(3)	(8)
Present value of future minimum lease payments	51	73	124

(Unit: Million Baht)

	As at 31 December 2015		
	Less than 1 year	1-5 years	Total
Future minimum lease payments	50	94	144
Less: Deferred interest expenses	(5)	(5)	(10)
Present value of future minimum lease payments	45	89	134

20. Accounts payable for equipment

During the current year, subsidiary entered into agreements to purchase equipment from unrelated companies. Under the purchase agreements, subsidiary is obliged to make payment within 3 years. Payments of the outstanding balance of these accounts payable for equipment are secured by Acumen Co., Ltd.

As at 31 December 2016, the balances of accounts payable from unrelated parties for equipment are follows:

(Unit: Million Baht)

	Consolidated financial statements
Accounts payable for equipment	5,581
Less: Deferred interest expenses	(295)
Total	5,286
Less: Current portion	(766)
Total accounts payable for equipment - net of current portion	4,520

21. Provision for long-term employee benefits

Provision for long-term employee benefits, which represents compensation payable to employees after they retire, was as follows:

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
Provision for long-term employee benefits at beginning of year	355	254	28	15
Included in profit or loss: (Included in administrative expenses)				
Current service cost	23	17	2	1
Interest cost	9	9	1	1
Included in other comprehensive income:				
Actuarial loss arising change				
Financial assumptions changes	-	40	-	2
Experience adjustments	-	39	-	9
Benefits paid during the year	(9)	(4)	(2)	-
Provision for long-term employee benefits at end of year	378	355	29	28

The Company and its subsidiaries expect to pay Baht 1 million of long-term employee benefits during the next year (2015: Baht 21 million) (the Company only: Nil (2015: Baht 3 million)).

As at 31 December 2016, the weighted average duration of the liabilities for long-term employee benefit of the company and its subsidiaries are 11 years (2015: 12 years) and of the Company only is 11 years (2015: 12 years).

Principal actuarial assumptions at the valuation date were as follows:

(Unit: Percent per annum)

	Consolidated/Separate financial statements	
	2016	2015
Discount rate	2.75%	2.75%
Future salary increase rate	5%	5%

The result of sensitivity analysis for significant assumptions that affect the present value of the long-term employee benefit obligation as at 31 December 2016 are summarised below:

(Unit: Million Baht)

	Consolidated financial statements	Separate financial statements
Discount rate		
Increase 50 basis points (3.25%)	(22)	(2)
Decrease 50 basis points (2.25%)	24	2
Future salary increase rate		
Increase 100 basis points (6%)	52	4
Decrease 100 basis points (4%)	(45)	(3)

22. Share register/Treasury shares/Appropriated retained earnings for treasury shares

In December 2015, June 2016 and September 2016, the JAS-W3 warrant holders exercised their rights to purchase 3.1 million warrants or 3.5 million ordinary shares of the Company, which the Company registered the increase in its share capital to Baht 3,568.5 million (7,137 million ordinary shares of Baht 0.5 each) with the Ministry of Commerce on 7 October 2016.

On 29 April 2016, the Annual General Meeting of shareholders of the Company for the year 2016 passed the resolution approving a program for management purposes to repurchase up to 1,200 million shares (par value of Baht 0.50 each), or 16.82 percent of the total number of shares in issue, with a repurchase price of Baht 5.00 per share. The maximum budget of the program is Baht 6,000 million. The shares are to be repurchased through an offer to general shareholders during 1-10 June 2016 and will be resold during 14-16 December 2016. The Company had purchased back 1,200 million ordinary shares, for a total of Baht 6,000 million or 16.82 percent of the total number of shares in issue (excluded cost of repurchase treasury shares).

According to letter No. Gor Lor Tor. Chor Sor. (Vor) 2/2548 of the Office of the Securities and Exchange Commission, dated 14 February 2005, concerning the acquisition of treasury shares, a public limited company may purchase back treasury shares in an amount not exceeding the amount of its retained earnings and is to appropriate an equal amount of retained earnings to a reserve for treasury shares, which must be maintained until the Company either sells the treasury shares or reduces its paid-up share capital by an amount equal to the value of the treasury shares which it could not sell.

In June 2016, the Company appropriated the full required amount of retained earnings to a reserve for the treasury shares.

Subsequently, on 23 December 2016, the Company registered a decrease in its share capital totalling 1,200 million shares by writing off the treasury shares that could not be sold through the SET during 14-16 December 2016 totalling 1,200 million shares, with the Ministry of Commerce. The Company reversed all the appropriated retained earnings for treasury shares after decreasing paid-up share capital by writing off the treasury shares as stated above.

23. Warrants

On 28 April 2015, the Extraordinary General Meeting of shareholders no.1/2558 of the Company passed the resolution approving the issue and allocation of 3,497.3 million units of JAS-W3 warrants to the existing shareholders of the Company, free of charge, in proportion to their shareholding, at a ratio of 1 warrant for every 2.04 existing ordinary shares (par value of Baht 0.50 per share). Subsequently, on 6 July 2015, the Company issued the 3,428.4 million units of JAS-W3 to the existing shareholders of the Company. The warrants have an exercise period of 5 years from the date of issue, and are exercisable on the last business day of each quarter over the term of the warrants. The first and the last exercise dates are 30 September 2015 and 3 July 2020, respectively. The exercise ratio is 1 warrant per 1 ordinary share and the exercise price is Baht 4.30 (par value of Baht 0.50 per share). The remaining 68.9 million units of JAS-W3 has already been discarded.

On 25 February 2016, the meeting of the Company's Board of Directors no.1/2559 passed a resolution approving an adjustment of the exercise price and the exercise ratio of JAS-W3 for the purpose of preserving the interests of JAS-W3 holders, from the existing exercise price of Baht 4.30 per share to Baht 4.098 per share and from the existing exercise ratio of 1 warrant to 1 ordinary share to 1 warrant to 1.049 ordinary shares. On 13 June 2016, the Company adjusted the exercise price and the exercise ratio of JAS-W3 for the purpose of preserving the interests of JAS-W3 holders, from the existing exercise price of Baht 4.098 per share to Baht 3.904 per share and from the existing exercise ratio of 1 warrant to 1.049 ordinary share to 1 warrant to 1.101 ordinary shares.

During the December 2016, 294.1 million warrants were exercised to purchase 323.8 million new ordinary shares, and the Company registered the resulting increase in its share capital with the Ministry of Commerce on 9 January 2017. As a result, the Company presented the exercise of these warrants, amounting to Baht 1,264.2 million, under the caption of "share subscription received in advance" in shareholders' equity as at 31 December 2016.

As at 31 December 2016, the Company had 2,992.4 million warrants remaining unexercised.

24. Statutory reserve

Pursuant to Section 116 of the Public Limited Companies Act B.E. 2535, the Company is required to set aside to a statutory reserve at least 5 percent of its net income after deducting accumulated deficit brought forward (if any), until the reserve reaches 10 percent of the registered capital. The statutory reserve is not available for dividend distribution.

Pursuant to section 1202 of the Thai Civil and Commercial Code, subsidiaries incorporated under Thai Laws is required to set aside a statutory reserve equal to at least 5 percent of its income each time the subsidiaries pays out a dividend, until such reserve reaches 10 percent of its registered share capital. The statutory reserve can neither be offset against deficit nor used for dividend payment.

25. Expenses by nature

Significant expenses by nature are as follows:

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
Telecommunication network rental expenses	5,319	5,168	-	-
Loss from impairment of investment in subsidiary	-	-	832	-
Damages from non-compliance with the conditions precedent to be met before granting a license	841	-	-	-
Salaries, wages and other employee benefits	2,263	2,061	105	107
Depreciation and amortisation	2,612	2,032	16	17
Telecommunication license fees	934	1,011	-	-
Consulting fees	133	77	81	29
Electricity expenses	330	274	2	2
Repair and maintenance expenses	402	256	-	-
Sales promotion expenses	295	253	-	-
Cost of goods sold	185	225	-	-
Doubtful debt and bad debt	338	223	-	-
Rental expenses from operating lease agreements	206	178	4	4
Exchange losses	105	127	-	-

26. Income tax

Income tax for the years ended 31 December 2016 and 2015 are made up as follows:

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
Current income tax charge	893	9,163	-	-
Deferred tax relating to origination and reversal of temporary differences	(31)	(3,140)	(2)	81
Income tax reported in the statement of comprehensive income	862	6,023	(2)	81

Below is the reconciliation of income tax with the product of accounting profit multiplied by the applicable tax rates for the years ended 31 December 2016 and 2015.

(Unit: Million Baht)

	Consolidated financial statements	
	2016	2015
Accounting profit before tax	3,854	21,922
Applicable tax rate	20%	20%
Accounting profit before tax multiplied by applicable tax rate	771	4,384
Effects of reversal of temporary differences recognised in the past	-	69
Tax effect of income and expenses that are not taxable income or not deductible in determining taxable profit:		
Promotional privileges (Note 27)	(161)	(172)
Share of profit from investments in associate	(204)	(160)
Unrealised gains on sales of assets to the fund in proportion to the Company's unit holding (Note 28)	216	1,886
Unrecognised deferred tax assets		
Non-deductible expenses	40	-
Tax losses of the current year	199	9
Others	1	7
Income tax reported in the statement of comprehensive income	862	6,023

(Unit: Million Baht)

	Separate financial statements	
	2016	2015
Accounting profit before tax	9,620	13,512
Applicable tax rate	20%	20%
Accounting profit before tax multiplied by applicable tax rate	1,924	2,702
Effects of reversal of temporary differences recognised in the past	-	69
Tax effect of income and expenses that are not taxable income or not deductible in determining taxable profit:		
Dividend income from subsidiaries	(1,789)	(2,497)
Dividend income from associate	(326)	(191)
Unrecognised deferred tax assets		
Loss from impairment of investment in subsidiary	166	-
Tax losses of the current year	22	-
Others	1	(2)
Income tax reported in the statement of comprehensive income	(2)	81

The components of deferred tax assets are as follows:

(Unit: Million Baht)

	Consolidated statements of financial position		Profit or loss in consolidated statements of comprehensive income	
	As at 31 December		For the years ended 31 December	
	2016	2015	2016	2015
Deferred tax assets				
Allowance for doubtful accounts	70	54	(16)	(32)
Provision for reversal of judgement by the Supreme Court	60	58	(2)	(58)
Provision for rental assurance	3,103	3,093	(10)	(3,093)
Provision for long-term employee benefits	72	67	(5)	(3)
Provision for entry fee for laying the optical fiber cables	92	94	2	(94)
Unused tax losses	-	-	-	140
Deferred tax relating to origination and reversal of temporary differences			(31)	(3,140)
Deferred tax assets - net	3,397	3,366		

(Unit: Million Baht)

	Separate statements of financial position		Profit or loss in separate statements of comprehensive income	
	As at 31 December		For the years ended 31 December	
	2016	2015	2016	2015
Deferred tax assets				
Provision for reversal of judgement by the Supreme Court	60	58	(2)	(58)
Provision for long-term employee benefits	6	6	-	(3)
Unused tax losses	-	-	-	142
Deferred tax relating to origination and reversal of temporary differences			(2)	81
Deferred tax assets - net	66	64		

As at 31 December 2016 the Company and its subsidiaries had deductible temporary differences and unused tax losses totalling Baht 2,470 million (2015: Baht 2,431 million) and of the Company only Baht 112 million (2015: Baht 1,386 million), on which deferred tax assets have not been recognised as the Company and its subsidiaries believe future taxable profits may not be sufficient to allow utilisation of the temporary differences and unused tax losses.

There is tax loss unused amounting to Baht 1,395 million (the Company only: Baht 112 million). This gradual expiration of their benefits in 2017 - 2021 (the Company only: in 2021).

27. Promotional privileges

In Cloud Co., Ltd. ("IC"), has received promotional tax privileges from the Board of Investment pursuant to promotion certificate No. 2200(7)/2554 issued on 29 September 2011. The privileges include an exemption from corporate income tax for a period of 8 years from the date of the promoted operations commenced generating revenues (31 May 2012).

In 2016, IC had revenues from promoted operations amounting to Baht 854 million (2015: Baht 906 million).

28. Infrastructure fund transactions

On 25 November 2013, the Extraordinary General Meeting of the Company's Shareholders No. 1/2556 passed a resolution approving the Company and/or its subsidiaries to sell certain assets relating to the broadband Internet business to an infrastructure fund for broadband Internet business. The selling price was expected to be approximately Baht 70,000 million. However, on 27 October 2014 a meeting of the Extraordinary General Meeting of the Company's Shareholders No. 1/2557 passed a resolution to approve an amendment to the resolution of the Extraordinary General Meeting of the Company's Shareholders No. 1/2556, in order to approve the sale of only optical fiber cable, with the selling price to be approximately Baht 55,000 - 70,000 million, and to approve the rental of optical fiber cable of the Company and/or its subsidiary for their operations.

On 10 February 2015, the Securities and Exchange Commission of Thailand approved the establishment of JASIF. The Company and TTTBB entered into the agreements with JASIF as follows.

a) Asset Sale and Transfer Agreement

TTTBB entered into the Asset Sale and Transfer Agreement with JASIF to sell of the OFCs at a price of Baht 55,000 million. Under the agreement, TTTBB shall deliver and transfer the OFCs approximately 980,000 core kilometers whereby TTTBB is to transfer not less than 800,000 core kilometers of the OFCs (equivalent to Baht 45,527 million) (“the Existing OFCs”) on the contract date and will gradually transfer approximately 180,000 core kilometers of the OFCs (equivalent to Baht 9,473 million) (“the Future OFCs”) over two years. If TTTBB cannot deliver the OFCs to JASIF by the delivery schedule, TTTBB has to pay the liquidation damages at the rates specified in the agreement. In addition, TTTBB has to pledge its saving deposit amounting to Baht 350 million to guarantee the delivery in the second year.

During the current year, TTTBB has completely transferred and delivered the OFCs totalling of 980,500 core kilometers to JASIF in accordance with the agreement (2015: 883,000 core kilometers) and TTTBB has already received guarantee deposit back from JASIF.

b) Main Lease Agreement

TTTBB entered into the OFCs lease agreement with JASIF for the lease of 80% of the OFCs sold and delivered to JASIF pursuant to the Asset Sale and Transfer Agreement, consisting of 80% of the Existing OFCs delivered to JASIF pursuant to the Asset Sale and Transfer Agreement and 80% of the Future OFCs delivered to JASIF pursuant to the Asset Sale and Transfer Agreement. The Main Lease Agreement is for a period of approximately 11 years (ending 22 February 2026). TTTBB agrees to pay fixed rental fee at the rate of Baht 425 per core kilometer per month until 31 December 2015 and the fee will be increased on 1 January each year in line with the change in the Thailand CPI announced by the Ministry of Commerce, with a cap of 3% per annum. TTTBB agrees to pay the rent for the last three months in advance to JASIF at the time when the first rental payment is due. The advance rental payment in the aggregate must be at least Baht 816 million.

c) Rental Assurance Agreement

JASIF may lease 20% of the OFCs to any lessee. During the period in which there are no third party lessees, TTTBB agrees to lease these assets and pay for the rental fee to JASIF in order to guarantee JASIF’s lease revenue throughout the term of the Rental Assurance Agreement for three years. The Rental Assurance Agreement will be renewed for additional three-year periods at the option of JASIF until the expiration of the Main Lease Agreement with the rental fee of Baht 750 per core kilometer per month until 31 December 2015 and the fee will be increased on 1 January each year in line with the change in Thailand CPI announced by the Ministry of Commerce with a cap of 3% per annum.

d) OFCs Maintenance Agreement

JASIF appointed TTTBB to carry out the services of repairing, replacing, maintaining and managing the OFCs on behalf of JASIF. JASIF shall pay the service fee to TTTBB at the rate of Baht 200 per core kilometer per year until 31 December 2015 and the service fee will be increased by 3% per annum on 1 January each year. This agreement shall effect until 22 February 2026 or the earlier termination of the Main Lease Agreement.

e) Marketing Services Agreement

TTTBB shall find other lessees to lease 20% of total OFCs (“Secondary Optical Fiber Cable”) of JASIF. If any lessee is interested in leasing these assets, JASIF is entitled to lease these assets to such lessee. TTTBB agrees to waive its right to use these assets immediately after a lease agreement has been entered into with such lessee. JASIF agrees to pay a service fee to TTTBB in an amount equal to 25% of the amount that exceeds the aggregate amount of rental that TTTBB actually receives from all lessees for the lease of any Secondary Optical Fiber Cable during the three year term of this agreement, deducted by aggregate amount of rental that TTTBB shall be liable to pay to JASIF under the Rental Assurance Agreement throughout the three-year term in respect of the lease of Secondary Optical Fiber Cable of this agreement. The term of the agreement is three years and will be renewed for additional three-year periods at the option of JASIF until the expiration of TTTBB’s Type 3 telecommunications license in February 2026.

f) Loan Agreement

TTTBB has agreed to grant a loan to JASIF amounting to Baht 3,850 million which is equal to the VAT amount of the purchase price of the OFCs. The interest rate is 2% per annum. If JASIF does not obtain the VAT amount from the Thai Revenue Department in full within the two-year period from the date of completion of sales and purchase transaction, JASIF shall no longer be liable to pay the interest to TTTBB under the Loan Agreement. The repayments under this Loan Agreement are subject to JASIF’s receipt of a refund of the VAT amount from the Thai Revenue Department, and JASIF is obligated to repay the loan only to the extent of the VAT amount is actually refunded from the Thai Revenue Department. To the extent any amount of the VAT amount is not actually recovered from the Thai Revenue Department, TTTBB agrees to waive or relinquish its right to pursue any further legal action against JASIF for the repayment of the loan in full.

g) Undertaking Agreement

The Company and affiliates must maintain their shareholding percentage in TTTBB and Triple T Internet Co., Ltd. (“TTTTI”) not less than 76% and TTTBB must maintain financial ratio, for example, current liabilities to equity ratio, debt to equity ratio, and financial ratio for dividend payment as specified in the agreement.

In addition, the Company may not sell, transfer or dispose of the initial investment units for three years, unless it receives prior written consent from JASIF, and during the fourth to sixth years it may not sell, transfer or dispose of the investment units of JASIF to the extent that its unitholding falls below 19% of the total initial number of investment units issued, unless it receives prior written consent from JASIF.

The Company and TTTBB reviewed the accounting treatments for the transactions by considering the substance of the transactions and concluded as follows:

1. TTTBB can recognise assets sale transaction since the assets sale transactions have transferred significant risks and rewards of ownership to JASIF. Future revenue from assets sold to JASIF will be JASIF’s revenue and the sale did not result in the lease of assets solely being bound by TTTBB. To summarise, the transaction is true sale and can be recorded as assets sale.

2. As TTTBB entered into the Rental Assurance Agreement with JASIF, the rental assurance is considered immaterial, and this makes TTTBB unable to record the revenue from sale of assets because assurance rental is approximately only 20% of total the OFCs. However, TTTBB has recorded the provision for rental assurance in its account.
3. Sales and leaseback transactions have been tested with criterion specified in TAS 17 Lease and are considered operating lease.

In addition, the following facts have been considered as significant risks and rewards of the assets sold and have been transferred.

1. JASIF is an entity to bear the risk of loss on the physical damage on the assets sold and the risk relating to fluctuations in future revenues.
2. Rental rate as defined in the Main Lease Agreement which JASIF charges to TTTBB is considered as market rate as per the expert opinion.
3. Unitholders of JASIF exercise decision-making authority as the owner of the assets.

In summary, TTTBB shall recognise gain on assets sale amounting to Baht 3,240 million (2015: Baht 28,288 million) and the Company recognised gain on assets sales amounting to Baht 2,160 million (2015: Baht 18,859 million) (after eliminating one third of the transactions, in proportion to the Company's unit holding in JASIF) in separate transaction under the caption of "Other income" in the consolidated statement of comprehensive income for the year ended 31 December 2016.

The assets sales transactions are summarised as follows:

(Unit: Million Baht)

	Consolidated financial statements	
	2016	2015
Amount proceed, net advance received for the future OFCs	5,131	49,869
Costs of asset sales	(413)	(2,863)
Gain on sales of assets	4,718	47,006
Less: Expenses related to assets sales transactions	-	(1,569)
Gain on sales of assets before tax	4,718	45,437
Less: Provision for rental assurance on the delivery dates	(1,662)	(17,073)
Add: Adjustments of provision for rental assurance from discount rate changed in the period	280	510
Less: Provision for entry fee for laying the optical fiber cables on the delivery dates	(96)	(586)
Less: Eliminating profit in proportion to the Company's unit holding	(1,080)	(9,429)
Gain on sales of assets to JASIF	2,160	18,859

29. Earnings per share

Basic earnings per share is calculated by dividing profit for the year attributable to equity holders of the Company (excluding other comprehensive income) by the weighted average number of ordinary shares held by outsiders in issue during the year.

Diluted earnings per share is calculated by dividing profit for the year attributable to equity holders of the Company (excluding other comprehensive income) by the weighted average number of ordinary shares in issue during the year plus the weighted average number of ordinary shares which would need to be issued to convert all dilutive potential ordinary shares into ordinary shares. The calculation assumes that the conversion took place either at the beginning of the year or on the date the potential ordinary shares were issued.

The following table sets forth the computation of basic and diluted earnings per share:

	Consolidated financial statements					
	Profit for the year		Weighted average number of ordinary shares		Earnings per share	
	2016	2015	2016	2015	2016	2015
	(Million Baht)	(Million Baht)	(Million shares)	(Million shares)	(Baht)	(Baht)
Basic earnings per share						
Profit attributable to equity holders of the parent	3,002	15,710	6,476	7,030	0.46	2.23
Effect of dilutive potential ordinary shares						
Warrants offered to existing shareholders	-	-	844	285		
Diluted earnings per share						
Profit attributable to ordinary shareholders assuming the conversion of warrants to ordinary shares	3,002	15,710	7,320	7,315	0.41	2.15

	Separate financial statements					
	Profit for the year		Weighted average number of ordinary shares		Earnings per share	
	2016	2015	2016	2015	2016	2015
	(Million Baht)	(Million Baht)	(Million shares)	(Million shares)	(Baht)	(Baht)
Basic earnings per share						
Profit attributable to equity holders of the parent	9,622	13,431	6,476	7,030	1.49	1.91
Effect of dilutive potential ordinary shares						
Warrants offered to existing shareholders	-	-	844	285		
Diluted earnings per share						
Profit attributable to ordinary shareholders assuming the conversion of warrants to ordinary shares	9,622	13,431	7,320	7,315	1.31	1.84

30. Segment information

Operating segment information is reported in a manner consistent with the internal reports that are regularly reviewed by the chief operating decision maker in order to make decisions about the allocation of resources to the segment and assess its performance.

For management purposes, the Company and its subsidiaries are organised into business units based on its services and have four reportable segments as follows:

- 1) Broadband internet
- 2) Telecommunications network and service provider
- 3) Provision, design and installation of telecommunications systems
- 4) Other segments

The chief operating decision maker monitors the operating results of the business units separately for the purpose of making decisions about resource allocation and assessing performance. Segment performance is measured based on operating profit or loss and on a basis consistent with that used to measure operating profit or loss in the financial statements.

The basis of accounting for any transactions between reportable segments is consistent with that for third party transactions.

Inter-segment revenues are eliminated on consolidation.

Business operations of the Company and its subsidiaries are mainly carried on in Thailand. Below is the consolidated financial information for the years ended 31 December 2016 and 2015 of the Company and its subsidiaries by segment.

(Unit: Million Baht)

	Broadband internet		Telecommunications network and service provider		Provision, design and installation of telecommunications systems		Other segments		Elimination of inter-segment transactions		Consolidated total	
	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015
	Sales and service income											
Revenue from external customers	14,510	12,677	920	1,124	43	32	146	150	-	-	15,619	13,983
Inter-segment revenues	66	72	941	1,069	106	55	161	156	(1,274)	(1,352)	-	-
Total revenues	14,576	12,749	1,861	2,193	149	87	307	306	(1,274)	(1,352)	15,619	13,983
Segment operating profit (loss)	5,708	5,200	198	362	9	40	(7)	(26)			5,908	5,576
Unallocated income and expenses:												
Other income											2,532	19,444
Selling and servicing expenses											(1,156)	(1,000)
Administrative expenses											(2,769)	(2,347)
Exchange losses											(105)	(127)
Damages from non-compliance with the conditions precedent to be met before granting a license											(841)	-
Doubtful accounts and bad debt											(338)	(223)
Share of profit from investments in associate											1,019	797
Finance cost											(395)	(198)
Income tax											(863)	(6,023)
Non-controlling interests of subsidiaries											10	(189)
Profit attributable to equity holders of the Company											3,002	15,710

31. Provident fund

The Company, its subsidiaries and their employees have jointly established a provident fund in accordance with the Provident Fund Act B.E. 2530. The Company, its subsidiaries and their employees contribute to the fund monthly at rates of 3 to 8 percent of basic salary and will be paid to employees upon termination in accordance with the fund rules. The fund is managed by BBL Asset Management Co., Ltd. During 2016, the Company and its subsidiaries contributed Baht 81 million, of which Baht 6 million is from the Company, to the fund (2015: Baht 75 million and Baht 5 million, respectively).

32. Dividends

Dividends	Approved by	Total dividends (Million Baht)	Dividend per share (Baht)
Final dividend for 2015	Annual General Meeting of shareholders for the year 2016 on 29 April 2016	2,140	0.30
Interim dividends for the period as from 1 January 2016 to 31 March 2016	Board of Directors meeting No.6/2559 on 21 June 2016	890	0.15
Interim dividends for the period as from 1 January 2016 to 30 September 2016	Board of Directors meeting No.12/2559 on 10 November 2016	891	0.15
Total dividends for 2016		3,921	0.60
Interim dividends for the period as from 1 January 2015 to 19 February 2015	Board of Directors meeting No.1/2558 on 23 February 2015	10,492*	1.50
Final dividends for 2014	Annual General Meeting of Shareholders for the year 2015 on 28 April 2015	1,049	0.15
Interim dividends for the period as from 1 January 2015 to 30 September 2015	Board of Directors meeting No.8/2558 on 29 October 2015	713	0.10
Total dividends for 2015		12,254	1.75

*As at the closing date of the share register, 6,992,879,377 of the Company's ordinary shares were qualified to receive dividend, after deduction of 142,730,000 shares held by the Company as treasury shares and 1,785,001 shares disqualified to receive this dividend by the registrar (Thailand Securities Depository Co., Ltd.). The total dividend paid was thus Baht 10,489 million.

33. Commitments and contingent liabilities

33.1 Capital commitments

As at 31 December 2016, subsidiaries had capital commitments of approximately USD 13 million and Baht 148 million (2015: USD 14 million and Baht 94 million) relating to acquisition of equipment.

33.2 Operating lease commitments

The subsidiaries have entered into several lease agreements in respect of land, office building space, equipment and other services. The terms of the agreements are generally between 1 and 11 years.

As at 31 December 2016 and 2015, subsidiaries had future minimum lease payments required under these non-cancellable operating leases contracts were as follows.

(Unit: Million Baht)

	Consolidated financial statements	
	31 December 2016	31 December 2015
In up to 1 year	4,428	4,146
In over 1 and up to 5 years	17,986	17,884
In over 5 years	19,925	24,952

33.3 Guarantees

- a) The Company and its subsidiaries had outstanding commitments of approximately Baht 345 million in respect of bid bonds and performance bonds issued by banks and financial institutions on behalf of the Company and its subsidiaries (2015: Baht 425 million) and of the Company only amounting to Baht 3 million (2015: Baht 10 million).
- b) The Company had obligations in respect of its guarantee of letters of guarantee that have been issued by banks on behalf of the subsidiaries totalling Baht 3 million (2015: Baht 3 million).
- c) Subsidiaries had outstanding commitments under the letters of credit with local and overseas suppliers totalling approximately USD 6 million and Baht 187 million (2015: USD 22 million).

33.4 Long-term service commitments

- a) On 1 May 2006, TTTBB entered into an agreement to provide telecom network services to TT&TSS, whereby TTTBB received a monthly services fee as stipulated in the agreement. TTTBB is obliged to comply with certain conditions as stated in the agreement. TTTBB is obliged to provide services until 26 October 2018.
- b) On 1 May 2006, TTTBB entered into an agreement with TT&T, which is to provide leased line services to TTTBB, whereby TTTBB agreed to pay a monthly services fee as stipulated in the agreement. TTTBB is obliged to comply with certain conditions as stated in the agreement until 26 October 2018.

On 12 May 2009, the meeting of Board of Directors of TTTBB passed a resolution whereby TTTBB would enter into an agreement with TT&TSS to amend the service charge calculation method for telecom network services as described in Note 33.4 a) to the financial statements, to service revenue sharing, with TTTBB receiving a 95 percent of service fees charged to customers, assuming that TTTBB (or its subsidiary) and TT&TSS are jointly providing the service to customers. Under this agreement, TTTBB (or its subsidiary) is to invest in telecom network services, procurement of routers and advertising. The Meeting also passed a resolution whereby TTTBB would enter into an agreement with TT&T to amend the service charge for leased line services under the agreement made with TT&T, as described in Note 33.4 b) to the financial statements, to 15 percent of average monthly telecom network services revenue per circuit received by TTTBB. The management of TTTBB believes that the parties will mutually benefits from the amended conditions.

On 23 February 2011, P Planner Co., Ltd., as rehabilitation plan preparer of TT&T at that time, gave notice of its refusal to acknowledge rights over the leased line service contract, as described in Note 33.4 b) to the financial statements, including any additional revisions of agreements and/or memorandums, and all agreements regarding the leased line service rate, with effective from 25 February 2011 onwards.

On 8 March 2011, TTTBB filed a lawsuit against TT&T with the Central Bankruptcy Court requesting the Court to order to reverse or to revise the mentioned notification. However, on 6 June 2013 the Central Bankruptcy Court ordered to dismiss the request of TTTBB because the notification is lawful and within the rights of the rehabilitation plan administrator.

c) TTTBB is committed to pay rental fees and provide service to JASIF with certain conditions as described in Note 28 to the financial statements.

- 33.5 T.J.P. Engineering Co., Ltd. (“TJP”), has entered into a turn-key agreement with a counterparty, whereby TJP is obliged to deliver work within the period stipulated in the agreement, which is within 29 December 2006. Up to the present, TJP has been unable to make delivery within the stipulated period and the counterparty is therefore entitled to charge a penalty to TJP at a rate of 0.2 percent of the contract value (Baht 31 million) per each day of delay. However, the management of TJP is in the process of negotiation with the counterparty to reduce the scope of work and requesting an extension of the deadline for delivery. The management of TJP believe that TJP will successfully negotiate with the counterparty to reduce the scope of work, extension of the deadline and will complete the project with an immaterial amount of penalty being imposed because the delay was caused by the delay in the delivery of areas by related agencies.
- 33.6 Following the Central Bankruptcy Court’s approval of the business rehabilitation plan (“the plan”) of the Company on 7 August 2003, the Company complied with all requirements in the plan. The Court therefore issued an order to terminate the business rehabilitation plan of the Company on 14 September 2006. However, certain creditors of the Company lodged objections to certain issues with the Supreme Court during the rehabilitation process.

On 19 August 2013, the Central Bankruptcy Court read the judgement of the Supreme Court, rejecting the rehabilitation plan and cancelling the Central Bankruptcy Court’s business rehabilitation order. As a result the rights of claim of the creditors of the Company returned to what they were prior to the rehabilitation order.

The Company received a legal opinion on 30 October 2013, stating that the judgement of the Supreme Court rendered the rehabilitation plan and all orders of Official receiver ineffective and no longer binding on the creditors and the Company. The rights of claim of creditors on the Company as a debtor would return to what they were prior to the rehabilitation order. Nevertheless, the Company has operated in accordance with the plan for a long time and has, in particular, repaid debt to the creditors in various forms, such as cash repayment, share and asset transfers, and debt to equity swaps. In addition, the legal advisor is of the opinion that, whether and how much the Company will be required to pay to any particular creditor depends on whether the creditors present themselves, exercise their rights and convince the Company that they are the creditors of the amounts claimed. In case of any dispute or disagreement over any matter, the matter will need to be forwarded for consideration by the Civil Court in order to reach settlement. For the reasons mentioned above, because no creditors have presented themselves since the time that the Central Bankruptcy Court read the judgement of the Supreme Court. The Company is therefore of the opinion that it is highly unlikely that the Company will have to pay any obligations in respect of such events and has not recorded a provision with respect to the judgement of Supreme Court. The Company and the legal advisor made a preliminary assessment, applying the relevant laws, and assessed the value of the assets paid at their current value. It was found that additional liabilities of up to Baht 1,343 million, excluding interest, might arise if the Company were sued by the creditors in the future. By the way, whether and how much the Company will be required to pay to any particular creditor depends on whether the creditors present themselves, exercise their rights and convince the Company that they are the creditors of the amounts claimed.

Subsequently in August 2014, five asset management company and financial institutions filed lawsuits petitioning the Central Intellectual Property and International Trade Court (“Central Intellectual Property Court”) to order the Company to make debt repayments under loan agreements, guarantee agreements and

rehabilitation agreements of Baht 526 million, USD 25 million and Yen 1,736 million (as at 31 December 2016 equivalent to a total of approximately Baht 1,965 million), comprising principal of Baht 1,177 million and interest of Baht 788 million as a consequence of the Supreme Court's rejection of the rehabilitation plan and cancellation of the business rehabilitation order, as described above. Initially, it was found that all of the debts under the lawsuit were debts for which claims were previously filed under the rehabilitation plan of the Company. The Company has assessed the conditions of accounting under these new circumstances, and believes that the Company should record provision in accordance with financial reporting standards whenever creditors present themselves by filing lawsuits with the court. However, the rights of claim of two plaintiffs were assigned by various former creditors (principal of Baht 466 million and interest of Baht 459 million), one is not named among the creditors filing claims under the business rehabilitation plan. The legal advisor's opinion is that when the court considers these matters, the two plaintiffs will have to convince the Court that they are creditors to whom the rights in the actual amounts claimed were assigned legally and without error. It is likely that the two plaintiffs will be unable to prove this without legal issues since these rights have been transferred a number of times both within Thailand and overseas over a considerable period of time. Moreover, if the facts show that the objective of acquiring the rights was solely to sue the Company in order to seek benefit, after the Supreme Court issued its judgement regarding this matter, the transfer of rights of claim could be deemed illegal and could be declared invalid. Therefore, legal advisor is of the opinion that it is uncertain whether the two plaintiffs will receive payment of the amount claimed in the petitions. The Company has therefore recorded provision for the other three plaintiffs who are the original creditors, or creditors as a result of mergers with the original creditors who are named in applications for payment in the Company's rehabilitation plan (principal of Baht 711 million and interest of Baht 329 million). Following the legal advisor's opinion, provision amounting to Baht 301 million (principal of Baht 260 million and interest of Baht 41 million) is recorded in the financial statements since it is highly likely that the Company will be liable. This was determined based on the amount of the claims filed by the three plaintiffs, less the approximate amounts of settlements made in any form under the rehabilitation plan, in accordance with the legal advisor's opinion.

The Company has disputed the authority of the Central Intellectual Property Court in respect of these cases to the Supreme Court. Currently, the Central Intellectual Property Court has temporarily struck the lawsuits brought by two plaintiffs from the case list while awaiting a ruling from the president of the Supreme Court on the authority of the Court. The lawsuits brought by the other three plaintiffs are in the process of being considered by the Central Intellectual Property Court and the ultimate outcome of the case cannot be determined at this stage. The court's decision may affect the amount of this provision. Since there is still a lack of legal clarity because the Supreme Court did not directly address the effect of the debt settlement made out by the plan administrator in accordance with the terms of the rehabilitation plan, the Company has decided that the amount of reserves recorded in the accounts is adequate and appropriate in the current circumstances. Moreover, if creditors file additional claims in the future and the Company has preliminarily verified these, the Company will record additional provision for those creditors in the Company's accounts. However, the recording of such provision does not in any way constitute an acceptance of the Company's obligation to pay such liabilities.

- 33.7 In September and December 2013, JTS entered into agreements with two government agencies to sell 357,024 and 12,246 tablet personal computers in Zone 4 (Northern and Northeastern regions) with total contract values of Baht 749 million (excluding value added tax). Under a condition in the agreements, JTS had to deliver all of the tablets to these government agencies within December 2013 and March 2014, respectively. However, JTS was unable to deliver the tablets as scheduled in the agreements as a result of a massive fire in September 2013 at a production facility in China where a part of the tablets was produced.

JTS submitted letters to the government agencies, the counterparties to the agreements, to inform them of the cause of the delay and request extensions of the shipment schedules. The agreements stipulate that JTS is obliged to pay a penalty for delayed shipment at a daily rate of 0.2 percent of the price of the unshipped tablets. During 2014, these counterparties to the agreements submitted letters to JTS to terminate the sale and purchase of tablet agreements with JTS. These counterparties considered JTS to be unable to perform its obligations under the agreements and asked JTS to pay the penalty at the daily rate of 0.2 percent of the price of the unshipped tablets from the dates of delivery stipulated in the agreements to the date of termination of the agreements, a total of Baht 148 million. In addition, the counterparties asked the bank who issued bank guarantees on behalf of JTS as performance bonds for these agreements to pay them a total of Baht 40 million under these letters of guarantee. However, JTS submitted letters to these counterparties objecting to the terminations of the agreements and to the imposition of penalties under the agreements. These clarified that the cause of the delays in the shipments of tablets was the aforementioned massive fire at a production facility, which was an event of force majeure and outside the JTS's control, and JTS had already notified the cause of delay to the both counterparties. JTS therefore believes that it is not obliged to pay penalties and damages to these counterparties. In addition, JTS submitted letters to the bank who issued bank guarantees for JTS, asking it not to pay a total of Baht 40 million to these counterparties. However, in November 2014 and March 2015, these counterparties filed lawsuits with the Court, requesting JTS to pay a penalty for its inability to deliver tablet as stipulated in the agreement and pay under the teller of performance bond guarantee, together with interest at the rate of 7.5% per annum, totalling approximately Baht 196 million. Currently, these litigations are being considered by the court and the outcomes are unknown. During 2014, JTS submitted a notice of breach of the agreement to the counter party of sale and purchase of tablet agreement claiming that it had failed to deliver tablets in accordance with the agreement, and JTS exercised its right to terminate the agreement with this company. In addition, JTS asked the bank who issued a bank guarantee on behalf of this company as a performance bond for the sale of tablets to pay Baht 38 million to JTS under the letter of guarantee and JTS collected this amount. JTS has a legal right to seize this amount as compensation for losses caused by this company or incurred as a result of a breach of agreement. JTS recorded the amount collected under the caption of trade and other payables in the consolidated statement of financial position as at 31 December 2014 until present. JTS treated the amount as if it was a provision for any penalties and losses that might be incurred. Moreover, in the event that JTS is required to pay penalties and compensation to the government agencies, JTS can reclaim all losses from this local company who is the seller of the tablets to JTS, in accordance with a condition stipulated in the sale and purchase of tablet agreements.

33.8 Litigation and disputes with TT&T

1. CCS has outstanding balances receivable from TT&T pursuant to the contract for the supply of the Customer Care and Billing system amounting to approximately USD 5 million (as at 31 December 2016 equivalent to approximately Baht 171 million), which is being disputed with TT&T. In 2011, TT&T submitted a dispute proposal to the Thai Arbitration Institute alleging that CCS breach the said contract and asking CCS to pay a total of Baht 1,780 million, together with interest at the rate of 7.5% per annum from the date of the submission of the dispute until CCS effects whole performance. However, the management of CCS believe that CCS did not breach the agreement and will not have to pay such amount to TT&T. In February 2012, CCS filed an objection against the aforementioned dispute proposal of TT&T with the Thai Arbitration Institute, seeking to revoke the dispute proposal of TT&T and asking the Thai Arbitration Institute to order TT&T to pay a total of Baht 528 million, together with interest at the rate of 7.5% per annum from the next date after the submission of the objection until TT&T effects whole performance. Subsequently, in July 2012, TT&T filed an answer to

the CCS's objection with the Thai Arbitration Institute, asking the Thai Arbitration Institute to reject the CCS's objection that proposed TT&T be ordered to pay a total of Baht 528 million, together with interest. In June 2015, an arbitration award was made by the arbitration tribunal revoking TT&T's dispute proposal and ordering TT&T to pay the outstanding balance of installments due together with interest to CCS, a total of approximately Baht 204 million. On 25 September 2015, TT&T filed a petition with the Civil Court seeking to reverse the Thai Arbitration Institute's order. As a result, the case is being considered by the Civil Court. On 7 November 2016, the Official Receiver submitted a request with the Civil Court, seeking to withdraw the case in connection with TT&T's petition to reverse the Thai Arbitration Institute's order which ordered TT&T to pay Baht 204 million. The Civil Court has approved to withdraw the case and removed the case from its List. Moreover, with respect to the Central Bankruptcy Court's absolute receivership order against TT&T, CCS submitted an application for repayment of debt, together with interest, to the Official Receiver. The settlement of this debt will therefore be made in accordance with the process prescribed laws. However, TT&T is in the process of following legal procedures with respect to Bankruptcy law implemented by the official receiver.

2. Jasmine Internet Co., Ltd. ("JI-Net"), received a letter dated 13 December 2010 from the Official Receiver, ordering it to pay TT&T leased line costs payable for the period from March 2005 to March 2008, amounting to Baht 20 million, with interest from the due date until full payment is made to TT&T. JI-Net has recorded the full amount of this cost in its accounts, while it believes that it can negotiate the interest with TT&T and it is unlikely that it will have to pay the interest. JI-Net has therefore not recorded the accrued interest in its accounts. Subsequently, the Official Receiver in rehabilitation case ordered JI-Net to pay the leased line costs payable to TT&T. However, JI-Net have objected to the order with the Central Bankruptcy Court, which later dismissed JI-Net's petition. The case is currently being considered by the Supreme Court. In September 2016, the Official Receiver in the TT&T bankruptcy case sent a letter dated on 7 September 2016 requesting JI-Net to pay TT&T leased line costs amounting to Baht 28 million (including interest calculated until 15 March 2016). However, on 23 September 2016, JI-Net submitted notices rejecting the liabilities to the Official Receiver in the TT&T bankruptcy case.
3. Smart Highway Co., Ltd. ("Smart"), received a letter dated 8 November 2010 from the Official Receiver, ordering it to pay TT&T leased line costs payable for the period from July 2006 to April 2008, amounting to Baht 24 million, with interest of Baht 5 million calculated until 31 March 2010, and additional interest from the due date until full payment is made to TT&T. Smart has recorded the full amount of this cost in its accounts, while it believes that it can negotiate the interest with TT&T and it is unlikely that it will have to pay the interest. Smart has therefore not recorded the accrued interest in its accounts. Subsequently, the Official Receiver orders Smart to pay the leased line costs payable to TT&T. Smart filed a complaint with the Central Bankruptcy Court alleging that the Official Receiver had illegally served a letter on Smart, the Court subsequently issued an order dismissing Smart's complaint and Smart is in the process of appealing this decision to the Supreme Court. In September 2016, the Official Receiver in the TT&T bankruptcy case sent a letter dated on 7 September 2016 requesting Smart to pay TT&T leased line costs amounting to Baht 39 million (including interest calculated until 15 March 2016). However, on 23 September 2016, Smart submitted notices rejecting the liabilities to the Official Receiver in the TT&T bankruptcy case.
4. In 2008, TOT filed a lawsuit against TTTBB and TT&TSS with the Civil Court and the Tungsong Provincial Court, seeking compensation of Baht 16.6 million and Baht 7.4 million respectively, and alleging that TTTBB and TT&TSS had illicitly used TOT's bandwidth for Internet services.

On 17 December 2010, the Tungsong Provincial Court ordered the dismissal of the case. TOT filed an appeal, on 19 January 2016 the Appeal Court affirmed the judgement of the Tungsong Provincial Court. TOT has filed an appeal to the Supreme Court. At present, the case is being considered by the Supreme Court. On 29 December 2010, the Civil Court ordered TTTBB and TT&TSS to pay the compensation of Baht 15.5 million plus interest at a rate of 7.5% per annum and an addition of Baht 0.9 million per month plus interest at a rate of 7.5% per annum from December 2008 until TTTBB and TT&TSS cease the infringement. TTTBB and TT&TSS have filed an appeal but the Appeal Court affirmed the judgement of the Civil Court. TTTBB and TT&TSS have filed an appeal to the Supreme Court. At present, the case is being considered by the Supreme Court.

In November 2010, TTTBB was sued by TT&T, seeking compensation of Baht 16 million on the grounds that TTTBB illicitly used the telecommunication network that TT&T rented from Electricity Generating Authority of Thailand. The Nonthaburi Provincial Court ordered TTTBB to pay compensation of Baht 16 million, plus interest at a rate of 7.5% per annum on principal of Baht 14.8 million. However, on 16 September 2014 the Appeal Court reversed the judgement of the Nonthaburi Provincial Court and dismissed the case. TT&T appealed to the Supreme Court. On 10 August 2016, the Nonthaburi Provincial Court read the judgement of the Supreme Court ordered TTTBB must pay compensation, plus interest in the amount that it had been claimed. The case was finalised. Therefore, TTTBB recorded the compensation expense under the caption of “Administrative expenses” in profit or loss in the current year

In 2010, TTTBB received a notice from the Official Receiver, the Business Reorganisation Department, informing that TT&T requested TTTBB to pay the outstanding debts of Baht 834 million which are subject to an interest rate of 7.5% per annum until the payment is settled. However, in August 2016, the Official Receiver submitted the letter dated 9 August 2016 to notify that TTTBB has to pay the outstanding debts of Baht 1,157 million, which arose from the same obligation for which the notice from the Official Receiver was sent to TTTBB in 2010 regarding the business reorganization of TT&T. The Official Receiver explained that the investigation under the business reorganisation was superseded when the debtor was in receivership and the investigation will be reconsidered under the Bankruptcy law. Nearly 90% of the claim were lease line service payable which TTTBB paid to TT&T through the offset of debt payable and the assignment of promissory note in 2009, as described in Note 10 to the financial statements. However, the rehabilitation planner disputed that the payment did not constitute a complete and legitimate debt settlement transaction. The remaining balance is not equal to the liabilities that TTTBB recorded in the accounts. The case is currently under investigation by the Official Receiver in the TT&T bankruptcy case.

On 12 January 2011, TTTBB received a notice from the Thai Arbitration Institute, Alternative Dispute Resolution Office, Office of the Judiciary, stating that on 27 December 2010 TT&T had filed a statement of claim demanding TTTBB settle leased line payable totalling Baht 1,447 million, plus interest accrued at a rate of 7.5% per annum until the amount is settled. TT&T later amended the claim to Baht 1,496 million. On 29 June 2011, TTTBB filed an objection and a counterclaim for damages suffered as a result of TTTBB’s inability to use the leased line service, amounting to Baht 3,477 million, with the Thai Arbitration Institute. On 29 July 2014, the arbitration tribunal unanimously agreed that TT&T was in breach of the agreement, and the Chairman of the arbitration tribunal rendered to award stating that the compensation and penalty, which TT&T shall be liable to TTTBB, and the outstanding network rental service fee to be paid by TTTBB, shall be set off against each other and extinguished, while the other claims shall be lifted. On 12 November 2014, TT&T filed a petition

with the Civil Court seeking to reverse the Thai Arbitration Institute's order. On 29 November 2016, the Official Receiver relevant to the bankruptcy case of TT&T filed an appeal with the Civil Court requesting not to conduct the case and dispose of the case from the directory, and the Civil Court ordered to dispose of the case.

On 21 February 2011, TTTBB and TTTI sued P Planner Co., Ltd. and its team, who were the rehabilitation plan preparer and administrator of TT&T, seeking compensation of Baht 2,439 million for their obstruction of the provision of internet broadband services of TTTBB and TTTI on TT&T's network under the leased line service agreement between TTTBB and TT&T. On 25 August 2016, the Civil Court dismissed the case. At present, the extended appeal period has not ended, and none of the parties has filed an appeal.

On 24 February 2012, TTTBB was sued by TT&T with the Nonthaburi Provincial Court, seeking compensation of Baht 621 million plus interest at a rate of 7.5% per annum until settlement is made, alleging that TTTBB had continued to use TT&T's network after TT&T had denied that it had the right to do so under the leased line service agreement. The management of TTTBB is confident that TTTBB did not commit the tort alleged. On 6 February 2015, the Nonthaburi Provincial Court dismissed the case. TT&T appealed to the Appeal Court. On 5 April 2016, the Nonthaburi Provincial Court read the judgement of the Appeal Court made on 24 March 2016 upholding the judgement of the Nonthaburi Provincial Court. No appeal was filed with the Supreme Court. The case was finalised.

On 29 November 2013, TT&T filed a lawsuit against TTTBB in a civil case lodged with the Nonthaburi Provincial Court, seeking compensation of Baht 228.7 million plus interest for breach of agreements. The major claims were made the same basis as the collection notice of the Official Receiver of TT&T (excluding the leased line payable). The case is under consideration by the Nonthaburi Provincial Court. In July 2014, TT&T submitted a petition for an interlocutory injunction order during this litigation process to prohibit TTTBB from distributing, transferring, or creating any encumbrance over its assets. On 10 October 2014, TTTBB pledged a fixed deposit account amounting to Baht 228.8 million as security with the Nonthaburi Provincial Court, without admission of guilt. TT&T therefore did not insist on the interlocutory injunction and withdrew its petition for such injunction. However, on 7 May 2015, the Nonthaburi Provincial Court ordered TTTBB to pay the compensation of Baht 228.7 million with an interest rate of 7.5% per annum of the principal of Baht 165.7 million and with an interest rate of 15% per annum of the principal of Baht 0.5 million, starting from the date TTTBB was sued until the full compensation was paid to TT&T. TTTBB has filed an appeal against the Nonthaburi Provincial Court.

On 24 January 2017, the Nonthaburi Provincial Court read the judgement of the Appeal Court ordering to revised the judgement of the Nonthaburi Provincial Court whereby TTTBB must pay the compensation of Baht 226.2 million with an interest rate of 7.5% per annum on the principal of Baht 175.3 million and with an interest rate of 15% per annum on the principal of Baht 0.5 million, starting from the date TTTBB was sued until the full compensation was paid to TT&T. At present, TTTBB is in the process of filing an appeal with the Supreme Court.

The ultimate outcomes of these lawsuits and disputes that are not finalised cannot be determined at this time. The management of TTTBB and TTTI is confident that no significant losses will be incurred as a result of these lawsuits and disputes and therefore no provision for contingent liabilities have been recorded in the accounts.

On 15 March 2016, the Central Bankruptcy Court issued an absolute receivership order on TT&T. As a result of this order, the Official Receiver is legally required to become involved in any civil case being considered by the Court that relates to the assets of the debtor under the absolute receivership order. Furthermore, when petitioned by the Official Receiver, the Court has authority to suspend such civil case or to issue any orders considered appropriate. Therefore, with respect to civil cases related to the assets of TT&T, the Court may decide to confer with the Official Receiver on how to proceed with the cases, and take this into account in reaching their decisions in each case.

5. On 13 September 2006, Acumen entered into a Memorandum of Understanding with TT&T. This prescribes that Acumen is to provide financial support to TTTBB, while TTTBB remains and that Acumen will allow the shareholders of TT&T to purchase the newly issued shares and/or existing shares of TTTBB held by Acumen in order to adjust the shareholding of TT&T on the date of TTTBB's initial public offering (IPO) or a date 3 years after the date of execution of the agreement. In this regard, if TTTBB's IPO goes ahead, the purchase price of such shares shall be par value (Baht 10) plus a premium of 20 percent per year, or the public offering price of the ordinary shares of TTTBB, whichever is lower. If the IPO does not go ahead, the purchase price shall be a fair price as assessed by an independent financial advisor approved by the SEC.

The legal advisor of Acumen expressed an opinion that the above Memorandum of Understanding has been invalid since 19 June 2008, which is the date on which the SEC submitted a letter to TTTBB notifying it of the rejection of its request for permission to launch an IPO and the registration statement of newly issued securities of TTTBB, on the grounds that the SEC was unable to consider the request made by TTTBB because TTTBB had requested an indefinite extension to provide additional information.

This can be held to constitute a denial of approval for TTTBB's IPO by the SEC, and on this basis it can be held that TTTBB commenced the IPO process within 3 years but did not receive approval from the relevant regulator, and thus invalidating the memorandum from the above mentioned date as stipulated in the memorandum of understanding.

In 2009, Acumen purchased ordinary shares in TTTBB by way of a rights offering, and also purchased the shares remaining as a result of TT&T waiving its right to subscribe. However, in June 2014 TT&T, through PCL Planner Co. Ltd (rehabilitation plan administrator of TT&T), filed a lawsuit against Acumen in a civil case lodged with the Nonthaburi Provincial Court, petitioning for an order for Acumen to transfer 868 million shares in TTTBB to the shareholders of TT&T, as stipulated in the memorandum of understanding regarding the exercise of rights to purchase ordinary shares between TT&T and Acumen. The legal advisor and the management of Acumen believe that no significant losses will be incurred as a result of these lawsuits and disputes. On 15 September 2015, the Nonthaburi Provincial Court dismissed the case and TT&T appealed to the Appeal Court. On 31 August 2016, the Nonthaburi Provincial Court read the judgement of the Appeal Court, which affirmed the judgement of the Nonthaburi Provincial Court. There is no appeal to the Supreme Court. The case was finalised.

In July 2014, three individuals who are employees of TT&T, filed a lawsuit against Acumen with the Nonthaburi District Court, seeking to have Acumen transfer the 94,237 newly issued or existing shares of TTTBB held by Acumen under memorandum of understanding. The Nonthaburi District Court has an order to dispose the case.

On 25 September 2014, Acumen filed a lawsuit against TT&T and related individuals and juristic persons, a total of 13 persons, with the Nonthaburi Provincial Court, in a black case, claiming damages in the amount of Baht 6,350 million on the grounds that the 13 defendants jointly committed a wrongful act against Acumen by using the above memorandum of understanding, which all defendants were well aware that was null and void for a long time, to file a lawsuit against Acumen. They intentionally filed the lawsuit and the petition for an interlocutory injunction order while TTTBB is in the process of applying to establish an infrastructure fund, despite the fact that they will not receive any benefit from the complaint. The lawsuit and the petition for an interlocutory injunction were filed in order to obstruct TTTBB's establishment of the infrastructure fund, and this constitutes a bad faith act before the court, which has caused damage to Acumen. The case is being considered by the Nonthaburi District Court.

33.9 Telecommunications licenses

The National Broadcasting and Telecommunications Commission (“NBTC”) granted licenses to seven subsidiaries as follows.

Company	Type of license	Authorised service	Period
Acumen Co., Ltd.	Type I	Internet service	25 August 2014 - 24 August 2019
	Type I	Public telephone service	15 December 2015 - 14 December 2020
	Type II	International internet gateway and internet exchange services	8 February 2017 - 7 February 2022
	Type II	Very Small Aperture Terminal (VSAT) service	30 November 2016 - 29 November 2021
Triple T Broadband Plc.	Type III	Telecom services, fixed line telephone service and data communication network service	23 February 2006 - 29 January 2032
Jasmine Internet Co., Ltd.	Type I	Internet service	28 July 2014 - 27 July 2019
	Type I	International calling card service	25 January 2015 - 24 January 2020
Jastel Network Co., Ltd.	Type I	Internet service	6 November 2014 - 5 November 2019
	Type II	Domestic private leased circuit service	30 November 2006 - 29 November 2021
	Type II	International internet gateway service	30 March 2014 - 29 March 2019
	Type III	International private leased circuit service	18 November 2009 - 17 November 2024
Triple T Internet Co., Ltd.	Type I	Internet service	20 June 2014 - 19 June 2019
	Type I	International private leased circuit service	14 March 2016 - 13 March 2021
ACeS Regional Services Co., Ltd.	Type I	Internet service	23 November 2014 - 22 November 2019
	Type I	Telecom services, International calling card service	16 February 2015 - 15 February 2020
Jasmine Telecom Systems Plc.	Type I	Mobile telephone network service	16 June 2016 - 15 June 2021

The subsidiaries are obliged to comply with certain conditions as stated in the licenses, and to pay annual license fees, together with a fee for the Universal Service Obligation (USO) in accordance with conditions and requirements stipulated by the NBTC.

ACeS Regional Services Co., Ltd. (“ARS”), a satellite-based cellular phone service provider, is requesting a type III license from NBTC. At the present, ARS has not yet received the license.

33.10 In October 2015, JASMOBILE joined the bidding to apply for a spectrum license for International Mobile Telecommunications in the frequency band 900 MHz (“License”) at the office of NBTC. Applicants must comply with application procedures set by NBTC, and place a cheque for Baht 644 million as a deposit guarantee for the spectrum license bid. On 21 December 2015, NBTC announced that JASMOBILE was an auction winner for the License. JASMOBILE was therefore required to make payment of the winning bid price for the spectrum license, totalling amount of Baht 75,654 million (excluding VAT), in accordance with the payment conditions, whereby it was to pay in four installments (ending in 2019). With payment of each installment, JASMOBILE was also required to submit a letter of guarantee from a commercial bank to secure the payment of the balance within the timeframe stipulated by NBTC. The spectrum license payment to be paid by each of the Winning Bidder is excluded tax, other fees and interest as prescribed by law.

However, on 21 March 2016 which was the due date of the first payment, JASMOBILE was unable to make payment and submit the bank guarantee to NBTC, as required under conditions precedent for the granting of a license. Consequently, JASMOBILE was not granted a license for the frequency band of 900 MHz and the deposit guarantee for the bid of Baht 644 million was forfeited.

Hence, on 29 April 2016, the Annual General Meeting of shareholders of the Company for the year 2016 passed a resolution to approve previous actions undertaken by JASMOBILE to obtain a license for the frequency band 900 MHz, as detailed above.

Subsequently, on 1 June 2016, JASMOBILE received an official letter from NBTC requesting JASMOBILE to pay preliminary compensation for damages as a result of non-compliance with the conditions precedent to be met before granting a license, amounting to Baht 199 million (with interest calculated until 30 June 2016), which is the cost of organising auction and other expenses. However, other telecommunication licenses that the Company’s group have already been granted by the NBTC will not be affected from such event since there is no any rules relating to this non-compliance. The telecommunication licenses that the Company’s group have already been granted by the NBTC and that are currently being used for their operations remain effective.

In order to end the dispute, JASMOBILE already made payment of the damages amounting to Baht 197 million (with interest calculated until 28 June 2016) to NBTC in June 2016. JASMOBILE wrote off the deposit guarantee for the auction and recorded the compensation paid to NBTC, together totalling Baht 841 million, and presented them as damages from non-compliance with the conditions precedent to be met before granting a license in the statement of comprehensive income, the legal advisor of the Company has opined that JASMOBILE and the Company’s group will not be liable for any damages in addition to the amount that has already been recorded.

33.11 In 2015 and 2016, JTS and CCS have been sued by former employees who were laid off, claiming compensation totalling approximately Baht 20 million for unfair termination. The cases are under consideration of the court. However, the legal advisor and management of JTS and CCS believe that JTS and CCS will

not suffer any losses as a result of these cases because JTS and CCS had made full severance payment in accordance with the law.

34. Fair value hierarchy

As at 31 December 2016, subsidiary had the assets for which fair value is disclosed using different levels of inputs as follows:

(Unit: Million Baht)

	Consolidated financial statements			
	Level 1	Level 2	Level 3	Total
Assets for which fair value are disclosed				
Investment property	-	-	1,865	1,865

35. Financial instruments

35.1 Financial risk management

Financial instruments of the Company and its subsidiaries, as defined under Thai Accounting Standard No. 107 “Financial Instruments: Disclosure and Presentations”, principally comprise cash and cash equivalents, trade and other receivables, bank overdrafts, short-term loans, trade and other payables, accounts payable for equipment, liabilities under finance lease agreements, long-term loans, and debts under former rehabilitation plan. The financial risks associated with these financial instruments and how they are managed is described below.

Credit risk

The Company and its subsidiaries are exposed to credit risk primarily with respect to trade and other receivables. The Company and its subsidiaries manage the risk by adopting appropriate credit control policies and procedures and therefore do not expect to incur material financial losses. In addition, the Company and its subsidiaries do not have high concentrations of credit risk since they have a large customer base. The maximum exposure to credit risk is limited to the carrying amounts of trade and other receivables stated in the statement of financial position.

Interest rate risk

Exposure to interest rate risk of the Company and its subsidiaries relates primarily to its deposits with financial institutions, short-term loans, accounts payable for equipment, liabilities under finance lease agreements, long-term loans and debts under former rehabilitation plan. However, since most of financial assets and liabilities of the Company and its subsidiaries bear floating interest rates or fixed interest rates which are close to the market rate, the interest rate risk is expected to be minimal.

Foreign currency risk

The exposure of the subsidiaries to foreign currency risk arises mainly from trading transactions that are denominated in foreign currencies. The subsidiaries seek to reduce this risk by entering into forward exchange contracts when they considers appropriate. Generally, the forward contracts mature within one year.

As at 31 December 2016, the balances of financial assets and liabilities of the subsidiaries denominated in foreign currencies which were unhedged are summarised below.

Foreign currency	Consolidated financial statements				Average exchange rate	
	Financial assets		Financial liabilities		2016	2015
	2016	2015	2016	2015		
	(Million)	(Million)	(Million)	(Million)	(Baht per 1 foreign currency unit)	
US dollar	11	52	210	44	35.83	36.09

35.2 Fair values of financial instruments

Since the majority of financial instruments of the Company and its subsidiaries are short-term in nature. Accounts payable for equipment, liabilities under finance lease agreements, long-term loans and debts under former rehabilitation plan carry interest at rates close to market rates. Their fair value are not expected to be materially different from the amounts presented in the statements of financial position.

A fair value is the amount for which an asset can be exchanged or a liability settled between knowledgeable, willing parties in an arm's length transaction. The fair value is determined by reference to the market price of the financial instrument or by using an appropriate valuation technique, depending on the nature of the instrument.

36. Capital management

The primary objective of the capital management of the Company and its subsidiaries is to ensure that it has an appropriate financial structure and preserves the ability to continue its business as a going concern.

As at 31 December 2016, the Group's debt to equity ratio was 3.22:1 (2015: 1.99:1) (the Company was 2.01:1 (2015: 2.67:1)).

37. Events after the reporting period

On 17 February 2017 Board of Directors' TTTBB meeting No. 1/2560 passed a resolution approving TTTBB's sale of additional optic fiber cable assets to JASIF. The selling price is expected to be approximately Baht 50,000 - 70,000 million. (However, the final selling price will be mutually agreed between TTTBB and JASIF). The resolution will be presented to Annual General Meeting for the year 2017 on 25 April 2017 for further approval.

38. Approval of financial statements

These financial statements were authorised for issue by the Company's Board of Directors on 20 February 2017.



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