

■ ■ ■ Significant Financial Information

12. Significant Financial Information

Audit Report Summary

The auditor whose appointment was approved by the Company was Mr. Supachai Phanyawattano, Certified Public Accountant (Thailand) No. 3930 or Mrs. Chonlaros Suntiasvaraporn, Certified Public Accountant (Thailand) No.4523, or Ms. Supanee Triyanantakul, Certified Public Accountant (Thailand) No.4498 of EY Office Limited, located at No.193/136-137, 33rd Floor, Lake Rajada Office Complex, New Rajadapisek Road, Bangkok 10110 Tel. (66) 0 2264 0777 and (66) 0 2661 9190 Fax (66) 0 2264 0789-90 and (66) 0 2661 9192.

According to the Audit Report, the Company's auditor has given Qualified Opinion on the Company's financial statements as of the years 2015, 2016 and 2017, due to a limitation imposed by the following circumstances:-

1. A concession provider has ceased making payment to a subsidiary for service under the co-investor agreement made between the subsidiary and the concession provider since September 2008 to 4 October 2011, the end date of the co-investor agreement, as the revenue sharing are 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, 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. The management and the legal advisor of the subsidiaries believe that the subsidiaries have fully complied with the co-investor agreement. The ruling to the revenue sharing rate negotiation may significantly impact on the balance of such trade receivable, the costs and damages which may result from the above event, other receivables, accrued dividend income and the value of the investment from investing in the subsidiary, the auditor was unable to audit to satisfy himself as to the balances of such transactions.
2. On 7 August 2003, the Central Bankruptcy Court approved the business rehabilitation plan of the Company. However, certain creditors of the Company lodged objections to certain issues with the Supreme Court. Subsequently, on 14 September 2006, the Court issued an order to terminate the business rehabilitation plan of the Company since the Company has complied with all requirements in the plan. On 19 August 2013, the Central Bankruptcy Court read the judgment of Supreme Court, which reversed the decision of the Central Bankruptcy Court. The Supreme Court rejected the rehabilitation plan and cancelled the Central Bankruptcy Court's business rehabilitation order, and as a result the rights of claim of creditors of the Company returned to what they were prior to the rehabilitation order. The Company estimated 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. The Company therefore disclosed the event in the notes to financial statements and believed that such practice complied with the relevant financial reporting standards. However, in August 2014, five financial institutions filed lawsuits petitioning the Court to order the Company to make debt repayments equivalent to a total of approximately Baht 1,856 million. However, two of the five financial institutions are creditors whom the rights of claims were assigned by various former creditors, and the legal advisor is of the opinion that it is uncertain that these two creditors will receive payment of the amount claimed in the petitions. Therefore, the Company recorded provision amounting to Baht 313 million for the three financial institutions who

are the original creditors named in applications for payment in the Company's rehabilitation plan on the financial statements of the current year. This was determined based on the claims filed by the three financial institutions less the approximate amounts of settlements made in any form under the rehabilitation plan, in accordance with the legal advisor's opinion. This constitutes a limitation imposed by circumstances and the auditor was unable to perform review and audit procedures to satisfy himself as to the amount of additional provision to be recorded as a result of the cancellation of the rehabilitation order.

3. In September and December 2013, a subsidiary entered into agreements with two government agencies to sell tablet personal computers with total contract values of Baht 749 million. The subsidiary was unable to deliver tablets to two government agencies within December 2013 and March 2014 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. During 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 5 million and Baht 142 million, respectively. 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. Later on, both counterparties filed a lawsuit against the subsidiary with the Administrative Court, requesting that the subsidiary pay a penalty in amount of Baht 5 million and Baht 190 million, respectively. 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 cash amounting to Baht 38 million as a result of forfeiture of performance bond form by this counterparty. The subsidiary had 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 cash receipt as a liability under the caption of trade and other payables in the consolidated statement of financial position and treated it as a provision for any penalties and losses that might be incurred. The subsidiary does not expect such penalties and losses to exceed the amount of the reserve. On 22 February 2018, the Central Administrative Court issued a judgment on the case between the subsidiary and the government agency who filed the lawsuit, requesting the subsidiary to pay penalties totaling approximately Baht 5 million. The Central Administrative Court issued a judgment ordering the subsidiary to pay penalties totaling approximately Baht 3 million. However, the subsidiary has the right to file an appeal within 30 days after the Central Administrative Court issued a judgment. The ultimate outcome of these lawsuits and disputes that are not finalized cannot be determined at this time. However, the subsidiary's management and legal advisor are confident that no significant losses will be incurred as a result of these lawsuits and disputes, and therefore no further provision for contingent liabilities have been recorded in the accounts. The auditor was; therefore, unable to satisfy himself as to the reserves for penalties and losses that may be incurred as a result of the above.

The auditor also drew attention to the following matters:-

1. The management of the subsidiary is of the opinion that the settlement of outstanding balances with an unrelated company of approximately Baht 877 million, including the Court proceedings and various disputes, are correct.
2. A subsidiary has entered into a turn-key agreement with a counterparty, but at present, it has been unable to make delivery within the stipulated period. The counterparty is therefore entitled to charge a penalty to the subsidiary. However, the management of this subsidiary is in the process of negotiation with the counterparty to reduce the scope of work. The management of the subsidiary believes that the subsidiary will successfully negotiate with the counterparty to reduce the scope of work and will complete the project with an immaterial amount of penalty being imposed.

12.1 Summary of the Consolidated Financial Statements

The summary of balance sheets, profit and loss statements, and cash flow statements during the past 3 years, ended 31 December is presented in the table below.

Item	Consolidated Financial Statements					
	2017		2016		2015	
	Million Baht	%	Million Baht	%	Million Baht	%
Balance sheet						
Cash and cash equivalents	3,038	6.01	2,482	5.22	7,880	15.51
Trade and other receivables	3,174	6.28	3,019	6.35	3,088	6.08
Total current assets	7,674	15.18	7,208	15.16	17,027	33.52
Investments in associates	6,234	12.33	6,850	14.41	8,770	17.27
Property, plant, and equipment	31,633	62.58	28,491	59.94	19,501	38.39
Other non-current assets	196	0.39	177	0.37	139	0.27
Total assets	50,549	100	47,531	100	50,796	100
Short-term loans from banks	3,915	7.74	2,229	4.69	1,519	2.99
Trade and other payables	3,923	7.76	3,198	6.73	3,753	7.39
Total current liabilities	15,993	31.64	10,874	22.88	18,279	35.99
Long-term liabilities and provision for rental assurance	18,220	36.04	23,478	49.39	14,674	28.89
Total liabilities	35,920	71.06	36,264	76.29	33,785	66.51
Registered capital issued and fully paid-up	3,335	6.60	2,968	6.25	3,567	7.02
Appropriated retained earnings	1,021	2.02	1,012	2.13	892	1.76
Unappropriated retained earnings	3,239	6.41	4,418	9.30	10,862	21.38
Total shareholders' equity	14,629	28.94	11,267	23.71	17,010	33.49
Profit and Loss Statement						
Sales and service Income	17,432	100.00	15,619	100.00	13,983	100.00
Other income	856	4.91	2,532	16.21	19,444	139.06
Total revenues	18,288	104.91	18,151	116.21	33,427	239.06
Cost of sales and services	11,031	63.28	9,711	62.17	8,407	60.12
Selling, servicing and administrative expenses	4,199	24.09	3,926	25.13	3,347	23.94
Damages from non-compliance with the conditions precedent to be met before granting a license	-	-	841	5.38	-	-
Doubtful accounts and bad debt	225	1.29	338	2.16	223	1.59
Finance cost	692	3.97	395	2.53	197	1.41
Net Profit (Loss)	2,693	15.45	3,002	19.22	15,710	112.36
Cash flow Statement						
Net cash (used in) operating activities	3,417		(2,467)		(2,721)	
Net cash from investing activities	(2,503)		2,832		28,403	
Net cash (used in) financing activities	(358)		(5,763)		(19,303)	
Net increase (decrease) in cash and cash equivalents	556		(5,398)		6,379	

12.2 Financial Ratio

Significant financial ratios that reflect financial position and operation results of the core businesses of the Company and its subsidiaries are as follows:-

Item		Consolidated Financial Statements		
		2017	2016	2015
Liquidity Ratio				
Current Ratio	(Time)	0.48	0.66	0.93
Quick Ratio	(Time)	0.39	0.54	0.67
Cash Ratio	(Time)	0.25	(0.17)	(0.20)
Receivable Turnover	(Time)	5.63	5.12	4.47
Average Collection Period	(Day)	64	70	81
Inventory Turnover	(Time)	-	-	614.18
Holding Period	(Day)	-	-	1
Payable Turnover	(Time)	3.10	2.79	2.51
Average Payment Period	(Day)	116	129	144
Cash Cycle	(Day)	(52)	(58)	(62)
Profitability Ratio				
Gross Profit Margin	%	36.72	37.83	39.88
Operating Profit Margin	%	13.72	17.69	20.87
Other Profit Margin	%	4.68	13.95	58.17
Cash to Profitability Ratio	%	142.90	(89.25)	(93.24)
Net Profit Margin	%	14.73	16.54	47.00
Return on Equity	%	20.80	21.23	104.96
Efficiency Ratio				
Return on Assets	%	5.49	6.11	42.59
Return on Fixed Assets	%	21.22	23.40	108.87
Total Assets Turnover	(Time)	0.37	0.37	0.91
Financial Policy Ratio				
Debt to Equity Ratio	(Time)	2.46	3.22	1.99
Interest Coverage Ratio	(Time)	5.68	(4.09)	16.72
Leverage Ratio (Cash Basis)	(Time)	0.34	(0.23)	(0.06)
% Growth Ratio				
Total Assets	%	6.35	(6.43)	121.03
Total Liabilities	%	(0.95)	7.34	236.00
Sales and Service Income	%	11.61	11.70	13.97
Operating Expenses	%	6.96	17.29	15.86
Net Profit (Loss)	%	(10.27)	(80.89)	380.31

■ ■ ■ Management Discussion and Analysis (MD&A)

13. Management Discussion and Analysis (MD&A)

Overview

Over the past several years, Internet market has been growing continuously—a consequence of both the government policies that aim at applying digital technology to drive the country’s economic and social development and the consumers’ behavior that demands for Internet access increasingly all the time. However, although more new operators’ entering into the market has brought about more serious competition in service offering, they still have encountered the same limitation as the Company has before. That is Internet availability can be possible only in some areas of each province. Thus, in order to maintain its competitiveness, in 2017, the Company emphasized steady expansion of fiber optic network to cover more service areas. As a result, at present, the Company can offer hi-speed Internet service to cover the village level nationwide. Furthermore, the expansion of FTTx technology via fiber optic network enables the Company to offer the Internet speed of up to 10 Gbps. In 2017, the Company totally had 307,153 net additional subscribers; of this number, 201,300 subscribers, equivalent to 65%, were FTTx subscribers, compared to the year 2016 in which the Company had approximately 36,100 net additional subscribers. According to the record, presently, 3BB has 2.726 million broadband Internet subscribers in total; of this number, 317,600 subscribers, or equivalent to approximately 12%, are FTTx users. It is expected that the proportion of the FTTx subscribers will be increasing in the future.

The growing number of the Internet subscribers resulted in the increasing growth of the Company’s total operating revenue of approximately 11%, compared to the year 2016. Nevertheless, due to the record of the rental fee of the Optical Fiber Cables (“OFCs”) paid to JASIF, including other expenses related to the investment in network expansion that increased, the operating profit as well as the profitability of the Company for the year 2017 declined, compared to the year 2016. The gross profit margin for the year 2017 was 37%, slightly decreased, compared to 38% of the year before.

In addition, in 2017, the Company increased the employees in charge of network expansion and maintenance. Now, the Company has approximately 15,000 employees. However, despite the increase in the operating expenses as a result of the increasing number of the employees, such manpower will enhance more efficiency and quality of the Company’s services.

With regard to the sale of the additional OFCs to Jasmine Broadband Internet Infrastructure Fund (“JASIF”), already approved by the shareholders’ meeting, this transaction is expected to be complete in 2018, resulting in the Company’s obtainment of more capital for future network expansion for more coverage.

Operating Performance

In 2017, the Company and its subsidiaries generated the operating profit of Bt 2,392 mn, when compared to Bt 2,764 mn in 2016, decreasing by Bt 372 mn, or 13%. This amount, when included by the FX gain of the subsidiaries of Bt 555 mn, the OFCs rental fee adjustment of the Fund of Bt 297 mn and deducted by the allowance for debts from the rehabilitation plan of Bt 12 mn, the allowance for doubtful accounts and bad debt of the subsidiaries of Bt 225 mn and deferred tax of Bt 313 mn, resulted in the record of the net profit for the year 2017 of the Company and its subsidiaries of Bt 2,693 mn, compared to that of Bt 3,002 mn in 2016 (the net profit for the year 2016 included gain on sales of assets to JASIF, net tax of Bt 1,534 mn).

Unit : Million Baht

Item	2017	2016	% Change
Operating profit	2,392	2,764	(13)
Net gain on sales of assets to the Fund	-	1,534	(100)
FX gain (loss)	555	(105)	629
Loss on recording provision for reversal of judgement by the Supreme Court	(12)	(12)	-
Damage from non-compliance with the conditions precedent to be met before granting a license	-	(841)	(100)
Doubtful accounts and bad debt	(225)	(338)	(33)
Deferred Tax	(313)	-	100
The OFCs rental fee adjustment of the Fund	297	-	100
Net profit (loss)	2,693	3,002	(10)
EPS (Baht per share)	0.42	0.46	(9)

Performance breakdown by business unit

Performance breakdown by business unit in 2017 and 2016 is as follows:-

Unit : Million Baht

Company	Total Revenue		
	2017	2016	% Change
Broadband Business			
1. Triple T Broadband Public Company Limited	815	2,436	(67)
2. Triple T Internet Company Limited	16,307	14,517	12
Total	17,122	16,953	1
Telecom Network & Service Provider Business			
1. Jasmine Submarine Telecommunications Company Limited	23	16	44
2. JasTel Network Company Limited	646	583	11
3. Jasmine Internet Company Limited	230	261	(12)
4. Acumen Company Limited	9	43	(79)
5. ACeS Regional Services Company Limited	59	63	(6)
6. Smart Highway Company Limited	-	1	(100)
Total	967	967	-

Company	Total Revenue		
	2017	2016	% Change
System Integration Business			
1. Jasmine Telecom Systems Public Company Limited	17	27	(37)
2. Cloud Computing Solutions Company Limited	31	32	(3)
Total	48	59	(19)
Other Businesses			
1. Jasmine International Public Company Limited	2	6	(67)
2. Premium Asset Company Limited	146	148	(1)
3. T.J.P.Engineering Company Limited	3	-	100
4. Others ¹⁾	-	18	(100)
Total	151	172	(12)
Grand Total	18,288	18,151	1

Note : ¹⁾ Comprising JOIC , MCS , Three BB , ACT , JASMBB

Revenue

In 2017, the total revenue of the Company and its subsidiaries was Bt 18,288 mn, compared to that of Bt 18,151 mn in 2016 (the total revenue in 2016 included gain on sales of assets to JASIF of Bt 2,160 mn), increasing by 1%. Details are as follows:-

Unit : Million Baht

Item	2017	2016	% change
Sales and service income	17,432	15,619	12
Gains on sales of assets to the Fund	-	2,160	(100)
FX gain	555	-	100
Interest income	19	70	(73)
Other income	282	301	(6)
Total	18,288	18,151	1

Sales and Service Income

In 2017, the Company and its subsidiaries totally obtained the sales and service income of Bt 17,432 mn, compared to that of Bt 15,619 mn in 2016, increasing by 12%. For the year 2017, contribution in sales and service income was mainly from Broadband Business, 94% of total sales and service income. Sales and service income breakdown by business unit are as follows:-

Unit : Million Baht

Type of business	2017	2016	% change
Broadband Business	16,310	14,510	12
Telecom Network & Service Provider Business	948	920	3
System Integration Business	29	43	(33)
Other Businesses	145	146	(1)
Total	17,432	15,619	12

In 2017, the income obtained from Broadband Business was Bt 16,310 mn, compared to that of Bt 14,510 mn in 2016, increasing by 12%, a result of an increase in number of broadband subscribers. During the past year, TTTBB emphasized expanding its network footprint to cover the village level nationwide to meet the growing demand of the customers, especially in Broadband Internet service, via Fiber Optic (FTTx technology). In 2017, TTTBB had 307,153 net additional subscribers; of this number, 201,358 subscribers were FTTx subscribers. At the end of 2017, 3BB totally had 2.726 mn subscribers.

In 2017, the sales and service income from Telecom Network & Service Provider Business was Bt 948 mn, increasing by 3% , compared to that of Bt 920 mn in 2016. The increase was due to the increase in domestic and international private leased-circuit service income of JasTel Network Co., Ltd.

In 2017, the sales and service income from System Integration Business was Bt 29 mn, decreasing by 14%, compared to that of Bt 43 mn in 2016. For Other Businesses, the sales and services income in 2017 was Bt 145 mn, decreasing by 1%, compared to that of Bt 146 mn in 2016.

Other income

In 2017, the Company and its subsidiaries recorded other income of Bt 856 mn (which comprised income from management and maintenance of assets of Bt 227 mn, FX gain of Bt 555 mn, interest income of Bt 19 mn and others of Bt 55 mn), compared to that of Bt 371 mn in 2016 (excluding gain on sales of assets to JASIF).

Expenses

In 2017, the total expenses of the Company and its subsidiaries were Bt 15,455 mn, compared to Bt 14,921 mn in 2016, increasing by 4%. Details of expenses are as follows:-

Unit : Million Baht			
Item	2017	2016	% change
Operating Expenses :			
- Cost of sales and services	11,031	9,711	14
- Selling and servicing expenses	1,299	1,156	12
- Administrative expenses	2,900	2,770	5
Total Operating Expenses	15,230	13,637	12
Doubtful accounts and bad debt	225	338	(33)
Damage from non-compliance with the conditions precedent to be met before granting a license	-	841	(100)
FX losses	-	105	(100)
Total Expenses	15,455	14,921	4

- In 2017, the operating expenses of the Company and its subsidiaries were Bt 15,230 mn in total, compared to Bt 13,637 mn in 2016, increasing by 12%. Details of expenses are as follows:-

- 1) The cost of sales and services in 2017 was Bt 11,031 mn, compared to that of Bt 9,711 mn in 2016, increasing by 14%. The cost of sales and services was mainly due to the rental fee of the subsidiary according to the OFCs lease agreement with JASIF (the net amount after deduction of the provision for rental assurance and assumption adjustment of the provision for rental

assurance in relation to rental growth rate and discount rate), depreciation of network equipment, which arose because of network expansion of TTTBB and the USO fee and the license fee paid to the NBTC. The gross margin for the year 2017 was at 37%, slightly decreased, compared to 38% in the year 2016.

2) The selling and servicing expenses and administrative expenses in 2017 were Bt 4,199 mn, compared to Bt 3,926 mn in 2016, increasing by 7%. Such increase was mainly due to employee expenses.

- The subsidiaries set up an allowance for doubtful accounts and bad debts of Bt 225 mn. TTTI had the policy for the provision for doubtful debts of 3 months overdue receivables. (Details as shown in Notes to the Financial Statements No.9)

Financial Expenses

In 2017, the financial expenses of the Company and its subsidiaries were Bt 692 mn, increasing by Bt 297 mn, compared to Bt 395 mn in 2016 due to short-term and long-term loans and accounts payable for equipment of the Company and its subsidiaries. The financial expenses in 2017 included an additional allowance for interest expenses of debts from the rehabilitation plan of Bt 12 mn.

Net profit (loss)

In 2017, the Company and its subsidiaries reported the total net profit Bt 2,693 mn, compared to that of Bt 3,002 mn in 2016 (the net profit for the year 2016 included gain on sales of assets to JASIF, net tax of Bt 1,534 mn). In 2017, Broadband Business generated the net profit of Bt 1,448 mn, decreasing by Bt 2,496 mn from the year 2016 (the net profit for the year 2016 included gain on sales of assets to JASIF); Telecom Network & Service Provider Business generated the net profit of Bt 303 mn, increasing by Bt 18 mn from the year 2016; System Integration Business had the net loss of Bt 20 mn, compared to the net loss of Bt 49 mn in 2016, its net loss; thus, decreasing by Bt 69 mn from the year 2016. For Other Businesses, the net profit for the year 2017 was Bt 4,709 mn, decreasing by Bt 6,025 mn from that of the year 2016. After the elimination of the intercompany transaction, the Company and its subsidiaries recorded the net profit for the year 2017 at Bt 2,693 mn. Comparing with the total revenue (excluding gain on sales of assets to JASIF), the net profit margin for the year 2017 was 15%.

Financial Position

Assets

As at 31 December 2017, the Company and its subsidiaries had total assets of Bt 50,549 mn, compared to Bt 47,531 mn in 2016, increasing by 6%. The total assets of the Company and its subsidiaries comprised:-

Unit : Bt mn

Item	31 December 2017		31 December 2016	
	Bt mn	% of Total Asset	Bt mn	% of Total Asset
Current assets	7,674	15	7,208	15
PP&E, net	31,633	63	28,491	60
Other non-current assets	11,241	22	11,832	25

As at 31 December 2017, the Company and its subsidiaries had current assets of Bt 7,674 mn, representing 15% of total assets, compared to Bt 7,208 mn at the end of 2016, increasing by Bt 467 mn or 6%. The increase was mostly because:-

- Cash and cash deposits with banks increased by Bt 556 mn from the year 2016. During the year 2017, the Company and its subsidiaries had net cash received from operating activities of Bt 3,418 mn, cash received from short-term loans of Bt 1,957 mn, cash received from the conversion of JAS-W3 of Bt 4,393 mn offset with the net cash used in investing activities, mainly because of investment in equipment for network expansion of the subsidiaries of Bt 2,503 mn, repayment of loans, supplier credit for equipment and interest expense totaling Bt 2,829 mn. During this year, the Company and its subsidiaries paid dividend of approximately Bt 3,879 mn to their shareholders.
- Other current assets increased by Bt 400 mn from the year 2016, mainly due to the increase in revenue department receivable of Bt 232 mn, a result of overpayment of vat on purchase (input vat) of TTTBB and the increase in trade and other receivables of Bt 155 mn.

The above-mentioned increasing current assets offset with decreasing current assets of Bt 490 mn, mainly, a result of the decrease in current investments of Bt 328 mn, resulted in the net increase of the current assets, amounting Bt 467 mn.

The net of property, plant and equipment was recorded at Bt 31,633 mn or 63% of the total assets, increasing by Bt 3,142 mn or 11%, compared to that recorded at the end of the year 2016, mainly because of the increase in assets of the subsidiaries as a result of investment in network expansion to support more service coverage of TTTBB. During the past year, TTTBB emphasized expanding its fiber optic network to cover more service areas. In purchasing such equipment, the Company used working capital facilities with a term up to 1 year such as Letter of Credit (L/C) and Trust Receipt (T/R) for purchasing equipment from abroad and Domestic Letter of Credit (DL/C) and Promissory Note (P/N) for purchasing equipment domestically including supplier credit facilities. In 2016, TTTBB entered into agreements to purchase equipment with suppliers. Under the purchase agreements, TTTBB is obliged to make payment within 3 years. In 2017, TTTBB already made payment to supplier credit for equipment according to this agreement amounting to Bt 770 mn. In 2018, the amount to be paid according to this agreement is approximately Bt 2,391 mn which was recorded in the current portion of accounts payable for equipment in the financial statements.

At the end of 2017, other non-current assets were recorded at Bt 11,241 mn, decreasing by Bt 591 mn or 5% from the year 2016 mainly due to the decrease in the investment in associates by Bt 616 mn. Such investment in associates in the consolidated financial statements, was shown in the equity method.

Liabilities

As at 31 December 2017, the Company and its subsidiaries had total liabilities of Bt 35,920 mn, compared to Bt 36,264 mn in 2016, decreasing by 1%. Details of the total liabilities are as follows:-

Item	31 December 2017		31 December 2016	
	Bt mn	% of total liabilities	Bt mn	% of total liabilities
Current liabilities (excluding current portions of the long-term liabilities and provision for rental assurance)	10,413	29	6,893	19
Long term liabilities	9,746	27	11,942	33
Provision for rental assurance	14,054	39	15,517	43
Non-current liabilities	1,708	5	1,912	5
Total liabilities	35,920	100	36,264	100

Current liabilities (excluding current portions of the long-term liabilities and provision for rental assurance) at the end of 2017 were Bt 10,413 mn, increasing by Bt 3,520 mn from the year 2016. The increase was mainly because:-

- Short-term loan from banks increased by Bt 1,686 mn which comprised Trust Receipt and Promissory Note (P/N), caused by the purchase of equipment from suppliers.
- Trade and other payables increased by Bt 726 mn from normal business operation.
- Short-term loan increased by Bt 1,358 mn. During the year, the Company had made short-term loans to be used as the working capital in the Company and its subsidiaries of Bt 1,957 mn. This loan was partially repaid in the 4th quarter of 2017 and in the 1st quarter of 2018 of Bt 600 mn and Bt 590 mn, respectively. At present, the outstanding balance of such short-term loan is Bt 767 mn.

The above-mentioned increasing current liabilities offset with decreasing current liabilities from the normal business operation such as income tax payable, advance received from customers and others, resulted in the net increase of the current liabilities of the Company and its subsidiaries, amounting Bt 3,520 mn.

Long-term liabilities at the end of 2017 was Bt 9,746 mn, decreasing by Bt 2,196 mn from the end of the year 2016 due to the Company and its subsidiaries made repayment of long-term loan and supplier credit for equipment according to the purchase agreement with suppliers (Supplier Credit) during the year 2017, amounting Bt 1,342 mn and Bt 952 mn, respectively. According to the conditions stated in the long-term loan agreement, the Company was required to maintain certain financial ratio, such as Debt Service Coverage Ratio and Net Interest Bearing Debt to EBITDA and so on. At the end of 2017, the Company has still maintained certain financial ratio as stated under the conditions.

The above-mentioned decreasing long-term liabilities offset with increasing liabilities under finance lease agreements due to the purchase of vehicles to be used in the operation of the subsidiaries of Bt 98 mn during the year 2017, resulted in the net decrease in the long-term liabilities, amounting Bt 2,196 mn.

Provision for rental assurance (the provision set up for liabilities according to the conditions stated in the Rental Assurance Agreement with JASIF for 20% of the total OFCs) at the end of 2017 was Bt 14,054 mn, compared to Bt 15,517 mn in 2016, decreasing by Bt 1,463 mn due to the amortization of

such provision of Bt 1,391 mn. Moreover, during the year 2017, there was an assumption adjustment of the provision for rental assurance in relation to rental growth rate (based on inflation rate) and discount rate. Such transaction was deducted in cost of the rental fee of the OFCs paid to JASIF.

Other non-current liabilities at the end of 2017 were Bt 1,708 mn, decreasing by Bt 204 mn from the year 2016 due to provision for expenses and deposit received from the customers of the normal business of the Company and its subsidiaries.

In addition to the liabilities as shown in the statement of financial position, the subsidiaries had commitments and contingent liabilities in the future relating to investment in telecommunications equipment and operating expenses (Details as shown in Notes to the Financial Statements No.33).

Shareholders' Equity

At the end of 2017, the shareholders' equity of the Company and its subsidiaries was Bt 14,629 mn, increasing by Bt 3,361 mn from the year 2016. The shareholders' equity of the Company and its subsidiaries comprised:-

- The issued and fully paid-up capital of Bt 3,335 mn, increasing by Bt 367 mn from the end of the year 2016 due to the newly issued shares from the conversion of JAS-W3, which the Company had registered the increase in its share capital with the Ministry of Commerce of 733.6 million ordinary shares during the year 2017 (for the conversion of JAS-W3 in December 2016, March, June and September 2017).
- The share subscription received in advance of Bt 2,919 mn from the conversion of JAS-W3 of 679.2 million units in December 2017 (equivalent to 747.8 million ordinary shares at the conversion price of Bt 3.904 per share).
- The premium on ordinary shares of Bt 2,812 mn, increasing by Bt 2,497 mn from the year 2016 due to the record of difference between the conversion price of JAS-W3 (Bt 3.904 per share) and the par value (Bt 0.50 per share) of the newly issued shares from the conversion of JAS-W3 which the Company already registered the increase in its share capital with the Ministry of Commerce during the year 2017 (733.6 million ordinary shares).
- The appropriated and unappropriated retained earnings of Bt 4,259 mn, decreasing by Bt 1,171 mn from the year 2016; this amount comprised statutory reserve of Bt 1,021 mn (during the year, the Company appropriated the statutory reserve of Bt 9 mn) and unappropriated retained earnings of Bt 3,239 mn. The net profit during the year 2017 of the Company and its subsidiaries was of Bt 2,693 mn. In 2017, the Company paid dividend to its shareholders, totaling Bt 3,865 mn.

At present, the Company had fully paid-up capital of 7,418.4 million shares (this included the registered capital which increased due to the conversion of JAS-W3 in December 2017 of 747.8 million ordinary shares) and 1,940.8 million unexercised warrants.

Capital Structure

As at 31 December 2017, the Company and its subsidiaries had the total liabilities of Bt 35,920 mn, or 71% of total assets. It had the total shareholders' equity of Bt 14,629 mn, or 29% of total assets. Debt to Equity ratio was at 2.46 times. However, such liabilities included liabilities, arising from the record of the provision for rental assurance of Bt 14,054 mn (which was the record of the provision for liabilities according to Thai Accounting Standards). Debt to Equity, excluding such items was at 1.49 time.

Liquidity

As at 31 December 2017, the Company and its subsidiaries had cash and cash equivalent of Bt 3,038 mn, increasing by Bt 556 mn from the year 2016. The summary of net cash generated and used is as follows:

- Net cash from operating activities	Bt 3,417 mn.
- Net cash used in investing activities	Bt (2,503) mn.
- Net cash used in financing activities	Bt (358) mn.

Treasury Stock Program for Financial Management

During the year 2010, the Company decreased its 2,032,127,200 paid-up shares by writing off 634,400,000 treasury shares of the first Treasury Stock Program and 1,397,727,200 treasure shares of the second Program.

During the year 2011, the Company additionally decreased its 155,240,000 paid-up shares by writing off the treasury shares of the third Treasury Stock Program.

During the year 2012, the Company totally had 106,857,000 treasury shares, according to the fourth Treasury Stock Program for financial management, approved by the Board of Directors at the meeting No. 8/2011, for a total of Bt 299 mn. The Company appropriated the full required amount of retained earnings to a reserve for the treasury shares.

During the year 2013, the Company decreased its 106,857,000 paid-up shares by writing off the treasury shares, following the resolution of the Company's Board of Directors Meeting No. 5/2012. The Company completely reversed all the appropriated retained earnings for treasury shares.

During the year 2014, the Company totally had 142,730,000 treasury shares, according to the fifth Treasury Stock Program for financial management, approved by the Board of Directors at the meeting No. 3/2014, for a total of Bt 990 mn. The Company appropriated the full required amount of retained earnings to a reserve for the treasury shares.

During the year 2015, the Company decreased its 142,730,000 paid-up capital by writing off the treasury shares, following the resolution passed by the Company's Board of Directors' Meeting No. 3/2015. The total appropriated retained earnings for treasury shares were completely reversed.

During the year 2016, the Company totally had 1,200,000,000 treasury shares or 16.82% of total issued shares, amounting to Bt 6,000 mn, following the resolution passed by the Company's Board of Directors' Meeting No. 2/2016, held on 7 March 2016 and the Company's Board of Directors' Meeting No. 3/2016, held on 22 March 2016 and the 2016 Annual General Meeting of Shareholders, held on 29 April 2016. It decreased its registered capital from Bt 5,245,998,283.50 to Bt 4,645,998,283.50 and decreased its paid-up capital from Bt 3,568,478,557.50 to Bt 2,968,478,557.50. The total appropriated retained earnings for such treasury shares were completely reversed.

JAS Directors, Executives, Authorized Persons, and Corporate Secretary

1. I. Information of JAS Directors, Executives, Authorized Persons, and Corporate Secretary

1.1 Background and Personal Information of JAS Directors, Executives, Authorized Persons, and Corporate Secretary

Name-Surname Position Date of Registration for Directorship	Age (Years)	Academic Degree/Training	Family Relationship with Directors and Executives	JAS, JAS-W3 holding Ratio (%) ¹⁾	Work Experience
1) Mr.Sudhitham Chirathivat Independent Director and Chairman of the Board of Directors 3 February 2010	70	- MBA Operation Research Iona University, New York, USA. - Thai Institute of Directors Association (IOD): Director Certification Program (DCP) (in 2003)	None	-	2014-Present Independent Director and Member of Audit Committee, TV Thunder PCL. 2010-Present Chairman of the Board of Directors, Jasmine International PCL. 2004-Present Vice Chairman and Executive Director, Robinson PCL. 2002-Present Director and Chairman of Advisory Committee, Central Group Co., Ltd. Chairman of Executive Committee, Earth Care Co., Ltd. Executive Director, The Vintage Club Co., Ltd Director and Executive Director, - Central Pattana PCL. - Central Plaza Hotel PCL.
2) Dr.Vichit Yamboonruang Independent Director and Chairman of Audit Committee 4 June 1999	76	- Ph.D. Public & International Affairs, University of Pittsburgh, Pennsylvania ,USA. - Thai Institute of Directors Association (IOD): Director Accreditation Program (DAP) (in 2004) Director Certification Program (DCP) (in 2004) The Role of Chairman Program (RCP) (in 2004) Audit Committee Program (ACP) (in 2004) Chartered Director Class (CDC) (in 2007) Board that Make a Difference (BMD) (in 2017)	None	JAS = 0.0008 JAS-W3 = None	2016-Present Chairman, VCK Solution Co., Ltd. 2014-Present Independent Director and Chairman of Audit Committee, BMP Energy PCL. 2012-Present Independent Director and Chairman of Audit Committee, Sherwood Chemicals PCL. 2011-Present Chairman of the Board of Directors and Independent Director, Ekarat Engineering PCL. 2008-2014 Chairman and Chief Executive Officer, Thai Premier League Co., Ltd. 2006-Present Independent Director and Chairman, Wiik & Hoeglund PCL. 1999-Present Independent Director and Chairman of Audit Committee, Jasmine International PCL.

Remarks : ¹⁾ JAS = Ordinary share; the total number of JAS used for calculation = 7,418,442,616 shares
JAS-W3 = the Warrant Representing the Rights to Purchase the Ordinary Shares of the Company; the total number of JAS-W3 used for calculation = 1,940,897,775 units

Name-Surname Position Date of Registration for Directorship	Age (Years)	Academic Degree/Training	Family Relationship with Directors and Executives	JAS, JAS-W3 holding Ratio (%) ¹⁾	Work Experience
3) Dr.Yochin Anavil Independent Director, Member of Audit Committee, and Chairman of Remuneration and Nomination Committee 28 September 2006	68	- Ph.D. Electric Engineer, University of Cincinnati, Ohio, USA. - Thai Institute of Directors Association (IOD) : Director Accreditation Program (DAP) (in 2006) Director Certification Program (DCP) (in 2008) Audit Committee Program (ACP) (in 2008) Chartered Director Class (CDC) (in 2008) Role of the Compensation Committee (RCC) (in 2008) Financial Statement Demystified for Directors (FDD) (in 2009)	None	-	2014-Present Independent Director and Chairman of Remuneration and Nomination Committee, Muangthai Leasing PCL. 2011-Present Chairman of Remuneration and Nomination Committee, Jasmine International PCL. 2011-Present Independent Director, Audit Committee, Corporate Governance Committee, Robinson PCL. 2010-2015 Advisor to Director Committee, D.T.C. Industries PCL. 2008-Present Member of Remuneration and Nomination Committee, Jasmine International PCL. Advisor and Vice Chairman, POP Network Co., Ltd. 2006-Present Independent Director and Member of Audit Committee, Jasmine International PCL. 1992-Present Executive Director, The Vintage Club Co., Ltd.
4) Mrs.Chantra Pumariksha Independent Director and Member of Audit Committee 20 December 2011	71	- M.A. Diplomacy and Comparative Economics, University of Kentucky USA. - Thai Institute of Directors Association (IOD) : Director Accreditation Program (DAP) (in 2005)	None	-	2015-Present Advisor to the Board of Directors, Muang Thai Insurance PCL. 2013-Nov2016 President / CEO, Saha Pathana Inter-Holding PCL. 2012-Nov2016 Director, Saha Pathana Inter-Holding PCL. 2012-2013 Independent Director and Member of Audit Committee, Kasikombank PCL. 2011-Present Independent Director and Member of Audit Committee, Jasmine International PCL. Independent Director, Phatra Leasing PCL. 1975-Present Director, S.P. Enterprise Co., Ltd.

Remarks : ¹⁾ JAS = Ordinary share, the total number of JAS used for calculation = 7,418,442,616 shares
JAS-W3 = the Warrant Representing the Rights to Purchase the Ordinary Shares of the Company; the total number of JAS-W3 used for calculation = 1,940,897,775 units



Name-Surname Position Date of Registration for Directorship	Age (Years)	Academic Degree/Training	Family Relationship with Directors and Executives	JAS, JAS-W3 holding Ratio (%) ¹⁾	Work Experience
5) Mr.Pete Bodharamik ²⁾ Director ³⁾ and Chief Executive Officer 21 March 2008	45	Bachelor of Management Sciences, London School of Economics and Political Science, England	None	JAS = 57.90 JAS-W3 = 68.69	2012-Present - Chairman, Mono Technology PCL. - Director, PVS Development Co., Ltd. 2008-Present - Director and Chief Executive Officer, Jasmine International PCL. - Director, Jasmine International Group 2008-Present Executive Director - Triple T Broadband PCL. - Triple T Internet Co., Ltd. 2007-Present Director, Triple T Internet Co., Ltd. 2006-Present Director, Triple T Broadband PCL. 2002-Present Director, Mono Group. 1995-Present Director, Emerald Farm Co., Ltd.
6) Mr.Somboon Patcharasopak ²⁾ Director ³⁾ , Member of Remuneration and Nomination Committee and Chairman of Risk Management Committee 7 January 1994	57	- Honorary Doctorate Degree, Faculty of Science and Technology, Rajamangala University of Technology Phra Nakhon - MBA, Kasetsart University - Thai Institute of Directors Association (IOD) : Director Accreditation Program (DAP) (in 2003) Director Certification Program (DCP) (in 2003)	None	JAS = 0.20 JAS-W3 = 0.37	2012-Present Chairman of Risk Management Committee, Jasmine International PCL. 2008-Present - Member of Remuneration and Nomination Committee, Jasmine International PCL. 2004-Present Member of Risk Management Committee, Jasmine International PCL. 1988-Present Director, Jasmine International Group 1982-Jan.2018 Director, Jasmine International PCL.

Remarks : ¹⁾ JAS = Ordinary share; the total number of JAS used for calculation = 7,418,442,616 shares
JAS-W3 = the Warrant Representing the Rights to Purchase the Ordinary Shares of the Company; the total number of JAS-W3 used for calculation = 1,940,897,775 units

²⁾ Person, approved by the Company's directors, to assume the position of director and authorized person in the subsidiaries that operate the Company's core businesses

³⁾ Authorized signatory director

Name-Surname Position Date of Registration for Directorship	Age (Years)	Academic Degree/Training	Family Relationship with Directors and Executives	JAS, JAS-W3 holding Ratio (%) ¹⁾	Work Experience
7) Mr.Subhoj Sunyabhisithkul ²⁾ Director ³⁾ 4 June 1999	49	- Bachelor of Electrical Engineering, Chulalongkorn University - Thai Institute of Directors Association (IOD) : Director Certification Program (DCP) (in 2004)	None	-	2008-Present President, Triple T Internet Co., Ltd. - Director, President and Executive Director, Triple T Broadband PCL. - Director and Executive Director, Triple T Internet Co., Ltd. 1999-Present Director, Jasmine International PCL. 1997-Present Director, Jasmine International Group 1988-Present Executive, Jasmine International Group
8) Mr.Terasak Jerauwapong ²⁾ Director ³⁾ and Member of Risk Management Committee 22 June 2000	56	- Bachelor of Electrical Engineering, (Telecommunications), King Mongkut's Institute of Technology, Ladkrabang - Thai Institute of Directors Association (IOD) : Director Accreditation Program (DAP) (in 2004) Director Certification Program (DCP) (in 2004)	None	JAS = 0.08 JAS-W3=0.14	2004-Present Member of Risk Management Committee, Jasmine International PCL. 1999-Present Director, Jasmine International PCL. 1996-Present President, Jasmine Submarine Telecommunications Co.,Ltd. 1990-Present Director, Jasmine International Group 1988-Present Executive, Jasmine International Group
9) Ms.Saijai Kitsin ²⁾ Director, Director and President, Secretary to the Board of Directors and Corporate Secretary 8 May 2008	55	- MS. (Accounting), Chulalongkorn University - Thai Institute of Directors Association (IOD) : Director Accreditation Program (DAP) (in 2004) Director Certification Program (DCP) (in 2004) Finance for Non-Finance Director (FND) (in 2005) Audit Committee Program (ACP) (in 2005)	None	JAS = 0.02 JAS-W3 = None	2017-Present Director and President, Jasmine International PCL. 2016-Present Executive Director, Triple T Internet Co., Ltd. 2015- Present Director, Premium Asset Co., Ltd. 2011-Present Director, JAS Mobile Broadband Co., Ltd. 2008-Present Director, In Cloud Co., Ltd Director and Corporate Secretary, Jasmine International PCL. 2008-Jan.2017 Executive Vice President, Jasmine International PCL. 2007-Present Director, Triple T Internet Co., Ltd. Executive Director, Triple T Broadband PCL. 2006-Present Director, Triple T Broadband PCL. 1992-Present Director and Executive, Jasmine International Group

Remarks : ¹⁾ JAS = Ordinary share; the total number of JAS used for calculation = 7,418,442,616 shares

JAS-W3 = the Warrant Representing the Rights to Purchase the Ordinary Shares of the Company; the total number of JAS-W3 used for calculation = 1,940,897,775 units

²⁾ Person, approved by the Company's directors, to assume the position of director and authorized person in the subsidiaries that operate the Company's core businesses

³⁾ Authorized signatory director



Name-Surname Position Date of Registration for Directorship	Age (Years)	Academic Degree/Training	Family Relationship with Directors and Executives	JAS, JAS-W3 holding Ratio (%) ¹⁾	Work Experience
10) Mr.Pleumjai Sinarkorn Director and Member of Remuneration and Nomination Committee 20 November 2008	84	- Ph.D. (Innovative Management), Suan Sunandha Rajabhat University - MBA, Suan Sunandha Rajabhat University - Thai Institute of Directors Association (IOD) : Director Certification Program (DCP) (in 2004) Role of the Compensation Committee (RCC) (in 2007) DCP Refresher Course (in 2008)	None	JAS = 0.01 JAS-W3 = None	Sep2016-Present Chairman of the Board of Directors, Jasmine Telecom Systems PCL. 2014-Present Chairman of Remuneration Committee, Jasmine Telecom Systems PCL. 2011-Present Member of Remuneration and Nomination Committee, Jasmine International PCL. 2010-present Director, Cloud Computing Solutions Co., Ltd. 2009-present Advisor, JasTel Network Co., Ltd. 2008-Present Director, Jasmine International PCL. 2004-Present Director and Member of Remuneration Committee, Jasmine Telecom Systems PCL.
11) Mr.Yordchai Asawathongchai Director 27 September 2016	44	Bachelor of Engineering (Electrical Engineering), Chiang Mai University - Thai Institute of Directors Association (IOD) : Director Certification Program (DCP) (in 2017)	None	-	2016-Present Director, Jasmine International PCL. Chief Operation Officer 2, Triple T Broadband PCL. Executive Officer, - Triple T Broadband PCL. - Triple T Internet Co., Ltd. 2010-2016 Head of Contact Center Department, Triple T Broadband PCL.

Remarks: ¹⁾ JAS = Ordinary share, the total number of JAS used for calculation = 7,418,442,616 shares
JAS-W3 = the Warrant Representing the Rights to Purchase the Ordinary Shares of the Company; the total number of JAS-W3 used for calculation = 1,940,897,775 units

Name-Surname Position	Age (Years)	Academic Degree/Training	Family Relationship with Directors and Executives	JAS, JAS-W3 holding Ratio (%) ¹⁾	Work Experience
12) Mrs.Chuenkamol Treessuttacheep Chief Financial Officer, Finance Department	47	MBA Finance, National Institute of Development Administration	None	-	2005-Present - Executive, Jasmine International Group
13) Mrs.Nitt Visesphan Vice President, Finance Department	57	Master of Administration (Public Management), Burapha University	None	-	1994-Present - Executive, Jasmine International Group
14) Ms.Sinenart Jongpakpaial Vice President, Accounting Department	55	Master of Science Accounting, Thammasat University	None	-	1992-Present - Executive, Jasmine International Group
15) Mrs.Uraiporn Charoenchit Vice President, Regulatory & Compliance Department	53	Bachelor of Arts, Thammasat University	None	-	1992-Present - Executive, Jasmine International Group

Remarks : ¹⁾ JAS = Ordinary share; the total number of JAS used for calculation = 7,418,442,616 shares

JAS-W3 = the Warrant Representing the Rights to Purchase the Ordinary Shares of the Company; the total number of JAS-W3 used for calculation = 1,940,897,775 units

1.2 Roles and Responsibilities of Corporate Secretary

Please see Section 7, Subsection 7.3

1.3 Directors, Executives, and Authorized Persons of the Subsidiaries that Operate the Company's Core Businesses
(Names of persons approved by the Company's directors to assume the position of directors and authorized persons in the subsidiaries that operate the Company's core businesses are presented in Subsection 1.1)

Name-Surname Position	Age (Years)	Academic Degree/Training	Family Relationship with Directors and Executives	JAS, JAS-W3 Shareholding Ratio (%) ¹⁾	Work Experience
Jasmine Submarine Telecommunications Co., Ltd.					
1) Ms.Sinenart Jongpakpaisal Vice President, Accounting and Finance Department	55	Master of Science Accounting, Thammasat University	None	-	1992-Present Executive, Jasmine Submarine Telecommunications Co., Ltd.
2) Ms.Lukkana Moolsri Senior Manager, Administration Department	58	Master of Arts (Psychology), Chulalongkorn University	None	-	1993-Present Executive, Jasmine Submarine Telecommunications Co., Ltd.
Acumen Co., Ltd.					
1) Mrs.Nonglug Pongsrihadulchai General Manager	62	Master of Environment Technology Management, Mahidol University	None	-	1994-Present Executive, Acumen Co., Ltd.
2) Mr.Kamchai Vongkledhark Assistant General Manager	47	Bachelor of Engineering (Computer Engineering), Kasetsart University	None	-	1993-Present Executive, Acumen Co., Ltd.
3) Mrs.Jirawat Prayoonyuang Assistant Vice President, Satellite Business Department	56	Bachelor of Arts, Ramkhamhaeng University	None	-	1993-Present Executive, Acumen Co., Ltd.
4) Mrs.Kanchana Surbkitwanchai Senior Manager	51	Bachelor of Accounting, Krikk University	None	-	1992-Present Executive, Acumen Co., Ltd.

Remarks : ¹⁾ JAS = Ordinary share; the total number of JAS used for calculation = 7,418,442,616 shares
JAS-W3 = the Warrant Representing the Rights to Purchase the Ordinary Shares of the Company; the total number of JAS-W3 used for calculation = 1,940,897,775 units

2. Directors, Executives, and Authorized persons of the Company who are also Directors, Executives and Authorized persons of the Subsidiaries and the Associates

Name of Executive	JAS	Subsidiary																Associate		
		TTTTBB	TTTT	INC	JSTC	TLDT	JasTel	JF-NET	ACU	ARS	SHW	JTS	CCS	PA	CP	JIOC	ACT	JASMBB	IKSC	
1) Mr.Sudhitham Chirathivat	C,I																			
2) Dr.Vichit Yamboonruang	CAI																			
3) Dr.Yodhin Anavil	AC,I,CRN																			
4) Mrs.Chantra Purnarksha	AC,I																			
5) Mr.Soomboon Patcharasopak	A,CRM,PN				A	A	A	A	A	A	A			A	A	A				A
6) Mr. Subhoj Sunyabhisithkul	A	A,P,E	A,E	A	A	A	A	A	A	A	A				A	A				
7) Mr.Terasak Jerauswapong	A,RM				A,P	A	A	A	A	A	A									A
8) Mr.Pete Bodharamik	A,CEO	A,E	A,E		A	A	A,P	A	A	A	A			A						
9) Ms.Sajjai Kitsin	D,D&P	A,E	A,E	A	A	A	A													A
10) Mr. Pleunjai Sinarkom	D,RN																			
11) Mr.Yordchai Asawathongchai	D	E	E																	
12) Mrs. Nitt Visesphan				A																

Remarks : A = Authorized Signatory Director
CA = Chairman of Audit Committee
D&P = Director and President
P = President
RN = Remuneration and Nomination Committee
CRN = Chairman of Remuneration and Nomination Committee
AC = Member of Audit Committee
CEO = Chief Executive Officer
E = Executive Director
RM = Risks Management Committee
CRC = Chairman of Remuneration Committee
CRM = Chairman of Risks Management Committee
C = Chairman of the Board of Directors
D = Director
I = Independent Director

3. Penalty record of Directors, Executives, and Authorized persons during the past 5 years

Directors, executives and authorized persons have not committed any offence against the Securities and Exchange Act, B.E.2535 or the Derivative Act, B.E.2546, especially in connection with the following:-

- 3.1 Dishonesty or serious negligence in performing duties
- 3.2 Disclosure or dissemination of false information that may result in misleading or misunderstanding as well as concealment of significant material information that should be clearly communicated because such cover-up may affect the decision making of shareholders, investors or other related persons
- 3.3 Unfair acts or the taking of advantage of investors in trading securities or futures contracts as well as having or used to have a part in doing or supporting such deeds

Directors of the Subsidiaries and Associate Companies

Name of Executive	Subsidiary													Associate				
	TTTB	TTTT	INC	JSTC	TLDT	JasTel	Ji-NET	ACU	ARS	SHW	JTS	CCS	PA	CP	JIOC	ACT	JASMBB	IKSC
1. Mrs.Nonglug Pongsrihadulchai	A,E	A,E																
2. Ms.Chongrak Rojanavipat	A																	
3. Mr.Vasu Prasannate	A,E	E																
4. Mr.Anupong Bodharamik	A																	
5. Mr.Sittha Suviratvitayakit	D,E	E																
6. Mr.Pisit Tantirodjanakitjakam	E	E								D								
7. Mrs.Somchit Terachutikul					D													
8. Mr.Kittipong Mekvichitsaeng										A								
9. Mr.Sa-ngob Sangkhachinda										A								
10. Mr.Raks Unahabhokha											CA,IRC							
11. Acting Sub Lt. Annop Suthakavatin											AC,IRC							
12. Maj. Gen. Sunanta Sirisumpan											AC,I							
13. Mr.Dusit Srisangaoran											D,P	A						
14. Mrs.Pindao Rojanakul											A		A					
15. Mr.Suraphol Chanpetch																		
16. Ms.Oranuch Chandhasin													A					A
17. Mr.Taj Bussadeegarn																		A
18. Mr.Saharat Kanongsilp																		A
19. Mr.Chumanus Keshsathira																		A
20. Mr.Nopphadol Wanlapha																		A
21. Mr.Sombat Punsiripat																		A
22. Mr.Paveen Chaiprakarn																		A

Remarks : A = Authorized Signatory Director

D = Director

P = President

AC =

E =

RC =

Member of Audit Committee

Executive Director

Remuneration Committee

CA =

I =

Chairman of Audit Committee

Independent Director

Information of JAS Head of Internal Audit

Name-Surname	Academic Degree/Training	Work Experience
<p>Mrs.Nipaporn Rattanarmik Manager, Office of Internal Audit</p>	<ul style="list-style-type: none"> - Bachelor of Business Administration (Finance and Banking), Ramkhamhaeng University - Federation of Accounting Professions under the Royal Patronage of His Majesty the King : IT Audit - Risk Assessment for Audit Planning - Internal Auditing Certificate Program (IACP) - The Institute of Internal Auditors of Thailand : - Skills for the New Auditor-In-Charge Fraud Audit - The Stock Exchange of Thailand : - Internal Control over Financial Reporting - The Stock Exchange of Thailand : - Internal Control over Financial Reporting 	<p>2008-Present Manager, Office of Internal Audit, Jasmine International PCL.</p> <p>2004-2007 Assistant Manager, Office of Internal Audit Jasmine International PCL.</p>

■ ■ ■ Changes in Shareholding of Directors and Executives

Changes in Shareholding of Directors and Executives

Name-Surname	Number of Shares (Shares)			Number of JAS-W3 (Units)		
	as at 31 Dec. 2016	Change in Number of Shares in 2017 Increase / (Decrease)	as at 31 Dec. 2017	as at 31 Dec. 2016	Change in Number of JAS-W3 in 2017 Increase / (Decrease)	as at 31 Dec. 2017
Director						
1. Mr.Sudhitham Chirathivat	-	-	-	-	-	-
Spouse and Minor child	-	-	-	-	-	-
2. Dr.Vichit Yamboonruang	-	60,000	60,000	-	-	-
Spouse and Minor child	-	-	-	-	-	-
3. Dr.Yodhin Anavil	-	-	-	-	-	-
4. Mrs.Chantra Purnariksha	-	-	-	-	-	-
Spouse and Minor child	-	-	-	-	-	-
5. Mr.Pete Bodharamik	4,295,246,452	-	4,295,246,452	1,983,295,757	(650,000,000)	1,333,295,757
6. Mr.Somboon Patcharasopak	14,789,270	-	14,789,270	7,249,642	-	7,249,642
Spouse and Minor child	-	-	-	-	-	-
7. Mr.Subhoj Sunyabhisithkul	-	-	-	-	-	-
Spouse and Minor child	-	-	-	-	-	-
8. Mr.Terasak Jerauswapong	5,585,080	-	5,585,080	2,737,784	-	2,737,784
Spouse and Minor child	-	-	-	-	-	-
9. Mr.Pleumjai Sinarkorn	847,058	200,000	1,047,058	-	-	-
Spouse and Minor child	-	-	-	-	-	-
10. Ms.Saijai Kitsin	1,700,000	-	1,700,000	-	-	-
11. Mr. Yordchai Asawathongchai	-	-	-	-	-	-
Spouse and Minor child	-	-	-	-	-	-
Executive						
1. Mrs.Chuenkamol Treesuttacheep	-	-	-	-	-	-
Spouse and Minor child	-	-	-	-	-	-
2. Mrs.Nitt Visesphan	-	-	-	-	-	-
Spouse and Minor child	-	-	-	-	-	-
3. Ms.Sinenart Jongpakpaisal	-	-	-	-	-	-
4. Mrs.Uraiporn Charoenchit	-	-	-	-	-	-
Spouse and Minor child	-	-	-	-	-	-

Shareholding in Subsidiaries and Associate Company of the Board of Directors

Shareholding in Subsidiaries and Associate Company of the Board of Directors

Company name	Name of Director		Number of Ordinary Shares as at 31 December 2017
In Cloud Co., Ltd.	Mr.Subhoj	Sunyabhisithkul	1
Jasmine Submarine Telecommunications Co., Ltd.	Mr.Somboon	Patcharasopak	2
	Ms.Saijai	Kitsin	1
Thai Long Distance Telecommunications Co., Ltd.	Mr.Somboon	Patcharasopak	2
	Mr.Terasak	Jerauswapong	1
	Ms.Saijai	Kitsin	1
JasTel Network Co., Ltd.	Mr.Somboon	Patcharasopak	1
	Mr.Subhoj	Sunyabhisithkul	1
	Mr.Terasak	Jerauswapong	3
	Ms.Saijai	Kitsin	1
Acumen Co., Ltd.	Mr.Somboon	Patcharasopak	1
	Ms.Saijai	Kitsin	2
ACeS Regional Services Co., Ltd.	Mr.Somboon	Patcharasopak	1
Smart Highway Co., Ltd.	Mr.Somboon	Patcharasopak	1
	Mr.Subhoj	Sunyabhisithkul	1
	Mr.Terasak	Jerauswapong	3
Jasmine Telecom Systems PCL.*	Mr.Somboon	Patcharasopak	400
	Mr.Subhoj	Sunyabhisithkul	100
	Mr.Terasak	Jerauswapong	1,000
	Ms.Saijai	Kitsin	400
	Mr.Pleumjai	Sinarkorn	50,000
Cloud Computing Solutions Co., Ltd.	Ms.Saijai	Kitsin	3
Premium Asset Co., Ltd.	Mr.Terasak	Jerauswapong	3
JAS Mobile Broadband Co., Ltd.	Mr.Pete	Bodharamik	1
	Ms.Saijai	Kitsin	1
ACeS (Thailand) Co., Ltd.	Mr.Somboon	Patcharasopak	1
T.J.P. Engineering Co., Ltd.	Mr.Somboon	Patcharasopak	1
	Mr.Subhoj	Sunyabhisithkul	1
	Mr.Terasak	Jerauswapong	2
Mobile Communication Services Co., Ltd.	Mr. Somboon	Patcharasopak	1
	Mr.Subhoj	Sunyabhisithkul	1
	Mr.Terasak	Jerauswapong	3
Three BB Co., Ltd.	Mr.Somboon	Patcharasopak	1
	Mr.Subhoj	Sunyabhisithkul	1
	Mr.Terasak	Jerauswapong	2

Remarks : * Shareholding as at 27 November 2017, the closing date of share register book

■■■ 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 Director 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 and the CEO 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, Independent Director, with Mr.Pleumjai Sinarkorn and Mr.Somboon Patcharasopak, the Company Directors, as its members.

In 2017, 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 BOD 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, including the directors' duties and responsibilities. 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 retain a qualified director with the Company.
- The consideration on the remuneration and the annual bonus for the CEO
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 BOD s' approval. As for the directors who were due to retire from office by rotation, the Remuneration and Nomination Committee proposed their names for the BOD's and the shareholders' meeting's approvals, respectively.
- The recruitment, selection and nomination of the person to assume the position of Director and President of Jasmine International Public Company Limited to propose for the BOD s' approval and appointment
- The recruitment, selection and nomination of persons to assume the positions in the Executive Committee of Jasmine International Public Company Limited to propose for the BOD s' approval and appointment



- The acknowledgement of the expiration of the term of service of the Remuneration and Nomination Committee and the proposal to the BOD for appointing the new set of the Remuneration and Nomination Committee
- The proposal of the renewal of the term of service of the Audit Committee of Jasmine International Public Company Limited and the remuneration thereof which was of the same amount the committees received in the previous term of their service for the BOD's approval
- The proposal of the qualified persons to assume the positions in the Risk Management Committee from 23 February 2018 to 22 February 2021 and the remuneration thereof which was of the same amount the Company paid to each committee in the previous term of service for the BOD's approval
- 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 2017 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 2017, 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 7 members. In 2017, the Risk Management Committee arranged 4 meetings to

consider refining risk management policy with prudence to be appropriate and in line with the strategies and the policies of the Company, focusing particularly on the aspects that are related to business risks of the Group, in addition to assessing risk factors, both internal and external, that might significantly impact its operation. The Committee accomplished its tasks and accordingly reported the results to the Board of Directors to ensure that the targets could be achieved as planned as summarized below.

- 1) Risk assessment : The Risk Management Committee assessed 5 areas of risk, namely revenue , finance, human resources, market & competition, and operation & maintenance by taking into consideration the internal as well as the external risk factors that might affect the operation of the Company. Besides, it revised the risk management framework and policy to be in accordance with changing situations and also set up work procedures and work process in order to manage such risks to be at an appropriate level, not affecting the Group's business operation.
- 2) Risk management administration : The Risk Management Committee administered risk management under the risk management framework and in alignment with the risk management policy through the risk management teams which represented all the business groups of the Company to ensure that the Company was capable of managing risks, systematically and efficiently.
- 3) Risk management monitoring and supervision : The Risk Management Committee arranged the meeting quarterly in order to continuously monitor, review and improve risk factors to be appropriate, suiting with any change that might occur and to be at an acceptable level by the standard of the Company; in addition to efficiently mitigating chances of risks.
- 4) Building an awareness of risk management task : Aiming at supporting the participation in risk management, the Risk Management Committee encouraged the Company's employees of all levels organization-wide to take part in risk management process, starting from risk assessment to risk management planning and putting the risk management schemes into practice on a regular basis so as to make risk management become one of the Company's corporate cultures.

Considering from the above activities, the Risk Management Committee was of the opinion that the task of managing risks of the Company had been systematically carried out; the Committee had completed its duties as assigned by the Board of Directors and well in compliance with the principles and guidelines for good corporate governance; thus, ensuring that the risk management of the Company would continue efficiently.



(Mr. Somboon Patcharasopak)

Chairman of the Risk Management Committee

■ ■ ■ Audit Committee's Report

The Audit Committee of Jasmine International Public Company Limited (the "Company") comprises 3 independent directors who are expert and well experienced in management, namely:-

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

The Audit Committee carries out its duties in accordance with the scope of authority and responsibilities approved by the Board of Directors (the "BOD") and as required by the Audit Committee Charter, putting emphasis on systematic work process; Good Corporate Governance; verification of the Company's financial statements and internal control system; appropriate and efficient internal audit; oversight of the Company's compliance with rules, regulations and applicable laws; and nomination of the Company's external auditors and proposal of the audit fee.

In 2017, the Company organized 6 Audit Committee Meetings, in which the Company's external and internal auditors also participated. The tasks completed by the Audit Committee for the fiscal year 2017 are summarized as follows:-

Verification of Financial Reports

The Audit Committee verified the quarterly and the annual financial statements for the year 2017, taking into account the explanation given by both the Company's auditors and the executives. It also verified the related party transactions and the transactions that might have conflicts of interest. The Committee was of the opinion that the financial statements were accurately and completely prepared in accordance with the generally accepted financial reporting principles; in addition, they were adequately disclosed and useful for interested investors.

Verification of Internal Control System

The Audit Committee verified the Company's internal control system via the audit reports submitted by the Office of Internal Audit and the reports prepared by the external auditors. The Office of Internal Audit used the audit results as well as the risk assessment results as guideline to set up its annual audit work plan to increase the efficiency of the internal control and the work of all the departments within the organization. The Committee was of the opinion that the Company's internal control system was appropriate and efficient.

Verification of Compliance with Applicable Laws, Rules and Regulations

The Audit Committee verified the Company's compliance with the Securities and Exchange Act, the rules and the regulations of the Stock Exchange of Thailand (the "SET"), including laws applicable to the business of the Company. The Committee was of the opinion that the Company completely complied with the relevant laws, rules and regulations.

Verification and Oversight of Internal Audit Work

The Audit Committee emphasized preventive action in auditing all the work systems within the Company, aiming at enabling employees in every level to work efficiently and effectively. The Committee also verified the work of the Office of Internal Audit to be in accordance with the approved annual work plan. In addition, the Committee has considered approving the internal audit work plan for the year 2018, prepared based on risk assessment



results to enhance Good Corporate Governance and adequate internal control. The Committee was of the opinion that the tasks of the Office of Internal Audit were accomplished efficiently and effectively with independence, satisfactorily achieving the goals as planned.

Nomination of the Company's Auditors to Propose for Appointment and Consideration on the Audit Fee thereof for the Year 2018

The Audit Committee considered nominating auditors for the Company by taking into consideration their knowledge, expertise, experiences, reliability, independence and work quality. To determine the audit fee, the Committee principally considered the amount of work and the scope of responsibilities of the auditors. For the year 2018, the Committee deemed it appropriate to propose the BOD to consider nominating the auditors from EY Office Limited to be appointed by the shareholders' meeting as the Company's auditors and fixing the audit fee thereof.

Audit Committee Self Assessment

To comply with the guideline of the SET, the Audit Committee evaluated its performance, both as a party and as an individual committee. According to the self assessment result, the Committee fulfilled its duties as stipulated by the Audit Committee Charter, applying their knowledge and abilities with adequate independence in addition to providing every group of the stakeholders equitably with useful opinions and suggestions.

In summary, in view of the Committee, the Company's financial reports were correct, reliable and in accordance with the generally accepted accounting principles; the Company's compliance with the applicable laws as well as the relevant rules and regulations was complete; the risk management was adequate. Likewise, the internal control system and the internal audit were appropriate and efficient.

(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 2017, 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 2017, 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 2017, 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 consolidated 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 the revenue sharing rate is still being disputed between the 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, the concession provider submitted a dispute proposal to the Arbitration Institute, Office of Dispute Resolution, the Judiciary, asking the 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, the concession provider submitted a dispute proposal to the Arbitration Institute, asking the 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 2017 (2016: 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 2017 totaling amounting to Baht 2,379 million (2016: Baht 2,394 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 consolidated 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 had 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. 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 1,856 million (principal of Baht 1,112 million and interest of Baht 744 million). The Company considers to 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 313 million (principal of Baht 260 million and interest of Baht 53 million) (2016: 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 (principal of Baht 684 million and interest of Baht 323 million) in the Company's rehabilitation plan 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 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 consolidated financial statements, a subsidiary was unable to deliver tablets to two government agencies as scheduled in the agreements, as a result of a massive fire at a production facility where tablet parts were 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 requested the subsidiary to pay penalties totaling Baht 5 million and Baht 142 million, respectively. However, the subsidiary submitted letters to these counterparties objecting to 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 agreements. Subsequently, these counterparties filed lawsuits with the Central Administrative Court, petitioning the Court to order the subsidiary to pay penalties and make payment under the letter of performance bond guarantee, together with interest totaling approximately Baht 5 million and Baht 190 million, respectively. 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 cash amounting to Baht 38 million as a result of forfeiture of performance bond form by this counterparty. The subsidiary had 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 cash receipt as a liability under the caption of trade and other payables in the consolidated statement of financial position and treated it as a provision for any penalties and losses that might be incurred, while the subsidiary does not expect such penalties and losses to

exceed the amount of the reserve. During the current year, the situation has not changed, except for the recent development on 22 February 2018, when the Central Administrative Court issued a judgement on the case between the subsidiary and the government agency who filed the lawsuit, requesting the subsidiary to pay penalties totaling approximately Baht 5 million. The Central Administrative Court issued a judgement ordering the subsidiary to pay penalties totaling approximately Baht 3 million. However, the subsidiary has the right to file an appeal within 30 days after the Central Administrative Court issued a judgement. When the subsidiary receives the official judgement of the Central Administrative Court, the legal advisor will consider details of the judgement in order to subsequently file an appeal. Therefore, the ultimate outcome of these lawsuits and disputes that are not finalised cannot be determined at this time. However, the subsidiary's management and legal advisor are confident that no significant losses will be incurred as a result of these lawsuits and disputes, and therefore no further provision for contingent liabilities have been recorded in the accounts. Consequently, 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 2016 and for the year then ended, presented as comparative information, and expressed a qualified opinion on those statements with respect to limitation imposed by similar circumstances as described in a), b) and c), as stated in the above *Basis for Qualified Opinion on the Consolidated Financial Statements* paragraph, and drew attention to a subsidiary's inability to obtain a spectrum license for International Mobile Telecommunications in the frequency band 900 MHz which the subsidiary had already made payment of damages and the matters similar to 1. and 2. as stated in the below *Emphasis of Matters* paragraph, under my report dated 20 February 2017.

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 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. Matters between subsidiaries and an unrelated company
 - 1.1 The settlement of outstanding balances of approximately Baht 877 million and the leased line service agreements, as described in Note 10 to the consolidated financial statements
 - 1.2 The court proceedings and various disputes, as described in Note 33.8 to the consolidated financial statements

- 
2. As described in Note 33.5 to the consolidated 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 opinion 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 2017 financial statements, was primarily revenue from the provision of internet services, amounting to Baht 16,279 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 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 2017, the Group had outstanding balances of deferred tax assets amounting to Baht 3,083 million. The Group has disclosed their accounting policies and details relating to deferred tax in Note 4.16 and Note 26 to the consolidated 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 fair 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.

I am responsible for the audit resulting in this independent auditor's report.

Supachai Phanyawattano

Certified Public Accountant (Thailand) No. 3930

EY Office Limited

Bangkok: 23 February 2018

Consolidated financial statements

Jasmine International Public Company Limited and its subsidiaries

Statement of financial position

As at 31 December 2017

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2017	2016	2017	2016
Assets					
Current assets					
Cash and cash equivalents	7	3,037,949,264	2,481,799,979	2,158,095,907	617,686,610
Current investments - deposits with banks	8	48,631,981	376,727,415	124,281	250,123,134
Trade and other receivables	9	3,173,847,347	3,018,556,492	226,123,532	171,203,998
Short-term loans to subsidiaries	6	-	-	100,000,000	100,000,000
Dividend receivable from subsidiaries	6	-	-	583,845,136	701,245,136
Revenue department receivable		907,093,974	675,165,966	-	-
Input tax pending payments		412,032,664	559,204,559	1,289,756	275,940
Prepaid expenses		66,422,223	53,231,191	707,191	3,898,945
Other current assets		28,400,701	42,922,345	52,631	34,834
Total current assets		7,674,378,154	7,207,607,947	3,070,238,434	1,844,468,597
Non-current assets					
Restricted deposits with banks	16, 33.8	487,521,237	472,728,113	-	-
Investments in subsidiaries	11	-	-	2,952,796,270	2,961,665,763
Investments in associates	12	6,233,992,895	6,849,768,559	18,075,942,507	18,119,388,161
Investment properties	13	534,646,780	515,211,124	-	-
Property, plant and equipment	14	31,098,342,055	27,976,169,871	2,441,522	2,985,768
Deferred tax assets	26	3,083,195,487	3,396,565,394	65,972,953	65,972,953
Withholding tax deducted at source		424,311,195	119,510,261	36,209,267	81,394,003
Advance rental payment	6, 15, 28	816,510,000	816,510,000	146,551,413	160,370,580
Other non-current assets		195,695,389	177,356,824	11,020,148	11,018,813
Total non-current assets		42,874,215,038	40,323,820,146	21,290,934,080	21,402,796,041
Total assets		50,548,593,192	47,531,428,093	24,361,172,514	23,247,264,638

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 2017

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2017	2016	2017	2016
Liabilities and shareholders' equity					
Current liabilities					
Short-term loans from banks	16	3,914,619,212	2,229,119,134	-	-
Trade and other payables	17	3,923,365,269	3,197,608,107	78,222,175	428,867,864
Accrued project costs		140,909,112	160,218,274	-	-
Short-term loans	18	1,358,159,600	-	7,175,888,000	8,695,628,400
Current portions of the long-term liabilities					
Long-term loans from banks	19	1,345,466,737	1,410,139,815	1,185,466,737	1,182,139,815
Liabilities under finance lease agreements	20	77,479,054	51,346,792	-	-
Accounts payable for equipment	21	2,390,814,760	766,114,445	-	-
Provision for rental assurance	6, 28	1,766,314,743	1,753,704,590	-	-
Withholding tax payable		157,987,430	147,891,410	87,033,275	83,449,502
Income tax payable		36,506,935	256,254,482	-	-
Undue output tax		309,652,832	307,488,169	4,569,398	11,033,382
Advance received from customers		531,948,119	569,905,860	-	-
Other current liabilities		39,369,560	24,256,656	8,439,865	2,792,815
Total current liabilities		15,992,593,363	10,874,047,734	8,539,619,450	10,403,911,778
Non-current liabilities					
Long-term liabilities - net of current portions					
Long-term loans from banks	19	3,844,318,753	5,121,785,490	3,578,599,015	4,764,065,752
Liabilities under finance lease agreements	20	144,384,969	72,939,740	-	-
Accounts payable for equipment	21	1,943,223,716	4,519,845,020	-	-
Provision for rental assurance	6, 28	12,287,825,787	13,763,193,671	-	-
Provision for long-term employee benefits	22	402,246,421	377,961,634	31,213,868	28,643,872
Provision for entry fee for laying the optical fiber cables	28	274,184,184	461,034,798	-	-
Provision for reversal of judgement by the Supreme Court	33.6	313,466,571	301,220,892	313,466,571	301,220,892
Deposit received from customers		702,326,595	758,290,828	9,954,402	9,954,442
Other non-current liabilities		15,332,477	13,743,427	14,539,703	12,941,721
Total non-current liabilities		19,927,309,473	25,390,015,500	3,947,773,559	5,116,826,679
Total liabilities		35,919,902,836	36,264,063,234	12,487,393,009	15,520,738,457

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 2017

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2017	2016	2017	2016
Shareholders' equity					
Share capital					
Registered					
9,291,996,567 ordinary shares of Baht 0.5 each		4,645,998,284	4,645,998,284	4,645,998,284	4,645,998,284
Issued and fully paid-up					
6,670,625,606 ordinary shares of Baht 0.5 each					
(2016: 5,936,957,115 ordinary shares of Baht 0.5 each)	23	3,335,312,803	2,968,478,258	3,335,312,803	2,968,478,258
Share subscription received in advance	23	2,919,477,607	1,264,227,510	2,919,477,607	1,264,227,510
Premium on ordinary shares		2,812,213,451	314,806,203	2,812,213,451	314,806,203
Retained earnings					
Appropriated					
Statutory reserve - the Company	24	464,599,828	464,599,828	464,599,828	464,599,828
- subsidiaries	24	555,935,453	547,352,151	-	-
Unappropriated		3,238,669,347	4,418,420,455	2,116,224,912	2,488,463,478
Other components of shareholders' equity		258,179,963	258,179,963	225,950,904	225,950,904
Equity attributable to owners of the Company		13,584,388,452	10,236,064,368	11,873,779,505	7,726,526,181
Non-controlling interests of the subsidiaries		1,044,301,904	1,031,300,491	-	-
Total shareholders' equity		14,628,690,356	11,267,364,859	11,873,779,505	7,726,526,181
Total liabilities and shareholders' equity		50,548,593,192	47,531,428,093	24,361,172,514	23,247,264,638

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 2017

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2017	2016	2017	2016
Profit or loss:					
Revenues					
Sales and service income		17,432,340,632	15,619,264,085	-	-
Other income					
Gains on sales of assets to the Fund	28	-	2,159,900,003	-	-
Management fee income	6	-	-	531,588,984	524,052,600
Interest income		18,799,042	70,386,195	3,242,798	8,993,560
Management and maintenance income of the OFCs	6, 28	226,847,954	205,524,462	-	-
Dividend income from subsidiaries	11	-	-	1,975,998,440	8,946,704,395
Dividend income from associate	12	-	-	1,668,166,500	1,631,503,500
Gains on exchange		555,177,027	-	-	-
Others		55,317,446	95,766,885	15,254,253	12,208,186
Total other income		856,141,469	2,531,577,545	4,194,250,975	11,123,462,241
Total revenues		18,288,482,101	18,150,841,630	4,194,250,975	11,123,462,241
Expenses					
Cost of sales and services		11,031,250,023	9,711,218,325	-	-
Selling and servicing expenses		1,299,250,482	1,156,376,081	-	-
Administrative expenses		2,899,920,744	2,769,402,510	184,306,612	242,960,119
Losses on exchange		-	105,212,188	1,359,600	-
Damages from non-compliance with the conditions precedent to be met before granting a license	11	-	840,655,645	-	-
Loss from impairment of investment in subsidiary	11	-	-	-	832,440,961
Doubtful accounts and bad debt		224,610,736	337,835,255	-	-
Total expenses		15,455,031,985	14,920,700,004	185,666,212	1,075,401,080
Profit before share of profit from investments in associates, finance cost and income tax		2,833,450,116	3,230,141,626	4,008,584,763	10,048,061,161
Shares of profit from investments in associates	12	1,095,836,491	1,019,210,672	-	-
Profit before finance cost and income tax		3,929,286,607	4,249,352,298	4,008,584,763	10,048,061,161
Finance cost		(692,416,018)	(395,046,772)	(516,262,331)	(428,142,744)
Profit before income tax		3,236,870,589	3,854,305,526	3,492,322,432	9,619,918,417
Income tax	26	(514,422,887)	(862,526,455)	-	2,464,756
Profit for the year		2,722,447,702	2,991,779,071	3,492,322,432	9,622,383,173
Other comprehensive income for the year		-	-	-	-
Total comprehensive income for the year		2,722,447,702	2,991,779,071	3,492,322,432	9,622,383,173

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 2017

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2017	2016	2017	2016
Profit attributable to:					
Equity holders of the Company		2,693,393,192	3,001,605,512	3,492,322,432	9,622,383,173
Non-controlling interests of the subsidiaries		29,054,510	(9,826,441)		
		2,722,447,702	2,991,779,071		
Total comprehensive income attributable to:					
Equity holders of the Company		2,693,393,192	3,001,605,512	3,492,322,432	9,622,383,173
Non-controlling interests of the subsidiaries		29,054,510	(9,826,441)		
		2,722,447,702	2,991,779,071		
Earnings per share					
	29				
Basic earnings per share					
Profit attributable to equity holders of the Company		0.42	0.46	0.54	1.49
Diluted earnings per share					
Profit attributable to equity holders of the Company		0.33	0.41	0.43	1.31

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 2017

(Unit: Baht)

		Consolidated financial statements																
		Equity attributable to owners of the Company											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 comprehensive income	Other changes by the owners				Total other components of shareholders' equity	Total equity attributable to owners of the Company	Total equity attributable to non-controlling interests of the subsidiaries	Total shareholders' equity
						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 on capital reduction	Capital surplus from share premium of subsidiary				
Balance as at 1 January 2016			251,094	302,920,329	891,677,395	-	10,861,918,929	-	(2,724)	25,169,527	200,781,377	49,685,575	(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	
	Treasury shares purchased during the year		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
	Transferred to treasury share reserve		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
	Reduction of paid-up share capital by writing off treasury shares		-	-	-	-	(6,003,986,000)	-	-	-	-	-	-	-	-	-	-	
	Reversal of appropriated retained earnings for treasury shares		-	-	-	-	(6,003,986,000)	6,003,986,000	-	-	-	-	-	-	-	-	-	
	Increase in share capital		(251,094)	1,885,874	-	-	-	-	-	-	-	-	-	-	-	-	-	
	Share subscription received in advance	23	1,264,227,510	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
	Dividend paid to non-controlling interests of the subsidiaries		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
	Transferred to statutory reserve	24	-	-	120,274,614	-	(120,274,614)	-	-	-	-	-	-	-	-	-	-	
	Net income from sales of equipment of subsidiary attributable to minority interests		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
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	49,685,575	(17,436,516)	258,179,963	10,236,064,368	1,031,300,491	11,267,364,859		
Balance as at 1 January 2017			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	49,685,575	(17,436,516)	258,179,963	10,236,064,368	1,031,300,491	11,267,364,859		
	Total comprehensive income for the year		-	-	-	-	2,693,393,192	-	-	-	-	-	-	-	2,693,393,192	29,054,510	2,722,447,702	
	Dividend paid to the Company's shareholders	32	-	-	-	-	(3,864,560,998)	-	-	-	-	-	-	-	(3,864,560,998)	-	(3,864,560,998)	
	Increase in share capital	23	366,834,545	(1,264,227,510)	2,497,407,248	-	-	-	-	-	-	-	-	1,600,014,283	-	1,600,014,283		
	Share subscription received in advance	23	-	2,919,477,607	-	-	-	-	-	-	-	-	-	2,919,477,607	-	2,919,477,607		
	Dividend paid to non-controlling interests of the subsidiaries		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
	Transferred to statutory reserve	24	-	-	8,583,302	-	(8,583,302)	-	-	-	-	-	-	-	-	-	-	
Balance as at 31 December 2017			3,335,312,803	2,919,477,607	2,812,213,451	1,020,535,281	3,238,669,347	-	25,169,527	200,781,377	49,685,575	(17,436,516)	258,179,963	13,584,388,452	1,044,301,904	14,628,690,356		

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 2017

(Unit: Baht)

	Separate financial statements												
	Note	Issued and fully paid-up share capital	Share subscription received in advance	Premium on ordinary shares	Retained earnings			Treasury shares	Other components of shareholders' equity			Total shareholders' equity	
					Statutory reserve	Treasury shares reserve	Unappropriated		Other comprehensive income	Premium on ordinary shares from expired warrants	Premium on capital reduction		Total other components of shareholders' equity
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		-	-	-	-	-	-	-	2,724	-	-	2,724	2,724
Treasury shares purchased during the year		-	-	-	-	-	-	(6,003,986,000)	-	-	-	-	(6,003,986,000)
Transferred to treasury share reserve		-	-	-	-	-	6,003,986,000	-	-	-	-	-	-
Reduction of paid-up share capital by writing off treasury shares		(600,000,000)	-	-	-	-	-	(5,403,986,000)	-	-	-	-	-
Reversal of appropriated retained earnings for treasury shares		-	-	-	-	-	(6,003,986,000)	-	-	-	-	-	-
Increase in share capital		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
Balance as at 1 January 2017		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
Total comprehensive income for the year		-	-	-	-	-	3,492,322,432	-	-	-	-	-	3,492,322,432
Dividend paid to the Company's shareholders	32	-	-	-	-	-	(3,864,560,998)	-	-	-	-	-	(3,864,560,998)
Increase in share capital	23	366,834,545	(1,264,227,510)	2,497,407,248	-	-	-	-	-	-	-	-	1,600,014,283
Share subscription received in advance	23	-	2,919,477,607	-	-	-	-	-	-	-	-	-	2,919,477,607
Balance as at 31 December 2017		3,335,312,803	2,919,477,607	2,812,213,451	464,599,828	-	2,116,224,912	-	-	25,169,527	200,781,377	225,950,904	11,873,779,505

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

Jasmine International Public Company Limited and its subsidiaries

Statement of cash flows

For the year ended 31 December 2017

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2017	2016	2017	2016
Cash flows from operating activities					
Profit before tax		3,236,870,589	3,854,305,526	3,492,322,432	9,619,918,417
Adjustments to reconcile profit before tax to net cash provided by (paid from) operating activities:					
Depreciation and amortisation		3,686,857,431	2,612,447,149	15,629,672	16,494,869
Loss from impairment of investment in subsidiary	11	-	-	-	832,440,961
Damages from non-compliance with the conditions precedent to be met before granting a license	11	-	644,000,000	-	-
Doubtful accounts		65,530,223	177,492,011	-	-
Bad debt		159,080,513	160,343,244	-	-
Gains on sales of assets to the Fund	28	-	(2,159,900,003)	-	-
Gains on sales of equipment		(489,008)	(27,702,310)	(14,199)	(35,527)
Dividend income from investments in subsidiaries	11	-	-	(1,975,998,440)	(8,946,704,395)
Dividend income from investment in an associate	12	-	-	(1,668,166,500)	(1,631,503,500)
Share of profit from investments in associates	12	(1,095,836,491)	(1,019,210,672)	-	-
Unrealised (gains) losses on exchange		(444,245,408)	134,555,234	1,359,600	-
Realised gains on exchange from accounts payable for equipment		(101,400,116)	(29,497,646)	-	-
Provision for long-term employee benefits	22	33,342,655	32,000,274	2,569,996	2,459,550
Net income from sales of equipment of subsidiary attributable to minority interests		-	19,395,623	-	-
Interest income		(18,799,042)	(70,386,195)	(3,242,798)	(8,993,560)
Interest expenses		692,416,018	391,923,021	516,262,331	428,142,744
Profit from operating activities before changes in operating assets and liabilities		6,213,327,364	4,719,765,256	380,722,094	312,219,559
Operating assets decrease (increase)					
Trade and other receivables		(262,658,663)	(270,870,875)	(174,720,232)	(41,557,114)
Unbilled receivables		2,715,024	20,090,729	-	-
Revenue department receivable		(231,928,008)	(402,434,760)	-	-
Inventories		388,563,489	144,672,708	-	-
Prepaid expenses		(13,191,032)	(11,255,454)	3,191,754	(2,617,588)
Other current assets		9,233,686	2,153,646	(17,797)	568,777
Other non-current assets		(22,772,631)	(34,482,886)	(1,335)	(216,925)
Operating liabilities increase (decrease)					
Trade and other payables		(205,644,384)	(486,523,433)	18,042,907	800,600,079
Accrued project costs		(19,309,162)	(5,617,518)	-	-
Withholding tax payable		10,096,020	3,163,450	3,583,773	133,452
Advances received from customers		(37,957,741)	17,112,919	-	-
Other current liabilities		27,358,583	(599,515)	5,647,050	(630,049)
Provision for rental assurance		(1,462,757,731)	(1,331,765,783)	-	-
Cash paid for long-term employee benefits		(9,057,868)	(8,609,564)	-	(2,307,976)
Provision for entry fee for laying the optical fiber cables		(186,850,614)	(105,619,002)	-	-
Deposit received from customers		(55,964,233)	519,524,270	(40)	919,065
Other non-current liabilities		(8,930)	22,852,963	12,245,680	22,916,695
Cash from operating activities		4,143,193,169	2,791,557,151	248,693,854	1,090,027,975
Cash received (paid) for income tax		(725,601,461)	(5,258,129,087)	45,184,736	21,691,623
Net cash from (used in) operating activities		3,417,591,708	(2,466,571,936)	293,878,590	1,111,719,598

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

Jasmine International Public Company Limited and its subsidiaries

Statement of cash flows (continued)

For the year ended 31 December 2017

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2017	2016	2017	2016
Cash flows from investing activities					
Interest income		20,725,084	75,264,394	3,117,867	10,005,598
Decrease (increase) in current investments		328,095,434	818,563,508	249,998,853	(250,001,064)
Decrease (increase) in restricted deposits with banks		(14,793,124)	5,039,127	-	8,431,125
Cash received from short-term loans to related parties		-	3,850,000,000	-	301,503,500
Increase in investment in a subsidiary		-	-	-	(4,650,000,000)
Cash received from return of capital of a subsidiary		-	-	-	3,750,000,000
Dividend received from investments in subsidiaries		-	-	2,008,498,440	9,097,145,101
Cash received from return of capital of an associate	12	43,445,654	228,593,806	43,445,654	228,593,806
Dividend received from investment in an associate	12	420,511,793	1,631,503,500	420,511,793	1,631,503,500
Proceeds from sales of equipment		6,431,471	67,889,876	20,439	48,399
Acquisitions of investment properties	13	(47,354,186)	(13,775,117)	-	-
Acquisitions of plant and equipment		(3,254,240,112)	(3,817,394,677)	(1,272,499)	(1,517,210)
Acquisitions of computer software		(6,193,378)	(13,566,749)	-	-
Net cash from (used in) investing activities		(2,503,371,364)	2,832,117,668	2,724,320,547	10,125,712,755
Cash flows from financing activities					
Interest expenses		(480,498,929)	(304,382,014)	(444,779,897)	(434,033,583)
Decrease in short-term loans from banks		(762,131,682)	(1,909,444,490)	-	-
Cash received from short-term loans		1,956,800,000	-	2,296,800,000	8,110,000,000
Repayment of short-term loans		(600,000,000)	-	(3,859,860,000)	(17,052,000,000)
Repayment of accounts payable for equipment		(770,262,380)	(532,028,400)	-	-
Cash received from long-term loan from bank	19	-	5,940,000,000	-	5,940,000,000
Repayment of long-term loans from banks	19	(160,000,000)	(229,770,955)	-	-
Proceeds from increase in share capital	23	1,600,014,283	13,628,003	1,600,014,283	13,628,003
Cash received from share subscription received in advance	23	2,793,000,000	1,264,227,510	2,793,000,000	1,264,227,510
Dividend paid to the Company's shareholders	32	(3,862,963,017)	(3,837,579,475)	(3,862,963,017)	(3,837,579,475)
Cash paid to purchase investment in subsidiary		-	-	(1,209)	-
Dividend paid to non-controlling interests of the subsidiaries		(16,053,097)	(106,791,604)	-	-
Repayment of liabilities under finance lease agreements		(55,976,237)	(57,338,378)	-	-
Cash paid to purchase treasury shares		-	(6,003,986,000)	-	(6,003,986,000)
Net cash used in financing activities		(358,071,059)	(5,763,465,803)	(1,477,789,840)	(11,999,743,545)
Net increase (decrease) in cash and cash equivalents		556,149,285	(5,397,920,071)	1,540,409,297	(762,311,192)
Cash and cash equivalents at beginning of year		2,481,799,979	7,879,720,050	617,686,610	1,379,997,802
Cash and cash equivalents at end of year		3,037,949,264	2,481,799,979	2,158,095,907	617,686,610
Supplemental cash flow information					
Non-cash transactions					
Purchase of equipment for which no cash has been paid		3,905,461,523	8,271,199,871	-	-
Transfer right to receive dividend from an associate in settlement of accrued interest and long-term loans from bank		1,247,654,707	-	1,247,654,707	-
Transferring of advances to short-term loans from subsidiaries		-	-	357,360,000	-
Obtain short-term loans from subsidiaries to settle short-term loans from subsidiaries		-	-	665,100,000	-
Transfer right in dividend receivable from a subsidiary in settlement of short-term loans from subsidiaries		-	-	84,900,000	-
Transfer rights in other receivables - related parties in settlement of short-term loan from subsidiaries		-	-	230,500,000	-

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 2017

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 11 October 2016, 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 the Company and the following subsidiaries (“the subsidiaries”):

Company's name	Nature of business	Country of incorporation	Percentage of shareholding	
			2017 Percent	2016 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.	Dissolution, completed liquidation	Thailand	-	100
Mobile Communication Services Co., Ltd.	Not yet operate	Thailand	70	70
Compunet Corporation Limited	Dissolution, completed liquidation	Thailand	-	100
JAS Mobile Broadband Company Limited	Not yet operate	Thailand	100	100



Company's name	Nature of business	Country of incorporation	Percentage of shareholding	
			2017 Percent	2016 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, sale of computer products and cloud computing service	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.)	Dissolution, completed liquidation	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 services for local submarine cable systems	Thailand	-	-
Jastel Network Co., Ltd. (100% held by Jasmine Submarine Telecommunications Co., Ltd.)	Circuit leasing services 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 being 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.

3. New financial reporting standards

a. Financial reporting standards that became effective in the current year

During the year, the Company and its subsidiaries have adopted the revised financial reporting standards and interpretations (revised 2016) and new accounting treatment guidance which are 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 adoption of these financial reporting standards does not have any significant impact on the Company and its subsidiaries' financial statements.

b. Financial reporting standards that will become effective in the future


During the current year, the Federation of Accounting Professions issued a number of revised financial reporting standards and interpretations (revised 2017) which are effective for fiscal years beginning on or after 1 January 2018. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes and clarifications directed towards disclosures in the notes to financial statements.

The management of the Company and its subsidiaries believe that the revised financial reporting standards will not have any significant impact on the financial statements when they are initially applied.

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 and computer systems including supply of related equipment is recognised by reference to stage of completion as assessed by engineers or project managers.

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 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 other 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 which declared by the Fund's management company.

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.

4.6 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.

4.7 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
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.

4.8 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.

4.9 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.

4.10 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 equipment.

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.

4.11 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.

4.12 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.



4.13 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 it 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 defined benefit plans are recognised immediately in other comprehensive income.

4.14 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.

4.15 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.

4.16 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.

4.17 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 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, equipment and investment properties/Depreciation

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

In addition, the management is required to review property, plant, equipment and investment properties 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 and dispute

The Company and its subsidiary have contingent liabilities as a result of litigation. The management of the Company and its subsidiaries has used judgement to assess of the results of the litigation and this involves evaluating the degree of probability that loss will be incurred. Changes in the factors used in management's evaluation and events may result in actual results differing from the estimates.

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 (Dissolution and completed liquidation in 2017)
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 and its subsidiaries and those related parties.

(Unit: Million Baht)

	Consolidated financial statements		Pricing policy
	2017	2016	
Transactions with associated company			
Sales of assets	-	5,131	Contract price (Note 28)
Management and maintenance incomes of the OFCs	227	206	Contract price (Note 28)
Interest income	-	6	2.0% per annum
Cost of equipment and network rental	4,314	4,110	Contract price (Note 28)
Transactions with related companies			
Sales and service income	26	32	Contract price or normal business price charged to other customers
Rental and other service income	56	58	Contract price or normal business price charged to other customers
Cost of sales and services	1	1	Contract price
Other expenses	20	29	Contract price or normal business price charged to other customers

(Unit: Million Baht)

	Separate financial statements		Pricing policy
	2017	2016	
Transactions with subsidiaries			
(eliminated from the consolidated financial statements)			
Management fee income	532	524	Contract price
Rental and other service income	44	43	Contract price or normal business price charged to other customers
Interest income	2	3	Base on the deposit interest rate of commercial bank + 0.5%
Other expenses	31	30	Contract price
Interest expenses	154	282	1.6% to 2.0% per annum

As at 31 December 2017 and 2016, 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	
	2017	2016	2017	2016
Trade receivables - related parties (Note 9)				
Related companies				
Mono Group	20	24	-	-
Other receivables - related parties (Note 9)				
Subsidiaries				
(eliminated from the consolidated financial statements)	-	-	110	187
Associated company				
JASIF	66	48	-	-
Total	66	48	110	187
Less: Allowance for doubtful accounts	-	-	(11)	(16)
Total other receivables - related parties - net	66	48	99	171
Advance rental payment - related party (Note 28.b)				
Associated company				
JASIF	817	817	-	-
Dividend receivables from subsidiaries				
Subsidiaries				
(eliminated from the consolidated financial statements)	-	-	584	701

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
Other payables - related parties (Note 17)				
Subsidiaries	-	-	44	411
(eliminated from the consolidated financial statements)				
Associate company				
Premium Real Estate Co., Ltd.	-	4	-	-
Related companies				
Mono Group	2	4	-	-
Total other payables - related parties	2	8	44	411

Provision for rental assurance - related party (Note 28.c)				
Associated company				
JASIF	14,054	15,517	-	-

Deposit received from customers				
Subsidiaries	-	-	10	10
(eliminated from the consolidated financial statements)				
Related companies				
Mono Group	7	7	-	-
Total deposit received from customers	7	7	10	10

As at 31 December 2017 and 2016, the balances of short-term loans between the Company and its subsidiaries and the movements were as follows:

(Unit: Million Baht)

	Separate financial statements			
	Balance as at 31 December 2016	Movements during the year		Balance as at 31 December 2017
		Increase	Decrease	
Short-term loans to subsidiaries				
Subsidiaries				
(eliminated from the consolidated financial statements)				
Acumen Co., Ltd.	100	-	-	100
Jasmine Smart Shop Co., Ltd.	6	-	(6)	-
Total	106	-	(6)	100
Less: Allowance for doubtful accounts	(6)	-	6	-
Net	100	-	-	100

(Unit: Million Baht)

	Separate financial statements			
	Balance as at 31 December 2016	Movements during the year		Balance as at 31 December 2017
		Increase	Decrease	
Short-term loans from subsidiaries (Note 18)				
Subsidiaries				
(eliminated from the consolidated financial statements)				
ACeS Regional Services Co., Ltd.	270	50	-	320
Jasmine Internet Co., Ltd.	-	40	-	40
Jasmine Telecom Systems Plc.	-	340	-	340
JAS Mobile Broadband Co., Ltd.	-	2	(2)	-
Jastel Network Co., Ltd.	-	646	(30)	616
Premium Assets Co., Ltd.	400	234	(14)	620
Thai Long Distance Telecommunications Co., Ltd.	-	10	-	10
T.J.P. Engineering Co., Ltd.	-	40	-	40
Triple T Broadband Plc.	7,266	-	(3,434)	3,832
Triple T Internet Co., Ltd.	760	-	(760)	-
Total	8,696	1,362	(4,240)	5,818

Directors and management's benefits

During the year, 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	
	2017	2016	2017	2016
Short-term employee benefits	200	201	49	49
Post-employment benefits	19	18	4	4
Total	219	219	53	53

Guarantee obligations with subsidiaries

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

7. Cash and cash equivalents

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
Cash	16	7	-	-
Bank deposits	2,923	2,149	2,158	618
Bills of exchange	99	326	-	-
Total	3,038	2,482	2,158	618

As at 31 December 2017, bank deposits in saving accounts, fixed deposits and bills of exchange of the Company and its subsidiaries carried interests between 0.10 and 1.80 percent per annum (2016: between 0.10 and 2.00 percent per annum) and of the Company carried interests between 0.25 and 1.00 percent per annum (2016: between 0.25 and 1.00 percent per annum).

8. Current investments - deposits with banks

As at 31 December 2017, the Company had savings and fixed deposits of the Company and its subsidiaries amounting to approximately Baht 19 million (2016: Baht 16 million) and of the Company only amounting to approximately Baht 0.1 million (2016: Baht 0.1 million) which have been pledged to secure credit facilities. In 2016, the Company had investments in unit trust in balanced open-ended fund debt securities totaling Baht 250 million which equity securities are stated at fair value using inputs of Level 2.

9. Trade and other receivables

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
Trade receivables - related parties (Note 6)	20	24	-	-
Trade receivables - unrelated parties	3,613	3,566	55	60
Other receivables - related parties (Note 6)	66	48	110	187
Other receivables - unrelated parties	102	81	-	-
Call in arrears (Note 23)	127	-	127	-
Total	3,928	3,719	292	247
Less: Allowance for doubtful accounts	(754)	(700)	(66)	(76)
Trade and other receivables - net	3,174	3,019	226	171

The balances of trade accounts receivable as at 31 December 2017 and 2016, aged on the basis of due dates, are summarised below.

(Unit: Million Baht)

Age of receivables	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
Related parties				
Not yet due	6	6	-	-
Past due				
Up to 3 months	13	14	-	-
Longer than 3 - 6 months	-	1	-	-
Longer than 6 - 12 months	-	3	-	-
Longer than 12 months	1	-	-	-
Total (Note 6)	20	24	-	-

(Unit: Million Baht)

Age of receivables	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
Unrelated parties				
Not yet due	134	119	-	-
Past due				
Up to 3 months	154	149	-	-
Longer than 3 - 6 months	113	62	-	-
Longer than 6 - 12 months	121	79	-	-
Longer than 12 months	3,091	3,157	55	60
Total	3,613	3,566	55	60
Less: Allowance for doubtful accounts	(754)	(700)	(55)	(60)
Net	2,859	2,866	-	-
Trade accounts receivable - net	2,879	2,890	-	-

In 2017, subsidiaries wrote-off trade accounts receivable as bad debt amounting to approximately Baht 170 million (2016: Baht 172 million).

An outstanding trade receivable balances as at 31 December 2017 of Jasmine Submarine Telecommunications Co., Ltd. (“JSTC”) amounting to Baht 2,518 million (2016: 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. TLDT filed an objection with the Arbitration Institute. This is currently 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, as at 31 December 2017 the Company has other receivables amounting to Baht 47 million (2016: Baht 47 million) and dividend receivable amounting to Baht 386 million (2016: 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 co-investor agreement, to secure long-term loan of JSTC, as described in Note 19 to the consolidated 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. 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. In 2016, for prudent reasons, the subsidiaries therefore recorded full allowance for doubtful accounts for the remaining balances of accounts receivable from TT&T.

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 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. The making payment of leased line service payable to endorse and transfer 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 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 consolidated 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	
	2017	2016	2017	2016	2017	2016
Jasmine Submarine Telecommunications Co., Ltd.	1,550	1,550	1,946	1,946	-	-
Acumen Co., Ltd.	760	760	760	760	1,976	8,924
JAS Mobile Broadband Co., Ltd.	1.2	20	834	852	-	-
T.J.P. Engineering Co., Ltd.	200	200	160	160	-	-
Jasmine Smart Shop Co., Ltd.	-	110	-	110	-	-
Compunet Corporation Ltd.	-	260	-	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	-	-
Chaengwatana Planner Co., Ltd.	0.1	0.1	-	-	-	-
			3,933	4,161	1,976	8,947
Less: Allowance for impairment of investments			(980)	(1,199)		
Total investments in subsidiaries - net			2,953	2,962		



11.2 On 1 December 2016, the Extraordinary General Meeting of shareholders No.8/2559 of JAS Mobile Broadband Co., Ltd. (“JASMOBILE”) passed a resolution approving a decrease in its share capital in amount of Baht 19.5 million (1.95 million shares of Baht 10 per share, 25 percent called-up) JASMOBILE registered the decrease in share capital with the Ministry of Commerce on 9 January 2017.

Subsequently, on 7 February 2017, the Extraordinary General Meeting of shareholders No.1/2560 of JASMOBILE passed a resolution approving an additional decrease in its share capital in amount of Baht 4.9 million (0.49 million shares of Baht 10 per share, 25 percent called-up). JASMOBILE registered the decrease in share capital with the Ministry of Commerce on 7 April 2017.

However, on 23 November 2017, the Extraordinary General Meeting of shareholders No.2/2560 of JASMOBILE passed a resolution approving an additional decrease in its share capital in amount of Baht 1.2 million (0.12 million shares of Baht 10 per share, 100 percent called-up). JASMOBILE registered the decrease in share capital with the Ministry of Commerce on 26 December 2017.

In the current year, the Company received the return of capital totaling Baht 18.4 million and recorded a decrease in its investment in JASMOBILE as a result of this return of capital.

In 2016, JASMOBILE’s forfeiture of its deposit guarantee for the auction of a spectrum license in the frequency band 900 MHz 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 841 million. For prudent reasons, the Company recorded allowance for impairment of investment in JASMOBILE amounting to Baht 832 million.

11.3 Dissolution and deregistration of subsidiaries and associate

On 5 June 2017, Meeting of the Board of Directors No. 4/2560 approved the dissolution of three subsidiaries (Compunet Corporation Limited, Jasmine Smart Shop Company Limited and Pakkret Planner Company Limited) and an associate (Premium Real Estate Company Limited). On 11 July 2017, the liquidator of the subsidiaries and associate registered their dissolution with the Ministry of Commerce. The liquidation was registered in November 2017.

11.4 As described in Note 9 to the consolidated 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				
			2017	2016	2017	2016	2017	2016	2017	2016			
			(%)	(%)									
Jasmine Broadband Internet Infrastructure Fund	Investment in infrastructure businesses	Thailand	33	33	18,060	18,103	6,209	6,826	1,095	1,019			
Internet Knowledge Service Center Co., Ltd.	Communication equipment rental	Thailand	38	38	49	49	25	24	1	-			
Premium Real Estate Co., Ltd.	Dissolution and completed liquidation	Thailand	-	49	-	402	-	-	-	-			
Telecom KSC Co., Ltd.	Not yet operate	Thailand	40	40	-	-	-	-	-	-			
Total					18,109	18,554	6,234	6,850	1,096	1,019			



(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	
			2017	2016	2017	2016	2017	2016	2017	2016
			(%)	(%)						
Jasmine Broadband Internet Infrastructure Fund	Investment in infrastructure businesses	Thailand	33	33	18,060	18,103	-	-	18,060	18,103
Internet Knowledge Service Center Co., Ltd.	Communication equipment rental	Thailand	38	38	49	49	(33)	(33)	16	16
Premium Real Estate Co., Ltd.	Dissolution and completed liquidation	Thailand	-	49	-	402	-	(402)	-	-
Telecom KSC Co., Ltd.	Not yet operate	Thailand	40	40	-	-	-	-	-	-
Total					18,109	18,554	(33)	(435)	18,076	18,119

- 12.2 On 9 February 2015, the Company had purchased 1,833 million shares of 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 in JASIF, as described in Note 28.g) to the consolidated financial statements.

The Company received dividends of Baht 1,668 million from JASIF (2016: Baht 1,631 million).

Investment in JASIF under equity and cost method as at 31 December 2017 and 2016 was detailed below.

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	Equity method		Cost method	
	2017	2016	2017	2016
Cost	18,332	18,332	18,332	18,332
Add: Accumulated share of profit from investment	2,911	1,816	-	-
Less: Gains on sales of assets to the Fund in proportion to the Company's unit holding	(10,509)	(10,509)	-	-
Less: Accumulated dividend income	(4,253)	(2,584)	-	-
Less: Return of capital	(272)	(229)	(272)	(229)
Net	6,209	6,826	18,060	18,103

As at 31 December 2017, the fair value of the investment in JASIF which is the listed company on the Stock Exchange of Thailand was Baht 22,181 million (2016: Baht 21,265 million).

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 all the investment certificates in JASIF as collateral to secure its loan, as described in Note 19 to the consolidated financial statements.

13. Investment properties

(Unit: Million Baht)

	Consolidated financial statements
31 December 2017	
Cost	966
Less: Accumulated depreciation	(431)
Net book value - net	535
31 December 2016	
Cost	919
Less: Accumulated depreciation	(404)
Net book value - net	515

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

(Unit: Million Baht)

	Consolidated financial statements	
	2017	2016
Net book value at beginning of year	515	543
Acquisition	47	14
Disposals during the period - net book value at disposal date	-	(1)
Transfers to property, plant and equipment - net book value	-	(15)
Depreciation	(27)	(26)
Net book value at end of year	535	515
Fair Value	1,865	1,865
Rental Income	31	30

The fair values of the above investment properties were determined based on valuation performed by an accredited independent value, which were determined at fair value using inputs of Level 3 on valuations. The fair value of the land 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 4 years. As at 31 December 2017 and 2016, future minimum rental income generated from the investment properties under those lease agreements is as follows.

(Unit: Million Baht)

	Consolidated financial statements	
	2017	2016
Less than 1 year	31	20
In over 1 and up to 4 years	33	18

14. Property, plant and equipment

(Unit: Million Baht)

	Consolidated financial statements								Total
	Land	Buildings, leasehold improvement and building improvement	Telecommunications equipment	Motor vehicles	Tools and equipment	Furniture, fixtures and office equipment	Others	Assets under installation	
Cost									
1 January 2016	105	1,113	19,398	467	535	899	1,346	6,650	30,513
Additions	10	20	993	43	102	84	3	10,834	12,089
Disposals	-	-	(14)	(10)	(28)	(18)	(595)	(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	30,827	500	626	1,012	759	6,495	41,487
Additions	2	24	1,039	152	52	96	3	5,792	7,160
Disposals	-	-	(10)	(1)	(106)	(23)	(17)	(4)	(161)
Transfers in (out)	-	-	6,538	-	6	49	-	(6,976)	(383)
31 December 2017	122	1,172	38,394	651	578	1,134	745	5,307	48,103

Consolidated financial statements (continued)									
	Land	Buildings, leasehold improvement and building improvement	Telecommunications equipment	Motor vehicles	Tools and equipment	Furniture, fixtures and office equipment	Others	Assets under installation	Total
Accumulated depreciation									
1 January 2016	-	664	8,243	320	357	697	643	-	10,924
Depreciation for the year	-	63	2,253	50	64	114	33	-	2,577
Depreciation on disposals	-	-	(14)	(9)	(28)	(17)	(393)	-	(461)
Transfer from investment properties	-	5	-	-	-	-	5	-	10
Transfers in (out)	-	-	2	-	-	(2)	-	-	-
31 December 2016	-	732	10,484	361	393	792	288	-	13,050
Depreciation for the year	-	64	3,315	59	77	132	2	-	3,649
Depreciation on disposals	-	-	(9)	(1)	(106)	(22)	(17)	-	(155)
31 December 2017	-	796	13,790	419	364	902	273	-	16,544

(Unit: Million Baht)

Consolidated financial statements (continued)									
	Land	Buildings, leasehold improvement and building improvement	Telecommunications equipment	Motor vehicles	Tools and equipment	Furniture, fixtures and office equipment	Others	Assets under installation	Total
Allowance for impairment									
1 January 2016	-	-	-	-	-	-	631	-	631
Allowance for impairment on disposals	-	-	-	-	-	-	(170)	-	(170)
31 December 2016	-	-	-	-	-	-	461	-	461
31 December 2017	-	-	-	-	-	-	461	-	461
Net book value									
31 December 2016	120	416	20,343	139	233	220	10	6,495	27,976
31 December 2017	122	376	24,604	232	214	232	11	5,307	31,098
Depreciation for the year									
2016 (Baht 2,402 million included in cost of service, and the balance in selling, servicing and administrative expenses)									2,577
2017 (Baht 3,455 million included in cost of service, and the balance in selling, servicing and administrative expenses)									3,649

	Separate financial statements					Total
	Leasehold improvement	Furniture and office equipment	Tools and equipment	Motor vehicles		
Cost						
1 January 2016	54	26	2	2		84
Additions	-	2	-	-		2
31 December 2016	54	28	2	2		86
Additions	-	1	-	-		1
Disposals	-	(1)	-	-		(1)
31 December 2017	54	28	2	2		86
Accumulated depreciation						
1 January 2016	52	24	2	2		80
Depreciation for the year	1	2	-	-		3
31 December 2016	53	26	2	2		83
Depreciation for the year	1	1	-	-		2
Depreciation on disposals	-	(1)	-	-		(1)
31 December 2017	54	26	2	2		84
Net book value						
31 December 2016	1	2	-	-		3
31 December 2017	-	2	-	-		2
Depreciation for the year						
2016 (included in administrative expenses)						3
2017 (included in administrative expenses)						2

As at 31 December 2017, 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 6,234 million (2016: Baht 4,885 million), of which Baht 81 million is from the Company (2016: Baht 79 million).

As at 31 December 2017, subsidiaries had motor vehicles under finance lease agreements with net book values amounting to Baht 211 million (2016: Baht 118 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 consolidated 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 consolidated 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 2017 and 2016 are as follows:

(Unit: Million Baht)

	Separate financial statements	
	2017	2016
Prepaid rent	415	415
Less: Accumulated amortisation	(269)	(255)
Prepaid rent - net	146	160
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 the rate close to MLR minus certain rate and LIBOR plus certain rate, are secured by fixed deposits of subsidiaries.

17. Trade and other payables

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
Trade payables - unrelated parties	3,519	2,711	-	-
Accrued expenses	82	52	30	13
Other payables - related parties (Note 6)	2	8	44	411
Other payables - unrelated parties	320	427	4	5
Total trade and other payables	3,923	3,198	78	429

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 totaling Baht 877 million and leased line service agreements, as described in Note 10 to the consolidated financial statements.

18. Short-term loans

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
Short-term loans from subsidiaries (Note 6)	-	-	5,818	8,696
Short-term loan from unrelated party	1,358	-	1,358	-
Total	1,358	-	7,176	8,696

In 2017, the Company entered into promissory note agreements with two unrelated parties totaling Baht 1,957 million. The notes carried interest at the rate of 5.0 percent per annum and 8.0 percent per annum and unsecured.

19. Long-term loans

(Unit: Million Baht)

Loan	Interest rate (% per annum)	Consolidated financial statements		Separate financial statements	
		2017	2016	2017	2016
19.1	MLR - 0.25	4,800	6,000	4,800	6,000
19.2	MLR	426	586	-	-
Total		5,226	6,586	4,800	6,000
Less: Deferred front - end fee		(36)	(54)	(36)	(54)
Net balance		5,190	6,532	4,764	5,946
Less: Current portion		(1,346)	(1,410)	(1,185)	(1,182)
Long-term loans - net of current portion		3,844	5,122	3,579	4,764

(Unit: Million Baht)

	Consolidated financial statements	Separate financial statements
Balance as at 1 January 2017	6,586	6,000
Less: Repayment	(1,360)	(1,200)
Balance as at 31 December 2017	5,226	4,800

Details of the above loans are summarised below.

19.1 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.

19.2 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. Subsequently on 12 January 2017 the lender agreed to restructure the long-term loan with JSTC, which is matured in 2018 under the original loan schedule. Details of the restructuring are summarised below.

1. Extension of loan term by 1 year and 9 months (Matures in September 2020)

2. Term of repayment:

During 2017 - 2020, quarterly installments of Baht 40 million and the remaining principal balance to be paid in full in September 2020.

The long-term loan of JSTC is secured by all rights and benefits pertaining to concession agreements as described in Note 9 to the consolidated financial statements and guaranteed by TLDT. Moreover, Jastel Network Co., Ltd. ("Jastel"), is assuming joint responsibility for the debt.

20. Liabilities under finance lease agreements

(Unit: Million Baht)

	Consolidated financial statements	
	2017	2016
Liabilities under finance lease agreements	239	132
Less: Deferred interest expenses	(17)	(8)
Total	222	124
Less: Current portion	(78)	(51)
Liabilities under finance lease agreements - net of current portion	144	73

The subsidiaries have entered into the finance lease agreements with leasing companies for rental of motor vehicles for use in their operations, whereby they are committed to pay rental on a monthly basis. The terms of the agreements are generally 4 years.

As at 31 December 2017 and 2016, future minimum lease payments required under the finance lease agreements were as follows:

(Unit: Million Baht)

	2017		
	Less than 1 year	1-5 years	Total
Future minimum lease payments	86	153	239
Less: Deferred interest expenses	(8)	(9)	(17)
Present value of future minimum lease payments	78	144	222

(Unit: Million Baht)

	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

21. Accounts payable for equipment

TTTBB entered into agreements to purchase equipment from unrelated companies. Under the purchase agreements, TTTBB 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.

(Unit: Million Baht)

	Consolidated financial statements	
	2017	2016
Accounts payable for equipment	4,465	5,581
Less: Deferred interest expenses	(131)	(295)
Total	4,334	5,286
Less: Current portion	(2,391)	(766)
Total accounts payable for equipment - net of current portion	1,943	4,520

22. 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	
	2017	2016	2017	2016
Provision for long-term employee benefits at beginning of year	378	355	29	28
Included in profit or loss:				
(Included in administrative expenses):				
Current service cost	23	23	1	2
Interest cost	10	9	1	1
Benefits paid during the year	(9)	(9)	-	(2)
Provision for long-term employee benefits at end of year	402	378	31	29

The subsidiaries expect to pay Baht 6 million of long-term employee benefits during the next year (2016: Baht 1 million) and the Company only has no payment (2016: Nil).

As at 31 December 2017, the weighted average duration of the liabilities for long-term employee benefit of the Company and its subsidiaries are 10 years (2016: 11 years) and of the Company only is 10 years (2016: 11 years).

Principal actuarial assumptions at the valuation date were as follows:

(Unit: Percent per annum)

	Consolidated / Separate financial statements	
	2017	2016
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 2017 and 2016 are summarised below:

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
Discount rate				
Increase 50 basis points (3.25%)	(22)	(22)	(1)	(2)
Decrease 50 basis points (2.25%)	23	24	2	2
Future salary increase rate				
Increase 100 basis points (6.00%)	59	52	4	4
Decrease 100 basis points (4.00%)	(51)	(45)	(4)	(3)

23. Warrants

On 6 July 2015, the Company issued the 3,428.4 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). 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).

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 shares to 1 warrant to 1.101 ordinary shares.

In December 2016 and in 2017, the JAS-W3 warrant holders exercised their rights to purchase 666.4 million warrants or 733.6 million ordinary shares of the Company, which the Company registered the increase in its share capital to Baht 366.8 million (733.6 million ordinary shares of Baht 0.5 each)

In December 2017, 679.2 million warrants were exercised to purchase 747.8 million new ordinary shares, and the Company registered the resulting increase in its share capital with the Ministry of Commerce on 8 January 2018. As a result, the Company presented the exercise of these warrants, amounting to Baht 2,919.5 million, under the caption of "Share subscription received in advance" in shareholders' equity as at 31 December 2017.

As at 31 December 2017, the Company had 1,940.9 million warrants remaining unexercised (2016: 2,992.4 million warrants).

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 profit 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 profit 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

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
Telecommunication network rental expenses	5,508	5,319	-	-
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	2,623	2,263	114	105
Depreciation and amortisation	3,687	2,612	16	16
Telecommunication license fees	770	934	-	-
Consulting fees	58	133	21	81
Electricity expenses	429	330	2	2
Repair and maintenance expenses	423	402	-	-
Cost of goods sold	421	185	-	-
Sales promotion expenses	285	295	-	-
Doubtful debt and bad debt	225	338	-	-
Rental expenses from operating lease agreements	251	206	5	4
Losses on exchange	-	105	1	-

26. Income tax

Income tax for the years are made up as follows:

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
Current income tax charge	201	893	-	-
Deferred tax relating to origination and reversal of temporary differences	313	(31)	-	(2)
Income tax reported in the statement of comprehensive income	514	862	-	(2)

Below is the reconciliation of income tax with the product of accounting profit multiplied by the applicable tax rate for the years.

(Unit: Million Baht)

	Consolidated financial statements	
	2017	2016
Accounting profit before tax	3,237	3,854
Applicable tax rate	20%	20%
Accounting profit before tax multiplied by applicable tax rate	647	771
Tax effect of income and expenses that are not taxable income or not deductible in determining taxable profit:		
Promotional privileges (Note 27)	(138)	(161)
Share of profit from investments in associates	(219)	(204)
Unrealised gains on sales of assets to the fund in proportion to the Company's unit holding (Note 28)	-	216
Unrecognised deferred tax assets		
Non-deductible expenses	33	40
Tax losses of the current year	197	199
Tax loss of prior years that is used to reduce tax expense	(4)	-
Others	(2)	1
Income tax reported in the statement of comprehensive income	514	862

(Unit: Million Baht)

	Separate financial statements	
	2017	2016
Accounting profit before tax	3,492	9,620
Applicable tax rate	20%	20%
Accounting profit before tax multiplied by applicable tax rate	698	1,924
Tax effect of income and expenses that are not taxable income or not deductible in determining taxable profit:		
Dividend income from subsidiaries	(395)	(1,789)
Dividend income from associate	(334)	(326)
Unrecognised deferred tax assets		
Non-deductible expenses	3	-
Loss from impairment of investment in subsidiary	-	166
Tax losses of the current year	27	22
Others	1	1
Income tax reported in the statement of comprehensive income	-	(2)

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	
	2017	2016	2017	2016
Deferred tax assets				
Allowance for doubtful accounts	82	70	(12)	(16)
Provision for rental assurance	2,810	3,103	293	(10)
Provision for long-term employee benefits	76	71	(5)	(5)
Provision for entry fee for laying the optical fiber cables	55	92	37	2
Provision for reversal of judgement by the Supreme Court	60	60	-	(2)
Deferred tax relating to origination and reversal of temporary differences			313	(31)
Deferred tax assets	3,083	3,396		

(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	
	2017	2016	2017	2016
Deferred tax assets				
Provision for long-term employee benefits	6	6	-	-
Provision for reversal of judgement by the Supreme Court	60	60	-	(2)
Deferred tax relating to origination and reversal of temporary differences			-	(2)
Deferred tax assets	66	66		

As at 31 December 2017, the Company and its subsidiaries had deductible temporary differences and unused tax losses totalling Baht 3,060 million (2016: Baht 2,470 million) and of the Company only Baht 263 million (2016: Baht 112 million), on which deferred tax assets have not been recognised as the Company and its subsidiaries believe that future taxable profits may not be sufficient to allow utilisation of the temporary differences and unused tax losses.

The Company and its subsidiaries had unused tax losses amounting to Baht 2,266 million (2016: Baht 1,395 million). This gradual expiration of their benefits in 2018 - 2022 (2016: in 2017 - 2021). The Company only amounted to Baht 248 million (2016: Baht 112 million). This gradual expiration of their benefits in 2021 - 2022 (2016: in 2021).

27. Promotional privileges

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

In 2017, IC had revenues from promoted operations amounting to Baht 747 million (2016: Baht 854 million).

28. Infrastructure fund transactions

In February 2015, 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.

In November 2016, TTTBB has completely transferred and delivered the OFCs totaling of 980,500 core kilometers to JASIF in accordance with the agreement.

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 - three telecommunications license.

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.

In January 2016, TTTBB received full repayment from JASIF.

g) Undertaking Agreement

The undertaking agreement specifies that the Company has to maintain its unitholding 33.33 % of the total number of investment units issued in JASIF (“initial investment units”) 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. Moreover, the Company and affiliates must maintain shareholdings of at least 76% in TTTBB and Triple T Internet Co., Ltd. (“TTTI”), and that TTTBB must maintain certain financial ratios, such as current liabilities to equity ratio, debt to equity ratio, and financial ratio for dividend payment, as specified in the agreement. In addition, liabilities of TTTBB and TTTI, as defined in the agreement, may not exceed as specified in the agreement at any given time.

On 27 June 2017, JASIF announced the renewal of the Rental Assurance Agreement and Marketing Service Agreement with TTTBB for an additional period of three years from their expiration dates. The renewal period commence from 11 February 2018.

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 asset sale transactions since the asset sale transactions have transferred significant risks and rewards of ownership to JASIF. Revenue in the future 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 sales 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.

TTTBB recognised gains on asset sales amounting to Baht 3,240 million and the Company recognised gains on asset sales amounting to Baht 2,160 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 details are summarised as follows.

	(Unit: Million Baht)
Amount proceed	5,131
Costs of asset sales	(413)
Gains on sales of assets before tax	4,718
Less: Provision for rental assurance on the delivery dates	(1,662)
Less: Provision for entry fee for laying the optical fiber cables on the delivery dates	(96)
Add: Adjustments of provision for rental assurance from discount rate changed in the year	280
Less: Eliminating profit in proportion to the Company's unit holding	(1,080)
Gains on sales of assets to JASIF	2,160

On 27 April 2017, the Annual General Meeting of shareholders of the Company passed the resolution approved TTTBB to sell the additional optical fiber cable assets not exceeding 980,000 core kilometers 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).

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	
	2017	2016	2017	2016	2017	2016
	(Million Baht)	(Million Baht)	(Million shares)	(Million shares)	(Baht)	(Baht)
Basic earnings per share						
Profit attributable to equity holders of the parent	2,693	3,002	6,456	6,476	0.42	0.46
Effect of dilutive potential ordinary shares						
Warrants offered to existing shareholders	-	-	1,653	844		
Diluted earnings per share						
Profit attributable to ordinary shareholders assuming the conversion of warrants to ordinary shares	2,693	3,002	8,109	7,320	0.33	0.41

	Separate financial statements					
	Profit for the year		Weighted average number of ordinary shares		Earnings per share	
	2017	2016	2017	2016	2017	2016
	(Million Baht)	(Million Baht)	(Million shares)	(Million shares)	(Baht)	(Baht)
Basic earnings per share						
Profit attributable to equity holders of the parent	3,492	9,622	6,456	6,476	0.54	1.49
Effect of dilutive potential ordinary shares						
Warrants offered to existing shareholders	-	-	1,653	844		
Diluted earnings per share						
Profit attributable to ordinary shareholders assuming the conversion of warrants to ordinary shares	3,492	9,622	8,109	7,320	0.43	1.31

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.

Below is the revenue and profit information regarding the operating segments of the Company and its subsidiaries.

(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	
	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016
Sales and service income												
Revenue from external customers	16,310	14,510	948	920	29	43	145	146	-	-	17,432	15,619
Inter-segment revenues	30	66	989	941	63	106	155	161	(1,237)	(1,274)	-	-
Total revenues	16,340	14,576	1,937	1,861	92	149	300	307	(1,237)	(1,274)	17,432	15,619
Segment operating profit (loss)	6,201	5,708	197	198	6	9	(3)	(7)			6,401	5,908
Unallocated income and expenses:												
Other income											856	2,532
Selling and servicing expenses											(1,299)	(1,156)
Administrative expenses											(2,900)	(2,769)
Losses on exchange											-	(105)
Damages from non-compliance with the conditions precedent to be met before granting a license											-	(841)
Doubtful accounts and bad debt											(225)	(338)
Share of profit from investments in associate											1,096	1,019
Finance cost											(693)	(395)
Income tax											(514)	(863)
Non-controlling interests of subsidiaries											(29)	10
Profit attributable to equity holders of the Company											2,693	3,002

Geographic information

The Company and its subsidiaries operate in Thailand only. As a result, all the revenues and assets as reflected in these financial statements pertain exclusively to this geographical reportable segment.

Major customers

For the year 2017 and 2016, the Company and its subsidiaries have no major customer with revenue of 10 percent or more of the Group's revenues.

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 2017, the contributions of the Company and its subsidiaries amounting to Baht 86 million (2016: Baht 81 million), of which Baht 6 million (2016: Baht 6 million) is from the Company, were recognised as expenses.

32. Dividends

Dividends	Approved by	Total dividends (Million Baht)	Dividend per share (Baht)
Final dividend for 2016	Annual General Meeting of shareholders on 27 April 2017	1,565	0.25
Interim dividends for the period as from 1 January 2017 to 30 June 2017	Board of Directors meeting on 9 August 2017	1,299	0.20
Interim dividends for the period as from 1 January 2017 to 30 September 2017	Board of Directors meeting on 10 November 2017	1,000	0.15
Total dividends for 2017		3,864	0.60
Final dividends for 2015	Annual General Meeting of shareholders 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 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 on 10 November 2016	891	0.15
Total dividends for 2016		3,921	0.60

33. Commitments and contingent liabilities

33.1 Capital commitments

As at 31 December 2017, subsidiaries had capital commitments of approximately USD 96 million and Baht 834 million (2016: USD 13 million and Baht 148 million) relating to acquisition of equipment.

33.2 Operating lease commitments

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

As at 31 December 2017 and 2016, subsidiaries had future minimum lease payments required under these non-cancellable operating leases contracts were as follows.

(Unit: Million Baht)

	Consolidated financial statements	
	2017	2016
Payable:		
In up to 1 year	4,459	4,428
In over 1 and up to 5 years	17,960	17,986
In over 5 years	14,837	19,925

33.3 Guarantees

- The Company and its subsidiaries had outstanding commitments of approximately Baht 185 million in respect of bid bonds and performance bonds issued by banks and financial institutions on behalf of the Company and its subsidiaries (2016: Baht 345 million) and of the Company only amounting to Baht 3 million (2016: Baht 3 million).
- The Company had obligations in respect of its guarantee of letters of guarantee that have been issued by banks on behalf of the subsidiaries totaling Baht 3 million (2016: Baht 3 million).
- In 2016, four subsidiaries jointly guaranteed the credit facility of the Company amounting to Baht 6,000 million. As at 31 December 2017, the Company had an outstanding loan from financial institution under the credit facility as described in the Note 19.1 to the consolidated financial statements.
- Subsidiaries had outstanding commitments under the letters of credit with local and overseas suppliers totaling approximately USD 4 million (2016: USD 6 million and Baht 187 million).

33.4 Long-term service commitments

- 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 consolidated 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 consolidated 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 consolidated 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 consolidated 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 because the delay was caused by the delay in the delivery of areas by related agencies and the counterparty is therefore entitled to charge a penalty to TJP at the 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. The management of TJP believe that TJP will successfully negotiate with the counterparty to reduce the scope of work and will close the project with an immaterial amount of penalty.

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 and the legal advisor made a preliminary assessment and found that additional liabilities of up to Baht 1,343 million, excluding interest, might arise if the Company was 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 2017 equivalent to a total of approximately Baht 1,856 million), comprising principal of Baht 1,112 million and interest of Baht 744 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, one is not named among the creditors filing claims under the business rehabilitation plan. 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 313 million (principal of Baht 260 million and interest of Baht 53 million) (2016: 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 (principal of Baht 684 million and interest of Baht 323 million) in the Company's rehabilitation plan in the financial statements since it is highly likely that the Company will be liable for these amount. 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 lawsuits brought by five plaintiffs on the grounds of the jurisdiction of the Central Intellectual Property Court. At this time, rulings on the lawsuits brought by five plaintiffs have stated that the cases are under the jurisdiction of the Central Intellectual Property Court. 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 an 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, Jasmine Telecom Systems Plc. ("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 the contracting 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 tablet parts were 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. In 2014, the counterparties under the agreements submitted letters to JTS to request the termination of the sale and purchase of tablet agreements with JTS as they considered that JTS failed to perform its obligations under the agreements and requested 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, or a total of Baht 5 million and Baht 142 million, respectively. In addition, the counterparties requested 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 the performance bonds. However, JTS submitted letters to these counterparties objecting to the terminations of the agreements and to the imposition of penalties under the agreements on the grounds that the cause of the delay 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, The two counterparties filed lawsuits with the Central Administrative Court, requesting JTS to pay a penalty for its inability to deliver tablet as stipulated in the agreements and to make payment under the performance bonds, together with interest at the rate of 7.5% per annum, totaling approximately Baht 5 million and Baht 192 million, respectively. In 2014, JTS submitted a notice of breach of the agreement to a local company 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 requested the bank who issued a bank guarantee on behalf of this company in the form of a performance bond for the sale of tablets to pay Baht 38 million to JTS under the performance bond. JTS received the payment and retained the legal right to seize this amount as a compensation for losses caused by this company or incurred as a result of a breach of agreement by this company. JTS has recorded the performance bond as a liability under the caption of trade and other payables in the consolidated statement of financial position since 31 December 2014 and treated it as 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. However, on 22 February 2018, the Central Administrative Court issued a judgement on the case between JTS and the government agency who filed the lawsuit, requesting JTS to pay penalties totaling approximately Baht 5 million for its inability to deliver tablets as stipulated in the agreement. The Central Administrative Court issued a judgement ordering JTS to pay penalties totaling approximately Baht 3 million. However, JTS has the right to lodge an appeal within 30 days after the Central Administrative Court issued a judgement. When JTS receives the official judgement of the Court, the legal advisor will consider details of the judgement in order to file an appeal. Therefore, the ultimate outcome of these lawsuits and disputes that are not finalised cannot be determined at this time. In addition, JTS's legal advisor is of the opinion that the facts of this case are different from those of the case with another government agency, who demanded JTS pay penalties for its failure to deliver tablets according to the agreement and to make payment under the performance bond, together with interest, or a total of approximately Baht 190 million. As a result, it cannot be confirmed that the Central Administrative Court will issue the same judgement as above. However, JTS's management and legal advisor still believe that no significant losses will be incurred as a result of these lawsuits and disputes, and therefore no further provision for contingent liabilities was recorded in the accounts.

33.8 Litigation and disputes with TT&T and TOT


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.

1. Cloud Computing Solutions Co., Ltd. (“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 2017 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. 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. 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 the directory. 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. 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. However, 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. At present, the case is being considered by the Official Receiver.

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 filed an appeal against the Central Bankruptcy Court to the Supreme Court. On 3 October 2017, the Central Bankruptcy Court read the judgement of the Supreme Court, which affirmed the judgement of the Central Bankruptcy Court. As a result the Central Bankruptcy Court’s absolute receivership order against TT&T, the proceedings in the business reorganization case of TT&T was created. 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 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 relevant to the bankruptcy case 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 which nearly 90% of the claim was lease line service payable which TTTBB paid to TT&T through the offset debt payable and the assignment of promissory note in 2009, as described in Note 10 to the consolidated 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 totaling 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 the 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 at that time, 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. TTTBB and TTTI filed an appeal. The Appeal Court affirmed the judgement of the Civil Court on 19 December 2017. TTTBB is in the process of filing an appeal to the Supreme Court.

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. 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. However, on 7 May 2015, the Nontaburi 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 to the Nontaburi 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. On 21 April 2017, TTTBB 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 the Company 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 to 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 year 2016.

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.

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. 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 the memorandum of understanding. Subsequently, on 18 January 2018, three individuals filed a petition to withdraw the case. The Nonthaburi District Court issued an order approving the withdrawal and disposing 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, 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 was 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. At present, the case is being considered by the Nonthaburi District Court.

33.9 JTS and CCS have been sued by former employees who were laid off, claiming compensation approximately Baht 18 million and Baht 2 million, respectively, 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. However, on 16 January 2018, the Labour Court issued a judgment ordering CCS to pay severance together with interest, totaling approximately Baht 1 million. For prudent reasons, CCS therefore recorded full provision for severance payment in accordance with the Labour Court's order in the current year.

33.10 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 - one Internet	Internet service	25 August 2014 - 24 August 2019
	Type - two Internet	International internet gateway and internet exchange services	8 February 2017 - 7 February 2022
	Type - two Telecom	Very Small Aperture Terminal (VSAT) service	30 November 2016 - 29 November 2021
Triple T Broadband Plc.	Type - three Telecom	Telecommunications services, fixed-line service and data communication network services	23 February 2006 - 29 January 2032
Jasmine Internet Co., Ltd.	Type - one Internet	Internet service	28 July 2014 - 27 July 2019
	Type - one Telecom	International calling card service	25 January 2015 - 24 January 2020
Jastel Network Co., Ltd.	Type - one Internet	Internet service	6 November 2014 - 5 November 2019

Company	Type of license	Authorised service	Period
	Type - two Telecom	Domestic private leased circuit service	30 November 2006 - 29 November 2021
	Type – two Internet	International internet gateway service	30 March 2014 - 29 March 2019
	Type - three Telecom	International private leased circuit service	18 November 2009 - 17 November 2024
Triple T Internet Co., Ltd.	Type - one Internet	Internet service	20 June 2014 - 19 June 2019
	Type - one Telecom	Resale of International private leased circuit service	14 March 2016 - 13 March 2021
	Non-National Spectrum Broadcast Network	Non-national spectrum broadcast network service	28 January 2013 - 27 January 2028
ACeS Regional Services Co., Ltd.	Type - one Internet	Internet service	23 November 2014 - 22 November 2019
	Type - one Telecom	Telecom services, International calling card service	16 February 2015 - 15 February 2020
Jasmine Telecom Systems Plc.	Type - one Telecom	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 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-three license from NBTC. At the present, ARS has not yet received the license.

34. Financial instruments

34.1 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, current investment, restricted bank deposits, trade and other receivables, trade and other payables, accounts payable for equipment, liabilities under finance lease agreements, loans, deposit received from customers and provisions. 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 and loans. 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 purchase of equipment and trading transactions that are denominated in foreign currencies.

As at 31 December 2017 and 2016, the balances of financial assets and liabilities of the subsidiaries denominated in foreign currencies are summarised below.

(Unit: Million Baht)

Foreign currency	Consolidated financial statements				Average exchange rate	
	Financial assets		Financial liabilities		2017	2016
	2017	2016	2017	2016		
	(Million)	(Million)	(Million)	(Million)	(Baht per 1 foreign currency unit)	
US dollar	3	11	186	210	32.6809	35.8307

34.2 Fair values of financial instruments

Since the majority of financial instruments of the Company and its subsidiaries are short-term in nature. Loans carry interest at rates close to market rates. Its fair value are not expected to be materially different from the amounts presented in the statements of financial position.

35. 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 2017, the Group's debt to equity ratio was 2.46:1 (2016: 3.22:1) and the Company was 1.05:1 (2016: 2.01:1).

36. Events after the reporting period

On 23 February 2018, Board of Directors meeting passed the resolution approving the payment of a final dividend of Baht 0.20 per share, to the shareholders from 2017 operations, a total of approximately Baht 1,484 million.

However, this resolution will be presented to Annual General Meeting for the year 2018 for further approval.

37. Approval of financial statements

These financial statements were authorised for issue by the Company's Board of Directors on 23 February 2018.



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