

12. Significant Financial Information

Audit Report Summary

The auditor whose appointment was approved by the 2018 AGM was Mr. Supachai Phanyawattano, Certified Public Accountant (Thailand) No. 3930 or Ms. Krongkaew Limkittikul, Certified Public Accountant (Thailand) No.5874, or Mr. Natthawut Santipet, Certified Public Accountant (Thailand) No.5730 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 2016, 2017 and 2018, due to a limitation imposed by circumstances. In 2018, the Company's financial statements were limited 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; therefore, no provision has been recorded for costs and damages in the financial statements. 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 may significantly impact on the value of the investment 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 326 million for the three financial institutions who are the original creditors named in applications for payment in the Company's rehabilitation plan. 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. During the year 2018, the Central Intellectual Property Court issued judgments on the cases between the Company and four plaintiffs that filed the lawsuits, ordering the Company to make debt payments totaling Baht 1,095 million together with interests due under the lawsuits until the full payments are made. The Company considers that for the three plaintiffs who are the original creditors should record the additional provision in respect of interest. The Company records an additional provision amounting to Baht 170 million. Moreover, the Company considers that other two plaintiffs who are the assigned creditors should record the additional provision in both of principal and interest amounting to Baht 430 million, resulting in the total provision for reversal of judgment by the Supreme Court, amounting to Baht 926 million. However, the Company filed appeals for the two plaintiffs to the Court of Appeal for Specialised Cases and other two are in the process of filing appeals. 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 circumstances and the auditor was unable to audit to satisfy himself as to the amount of additional provision to be recorded as a result of the cancellation of the rehabilitation order.

The auditor also drew attention to the following matters:-

1. The litigation between a subsidiary and two government agencies, ordering the subsidiary to pay penalties for its failure to deliver tablets according to the agreements : During the year 2018, the Central Administrative Court issued a judgment on the case, ordering the subsidiary to pay penalties together with interest. A provision for penalties and compensation that might be incurred that the subsidiary has recorded in the past, are sufficient to the amount of the penalties according to the judgment of the Central Administrative Court. However, the subsidiary and the two government agencies filed appeals to the Supreme Administrative Court and the subsidiary filed requests to suspend execution to the Central Administrative Court. At present, the cases are under consideration by the Court. The subsidiary's management and legal advisor are confident that no significant losses will be incurred as a result of these lawsuits and disputes.
2. 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.
3. 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					
	2018		2017		2016	
	Million Baht	%	Million Baht	%	Million Baht	%
Balance sheet						
Cash and cash equivalents	899	1.70	3,038	6.01	2,482	5.22
Trade and other receivables	3,180	6.01	3,174	6.28	3,019	6.35
Total current assets	5,832	11.03	7,674	15.18	7,208	15.16
Investments in associates	4,018	7.60	6,234	12.33	6,850	14.41
Property, plant, and equipment	37,987	71.82	31,633	62.58	28,491	59.94
Other non-current assets	196	0.37	196	0.39	177	0.37
Total assets	52,890	100.00	50,549	100.00	47,531	100.00
Short-term loans from banks	968	1.83	3,915	7.74	2,229	4.69
Trade and other payables	3,435	6.49	4,064	8.04	3,198	6.73
Total current liabilities	14,389	27.21	15,993	31.64	10,874	22.88
Long-term liabilities and provision for rental assurance	17,853	33.75	18,220	36.04	23,478	49.39
Total liabilities	34,514	65.26	35,920	71.06	36,264	76.29
Registered capital issued and fully paid-up	3,992	7.55	3,335	6.60	2,968	6.25
Appropriated retained earnings	1,101	2.08	1,021	2.02	1,012	2.13
Unappropriated retained earnings	4,223	7.98	3,239	6.41	4,418	9.30
Total shareholders' equity	18,376	34.74	14,629	28.94	11,267	23.71
Profit and Loss Statement						
Sales and service income	17,995	100.00	17,432	100.00	15,619	100.00
Other income	4,148	23.05	856	4.91	2,532	16.21
Total revenues	22,144	123.05	18,288	104.91	18,151	116.21
Cost of sales and services	11,267	62.61	11,031	63.28	9,711	62.17
Selling, servicing and administrative expenses	4,752	26.41	4,187	24.02	3,914	25.06
Loss on recording provision for reversal of judgment by the Supreme Court	613	3.41	12	0.07	12	0.08
Damages from non-compliance with the conditions precedent to be met before granting a license	-	-	-	-	841	5.38
Doubtful accounts and bad debt	231	1.28	225	1.29	338	2.16
Finance cost	744	4.13	692	3.97	395	2.53
Net Profit (Loss)	4,913	27.30	2,693	15.45	3,002	19.22
Cash flow Statement						
Net cash (used in) operating activities	4,001		3,417		(2,467)	
Net cash from investing activities	1,900		(2,503)		2,832	
Net cash (used in) financing activities	(8,040)		(358)		(5,763)	
Net increase (decrease) in cash and cash equivalents	(2,139)		556		(5,398)	

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		
		2018	2017	2016
Liquidity Ratio				
Current Ratio	(Time)	0.41	0.48	0.66
Quick Ratio	(Time)	0.29	0.39	0.54
Cash Ratio	(Time)	0.26	0.25	(0.17)
Receivable Turnover	(Time)	5.66	5.63	5.12
Average Collection Period	(Day)	64	64	70
Inventory Turnover	(Time)	-	-	-
Holding Period	(Day)	-	-	-
Payable Turnover	(Time)	3.00	3.10	2.79
Average Payment Period	(Day)	120	118	129
Cash Cycle	(Day)	(56)	(55)	(58)
Profitability Ratio				
Gross Profit Margin	%	37.39	36.72	37.83
Operating Profit Margin	%	13.00	13.72	17.69
Other Profit Margin	%	18.73	4.68	13.95
Cash to Profitability Ratio	%	171.05	142.90	(89.25)
Net Profit Margin	%	22.19	14.73	16.54
Return on Equity	%	29.77	20.80	21.23
Efficiency Ratio				
Return on Assets	%	9.50	5.49	6.11
Return on Fixed Assets	%	26.90	21.22	23.40
Total Assets Turnover	(Time)	0.43	0.37	0.37
Financial Policy Ratio				
Debt to Equity Ratio	(Time)	1.88	2.46	3.22
Interest Coverage Ratio	(Time)	6.06	5.68	(4.09)
Leverage Ratio (Cash Basis)	(Time)	0.17	0.34	(0.23)
% Growth Ratio				
Total Assets	%	4.63	6.35	(6.43)
Total Liabilities	%	(3.91)	(0.95)	7.34
Sales and Service Income	%	3.23	11.61	11.70
Operating Expenses	%	13.51	6.65	17.29
Net Profit (Loss)	%	82.39	(10.27)	(80.89)



Management Discussion and Analysis (MD&A)



13. Management Discussion and Analysis (MD&A)

Overview

Over the past several years, due to the government policies that emphasize supporting the people's gaining of more access to the internet usage and the diverse changes in consumers' behavior, Broadband Internet service market has been continuously growing in parallel with the emergence of new operators, seriously rivaling in the Broadband Internet service market. While other operators can offer their services only in certain areas in each province of the country, the Company has no such a limitation because of its nationwide service coverage. Although it has the advantage of service coverage over other rivals, the Company still keeps on expanding its optical fiber cable networks into more areas in order to increase its Broadband Internet service footprint alongside with upgrading its existing Broadband Internet networks continuously. Furthermore, FTTx – a technology that enables more speed efficiency for the hi-speed Internet service offering – is used by the Company to increase its Internet speed service. This is beneficial as the customers can be satisfied with higher Broadband Internet speeds and at the same time, the Company itself can launch more variety of Internet packages that properly serve the manifold demands of the customers

As at the end of the year 2018, 3BB totally had approximately 2.94 million subscribers. In 2018, 3BB had approximately 216,000 net additional subscribers, a result of the Company's upgrading of the existing xDSL subscribers to become the subscribers of the FTTx service. This strategy helps not only maintaining the existing customer, but also reducing the churn rate of customers at the same time, resulting in increasing proportion of the FTTx subscribers. As at the end of the year 2018, 3BB had approximately 1.03 million FTTx subscribers, or equivalent to 35% of all the subscribers of 3BB.

The growing number of the Internet subscribers resulted in an increase of approximately 4% growth of the total operating revenue of the Company for the year 2018, in comparison to that of the year 2017. Nevertheless, during the year, the Company's investment in expanding a lot of networks that resulted in an increase in the depreciation cost of network equipment and the decrease in the recognition of profit sharing from investments in JASIF due to the decrease in the Company's investment unit holding during the year (the Company decreased its investment unit holding in JASIF and recognized gain on sales of such investments in May 2018), caused the operating profit for the year 2018 of the Company to slightly decrease, compared to the year 2017. However, when comparing EBITDA to sales and service income, it was found that EBITDA Margin for the year 2018 was 43%, compared to that of 40% in 2017.

The Company has continued developing Broadband Internet service, using the existing customer base as its ground. With such determination, more values would be created and added to the businesses of Jasmine International Group in the future, enhancing an increase in potential growth of revenue and profitability.

With regard to the sale of the additional Optical Fiber Cables ("OFCs") to Jasmine Broadband Internet Infrastructure Fund ("JASIF"), approved by the shareholders' meeting, various conditions are now under

the negotiation between the Company and JASIF. The final purchasing price as well as the selling price of the OFCs will be as agreed by both parties. Provided that this transaction can be completed in 2019, the Company will have more fund to further invest in network expansion for more service area coverage.

Operating Performance

In 2018, the Company and its subsidiaries generated the operating profit of Bt 2,339 mn, when compared to Bt 2,392 mn in 2017, decreasing by Bt 52 mn, or 2%. This amount, when included by the FX gain of the subsidiaries of Bt 48 mn, the gain on sales of investments in associate (JASIF) of Bt 3,650 mn, the adjustment of the provision for rental assurance of OFCs of the Fund due to the change in the discount rate in relation to the rental rate growth of Bt 31 mn and deducted by the allowance for debts from the rehabilitation plan of Bt 613 mn, in compliance with Thai Financial Reporting Standards (TFRS) (however, the Company has a different view from the decision of the Court of First Instance in the matter of facts and the matter of law; therefore, the Company will exercise the right to appeal such decision), the allowance for doubtful accounts and bad debt of the subsidiaries of Bt 231 mn and deferred tax of Bt 311 mn, resulted in the record of the net profit for the year 2018 of the Company and its subsidiaries of Bt 4,913 mn, increasing by 82% when compared to that of Bt 2,693 mn in 2017.

Unit : Bt mn

Item	2018	2017	% change
Operating profit	2,339	2,392	(2)
FX gain (loss)	48	555	(91)
Gain on sales of investments in associate	3,650	-	100
Adjustment of the provision for rental assurance of OFCs of the Fund for the rental rate growth	31	297	(90)
Loss on recording of provision for reversal of judgement by the Supreme Court	(613)	(12)	5,008
Doubtful accounts and bad debt	(231)	(225)	3
Deferred Tax	(311)	(313)	(1)
Net profit (loss)	4,913	2,693	82
EPS (Baht per share)	0.63	0.42	50

Performance breakdown by business unit

Performance breakdown by business unit in 2018 and 2017 is as follows:-

Unit : Bt mn

Company	Total Revenue		
	2018	2017	% Change
Broadband Business			
1. Triple T Broadband Public Company Limited	514	815	(37)
2. Triple T Internet Company Limited	16,859	16,307	3
Total	17,373	17,122	1
Telecom Network & Service Provider Business			
1. Jasmine Submarine Telecommunications Company Limited	20	23	(13)
2. JasTel Network Company Limited	661	646	2
3. Jasmine Internet Company Limited	208	230	(10)
4. Acumen Company Limited	4	9	(56)
5. ACeS Regional Services Company Limited	44	59	(25)
Total	937	967	(3)

Unit : Bt mn

Company	Total Revenue		
	2018	2017	% Change
System Integration Business			
1. Jasmine Telecom Systems Public Company Limited	19	17	12
2. Cloud Computing Solutions Company Limited	20	31	(35)
Total	39	48	(19)
Other Businesses			
1. Jasmine International Public Company Limited	3,649	2	182,350
2. Premium Asset Company Limited	146	146	-
3. T.J.P. Engineering Company Limited	-	3	(100)
4. Others ¹⁾	-	-	-
Total	3,795	151	2,413
Grand Total	22,144	18,288	21

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

Revenue

In 2018, the total revenue of the Company and its subsidiaries was Bt 22,144 mn (including gain on sales of investments in JASIF of Bt 3,650 mn), compared to that of Bt 18,288 mn in 2017, increasing by 21%. Details are as follows:-

Unit : Bt mn

Item	2018	2017	% change
Sales and service income	17,995	17,432	3
Gain on sales of investments in associate	3,650	-	100
FX gain	48	555	(91)
Interest income	27	19	43
Other income	424	282	50
Total	22,144	18,288	21

Sales and Service Income

In 2018, the Company and its subsidiaries totally obtained the sales and service income of Bt 17,995 mn, compared to that of Bt 17,432 mn in 2017, increasing by 3%. For the year 2018, 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 : Bt mn

Type of business	2018	2017	% change
Broadband Business	16,916	16,310	4
Telecom Network & Service Provider Business	899	948	(5)
System Integration Business	35	29	21
Other Businesses	145	145	-
Total	17,995	17,432	3

In 2018, the income obtained from Broadband Business was Bt 16,916 mn, compared to that of Bt 16,310 mn in 2017, increasing by 4%, a result of an increase in the number of broadband subscribers. During the past year, TTTBB emphasized expanding its Fiber Optic network (FTTx technology) to cover more service areas and continuously upgrading Broadband Internet networks. As a result, the Company can offer more Internet packages that serve the needs of the customers. Furthermore, the Company has also offered the FTTx service to the existing xDSL customers in order to reduce the churn rate. In 2018, TTTBB had approximately 216,000 net additional subscribers. The increase in the net additional subscribers of 3BB was mainly due to an increase in the number of FTTx subscribers. In 2018, 3BB had approximately 709,000 FTTx net additional subscribers, compared to the year 2017 in which 3BB had approximately 201,000 FTTx net additional subscribers. As at the end of the year 2018, 3BB totally had approximately 2.94 million subscribers; this number included 1.03 million FTTx subscribers, or 35% of 3BB subscribers.

In 2018, the sales and service income obtained from Telecom Network & Service Provider Business was Bt 899 mn, decreasing by 5% , compared to that of Bt 948 mn in 2017. The decrease was due to the decrease in domestic and international private leased-circuit service income.

In 2018, the sales and service income obtained from System Integration Business was Bt 35 mn, increasing by 21%, compared to that of Bt 29 mn in 2017. For Other Businesses, the sales and services income in 2018 was Bt 145 mn, the same amount as obtained in the year 2017.

Other income

In 2018, the Company and its subsidiaries recorded other income (excluding gain on sales of investments in JASIF of Bt 3,650 mn) of Bt 498 mn, comprising income obtained from management and maintenance of assets of Bt 241 mn, FX gain of Bt 48 mn, interest income of Bt 27 mn and others of Bt 182 mn), compared to that of Bt 856 mn in 2017.

Expenses

In 2018, the total expenses of the Company and its subsidiaries were Bt 16,863 mn, compared to Bt 15,455 mn in 2017, increasing by 9%. Details of expenses are as follows:-

Unit : Bt mn			
Item	2018	2017	% change
Operating Expenses :			
- Cost of sales and services	11,267	11,031	2
- Selling and servicing expenses	1,279	1,299	(2)
- Administrative expenses	3,473	2,888	20
Total Operating Expenses	16,019	15,218	5
Doubtful accounts and bad debt	231	225	3
Loss on recording of provision for reversal of judgment by the Supreme Court	613	12	5,008
Total Expenses	16,863	15,455	9

- In 2018, the operating expenses of the Company and its subsidiaries were Bt 16,019 mn in total, compared to Bt 15,218 mn in 2017, increasing by 5%. Details of expenses are as follows:-

- 1) The cost of sales and services in 2018 was Bt 11,267 mn, compared to that of Bt 11,031 mn in 2017, increasing by 2%. Such increase in the cost of sales and services was mainly due to the depreciation of network equipment that increased as a result of network expansion of TTTBB ; whereas, the rental fee according to the OFCs lease agreement with JASIF which was recorded in 2018 decreased as a result of the adjustment of the provision for rental assurance due to the change of the discount rate (the rental fee recorded in cost of sale and service was the net amount after deduction of amortization of the provision for rental assurance and adjustment of the provision for rental assurance of OFCs due to the change of the discount rate) and the USO fee and the license fee paid to the NBTC which decreased due to the reduction on fee collection. The gross margin for the year 2018 was at 37% which is the same as in the year 2017.
 - 2) The selling and servicing expenses and administrative expenses in 2018 were Bt 4,752 mn, compared to Bt 4,187 mn in 2017, increasing by 14%. Such increase was mainly due to the increase in advertising & public relations expenses and other expenses such as vehicle expenses and gas expenses. Nevertheless; employee related expenses were still the major selling and servicing expenses.
- In 2018, the subsidiaries recorded an allowance for doubtful accounts and bad debts of Bt 231 mn, most of which were mainly the items of TTTI that had the policy on setting up the provision for doubtful debts of 3 months overdue receivables.
 - In 2018, the Company recorded the loss on recording of provision for debts from rehabilitation plan of the Company for reversal of judgment by the Supreme Court of Bt 613 mn, in compliance with Thai Financial Reporting Standards (TFRS). However, the Company had a different view from the decision of the Court of First Instance in the matter of facts and the matter of law; therefore, the Company would exercise the right to appeal such decision.

Financial Expenses

In 2018, the financial expenses of the Company and its subsidiaries were Bt 744 mn, increasing by Bt 52 mn, compared to Bt 692 mn in 2017 due to long-term loan from bank and supplier credit for equipment of the Company and its subsidiaries which had increased during the year, resulting in an increase in interest expense.

Net profit (loss)

In 2018, the Company and its subsidiaries reported the total net profit of Bt 4,913 mn (including gain on sales of investments in JASIF), compared to that of Bt 2,693 mn in 2017. In 2018, Broadband Business generated the net profit of Bt 1,547 mn, increasing by Bt 99 mn from the year 2017; Telecom Network & Service Provider Business generated the net profit of Bt 1,176 mn, increasing by Bt 873 mn from the year 2017; System Integration Business generated the net profit of Bt 19 mn, decreasing by Bt 2 mn from the year 2017; For Other Businesses, the net profit for the year 2018 was Bt 8,636 mn, increasing by Bt 3,927 mn from that of the year 2017. After the elimination of the intercompany transaction, the Company and its subsidiaries recorded the net profit for the year 2018 at Bt 4,913 mn. Comparing with the total revenue (excluding gain on sales of investments in JASIF), the net profit margin for the year 2018 was 27%.

Financial Position

Assets

As at 31 December 2018, the Company and its subsidiaries had total assets of Bt 52,890 mn, compared to Bt 50,549 mn in 2017, increasing by 5%. The total assets of the Company and its subsidiaries comprised:-

Item	31 December 2018		31 December 2017	
	Bt mn	% of Total Asset	Bt mn	% of Total Asset
Current assets	5,832	11	7,674	15
PP&E, net	37,987	72	31,633	63
Other non-current assets	9,071	17	11,241	22

As at 31 December 2018, the Company and its subsidiaries had current assets of Bt 5,832 mn, representing 11% of total assets, compared to Bt 7,674 mn at the end of 2017, decreasing by Bt 1,842 mn or 24%. The decrease was because:-

- Cash and cash deposits with banks decreased by Bt 2,139 mn from the year 2017. During the year 2018, the Company and its subsidiaries had cash used in an investment in equipment for network expansion of the subsidiaries of Bt 3,992 mn, repayment of short-term and long-term loans, supplier credit for equipment, liabilities under finance lease agreements and interest expense, totaling Bt 15,301 mn (including the refinancing of the existing long-term loan of Bt 4,800 mn). Also, during this year, the Company and its subsidiaries paid dividend of approximately Bt 3,808 mn to their shareholders; the aforesaid items when offset with net cash received from operating activities of Bt 4,001 mn, cash received from investing activities of Bt 5,892 mn (mainly due to the cash received from sales of investments in JASIF of 540 million units at the price of Bt 10.50 per unit in May 2018), cash received from long-term loans of Bt 8,388 mn (long-term loan of Bt 4,800 mn for the refinance of the existing long-term loan of the Company) and cash received from the conversion of JAS-W3 of Bt 2,681 mn.
- Other current assets decreased by Bt 20 mn from the year 2017, mainly due to the decrease in current investments of Bt 13 mn.

The above-mentioned decreasing current assets offset with increasing current assets of Bt 316 mn, a result of the increase in revenue department receivable of Bt 140 mn, the increase in input tax pending payments of TTTBB of Bt 125 mn, the increase in prepaid expenses of Bt 45 mn and the increase in trade and other receivables of Bt 6 mn, resulted in the net decrease of the current assets of the Company and its subsidiaries, amounting Bt 1,842 mn.

Trade and other receivables included receivable for service under a co-investor agreement made between JSTC and TOT of Bt 2,518 mn. Currently, there are still disputes in revenue sharing payment and the case is under the consideration of the Arbitration Institute. The Company had considered setting up the allowance for doubtful debts for the remaining receivables which were mainly from trade receivables of TTTI which had set up the provision for doubtful debts of 3 months overdue receivables.

Property, plant and equipment-net was recorded at Bt 37,987 mn or 72% of the total assets, increasing by Bt 6,354 mn or 20%, compared to that recorded at the end of the year 2017, 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 2018, TTTBB emphasized expanding its fiber optic networks to cover more service areas in parallel with upgrading Broadband Internet service. With regard to equipment purchase, the Company used short-term working capital facilities 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 domestic equipment purchase; furthermore, it also used supplier credit facilities. JAS and TTTBB entered into agreements to purchase equipment with suppliers. Under the supply agreements, JAS and TTTBB are obliged to make payment within 1-3 years. In 2018, JAS and TTTBB already made payment to supplier credit for equipment according to this agreement amounting to Bt 2,382 mn. In 2019, the amount to be paid according to this agreement is approximately of Bt 5,275 mn which was recorded in the current portion of accounts payable for equipment.

At the end of 2018, other non-current assets were recorded at Bt 9,071 mn, decreasing by Bt 2,170 mn or 19% from the year 2017. This was mainly due to the decrease in the investment in associates by Bt 2,216 mn resulted from the disposal of investments in JASIF, totaling 540 million units during the year 2018. After the disposal, the Company's unitholding decreased from 33.33% to 23.51% of the total number of the investment units. Such investment in associates was recorded under the equity method in the consolidated financial statements.

Liabilities

As at 31 December 2018, the Company and its subsidiaries had total liabilities of Bt 34,514 mn, compared to Bt 35,920 mn in 2017, decreasing by 4%. Details of the total liabilities are as follows:-

Item	31 December 2018		31 December 2017	
	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)	6,098	18	10,413	29
Long term liabilities	13,721	40	9,746	27
Provision for rental assurance	12,423	36	14,054	39
Other Non-current liabilities	2,272	7	1,707	5
Total liabilities	34,514	100	35,920	100

Current liabilities (excluding current portions of long-term liabilities and provision for rental assurance) at the end of 2018 were Bt 6,098 mn, decreasing by Bt 4,315 mn, compared to Bt 10,413 mn at the end of 2017. The decrease was mainly because:-

- Short-term loan from banks decreased by Bt 2,946 mn due to the repayment of Trust Receipt (T/R) and Promissory Note (P/N) for the purchase of equipment from suppliers.
- Trade and other payables decreased by Bt 630 mn due to normal business operation.
- Short-term loan decreased by Bt 787 mn due to the repayment for this short-term loan during the

year 2018. At present, the outstanding balance of such short-term loan is Bt 571 mn.

- Other current liabilities decreased by Bt 139 mn, mainly due to the decrease in withholding tax payable of Bt 119 mn.

The above-mentioned decreasing current liabilities offset with increasing current liabilities arising from normal business operation such as undue output tax which increased by Bt 93 mn, advance received from customers which increased by Bt 71 mn and income tax payable which increased by Bt 23 mn, resulted in the net decrease in the current liabilities of the Company and its subsidiaries, amounting Bt 4,315 mn.

Long-term liabilities at the end of 2018 was Bt 13,721 mn, increasing by Bt 3,975 mn from the end of the year 2017 due to the Company and its subsidiaries' entering into long-term loan agreement, agreements to purchase equipment with suppliers - Supplier Credit- and finance lease agreements with leasing companies for the rental of motor vehicles and network security used in their operations. 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 Debt to EBITDA and so on. At the end of 2018, the Company was able to maintain the financial ratio as required by the conditions in the agreement.

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 2018 was Bt 12,423 mn, compared to Bt 14,054 mn in 2017, decreasing by Bt 1,631 mn due to the amortization of such provision of Bt 1,454 mn. Moreover, during the year 2018, there was an adjustment of the provision for rental assurance due to the change of the assumption of inflation rate and Government Bond Yield which had an effect on discount rate, totaling Bt 177 mn. Such transaction was shown the offsetting amount in cost of the rental fee of the OFCs paid to JASIF.

Other non-current liabilities at the end of 2018 were Bt 2,272 mn, increasing by Bt 565 mn from the year 2017, mainly due to record of the additional allowance for debts from reversal of judgment by the Supreme Court, in compliance with Thai Financial Reporting Standards (TFRS). However, since the Company has a different view from the decision of the Court of First Instance in the matter of facts and the matter of law, it will exercise the right to appeal such decision.

In addition to the liabilities as shown in the statement of financial position, the Company and its subsidiaries had commitments and contingent liabilities in the future relating to investment in telecommunications equipment and operating expenses. The purchase of equipment commitments and the operating lease and service agreements commitments were related to the normal business of the Company and its subsidiaries and complied with terms in the agreements between the subsidiaries and JASIF. For the disputes over the Company's rehabilitation plan, the Company had considered recording the allowance for debts in its financial statements. However, the Company has a different view from the decision of the Court of First Instance in the matter of facts and the matter of law; therefore, it will exercise the right to appeal such decision (details as shown in Notes to the Financial Statements, Item 33).

Shareholders' Equity

At the end of 2018, the shareholders' equity of the Company and its subsidiaries was Bt 18,376 mn, increasing by Bt 3,747 mn from the year 2017. The shareholders' equity of the Company and its subsidiaries comprised:-

- The issued and fully paid-up capital of Bt 3,992 mn, increasing by Bt 657 mn from the end of the year 2017 due to the newly issued shares from the conversion of JAS-W3, the Company had registered the increase in its share capital of 1,314.2 million ordinary shares with the Ministry of Commerce during the year 2018 (for the conversion of JAS-W3 in December 2017, March, June and September 2018).
- The share subscription received in advance of Bt 564 mn from the conversion of 131.3 million units of JAS-W3 in December 2018 (equivalent to 153.9 million ordinary shares at the conversion price of Bt 3.667 per share).
- The premium on ordinary shares of Bt 7,191 mn, increasing by Bt 4,379 mn from the year 2017 due to the record of difference between the conversion price of JAS-W3 (the conversion price of Bt 3.904 per share in December 2017, Bt 3.807 per share in March 2018 and Bt 3.667 per share in June and September 2018) and the par value (Bt 0.50 per share) of the newly issued shares obtained from the conversion of JAS-W3. The Company had registered the increase in its share capital (1,314.2 million ordinary shares) with the Ministry of Commerce during the year 2018.
- The appropriated and unappropriated retained earnings of Bt 5,324 mn, increasing by Bt 1,065 mn from the year 2017; this amount comprised statutory reserve of Bt 1,101 mn (during the year, the Company appropriated the statutory reserve of Bt 80 mn) and unappropriated retained earnings of Bt 4,223 mn. The net profit during the year 2018 of the Company and its subsidiaries was of Bt 4,913 mn. In 2018, the Company paid dividend to its shareholders, totaling Bt 3,793 mn. Moreover, the Company and its subsidiaries recorded the loss on provision for long-term employee benefits in the comprehensive income (the net amount after deduction of income tax), amounting Bt 55 mn.

At present, the Company has fully paid-up capital of 8,138.9 million shares (this included the registered capital which increased due to the conversion of JAS-W3 in December 2018 of 153.9 million ordinary shares) and 1,317.1 million unexercised warrants. On the exercise date in December 2018, the exercise ratio of JAS-W3 was at 1 unit of warrant to 1.172 ordinary share (1 : 1.172) and the exercise price was at Bt 3.667 per share.

Capital Structure

As at 31 December 2018, the Company and its subsidiaries had the total liabilities of Bt 34,514 mn, or 65% of total assets. It had the total shareholders' equity of Bt 18,376 mn, or 35% of total assets. Debt to Equity ratio was at 1.88 times, decreasing from the previous year in which Debt to Equity ratio was at 2.46 times due to the increase in shareholders' equity that resulted from the newly issued shares obtained from the conversion of JAS-W3 during the year (which resulted in the increase in the issued and fully paid-up capital and premium on ordinary shares) and the retained earnings which increased due to the operating results of the Company and its subsidiaries during the year.

Such liabilities included liabilities arising from the record of the provision for rental assurance of Bt 12,423 mn (which was the record of the provision for liabilities according to Thai Accounting Standards). Debt to Equity ratio, excluding such items was at 1.20 times, decreasing from 1.49 times recorded in the previous year.

Liquidity

As at 31 December 2018, the Company and its subsidiaries had cash and cash equivalent of Bt 899 mn, decreasing by Bt 2,139 mn from the year 2017. The summary of net cash generated and used is as follows: -

Net cash from operating activities	4,001	Bt mn
Net cash from investing activities	1,900	Bt mn
Net cash used in financing activities	(8,040)	Bt mn
Net decrease in cash and cash equivalents	(2,139)	Bt mn

- Net cash from operating activities of Bt 4,001 mn was the net amount of the operating profit of the Company and its subsidiaries of Bt 6,740 mn, the payment of OFCs rental fee of to JASIF in relation to the provision for rental assurance of Bt 1,631 mn, the payment of income tax and operating expenses which were normal business items.
- Net cash from investing activities of Bt 1,900 mn was the net amount of cash received from sales of investments in JASIF of the Company in 2018 of Bt 5,667 mn; from this amount, Bt 3,992 mn. was used for equipment payment.
- Net cash used in financing activities of Bt 8,040 mn was the net amount of cash received from the capital increase due to the conversion of JAS-W3 in 2018 of Bt 2,681 mn. However, the Company and its subsidiaries had made net payment of interest and loans of Bt 4,325 mn, repayment of supplier credit for equipment of Bt 2,382 mn, repayment of liabilities under finance lease agreements of Bt 206 mn and dividend payment to the Company's shareholders of Bt 3,793 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. 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

1) **Mr. Sudhitham Chirathivat** : Independent Director and Chairman of the Board of Directors

Age : 71 years

Registration Date : 3 February 2010

Securities Holding Ratio : JAS Held personally 0.018%
Held by spouse or minor children -None-
JAS-W3 Held personally -None-
Held by spouse or minor children -None-

Family Relationship with Directors and Executives : -None-

Academic Degree : MBA Operation Research, Iona University, New York, USA.

Training for Director Course : Thai Institute of Directors Association (IOD)
2003 Director Certification Program (DCP)

Work Experience During the Period of 5 Years

- Position in Jasmine International Public Company Limited
2010-Present Independent Director and Chairman of the Board of Directors
- Position in Other Listed Companies
2014-Present Independent Director and Member of Audit Committee, TV Thunder PCL.
2004-Present Vice Chairman and Chairman of the Executive Director, Robinson PCL.
2002-Present Director and Executive Director,
 - Central Pattana PCL.
 - Central Plaza Hotel PCL.
- Position in Other Companies (Non-listed Companies)
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.

2) Dr. Vichit Yamboonruang : Independent Director and Chairman of Audit Committee

Age : 77 years

Registration Date : 4 June 1999

Securities Holding Ratio : JAS Held personally 0.001%
Held by spouse or minor children -None-
JAS-W3 Held personally -None-
Held by spouse or minor children -None-

Family Relationship with Directors and Executives : -None-

Academic Degree : Ph.D. Public & International Affairs,
University of Pittsburgh, Pennsylvania, USA.

Training for Director Course : Thai Institute of Directors Association (IOD)
2017 Board that Make a Difference (BMD)
2007 Chartered Director Class (CDC)
2004 Audit Committee Program (ACP)
2004 The Role of Chairman Program (RCP)
2004 Director Certification Program (DCP)
2004 Director Accreditation Program (DAP)

Work Experience During the Period of 5 Years

- Position in Jasmine International Public Company Limited)
1999-Present Independent Director and Chairman of Audit Committee
- Position in Other Listed Companies
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.
2006-Present Independent Director and Chairman, Wiik & Hoeglund PCL.
- Position in Other Companies (Non-listed Companies)
2016-Present Chairman, VCK Solution Co., Ltd.
2014-Present Independent Director and Chairman of Audit Committee, BMP Energy PCL.
2008-2014 Chairman and Chief Executive Officer, Thai Premier League Co., Ltd.

3) Dr. Yodhin Anavil : Independent Director, Member of Audit Committee and Chairman of Remuneration and Nomination Committee

Age : 69 years

Registration Date : 28 September 2006

Securities Holding Ratio : JAS Held personally -None-
Held by spouse or minor children -None-
JAS-W3 Held personally -None-
Held by spouse or minor children -None-

Family Relationship with Directors and Executives : -None-

Academic Degree : Ph.D. Electric Engineer, University of Cincinnati, Ohio, USA.

Training for Director Course : Thai Institute of Directors Association (IOD)
2009 Financial Statement Demystified for Directors (FDD)
2008 Role of the Compensation Committee (RCC)
2008 Chartered Director Class (CDC)
2008 Audit Committee Program (ACP)
2008 Director Certification Program (DCP)
2006 Director Accreditation Program (DAP)

Work Experience During the Period of 5 Years

- Position in Jasmine International Public Company Limited
2014-Present Chairman of Remuneration and Nomination Committee
2008-Present Member of Remuneration and Nomination Committee
2006-Present Independent Director and Member of Audit Committee
- Position in Other Listed Companies
2011-Present Independent Director and Chairman of Remuneration and Nomination Committee, Muangthai Capital PCL.
2011-Present Independent Director, Audit Committee, Corporate Governance Committee, Robinson PCL.
2010-2015 Advisor to Director Committee, D.T.C. Industries PCL
- Position in Other Companies (Non-listed Companies)
1992-Present Executive Director, The Vintage Club Co., Ltd.

4) Mrs. Chantra Purnariksha : Independent Director and Member of Audit Committee

Age : 72 years

Registration Date : 20 December 2011

Securities Holding Ratio : JAS Held personally -None-
Held by spouse or minor children -None-
JAS-W3 Held personally -None-
Held by spouse or minor children -None-

Family Relationship with Directors and Executives : -None-

Academic Degree : M.A. Diplomacy and Comparative Economics,
University of Kentucky, USA.

Training for Director Course : Thai Institute of Directors Association (IOD)
2005 Director Accreditation Program (DAP)

Work Experience During the Period of 5 Years

- Position in Jasmine International Public Company Limited
2011-Present Independent Director and Member of Audit Committee
- Position in Other Listed Companies
2015-Present Advisor to the Board of Directors, Muang Thai Insurance PCL.
2013-2016 President / CEO, Saha Pathana Inter-Holding PCL.
2012- 2016 Director, Saha Pathana Inter-Holding PCL.
2011-Present Independent Director, Phatra Leasing PCL.
- Position in Other Companies (Non-listed Companies)
1975-Present Director, S.P. Enterprise Co., Ltd.

5) Mr. Pete Bodharamik* : Director** and Chief Executive Officer

Age : 46 years

Registration Date : 21 March 2008

Securities Holding Ratio : JAS Held personally 56.181%
Held by spouse or minor children -None-
JAS-W3 Held personally 68.082%
Held by spouse or minor children -None-

Family Relationship with Directors and Executives : -None-

Academic Degree : Bachelor of Management Sciences,
London School of Economics and Political Science, England

Training for Director Course : Thai Institute of Directors Association (IOD)
-None-

Work Experience During the Period of 5 Years

- Position in Jasmine International Public Company Limited
2008-Present Director and Chief Executive Officer
- Position in Other Listed Companies
2012- Present Chairman, Mono Technology PCL.
- Position in Other Companies (Non-listed Companies)
2017- Present Director, Jas Holding 2017 Co., Ltd.
2015-Present Director, Pinvest Corporation Co., Ltd.
2012-Present Director, PVS Development Co., Ltd.
2008-Present Director, Jasmine International Group
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) Ms. Saijai Kitsin* : Director, Director and President,
Secretary to the Board of Directors and Corporate Secretary

Age : 56 years

Registration Date : 8 May 2008

Securities Holding Ratio : JAS Held personally 0.021%
Held by spouse or minor children -None-
JAS-W3 Held personally -None-
Held by spouse or minor children -None-

Family Relationship with Directors and Executives : -None-

Academic Degree : MS. (Accounting), Chulalongkorn University

Training for Director Course : Thai Institute of Directors Association (IOD)
2005 Audit Committee Program (ACP)
2005 Finance for Non-Finance Director (FND)
2004 Director Certification Program (DCP)
2004 Director Accreditation Program (DAP)

Work Experience During the Period of 5 Years

- Position in Jasmine International Public Company Limited
 - 2017-Present Director and President
 - 2008-Present Director and Corporate Secretary
 - 2008-Jan.2017 Executive Vice President
- Position in Other Listed Companies
 - None-
- Position in Other Companies (Non-listed Companies)
 - 2016-Present Executive Director, Triple T Internet Co., Ltd.
 - 2015-Present Director, Premium Asset Co., Ltd. and JAS Mobile Broadband Co., Ltd.
 - 2011-Present Director, In Cloud Co., Ltd.
 - 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

7) Mr. Terasak Jerauswapong* : Director** and Member of Risk Management Committee

Age : 57 years

Registration Date : 22 June 2000

Securities Holding Ratio : JAS Held personally 0.069%
Held by spouse or minor children -None-
JAS-W3 Held personally 0.208%
Held by spouse or minor children -None-

Family Relationship with Directors and Executives : -None-

Academic Degree : Bachelor of Electrical Engineering (Telecommunications),
King Mongkut's Institute of Technology, Ladkrabang

Training for Director Course : Thai Institute of Directors Association (IOD)
2004 Director Certification Program (DCP)
2004 Director Accreditation Program (DAP)

Work Experience During the Period of 5 Years

- Position in Jasmine International Public Company Limited
2004-Present Member of Risk Management Committee
1999-Present Director
- Position in Other Listed Companies
-None-
- Position in Other Companies (Non-listed Companies)
1996-Present President, Jasmine Submarine Telecommunications Co., Ltd.
1990-Present Director, Jasmine International Group
1988-Present Executive, Jasmine International Group

8) Mr. Subhoj Sunyabhisithkul* : Director**

Age : 50 years

Registration Date : 4 June 1999

Securities Holding Ratio : JAS Held personally -None-
Held by spouse or minor children -None-
JAS-W3 Held personally -None-
Held by spouse or minor children -None-

Family Relationship with Directors and Executives : -None-

Academic Degree : Bachelor of Electrical Engineering, Chulalongkorn University

Training for Director Course : Thai Institute of Directors Association (IOD)
2004 Director Certification Program (DCP)

Work Experience During the Period of 5 Years

- Position in Jasmine International Public Company Limited
1999-Present Director
- Position in Other Listed Companies
-None-
- Position in Other Companies (Non-listed Companies)
2008-Present President, Triple T Internet Co., Ltd.
2007-Present Director, President and Executive Director, Triple T Broadband PCL.
Director and Executive Director, Triple T Internet Co., Ltd
1997-Present Director, Jasmine International Group
1988-Present Executive, Jasmine International Group

9) Mr. Pleumjai Sinarkorn : Director and Member of Remuneration and Nomination Committee

Age : 85 years

Registration Date : 20 November 2008

Securities Holding Ratio :

JAS	Held personally	0.013%
	Held by spouse or minor children	-None-
JAS-W3	Held personally	-None-
	Held by spouse or minor children	-None-

Family Relationship with Directors and Executives : -None-

Academic Degree : Ph.D. (Innovative Management),
Suan Sunandha Rajabhat University
MBA, Suan Sunandha Rajabhat University

Training for Director Course : Thai Institute of Directors Association (IOD)
2008 DCP Refresher Course
2007 Role of the Compensation Committee (RCC)
2004 Director Certification Program (DCP)

Work Experience During the Period of 5 Years

- Position in Jasmine International Public Company Limited
2011-Present Member of Remuneration and Nomination Committee
2008-Present Director
- Position in Other Listed Companies
2016-Present Chairman of the Board of Directors, Jasmine Telecom Systems PCL.
2014-Present Chairman of Remuneration Committee, Jasmine Telecom Systems PCL.
2004-Present Director and Member of Remuneration Committee, Jasmine Telecom Systems PCL.
- Position in Other Companies (Non-listed Companies)
2010-present Director, Cloud Computing Solutions Co., Ltd.
2009-present Advisor, JasTel Network Co., Ltd.

10) Mr. Yordchai Asawathongchai : Director and Member of Risk Management Committee

Age : 45 years

Registration Date : 27 September 2016

Securities Holding Ratio : JAS Held personally -None-
Held by spouse or minor children -None-
JAS-W3 Held personally -None-
Held by spouse or minor children -None-

Family Relationship with Directors and Executives : -None-

Academic Degree : Bachelor of Engineering (Electrical Engineering),
Chiang Mai University

Training for Director Course : Thai Institute of Directors Association (IOD)
2017 Director Certification Program (DCP)

Work Experience During the Period of 5 Years

- Position in Jasmine International Public Company Limited
2017-Present Member of Risk Management Committee
2016- Present Director
- Position in Other Listed Companies
-None-
- Position in Other Companies (Non-listed Companies)
2016-present Chief Operation Officer 2, Triple T Broadband PCL.
Executive Director,
 - Triple T Broadband PCL.
 - Triple T Internet Co., Ltd.
- 2010-2016 Head of Contact Center Department, Triple T Broadband PCL.

11) Mr. Sittha Suviratvitayakit : Director

Age : 48 years

Registration Date : 2 March 2018

Securities Holding Ratio : JAS Held personally -None-
Held by spouse or minor children -None-
JAS-W3 Held personally -None-
Held by spouse or minor children -None-

Family Relationship with Directors and Executives : -None-

Academic Degree : Bachelor of Computer Engineering, Kasetsart University

Training for Director Course : Thai Institute of Directors Association (IOD)
-None-

Work Experience During the Period of 5 Years :

- Position in Jasmine International Public Company Limited
2018-Present Director
- Position in Other Listed Companies
-None-
- Position in Other Companies (Non-listed Companies)
2017-present Executive Vice President, Triple T Broadband PCL.
Executive Committee,
- Triple T Broadband PCL.
- Triple T Internet Co., Ltd.
- 2009-2017 Executive, Bangkok and Metropolitan Region,
Triple T Broadband PCL.

12) Mrs. Chuenkamol Treesuttacheep : Chief Financial Officer, Finance Department

Age : 48 years

Registration Date : 12 October 2011

Securities Holding Ratio : JAS Held personally -None-
Held by spouse or minor children -None-
JAS-W3 Held personally -None-
Held by spouse or minor children -None-

Family Relationship with Directors and Executives : -None-

Academic Degree : MBA Finance, National Institute of Development Administration

Work Experience During the Period of 5 Years

2012-Present Member of Risk Management Committee,
Jasmine International PCL.

2011-Present Chief Financial Officer, Finance Department,
Jasmine International PCL.

2005-Present Executive, Jasmine International Group

13) Mrs. Nitt Visesphan : Vice President, Finance Department

Age : 58 years

Registration Date : 1 October 2008

Securities Holding Ratio : JAS Held personally -None-
Held by spouse or minor children -None-
JAS-W3 Held personally -None-
Held by spouse or minor children -None-

Family Relationship with Directors and Executives : -None-

Academic Degree : Master of Administration (Public Management), Burapha University

Work Experience During the Period of 5 Years

2012-Present Director, In Cloud Co., Ltd.

2010-Present Director,
- Jasmine Telecom Systems PCL.
- Cloud Computing Solutions Co., Ltd.

2008-Present Vice President, Finance Department, Jasmine International PCL.

1994-Present Executive, Jasmine International Group

14) Ms. Sinenart Jongpakpaisal : Vice President, Accounting Department

Age : 56 years

Registration Date : 18 May 2010

Securities Holding Ratio : JAS Held personally -None-
Held by spouse or minor children -None-
JAS-W3 Held personally -None-
Held by spouse or minor children -None-

Family Relationship with Directors and Executives : -None-

Academic Degree : Master of Science Accounting, Thammasat University

Work Experience During the Period of 5 Years

2010-Present Vice President, Accounting Department, Jasmine International PCL.

1992-Present Executive, Jasmine International Group

15) Mrs. Uraiporn Charoenchit : Vice President, Regulatory & Compliance Department

Age : 54 years

Registration Date : 1 January 2010

Securities Holding Ratio : JAS Held personally -None-
Held by spouse or minor children -None-
JAS-W3 Held personally -None-
Held by spouse or minor children -None-

Family Relationship with Directors and Executives : -None-

Academic Degree : Bachelor of Arts, Thammasat University

Work Experience During the Period of 5 Years

2010-Present Vice President, Regulatory & Compliance Department,
Jasmine International PCL.

1992-Present Executive, Jasmine International Group

Remarks : * Person, approved by the Company's directors, to be the director and the authorized person in the subsidiaries that operate the Company's core businesses

** Authorized signatory director

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 be the directors and the authorized persons in the subsidiaries that operate the Company's core businesses are disclosed in Subsection 1.1)

Jasmine Submarine Telecommunications Co., Ltd

1) Ms. Sinenart Jongpakpaisal : Vice President, Accounting and Finance Department

Age : 56 years

Securities Holding Ratio : JAS Held personally -None-
 Held by spouse or minor children -None-
 JAS-W3 Held personally -None-
 Held by spouse or minor children -None-

Family Relationship with Directors and Executives : -None-

Academic Degree : Master of Science Accounting, Thammasat University

Work Experience During the Period of 5 Years

1992-Present Executive, Jasmine International Group

2) Ms. Lukkana Moolsri : Senior Manager, Administration Department

Age : 59 years

Securities Holding Ratio : JAS Held personally -None-
 Held by spouse or minor children -None-
 JAS-W3 Held personally -None-
 Held by spouse or minor children -None-

Family Relationship with Directors and Executives : -None-

Academic Degree : Master of Arts (Psychology), Chulalongkorn University

Work Experience During the Period of 5 Years

1993-Present Executive, Jasmine Submarine Telecommunications Co., Ltd.

Acumen Co., Ltd.

1) Mrs. Nonglug Pongsrihadulchai : General Manager

Age : 63 years

Securities Holding Ratio : JAS Held personally -None-
Held by spouse or minor children -None-
JAS-W3 Held personally -None-
Held by spouse or minor children -None-

Family Relationship with Directors and Executives : -None-

Academic Degree : Master of Environment Technology Management, Mahidol University

Work Experience During the Period of 5 Years

1994-Present Executive, Acumen Co., Ltd.

2) Mr. Kamchai Vongklednark : Assistant General Manager

Age : 48 years

Ratio Securities Holding : JAS Held personally -None-
Held by spouse or minor children -None-
JAS-W3 Held personally -None-
Held by spouse or minor children -None-

Family Relationship with Directors and Executives : -None-

Academic Degree : Bachelor of Engineering (Computer Engineering), Kasetsart University

Work Experience During the Period of 5 Years

1993-Present Executive, Acumen Co., Ltd.

Acumen Co., Ltd. (continue)

3) Mrs. Jirawat Prayoonyuang : Assistant Vice President, Satellite Business Department

Age : 57 years

Securities Holding Ratio : JAS Held personally -None-
Held by spouse or minor children -None-
JAS-W3 Held personally -None-
Held by spouse or minor children -None-

Family Relationship with Directors and Executives : -None-

Academic Degree : Bachelor of Arts, Ramkhamhaeng University

Work Experience During the Period of 5 Years

1993-Present Executive, Acumen Co., Ltd.

4) Mrs. Kanchana Surbkitwanchai : Senior Manager

Age : 52 years

Securities Holding Ratio : JAS Held personally -None-
Held by spouse or minor children -None-
JAS-W3 Held personally -None-
Held by spouse or minor children -None-

Family Relationship with Directors and Executives : -None-

Academic Degree : Bachelor of Accounting, Krirk University

Work Experience During the Period of 5 Years

1992-Present Executive, Acumen Co., Ltd.

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						
		TTTB	TTTT	INC	JSTC	TLDT	JasTel	Ji-NET	ACU	AFS	SHW	JTS	CCS	PA	CP	JIOC	ACT	JASMBB	IKSC			
1) Mr. Sudhitham Chirathivat	C,I																					
2) Dr. Vichit Yamboonruang	CA,I																					
3) Dr. Yodhin Anavil	AC,I,CRN																					
4) Mrs. Chantra Purnariksha	AC,I																					
5) Mr. Subhoj Sunyabhisithkul	A	A,P,E	A,E	A	A	A	A	A	A	A	A	A	A	A	A	A	A	A	A	A		
6) Mr. Terasak Jerauswapon	A,RM																					
7) Mr. Pete Bodharamik	A,CEO	A,E	A,E		A,P	A	A	A	A	A,P	A	A	A	A	A	A	A	A	A	A		
8) Ms. Seijai Kitsin	D,D&P	A,E	A,E	A	A	A	A	A	A	A	A									A		
9) Mr. Pleumjai Sinarkom	D,RN																			A,C,CRC	A	
10) Mr. Yordchai Asawathongchai	D,RM	E	E																			
11) Mr. Sittha Suviratvityakit	D	D,E	E																			
12) Mr. Soomboon Patcharasopak	CRM,RN																					
13) Mrs. Chuenkamol Treesuttacheep	CFO,RM																					
14) Mrs. Nitt Visphan				A																	A	A

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

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	TTTI	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									A	A							
2) Ms. Chongrak Rojanavipat	A																		
3) Mr. Vasu Prasannate	A,E	E																	
4) Mr. Anupong Bodharamik	A																		
5) Mr. Pisit Tantirodjanakitjakarn	E	E					D												
6) Mr. Prayut Bunyasiri					D														
7) Mr. Kittipong Mekvichitsaeng										A									
8) Mr. Sa-ngob Sangkhachinda										A									
9) Mr. Raks Unahabhokha											CA,I,RC								
10) Acting Sub Lt. Annop Suthakavatin											AC,I,RC								
11) Maj. Gen. Sunanta Sirisumpan											AC,I								
12) Mr. Parinya Sahaphatsombut											D,P	A							
13) Mrs. Pindao Rojanakul												A	A						
14) Mr. Suraphol Chanpetch																			
15) Ms. Oranuch Chandhasin														A					
16) Mr. Pradya Boonrodpanit																			A
17) Mr. Saharat Kanongsilp																			A
18) Mr. Chumanus Keshsathira																			A
19) Mr. Noppadol Wanlapha																			A
20) Mr. Sombat Punsiripat																			A
21) Mr. Paween Chaiprakarn																			A

Remarks :

A = Authorized Signatory Director AC = Member of Audit Committee CA = Chairman of Audit Committee
D = Director E = Executive Director I = Independent Director
P = President RC = Remuneration Committee

Information of JAS Head of Internal Audit

Mrs. Nipaporn Rattanaramik : Senior Manager, Office of Internal Audit

Academic Degree/Training

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

Work Experience

July 2017-Present	Senior Manager, Office of Internal Audit, Jasmine International PCL.
2008-2017	Manager, Office of Internal Audit, Jasmine International PCL.
2004-2007	Assistant Manager, Office of Internal Audit, Jasmine International PCL.

Changes in Securities Holding of Directors and Executives

Name-Surname	Number of Shares (Shares)			Number of JAS-W3 (Units)		
	as at 31 Dec. 2017	Change in Number of Shares in 2018 Increase / (Decrease)	as at 31 Dec. 2018	as at 31 Dec. 2017	Change in Number of JAS-W3 in 2018 Increase / (Decrease)	as at 31 Dec. 2018
Director						
1. Mr.Sudhitham Chirathivat Spouse and Minor children	- -	1,500,000 -	1,500,000 -	- -	- -	- -
2. Dr. Vichit Yamboonruang Spouse and Minor children	60,000 -	- -	60,000 -	- -	- -	- -
3. Dr. Yodhin Anavil	-	-	-	-	-	-
4. Mrs. Chantra Purnariksha Spouse and Minor children	- -	- -	- -	- -	- -	- -
5. Mr. Pete Bodharamik	4,295,246,452	277,243,601	4,572,490,053	1,333,295,757	(436,555,974)	896,739,783
6. Mr. Subhoj Sunyabhisithkul Spouse and Minor children	- -	- -	- -	- -	- -	- -
7. Mr. Terasak Jerauswapong Spouse and Minor children	5,585,080 -	- -	5,585,080 -	2,737,784 -	- -	2,737,784 -
8. Mr. Pleumjai Sinarkorn Spouse and Minor children	1,047,058 -	- -	1,047,058 -	- -	- -	- -
9. Ms. Saijai Kitsin	1,700,000	-	1,700,000	-	-	-
10. Mr. Yordchai Asawathongchai Spouse and Minor children	- -	- -	- -	- -	- -	- -
11. Mr. Sittha Suviratvitayakit Spouse and Minor children	- -	- -	- -	- -	- -	- -
Executive						
1. Mrs.Chuenkamol Treesuttacheep Spouse and Minor children	- -	- -	- -	- -	- -	- -
2. Mrs. Nitt Visesphan Spouse and Minor children	- -	- -	- -	- -	- -	- -
3. Ms. Sinenart Jongpakpaisal	-	-	-	-	-	-
4. Mrs.Uraiporn Charoenchit Spouse and Minor children	- -	- -	- -	- -	- -	- -

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 2018
In Cloud Co., Ltd.	Mr. Subhoj Sunyabhisithkul	1
Jasmine Submarine Telecommunications Co., Ltd.	Ms. Saijai Kitsin	1
Thai Long Distance Telecommunications Co., Ltd.	Mr. Terasak Jerauswapong	1
	Ms. Saijai Kitsin	1
JasTel Network Co., Ltd.	Mr. Subhoj Sunyabhisithkul	1
	Mr. Terasak Jerauswapong	3
	Ms. Saijai Kitsin	1
Acumen Co., Ltd.	Ms. Saijai Kitsin	2
Smart Highway Co., Ltd.	Mr. Subhoj Sunyabhisithkul	1
	Mr. Terasak Jerauswapong	3
Jasmine Telecom Systems PCL.*	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
T.J.P. Engineering Co., Ltd.	Mr. Subhoj Sunyabhisithkul	1
	Mr. Terasak Jerauswapong	2
Mobile Communication Services Co., Ltd.	Mr. Subhoj Sunyabhisithkul	1
	Mr. Terasak Jerauswapong	3
Three BB Co., Ltd.	Mr. Subhoj Sunyabhisithkul	1
	Mr. Terasak Jerauswapong	2

Remarks : * Shareholding as at 24 January 2019



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 being Directors, Subcommittee members, 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 the 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, as its members.

In 2018, 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 the 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 the 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 Remuneration and Nomination Committee's 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 2018 were reported as excellence, showing that the Committee performed the duties as being assigned completely well. Each appropriately applied his knowledge, 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 2018, 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



The Risk Management Committee of Jasmine International Group places a high value on strengthening risk management to be sustainable and efficient as a tool for the management of the Group's core businesses. To this end, the Company takes into consideration risk factors, both internal and external, that may significantly affect risk management tasks and mitigates them to an acceptable level, in alignment with the Company's policies and strategies and in the manner that is safe for business operation. In 2018, the Risk Management Committee arranged 4 meetings; the tasks carried out by the Committee can be summarized as follows.

- 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 processes 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 line with the established risk management policy through the risk management teams which represented all the business groups of the Company. It had also drawn up control measures, which helped mitigate risks and reduce potential loss to an acceptable level, ensuring 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. The meetings' resolutions were accordingly reported to the Board of Directors, on a quarterly basis.
- 4) Building an awareness of risk management task : The Risk Management Committee encouraged the Company's employees of all levels organization-wide to continually take part in risk management process so as to enhance not only risk assessment and risk management planning that would give rise to internal control, but also employees' self assessment in the Company's significant work processes.

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

The Audit Committee of Jasmine International Public Company Limited (the “Company”) comprises 3 independent directors who are expert and well equipped with knowledge and experiences 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, placing 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 relevant rules, regulations and applicable laws; and nomination of the Company’s external auditors and proposal of the audit fee.

In 2018, the Company organized 5 Audit Committee meetings; each of which was attended by the Company’s external and internal auditors. The meeting results as well as the Audit Committee’s opinions were accordingly reported to the BOD. The tasks accomplished by the Audit Committee for the fiscal year 2018 are summarized as follows:-

1. Financial Reports

The Audit Committee verified the accuracy, the completeness and the reliability of the quarterly and the annual separated and consolidated financial statements for the fiscal year 2018. They had the meetings with the external auditors, on a regular basis, in order to be acknowledged of significant issues and to inquire them about their opinions and discretion in such matters.

The Committee was of the opinion that the accounting and the financial reports of the Company disclosed the Company’s financial position and performance accurately, in conformity with the generally accepted accounting and financial reporting principles; to this regard, every piece of information was disclosed adequately and appropriately. The external auditor stated its opinions on this matter accordingly in the auditor’s report, proposed to the BOD and the shareholders.

2. Related Party Transactions or Transactions that may Cause a Conflict of Interest

The Audit Committee quarterly verified, oversaw and provided opinions on related party transactions or transactions that may cause a conflict of interest of the Company based on the principles of reasonableness, sufficient information disclosure, as normal business practice. The Committee was of the opinion that the Company’s related party transactions were reasonable and transparent, being conducted for the optimum benefit of the Company. Furthermore, they were disclosed accurately in due time.

3. Internal Control System and Internal Audit

The Audit Committee verified the effectiveness and the adequacy of the Company's internal control system by taking into account the results obtained from the control self assessment forms, internal audit reports and the continual monitoring of corrective actions that are to be in compliance with the recommendations stated in the reports prepared by the internal and the external auditors. The Committee was of the opinion that both the internal control system and the internal audit of the Company were adequate, appropriate, and efficient.

The Audit Committee also approved internal audit work plan for the year 2019, prepared based on risks of the Company with an emphasis on auditing key preventive control operations of the organization.

4. Compliance with Applicable Laws, Relevant Rules and Regulations

The Audit Committee verified the Company's operation to be in compliance with the Securities and Exchange Act, the rules and the regulations stipulated by the Office of the Securities and Exchange Commission (the "SEC") and relevant laws. The Committee was of the opinion that the Company completely complied with the relevant laws, rules and regulations.

5. Nomination of the Company's Auditors to Propose for Appointment and Consideration on the Audit Fee thereof for the Year 2019

The Audit Committee considered nominating auditors for the Company by taking into consideration audit knowledge, expertise, experiences, creditability, independence and work quality. To determine the audit fee, the Committee principally considered the amount of work and audit scope of responsibilities. For the year 2019, 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.

6. Audit Committee's Self Assessment

To comply with Good Corporate Governance Code, stipulated by the Stock Exchange of Thailand (the "SET"), the Audit Committee evaluated their performances, both as a party and as an individual committee. According to the self assessment result, the Committee fulfilled its duties and responsibilities by applying their knowledge and abilities prudently with independence. They also provided opinions straightforwardly in alignment with the Audit Committee Charter.

In summary, the Audit Committee completely performed its duties and responsibilities as assigned by the BOD. In view of the Committee, the Company's financial statements were accurate and in accordance with the generally accepted accounting principles; the disclosure of related party transactions or transactions that may cause a conflict of interest of the Company was adequate; the internal control system was suitable for the Company's nature of business. Furthermore, in their opinion, the Company completely complied with rules and regulations of the SET and all the applicable laws.



(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 practiced 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 system 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 system 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 system 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 2018, 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 2018, 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 2018, 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 therefore no provision has been recorded for costs and damages in the consolidated financial statements. The ruling on the revenue sharing rate may significantly affect the Baht 2,518 million balance of trade receivable as at 31 December 2018 (2017: 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 value of the investment in the subsidiary as at 31 December 2018 totaling amounting to Baht 1,946 million (2017: the balances of other receivables, dividend receivables from the subsidiary and value of the investment in the subsidiary totaling amounting to Baht 2,379 million) in the separate financial statements. I was unable to audit to satisfy myself as to the balances of such trade receivable 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 (the Central Intellectual Property Court) to order the Company to make debt repayments equivalent to a total of approximately Baht 1,856 million (principal of Baht 1,113 million and interest payable of Baht 743 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 326 million (principal of Baht 260 million and accrued interest of Baht 66 million) (2017: Baht 313 million, principal of Baht 260 million and accrued interest of Baht 53 million) for the three plaintiffs who are the original creditors named in applications for payment (amounting to Baht 1,010 million, principal of Baht 686 million and accrued interest of Baht 324 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.

During the current year, the Central Intellectual Property Court issued judgements on the cases between the Company and four plaintiffs that filed the lawsuits. The Central Intellectual Property Court issued judgements ordering the Company to make debt payments totaling Baht 1,095 million (calculated using the exchange rate of the Bank of Thailand as at 31 December 2018), together with interests due under the lawsuits until the full payments are made. The Company considers that for the three plaintiffs who are the original creditors should record the additional provision in respect of interests since there is a higher possibility that the Company may have financial obligation in respect of interest due as a result of the judgements of the Central Intellectual Property Court in the three cases. The Company records an additional provision amounting to Baht 170 million. Moreover, The Company considers that other two plaintiffs who are the assigned creditors should record the additional provision in both of principal and interest following to the original creditors since there is a higher possibility that the Company may have financial obligation as a result of the judgements of the Central Intellectual Property Court. The Company records an additional provision amounting to Baht 430 million in the profit or loss for the current year, resulting in the total provision for reversal of judgement by the Supreme Court amounting to Baht 926 million (principal of Baht 428 million and accrued interest of Baht 498 million).

However, the Company filed appeals for the two plaintiffs to the Court of Appeal for Specialised Cases and other two are in the process of filing appeals. 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.

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 2017 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) and b), as stated in the above *Basis for Qualified Opinion on the Consolidated Financial Statements* paragraph, and as described in 1. as stated in the below *Emphasis of Matters* paragraph. Provision previously recorded for possible penalties and losses are sufficient for the penalty amount that ordered by the Central Administrative Court. I also drew attention to the matters similar to 2. and 3. as stated in the below *Emphasis of Matters* paragraph, under my report dated 23 February 2018.

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. The litigation between a subsidiary and two governments agencies, ordering the subsidiary to pay penalties for its failure to deliver tablets according the agreements, as described in Note 33.7 to the consolidated financial statements
2. Matters between subsidiaries and an unrelated company
 - 2.1 The settlement of outstanding balances of approximately Baht 877 million, as described in Note 10 to the consolidated financial statements
 - 2.2 The court proceedings and various disputes, as described in Note 33.8 to the consolidated financial statements
3. 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 matters described in the *Basis for Qualified Opinion on the Consolidated Financial Statements* section, key audit matters and how audit procedures respond to each matter are described below.

Revenue recognition

Revenue of the Group presented in the 2018 financial statements, was primarily revenue from the provision of internet services, amounting to Baht 16,848 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 2018, the Group had outstanding balances of deferred tax assets amounting to Baht 2,782 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: 18 February 2019

Consolidated financial statements

Jasmine International Public Company Limited and its subsidiaries

Statement of financial position

As at 31 December 2018

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2018	2017	2018	2017
Assets					
Current assets					
Cash and cash equivalents	7	899,245,933	3,037,949,264	49,055,213	2,158,095,907
Current investments - deposits with banks	8	35,841,810	48,631,981	125,516	124,281
Trade and other receivables	9	3,180,212,078	3,173,847,347	518,742,024	226,123,532
Short-term loans to subsidiaries	6	-	-	4,405,254,203	100,000,000
Dividend receivable from subsidiaries	6	-	-	197,595,301	583,845,136
Revenue department receivable		1,047,126,193	907,093,974	370,565,027	-
Input tax pending payments		537,129,814	412,032,664	6,415,192	1,289,756
Prepaid project cost	6, 21	868,699	495,032	7,695,402,535	-
Prepaid expenses		111,034,389	66,422,223	661,451	707,191
Other current assets		20,852,192	27,905,669	49,508	52,631
Total current assets		5,832,311,108	7,674,378,154	13,243,865,970	3,070,238,434
Non-current assets					
Restricted deposits with banks	16, 19, 33.8	477,768,040	487,521,237	23,240,530	-
Investments in subsidiaries	11	-	-	2,952,796,270	2,952,796,270
Investments in associates	12	4,018,057,110	6,233,992,895	12,756,078,506	18,075,942,507
Investment properties	13	499,818,381	534,646,780	-	-
Property, plant and equipment	14	37,487,032,716	31,098,342,055	6,228,082	2,441,522
Deferred tax assets	26	2,782,051,735	3,083,195,487	65,972,953	65,972,953
Withholding tax deducted at source		780,762,168	424,311,195	27,786,900	36,209,267
Advance rental payment	6, 15, 28	816,510,000	816,510,000	132,732,246	146,551,413
Other non-current assets		195,995,019	195,695,389	11,051,498	11,020,148
Total non-current assets		47,057,995,169	42,874,215,038	15,975,886,985	21,290,934,080
Total assets		52,890,306,277	50,548,593,192	29,219,752,955	24,361,172,514

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 2018

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2018	2017	2018	2017
Liabilities and shareholders' equity					
Current liabilities					
Short-term loans from banks	16	968,287,484	3,914,619,212	-	-
Trade and other payables	17	3,434,518,000	4,064,274,381	2,674,030,015	78,222,175
Short-term loans	18	570,881,400	1,358,159,600	1,707,881,400	7,175,888,000
Current portions of the long-term liabilities					
Long-term loans from banks	19	892,958,893	1,345,466,737	732,958,893	1,185,466,737
Liabilities under finance lease agreements	20	340,633,217	77,479,054	579,949	-
Accounts payable for equipment	21	5,275,270,033	2,390,814,760	3,115,104,940	-
Provision for rental assurance	6, 28	1,782,075,814	1,766,314,743	-	-
Withholding tax payable		39,049,389	157,987,430	1,429,342	87,033,275
Income tax payable		59,459,984	36,506,935	-	-
Undue output tax		403,372,603	309,652,832	27,820,374	4,569,398
Advance received from customers		603,074,293	531,948,119	-	-
Other current liabilities		19,539,455	39,369,560	-	8,439,865
Total current liabilities		14,389,120,565	15,992,593,363	8,259,804,913	8,539,619,450
Non-current liabilities					
Long-term liabilities - net of current portions					
Long-term loans from banks	19	4,084,322,360	3,844,318,753	3,978,602,622	3,578,599,015
Liabilities under finance lease agreements	20	952,874,174	144,384,969	2,223,138	-
Accounts payable for equipment	21	2,174,413,044	1,943,223,716	1,192,632,563	-
Provision for rental assurance	6, 28	10,641,315,597	12,287,825,787	-	-
Provision for long-term employee benefits	22	497,908,131	402,246,421	40,484,722	31,213,868
Provision for entry fee for laying the optical fiber cables	28	244,086,895	274,184,184	-	-
Provision for reversal of judgement by the Supreme Court	33.6	926,507,597	313,466,571	926,507,597	313,466,571
Deposit received from customers		587,715,045	702,326,595	9,954,402	9,954,402
Other non-current liabilities		15,931,419	15,332,477	15,091,966	14,539,703
Total non-current liabilities		20,125,074,262	19,927,309,473	6,165,497,010	3,947,773,559
Total liabilities		34,514,194,827	35,919,902,836	14,425,301,923	12,487,393,009

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 2018

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2018	2017	2018	2017
Shareholders' equity					
Share capital					
Registered					
9,555,371,066 ordinary shares of Baht 0.5 each		4,777,685,533	4,645,998,284	4,777,685,533	4,645,998,284
Issued and fully paid-up					
7,984,969,919 ordinary shares of Baht 0.5 each (2017: 6,670,625,606 ordinary shares of Baht 0.5 each)	23	3,992,484,960	3,335,312,803	3,992,484,960	3,335,312,803
Share subscription received in advance		564,336,427	2,919,477,607	564,336,427	2,919,477,607
Premium on ordinary shares		7,191,018,555	2,812,213,451	7,191,018,555	2,812,213,451
Retained earnings					
Appropriated					
Statutory reserve - the Company	24	477,768,553	464,599,828	477,768,553	464,599,828
- subsidiaries	24	623,429,230	555,935,453	-	-
Unappropriated		4,223,073,456	3,238,669,347	2,342,891,633	2,116,224,912
Other components of shareholders' equity		258,179,963	258,179,963	225,950,904	225,950,904
Equity attributable to owners of the Company		17,330,291,144	13,584,388,452	14,794,451,032	11,873,779,505
Non-controlling interests of the subsidiaries		1,045,820,306	1,044,301,904	-	-
Total shareholders' equity		18,376,111,450	14,628,690,356	14,794,451,032	11,873,779,505
Total liabilities and shareholders' equity		52,890,306,277	50,548,593,192	29,219,752,955	24,361,172,514

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 2018

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2018	2017	2018	2017
Profit or loss:					
Revenues					
Sales and service income		17,995,138,482	17,432,340,632	-	-
Other income					
Management fee income	6	-	-	543,720,648	531,588,984
Interest income		26,846,682	18,799,042	44,271,922	3,242,798
Management and maintenance income of the OFCs	6, 28	241,439,419	226,847,954	-	-
Dividend income from subsidiaries	11	-	-	3,300,384,902	1,975,998,440
Dividend income from associate	12	-	-	1,288,035,000	1,668,166,500
Gain on sales of investments in associate	12	3,649,992,402	-	157,526,462	-
Gains on exchange		48,006,066	555,177,027	92,974,006	-
Others		182,146,475	55,317,446	14,009,388	15,254,253
Total other income		4,148,431,044	856,141,469	5,440,922,328	4,194,250,975
Total revenues		22,143,569,526	18,288,482,101	5,440,922,328	4,194,250,975
Expenses					
Cost of sales and services		11,266,516,682	11,031,250,023	-	-
Selling and servicing expenses		1,279,527,821	1,299,250,482	-	-
Administrative expenses		3,472,849,494	2,887,675,064	296,112,624	172,060,932
Losses on exchange		-	-	-	1,359,600
Doubtful accounts and bad debt		230,998,458	224,610,736	-	-
Loss on recording of provision for reversal of judgement by the Supreme Court	33.6	613,041,026	12,245,680	613,041,026	12,245,680
Total expenses		16,862,933,481	15,455,031,985	909,153,650	185,666,212
Profit before share of profit from investments in associates, finance cost and income tax		5,280,636,045	2,833,450,116	4,531,768,678	4,008,584,763
Shares of profit from investments in associates	12	899,497,275	1,095,836,491	-	-
Profit before finance cost and income tax		6,180,133,320	3,929,286,607	4,531,768,678	4,008,584,763
Finance cost		(743,979,339)	(692,416,018)	(492,761,708)	(516,262,331)
Profit before income tax		5,436,153,981	3,236,870,589	4,039,006,970	3,492,322,432
Income tax	26	(506,058,581)	(514,422,887)	-	-
Profit for the year		4,930,095,400	2,722,447,702	4,039,006,970	3,492,322,432
Other comprehensive income:					
<i>Other comprehensive income not to be reclassified to profit or loss in subsequent periods</i>					
Actuarial losses	22	(65,649,628)	-	(6,321,056)	-
Income tax effect		10,286,429	-	-	-
Other comprehensive income not to be reclassified to profit or loss in subsequent periods - net of income tax		(55,363,199)	-	(6,321,056)	-
Other comprehensive income for the year		(55,363,199)	-	(6,321,056)	-
Total comprehensive income for the year		4,874,732,201	2,722,447,702	4,032,685,914	3,492,322,432

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 2018

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2018	2017	2018	2017
Profit attributable to:					
Equity holders of the Company		4,912,590,872	2,693,393,192	4,039,006,970	3,492,322,432
Non-controlling interests of the subsidiaries		17,504,528	29,054,510		
		4,930,095,400	2,722,447,702		
Total comprehensive income attributable to:					
Equity holders of the Company		4,857,917,079	2,693,393,192	4,032,685,914	3,492,322,432
Non-controlling interests of the subsidiaries		16,815,122	29,054,510		
		4,874,732,201	2,722,447,702		
Earnings per share	29				
Basic earnings per share					
Profit attributable to equity holders of the Company		0.63	0.42	0.52	0.54
Diluted earnings per share					
Profit attributable to equity holders of the Company		0.58	0.33	0.48	0.43

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 2018

(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		Other components of shareholders' equity					Total equity attributable to owners of the Company		
					Appropriated - statutory reserve	Unappropriated	Premium on ordinary shares from expired warrants	Capital surplus from share premium of subsidiary	Deficit from changes in shareholding in subsidiaries	Total other components of shareholders' equity				
Premium on ordinary shares from expired warrants													Premium on capital reduction	Capital surplus from share premium of subsidiary
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	49,665,575	(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		366,834,545	(1,264,227,510)	2,497,407,248	-	-	-	-	-	-	-	1,600,014,283	-	1,600,014,283
Share subscription received in advance		-	2,919,477,607	-	-	-	-	-	-	-	-	2,919,477,607	-	2,919,477,607
Dividend paid to non-controlling interests of the subsidiaries		-	-	-	-	-	-	-	-	-	-	-	(16,053,097)	(16,053,097)
Transferred to statutory reserve		-	-	-	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	49,665,575	(17,436,516)	258,179,963	13,584,388,452	1,044,301,904	14,628,690,356
Balance as at 1 January 2018		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	49,665,575	(17,436,516)	258,179,963	13,584,388,452	1,044,301,904	14,628,690,356
Profit for the year		-	-	-	-	4,912,590,872	-	-	-	-	-	4,912,590,872	17,504,528	4,930,095,400
Other comprehensive income for the year		-	-	-	-	(54,673,793)	-	-	-	-	-	(54,673,793)	(689,406)	(55,363,199)
Total comprehensive income for the year		-	-	-	-	4,857,917,079	-	-	-	-	-	4,857,917,079	16,815,122	4,874,732,201
Dividend paid to the Company's shareholders	32	-	-	-	-	(3,792,850,468)	-	-	-	-	-	(3,792,850,468)	-	(3,792,850,468)
Increase in share capital	23	657,172,157	(2,919,477,607)	4,378,805,104	-	-	-	-	-	-	-	2,116,499,654	-	2,116,499,654
Share subscription received in advance	23	-	564,336,427	-	-	-	-	-	-	-	-	564,336,427	-	564,336,427
Dividend paid to non-controlling interests of the subsidiaries		-	-	-	-	-	-	-	-	-	-	-	(15,296,720)	(15,296,720)
Transferred to statutory reserve	24	-	-	-	80,662,502	(80,662,502)	-	-	-	-	-	-	-	-
Balance as at 31 December 2018		3,992,484,960	564,336,427	7,191,018,555	1,101,197,783	4,223,073,456	25,169,527	200,781,377	49,665,575	(17,436,516)	258,179,963	17,330,291,144	1,045,820,306	18,376,111,450

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 2018

(Unit: Baht)

	Note	Separate financial statements								Total shareholders' equity
		Issued and fully paid-up share capital	Share subscription received in advance	Premium on ordinary shares	Retained earnings		Other components of shareholders' equity			
					Appropriated - statutory reserve	Unappropriated	Premium on ordinary shares from expired warrants	Premium on capital reduction	Total other components of shareholders' equity	
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		366,834,545	(1,264,227,510)	2,497,407,248	-	-	-	-	-	1,600,014,283
Share subscription received in advance		-	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
Balance as at 1 January 2018		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
Profit for the year		-	-	-	-	4,039,006,970	-	-	-	4,039,006,970
Other comprehensive income for the year		-	-	-	-	(6,321,056)	-	-	-	(6,321,056)
Total comprehensive income for the year		-	-	-	-	4,032,685,914	-	-	-	4,032,685,914
Dividend paid to the Company's shareholders	32	-	-	-	-	(3,792,850,468)	-	-	-	(3,792,850,468)
Increase in share capital	23	657,172,157	(2,919,477,607)	4,378,805,104	-	-	-	-	-	2,116,499,654
Share subscription received in advance	23	-	564,336,427	-	-	-	-	-	-	564,336,427
Transferred to statutory reserve	24	-	-	-	13,168,725	(13,168,725)	-	-	-	-
Balance as at 31 December 2018		3,992,484,960	564,336,427	7,191,018,555	477,768,553	2,342,891,633	25,169,527	200,781,377	225,950,904	14,794,451,032

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 2018

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2018	2017	2018	2017
Cash flows from operating activities					
Profit before income tax		5,436,153,981	3,236,870,589	4,039,006,970	3,492,322,432
Adjustments to reconcile profit before income tax to net cash provided by (paid from) operating activities:					
Depreciation and amortisation		4,449,762,671	3,686,857,431	15,649,123	15,629,672
Doubtful accounts		73,891,030	65,530,223	-	-
Bad debt		157,107,428	159,080,513	-	-
Loss on recording of provision for reversal of judgement by the Supreme Court	33.6	613,041,026	12,245,680	613,041,026	12,245,680
Gains on sales of equipment		(134,663,971)	(489,008)	(74,764)	(14,199)
Dividend income from investments in subsidiaries	11	-	-	(3,300,384,902)	(1,975,998,440)
Dividend income from investment in an associate	12	-	-	(1,288,035,000)	(1,668,166,500)
Share of profit from investments in associates	12	(899,497,275)	(1,095,836,491)	-	-
Gain on sale from investments in associate	12	(3,649,992,402)	-	(157,526,462)	-
Unrealised (gains) losses on exchange		(14,606,258)	(444,245,408)	(92,974,006)	1,359,600
Realised gains on exchange from accounts payable for equipment		(43,844,233)	(101,400,116)	-	-
Provision for long-term employee benefits	22	35,537,942	33,342,655	2,949,798	2,569,996
Interest income		(26,846,682)	(18,799,042)	(44,271,922)	(3,242,798)
Interest expenses		743,979,339	692,416,018	492,761,708	516,262,331
Profit from operating activities before changes in operating assets and liabilities		6,740,022,596	6,225,573,044	280,141,569	392,967,774
Operating assets decrease (increase)					
Trade and other receivables		(179,255,788)	(262,658,663)	(275,388,905)	(174,720,232)
Unbilled receivables		(2,969,539)	2,715,024	-	-
Revenue department receivable		(263,484,500)	(231,928,008)	(269,406,272)	-
Inventories		350,957,325	388,563,489	-	-
Prepaid project cost		(44,612,166)	-	(842,617,258)	-
Prepaid expenses		(373,667)	(13,191,032)	45,740	3,191,754
Other current assets		9,286,189	9,233,686	3,123	(17,797)
Other non-current assets		(6,465,702)	(22,772,631)	(31,350)	(1,335)
Operating liabilities increase (decrease)					
Trade and other payables		(225,558,368)	(224,953,546)	(181,207,481)	18,042,907
Withholding tax payable		(118,938,041)	10,096,020	(85,603,933)	3,583,773
Advances received from customers		71,126,174	(37,957,741)	-	-
Other current liabilities		(19,830,105)	27,358,583	(8,439,865)	5,647,050
Provision for rental assurance		(1,630,749,119)	(1,462,757,731)	-	-
Cash paid for long-term employee benefits		(5,525,860)	(9,057,868)	-	-
Provision for entry fee for laying the optical fiber cables		(30,097,289)	(186,850,614)	-	-
Deposit received from customers		(114,611,550)	(55,964,233)	-	(40)
Other non-current liabilities		598,942	(12,254,610)	552,263	-
Cash from (used in) operating activities		4,529,519,532	4,143,193,169	(1,381,952,369)	248,693,854
Cash received (paid) for income tax		(528,126,324)	(725,601,461)	8,422,367	45,184,736
Net cash from (used in) operating activities		4,001,393,208	3,417,591,708	(1,373,530,002)	293,878,590

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 2018

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2018	2017	2018	2017
Cash flows from investing activities					
Interest income		64,383,325	20,725,084	4,533,146	3,117,867
Decrease (increase) in current investments		12,790,171	328,095,434	(1,235)	249,998,853
Decrease (increase) in restricted deposits with banks		9,753,197	(14,793,124)	(23,240,530)	-
Increase in short-term loans to related parties		-	-	(4,305,254,203)	-
Dividend received from investments in subsidiaries		-	-	3,300,384,902	2,008,498,440
Proceeds from sales of investments in associate	12	5,666,638,824	-	5,666,638,824	-
Cash received from return of capital of an associate	12	-	43,445,654	-	43,445,654
Dividend received from investment in an associate	12	-	420,511,793	-	420,511,793
Proceeds from sales of equipment		138,928,297	6,431,471	74,921	20,439
Acquisitions of investment properties	13	(1,606,097)	(47,354,186)	-	-
Acquisitions of plant and equipment		(3,985,434,799)	(3,254,240,112)	(2,037,234)	(1,272,499)
Acquisitions of computer software		(5,359,110)	(6,193,378)	-	-
Net cash from (used in) investing activities		1,900,093,808	(2,503,371,364)	4,641,098,591	2,724,320,547
Cash flows from financing activities					
Interest expenses		(558,242,870)	(480,498,929)	(316,309,364)	(444,779,897)
Decrease in short-term loans from banks		(3,908,717,076)	(762,131,682)	-	-
Cash received from short-term loans		-	1,956,800,000	60,000,000	2,296,800,000
Repayment of short-term loans		(786,000,000)	(600,000,000)	(5,094,718,400)	(3,859,860,000)
Repayment of accounts payable for equipment		(2,381,767,950)	(770,262,380)	-	-
Cash received from long-term loan from bank	19	8,387,500,000	-	8,387,500,000	-
Repayment of long-term loans from banks	19	(7,460,000,000)	(160,000,000)	(7,300,000,000)	-
Repayment of liabilities under finance lease agreements		(205,651,344)	(55,976,237)	(1,067,132)	-
Proceeds from increase in share capital	23	2,116,499,654	1,600,014,283	2,116,499,654	1,600,014,283
Cash received from share subscription received in advance	23	564,336,427	2,793,000,000	564,336,427	2,793,000,000
Dividend paid to the Company's shareholders	32	(3,792,850,468)	(3,862,963,017)	(3,792,850,468)	(3,862,963,017)
Cash paid to purchase investment in subsidiary		-	-	-	(1,209)
Dividend paid to non-controlling interests of the subsidiaries		(15,296,720)	(16,053,097)	-	-
Net cash used in financing activities		(8,040,190,347)	(358,071,059)	(5,376,609,283)	(1,477,789,840)
Net increase (decrease) in cash and cash equivalents		(2,138,703,331)	556,149,285	(2,109,040,694)	1,540,409,297
Cash and cash equivalents at beginning of year		3,037,949,264	2,481,799,979	2,158,095,907	617,686,610
Cash and cash equivalents at end of year		899,245,933	3,037,949,264	49,055,213	2,158,095,907
Supplemental cash flow information					
Non-cash transactions					
Purchase of equipment for which no cash has been paid		7,168,268,109	3,905,461,523	3,579,439	-
Transfer right of payable for equipment, and assets from a subsidiary		-	-	4,300,194,727	-
Service payable during the installation with a subsidiary		-	-	2,459,569,720	-
Transfer right to receive dividend from an associate in settlement of accrued interest and long-term loans from bank		1,288,035,000	1,247,654,707	1,288,035,000	1,247,654,707
Transfer advance to short-term loan 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 subsidiary in settlement of short-term loan from another subsidiary		-	-	386,249,835	84,900,000
Transfer rights in other receivables - related parties in settlement of short-term loan from another subsidiary		-	-	45,760,165	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 2018

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, 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 subsidiary companies (“the subsidiaries”):

Company's name	Nature of business	Country of incorporation	Percentage of shareholding	
			2018	2017
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
Mobile Communication Services Co., Ltd.	Not yet operate	Thailand	70	70
JAS Mobile Broadband Co., Ltd.	Not yet operate	Thailand	100	100

Company's name	Nature of business	Country of incorporation	Percentage of shareholding	
			2018	2017
			Percent	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. (100% 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	-	-

Company's name	Nature of business	Country of incorporation	Percentage of shareholding	
			2018	2017
			Percent	Percent
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.

2.3 The separate financial statements present investments in subsidiaries and associates under the cost method.

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 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 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 for fiscal years beginning on or after 1 January 2019

The Federation of Accounting Professions issued a number of revised and new financial reporting standards and interpretations (revised 2018) which are effective for fiscal years beginning on or after 1 January 2019. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards clarifying accounting treatment and providing accounting guidance for users of the standards.

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

IFRS 15 Revenue from Contracts with Customers

IFRS 15 supersedes the following accounting standards together with related Interpretations.

TAS 11 (revised 2017)	Construction contracts
TAS 18 (revised 2017)	Revenue
TSIC 31 (revised 2017)	Revenue - Barter Transactions Involving Advertising Services
TFRIC 13 (revised 2017)	Customer Loyalty Programmes
TFRIC 15 (revised 2017)	Agreements for the Construction of Real Estate
TFRIC 18 (revised 2017)	Transfers of Assets from Customers

Entities are to apply this standard to all contracts with customers unless those contracts fall within the scope of other standards. The standard establishes a five-step model to account for revenue arising from contracts with customers, with revenue being recognized at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. The standard requires entities to exercise judgement, taking into consideration all of the relevant facts and circumstances when applying each step of the model.

The management of the subsidiaries expects the adoption of this accounting standard to result in commission paid to obtain a contract. The subsidiaries have determined that commission paid to obtain a customer contract should be recorded as an asset and amortised to expenses on a systematic that is consistent with the pattern of revenue recognition from contracts. Under the previous accounting policy, the subsidiaries immediately recorded commission as selling expenses when the transaction occurred.

c. Financial reporting standards related to financial instruments that will become effective for fiscal years beginning on or after 1 January 2020

During the current year, the Federation of Accounting Professions issued a set of TFRSs related to financial instruments, which consists of five accounting standards and interpretations, as follows:

Financial reporting standards:

TFRS 7 Financial Instruments: Disclosures

TFRS 9 Financial Instruments

Accounting standard:

TAS 32 Financial Instruments: Presentation

Financial Reporting Standard Interpretations:

TFRIC 16 Hedges of a Net Investment in a Foreign Operation

TFRIC 19 Extinguishing Financial Liabilities with Equity Instruments

These TFRSs related to financial instruments make stipulations relating to the classification of financial instruments and their measurement at fair value or amortised cost (taking into account the type of instrument, the characteristics of the contractual cash flows and the Company's business model), calculation of impairment using the expected credit loss method, and hedge accounting. These include stipulations regarding the presentation and disclosure of financial instruments. When the TFRSs related to financial instruments are effective, some accounting standards, interpretations and guidance which are currently effective will be cancelled.

The management of the Company and its subsidiaries is currently evaluating the impact of these standards to the financial statements in the year when they are adopted.

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 non-marketable equity securities, which classifies as other investments, are stated at cost net of allowance for loss on impairment in value (if any).
- b) Investments in associates are accounted for in the consolidated financial statements using the equity method.
- c) 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 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 3 - 24 years. Depreciation of the investment properties is included in determining income.

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 of assets.

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 Borrowing costs

Borrowing costs of financial expense from finance leases directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the respective assets. All other borrowing costs are expensed in the period they are incurred. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

4.9 Prepaid rent and amortisation

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

4.10 Related party transactions

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

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

4.11 Long-term leases

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

4.12 Foreign currencies

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

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

Gains and losses on exchange are included in determining income.

4.13 Impairment of assets

At the end of each reporting period, the Company and its subsidiaries perform impairment reviews in respect of the assets whenever events or changes in circumstances indicate that an asset may be impaired.

An impairment loss is recognised when the recoverable amount of an asset, which is the higher of the asset's fair value less costs to sell and its value in use, is less than the carrying amount.

An impairment loss is recognised in profit or loss.

4.14 Employee benefits

Short-term employee benefits

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

Post-employment benefits

Defined contribution plan

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 plan

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.

4.15 Provisions

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

4.16 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 subsidiaries 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
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
	2018	2017	

Transactions with associated company

Management and maintenance incomes of the OFCs	241	227	Contract price (Note 28)
Cost of equipment and network rental	4,184	4,314	Contract price (Note 28)

Transactions with related companies

Sales and service income	28	26	Contract price or normal business price charged to other customers
Rental and other service income	57	56	Contract price or normal business price charged to other customers
Other expenses	25	21	Contract price or normal business price charged to other customers

(Unit: Million Baht)

	Separate financial statements		Pricing policy
	2018	2017	

Transactions with subsidiaries (eliminated from the consolidated financial statements)

Management fee income	544	532	Contract price
Rental and other service income	44	44	Contract price or normal business price charged to other customers
Interest income	40	2	Base on the deposit interest rate of commercial bank + 0.5%
Other expenses	32	31	Contract price
Interest expenses	45	154	1.6% to 2.0% per annum
Prepaid project cost from installation service	2,460	-	Contract price
Transfer rights of payable for equipment and assets	3,348	-	Contract price

As at 31 December 2018 and 2017, 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	
	2018	2017	2018	2017
Trade receivables - related parties (Note 9)				
Related companies				
Mono Group	34	20	-	-
Other receivables - related parties (Note 9)				
Subsidiaries (eliminated from the consolidated financial statements)	-	-	527	110
Associated company				
JASIF	85	66	-	-
Total	85	66	527	110
Less: Allowance for doubtful accounts	-	-	(11)	(11)
Total other receivables - related parties - net	85	66	516	99
Advance rental payment - related parties (Note 15, 28.b)				
Subsidiary (eliminated from the consolidated financial statements)	-	-	133	146
Associated company				
JASIF	817	817	-	-
Total advance rental payment - related parties	817	817	133	146
Dividend receivables from subsidiaries				
Subsidiaries (eliminated from the consolidated financial statements)	-	-	198	584
Other payables - related parties (Note 17)				
Subsidiaries (eliminated from the consolidated financial statements)	-	-	138	44
Related companies				
Mono Group	3	2	-	-
Total other payables - related parties	3	2	138	44
Accrued project cost - related party (Note 17)				
Subsidiary (eliminated from the consolidated financial statements)	-	-	2,460	-

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
Provision for rental assurance - related party (Note 28.c)				
Associated company				
JASIF	12,423	14,054	-	-
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 2018 and 2017, 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 2017	Movements during the year		Balance as at 31 December 2018
		Increase	Decrease	
Short-term loans to subsidiary (eliminated from the consolidated financial statements)				
Acumen Co., Ltd.	100	4,305	-	4,405
Short-term loans from subsidiaries (Note 18) (eliminated from the consolidated financial statements)				
ACeS Regional Services Co., Ltd.	320	10	-	330
Jasmine Internet Co., Ltd.	40	50	-	90
Jasmine Telecom Systems Plc.	340	-	(340)	-
Jastel Network Co., Ltd.	616	-	(569)	47
Premium Assets Co., Ltd.	620	-	-	620
Thai Long Distance Telecommunications Co., Ltd.	10	-	-	10
T.J.P. Engineering Co., Ltd.	40	-	-	40
Triple T Broadband Plc.	3,832	-	(3,832)	-
Total	5,818	60	(4,741)	1,137

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	
	2018	2017	2018	2017
Short-term employee benefits	207	208	54	50
Post-employment benefits	19	19	4	4
Total	226	227	58	54

Guarantee obligations with subsidiaries

The Company has outstanding guarantee obligations with its subsidiaries, as described in Note 33.4 b) to the consolidated financial statements.

7. Cash and cash equivalents

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
Cash	16	16	-	-
Bank deposits	454	2,923	49	2,158
Bills of exchange	429	99	-	-
Total	899	3,038	49	2,158

As at 31 December 2018, bank deposits in saving accounts, fixed deposits and bills of exchange of the Company and its subsidiaries carried interests between 0.10 and 1.30 percent per annum (2017: between 0.10 and 1.80 percent per annum) and of the Company carried interests between 0.25 and 1.00 percent per annum (2017: between 0.25 and 1.00 percent per annum).

8. Current investments - deposits with banks

As at 31 December 2018, the Company had savings and fixed deposits of the Company and its subsidiaries amounting to approximately Baht 23 million (2017: Baht 19 million) and of the Company only amounting to approximately Baht 0.1 million (2017: Baht 0.1 million) which have been pledged to secure credit facilities.

9. Trade and other receivables

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
Trade receivables - related parties (Note 6)	34	20	-	-
Trade receivables - unrelated parties	3,782	3,613	55	55
Other receivables - related parties (Note 6)	85	66	527	110
Other receivables - unrelated parties	107	102	3	-

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
Call in arrears	-	127	-	127
Total	4,008	3,928	585	292
Less: Allowance for doubtful accounts	(828)	(754)	(66)	(66)
Trade and other receivables - net	3,180	3,174	519	226

The balances of trade accounts receivable as at 31 December 2018 and 2017, aged on the basis of due dates, are summarised below.

(Unit: Million Baht)

Age of receivables	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
<u>Related parties</u>				
Not yet due	5	6	-	-
Past due				
Up to 3 months	19	13	-	-
Longer than 3 - 6 months	10	-	-	-
Longer than 12 months	-	1	-	-
Total (Note 6)	34	20	-	-
<u>Unrelated parties</u>				
Not yet due	74	134	-	-
Past due				
Up to 3 months	243	154	-	-
Longer than 3 - 6 months	144	113	-	-
Longer than 6 - 12 months	148	121	-	-
Longer than 12 months	3,173	3,091	55	55
Total	3,782	3,613	55	55
Less: Allowance for doubtful accounts	(828)	(754)	(55)	(55)
Net	2,954	2,859	-	-
Trade accounts receivable - net	2,988	2,879	-	-

In 2018, subsidiaries wrote-off trade accounts receivable as bad debt amounting to approximately Baht 168 million (2017: Baht 170 million).

An outstanding trade receivable balances as at 31 December 2018 of Jasmine Submarine Telecommunications Co., Ltd. ("JSTC") amounting to Baht 2,518 million (2017: 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.

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. 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, 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	
	2018	2017	2018	2017	2018	2017
Jasmine Submarine Telecommunications Co., Ltd.	1,550	1,550	1,946	1,946	-	-
Acumen Co., Ltd.	760	760	760	760	3,291	1,976
JAS Mobile Broadband Co., Ltd.	1.2	1.2	834	834	-	-
T.J.P. Engineering Co., Ltd.	200	200	160	160	-	-
Mobile Communication Services Co., Ltd.	100	100	70	70	-	-
Jasmine Telecom Systems Plc.	706	706	58	58	-	-
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	9	-
Chaengwatana Planner Co., Ltd.	0.1	0.1	-	-	-	-
			3,933	3,933	3,300	1,976
Less: Allowance for impairment of investments			(980)	(980)		
Total investments in subsidiaries - net			2,953	2,953		

11.2 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				
			2018	2017	2018	2017	2018	2017	2018	2017			
			(%)	(%)									
Jasmine Broadband Internet Infrastructure Fund	Investment in infrastructure businesses	Thailand	24	33	12,740	18,060	3,993	6,209	899	1,095			
Internet Knowledge Service Center Co., Ltd.	Communication equipment rental	Thailand	38	38	49	49	25	24	-	1			
Telecom KSC Co., Ltd.	Not yet operate	Thailand	40	40	-	-	-	-	-	-			
Total investments in associates					12,789	18,109	4,018	6,234	899	1,096			

(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 base on method - net		
			2018	2017	2018	2017	2018	2017	2018	2017	
			(%)	(%)							
Jasmine Broadband Internet Infrastructure Fund	Investment in infrastructure businesses	Thailand	24	33	12,740	18,060	-	-	12,740	18,060	
Internet Knowledge Service Center Co., Ltd.	Communication equipment rental	Thailand	38	38	49	49	(33)	(33)	16	16	
Telecom KSC Co., Ltd.	Not yet operate	Thailand	40	40	-	-	-	-	-	-	
Total investments in associates					12,789	18,109	(33)	(33)	12,756	18,076	

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.

In 2018, the Company disposed of investment units in JASIF totaling 540 million and had gains on sale of investment in the consolidated financial statements amounting to Baht 3,650 million and in the separate financial statements amounting to Baht 158 million. After the disposal, the Company's unitholding is decreased from 33.33% to 23.51% of the total number of the issued and fully paid-up investment units.

The Company received dividends of Baht 1,288 million from JASIF (2017: Baht 1,668 million).

Investment in JASIF under equity and cost method as at 31 December 2018 and 2017 was detailed below.

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	Equity method		Cost method	
	2018	2017	2018	2017
Cost	12,932	18,332	12,932	18,332
Add: Accumulated share of profit from investment	2,829	2,911	-	-
Less: Gains on sales of assets to the Fund in proportion to the Company's unit holding	(7,412)	(10,509)	-	-
Less: Accumulated dividend income	(4,164)	(4,253)	-	-
Less: Accumulated return of capital	(192)	(272)	(192)	(272)
Net	3,993	6,209	12,740	18,060

As at 31 December 2018, the fair value of the investment in JASIF which is the listed company on the Stock Exchange of Thailand was Baht 12,867 million (2017: Baht 22,181 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 2018	
Cost	960
Less: Accumulated depreciation	(460)
Net book value - net	500
31 December 2017	
Cost	966
Less: Accumulated depreciation	(431)
Net book value - net	535

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

(Unit: Million Baht)

	Consolidated financial statements	
	2018	2017
Net book value at beginning of year	535	515
Acquisition	1	47
Transfers to property, plant and equipment - net book value	(7)	-
Depreciation	(29)	(27)
Net book value at end of year	500	535
Fair Value	1,905	1,865
Rental Income	31	31

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 2018 and 2017, future minimum rental income generated from the investment properties under those lease agreements is as follows.

(Unit: Million Baht)

	Consolidated financial statements	
	2018	2017
Less than 1 year	29	31
In over 1 and up to 4 years	16	33

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 2017	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
Additions	16	36	5,725	1,248	82	120	-	3,927		11,154
Disposals	-	(1)	(10)	(210)	(12)	(47)	(7)	(1)		(288)
Transfer from investment properties	3	7	-	-	-	-	3	-		13
Transfers in (out)	2	-	6,151	-	48	(195)	3	(6,368)		(359)
31 December 2018	143	1,214	50,260	1,689	696	1,012	744	2,865		58,623

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 2017	-	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
Depreciation for the year	-	54	3,899	222	94	137	3	-	4,409
Depreciation on disposals	-	-	(9)	(210)	(12)	(46)	(7)	-	(284)
Transfer from investment properties	-	4	-	-	-	-	2	-	6
31 December 2018	-	854	17,680	431	446	993	271	-	20,675

(Unit: Million Baht)

	Consolidated financial statements (continued)								Total
	Land	Buildings, leasehold improvement and building improvement	Telecommunications equipment	Motor vehicles	Tools and equipment	Furniture, fixtures and office equipment	Others	Assets under installation	
Allowance for impairment									
1 January 2017	-	-	-	-	-	-	461	-	461
31 December 2017	-	-	-	-	-	-	461	-	461
31 December 2018	-	-	-	-	-	-	461	-	461
Net book value									
31 December 2017	122	376	24,604	232	214	232	11	5,307	31,098
31 December 2018	143	360	32,580	1,258	250	19	12	2,865	37,487
Depreciation for the year									
2017 (Baht 3,455 million included in cost of service, and the balance in selling, servicing and administrative expenses)									3,649
2018 (Baht 4,240 million included in cost of service, and the balance in selling, servicing and administrative expenses)									4,409

	Separate financial statements					Total
	Leasehold improvement	Furniture and office equipment	Tools and equipment	Motor vehicles		
Cost						
1 January 2017	54	28	2	2	86	
Additions	-	1	-	-	1	
Disposals	-	(1)	-	-	(1)	
31 December 2017	54	28	2	2	86	
Additions	-	2	-	4	6	
Disposals	-	(1)	-	(1)	(2)	
31 December 2018	54	29	2	5	90	
Accumulated depreciation						
1 January 2017	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	
Depreciation for the year	-	2	-	-	2	
Depreciation on disposals	-	(1)	-	(1)	(2)	
31 December 2018	54	27	2	1	84	
Net book value						
31 December 2017	-	2	-	-	2	
31 December 2018	-	2	-	4	6	
Depreciation for the year						
2017 (included in administrative expenses)					2	
2018 (included in administrative expenses)					2	

As at 31 December 2018, 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 7,454 million (2017: Baht 6,234 million), of which Baht 81 million is from the Company (2017: Baht 81 million).

As at 31 December 2018, the Company and its subsidiaries had motor vehicles and equipment under finance lease agreements with net book values amounting to Baht 1,195 million (2017: Baht 211 million) and of the Company only amounting to Baht 4 million (2017: Nil).

As at 31 December 2018, the Company had the balance of accounts payable for equipment amounting to Baht 4,308 million (2017: Nil). The Company used the equipment for the Group's main operating asset construction project. For the year ended 31 December 2018, the Company are capitalised as part of the interest cost on accounts payable for equipment amounting to Bath 130 million in the costs (2017: Nil). The weighted average rate of 2.62 percent has been used to determine the amount of borrowing costs eligible for capitalisation.

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

The prepaid rent balances as at 31 December 2018 and 2017 are as follows:

(Unit: Million Baht)

	Separate financial statements	
	2018	2017
Prepaid rent	415	415
Less: Accumulated amortisation	(282)	(269)
Prepaid rent - net	133	146
Amortisation expenses recognised in profit or loss	14	14

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., a former associate which dissolve in 2017, and paid advance rental of Baht 415 million. Subsequently, in 2000, the associated 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.

16. Short-term loans from banks

Short-term loans from banks of subsidiaries, on which interest is charged at the rate close to MLR and LIBOR plus certain rate, are secured by saving deposits and fixed deposits of subsidiaries.

17. Trade and other payables

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
Trade payables - unrelated parties	2,711	3,519	-	-
Accrued expenses	121	82	62	30
Other payables - related parties (Note 6)	3	2	138	44
Other payables - unrelated parties	462	320	14	4
Accrued project cost - related party (Note 6)	-	-	2,460	-
Accrued project cost - unrelated parties	138	141	-	-
Total trade and other payables	3,435	4,064	2,674	78

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	
	2018	2017	2018	2017
Short-term loans from subsidiaries (Note 6)	-	-	1,137	5,818
Short-term loan from unrelated parties	571	1,358	571	1,358
Total	571	1,358	1,708	7,176

In 2017, the Company entered into promissory note agreements with two unrelated parties. 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	
		2018	2017	2018	2017
19.1	MLR - 0.25	-	4,800	-	4,800
19.2	MLR - 0.25	4,775	-	4,775	-
19.3	MLR	266	426	-	-
Total		5,041	5,226	4,775	4,800
Less: Deferred front - end fee		(64)	(36)	(64)	(36)
Net balance		4,977	5,190	4,711	4,764
Less: Current portion		(893)	(1,346)	(733)	(1,185)
Long-term loans - net of current portion		4,084	3,844	3,978	3,579

(Unit: Million Baht)

	Consolidated financial statements	Separate financial statements
Balance as at 1 January 2018	5,226	4,800
Add: Addition	8,500	8,500
Less: Repayment	(8,685)	(8,525)
Balance as at 31 December 2018	5,041	4,775

Details of the above loans are summarised below.

- 19.1 The Company's loan, 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 installment, 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 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. During the current year, the Company made full prepayment of its loan.
- 19.2 The Company's loan, under the loan facilities of Baht 8,500 million are separated into two facilities. The first facility has Baht 6,000 million, payment of an interest to be made on a monthly basis, and principal is repayable in 16 semi-annual installments of Baht 375 million each, with the remaining principal balance to be paid in full in the final installment, the first of these due on 25 June 2018, and is to be repaid in full within 25 December 2025. The second facility has Baht 2,500 million, payment of an interest to be made on a monthly basis. This loan is repayable when cash is received from the exercise of rights to purchase ordinary shares of the Company by JAS-W3 warrant holders. And its principal including interest are to be repaid in full within 31 December 2018. These loans is secured by guarantees provided by

the pledge of all investment units held in JASIF and saving accounts which is debt service reserve account. Furthermore, the loan agreement stipulates certain requirements and covenants relating to matters such as the maintenance of financial ratios, the maintenance of shareholdings and the creation of obligations. In addition, when a dividend is received from JASIF or cash is received from a sale of JASIF's investment units, the proceeds from which be used to repay the loan. During the current year the Company made full prepayment of the second loan facility.

19.3 JSTC's loan, 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		Separate financial statements	
	2018	2017	2018	2017
Liabilities under finance lease agreements	1,389	239	3	-
Less: Deferred interest expenses	(95)	(17)	-	-
Total	1,294	222	3	-
Less: Current portion	(341)	(78)	(1)	-
Liabilities under finance lease agreements - net of current portion	953	144	2	-

The Company and its subsidiaries have entered into the finance lease agreements with leasing companies for rental of motor vehicles and network security for use in their operations, whereby they are committed to pay rental on a monthly basis. The terms of the agreements are generally between 4 and 5 years.

As at 31 December 2018 and 2017, future minimum lease payments required under the finance lease agreements were as follows:

(Unit: Million Baht)

	Consolidated financial statements					
	2018			2017		
	Less than 1 year	1 - 5 years	Total	Less than 1 year	1 - 5 years	Total
Future minimum lease payments	384	1,005	1,389	86	153	239
Less: Deferred interest expenses	(43)	(52)	(95)	(8)	(9)	(17)
Present value of future minimum lease payments	341	953	1,294	78	144	222

(Unit: Million Baht)

	Separate financial statements					
	2018			2017		
	Less than 1 year	1 - 5 years	Total	Less than 1 year	1 - 5 years	Total
Future minimum lease payments	1	2	3	-	-	-
Less: Deferred interest expenses	-	-	-	-	-	-
Present value of future minimum lease payments	1	2	3	-	-	-

21. Accounts payable for equipment

The Company and its subsidiary entered into agreements to purchase equipment from unrelated parties. Under the purchase agreements, the Company and its subsidiary are obliged to make payment within 1-3 years. During the current year, the subsidiary transferred the rights, responsibilities and liabilities under certain agreements to the Company. The outstanding balance of accounts payable of the Company for equipment is secured by Acumen Co., Ltd. and Jasmine Internet Co., Ltd. and of the subsidiary is secured by Acumen Co., Ltd.

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
Accounts payable for equipment	7,694	4,465	4,463	-
Less: Deferred interest expense	(245)	(131)	(155)	-
Total	7,449	4,334	4,308	-
Less: Current portion	(5,275)	(2,391)	(3,115)	-
Total accounts payable for equipment - net of current portion	2,174	1,943	1,193	-

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	
	2018	2017	2018	2017
Provision for long-term employee benefits at beginning of year	402	378	31	29
Included in profit or loss:				
Current service cost	25	23	2	1
Interest cost	11	10	1	1
Included in other comprehensive income:				
Actuarial (gain) loss arising from				
Demographic assumptions changes	11	-	1	-
Financial assumptions changes	(27)	-	(2)	-
Experience adjustments	81	-	7	-
Benefits paid during the year	(5)	(9)	-	-
Provision for long-term employee benefits at end of year	498	402	40	31

The Company and its subsidiaries expect to pay Baht 23 million of long-term employee benefits during the next year (2017: Baht 6 million) and the Company only has Baht 1 million (2017: Nil).

As at 31 December 2018, the weighted average duration of the liabilities for long-term employee benefit of the Company and its subsidiaries are 11 years (2017: 10 years) and the Company only is 11 years (2017: 10 years).

Principal actuarial assumptions at the valuation date were as follows:

(Unit: Percent per annum)

	Consolidated / Separate financial statements	
	2018	2017
Discount rate	3.25%	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 2018 and 2017 are summarised below:

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
Discount rate				
Increase 50 basis points (3.75%)	(25)	(22)	(2)	(1)
Decrease 50 basis points (2.75%)	27	23	2	2
Future salary increase rate				
Increase 100 basis points (6.00%)	60	59	4	4
Decrease 100 basis points (4.00%)	(52)	(51)	(4)	(4)

On 13 December 2018, The National Legislative Assembly passed a resolution approving the draft of a new Labour Protection Act, which is in the process being published in the Royal Gazette. The new Labour Protection Act stipulates additional legal severance pay rates for employees who have worked for an uninterrupted period of twenty years or more. Such employees are entitled to receive compensation at a rate of not less than that of the last 400 days. This change is considered a post-employment benefits plan amendment and the Company and its subsidiaries have additional liabilities for long-term employee benefits of Baht 160 million (The Company only: Baht 13 million). The Company and its subsidiaries will reflect the effect of the change by recognising past services costs as expenses in profit or loss of the period in which the law is effective

23. Registered share capital/ 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).

The Company approves an adjustment of the exercise price and the exercise ratio of JAS-W3, after approving the dividend payment, for the purpose of preserving the interests of JAS-W3 holders. Currently, the exercise price is Baht 3.667 per share and the exercise ratio is 1 warrant to 1.172 ordinary share. The Approval is passed through the meeting of the Company's Board of Directors No.5/2561 which has passed a resolution, approving the interim dividend payment to the shareholders.

In December 2017 and in 2018, the JAS-W3 warrant holders exercised their rights to purchase 1,171.6 million warrants or 1,314.4 million ordinary shares of the Company and the current year the Company registered the increase in its share capital to Baht 657.2 million (1,314.4 million ordinary shares of Baht 0.5 each)

Moreover, in December 2018, 131.3 million warrants were exercised to purchase 153.9 million new ordinary shares, and the Company registered the resulting increase in its share capital with the Ministry of Commerce on 7 January 2019. As a result, the Company presented the exercise of these warrants, amounting to Baht 564.3 million, under the caption of "Share subscription received in advance" in shareholders' equity as at 31 December 2018.

As at 31 December 2018, the Company had 1,317.1 million warrants remaining unexercised (2017: 1,940.9 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 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	
	2018	2017	2018	2017
Telecommunication network rental expenses	5,307	5,508	-	-
Depreciation and amortisation	4,450	3,687	16	16
Salaries, wages and other employee benefits	2,548	2,623	117	114
Telecommunication license fees	716	770	-	-
Loss on recording of provision for reversal of judgement by the Supreme Court	613	12	613	12
Electricity expenses	439	429	2	2
Cost of goods sold	410	421	-	-
Sales promotion expenses	341	285	-	-
Repair and maintenance expenses	306	423	-	-
Rental expenses from operating lease agreements	274	251	5	5
Doubtful debt and bad debt	231	225	-	-
Consulting fees	175	58	137	21

26. Income tax

Income tax for the years are made up as follows:

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
Current income tax charge	195	201	-	-
Deferred tax relating to origination and reversal of temporary differences	311	313	-	-
Income tax reported in the statement of comprehensive income	506	514	-	-

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	
	2018	2017
Accounting profit before tax	5,436	3,237
Applicable tax rate	20%	20%
Accounting profit before tax multiplied by applicable tax rate	1,087	647
Tax effect of income and expenses that are not taxable income or not deductible in determining taxable profit:		
Promotional privileges (Note 27)	(111)	(138)
Share of profit from investment in associates	(180)	(219)
Gains on sales of investment units in JASIF (Note 12)	(698)	-
Additional expense deductions allowed	(4)	-
Non-deductible expenses	35	31
Unrecognised deferred tax assets		
Loss on recording of provision for reversal of judgement by the Supreme Court	123	2
Tax losses of the current year	79	197
Tax losses of prior years that is used to reduce tax expense	(14)	(4)
Effect on elimination of intercompany transactions	189	-
Others	-	(2)
Income tax reported in the statement of comprehensive income	506	514

(Unit: Million Baht)

	Separate financial statements	
	2018	2017
Accounting profit before tax	4,039	3,492
Applicable tax rate	20%	20%
Accounting profit before tax multiplied by applicable tax rate	808	698
Tax effect of income and expenses that are not taxable income or not deductible in determining taxable profit::		
Dividend income from subsidiaries	(660)	(395)
Dividend income from associate	(258)	(334)
Non-deductible expenses	1	1
Unrecognised deferred tax assets		
Loss on recording of provision for reversal of judgement by the Supreme Court	123	2
Tax losses of the current year	-	27
Tax loss of prior years that is used to reduce tax expense	(14)	-
Others	-	1
Income tax reported in the statement of comprehensive income	-	-

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	
	2018	2017	2018	2017
Deferred tax assets				
Allowance for doubtful accounts	96	82	(14)	(12)
Provision for rental assurance	2,485	2,810	325	293
Provision for long-term employee benefits	92	76	(6)	(5)
Provision for entry fee for laying the optical fiber cables	49	55	6	37
Provision for reversal of judgement by the Supreme Court	60	60	-	-
Deferred tax relating to origination and reversal of temporary differences			311	313
Deferred tax assets	2,782	3,083		

(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	
	2018	2017	2018	2017
Deferred tax assets				
Provision for long-term employee benefits	6	6	-	-
Provision for reversal of judgement by the Supreme Court	60	60	-	-
Deferred tax relating to origination and reversal of temporary differences			-	-
Deferred tax assets	66	66		

As at 31 December 2018, the Company and its subsidiaries had deductible temporary differences and unused tax losses totalling Baht 4,835 million (2017: Baht 3,060 million) and of the Company only Baht 815 million (2017: Baht 263 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 2,518 million (2017: Baht 2,266 million). This gradual expiration of their benefits in 2019 - 2023 (2017: in 2018 - 2022). The Company only amounted to Baht 178 million (2017: Baht 248 million). This gradual expiration of their benefits in 2021 - 2022 (2017: in 2021 - 2022).

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 2018, IC had revenues from promoted operations amounting to Baht 610 million (2017: Baht 747 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. TTTBB is responsible payment of any entry fees for laying the OFCs that occur in the future.

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.

On 11 May 2018, an Extraordinary General Meeting of the Company's shareholders 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). The meeting also approved the entering into a lease agreement and a rental assurance agreement for the additional optical fiber cable assets and approved the purchasing the additional of JASIF's investment units to be holding at least 25 percent of the total issued and fully paid of JASIF's investment units.

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	
	2018	2017	2018	2017	2018	2017
	(Million Baht)	(Million Baht)	(Million shares)	(Million shares)	(Baht)	(Baht)
Basic earnings per share						
Profit attributable to equity holders of the parent	4,913	2,693	7,759	6,456	0.63	0.42
Effect of dilutive potential ordinary shares						
Warrants offered to existing shareholders	-	-	665	1,653		
Diluted earnings per share						
Profit attributable to ordinary shareholders assuming the conversion of warrants to ordinary shares	4,913	2,693	8,424	8,109	0.58	0.33

	Separate financial statements					
	Profit for the year		Weighted average number of ordinary shares		Earnings per share	
	2018	2017	2018	2017	2018	2017
	(Million Baht)	(Million Baht)	(Million shares)	(Million shares)	(Baht)	(Baht)
Basic earnings per share						
Profit attributable to equity holders of the parent	4,039	3,492	7,759	6,456	0.52	0.54
Effect of dilutive potential ordinary shares						
Warrants offered to existing shareholders	-	-	665	1,653		
Diluted earnings per share						
Profit attributable to ordinary shareholders assuming the conversion of warrants to ordinary shares	4,039	3,492	8,424	8,109	0.48	0.43

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 Company's and its subsidiaries' operating segments for the year ended 31 December 2018 and 2017, respectively.

(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	
	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017
	Sales and service income											
Revenue from external customers	16,916	16,310	899	948	34	29	146	145	-	-	17,995	17,432
Inter-segment revenues	2,493	30	1,001	989	101	63	160	155	(3,755)	(1,237)	-	-
Total revenues	19,409	16,340	1,900	1,937	135	92	306	300	(3,755)	(1,237)	17,995	17,432
Segment operating profit (loss)	6,473	6,201	246	197	21	6	(11)	(3)			6,729	6,401
Unallocated income and expenses:												
Gains on sales of investment in associate											3,650	-
Other income											450	301
Gains on exchange											48	555
Selling and servicing expenses											(1,279)	(1,299)
Administrative expenses											(3,473)	(2,888)
Loss on recording of provision for reversal of judgement by the Supreme Court											(613)	(12)
Doubtful accounts and bad debt											(231)	(225)
Share of profit from investments in associate											899	1,096
Finance cost											(744)	(693)
Income tax											(506)	(514)
Non-controlling interests of subsidiaries											(17)	(29)
Profit attributable to equity holders of the Company											4,913	2,693

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 2018 and 2017, 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 2018, the contributions of the Company and its subsidiaries amounting to Baht 90 million (2017: Baht 86 million), of which Baht 7 million (2017: 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 2017	Annual General Meeting of shareholders on 30 April 2018	1,484	0.20
Interim dividends form retained earnings as of 31 March 2018	Board of Directors meeting on 7 June 2018	2,309	0.30
Total dividends for 2018		3,793	0.50
Final dividends for 2016	Annual General Meeting of shareholders on 27 April 2017	1,565	0.25
Interim dividends form retained earnings as of 30 June 2017	Board of Directors meeting on 9 August 2017	1,299	0.20
Interim dividends form retained earnings as of 30 September 2017	Board of Directors meeting on 10 November 2017	1,000	0.15
Total dividends for 2017		3,864	0.60

33. Commitments and contingent liabilities

33.1 Capital commitments

As at 31 December 2018, the Company and its subsidiaries had capital commitments of approximately USD 9 million and Baht 78 million relating to acquisition of equipment (2017: USD 96 million and Baht 834 million) and of the Company only amounting to USD 1 million and Baht 25 million (2017: Nil).

33.2 Operating lease and service agreements 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 2018 and 2017, subsidiaries had future minimum lease payments required under these non-cancellable operating leases and service contracts were as follows.

(Unit: Million Baht)

	Consolidated financial statements	
	2018	2017
Payable:		
In up to 1 year	4,481	4,459
In over 1 and up to 5 years	18,164	17,960
In over 5 years	10,195	14,837

33.3 Long-term service commitments

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.

33.4 Guarantees

- a) The Company and its subsidiaries had outstanding commitments of approximately Baht 330 million in respect of bid bonds and performance bonds issued by banks and financial institutions on behalf of the Company and its subsidiaries (2017: Baht 312 million) and of the Company only amounting to Baht 3 million (2017: Baht 3 million).
- b) The Company had obligations in respect of its guarantee of letters of guarantee that have been issued by banks on behalf of the subsidiaries totaling Baht 3 million (2017: Baht 3 million).
- c) Subsidiaries had outstanding commitments under the letters of credit with local and overseas suppliers totaling approximately USD 4 million (2017: USD 4 million).

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, an asset management company and financial institutions, altogether five entities, 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 2018 equivalent to a total of approximately Baht 1,856 million), comprising principal of Baht 1,113 million and interest of Baht 743 million. The Company has assessed the conditions of accounting under these 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 326 million (principal of Baht 260 million and interest of Baht 66 million) (2017: Baht 313 million, principal of Baht 260 million and interest of Baht 53 million) for the three plaintiffs who are the original creditors named in applications for payment (amounting to Baht 1,010 million, principal of Baht 686 million and interest of Baht 324 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.

During 2018, the Central Intellectual Property Court issued judgements on the cases between the Company and four plaintiffs that filed the lawsuits. The Central Intellectual Property Court issued judgements ordering the Company to make debt payments totaling Baht 1,095 million (calculated using the exchange rate of the Bank of Thailand as at 31 December 2018), together with interests due under the lawsuits until the full payments are made. The Company considers that for the three plaintiffs who are the original creditors should record the additional provision in respect of interests since there is a higher possibility that the Company may have financial obligation in respect of interest due as a result of the judgements of Central Intellectual Property Court in the three cases. The Company therefore records an additional provision amounting to Baht 170 million. Moreover, the Company considers that other two plaintiffs who are assigned creditors should record the additional provisions in both of principal and interest following to the original creditors since there are higher possibilities that the Company may have financial obligation as a result of the judgements of Central Intellectual Property Court. The Company records an additional provision amounting to Baht 430 million under the caption of “Loss on recording of provision for reversal of judgement by the Supreme Court” in the profit or loss for the current year, resulting in the total provision for reversal of judgement by the Supreme Court amounting to Baht 926 million (principal of Baht 428 million and interest of Baht 498 million). The judgement can be classified by case as follows.

1. On 30 May 2018 the Central Intellectual Property Court issued a judgement on the case between the Company and one plaintiff (original creditor) that filed the lawsuit, requesting the Company to pay debts totaling approximately Baht 418 million (principal of Baht 235 million and interest of Baht 183 million). The Central Intellectual Property Court issued a judgement ordering the Company to make debts payment totaling approximately Yen 1,049 million which equivalent to a total of approximately Baht 311 million (calculated using the exchange rate of the Bank of Thailand as at 31 December

2018), together with the interest TIBOR interest rate plus 1.5 percent per annum, the deferred interest TIBOR interest rate plus 1.0 percent per annum and the default interest TIBOR interest rate plus 2.0, plus 1.5 percent per annum, starting from the date following the filing of the case until the full payment is made. The Company filed an appeal to the Court of Appeal for Specialised Cases. Currently, the case is under consideration by the Courts.

2. On 21 June 2018, the Central Intellectual Property Court issued a judgement on the case between the Company and one plaintiff (original creditor) that filed the lawsuit, requesting the Company to pay debts totaling approximately Baht 108 million (principal of Baht 57 million and interest of Baht 51 million). The Central Intellectual Property Court issued a judgement ordering the Company to make debts payment totaling approximately USD 2 million net with the value of assets and cash received in accordance with the rehabilitation plan of Jasmine International Overseas Company Limited and the Company totaling approximately Baht 28 million therefore, the remaining debts to be paid totaled approximately Baht 33 million (calculated using the exchange rate of the Bank of Thailand as at 31 December 2018), together with the interest LIBOR interest rate plus 4.0 percent per annum, starting from 15 September 2003 until the full payment is made. The Company filed an appeal to the Court of Appeal for Specialised Cases. Currently, the case is under consideration by the Courts.
3. On 18 October 2018, the Central Intellectual Property Court issued a judgement on the case between the Company and one plaintiff (original creditor) that filed the lawsuit, requesting the Company to pay debts totaling approximately Yen 1,211 million (principal of Yen 994 million and interest of Yen 217 million) and USD 4 million (principal of USD 3 million and interest of USD 1 million). The Central Intellectual Property Court issued a judgement ordering the Company to make debts payment totaling approximately Yen 1,211 million and USD 4 million which equivalent to a total of approximately Baht 484 million (calculated using the exchange rate of the Bank of Thailand as at 31 December 2018), together with the interest 7.5 percent per annum, starting from the date following the filing of the case until the full payment is made. Currently, the Company is in the process of filing an appeal to the Court of Appeal for Specialised Cases.
4. On 17 December 2018, the Central Intellectual Property Court issued a judgement on the case between the Company and one plaintiff (assigned creditor) that filed the lawsuit, requesting the Company to pay debts totaling approximately Yen 524 million (principal of Yen 305 million and interest of Yen 219 million) and USD 13 million (principal of USD 6 million and interest of USD 7 million). The Central Intellectual Property Court issued a judgement ordering the Company to make debts payment totaling approximately Yen 461 million net with the value of assets and cash received in accordance with the rehabilitation plan of Jasmine International Overseas Company Limited and the Company totaling approximately Baht 55 million therefore, the remaining debts to be paid totaled approximately Baht 82 million (calculated using the exchange rate of the Bank of Thailand as at 31 December 2018), together with the interest TIBOR interest rate plus 4.0 percent per annum, starting from 18 September 2002 to 31 December 2003 and the interest TIBOR interest rate plus 4.5 percent per annum, maximum interest rate up to 7.5 percent per annum, starting from 1 January 2004, until the full payment is made. And USD 10 million net with the value of assets and cash received in accordance with the rehabilitation plan of Jasmine International Overseas Company Limited and the Company totaling approximately Baht 151 million therefore, the remaining debts to be paid totaled approximately Baht 185 million (calculated using the exchange rate of the Bank of Thailand as at 31 December 2018), together with the interest LIBOR interest rate plus 4.0 percent per annum, starting from 18 September 2002 to 31 December 2003 and the interest LIBOR interest rate plus 4.5 percent per annum, maximum interest rate up to 7.5 percent per annum starting from 1 January 2004 until the full payment is made.

Currently, the Company is in the process of filing an appeal to the Court of Appeal for Specialised Cases for the case that the Central Intellectual Property Court issued the judgement.

The ultimate outcomes of these lawsuits that are not finalised cannot be determined at this time. The Company and legal advisor are of the different opinion from the above judgements, therefore they filed appeals to the Court of Appeal for Specialised Cases. The court's decision may affect the amount of this provision. Since there is still a lack of legal clarity because the Company's cases are not aligned with other cases of the Supreme Court's judgements. The management of the Company has decided that the amount of reserves recorded in the accounts is adequate and appropriate in the current circumstances. 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 tablet personal computers in Zone 4 (Northern and North-eastern 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. 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 was unable to deliver the tablets as scheduled 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 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 percent per annum, totaling approximately Baht 5 million and Baht 190 million, respectively. In addition, 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. JTS requested the bank who issued a bank guarantee on behalf of this company in the form 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 and recorded this amount 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. On 8 June 2018, a bank which issued a bank guarantee submitted a letter to JTS notifying that on 5 April 2018 it paid the penalties totaling approximately Baht 2 million in accordance with the judgement rendered to the bank. Therefore, the outstanding balance of penalties is amounting to approximately Baht 1 million. In addition, on 4 May 2018, the Central Administrative Court issued a judgement on the case between JTS and another government agency that filed the lawsuit, requesting JTS to pay penalties and make payment under the letter of performance bond guarantee, together with interest totaling approximately Baht 190 million. The Central Administrative Court issued a judgement ordering JTS to pay penalties totaling approximately Baht 7 million, together with interest at the rate of 7.5 percent per annum, starting from the date following the filing of the case until the full payment is made.

A provision for penalties and compensation that might be incurred that JTS has recorded in the past are sufficient to the amount of the penalties according to the judgement of the Central Administrative Court. However, JTS and the two government agencies filed appeals to the Supreme Administrative Court and JTS filed requests to suspend execution to the Central Administrative Court. At present, the cases are under consideration by the Courts. Therefore, the ultimate outcome of these lawsuits and disputes that are not finalised cannot be determined at this time. However, JTS's management and legal advisor are confident that no significant losses will be incurred as a result of these lawsuits and disputes, and the provision for penalties and compensation which have recorded in the past are sufficient according to the judgement of the Central Administrative Court.

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 2018 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 percent 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 percent 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 by bankruptcy 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. JI-Net filed an appeal against the Central Bankruptcy Court to the Supreme Court. Subsequently the Supreme Court rejected JI-Net's appeal. In addition, 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 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 percent 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 percent 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 percent 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. On 19 December 2017, the Appeal Court affirmed the judgement of the Civil Court. TTTBB and TTTI filed an appeal with the Supreme Court. At present, the case is being considered by 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 Nonthaburi Provincial Court ordered TTTBB to pay the compensation of Baht 228.7 million with an interest rate of 7.5 percent per annum of the principal of Baht 165.7 million and with an interest rate of 15 percent 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 Nonthaburi Provincial Court. On 24 January 2017, the Nonthaburi Provincial Court read the judgement of the Appeal Court ordering to revised the judgement of the Nonthaburi Provincial Court whereby TTTBB must pay the compensation of Baht 226.2 million with an interest rate of 7.5 percent per annum on the principal of Baht 175.3 million and with an interest rate of 15 percent 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 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 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 percent per annum and an addition of Baht 0.9 million per month plus interest at a rate of 7.5 percent 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. On 5 April 2018, the Supreme Court affirmed the judgement of the Civil Court and TTTBB have already paid the compensation to TOT.

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. On 14 September 2018, the Supreme Court reversed the judgement of the Appeal Court and ordered TTTBB and TT&TSS to pay compensation of Baht 7.4 million with an interest rate of 7.5 percent per annum on the principal of Baht 6.9 million and an addition of Baht 0.5 million per month for damages from December 2008 until TTTBB and TT&TSS cease the infringement. Therefore, TTTBB recorded the compensation expenses of these lawsuit under the caption of “Administrative expenses” in the profit or loss in the current year and TTTBB have already paid the compensation to TOT.

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 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 Memorandum of Understanding between Acumen and TT&T which allow the shareholders of TT&T to purchase the newly issued shares and/or existing shares of TTTBB held by Acumen, 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 In 2015 and 2016, JTS and CCS have been sued by former employees who were laid off, claiming compensation approximately Baht 18 million and Baht 2 million, respectively, JTS is required to pay panalties amounting to Baht 18 million for two cases of unfair termination. On 16 January 2018, the Central Labour Court issued a judgement ordering CCS to pay severance together with interest, totaling approximately Baht 1 million. CCS recorded full provision for severance payment in accordance with the Central Labour Court’s order in 2017 and paid in February 2018. For the two cases of JTS, the Central Labour Court dismissed both of them. Former employees, who were the plaintiffs, filed an appeal to the Court. In 2018, the Courts dismissed the case. The cases were finalised.

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
	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, restricted bank deposits, trade and other receivables, loans and borrowings, trade and other payables, accounts payable for equipment, liabilities under finance lease agreements, 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 and loans. 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 and loans stated in the statement of financial position.

Interest rate risk

The Company and its subsidiaries exposure to interest rate risk relates primarily to its deposits with financial institutions, loans and borrowings, accounts payable for equipment and liabilities under finance lease agreements. 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. Details of deposits with financial institutions, loans and borrowings, accounts payable for equipment and liabilities under finance lease agreements were presented in the related notes to financial statements.

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 2018 and 2017, the balances of financial assets and liabilities of the subsidiaries denominated in foreign currencies are summarised below.

Foreign currency	Consolidated financial statements				Average exchange rate	
	Financial assets		Financial liabilities		2018	2017
	2018	2017	2018	2017		
	(Million)	(Million)	(Million)	(Million)	(Baht per 1 foreign currency unit)	
US dollar	7	3	257	186	32.4498	32.6809

Foreign currency	Separate financial statements				Average exchange rate	
	Financial assets		Financial liabilities			
	2018	2017	2018	2017	2018	2017
	(Million)	(Million)	(Million)	(Million)	(Baht per 1 foreign currency unit)	
US dollar	-	-	120	5	32.4498	32.6809

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, accounts payable for equipment and liabilities under finance lease agreements 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 2018, the Group's debt to equity ratio was 1.88:1 (2017: 2.46:1) and the Company was 0.98:1 (2017: 1.05:1).

36. Events after the reporting period

On 18 February 2019, a Board of Directors meeting of the Company passed the resolution approving the payment of a final dividend of Baht 0.28 per share, to the Company's shareholders from the retained earnings as at 31 December 2018, a total of approximately Baht 2,279 million.

However, this resolution will be presented to the Annual General Meeting of the Company's shareholders for the year 2019 for further approval.

37. Approval of financial statements

These financial statements were authorised for issue by the Company's Board of Directors on 18 February 2019.



ENHANCE
NATIONWIDE
NETWORK

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