

A tall, modern skyscraper with a grey facade and a blue glass section on the right side. The building has many windows and a red and white antenna on top. The sky is blue with white clouds.

Complete Coverage  
in Every Neighborhood  
Nationwide



**JAS**

ANNUAL  
REPORT **2016**

JASMINE INTERNATIONAL PUBLIC COMPANY LIMITED

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Interested investors may study more information of the issuer from JAS Annual Registration Statement (Form 56-1) disclosed on [www.sec.or.th](http://www.sec.or.th).

# Abbreviation used in 2016 Annual Report

ACT	= ACeS (Thailand) Company Limited
ACU	= Acumen Company Limited
ADSL	= Asymmetric Digital Subscriber Line
AIL	= ACeS International Company Limited
ARS	= ACeS Regional Services Company Limited
Broadband Internet	= High-speed Internet
CCS	= Cloud Computing Solutions Company Limited
CP	= Chaengwatana Planner Company Limited
CPN	= Compunet Corporation Company Limited
IKSC	= Internet Knowledge Service Center Company Limited
INC	= In Cloud Company Limited
IPTV	= Internet Protocol Television
ISP	= Internet Service Provider
JAS	= Jasmine International Public Company Limited
JASMBB	= JAS Mobile Broadband Company Limited
JASIF	= Jasmine Broadband Internet Infrastructure Fund
JAS-W3	= The Warrant Representing the Rights to Purchase the Ordinary Shares of Jasmine International Public Company Limited. No. 3
Ji-NET	= Jasmine Internet Company Limited
JIOC	= Jasmine International Overseas Company Limited
JSS	= Jasmine Smart Shop Company Limited
JSTC	= Jasmine Submarine Telecommunications Company Limited
JTS	= Jasmine Telecom Systems Public Company Limited
JasTel	= JasTel Network Company Limited
MCS	= Mobile Communication Services Company Limited
PA	= Premium Asset Company Limited
PP	= Pakkred Planner Company Limited
PRE	= Premium Real Estate Company Limited
SHW	= Smart Highway Company Limited
TJP	= T.J.P. Engineering Company Limited
TKSC	= Telecom KSC Company Limited
TLDT	= Thai Long Distance Telecommunications Company Limited
TT&T	= TT&T Public Company Limited
TTTBB	= Triple T Broadband Public Company Limited
TTTI	= Triple T Internet Company Limited
VDSL	= Very high bit rate Digital Subscriber Line
VOIP	= Voice Over Internet Protocol
VPN	= Virtual Private Network
WiFi	= Wireless Fidelity
NBTC	= The National Broadcasting and Telecommunications Commission
CAT	= CAT Telecom Public Company Limited
Three BB	= Three BB Company Limited
TOT	= TOT Public Company Limited
Plan Administrator	= Chaengwatana Planner Company Limited as the plan administrator of Jasmine International Public Company Limited or Pakkred Planner Company Limited as the plan administrator of Jasmine International Overseas Company Limited, as the case may be

# Message from CEO

## Dear Shareholders,

In the past year 2016, the core business of Jasmine International Public Company Limited (JAS) was hi-speed broadband internet. The Company had up speeded its broadband internet without increasing the service price. The broadband internet companies of JAS are known as Triple T Broadband Public Company Limited (TTTBB) and Triple T Internet Company Limited (TTTI). In 2016, the number of broadband internet subscribers had increased by 432,394 subscribers, or 25 percent, in comparison to the previous year 2015.

Also, in the year 2016, the Company expanded its broadband internet to 74,965 villages nation-wide and has a mission to bring fiber optic cables, FTTx, to more villages nation-wide.

Presently, broadband internet service of the Company covers approximately 70 percent of the villages all over the country; thus, enabling the Company's internet subscribers in general, including students and parents to access information in the same way as subscribers who live in the developed cities. The Company has been able to penetrate deep into villages across the country due to its appointment of local agents. The overall revenue of the year 2016 increased by 10 percent when comparing to that of the year 2015.

With regard to Jasmine Broadband Internet Infrastructure Fund (JASIF), the Company has delivered 980,500 core kilometres of optical fiber cables to the Fund Manager. JASIF unit holders have an interest in JASIF that offers the yield of over 9 percent. JAS is a shareholder of JASIF, holding 33.33 percent. Furthermore, the Company has acknowledged that the NBTC may extend the infrastructure fund license period to 15 years.

Board of Directors, executives and employees of the Company would like to say thank you to all JAS shareholders for placing your continued trust in us and also extending our thanks to all of our corporate clients, business allies and financial institutions who have displayed continued support to JAS.



**(Pete Bodharamik)**  
Chief Executive Officer





# JAS Board of Directors



**Mr. Sudhitham Chirathivat**

Chairman of the Board of Directors and Independent Director



**Mr. Pete Bodharamik**

Chief Executive Officer and Director

# JAS Board of Directors



**Dr.Vichit Yamboonruang**

Independent Director



**Dr.Yodhin Anavil**

Independent Director



**Mrs.Chantira Purnariksha**

Independent Director

# JAS Board of Directors



**Mr. Pleumjai Sinarkorn**

Director



**Mr. Somboon Patcharasopak**

Director



**Mr. Terasak Jerauswapong**

Director



**Mr. Subhoj Sunyabhisithkul**

Director



**Ms. Saijai Kitsin**

Director



**Mr. Yordchai Asawathongchai**

Director

# Business Policy and Business Operation Overview

## 1. Business Policy and Business Operation Overview

Jasmine International PCL. was established on 3 December 1982 by a group of Thai consultants who were experts in telecommunications engineering and management. At the beginning, the Company engaged only in providing engineering consulting service. It gradually expanded its business to broader lines. It was in 1994 that the Company transformed itself into a public company and was listed on the Stock Exchange of Thailand, with funds raised from both the local and the foreign money markets and capital markets to be used for business expansion.

At Present, the Company has adjusted its role to be an investment or holding company, with an objective to invest in telecommunications and information technology businesses. Also, the Company chooses to invest in businesses whose products and services support and compliment one another. To achieve such goal, the Company fully utilizes potentiality in its well synergized human capital, telecom networks and other core assets. Nowadays, the Company's businesses are categorized into 4 groups, namely:

1. Broadband Business that provides high-speed connectivity, digital data network, Internet services, software and applications, as well as nationwide WiFi service
2. Telecom Network & Service Provider Business that provides marine services and submarine optical fiber maintenance service on both the eastern and the western coast-lines, leased-circuits for domestic and international data communications, international Internet gateways, national Internet Exchange, co-location service and satellite communications
3. System Integration Business that provides equipment sourcing, design, and installation of telecommunications and IT systems, as well as the distribution of computer systems and other related equipment; included in this category also are telecommunications and cloud computing businesses
4. Other Businesses that include property: offering office rental and related services for Jasmine International Tower

### 1.1 The Company's Vision, Objective, Goal, or Strategy for Business Operation

#### Vision

To be a leader in providing communications technology services and meeting the needs of every clientele type as well as continued commitment toward social responsibility

#### Mission

- 1) Providing complete service coverage in every neighborhood nationwide
- 2) Continued improvements in quality and speed for every type of service provided along with continued progress towards research and development
- 3) Continued development & training of our employees to allow for the best efficiency in the workplace and quality of service.
- 4) Utilizing synergy between technology and personnel
- 5) Remain dedicated to our social responsibilities by giving back to our communities nationwide

#### Goal

To be the leading provider of quality high speed broadband internet with complete national coverage



## 1.2 Significant Changes and Development

Significant changes and development of the Company are summarized as follows:-

### **Changes in Control Power of the Company**

#### **2016**

There was no change in control power of the Company.

#### **2017**

On 17 January 2017, JAS Board of Directors at the meeting No.1/2017 resolved to appoint Miss Saijai Kitsin as the Director and President.

### **Changes in Nature of Business**

In 2016, Jasmine International Group still had 4 business groups. Of these 4, the business that remarkably reported significant progress was Broadband Internet business under TTTBB that emphasized offering Broadband Internet service, using ADSL (Asymmetric Digital Subscriber Line) system via a copper network; and at the same time, expanding Broadband Internet service, utilizing a network of fiber optics with a technology called FTTX, that provides an Internet speed of up to 1Gbps. In addition, TTTI, a subsidiary of TTTBB, was granted a license to operate radio or television broadcasting business for radio or television broadcasting network services, not using radio frequency, national level by the National Broadcasting and Telecommunications Commission (NBTC).

### **Changes in Shareholding Structure and Management**

- Acquisition and Disposal of Assets of Jasmine International Group

#### **2014**

In September 2014, JAS Board of Directors at the meeting No.5/2014 approved an amendment to the resolutions of the Extraordinary General Meeting of Shareholders No. 1/2013, regarding the transactions of Jasmine Broadband Internet Infrastructure Fund ("JASIF") to propose at the Extraordinary General Meeting of Shareholders No. 1/2014 held on 25 October 2014 for approval, as detailed below:-

1. Approving an amendment to the resolutions of the Extraordinary General Meeting of Shareholders No. 1/2013, that approved the Company and/or its subsidiaries to enter into the sale transactions of the assets relating to the Broadband Internet business of the Company and/or its subsidiaries to JASIF, that is deemed as a disposal of assets transaction
2. Approving an amendment to the resolutions of the Extraordinary General Meeting of Shareholders No. 1/2013, that approved the Company and/or its subsidiaries to enter into the assets acquisition transaction in which the Company and/or its subsidiaries will lease all assets sold in item no.1 from JASIF to be used for the continuance of its business
3. Approving an amendment to the resolutions of the Extraordinary General Meeting of Shareholders No. 1/2013, that approved the Company and/or juristic persons who will be designated by the Company to subscribe for the investment units of JASIF in the amount of not more than 1/3 of the total investment units
4. Approving appointing Mr. Pete Bodharamik, the Chief Executive Officer, or the person designated by Mr. Pete Bodharamik to have the power to take any necessary or related actions and also specify or amend terms, conditions and details, which are related and beneficial to the entry into the JASIF Transaction, Asset Sale Transaction, Lease Transaction, Investment Units Subscription

Transaction, specification or amendment of detail and value of the entry into JASIF Transaction, related contractual parties, and others.

## 2015

On 20 January 2015, the SEC approved the establishment of Jasmine Broadband Internet Infrastructure Fund abbreviated as “JASIF”. The Initial Public Offering period was from 28 January to 3 February 2015. (More information is provided for interested investors in <http://www.jas-if.com>).

On 10 February 2015, the SEC approved the registration of JASIF. Total investment units of JASIF are 5,500,000,000 units. The offering price per investment unit as well as the par value per investment unit is Bt 10.00. JASIF obtained the proceeds of Bt 55,000,000,000 from the Initial Public Offering. The first day of trading of JASIF units on the SET was 16 February, 2015.

On 21 August 2015, JAS Board of Directors at the meeting No.6/2015 resolved to rectify the establishment of JAS Mobile Broadband Co., Ltd. (JASMBB) with the registered capital of Bt 1,000,000; divided into 100,000 ordinary shares, par value Bt 10 apiece; the shareholding proportion of the Company is 99.997%; the objective of the establishment of this company is to engage in mobile phone service business. Later on, JASMBB increased its registered capital to Bt 350,000,000; JAS Board of Directors’ meeting; thus, approved to purchase the newly-issued shares of JASMBB in proportion to the shareholding, which was 34,898,953 shares in total, at Bt 10 per share. Therefore, the total investment value of the 2 transactions combined was Bt 349,989,500.

## 2016

On 19 September 2016, JAS Board of Directors at the meeting No.9/2016 resolved to acknowledge the tender offer for the entire securities of JAS to be made by Mr. Pete Bodharamik (the “**Offeror**”). In this regard, The Siam Commercial Bank Public Company Limited would act as the tender offer preparer and financial supporter for the making of a tender offer for the entire securities of JAS, in the credit facility of up to Bt 42,500,000,000; the details of which are set out as follows.

Offering price	: JAS : Bt 7.25 per share JAS-W3 : Bt 3.68 per share
Date for the official submission of the tender offer	: 28 September 2016
Number of securities to be offered	: 1. The Offeror has 1,844,046,870 existing shares and JAS has 1,200,000,000 outstanding shares bought back (Treasury Stocks). The remaining shares to be offered for this tender offer are 4,091,732,612 shares. 2. The Offeror has 553,944,543 units of JAS-W3. The remaining JAS-W3 to be offered for this tender offer are 2,733,604,634 units.

On 10 November 2016, JAS received a copy of the Report on Result of the Tender Offer (Form 256-2) from Mr. Pete Bodharamik, as the Offeror, the number of securities to be offered is as follows.

- JAS : 2,451,199,582 Shares
- JAS-W3 : 1,429,351,214 Units

Thus, Mr.Pete Bodharamik totally holds 4,295,246,452 JAS shares and 1,983,295,757 JAS-W3 units.

- Treasury stock Program for Financial Management

#### 2014-2015

On 10 June 2014, JAS Board of Directors at the meeting No. 3/2014 resolved to approve a treasury stock program with the maximum amount of not exceeding 10 percent of the total paid-up shares of 7,137,394,378 shares, at the par value of Bt 0.50 per share, equivalent to not exceeding 713,739,437 shares. The maximum amount for the share repurchase was not exceeding Bt 1,000 million. The share repurchase would be on the SET. The repurchase period covered the duration of 6 months, starting on 25 June 2014 and ended on 18 December 2014. The total number of shares repurchased was 142,730,000 shares or 2 percent of the total paid-up shares, amounting to Bt 989,695,500, which was not exceeding the maximum amount approved by the Board of Directors. JAS announced the completion of this treasury stock program for financial management on 18 December 2014. Then, on 19 March 2015, JAS Board of Directors at the meeting No. 3/2015 resolved to schedule the period to distribute the repurchased shares on the SET during 19-23 June 2015. Later, on 26 June 2015, the Company undertook the paid-up capital decrease from Bt 3,568,697,189 to Bt 3,497,332,189 by writing off the Company's 142,730,000 repurchased shares at the par value of Bt 0.50 per share, amounting to Bt 71,365,000 in total.

#### 2016

JAS Board of Directors at the meetings No. 2/2016, convened on 7 March 2016 and No.3/2016 convened on 22 March 2016 and the Annual General Meeting of Shareholders of the year 2016, convened on 29 April 2016, respectively, passed the resolutions to approve a treasury stock program for financial management. JAS share repurchase of 1,200 million shares at the par value of Bt 0.50 per share or equaled to 16.82% of the total paid-up shares was offered to general shareholders at the price of Bt 5.00 per share; the maximum amount for this share repurchase was Bt 6,000 million (The number of JAS ordinary shares on the dates in which the resolutions were passed was 7,133,530,653 shares). The repurchase period was 1-10 June 2016. As at the completion date of treasury stock, JAS totally repurchased 1,200 million shares, equivalent to 16.82% of the total paid-up shares, amounting to Bt 6,000 million in total. On 14-16 December 2016, JAS undertook the resale of its repurchased shares on the SET. Later, it decreased the registered capital from Bt 5,245,998,283.50 to Bt 4,645,998,283.50 and the paid-up capital from 3,568,478,557.50 to 2,968,478,557.50 by way of writing off the 1,200 million repurchased shares, at the par value of Bt 0.50 per share, amounting to Bt 6,000 million; the repurchased share write off transaction was completed on 23 December 2016.

- Dividend Payment

#### 2014

On 25 April 2014, the 2014 Annual General Meeting of Shareholders passed a resolution to approve paying dividend for the year 2013 to the shareholders of the entire 7,137,394,378 ordinary shares at the rate of Bt 0.25 per share, totaling Bt 1,784,348,594.50.

#### 2015

On 23 February 2015, JAS Board of Directors at the meeting No. 1/2015 passed a resolution to approve the payment of interim dividend from the net profit of the Company for the period from 1 January 2015 to 19 February 2015 to the existing common shareholders of the total 6,994,664,378

shares (excluding 142,730,000 repurchased shares which had no right to receive dividend), at the rate of Bt 1.50 per share, equivalent to the total dividend payment amount of Bt 10,491,996,567.

On 28 April 2015, the 2015 Annual General Meeting of Shareholders passed a resolution to approve paying dividend for the year 2014 to the shareholders of the entire 6,994,664,378 ordinary shares (excluding 142,730,000 repurchased shares which had no right to receive dividend) at the rate of Bt 0.15 per share, totaling Bt 1,049,199,656.70.

On 29 October 2015, JAS Board of Directors at the meeting No.8/2015 passed a resolution to approve the payment of interim dividend from the net profit of the Company for the period from 1 January 2015 to 30 September 2015 to the existing common shareholders of the total 7,133,472,259 shares, at the rate of Bt 0.10 per share, equivalent to the total dividend payment amount of Bt 713,347,225.90.

## 2016

On 29 April 2016, the 2016 Annual General Meeting of Shareholders passed a resolution to approve paying dividend for the year 2015 to the shareholders of the entire 7,133,530,653 ordinary shares at the rate of Bt 0.30 per share, totaling Bt 2,140,059,195.90.

On 21 June 2016, JAS Board of Directors at the meeting No.6/2016 resolved to approve the payment of interim dividend from the retained earnings as at 31 March 2016 to the existing common shareholders of the total 5,933,530,653 shares (excluding 1,200,000,000 repurchased shares), at the rate of Bt 0.15 per share, amounting to the total dividend payment of Bt 890,029,597.95.

On 10 November 2016, JAS Board of Directors at the meeting No. 12/2016, resolved to approve the payment of interim dividend from the retained earnings as at 30 September 2016 to the existing common shareholders of the total 5,936,957,115 shares (excluding 1,200,000,000 repurchased shares), at the rate of Bt 0.15 per share, amounting to the total dividend payment of Bt 890,543,567.25.

- Warrants Representing the Rights to Purchase the Ordinary Shares of Jasmine International Public Company Limited No.3 (JAS-W3)

On 28 April 2015, the Extraordinary General Meeting of Shareholders No.1/2015 of JAS passed the resolutions to approve the issues regarding the issuance and the allocation of JAS-W3 as follows:-

1. Approving the issuance and the allocation of not exceeding 3,497,332,189 units of JAS-W3 Warrants to the existing shareholders of the Company in proportion to their shareholding (Right Offering) in the allocation ratio of 2.04 existing ordinary shares (with the par value of Baht 0.50 per share) to one unit of JAS-W3 Warrant (2.04:1). However, the Company should not be allocated JAS-W3 Warrant with respect to 142,730,000 shares that the Company had bought back. In this regard, the unit price of JAS-W3 Warrant is Bt -0- (Nil), and the exercise ratio is one JAS-W3 Warrant for one ordinary share of the Company (with the par value of Bt 0.50 per share) at the exercise price to buy the ordinary shares under the JAS-W3 Warrants at Bt 4.30 per share (with the exception of any right adjustment). Any fraction of the shares or JAS-W3 Warrants from the calculation (if any) shall be rounded down. The conditions and details of JAS-W3 Warrants were set out in the letter of invitation to the EGM that the Company delivered to the shareholders.

2. Approving the increase in the registered capital of the Company by Bt 1,748,666,094.50 from the existing registered capital of Bt 3,568,697,189 to Bt 5,317,363,283.50 by issuing 3,497,332,189 new shares, with a par value of Bt 0.50 per share to accommodate the exercise of JAS-W3 Warrants.
3. Approving the allocation of not exceeding 3,497,332,189 newly issued shares at the par value of Bt 0.50 per share, to accommodate the exercise of JAS-W3 Warrants.

On 6 July 2015, the Company notified that it fixed the date of issuance and allocation of JAS-W3 Warrants to be on 6 July 2015.

#### Adjustment of Exercise Price and Exercise Ratio of JAS-W3

On 25 February 2016, JAS adjusted the exercise price and the exercise ratio of JAS-W3 due to its dividend payment's exceeding 80% of the net profit after tax of JAS separate financial statement and the consolidated financial statement for any accounting period. Details of the adjustment of Exercise Price and Exercise Ratio of JAS-W3 are as follows.

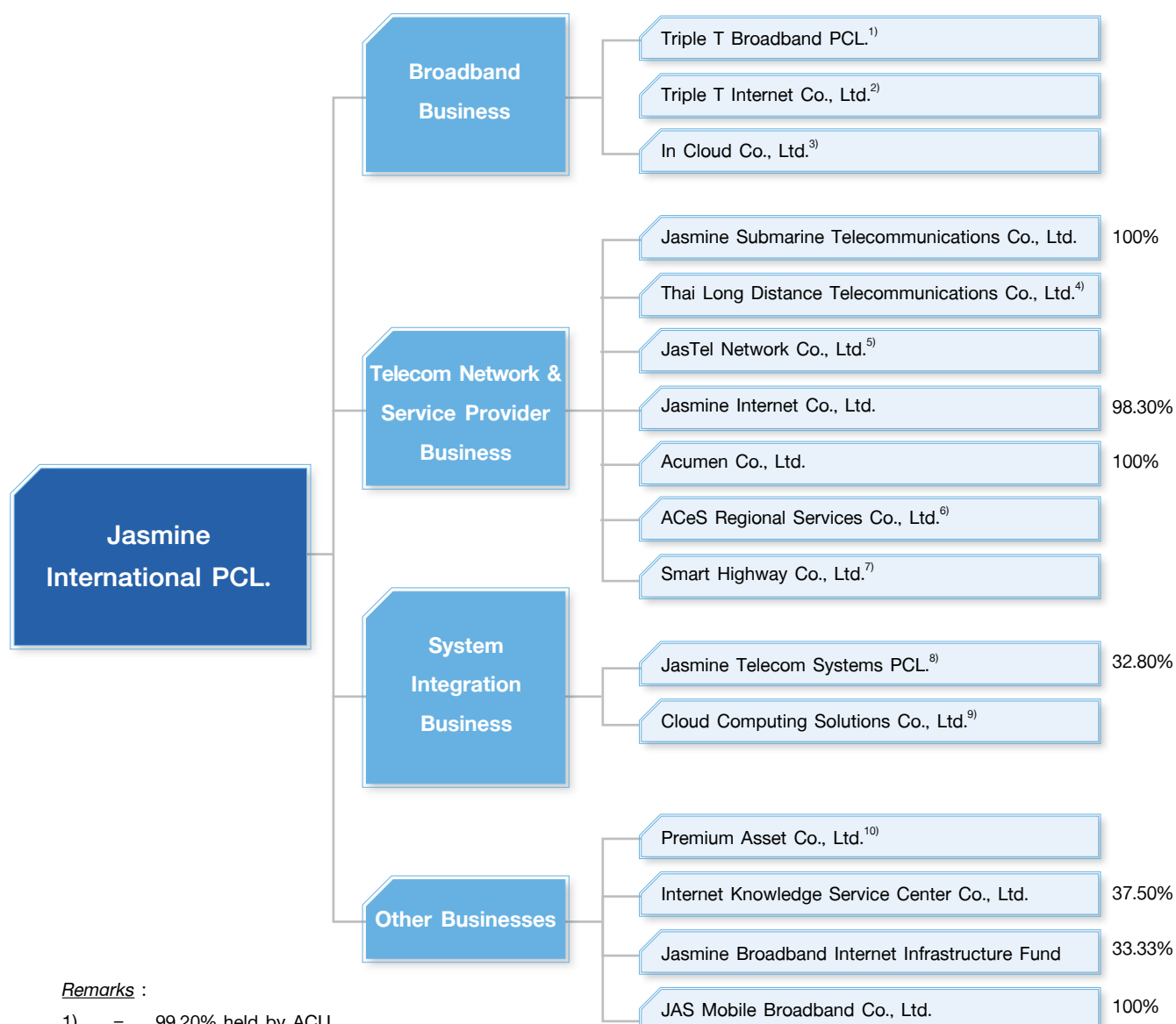
- Exercise price **adjusted from** Bt 4.30 **to** Bt 4.098 per share
- Exercise ratio **adjusted from** 1 unit of Warrant is entitled to purchase 1 ordinary share **to** 1 unit of Warrant is entitled to purchase 1.049 ordinary share

On 13 June 2016, JAS adjusted the exercise price and the exercise ratio of JAS-W3 as its Treasury Stock Program may deprive JAS-W3 holders of the rights and the benefits that they are entitled to. Details of the adjustment of Exercise Price and Exercise Ratio of JAS-W3 are as follows.

- Exercise price **adjusted from** Bt 4.098 **to** Bt 3.904 per share
- Exercise ratio **adjusted from** 1 unit of Warrant is entitled to purchase 1.049 ordinary share **to** 1 unit of Warrant is entitled to purchase 1.101 ordinary share



### 1.3 Shareholding Structure of Jasmine International Group



**Remarks :**

- 1) = 99.20% held by ACU
- 2) = 99.99% held by TTTBB
- 3) = 100% held by TTTBB
- 4) = 90% held by JSTC
- 5) = 100% held by JSTC
- 6) = 98.04 % held by ACT (ACT is 58.84% held by JIOC and JIOC is 39.82 % held by JAS)
- 7) = 67.40% held by ACU
- 8) = 32.80% held by JAS, 9.06% held by ARS and 9.05% held by TJP, making the total of 50.91%
- 9) = 97.87% held by JTS
- 10) = 53.85% held by ACU and 46.15% held by JSTC

#### Size of the Companies that Operate Core Businesses and Size of the Subsidiary and Associate Companies

The Company has invested in the companies that operate the core business in compliance with the relevant regulations. The size of those companies is 100 %, compared to the size of the Company.

### 1.4 Relationship with Business Group of Major Shareholders

- None -

## Business Trend of Jasmine International Group in 2017

Hi-speed broadband internet business is still the core business of Jasmine International Group which has been steadily growing and popular among the public. In the near future, the Company will be Number 1 of hi-speed broadband internet business. The number of hi-speed Internet subscribers (3BB) has been continuously increased due to the Company's keeping on building the optical fiber cable networks and an increase of 5 times in the number of FTTx subscribers, in comparison to the previous year.

The Company holds 33.33 percent in Jasmine Broadband Internet Infrastructure Fund (JASIF). In 2017, the Company has built more optical fiber cable networks with its attempt to complete the coverage of all the villages nation-wide so as to enable the Company's subscribers of the hi-speed broadband internet service in general, including students and parents to quickly access information; thus, enhancing more knowledge and skills to children as well as adults, as an educational support for the country. As mentioned above, the number of optical fiber cables has been increasing; therefore, it is a chance for JASIF to become a larger fund, compared to its growth of last year. The Company's financial advisor expects that additional optical fiber cables will be sold, the value of which is amounting to approximately 50,000-70,000 million Baht and it is certain that such transaction will be approved by the relevant government organizations within the year 2017. The Company is confident that it can pay dividend to the shareholders at high rate.

# Nature of Business

## 2. Nature of Business

### 2.1 Policy on Business Operation Categorization of Jasmine International Group

The Company engages in investment, as a holding company, through its own subsidiaries only. The investment is mostly in telecom business, information technology systems, and other relevant businesses. The Company aims to encourage the subsidiaries to increase their competitiveness, keep close-knitted collaboration and synergize all resources so as to achieve maximum efficiency in developing new products, suitable for the era of rapid technological changes. Businesses of Jasmine International Group are categorized into 4 main groups as follows:-

#### 1. Broadband Business

This business group comprises service providers of high-speed Internet, high-speed connectivity, digital networks, Internet, software and applications and nation-wide WiFi. The following companies are under this business group:-

- **Triple T Broadband PCL.**, with Type 3 Telecommunications Business license, it provides high-speed connectivity for Broadband Internet service.
- **Triple T Internet Co. Ltd.**, an Internet service provider (ISP) that provides Internet services and applications to mass and corporate customers
- **In Cloud Co., Ltd.** that provides software development, distribution, and service provision of general software, including software system that supports value added services for Broadband Internet Business

#### 2. Telecom Network & Service Provider Business

This business group comprises network service providers of; for instances, marine services and submarine optical fiber maintenance service on the eastern and the western coast lines; International Private Leased-Circuit; International Internet Gateway; data center service; and satellite communication. The following companies are under this business group:-

- **Jasmine Submarine Telecommunications Co., Ltd.** that provides marine services and submarine optical fiber maintenance service on the eastern coast lines of Thailand
- **Thai Long Distance Telecommunications Co., Ltd.** that provides marine services and submarine optical fiber maintenance service on the western coast lines of Thailand
- **JasTel Network Co., Ltd.** that provides International Private Leased-Circuit (IPLC), a circuit of high stability with many routes linking to overseas lands such as the southern route to Malaysia and Singapore and the northeastern route to Laos, Vietnam and China. The leased circuit service continues without disruption despite the cable problem because the company has prepared alternative routes for back-up. JasTel has high-capacity bandwidth that accommodates huge volumes of data delivery. Its automatic control system is 24 hour monitored. JasTel also offers Internet Protocol Virtual Private Network (IP-VPN) service, leased line and Wifi Internet services, Managed Network service locally and internationally via networks of optic fiber and copper cable, National Internet Exchange service (NIX) , and Co-Location service that is a space rental service for an installation of Internet server and router for customers who are operators /Internet service

providers and corporate clients. Other services include maintenance service for submarine cable, submarine as well as terrestrial cable installation, and off-shore services.

- **Jasmine Internet Co., Ltd.** that provides a variety of Internet services for both individual and corporate clients. Its services include broadband Internet (ADSL), data center, BranchConnex via ADSL and General Packet Radio Service (GPRS), WiFi, Voice over Internet Protocol (VoIP), Electronic Data Interchange (EDI), and international calling card. Besides, Ji-NET also provides consultancy, design and sourcing for IP solutions; for instances, online services via GPRS/Enhanced Data rates for Global Evolution (EDGE) /Code Division Multiple Access (CDMA) systems, IP camera service and WiFi Hotspots, etc. to its customers.
- **Acumen Co., Ltd.**, that provides wireless communication services in the form of satellite communications via Very Small Aperture Terminal (VSAT) nation-wide; targets are clients in the areas that cannot be reached by wired communications, petroleum exploration & production business operators, government agencies and state enterprises that require the services. The company is also a distributor of Mikrotik network equipment from Latvia and Anritsu optical power meters from Japan.
- **ACeS Regional Services Co., Ltd.** that offers calling service via Internet and international calling cards called “CyberVoice” that are 2-way calling cards, uniquely different from common international calling cards in that customers can use them to make and receive their calls everywhere across the world. As this is a new service innovation, the company is; thus, the first to provide it in Thailand. The company is also a provider of satellite phone service under “Asia Cellular Satellite (ACeS)” project in Thailand and several Asian countries. Users can use either a mobile or fixed handset, and pay by either a post-paid or pre-paid method. ACeS signal transmission service works well everywhere at all times, covering 24 countries of Asia, be it in the forests or at sea. The company is also a provider of user terminals which are small mobile handset and fixed handset for users who want to use the service from a fixed indoor location in a remote area, inaccessible to other communications services.

### 3. System Integration Business

This business group comprises telecom system integrator, computer system and peripherals distributor, telecommunications service provider and cloud computing service provider. The following companies are under this business group:-

- **Jasmine Telecom Systems PCL.**, a company that engages in telecommunications business as a System Integrator, proficient in equipment sourcing, system design and network installation; its clients are both the governmental and the private sectors.
- **Cloud Computing Solutions Co., Ltd.**, a provider of cloud computing with full service from the Infrastructure-as-a-Service stage which is a hardware resource rent on the Internet; all the way through to the Software-as-a-Service stage, which is a business of hardware and software rent on the Internet. The company also engages in consultancy, design, and installation of computer and IT systems, including application software development and maintenance service for the customers in both the government and the private sector.

### 4. Other Businesses

The following companies are under this business group:-

- **Premium Asset Co., Ltd.** that engages in space rental and related services for Jasmine International Tower; the company emphasizes providing services that suit the lessees’ space usability. Strengths of the company lie in its being a hub of telecommunications and data backup system that is

provided for the customers. Jasmine International Tower is a modern office building that is located in a good area, safe from flood disaster, ensuring the lessees of their business continuity. These advantages attract the interest of the company's customers.

- **Internet Knowledge Service Center Co., Ltd.**, a holding company, holding shares in KSC Commercial Internet Co., Ltd. that is an Internet Service Provider (ISP)
- **Jasmine Broadband Internet Infrastructure Fund**, a mutual fund established to mobilize funds from general and institutional investors for investment in not only telecommunications infrastructure business that possesses potential for return on investment to the Fund, but also in other assets, securities, and/or instruments as allowed by the security law and enable the Fund to pay the return to the unit holders in a long run.
- **JAS Mobile Broadband Co., Ltd.**, that has been established with an objective to operate mobile phone system business.

## 2.2 Revenue Contribution from Each Business Group

In 2016, the Company's total revenue was Bt 18,151 mn. This amount was from the contribution of the following business groups :-

1. Broadband Business whose contribution for the year 2016 was Bt 16,953 mn or 93.40 percent of the total revenue of Jasmine International Group
2. Telecom Network & Service Provider Business whose contribution for the year 2016 was Bt 967 mn or 5.33 percent of the total revenue of Jasmine International Group
3. System Integration Business whose contribution for the year 2016 was Bt 59 mn or 0.33 percent of the total revenue of Jasmine International Group
4. Other Businesses whose contribution for the year 2016 was Bt 172 mn or 0.94 percent of the total revenue of Jasmine International Group



## Revenue Structure of the Company, Subsidiaries and Associated Companies

Unit : Million Baht

Product line/ Business Group	Operated by	% of Shares Held by JAS	2016		2015		2014	
			Revenue	%	Revenue	%	Revenue	%
<i><b>The Company and the subsidiaries</b></i>								
Broadband Business	TTTBB	99.20% held by ACU	<sup>1)</sup> 2,436	13.42	<sup>1)</sup> 19,262	57.62	51	0.41
	TTTI	99.99% held by TTTBB	14,517	79.98	12,684	37.95	10,952	88.24
	INC	100% held by TTTBB	-	-	-	-	-	
Total			16,953	93.40	31,946	95.57	11,003	88.65
Telecom Network &	JSTC	100	16	0.09	16	0.05	23	0.19
Service Provider Business	TLDT	90% held by JSTC	-	-	-	-	2	0.02
	JasTel	100% held by JSTC	583	3.21	691	2.07	516	4.16
	Ji-NET	98.33	261	1.44	310	0.92	403	3.24
	ACU	100	43	0.24	76	0.23	53	0.43
	ARS	98.04% held by ACT	63	0.35	87	0.26	114	0.92
	SHW	67.40% held by ACU	1	0.01	1	0.01	2	0.02
Total			967	5.33	1,181	3.54	1,113	8.97
System Integration Business	JTS	32.80% held by JAS, 9.06% held by ARS and 9.05% held by TJP	27	0.15	23	0.07	72	0.58
	CCS	97.87% held by JTS	32	0.18	22	0.06	26	0.21
Total			59	0.33	45	0.13	98	0.79
Other Businesses	JAS	-	6	0.03	87	0.26	30	0.24
	PA	53.85% held by ACU and 46.15% held by JSTC	148	0.82	159	0.47	159	1.28
	TJP	80% held by JAS and 20% held by ACU	-	-	1	0.01	1	0.01
	Others <sup>2)</sup>	-	18	0.10	8	0.02	7	0.06
Total			172	0.94	255	0.76	197	1.59
Grand Total for the Company and the subsidiaries			18,151	100.00	33,427	100.00	12,411	100.00
Associated Companies								
Other Businesses	IKSC <sup>3)</sup>	37.50	0.3	0.03	0.4	0.04	0.1	50.00
	TKSC <sup>3)</sup>	40	-	-	-	-	-	-
	JASIF	33.33	1,018.9	99.97	796.5	99.96	-	-
	PRE	49	-	-	-	-	0.1	50.00
Grand Total for the associated companies			1,019.21	100.00	796.9	100.00	0.2	100.00

Remarks : <sup>1)</sup> Revenue obtained from the sale of assets to JASIF in 2016 and 2015 was Bt 2,160 mn and Bt 18,859 mn, respectively.

<sup>2)</sup> Comprising JIOC, MCS, CPN, Three BB, ACT, JASMBB

<sup>3)</sup> In 2016, the data was prepared by the management of this company itself.

The Company and its subsidiaries have had no comparative proportion between the local and the overseas distribution during 2015-2016.

# Risk Factors

## 3. Risk Factors

The Risk Management Committee of the Company realizes that risk management is important to the Company's business operation; for this reason, it has set up the policy, control activities, monitoring system and has conducted risk analyses to evaluate risk management results in every area to suit and be in line with the policies and strategies of the Company, taking into consideration, both the internal and external risk factors. Additionally, the Committee has promoted risk management corporate-wide so that the personnel can learn about its concept and procedures; thus, fostering the awareness that managing corporate risks is a duty and that everyone can play a part in managing risks to be at an acceptable level.

Risks of Jasmine International Group are mainly classified into 5 categories as follows:-

### 1. Revenue

Since the Company's revenue is mainly from the contribution of broadband Internet business, importance is placed on improving its existing networks to enhance more efficiency for the service offered to the customers. In 2016, the Company has offered Very High Speed Digital Subscriber Line (VDSL) service that enabled more efficiency for the upstream and the downstream data transfer, emphasizing on-demand triple play service; for instances, high-speed Internet service, VoIP service and IPTV service.

The Company has made more investment by expanding the hi-speed Internet network service to all the villages across the country, to be in accordance with the government's Digital Economy Policy ("DE Policy").

### 2. Finance

In 2016, the Thai economy gradually recovered although the fluctuation of the Baht depreciation still continued due to the raise of the Federal Funds Target Rate, as forecast. Jasmine International Group has managed its risks by following up and auditing the Group's compliance with terms and conditions in financial and commercial contracts; cash flow management; the use of financial instruments that suit the situations such as the conversion of payment for purchase of equipment from USD currency to THB currency; suitable timing for entering the forward contracts and the maintenance of an appropriate level of USD reserve for foreign debt payment.

### 3. Human Resources

As personnel are considered a factor that drives business toward success, the Company has not only set up clear policies and work plans, but has also arranged a fairness-oriented performance appraisal system and use it as a tool for considering personnel compensation which reflects the personnel's own progress and the security of their own job. Furthermore, the Company puts emphasis on human resources development so it has arranged training courses to increase both knowledge and expertise for personnel of every department, to equitably disseminate knowledge to team workers and to decrease dependency on a particular officer.

### 4. Market and Competition

The Company aims at offering its service to meet the 4 demands of the Internet customers: quick access, stable connectivity (data transmission stability); reasonable service fees and expansion of Internet to cover all the villages of the country; thus, its ADSL technology has been upgraded to VDSL, enhancing faster download speed while the service fee remains at the same rate. By this way, the customers would be convinced of the worthiness of the Company's service. To prevent risks that may arise from market

and competition, the Company increases its investment in strong Internet networks to support the cloud computing service of Jasmine International Group that is planned for serving corporate customers. Moreover, for the provincial and the district levels, the Company increases the salespersons in order to increase the marketing channels and to quickly and efficiently service the customers.

## 5. Operation and Maintenance

To keep its service to remain continuously efficient, the Company takes as its most important responsibility to maintain its networks and equipment to be always stable and in good condition. To this regard, the Company divides telecommunications equipment into groups according to the degrees of impact that each may cause to the quality of the Company's services and accordingly sets up the maintenance plans, concentrating on preventive and systematic maintenance. Moreover, the Company also reviews the contingency plan for the cases of emergency and discontinuity of network systems as well as other important systems, on a regular basis.

## 4. General Information and other Significant Information

### 4.1 General Information

#### 4.1.1 JAS General Information

- Company Name : Jasmine International Public Company Limited
- Head Office Address : 200, 29<sup>th</sup>-30<sup>th</sup> Fl., Moo 4, Chaengwatana Road, Pakkred Sub-district, Pakkred District, Nonthaburi 11120
- Sector Name : Information and Communication Technology
- Registration Number : 0107537000106
- Telephone : (66) 0 2100 3000
- Fax : (66) 0 2100 3150-2
- Website : www.jasmine.com
- Number and Type of Total : 1. Registered capital 4,645,998,283.50 Baht  
Paid-up Shares divided into 9,291,996,567 Ordinary shares  
2. Each with the par value of 0.50 Baht  
3. Total paid-up capital 3,130,392,941 Baht  
4. Total number of 6,260,785,882 Shares  
Paid-up ordinary shares

#### 4.1.2 General Information of Juristic Persons in which the Company's Shareholding Proportion is of 10% up

Company Name and Head Office Address	Nature of Business	Total Number of Paid-up Shares	Number and Proportion of Common Shareholding of JAS and/or the Subsidiary
<b>1. Broadband Business</b>			
Triple T Broadband PCL. 200, Moo 4, Chaengwatana Rd., Pakkred Sub-district, Pakkred District, Nonthaburi 11120 Tel : 0-2100-2100 Fax : 0-2100-2121	Engages in Broadband Internet service, digital data network service, fixed-line telephone service and public payphone service	1,250,000,000	ACU 1,239,992,570 shares = 99.20%
Triple T Internet Co.,Ltd. 200, Moo 4, Chaengwatana Rd., Pakkred Sub-district, Pakkred District, Nonthaburi 11120 Tel : 0-2100-2255 Fax : 0-2100-2129	Engages in providing Internet service and Internet applications to residential clients and corporate clients	10,000,000	TTTBB 9,999,300 shares = 99.99%

#### 4.1.2 General Information of Juristic Persons in which the Company's Shareholding Proportion is of 10% up

Company Name and Head Office Address	Nature of Business	Total Number of Paid-up Shares	Number and Proportion of Common Shareholding of JAS and/or the Subsidiary
<b>1. Broadband Business</b>			
In Cloud Co., Ltd. 200, Moo 4, Chaengwatana Rd., Pakkred Sub-district, Pakkred District, Nonthaburi 11120 Tel : 0-2100- 4400 Fax : 0-2100-4401	Engages in software development, distribution and provision service of general software and software system that supports the value added services of Broadband business	100,000	TTTBB 99,997 shares = 100%
<b>2. Telecom Network &amp; Service Provider Business</b>			
Jasmine Submarine Telecommunications Co., Ltd. 200, Moo 4, 7 <sup>th</sup> Fl., Chaengwatana Rd., Pakkred Sub-district, Pakkred District, Nonthaburi 11120 Tel : 0-2100-3183 Fax : 0-2100-3184	Engages in providing marine services and submarine optical fiber maintenance service on the eastern coast lines of Thailand	15,500,000	JAS 15,499,994 shares = 100%
Thai Long Distance Telecommunications Co., Ltd. 200, Moo 4, Chaengwatana Rd., Pakkred Sub-district, Pakkred District, Nonthaburi 11120 Tel : 0-2100-3183 Fax : 0-2100-3184	Engages in providing marine services and submarine optical fiber maintenance service on the western coast lines of Thailand	30,900,000	JSTC 27,809,993 shares = 90%
JasTel Network Co., Ltd. 200, Moo 4, 7 <sup>th</sup> Fl, Chaengwatana Rd., Pakkred Sub-district, Pakkred District, Nonthaburi 11120 Tel : 0-2100-3183 Fax : 0-2100-3184	Engages in circuit leasing service and local as well as international data communications service	5,200,000	JSTC 5,199,993 shares = 100%
Jasmine Internet Co., Ltd. 200, Moo 4, Chaengwatana Rd., Pakkred Sub-district, Pakkred District, Nonthaburi 11120 Tel : 0-2100-3700 Fax : 0-2100-3793	Engages in a variety of Internet services	1,500,000	JAS 1,474,900 shares = 98.33%
Acumen Co., Ltd. 200, Moo 4, Chaengwatana Rd., Pakkred Sub-district, Pakkred District, Nonthaburi 11120 Tel : 0-2100-3000 Fax : 0-2100-3222	Engages in wireless communication services in the form of satellite communications via Very Small Aperture Terminal (VSAT)	7,600,000	JAS 7,599,994 shares = 100%
ACeS Regional Services Co., Ltd. 200, Moo 4, Chaengwatana Rd., Pakkred Sub-district, Pakkred District, Nonthaburi 11120 Tel : 0-2100-3000 Fax : 0-2100-3416	Engages in satellite mobile phone service both in Thailand and several Asian countries and the distribution of IP-Phones	102,000,000	ACT 99,999,993 shares = 98.04%
Smart Highway Co., Ltd. 200, Moo 4, Chaengwatana Rd., Pakkred Sub-district, Pakkred District, Nonthaburi 11120 Tel : 0-2100-3000 Fax : 0-2100-3222	Engages in high-speed data communications service via leased line	1,550,000	ACU 1,044,693 shares = 67.40%

#### 4.1.2 General Information of Juristic Persons in which the Company's Shareholding Proportion is of 10% up

Company Name and Head Office Address	Nature of Business	Total Number of Paid-up Shares	Number and Proportion of Common Shareholding of JAS and/or the Subsidiary			
3. System Integration Business						
Jasmine Telecom Systems PCL. 200, Moo 4, 9 <sup>th</sup> Fl., Jasmine International Tower, Chaengwatana Rd., Pakkred Sub-district, Pakkred District, Nonthaburi 11120 Tel : 0-2100-8300 Fax : 0-2962-2523	Engages in providing turnkey telecommunications services	706,457,300 (As at 14 November 2016)	- JAS - ARS - TJP	231,714,400 shares = 32.80% 64,027,700 shares = 9.06% 63,918,000 shares = 9.05%		
Cloud Computing Solutions Co.,Ltd. 200 Moo 4 Chaengwatana Rd., Pakkred Sub-district, Pakkred District, Nonthaburi 11120 Tel : 0-2100-3000 Fax : 0-2100-3501	Engages in cloud computing with full service from the Infrastructure-as-a-Service stage all the way through to the Software-as-a Service stage and providing consulting services, the design and installation of computer system as well as IT network, and the development of application software	550,000	JTS	538,264 shares = 97.87%		
4. Other Businesses						
Premium Asset Co., Ltd. 200, Moo 4, Chaengwatana Rd., Pakkred Sub-district, Pakkred District, Nonthaburi 11120 Tel : 0-2100-3000 Fax : 0-2100-3575	Engages in space rental management and related services for Jasmine International Tower	130,000,000	- ACU - JSTC	69,999,993 shares = 53.85% 60,000,000 shares = 46.15%		
Internet Knowledge Service Center Co., Ltd. 2/4,10 <sup>th</sup> Fl., Siam Commercial Samaggi Insurance Tower, Vibhavadi Rungsit Rd., Thungsonghong Sub-district, Laksi District, Bangkok 10210 Tel: 0-2955-0099 Fax: 0-2955-0300	A holding company	12,000,000	JAS	4,500,000 shares = 37.50%		
Jasmine Broadband Internet Infrastructure Fund BBL Asset Management Co., Ltd. 175 Sathorn City Tower, 7 <sup>th</sup> , 21 <sup>st</sup> and 26 <sup>th</sup> Fl., South Sathorn Rd., Tungmahamek, Sathorn District, Bangkok 10120 Tel : 0-2674-6488 (Press 8) Fax: 0-2679-5955	A mutual fund, established to mobilize funds from general and institutional investors for investment in telecommunications infrastructure business	5,500,000,000	JAS	1,833,150,000 หน่วย = 33.33%		
JAS Mobile Broadband Co.,Ltd. Jasmine International Tower, 200, Moo 4, Chaengwatana Rd., Pakkred Sub-district, Pakkred District, Nonthaburi 11120	Engages in mobile phone business	35,000,000	JAS	34,998,950 shares = 100%		



#### 4.1.2 General Information of Juristic Persons in which the Company's Shareholding Proportion is of 10% up

Company Name and Head Office Address	Nature of Business	Total Number of Paid-up Shares	Number and Proportion of Common Shareholding of JAS and/or the Subsidiary		
Dormant Company or Company that Does not Operate Significant Transactions					
Chaengwatana Planner Co., Ltd. 200, Moo 4, 29 <sup>th</sup> -30 <sup>th</sup> Fl., Chaengwatana Rd., Pakkred Sub-district, Pakkred District, Nonthaburi 11120 Tel: 0-2100-3000 Fax: 0-2100-3152	The Rehabilitation Plan Administrator of JAS	10,000	JAS	9,993	shares = 100%
Jasmine International Overseas Co., Ltd. 200, Moo 4, Chaengwatana Rd., Pakkred Sub-district, Pakkred District, Nonthaburi 11120 Tel: 0-2100-3000 Fax: 0-2100-3152	Engages in local and overseas investment	11,538,463	- JAS - ACT - ARS	4,594,134 3,994,325 3,000,000	shares = 39.82% shares = 34.18% shares = 26.00%
ACeS (Thailand) Co., Ltd. 200, Moo 4, Chaengwatana Rd., Pakkred Sub-district, Pakkred District, Nonthaburi 11120 Tel: 0-2100-3000 Fax: 0-2100-3152	Engages in investment business	195,000,000	JIOC	114,742,696	shares = 58.84%
Pakkred Planer Co., Ltd. 200, Moo 4, 29 <sup>th</sup> -30 <sup>th</sup> Fl., Chaengwatana Rd., Pakkred Sub-district, Pakkred District, Nonthaburi 11120 Tel: 0-2100-3000 Fax: 0-2100-3152	Rehabilitation Plan Administrator of JIOC	10,000	JIOC	9,993	shares = 100%
T.J.P. Engineering Co., Ltd. 200, Moo 4, Chaengwatana Rd., Pakkred Sub-district, Pakkred District, Nonthaburi 11120 Tel: 0-2100-3000 Fax: 0-2100-3152	Engages in the survey, design, and construction of the outside plant and civil work for telecommunications projects	2,000,000	- JAS - ACU	1,600,000 399,995	shares = 80% shares = 20%
Mobile Communication Services Co., Ltd. 200, Moo 4, Chaengwatana Rd., Pakkred Sub-district, Pakkred District, Nonthaburi 11120 Tel: 0-2100-3038 Fax: 0-2100-3152	Engages in the NMT 470 MHz. Cellular Mobile telephone business	10,000,000	JAS	6,999,993	shares = 70%
Compunet Corporation Co., Ltd. 200, Moo 4, Chaengwatana Rd., Pakkred Sub-district, Pakkred District, Nonthaburi 11120 Tel : 0-2100-3800 Fax : 0-2100-3810	Engages in local transmission of data, pictures and voices via satellite	2,600,000	JAS	2,599,994	shares = 100%
Three BB Co., Ltd. 200, Moo 4, Chaengwatana Rd., Pakkred Sub-district, Pakkred District, Nonthaburi 11120 Tel : 0-2100-3000 Fax : 0-2100-3152	Engages in Internet and e-commerce businesses	5,200,000	JAS	5,199,993	shares = 100%

#### 4.1.2 General Information of Juristic Persons in which the Company's Shareholding Proportion is of 10% up

Company Name and Head Office Address	Nature of Business	Total Number of Paid-up Shares	Number and Proportion of Common Shareholding of JAS and/or the Subsidiary	
Dormant Company or Company that Does not Operate Significant Transactions				
Premium Real Estate Co., Ltd. 200, Moo 4, Chaengwatana Rd., Pakkred Sub-district, Pakkred District, Nonthaburi 11120 Tel : 0-2100-3000 Fax : 0-2100-3575	Engages in real estate business	8,200,000	JAS	4,018,000 shares = 49%
Telecom KSC Co., Ltd. 2/4,10 <sup>th</sup> Fl., Siam Commercial Samaggi Insurance Tower, Vibhavadi Rungsit Rd., Thungsonghong Sub-district, Laksi District, Bangkok 10210 Tel : 0-2955-0099 Fax : 0-2955-0300	Engages in the distribution of computers, telecommunications equipment and software	100,000	JAS	40,000 shares = 40%
Jasmine Smart Shop Co., Ltd. 200, Moo 4, Chaengwatana Rd., Pakkred Sub-district, Pakkred District, Nonthaburi 11120 Tel: 0-2100-3000 Fax: 0-2100-3152	Engages in retailing telecom equipment	1,100,000	JAS	1,099,993 shares = 100%
Palit Palangngan Co., Ltd. 2034/132-161 New Petchburi Rd., Bangkapi Sub-district, Huaykwang District, Bangkok 10310 Tel : 0-2716-1600-700 Fax : 0-2716-1418	Engages in power plant business	10,000	JAS	1,500 shares = 15%

#### 4.1.3 General Information of Reference Persons

- Registrar : Thailand Securities Depository Co., Ltd.  
No. 93, Ratchadaphisek Road,  
Khwaeng Dindaeng, Dindaeng District, Bangkok 10400  
Tel. (66) 0 2009 9000 Fax (66) 0 2009-9476
- Auditor : EY Office Limited  
No.193/136-137, 33<sup>rd</sup> 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
- Legal Advisor : Weerawong, Chinnavat & Peangpanor Ltd.  
22<sup>nd</sup> Floor, Mercury Tower, 540 Ploenchit Road, Khwaeng Lumpini,  
Pathumwan District, Bangkok 10330  
Tel. (66) 0 2264 8000 Fax (66) 0 2657 2222

#### 4.2 Other Significant Information

- None -

# Shareholders

## 5. Shareholders

### 5.1 Major Shareholder

The top 10 largest shareholders of the Company as at the latest closing date of the Company's share register book (25 November 2016) are as follows:-

(The total number of shares: 7,136,957,115 Shares)

Name of Shareholder*	Number of Shares	% of Total Shares
1. Mr.Pete Bodharamik	4,295,246,452	60.18
2. Jasmine International PCL.	1,200,000,000	16.81
3. Thai NVDR Co., Ltd.	234,509,588	3.29
4. Mr.Krirkrai Tribunyatkul	63,498,100	0.89
5. HSBC (SINGAPORE) NOMINEES PTE LTD	59,658,800	0.84
6. Mr.Tidchuan Nanawaratorn	54,000,000	0.76
7. Mr.Wichan Wachirapong	40,000,000	0.56
8. CHASE NOMINEES LIMITED	36,207,200	0.51
9. STATE STREET BANK EUROPE LIMITED	35,552,706	0.50
10. Mrs.Ranee Uataweekul	23,730,000	0.33

*Remarks* : \* Detailed information of major shareholders as group and business types of juristic shareholders

<u>Thai NVDR Co., Ltd.</u>	<u>% of Shareholding</u>
- STATE STREET BANK AND TRUST COMPANY	1.33
- STATE STREET BANK EUROPE LIMITED	0.72

### 5.2 Information of Shareholders of the Subsidiaries that Operate Core Businesses

#### 1) Jasmine Submarine Telecommunications Co.Ltd.

Name of Shareholder	Number of Shares	% of Total Shares
1. Jasmine International PCL.	15,499,994	100.00
2. Mr.Anupong Bodharamik	1	0.00
3. Mr.Somboon Patcharasopak	2	0.00
4. Mr.Songrit Kusumrosananan	1	0.00
5. Ms.Saijai Kitsin	1	0.00
6. Mrs.Uraiporn Charoenchit	1	0.00

#### 2) Acumen Co.,Ltd.

Name of Shareholder	Number of Shares	% of Total Shares
1. Jasmine International PCL.	7,599,994	100.00
2. Mrs.Chutiwan Channet	1	0.00
3. Mr.Anupong Bodharamik	1	0.00
4. Mr.Somboon Patcharasopak	1	0.00
5. Mr.Songrit Kusumrosananan	1	0.00
6. Ms.Saijai Kitsin	2	0.00

### 5.3 Shareholders' Agreement

- None -

# Dividend Payment Policy of the Company and the Subsidiaries

## 6. Dividend Payment Policy of the Company and the Subsidiaries

The Board of Directors has the policy to propose for Shareholders' Meeting's consideration the dividend payment to general shareholders in the ratio of not less than 50 percent of the net profit after tax each year as shown in the Company's financial statement.

Regarding the dividend payment policy of the subsidiaries,

- JTS has a policy to pay the dividend in the ratio of not less than 40 percent of the net profit after corporate tax each year as shown in JTS financial statement. Such dividend payment must not significantly affect JTS normal operation. However, provided that it is of necessity for JTS to use an amount of its net profit for further business expansion, JTS dividend may be paid in the ratio lower than stated above.
- TTTBB has a policy to pay the dividend in the ratio of not less than 40 percent of its annual net profit from the TTTBB's financial statement after corporate tax and legal reserves. The payment will be after TTTBB's compliance with the laws and terms and conditions in loan contracts and other related burdens of TTTBB each year. With regard to this matter, TTTBB's Board of Directors has the authority to consider and approve occasional exemption or change of such policy; however, such exemption or change must be solely for the optimum benefits of the company.
- Other subsidiaries : the dividend payment depends on annual liquidity of cash flow.

## 7. Management Structure

### 7.1 The Company's Board of Directors

Names of the Board of Directors, Members of the Subcommittees, and Authorized Persons; Number of the Board of Directors' Meetings, and Number of Meeting Attendance of Each Individual Board of Director in the previous year

In 2016, the Company had 13 Board of Directors' meetings. The record of each Director's meeting attendance is as follows:-

Director's Name		Position	Number of Meetings Attendance
1. Mr.Sudhitham	Chirathivat	Independent Director and Chairman of the Board of Directors	10
2. Dr.Vichit	Yamboonruang	Independent Director and Chairman of Audit Committee	12
3. Dr.Yodhin	Anavil	Independent Director, Member of Audit Committee and Chairman of Remuneration and Nomination Committee	13
4. Mrs.Chantra	Purnariksha	Independent Director and Member of Audit Committee	13
5. Mr.Pete	Bodharamik	Director* and Chief Executive Officer	11
6. Mr.Somboon	Patcharasopak	Director*, Member of Remuneration and Nomination Committee and Chairman of Risk Management Committee	12
7. Mr.Subhoj	Sunyabhisithkul	Director*	12
8. Mr.Terasak	Jerauswapong	Director* and Member of Risk Management Committee	13
9. Mr.Pleumjai	Sinarkorn	Director and Member of Remuneration and Nomination Committee	13
10. Mr.Yordchai	Asawathongchai	Director	4**
11. Ms.Saijai	Kitsin	Director, Director and President, Secretary to the Board of Directors and Corporate Secretary	13

Remarks : \* Authorized director

\*\* Has been in place of Dr.Soraj Asavaprapha as a director since 19 September 2016

## Directors and Authorized Persons of the Subsidiaries that Operate the Company's Core Businesses

### 1) Jasmine Submarine Telecommunications Company Limited

- |               |                 |                                     |
|---------------|-----------------|-------------------------------------|
| 1. Mr.Terasak | Jerauswapong    | Director <sup>*</sup> and President |
| 2. Mr.Somboon | Patcharasopak   | Director <sup>*</sup>               |
| 3. Mr.Subhoj  | Sunyabhisithkul | Director <sup>*</sup>               |
| 4. Mr.Pete    | Bodharamik      | Director <sup>*</sup>               |
| 5. Ms.Saijai  | Kitsin          | Director                            |

*Remarks* : <sup>\*</sup> Authorized director

### 2) Acumen Company Limited.

- |               |                 |                       |
|---------------|-----------------|-----------------------|
| 1. Mr.Somboon | Patcharasopak   | Director <sup>*</sup> |
| 2. Mr.Terasak | Jerauswapong    | Director <sup>*</sup> |
| 3. Mr.Subhoj  | Sunyabhisithkul | Director <sup>*</sup> |
| 4. Mr.Pete    | Bodharamik      | Director <sup>*</sup> |

*Remarks* : <sup>\*</sup> Authorized director

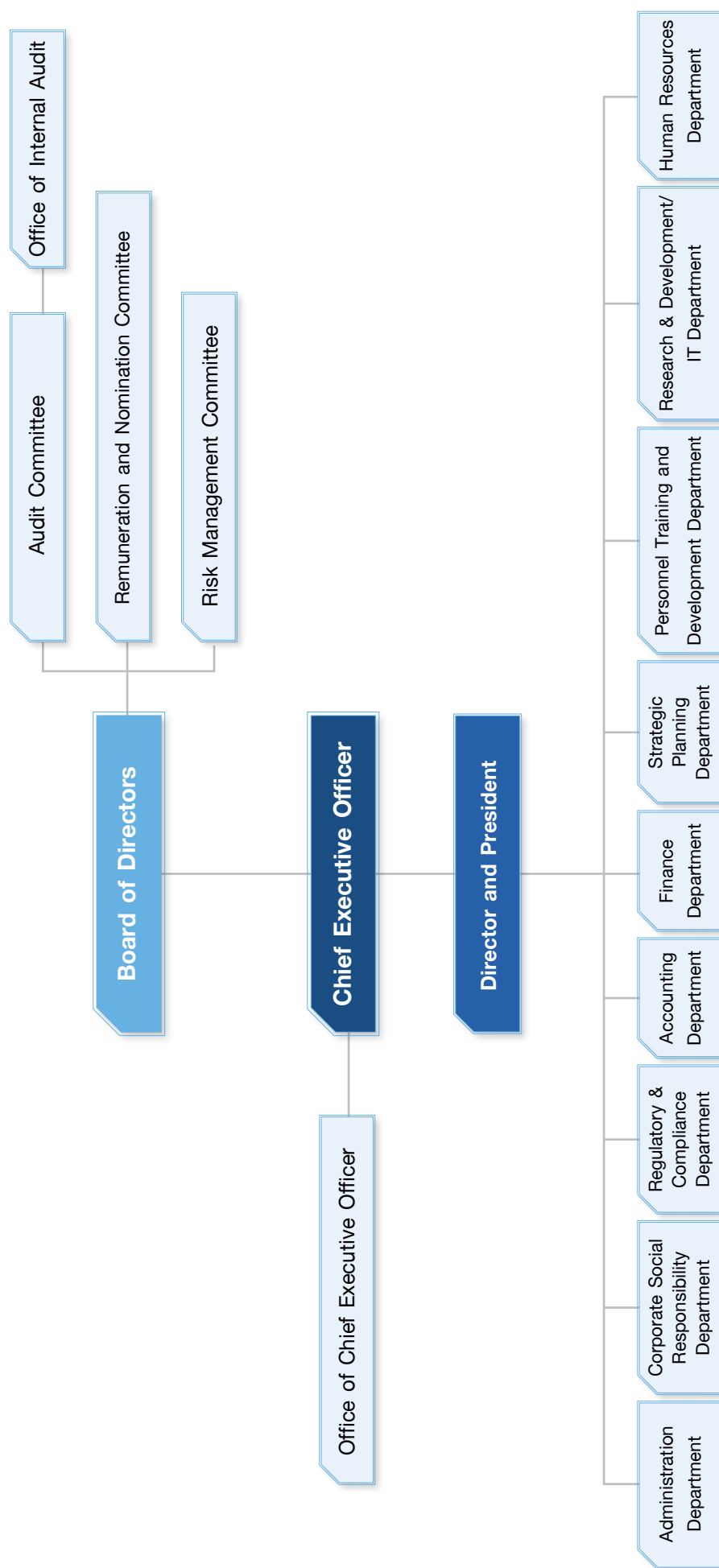
## 7.2 Executives

The Company has 6 executives as follows:-

- |                   |                |  |
|-------------------|----------------|--|
| 1. Mr.Pete        | Bodharamik     | Chief Executive Officer                            |
| 2. Ms.Saijai      | Kitsin         | Director and President                             |
| 3. Mrs.Chuenkamol | Treesuttacheep | Chief Financial Officer, Finance Department        |
| 4. Mrs.Nitt       | Visesphan      | Vice President, Finance Department                 |
| 5. Ms.Sinenart    | Jongpakpaisal  | Vice President, Accounting Department              |
| 6. Mrs.Uraiporn   | Charoenchit    | Vice President, Regulatory & Compliance Department |



## Management Structure and Organization Chart

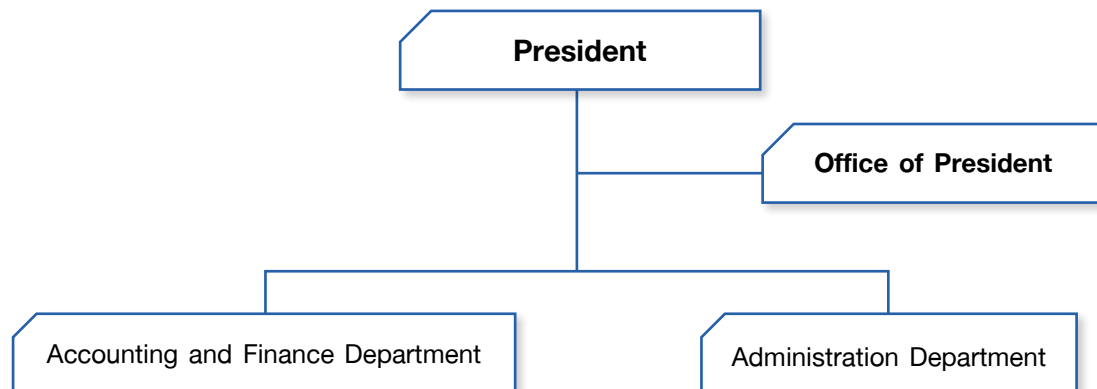


### Executives of the Subsidiaries that Operate the Core Businesses

1) Jasmine Submarine Telecommunications Company Limited. has 3 executives as follows:-

1. Mr.Terasak	Jerauswapong	President
2. Ms.Sinenart	Jongpakpaisal	Vice President, Accounting and Finance Department
3. Ms.Lukkana	Moolsri	Senior Manager, Administration Department

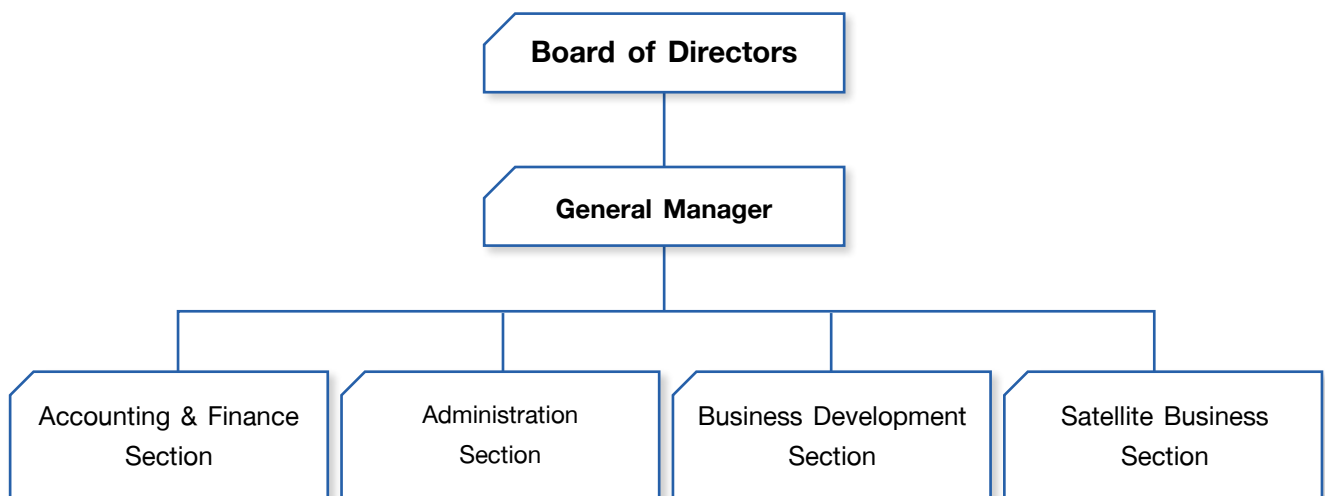
#### JSTC Organization Chart



2) Acumen Company Limited. has 4 executives as follows:-

1. Mrs.Nonglug	Pongsrihadulchai	General Manager
2. Mr.Kamchai	Vongklednark	Assistant General Manager
3. Mrs.Jirawat	Prayoonyuang	Assistant Vice President, Satellite Business Section
4. Mrs.Kanchana	Surbkitwanchai	Senior Manager, Accounting & Finance Section

#### ACU Organization Chart



### 7.3 Corporate Secretary

The Company's Corporate Secretary is Ms. Saijai Kitsin. Roles and responsibilities of the Corporate Secretary are as follows:-

1. Preparing, compiling and keeping the following documents:-
  - Registration of directors
  - Notices calling the Board of Directors' meetings, minutes of the Board of Directors' meetings, and the Company's Annual Reports
  - Notices calling the shareholders' meetings and minutes of the shareholders' meetings
2. Keeping reports on interest filled by the directors or the executives
3. Carrying out other activities as defined by the Capital Market Supervisory Board

Corporate Secretary has duties and responsibilities to both the Company's Board of Directors and the shareholders and has to work with awareness of duty of loyalty, duty of care, and fiduciary duty. Corporate Secretary must follow the Board of Directors' policies and carry out the tasks as assigned by the Board of Directors as summarized below:-

1. Undertaking arrangements for the meetings of the Board of Directors
2. Undertaking arrangements for the meetings of the shareholders
3. Keeping reports on interest filled by the directors and the executives as well as minutes of the meetings at a safe place of the registered office of the Company
4. Compiling the information on the Company's operation for the correct and complete preparation of Annual Registration Statement (Form 56-1) and Annual Report (Form 56-2) in compliance with the SEC regulations and delivering them accordingly to the shareholders and relevant agencies within the time specified by law
5. Providing the directors with advice and services pertaining to the Company's businesses, corporate practices and procedures, principles of risk management, regulations under Articles of Association, regarding ; for instances, sending of notices calling the meetings, passing of special resolution, quorum, procedures of director appointment, procedures of arranging an Annual General Meeting of Shareholders and so on; in addition to providing advice on laws applicable to the Company, roles and responsibilities of the Board of Directors prescribed by law, laws and regulations in connection with listing a company on the SET, and corporate information disclosure and so on
6. Ensuring that the Board of Directors and the Chief Executive Officer complete their performance assessment forms for the continuation of the performance evaluation, and compiling those forms for preparing assessment result report to the Board of Directors at the meeting
7. Keeping the registration of directors and information on the appointment of the Company's directors, verifying the term of a new director's post and the agenda in connection with the appointment of the Company's new director, as well as ensuring the provision of the information on the appointment of director at an Annual General Meeting of Shareholders as stated in the Company's Articles of Association
8. Steering the Board of Directors to perform their duty to be in compliance with the Company's principles of Corporate Governance
9. Ensuring that corporate information disclosure is correct, timely, and transparent, as well as being capable of supervising the compliance with the SET regulations on information disclosure
10. Carrying out other activities as defined by the Capital Market Supervisory Board

## 7.4 Remuneration of Directors and Executives of the Company

### 7.4.1 Cash Remuneration

#### 1) Board of Directors of the Company and the Subsidiaries that Operate the Core Businesses

##### 1.1) Jasmine International PCL.

##### 1.1.1) Remuneration of the Board of Directors and the Subcommittees According to the Positions:-

Position	Remuneration/Month/Head (Baht)	Gratuity/Year/Head (Baht)
Chairman of the Board of Directors	(Additional) 80,000	1,050,000
Independent Director	50,000	-
Chairman of Audit Committee	(Additional) 10,000	-
Audit Committee Member	25,000	750,000
Chairman of the Remuneration and Nomination Committee	(Additional) 10,000	-
Remuneration and Nomination Committee Member	10,000	-
Executive or Non-executive Director*	30,000	250,000
Chairman of the Risk Management Committee	(Additional) 10,000	-
Risk Management Committee Member	10,000	-

*Remarks* \* - Mr. Pete Bodharamik stated the intention not to receive any remuneration and gratuity as a director.

##### 1.1.2) Remuneration of Directors and the Subcommittees Disclosed Individually:-

Director's Name		Year 2016 (Baht)	Remuneration Details
1. Mr.Sudhitham	Chirathivat	2,610,000	Salary, Gratuity and other benefits**
2. Dr.Vichit	Yamboonruang	1,925,072	Salary, Gratuity and other benefits**
3. Dr.Yodhin	Anavil	1,956,323	Salary, Gratuity and other benefits**
4. Mrs.Chantra	Purnariksha	1,737,169	Salary, Gratuity and other benefits**
5. Mr.Pete	Bodharamik*	-	-
6. Mr.Somboon	Patcharasopak	1,086,552	Salary, Gratuity and other benefits**
7. Mr.Subhoj	Sunyabhisithkul	711,689	Salary, Gratuity and other benefits**
8. Mr.Terasak	Jerauswapong	741,760	Salary, Gratuity and other benefits**
9. Ms.Saijai	Kitsin	707,485	Salary, Gratuity and other benefits**
10. Mr.Pleumjai	Sinarkorn	763,669	Salary, Gratuity and other benefits**
11. Mr.Yordchai	Asawathongchai	176,260	Salary, Gratuity and other benefits**

*Remarks* \* - Mr. Pete Bodharamik stated the intention not to receive any remuneration and gratuity as a director.

- Mr.Yordchai Asawathongchai has been in place of Dr.Soraj Asavaprapha as a director since 19 September 2016; thus, the gratuity was calculated according to the duration of his directorship.

\*\* Other benefits covered the right to reimburse the medical treatment expenses for inpatient department (IPD), outpatient department (OPD) and other medical expenses that arise from illness and the right to apply for sports club and hotel membership.

##### 1.2) Jasmine Submarine Telecommunications Co., Ltd.

- Executive Directors did not receive the remuneration.

##### 1.3) Acumen Co., Ltd.

- Executive Directors did not receive the remuneration.

## 2) Remuneration of Executives of the Company and the Subsidiaries that Operate the Core Businesses

The Company and the Subsidiary	Number of Executive (Person)	Year 2016 (Baht)	Remuneration Details
1. Jasmine International PCL.	6	36,166,376	Salary and bonus
2. Jasmine Submarine Telecommunications Co., Ltd.	3	6,809,141	Salary and bonus
3. Acumen Co., Ltd.	4	6,189,425	Salary and bonus
<b>Total</b>	<b>13</b>	<b>49,164,942</b>	

### 7.4.2 Other Forms of Remuneration

The Company established a provident fund to serve as a welfare and security for its employees upon employment termination, physical deformity, retirement, death or resignation from the fund. The fund, namely Registered Provident Fund of Jasmine Group, comprises the contribution as designated by each employee of 3, 4, 5, 6, 7, 8, 10, 12 to 15 percent of his/her basic salary and the Company's contribution at the rate of 3 to 8 percent, depending on each employee's years of service.

## 7.5 Personnel

### 7.5.1 Information on Personnel of the Company and the Subsidiaries as at 31 December 2016

Item	Number of Employees (Persons)	Remuneration Amount (Baht)	Remuneration Details
1. Jasmine International PCL.	110	100,243,849	Salary, Overtime Wage, and Bonus
2. Jasmine International PCL. and the subsidiaries	7,674	2,458,607,806	Salary, Overtime Wage, and Bonus

### 7.5.2 Number of Employees in Major Departments of the Company as at 31 December 2016

Department	Number of Employees (Persons)
1. Office of Chief Executive Officer	30*
2. Office of Internal Audit	3
3. Administration	13
4. Corporate Social Responsibility	3
5. Regulatory & Compliance	5
6. Accounting	11
7. Finance	7
8. Personnel Training and Development	6
9. Research & Development/IT	10
10. Human Resources	22
<b>Total</b>	<b>110</b>

**Remarks** \* The number of the Company's employee, including the Chief Executive Officer

### 7.5.3 Personnel Training Policy of the Company

With years of experiences and successes that it has won throughout its own history as a telecommunications business operator, the Company always recognizes the importance of human resources as a key factor that drives the organization to success. Therefore, it has principally developed the personnel by enriching them with knowledge that is required by their jobs (Knowledge-based development scheme). Besides, as a leading Internet Service Provider of Thailand, the Company has a long-term plan an objective of which is to enable the personnel adapt themselves properly quickly in case of change.

Throughout the year 2016, the Company had supported and developed its personnel to acquire more knowledge and skills in addition to fostering positive attitudes at work by means of knowledge sharing method via several channels such as electronic media, training or seminars conducted either by experts invited from outside or experienced personnel within the organization, coaching by supervisors and among colleagues, on the job training, field trips both within the country and abroad and mutual learning between the management and the employees under Learning Organization guidelines.

Employees at all levels, whether it be executive, supervisor or practitioner, were developed for more skills that were beneficial to and required by their work ; for instances, management, service, sales, marketing, technology, and etc.; the average training period was 72 hours/person/year.

The Company provides its personnel with good welfare, chances of progress in their career paths, and reasonable compensation; thus, bringing about the personnel's work efficiency, love, organizational commitment and loyalty.

The Company is confident that human resources development that focuses on providing the personnel with good knowledge, intelligence, positive attitudes and good morale will further enhance strong and sustainable growth of the organization.

## 8. Corporate Governance

The Company's Board of Directors is entitled to set up Corporate Governance Policy which encompasses 5 major principles to be in line with the guideline of the SET. Details of which are as follows:-

### 8.1 Corporate Governance Policy

#### **1. The Rights of Shareholders**

The Company is well aware that all the fundamental rights of the shareholders both as investors and company owners must be significantly recognized. Such rights include the right to trade or transfer the securities they hold, the right to receive the Company's sharing profits, the right to adequately access the Company's information, the right to attend the shareholders' meeting wherein they can exercise the rights to express their opinions and vote for resolutions on the Company's significant matters ; for instances, dividend payment, appointment or removal of a director, appointment of external auditors, approval of any crucial transaction which might affect the directions of the Company's operation, amendment on Memorandum of Association or Articles of Association and so on.

In addition to the above mentioned fundamental rights, the Company manages to support and facilitate the shareholders' right exercise as follows:-

1. The Company arranges the Annual General Meeting of Shareholders within the first 4 months of the Company's fiscal year. Other shareholders' meetings shall be referred to as "Extraordinary Shareholders' Meetings"; each will be called for by the Board of Directors only when deemed appropriate. Invitation letters together with meeting agenda and related documents with adequate fact(s), reason(s) and



opinion(s) of the Board of Directors will be distributed for the shareholders to consider 7 or 14 days prior to the meeting date, depending on the subjects. The Company also advertises the meeting notice in the press 3 days consecutively before the date of meeting.

2. Provided that a shareholder is unable to attend the meeting in person, the Company allows him/her to assign an independent director or any person to attend the meeting on his/her behalf by filling in one of the proxy forms attached with the meeting invitation letter or downloaded from the Company's website.
3. During the meeting, the Company provides equal opportunities for the shareholders to make enquiries or to express their views. Therein, the Company's directors and relevant management are present to answer the questions that are raised. Significant question-and-answer issue as well as the significant opinions are recorded in the minutes of meeting to facilitate the shareholders' scrutiny.
4. The complete minutes of meeting shall be accomplished after the meeting date wherein complete and accurate information are presented for the shareholders' scrutiny.

## **2. The Equitable Treatment of Shareholders**

The Company has a policy to treat all the shareholders equally be they major shareholders, minor shareholders, institutional investors or foreign investors. Independent directors are assigned by the Company to be responsible for looking after the minor shareholders.

The Company has the policy to announce the schedule of its shareholders' meeting together with the agendas in Thai and English via the Company's website in no less than 30 days prior to the meeting date to facilitate both the Thai and foreign investors.

The shareholders' meeting is properly conducted according to the scheduled agenda in respect of the Company's Articles of Association. In each agenda, related information is clearly and completely presented for the meeting's consideration. If unnecessary, no un-informed agenda is introduced to the meeting neither is any important agenda which the shareholders need some time to make a prudent study before making a decision. In case that a shareholder is unable to attend the meeting in person, the Company allows him/her to assign an independent director or any person to attend the meeting on his/her behalf by filling in one of the proxy forms attached with the meeting invitation letter or downloaded from the Company's website.

Voting process is transparent with regard to the order of agenda items. During the meeting, the shareholders are entitled to cast the vote to express their agreement or disagreement or even to abstain from voting on any issue, including such significant ones as connected transactions, acquisition or disposal of the Company's assets and so on. The agenda on director election provides the shareholders with the chance to elect the directors as individual persons to replace the ones who retire by rotation.

The Company has the policy to disclose information on related party transactions, connected transactions and others as required by the regulations stipulated by the regulators of the listed companies.

The Company has established the Code of Ethics for employees, stipulating the importance of keeping the information of both the Company and its subsidiaries in confidence. It has also set up penalty for any staff who makes use of the inside information for his/her own benefits or implement the same in the manner that may damage the Company's reputation. Additionally, the trading or transferring of the Company's securities by using confidential information and/or inside information is prohibited in the like manner as the conduct of juristic act, using the Company's confidential information and/or inside information since such doing may cause damage to the Company either directly or indirectly.

The Company has set up a measure to prevent “Insider Trading”, that is considered improper conduct, by relevant persons who are directors, executives, and staff working in the departments related to the inside information (including their spouses and minors). According to the measure, such relevant persons are not allowed to trade the Company’s securities a month before the disclosure of the quarterly and annual financial statements. The Company has informed its directors and executives not only of their duty to report their holding of the Company’s securities but also the penalty according to the Securities and Exchange Act of B.E.2535 and the regulations of the SET. In case that the directors or the executives trade the Company’s securities which they hold, they are obliged to report changes in the possession of their own securities, spouses and minors to the SEC to comply with Section 59 of the Securities and Exchange Act of B.E.2535 within 3 weekdays so that it is further disclosed to the public.

Pertaining to this matter, the Company has set up the disciplinary penalty to apply to any relevant person who discloses or makes use of the Company’s inside information for seeking his /her own personal interests. The degree of penalty varies, according to the case, from verbal warning, written warning to putting on probation, firing or dismissal.

### **3. The Role of Stakeholders**

The Company equally respects the rights of all the stakeholders whether they are the inside stakeholders such as the Company’s employees and the executives or the outside-party stakeholders such as creditors and customers, etc. The Company realizes that the support and suggestions from every group of stakeholders are valuable and beneficial to both the operation and business development. Therefore, the Company will perform the duty to comply with the law and other related regulations to ensure that all the rights of the stakeholders are well protected. Furthermore, the Company gives importance to equal treatment under human rights principles and shall not have a hand in any conspiracy that is against human rights. The Company supports and respects human rights protection and has guidelines to guard the rights of every stakeholder group as required by law.

Regarding intellectual property or copyright, the Company has a policy to strictly obey the laws enacted to protect intellectual property to prevent relevant stakeholders from any impact.

Also, the Company has an anti-corruption-and-bribery-for-business-benefit policy that is included in Code of Employees’ Ethics for employees’ acknowledgement and further conformity. The Company does not have any policy on offering money, incentives, gifts, or special privileges in any form, directly or indirectly, to any person in order to gain business benefits or competitive advantages. In addition, the Company strongly supports cooperation between the Company itself and each group of stakeholders for the Company’s stability. To this respect, the Company follows the directions below to appropriately treat each stakeholder group.

- |                     |   |
|---------------------|---|
| <b>Shareholders</b> | : With an aim to bring about the highest satisfaction to its shareholders, the Company tries its best to be their ever efficient and trustworthy business representative, taking into account the long term growth of its value and the emphasis on transparent and honest information disclosure.  |
| <b>Employees</b>    | : The Company regards employees as its very precious resources. So, it focuses on supporting human resources development which consequently leads to its maximum benefit. Besides, it encourages the employees to play a part in creating a good organization culture, strong teamwork and safe and pleasant working atmosphere. In addition, it provides the employees with welfares and good environment; meanwhile, implanting in them the awareness of working with loyalty, taking into the minds all the possible impacts on both the organization and outside people in general. |

<b>Competitors</b>	: The Company commercially contends with other trade competitors on the fair and ethical competition basis.
<b>Customers</b>	: The Company is committed to providing quality services for the highest satisfaction and confidence of the customers.
<b>Trade Counterparts and Creditors</b>	: The Company has a policy to treat both the counterparts and the creditors fairly in compliance with trading conditions and/or terms in mutual contracts to enhance good business relationship, beneficial to all parties.
<b>Community and Public</b>	: On a regular basis, the Company joins and sponsors socially constructive projects and activities as exemplified by social responsibility activities, especially, the contribution of high-speed Internet and WiFi to schools in rural areas free of charge, financial and material donations to several foundations and organizations.
<b>Environment</b>	: The Company recognizes the importance of environment and simultaneously is concerned about the impact of pollutions on communities. The Company's nature of business does not jeopardize the environment.

The Company will conduct its business to be in line with the law and other related regulations to assure the shareholders of the best protection of their rights.

#### **4. Disclosure and Transparency**

The Company's Board of Directors takes as its obligation the disclosure of the Company's financial and other Company-related information to be complete, accurate, and transparent in compliance with the regulations of the SEC and the SET. Additionally, it discloses other significant information which may affect the price of the Company's securities which in turn impacts on the decision of the Company's investors and stakeholders. Such information is accessible to the Company's shareholders, investors and the public via the channels and media of the SET as well as the Company's website.

For Investor Relations, the Finance Department is assigned to represent the Company in communicating with institutional investors, shareholders, analysts and relevant state organizations; whereas, the Regulatory & Compliance Department is accountable for corporate reports.

The Company's Board of Directors is responsible for the consolidated financial statements of the Company and its subsidiaries as well as any financial-related information disclosed in the Company's Annual Report. Such financial statements are prudently prepared pursuant to the accounting principles generally accepted country-wide based on the appropriate accounting policy with which the Company regularly complies. Besides, the information therein is adequately disclosed. The Audit Committee is obliged to verify the quality of the Company's financial reports and internal control system, including the adequacy of the disclosure of important information in notes to the financial statements prior to acknowledging their opinions to the Board of Directors' meeting and the shareholders' meeting, respectively.

#### **5. Responsibilities of the Board of Directors**

##### **1. Structure of the Board of Directors**

The Board of Directors of the Company is made up of individuals recognized for their knowledge and capabilities. The Board plays a vital role in setting up corporate policy and organization overview besides independently overseeing, auditing, and assessing the Company's performance to be in accordance with the Business Plan.

Structurally, the Board of Directors totally comprises 11 directors, 4 of whom are independent directors. The appointment of the independent directors in such adequate and proper proportion enables

the balance of power in the Board of Directors. The Company's administration is finally verified by the Audit Committee which consists of 3 accredited independent members.

#### Term of Office of the Board of Directors

According to the Company's Articles of Association, at every Annual General Meeting of Shareholders, one-third of the directors who have the longest terms in office shall retire. Nevertheless, provided that the number of the directors is not a multiple of three, then the number nearest to one-third shall retire from office. The retirement of the directors in the first and the second year after the listing of the Company on the SET is based on the method of lot-drawing. As for in the later years, the directors who serve the longest terms shall retire. The Company's Articles of Association also prescribes that the retired directors are eligible for re-election. Furthermore, whether a director can continuously remain in office without break for the longest period will be determined by the Company by taking into account his/her individual qualifications and appropriateness.

The Board of Directors has approved to embrace the disclosure of the number of the companies in which each director has his/her position as a significant criterion for the Board of Directors election; The Company; thus, discloses the information of all the directors who are also directors of other companies in details. At present, 6 directors of the Company's Board of Directors are holding the positions of director in more than 1 listed company. However, since those directors have sufficiently devoted their time carrying out the Company's tasks with all their efforts, the holding of their positions in other companies does not affect their performance at all ; moreover, they regularly participate in the Company's Board of Directors' meetings and always provide practical opinions for the Company therein.

#### Board Member Orientation

A newly appointed director will be briefed on businesses of the Company. The Company also sends him/her a set of document on regulations for the Board of Directors and the Board of Directors' responsibilities to notify them of good practice as a director of the Company.

## 2. Subcommittee

For efficient corporate governance, the Company established 3 subcommittees, namely Audit Committee, Risk Management Committee and Remuneration and Nomination Committee and also set up distinct scopes of authority, duty and responsibility for each.

## 3. Role, Duty, and Responsibility of the Board of Directors

The Company's Board of Directors is made up of individuals who are knowledgeable, proficient, expert and well equipped with beneficial experiences in various fields apart from distinguished leadership. They collectively set visions, missions, strategies and business directions in addition to providing efficacious oversight of the Company's operation to be in compliance with all the relevant laws and to correspond to the objectives and regulations of the Company as well as the resolutions of the shareholders' meeting. They also set up subcommittees to monitor and supervise the Company's operation. The Company supports every director for his/her interest in taking any training course that provides essential knowledge that helps enhance him/her more professionalism as a director and that can be applied for the endless development of the quality of directors' performances.

In regard to top management succession planning, the Board of Directors has assigned the Remuneration and Nomination Committee to set up criteria and procedures for the selection of qualified candidates for top management positions. It is required that such plan be annually reviewed and the results thereof be reported to the Board of Directors.

### Corporate Governance Policy

The Company is entitled to set up the policy of good corporate governance in writing. Such policy, approved by the Board of Directors' meeting, is regularly reviewed, at least once a year, in terms of content and compliance.

### Business Ethics

The Company has set up and put in writing the Code of Business Ethics as an essential guideline for the Board of Directors, the management and employees of all levels to adhere so as to conduct the Company's business and serve all the groups of stakeholders, society and the public fairly and honestly. Besides, it has announced such Code of Business Ethics and acknowledged them to its employees for strict compliance. For effectiveness, a set of disciplinary penalty is set up as well as a system for following up the practice of the Code of Business Ethics that is regularly applied.

### Conflict of Interest

The Company's Board of Directors has set up the policy on conflicts of interest based on the principle that any decision on business conduct must be made with respect to the highest interests of the Company only. Any action which might lead to conflicts of interest must be avoided. It is specified that any person relevant to or connected with the subject to be considered is obliged to acknowledge the Company of his / her relationship to or connection with the matter. He/She is not permitted to join the party which judges the case and does not have the power to authorize that particular transaction. No irregular conditions or regulations are specially set for such case. It is also stipulated that the Office of Internal Audit and the Audit Committee are responsible for taking care of and solving the conflicts of interest. However, to date, the Company has not experienced the problem related to conflicts of interest.

The Audit Committee will report the carefully considered connected transaction matter and any matter containing a conflict of interest to the Board of Directors in compliance with the regulations of the SET. Such information is disclosed in the Company's Annual Report and the Updated Registration Statement (56-1 Form).

Whenever changes in securities holding of the Board of Directors and the management of the Company, including their spouses and minors occur, they must be informed to the Company and reported to the SEC respectively according to Section 59 of the Securities and Exchange Act of B.E.2535 within 3 weekdays commencing from the date of trade or transfer. Besides, to prevent improper usage of the Company's inside information, directors, executives and departments having an access to the Company's inside information are forbidden from disclosing such information to the outside parties and anyone who does not involve in the Company's securities trading a month prior to the disclosure of the Company's financial statements.

### Internal Control System

Realizing the importance of efficient internal control system in both management and operation levels, the Company has set up the scopes of duty and authority for its executives and employees clearly in writing. The Company also conducts the control of assets usage for its own benefit. In addition, the duties of staff and officers in charge of monitoring and assessment officers are segregated. The Audit Committee has been set up by the Company to verify the internal control system and oversee the internal audit properly and efficiently.

## Risk Management

The Company evaluates the adequacy of its existing internal control system on a yearly basis. Its Risk Management Committee also assesses internal and external risk factors, analyzes them and follows up the outcome besides finding measures to mitigate risks within the organization and properly improve the operation for more effectiveness.

## Report of the Board of Directors

Quarterly, the Accounting Department organizes a meeting between the relevant staff and the Company's auditors. The Company's Audit Committee is accountable for the review of the financial reports that are to be presented to the Board of Directors by the Accounting Department. The Board of Directors is responsible for the consolidated financial statements of the Company and its subsidiaries as well as the financial information (the report on the Board of Directors' responsibilities for financial matters) presented in the Annual Report. Such financial statements are prepared in accordance with the accounting principles, certified and audited with prudence by the Company's auditors. The disclosure of significant financial-related and non-financial related information is completely and regularly done on the factual basis.

### 4. Board of Directors' Meeting

The Company's Board of Directors' meeting is scheduled to be convened in every 3 months. However, a special meeting can be called if it is deemed necessary. The agenda items for each meeting are clear and specific. Documents concerned are sent to the directors prior to the meeting date in order to provide them with sufficient time of study, except for an emergency case. The meeting is recorded in writing. The minutes as well as other certified documents are kept for references and all must be examinable in the following meeting. Issues to be included in the meeting agenda are a result of prudent co-consideration of the Company's Chairman of the Board of the Directors and the Chief Executive Officer or the President. To this regard, each director can also propose issues for the preparation of a meeting agenda.

During the meeting, the Company's Chairman of the Board of Directors or the person who is elected to act as Chairman of the Board of Directors' meeting will provide opportunities for the directors to independently express their opinions. Sometimes, the Company's top management join the meeting for the provision of additional useful information in some particular agendas as related persons. On this occasion also that they can be directly acknowledged of the policy and put it into practice accordingly and efficiently. Resolutions are based on majority vote of the Board members attending the meeting; one director is eligible for one vote. However, a director who has interests in the matter under consideration shall not join the meeting and/or abstain from voting. In case of tie, the Chairman has the casting vote.

The Board of Directors' minutes of meeting, taken by the Secretary to the Board of Directors who takes part in every meeting, is presented to the chairman of the meeting to consider and sign for certification prior to proposing as the first agenda item in the following meeting for the Board of Directors to certify. After certification, the Secretary to the Board of Directors will store all the information and documents related to the meetings to facilitate data references and searches.

The Board of Directors has the policy to encourage the non-executive members to schedule meetings among themselves without the management team at least once a year. Corporate Secretary, as the meeting coordinator, is assigned the task of meeting organization.



#### 5. Board of Directors' Self Assessment

The Company's Board of Directors has the policy to evaluate their own performances, taking into account the Company's business operation result, the degree of conformity to the established policies and the overall economic and social situations as significant criteria. The self assessment results are useful for self improvement in working of each individual director.

The Chief Executive Officer's performance is considered by the Board of Directors, based on the evaluation results of the CEO Performance Evaluation Form and the Company's operation results.

#### Anti-corruption Policy

Jasmine International Public Company Limited ("the Company") places importance on conducting business in a transparent manner with integrity in accordance with good corporate governance principles, adhering to its responsibility to the society and the nation as a whole. Realizing that corruption is a serious problem that hinders the development of the country; the Company has established an anti-corruption policy for itself and the subsidiaries (Both the Company and its subsidiaries shall be referred to herein as "the company.") to apply as a guideline for business operation, with confidence that it would enable effective development to a sustainability organization, which, in a way, is a support to national development.

#### Definition of "Corruption"

"Corruption" refers to any form of bribery whether it be an offer, a proposal to provide, a pledge or a promise to give, a request for or an acceptance of benefits such as money, assets and other undue advantage to/from a government officer, the government sector, the private sector, or any responsible person either in direct or indirect manner in order to acquire or retain a business as well as to recommend specific business to the entity and to protect any inappropriate interest for the company's business; except for the case enabled by law, regulation, announcement, rule, local tradition, or trade usage.

#### Anti-corruption Policy and Guideline

1. The directors, the executives and the employees of the company are prohibited from engaging in or accepting corruption of all types. The Anti-corruption Policy shall be applied to several company activities; for instances, personnel recruitment/nomination; promotion; procurement; sale; business-relation creation with both the government and the private sectors, and so on.
2. Every employee is obliged to notify his/her supervisor or the responsible person of any act of corruption or any intention that is within the scope of corruption. Furthermore, he/she must be cooperative in investigation procedure.
3. The company shall provide fairness and protection for every employee who denies corruption or informs the company of any corruption case.
4. A person who commits corruption shall receive disciplinary punishment as stipulated by the Article of Association of the Company. Conviction on law may be applied in case such act violates the law.
5. The anti-corruption policy and guideline shall be regularly revised to suit the changing business, rules, regulations, and all the applicable laws.

#### Whistle Blowing and Notice of Complaint

A person who finds corrupt practices or corruption-related cases, directly or indirectly, can notice the whistle blowing or make the complaint to the company through the following communication channels:-

1. E-mail : [churnkamol.t@jasmine.com](mailto:churnkamol.t@jasmine.com)
2. The Company's website : [www.jasmine.com/contact/whistle blowing](http://www.jasmine.com/contact/whistle%20blowing)
3. Telephone Number : 02 100 3085

### **Preventive and Confidential Measure**

Any person assigned by the Company to be responsible for the task of complaints and whistle blowing has a duty keep all personal information of every complainant and informant such as his/her name, address, subject of complaint and all the relevant documents, in confidentiality. Such information shall not be disclosed to anyone who is not a concerned person unless the disclosure is required by law.

### **Promotion of Anti-corruption Policy**

To ensure that the Anti-corruption Policy is completely and thoroughly communicated to all personnel of the organization, the company shall

1. Announce the Policy to acknowledge its personnel for the right compliance
2. Promote the Policy through the Company's communication channels such as emails, website, Annual Registration Statement (Form 56-1) and Annual Report (Form 56-2)
3. Compile and disseminate the laws against bribery and corruption support
4. Regularly review the Anti-corruption Policy

### **Gift Policy**

The directors, the executives and/or the employees of the Company and its subsidiaries are prohibited from receiving any benefit from government officers, government sector, private agencies, business partners, or people with whom the Company and its subsidiaries do business, be it in the form of money, assets or others for their own; except for the case of the International New Year or other generally accepted local customary or traditional practices. The gifts that the directors, the executives and/or the employees of the Company and its subsidiaries may receive on those occasions should not be exceeding 3,000 Baht in value. In addition, the directors, the executives and/or the employees of the Company and its subsidiaries are not permitted, in any case, to accept immoderate or inappropriate hospitality and reception.

### **Report on Compliance with Corporate Governance Policy**

In 2016, the Company completely conformed to the Good Corporate Governance Policy stipulated by the Board of Directors. However, there are still some significant additional matters to be reported as detailed below:-

#### ***1) and 2) Regarding the Rights of Shareholders and the Equitable Treatment of Shareholders***

1. The Company completely and accurately reported its operation results to the shareholders and also arranged the shareholders' meeting to report and request for the approval of issues which are significant or require resolutions from the meeting according to the law.
2. Last year, the Company organized the Annual General Meeting of Shareholders (the 2016 AGM) on 29 April 2016; all the Company's directors attended the meeting.
3. The shareholders' meeting was held at the Company which was located on the area, reachable by enough public transportation; thus, the shareholders could travel to attend the meetings conveniently.
4. The Company provided the shareholders with adequate time to study detailed information of the documents for the 2016 AGM beforehand by:
  - posting the invitation letter to the 2016 AGM on its website ([www.jasmine.com](http://www.jasmine.com)) 31 days prior to the meeting date. It also posted the Minutes of the 2015 AGM on the website 14 days after the date of the meeting.
5. The Company has not yet provided the shareholders a chance to submit their opinions, recommendations, inquiries, additional agenda items or names of candidates for the position of director to the Company since, for the time being, the Company is considering an appropriate guideline and a policy related to the matters.

6. The records of proxy in which the shareholders specified their intention to assign the Company's directors to attend the meetings and vote on their behalves at the shareholders' meetings in 2016 are as follows:-
  - At the 2016 AGM, 313 shareholders assigned the Company's Independent Directors, namely, Mr.Sudhitham Chirathivat, Dr.Vichit Yamboonruang Dr.Yodhin Anavil and Mrs.Chantra Purnariksha to vote on their behalves. In the like manner, 1 shareholder assigned Mr.Somboon Patcharasopak, the Company's director, to vote on his behalf.
7. In the shareholders' meetings, all the shareholders were equitably allowed to express their opinions and raise questions to any of the management who attended the meeting. Voting portion for any agenda resolution was compliant to the following regulations:
  - 1) In a normal case, the resolution is subject to the majority vote of the eligible shareholders who attend the meeting. One share is entitled to one vote. However, the chairman of the meeting has the casting vote in case of tie.
  - 2) In the following cases, at least three-fourth of the total votes of the eligible shareholders attending the meeting are required subject to one share for one vote:
    - The total or partial sales or transfer of the Company's significant business operation to any third party.
    - The purchase or undertaking of the transfer of any companies or private sectors, and
    - The execution, amendment, or cancellation of the partial or total lease of the Company's business to any third party, or business merger with any third party aiming for mutual profit and loss sharing.
8. The Company complied with the policy on the prevention of the inside information usage. Details of this policy are in Subsection 8.5 : Control of Inside Information Usage and Section 10 : Internal Control and Risk Management, Topic : Control Activities. In 2016, the Company's executives and other relevant persons strictly conformed to such policy. None ignored or violated it.

### **3) Regarding the Role of Stakeholders**

Provided that there is a case in which a stakeholder's right is violated by the Company, the Company shall do everything in compliance with the law. Besides, a shareholder can submit a complaint or inform the Company of a trace of such matter at [www.jasmine.com/contact/](http://www.jasmine.com/contact/) whistle blowing. However, in the previous year, no case of violation of the shareholders' right occurred nor did the conflict between the Company and the stakeholders. The Company joined the Collective Action Coalition of the Private Sector Against Corruption on 6 January 2015.

### **4) Regarding the Disclosure and Transparency**

The Company's disclosure of the financial and the non-financial information was correct, complete, timely, transparent, and fair to all parties in conformity with the regulations stipulated by the SEC and the SET. The information that was already disclosed to the SET was also posted on the Company's website ([www.jasmine.com](http://www.jasmine.com)) of the "Investor Relation/news to SET" menu.

The remuneration of the Company's executives is disclosed in Subsection 8.4 of the Updated Registration Statement (56-1 Form) and herein in Subsection 7.4. Initially, the remuneration had passed prudent consideration of the Remuneration and Nomination Committee. Then, it was considered and approved by the Board of Directors' meeting. Both the Remuneration and Nomination Committee and the Board of Directors took into account remuneration information of other companies of the same line of industry, the Company's own business expansion and growth of profits as references. The remuneration of the Company's directors was finally approved by the shareholders' meeting.

As for salary, bonus and other benefits for the executives and the employees, each was considered mainly based on the Company's operating results. Besides cash remuneration, the Company provided its executives and employees with welfares other than those required by law such as provident fund, annual health checkup, and recreational activities.

The Company fairly treated every group of investors, be it individual or institution, local or foreign by providing for analysts or interested investors a chance to directly have a meeting with the Company's executives as much as possible. The Company also disclosed the information on operation analysis in Investor Bulletin, prepared quarterly and posted on the Company's website ([www.jasmine.com](http://www.jasmine.com)) : Investor Relation/Investor Bulletin. Investor Relations Unit of the Company was responsible for giving information to the investors directly; thus, interested analysts and investors could contact the Company conveniently via telephone and e-mail address. The task of Investor Relations is trusted to the Finance Department.

- The contact person is Mrs. Chuenkamol Treesuttacheep, telephone: 0-2100-3085, email address: [churnkamol.t@jasmine.com](mailto:churnkamol.t@jasmine.com).  
Meanwhile, the disclosure of significant data of the Company is assigned to the Regulatory & Compliance Department.
- The contact person is Mrs. Uraiporn Charoenchit, telephone: 0-2100-3118, email address: [curaiporn@jasmine.com](mailto:curaiporn@jasmine.com).

#### **5) Regarding Responsibilities of the Board of Directors**

1. Of the total 11 directors who constitute the Company's structure of the Board of Directors, 4 of whom are independent directors whose qualifications meet the Company's definition which is equivalent to the standard of the SEC.

The 4 independent directors are of not less than one-third of the total number of the directors in the Board. Three of the independent directors who are qualified according to the requirements of the SET are also positioned in the Company's Audit Committee, having independent power in the audit administration. Furthermore, 1 independent director has a position in the Remuneration and Nomination Committee.

The Company has clearly delineated the roles and responsibilities of the Board of Directors and the management. The organization structure is practical in which the management power is delegated to the employees of different levels, enabling them to participate in the Company's operations and dexterously perform their duties. The scopes of authorities and budgetary approval for each management level are clearly explicated in writing.

The Company has clearly segregated authorities and roles between Chairman of the Board of Directors and Chief Executive Officer so as to prevent unlimited authority. Chairman of the Board of Directors is a director who is elected and appointed by the Board of Directors; whereas, the Chief Executive Officer is appointed by the Board of Directors, taking into consideration the proposal of the Remuneration and Nomination Committee (as detailed in Section 8.2 : the Company's Board of Directors and Subcommittees)

2. The Company discloses its Corporate Governance Policy via the website ([www.jasmine.com](http://www.jasmine.com)) at the Investor Relations/Corporate Governance menu for the acknowledgement of the directors, employees and investors in general.
3. The Company has set up and put in writing the business operation policy and procedures, which are prudent and malfeasance-preventive in terms of payment requisition, procurement, personnel

management and general administration. In addition, the Company has established the Code of Business Ethics as a vital guideline in business operation for the Board of Directors, the executives and the employees of all levels as detailed below:-

- 1) To adhere to fine virtues and morals
  - 2) To be self-disciplined, to be well aware of one's own duties, to respect one's own rights and others', and to realize that discipline upkeep is a kind of behavior improvement not punishment
  - 3) To perform any assigned duty in compliance with the policy that is in compliance with law, honestly, so as to keep the Company's image unblemished
  - 4) Not to directly or indirectly have a deliberate intention to harm, destroy or erode other persons' reputation, progress or business
  - 5) To implement the leadership skill in business operation by utilizing the employees' proficiency as a tool for organization's success, not for personal interests.
  - 6) Should there be any personal interest other than the one received from the Company, one is obliged to disclose the information thereof to the Company immediately; furthermore, one should not get involved in any other business activity that may lead to a conflict of interest or deteriorate work efficiency
  - 7) To create the work atmosphere that encourages opinion exchange, creativity, innovative ideas, suggestions as well as sensible, righteous and impartial decision making
  - 8) Not to disclose confidential information obtained by authority for own benefits, or to implement the same in the manner that may damage the Company's reputation
  - 9) To always realize that, in business operation, one does not commit only to his own duties or the business owner, but also to the purchasers, suppliers, shareholders, customers and employees; therefore, mutual benefits of these groups become the major guideline of the business operation as a whole
  - 10) To be responsible for the performances of oneself and subordinates
  - 11) To seek, improve and increase the personal capability and perform duties with knowledge, proficiency, and appropriate standard as being set for the position with attentiveness and responsibility for one's and the Company's progress
  - 12) To plan, set up and analyze work objectives to achieve the Company's goal while heeding the moral and professional ethics as well as the culture of relevant parties in the organization
  - 13) To maintain and be attentive to the health, security, bio-hygiene and environment of the whole organization, and to keep the work place in a tidy, exquisite and healthful condition
  - 14) To maximize the effective and efficient deployment of the Company's resources
4. Regarding the Board of Directors' Meeting, it is required by the Company's Article of Association that at a Board of Directors' meeting, not less than  $\frac{1}{2}$  of the total number of the entire directors constitutes a quorum. In case that at any meeting, the Chairman of the Board of Directors is not present or cannot perform his duty, it is required that the Vice Chairman of the Board of Directors be the Chairman of the Meeting. However, if the Company does not have a Vice Chairman of the Board of Directors or if the Vice Chairman cannot perform his duty on the meeting date, the directors present may elect one of their members to be Chairman of the Meeting. In summoning a Board of Directors' Meeting, Chairman of the Meeting or a person assigned must dispatch notice of summoning to all the directors not less than 7 days prior to the meeting date, except for an urgent case that the meeting is allowed to be called quicker and by other means in order to preserve the rights or the benefits of the Company.

In 2016, the Company completely complied with the regulation on such matter. Throughout the year, 13 Board of Directors' meetings were held. The record of each Director's meeting attendance is shown in Subsection 7.1.

5. The Company has set up Audit Committee to consider and verify details of the related work prior to the submission to the Board of Directors. The Audit Committee is scheduled for a meeting once a quarter. (See details of roles and responsibilities of Audit Committee in Subsection 8.2.)

The Company has also set up the Risk Management Committee and the Remuneration and Nomination Committee whose authority and duties are explained in details in Subsection 8.2.

During the year 2016, the Company's subcommittees arranged their meetings as summarized below:-

- The Audit Committee held 5 meetings. All the committee members completed their attendance in 3 of the meetings. As for each of the other 2 meetings, it was not attended by Dr.Vichit Yamboonruang and Mrs.Chantra Purnariksha, respectively.
- The Risk Management Committee held 4 meetings. All the committee members completed their attendance.
- The Remuneration and Nomination Committee held 3 meetings. All the committee members completed their attendance.

6. The Company has established the Office the Internal Audit in accordance with the regulations of the SET to ensure that the Company's and its subsidiaries' operations comply with the Company's rules and regulations. It also encourages employees of all levels to perform their jobs efficiently and effectively with environmental and ethical consciousness. An internal auditor is responsible for the analysis, assessment, suggestions, consultation and information provision, which serve as working tools, as well as leverage the efficiency of the internal audit system with the cost-effective budget.

The task of internal audit includes testing and assessment of adequacy and efficiency of the internal control system as well as the quality of the work within the organization , hence, the responsibilities of internal auditors are as follows:-

- 1) To verify and report the reliability and completeness of financial information, work performance and method of judgment and evaluation
- 2) To ensure that the work system, which has significant impacts on the operations and reports, conforms to the Company's policies, operation plans, regulations, as well as related laws
- 3) To verify appropriateness of the Company's asset upkeep, exploitation, and existence inspection
- 4) To assess the exploitation of the Company's resources, aiming for the most efficient, effective and worthwhile results
- 5) To verify the business operation or business plan so as to ensure its compliance with the Company's objectives and goal and the success of the work plan at the Company's supreme target
- 6) To provide the Audit Committee with suggestions that would enhance more appropriateness and prudence to internal control system
- 7) To perform any other task assigned by the Audit Committee

With regard to Risk Management, please see more details in Section 10 : Internal Control and Risk Management.

7. In 2016, the Board of Directors and all the subcommittees of the Company evaluated their own performance both as a party and an individual; the Board of Directors also evaluated the performance



of the Chief Executive Officer, using the assessment form prepared based on the guideline of the Corporate Governance Center of the SET. The Board of Directors also reviewed the business operation policy and improved the business plan on a regular basis to increase efficiency of the management system and the internal control system of Jasmine International Group.

The result of the performance evaluation of each subcommittee will be reported to the Board of Directors in their meeting in order to comply with the requirement of the Thai Institute of Directors Association (IOD) on Corporate Governance of the listed companies.

Evaluation Criteria and average performance evaluation results of the Board of Directors, each subcommittee and the Chief Executive Officer are as detailed below:-

*Grading Criteria*

- |  |  |
|--|--|
| 0 = No action has been taken.                      | 1 = A little action has been taken.                              |
| 2 = The action has been taken to a certain degree. | 3 = The action has been well taken.                              |
| 4 = The action has been excellently taken.         | N/A = There is no information or the information cannot be used. |

Evaluation Criteria and average performance evaluation results

Type of Committee	Evaluation Criteria	Percentage of Average of Good and Excellent Performance Evaluation Result
<b>Board of Directors</b>		
- As a party	1. Structure and Qualifications of the Committee 2. Roles and Responsibilities of the Committee 3. The Committee Meetings 4. Fulfillment of Duties of the Committee 5. Relationship with the Management Support Team 6. Self-development of the Committee and the Development of the Executives	99.42
- As an Individual	1. Structure and Qualifications of the Committee 2. The Committee Meetings 3. Roles and Responsibilities of the Committee	100
<b>Chief Executive Officer</b>	1. Leadership 2. Strategic Planning 3. Compliance to Strategic Planning 4. Financial Planning and Compliance 5. Relationship with the Board of Directors 6. Relationship with Outside Party 7. Management and Relationship with Personnel 8. Succession 9. Knowledge on Products and Services 10. Personal Qualifications	98.83

Type of Committee	Evaluation Criteria	Percentage of Average of Good and Excellent Performance Evaluation Result
<b>Audit Committee</b>		
- As a party	1. Structure and Qualifications of the Committee 2. The Committee Meetings 3. Roles and Responsibilities of the Committee	100
- As an Individual	1. Structure and Qualifications of the Committee 2. The Committee Meetings 3. Roles and Responsibilities of the Committee	100
<b>Risk Management Committee</b>		
- As a party	1. Structure and Qualifications of the Committee 2. The Committee Meetings 3. Roles and Responsibilities of the Committee	100
- As an Individual	1. Structure and Qualifications of the Committee 2. The Committee Meetings 3. Roles and Responsibilities of the Committee	100
<b>Remuneration and Nomination Committee</b>		
- As a party	1. Structure and Qualifications of the Committee 2. Roles and Responsibilities of the Committee 3. The Committee Meetings 4. Fulfillment of Duties of the Committee 5. Relationship with the Management Support Team 6. Self-development of the Committee	100
- As an Individual	1. Structure and Qualifications of the Committee 2. The Committee Meetings 3. Roles and Responsibilities of the Committee	100

8. The Company supports its Directors to attend courses that are beneficial to their roles and duties. In 2016, a Company's Director attended the following forum and seminar:-

- Basic Course on New Auditor Reporting and a seminar on "The UK Experience on Implementing the Enhanced Auditor Reporting", which were held by the SEC in collaboration with the Federation of Accounting Professions, with an objective to provide the knowledge on the new auditor reporting for anyone working in the process of preparing the financial statements of a listed company.
- CG Forum 3/2016, titled "Corruption in an Organization, a Dark Threat that can be Prevented and Controlled", organized by the SET.
- Seminar on "Directors' Compensation Survey 2016", organized by Thai Institute of Directors (IOD)

9. In January, 2017, the Board of Directors' meeting has amended the Company's Corporate Governance on the authority and duties of the Director and President, the Chief Executive Officer and the Remuneration and Nomination Committee.

## 8.2 The Company's Board of Directors and Subcommittees

The Company's director structure comprises 4 sets of committee, namely the Board of Directors, the Audit Committee, the Remuneration and Nomination Committee, and the Risk Management Committee. The names of Board of Directors and the members of each subcommittee, including the scope of authority and duties are presented as follows:-

### 1) Board of Directors

The Company's Board of Directors comprises 11 directors. The details of each Board of Director are presented in Subsection 7.1.

#### *Authority and Duties of Chairman of the Board of Directors*

Chairman of the Board of Directors is appointed by the Board of Directors as the chief of the Board; he is required to perform the following duties :-

1. To preside over the Board of Directors' Meeting and conduct the Meeting according to the agenda sequence, in compliance with the Company's Articles of Association and applicable laws; in addition to encouraging the Board members to independently discuss, express opinions and exchange ideas with concern for all the stakeholders and with due circumspection for the optimum benefit of the Company; also, the Chairman of the Board of Directors has the duty to clearly sum up the meeting resolutions for further actions.
2. To preside over a shareholders' meeting and act as chairman of the meeting, conducting the meeting according to the agenda sequence, in compliance with the Company's Articles of Association and applicable laws by appropriately allocating time for each agenda, providing the shareholders with opportunities to express their opinions equitably and ensuring that those questions are properly responded to.
3. To perform any duty specified by law as the duty to be performed by the Chairman of the Board of Directors

#### *Authority and Duties of the Board of Directors*

1. Each director shall perform his/her duties in compliance with the laws, objectives and Articles of Association of the Company as well as the resolutions passed by the Company's shareholders' meetings.
2. Every director is prohibited from engaging in any business, in any juristic person which is of similar business nature as and in competition with the Company's business -- either as partner or director -- unless he/she receives a prior consent from the shareholders' meeting.
3. Each director is obliged to inform the Company without delay of his/her interests in any contract which he/she has entered into with the Company, or when his/her shares or debentures in the Company or its subsidiaries increase or decrease.
4. A Board of Directors' meeting shall be held at least once every 3 months.
5. Authorized directors are specified in the Company Certificate.
6. The Board of Directors is empowered to designate a director/directors to bind the Company by signature (s) and the Company seal.

#### *Authority and Duties of Chief Executive Officer*

Chief Executive Officer controls, supervises, follows up the work of the Director and President and the Management team and determines their remuneration and other benefits; he is also responsible

for approving the Company's business plan and adjusting it to suit with current business situation. The Chief Executive Officer is authorized to approve the normal business transaction of not exceeding Bt 30 mn value for the interests of the business management and operations of the Company so as to ensure that the objectives of the policies and business plan determined by the Board of Directors shall be accomplished.

Whereby, the approval for such business transaction does not include the transaction in which Chief Executive Officer or any person, who may have conflicts of interest as per definition set forth in the Notifications of the Office of Securities and Exchange Commission ("SEC") and/or the SET, has an interest in any other way with the Company or its subsidiaries.

#### *Authority and Duties of the Director and President*

The Director and President manages, administers, and implements the normal functions of the Company in such a way as to further the interests of the Company. The scope of authority and duties of the Director and President are determined by the Chief Executive Officer as follows:

1. The Director and President is to supervise, administer and implement the normal functions of the Company in such a way as to further the interests to be in accordance with the Company's objectives and Articles of Association as well as the rules, resolutions, policies, plans, and budgets authorized by the Chief Executive Officer under all relevant laws, and the scope of authority determined by the Board of Directors.
2. The Director and President has the authority to approve the transactions in which the Company is borrowing, lending, guaranteeing, purchasing, providing or hiring services, or performing other normal activities of the Company involving sums of not exceeding Bt 10 mn only. To this purpose, the Director and President may assign or delegate his/her authority to any individual as his/her attorney or substitute to act or perform any specific transaction in accordance with the designated authority.

The above-mentioned authority does not include the transaction in which the Director and President or any person who may have conflicts of interest, as per definition set forth in the Notifications of the SEC and/or the SET, have an interest or conflict of interest in any other way with the Company or its subsidiaries.

## **2) Audit Committee**

The Company's Audit Committee comprises 3 directors as follows:-

- |    |             |              |  |
|----|-------------|--------------|--|
| 1. | Dr.Vichit   | Yamboonruang | Chairman of Audit Committee<br>(Expert and experienced in auditing financial statements) |
| 2. | Dr.Yodhin   | Anavil       | Member of Audit Committee  |
| 3. | Mrs.Chantra | Purnariksha  | Member of Audit Committee  |

#### *Authority and Duties of Audit Committee*

1. To verify the Company's financial statements for accuracy and adequacy
2. To oversee both the Company's internal control system and internal audit system to ensure their appropriateness and efficiency aside from considering independence of Office of Internal Audit, approving the appointment, the transfer, and the dismissal of the head of Office of Internal Audit as well as the heads of any other departments responsible for internal auditing
3. To oversee and ensure the Company's conformity with the law regarding securities and stock exchange in addition to the regulations of the Stock Exchange of Thailand ("SET") and the laws relevant to the Company's business

4. To consider, select and propose to appoint persons who are independent to be the Company's external auditors and propose their remuneration in addition to having a meeting with such auditors at least once a year without the presence of the management
5. To consider the connected transactions as well as the transactions which may have conflicts of interest to ensure that such transactions are reasonable and in compliance with the related law and the regulations of the SET for the maximum benefit of the Company
6. To prepare the Audit Committee report which is disclosed in the Annual Report of the Company; the report must be certified by the signature of the Chairman of the Audit Committee and must include at least the following information:
  - 6.1 The opinion on accuracy, completion, and creditability of the Company's financial reports
  - 6.2 The opinion on adequacy of the Company's internal control system
  - 6.3 The opinion on compliance with the law regarding securities and stock exchange as well as the regulations of the SET and the laws relevant to the Company's business
  - 6.4 The opinion on appropriateness of the external auditors
  - 6.5 The opinion on the transactions which may have conflicts of interest
  - 6.6 The number of Audit Committee meetings and the attendance of each Audit Committee member
  - 6.7 The opinion or overall remarks the Audit Committee obtained during performing duties in line with the charter
  - 6.8 Other pieces of information deemed appropriate to acknowledge the shareholders and investors under the scope of duties and responsibilities authorized by the Board of Directors
7. To perform any other task assigned by the Board of Directors with the consent of the Audit Committee

The Audit Committee serves a 3-year term. In case of vacancy for any reason other than the expiry of the committee member's term, the Board of Directors shall elect and appoint a qualified person to fill in the vacancy so as to maintain the number of the committee members approved by the Board of Directors. The new Audit Committee member shall retain his/her office only for the remaining term of the office of the Audit Committee member whom he replaces.

### 3) Remuneration and Nomination Committee

The Company's Remuneration and Nomination Committee comprises 3 directors as follows:-

- |    |             |               |   |
|----|-------------|---------------|---|
| 1. | Dr.Yodhin   | Anavil        | Chairman of Remuneration and Nomination Committee                 |
| 2. | Mr.Pleumjai | Sinarkorn     | Member of Remuneration and Nomination Committee                   |
| 3. | Mr.Somboon  | Patcharasopak | Member and Secretary to the Remuneration and Nomination Committee |

#### *Authority and Duties of the Remuneration and Nomination Committee*

##### Remuneration

1. To set up remuneration policy for the Board of Directors, the subcommittees and the Chief Executive Officer of the Company, appointed by the Board of Directors
2. To determine remuneration and other benefits for the Board of Directors, the subcommittees and the Chief Executive Officer of the Company, appointed by the Board of Directors and propose the remuneration and other benefits to the Board of Directors for further consideration
3. To allocate securities offered by the Company in any securities offering project to the Company's directors and staff with respect to terms and conditions related to such securities offering (if any).

### Nomination

1. To set up the selection criteria and qualifications of a person who shall assume the position of director, member of the subcommittees, Chief Executive Officer and Director and President of the Company
2. To select, consider, and nominate a person who possesses the qualifications suitable for assuming the position of director, member of the subcommittees, Chief Executive Officer and Director and President of the Company and propose to the Board of Directors for further consideration

The Remuneration and Nomination Committee shall directly report to the Board of Directors. The Chairman and each member of the Remuneration and Nomination Committee have a 3-year term in office. The Chairman and each member of the Remuneration and Nomination Committee who retire by rotation are eligible for re-election.

Whereby, the approval for the authority of the Remuneration and Nomination Committee does not include the power to approve any transaction in which the Remuneration and Nomination Committee or any person connected with them, have an interest or conflict of interest in any other way with the Company as per the regulations set forth by the SET. However, provided that such a case occurs, it must be proposed to the Board of Directors' meeting and / or the shareholders' meeting for consideration and approval, according to the Company Articles of Association.

#### **4) Risk Management Committee**

The Company's Risk Management Committee comprises 7 members as follows:-

- |                   |                 |   |
|-------------------|-----------------|---|
| 1. Mr.Somboon     | Patcharasopak   | Chairman of Risk Management Committee                 |
| 2. Mr.Terasak     | Jerauswapong    | Member of Risk Management Committee                   |
| 3. Mr.Prajak      | Khunawuth       | Member of Risk Management Committee                   |
| 4. Mrs.Chuenkamol | Treesuttacheap  | Member of Risk Management Committee                   |
| 5. Mr.Sira        | Kraisingdecha   | Member of Risk Management Committee                   |
| 6. Mr.Amnuay      | Pongsajaru      | Member of Risk Management Committee                   |
| 7. Ms.Saengdao    | Dechaduangsakul | Member and Secretary to the Risk Management Committee |

#### *Authority and duties of the Risk Management Committee*

1. To set up risk management framework and policy
2. To draw up risk management strategies, execute the risk management and promote it to success in the entire organization with emphasis on risk awareness increase
3. To verify, follow up and evaluate the risk management plan to mitigate risks to an appropriate level
4. To regularly report the Company's Board of Directors any matter that needs improvement to be in compliance with the set forth policy and strategies

### **8.3 Nomination and Appointment of Directors and Top Executives**

#### **8.3.1 Independent Directors**

##### Criteria for Electing Independent Director

Definition of Independent Director : Independent director is a non-executive director who does not involve in the day-to-day management. Nor is he a major shareholder of the Company. Each Independent Director must possess the following qualifications:-

1. Holding no more than 1% of all the shares having the right to vote in the company, holding company, subsidiary, associated company, a major shareholder or any person having controlling authority<sup>1)</sup> in the company, including the shares held by the persons who are related to him
2. Not assuming, both at present and in the past of at least 2 years prior to the appointment

date, the position of executive director, employee, staff or advisor receiving regular salary or having controlling authority in the company, holding company, subsidiary, associated company, subsidiary of the same level or a major shareholder or any person having controlling authority in the company; this condition does not include an Independent Director who used to be a government officer or advisor to any official sector<sup>2)</sup> who is a major shareholder or a person having the controlling authority in the company

3. Not having the relationship by blood line or legal registration as parents, spouses, brothers, sisters, children, including as spouses of children, executives, major shareholders, authorized persons or persons nominated as executives or authorized persons of the company or the subsidiary
4. Not having, both at present and in the past of at least 2 years prior to the appointment date, any business relationship with the company, holding company, subsidiary, associated company, a major shareholder or any person having controlling authority in the company in the manner that may hinder his own freedom of judgment in addition to not being both in the past and at present, a significant shareholder, or a person with controlling authority of any person having business relationship with the company, holding company, subsidiary, associated company, a major shareholder or any person having controlling authority in the company

The above mentioned business relationship includes normal business transaction, rental or lease of immovable property, the transaction relating to assets or services as well as the offer or the receipt of financial aids by way of borrowing or loan, guarantee, collateral loan and other transactions of similar manner which may cause debt burden between the company and the party to agreement from the amount of 3 per cent of net tangible assets of the company or Baht 20,000,000 up, whichever is lower. Mutatis mutandis, in calculating such debt, the method of calculating the value of related transactions stated in the announcement of Capital Market Supervisory Board regulations on the execution of related transaction should be applied. Any debt burden occurring during the period of one year prior to the date of the business relationship with the same person must be included when considering such debt burden.

5. Not being, both at present and in the past of at least 2 years prior to the appointment date, an auditor of the company, holding company, subsidiary, associated company, a major shareholder or a person having controlling authority in the company as well as not being a significant shareholder and a person having controlling authority, or a partner of the audit firm in which the auditors of the company, holding company, subsidiary, associated company, a major shareholder or a person having controlling authority are working for.
6. Not being, both at present and in the past of at least 2 years prior to the appointment date, a provider of any occupational services inclusive of legal and financial advising service offering, obtaining the service charge of over Baht 2,000,000 per annum from the company, holding company, subsidiary, associated company, a major shareholder or a person having controlling authority in the company in addition to not being a significant shareholder, a person with controlling authority or a partner of any occupational service provider.
7. Not being a director appointed to be the representative of the company's directors, major shareholders or shareholders who are related to the major shareholders
8. Not operating any business that is of the same nature as or that significantly competes with the business of the company or subsidiary as well as not being a significant partner in a limited company, an executive director, employee, staff, advisor receiving regular salary or a person holding over 1% of the total number of shares with voting rights of other companies which operate the same type of business and which significantly competes with the company's and the subsidiary's business operation



## 9. Possessing no other traits which impede the ability to independently give opinions on the company's operation

*Remarks :* <sup>1)</sup> A person having controlling authority refers to a shareholder or any person who by action is significantly influential to management policy set-up or business operation of the company whether or not such influence is derived due to his / her status as a shareholder or as a representative by contract or by other transactions; such a person having controlling authority is, in particular, a person who falls into one of the following criteria : (A) Holding over 25% of shares, (B) Having the mandate to control the appointment / removal of directors, (C) Having the mandate to control a person in charge of policy set-up (D) Having power / responsibility for business operation as an executive

<sup>2)</sup> Official sector refers to a central official unit, according to the Law on Administration of State Affairs

### *Procedure of Selecting an Independent Director*

The selection of an independent director ,whose qualifications have been set up by the Company as stated above, like the selection of a Company's director and a member of any other committee, begins with the Board of Directors assigning the Remuneration and Nomination Committee to consider experts whose qualifications meet the criteria of the Company and who possess knowledge, basics and expertise from various professions, in addition to having leadership, morals, ethics and an ability to freely express his/her opinions. Then, the best of such experts is selected and nominated to the Board of Directors which shall consider this matter with the Remuneration and Nomination Committee for further selecting that person for the position of independent director, director, or member of a committee of the Company.

In case that the Company wishes to appoint an independent director who has business relationship or provides any occupational service, the total value of which exceeds the amount allowed by an independent director qualification criteria stipulated in the notification of the Capital Market Advisory Board No. Tor. Jor. 28/2551 Clause 16 (2) (Ngor), that is from 3 percent of the net tangible assets of the company's group or over Bt 20 mn, depending on whichever amount is lower or a person who is appointed to independent directorship during the year and has or used to have business relationship or provides or used to provide any occupational service, the total value of which exceeds the amount stated in the said criteria, to be an independent director for another term, Clause 16 (2) (Choe Choe) of the above-mentioned notification makes an allowance for excepting the prohibition against the independent director qualification criteria, regarding business relationship, requiring that the company organize the board of directors' meeting to consider the matter and accordingly provide opinions for it with responsibility, prudence and honesty in line with Section 89/7 that can assure that the appointment shall not affect the performance and freedom of providing opinions of that person as an independent director. It is also required that the board of directors declares reasons and necessity that support the decision to appoint that particular person to the position of independent director for another term.

### 8.3.2 Recruitment of Directors and Chief Executives

The selection of a person to the position of the Company's director must initially pass the consideration of the Remuneration and Nomination Committee. Then, the Company's Board of Directors shall consider this matter prior to proposing it to the shareholders' meeting for approval. The constitution of the Board of Directors, including the appointment, removal or vacation from the office of the directors have been set forth in the Articles Association of the Company as summarized below :-

1. The Company shall have a Board of Directors comprising at least 5 individuals and not less than half of the total number of directors must have their residence in the Kingdom of Thailand.
2. The shareholders shall appoint the directors, at the shareholders' meeting, in accordance with the following rules and procedures:
  - 1) Each shareholder shall have one vote per share.
  - 2) Each shareholder may cast his vote as per calculated in 1) for one or any number of the candidates, one by one. However, the vote shall not be distributed or divided among the candidates.

- 3) The candidates receiving the highest number of votes in the respective order of the votes shall be elected at such time. In the event that a number of candidates receiving an equal number of votes for the last directorship exceeds the number of directors the Company required or to be elected at such time, the Chairman of the meeting shall have a second or casting vote.
3. A director who wishes to resign from office shall submit his resignation letter to the Company. The resignation shall be effective from the date the resignation letter reaches the Company.
4. If a directorship becomes vacant for any reason other than by rotation, the Board of Directors shall elect a person, who is qualified and has no prohibited characteristics according to Section 68 of the Public Limited Company Act B.E.2535, as director to fill the vacancy at the subsequent Board of Directors' meeting, unless the remaining term of the director is less than 2 months. The director who fills the vacancy shall retain his office only for the remaining term of the office of the director whom he replaces.

The resolution of the Board of Directors under the first paragraph shall consist of not less than three-fourth of the votes of the remaining directors.

5. At every annual general meeting, one-third of the directors who has the longest term in office shall retire. If the number of directors is not a multiple of three, then the number nearest to one-third shall retire from office. The retired director shall be eligible for re-election.
6. The shareholders' meeting may adopt a resolution to remove any director from office prior to the end of his term by a vote of not less than three-fourth of the number of the shareholders who attend the meeting and have the right to vote and by an aggregate of not less than half of the number of shares which are held by the shareholders who attend the meeting and have the right to vote.

The recruitment of a chief executive must be considered by the Remuneration and Nomination Committee and the Board of Directors, respectively, in the similar manner as the recruitment of a director. Pertaining to this matter, policy, criteria and selection procedures are set by the Remuneration and Nomination Committee.

#### 8.4 Oversight of the Operation of the Subsidiaries and the Associates

The Company has a policy on overseeing the operation and the management of its subsidiaries and associated companies as detailed below:-

1. The Company's Board of Directors has governance mechanisms that enable them to control and monitor the management and the operation of the Company's subsidiaries and associate companies in order to protect the Company's interest in investment as described below.
  - The Board of Directors has set the policies on operation for both the Company and its subsidiaries so as to enable the operation of Jasmine International Group to be in good harmony, support and sub-serve one another to the most for the best management efficiency and optimum benefit for the Group's businesses. Such policies comprise business directions, operation plans, audit plans, and performance evaluation.
  - The Company requires that each subsidiary and associate company prepare its annual work plan and budget to be in accordance with the Company's principal policy. In addition, each is required to report its operation result quarterly so that the Company is kept well update with its information on all aspects. The report also enables the Company to immediately help solve the problems of its subsidiaries and associate companies in case of mistake in management.
  - The Company's Board of Directors has a policy to appoint the Company's representatives to the positions of director, executive, or authorized person in the subsidiaries and associate

companies. The Board of Directors entrusts the Chief Executive Officer (CEO) with this task. The CEO considers and approves an appointment of the Company's representatives to the above-mentioned positions in the subsidiaries and associate companies by taking into account each nominee's knowledge, ability, experience, and appropriateness. The appointee can be any of the Company's Board of Directors or any other person whom the CEO deems appropriate.

- The Company's Board of Directors requires that each subsidiary completely and correctly disclose the information on its financial position and operation results, transactions between the subsidiary itself and the connected person(s), acquisition or disposition of assets, and other significant transactions. In this regard, both the information disclosure and the conduct of the above-mentioned transactions must be in compliance with the regulations of that particular subsidiary on information disclosure and transactions that are set in line with the Company's regulations on the same matters.
- The Company has Office of Internal Audit that is responsible for auditing the operation, in all aspects, of the subsidiaries that operate the core businesses. The audit results are reported for the consideration of the Audit Committee on a quarterly basis.
- The Company audits and evaluates the performance of its subsidiaries and associate companies by considering operation results and reports on financial position prepared in compliance with the SET regulations.

## 2. Shareholders' agreement

- The Company has no shareholders' agreement that significantly affects the operation of Jasmine International Group.

## 8.5 Control of Inside Information Usage

The Company informed its directors and executives, including their spouses and minor children to comply with all the rules and regulations of the SEC and the SET, especially on reporting changes in the Company's shareholding. For this case, the Company's directors and executives must report their own shareholding and that of their spouses and minor children to the Company and the SEC in compliance with Section 59 of the Securities and Exchange Act B.E. 2535 within 3 days following the date of trade or transfer. The Company also requires that directors, executives, and relevant departments not disclose inside information they have been acknowledged to any outsider or person who is not relevant to the information by duty or who is responsible for trading the Company's securities for the period of 1 month prior to the disclosure of financial statements. The above-mentioned procedures are set in order to prevent the Company's directors and executives from using the inside information on their own interest and also to check their performance. The number of the Company's shares and securities held by the directors and the executives shall be examined and compared. Details of the shareholding of each director and executive, including the change in the number of shares shall be reported at every Board of Directors' meeting. Furthermore, at each Board of Directors' meeting, the information on interest of the directors and executives must also be reported. The Company has not stipulated any extra controlling procedures other than those specified by the SEC, for this purpose.

## 8.6 Audit Fee

8.6.1 Audit Fee : For the previous fiscal year, the Company and its subsidiaries paid the audit fee to EY Office Limited, totaling 10,670,000 Baht.

8.6.2 Non-audit-Fee

- None -

## 8.7 Other Compliance with Corporate Governance Policy

Please see Subsection 8.1 : Report on Compliance to Corporate Governance Policy

# Social Responsibility

Throughout the past years, Jasmine International PCL has not just consistently adhered to the principle of good corporate governance in order to ensure the utmost transparency but has also been determined to continually give back to the society in various aspects especially in education. We firmly believe that education is the foundation of social and economic development of any nations, therefore, we are committing to providing education opportunities for youth at the elementary level through deferent campaign activities. These children will soon become the pillar that brings sustainable growth to the country. Additionally, Jasmine International PCL continuously puts its great effort into building a cordial relationship within the communities and Thai society as a whole.



**3BB** บรอดแบนด์  
อินเทอร์เน็ต **ฟรี**  
เพื่อการศึกษา

## Education

“Free Broadband Internet for Education” was a campaign that we provided high speed internet and WiFi to underprivileged schools. This was among the giving back activities that Jasmine International PCL and Triple T Broadband PCL or 3BB constantly contribute to the communities and society. With the conviction that “youth” and “education” are the most valuable assets to any society, we are committed to promoting education development to elementary schools across the nation. Through our technologies, children are allowed to have unlimited access to all kinds of beneficial knowledge and information which will eventually contribute to the improvement of education development of these children.



**JASCSR**  
Corporate Social Responsibility  
[www.facebook.com/jascsr](http://www.facebook.com/jascsr)

**JAS CSR FOR  
CHILDREN**

“JAS CSR for Children” was a campaign that we provided education scholarships, sports uniforms, footballs and other sports equipment, organized recreational activities and offered lunches to many schools. Additionally, we also arranged soccer matches to promote a relationship between Jasmine’s staff and community members.





# Social Responsibility

## Environment

Jasmine International PCL places a high priority on its responsibility toward the environment. To start with, the Company focuses its effort in cultivating the environmental awareness in its staff by having them actively take part in the practice of ecosystem restoration and rehabilitation with the aim of returning the ecosystem as closely as possible to pre-disturbance conditions and functions as in the past.

- In an effort to bring back the abundance of nature and to rehabilitate the environment of mangrove forest, JAS staff joined hands to plant mangrove trees at the Princess Mangrove Plantation, Sirindhorn International Environmental Park, Cha-Am District, Phetchaburi.



## Other social responsibility campaign activities

- “JAS CSR: Braille for the Blind” was another campaign that Jasmine Group and its subsidiaries did not just provide financial assistance but our board of directors and staff from all levels also cooperatively collected old desk calendars and donated them to the Foundation for the Blind in Thailand under the Royal Patronage of H.M. the Queen. These donated calendars were used to make Braille word cards, educational materials for blind students.



- In addition, Jasmine International (PCL) and its subsidiaries organized a robe offering ceremony to raise fund to build meditation hall, ordination hall, and grand pagoda at Wat Wachirathamawas (Wat Chalermpreakiat Baromrachanusorn for King Rama IV) Lad Krabang District, Bangkok.

- “Jasmine Group Helping Heart for Flood Victims in Nakhon Si Thammarat” was a campaign that staff of Jasmine International (PCL) and Triple T Broadband (PCL) came together and helped packing and delivering disaster relief packages to flood victims in Nakhon Si Thammarat Province.

Jasmine International PCL and its subsidiaries operate its businesses under the principle of good corporate governance to warrant its maximum capability in addressing the needs of customers. The Company continues to commit itself toward the constant development of its businesses in parallel with contributing to the development of the country to ensure its permanent sustainability in all aspects.



# Internal Control and Risk Management

## 10. Internal Control and Risk Management

### 10.1 Opinion of the Board of Directors on the Company's Internal Control

The Company places importance on internal control system, both at the management and the operation levels. To enhance internal control efficiency, the Company has set up scope of authority and duties clearly in writing for its management and officers; the roles of the workers and the monitors are appropriately separated. The Office of Internal Audit is responsible for auditing the work of every department organization-wide to be in accordance with the principles of Good Corporate Governance.

At the Board of Directors' Meeting No.1/2017, convened on 17 January 2017, the Audit Committee reported that it had evaluated the Company's internal control system based on the review of Internal Audit reports, the discussion made with the Office of Internal Audit and the results of internal control adequacy evaluation, the evaluation form of which was prepared in line with the Internal Control Adequacy Evaluation Form set up by the Office of the Securities and Exchange Commission (the "SEC"). The Company's internal control system adequacy evaluation results for the year 2016 can be summarized as follows.

#### Control Environment

The Company has set up its business goal to be clear and evaluable. In addition, the policy on good corporate governance has been put into writing; the ethical principles have been stipulated to prevent conflicts of interest, taking into consideration fair treatment to every group of the stakeholders. The organizational structure and the chain of command are clear; thus, intensifying the balance of power. Manuals for all the work systems are prepared for the officers to use as their work guideline in which details of responsibilities, duties and internal audit are explained.

#### Risk Assessment

The Board of Directors recognizes the importance of defining strategies and business goals, the Risk Management Committee; therefore, has been established, comprising members who are representatives from the Company and the subsidiaries, to be responsible for creating risk management plans, assessing risks, overseeing risk management of the Company to be appropriate and efficient enough to mitigate risks to an acceptable level, enabling the Company's business operation to continue without cease and achieve its goals even in the volatile conditions.

#### Control Activities

To enable the officers of the Company to conform to the control activities properly, the Company has drawn up clear work policies and work instructions that cover all the work procedures, identifying persons in charge and clear work period in writing. Such policies and work procedures are regularly reviewed for appropriateness. Control activities of the Company also embrace such key operation systems as annual budget preparation and approval. Also as a control activity, the Company has appointed directors and executives to supervise the operation of its subsidiaries to be in line with its policies and strategic directions.

#### Information & Communication

The Company places importance on information and communication system; thus, it continuously gives support to IT system development to assure data update and information accuracy. IT safety policy has been set up to provide security for IT usage and information storage. Moreover, many efficient communication

channels are provided both for the contact within the organization and the contact between the Company and its external stakeholders.

IT periodic reports with quality analytical information have been prepared to enable the internal control to continue as planned.

### **Monitoring Activities**

The Company follows up internal control progress and regularly evaluates it to ensure that the results are consistent with the goals it has set. The Office of Internal Audit is responsible for auditing the work of the Company and its subsidiaries according to the audit plan that is laid out in advance, placing emphasis on relevant risk factors. The Audit result reports as well as the follow-up progress are presented to the Board of Directors and the Audit Committee.

The Audit Committee has reviewed and evaluated the Company's internal control system and is of the opinion that it is appropriate; the provision of man power is adequate to enhance the success of internal control as planned. Ultimately, the operation of both the Company and its subsidiaries is supervised to proceed efficiently.

## **10.2 Opinion of the Audit Committee on the Company's Internal Control System**

Please see "Audit Committee Report."

## **10.3 Head of Internal Audit**

- 1) The Company's head of internal audit is Mrs. Nipaporn Rattanarmik.
- 2) Opinion of the Audit Committee on the person who assumes the position of head of internal audit :  
The Audit Committee considered approving the appointment of the head of internal audit due to her qualifications, education background, knowledge and experience gained through training courses that are appropriate and adequate for the position.
- 3) The appointment, discharge, or transfer of the head of internal audit is approved by the Audit Committee in compliance with the Company's regulations on appointment and transfer of employees, approved by the Audit Committee. The Audit Committee has properly supervised the performance of the Office of Internal Audit to be appropriate and efficient.

## **11. Related Party Transaction**

The Company has the related party transactions as defined in the Notification of the SEC. The business transactions in the year 2016 were all in compliance with the terms and the conditions in the contracts entered into between the Company and its subsidiaries for normal business practice (as referred to in Clause 6 of Notes to the Financial Statements for the year 2016). The Company already carried out each transaction according to its procedure for the reasonableness of that particular transaction itself and also for the optimum benefits of the Company. The Audit Committee had reviewed the prices or the ratios of those transactions with the Company's officers and the internal auditors and was of the opinion that those prices were reasonable and accurately disclosed in the financial statements. The Company has its own approval procedures for related party transactions which were of the similar processes of the general procurement of the Company. To this regard, the Company's executives and the shareholders had neither interest in nor approval authority on related transaction matter. Details are as follows:-



11.1 In 2016, the Company and its subsidiaries executed the following transactions of product sale, service offering, and others with the following related parties:-

Related Party	Relationship	Nature of Related Party Transaction	Amount (Million Baht) as at 31 December 2016
Mono Group, comprising 1. Mono Generation Co.,Ltd. 2. Mono Technology Co., Ltd. 3. Mono Info Systems Co., Ltd. 4. Mono Production Co., Ltd. 5. Mono Broadcast Co., Ltd. 6. Mono Talent Studio Co., Ltd. 7. Mono Film Co., Ltd. 8. Mono Radio Co., Ltd. 9. Mono Sport Entertainment Co., Ltd.	1) Mr. Pete Bodharamik is a director and a major shareholder of Mono Group 2) Mr. Pete Bodharamik is a major shareholder of JAS, holding 68.61% (as at 9 January 2017)	- PA executed contracts for leasing office space at Jasmine International Tower, billboard, and other facility services.	57
		- TTTI executed a high-speed Internet service contract wherein stated that the service charge was subject to the circuit speed.	34
		- ARS signed a contract to supply the UPS power	1
		- JasTel executed contracts for circuit leasing.	2
		- Ji-NET offered Internet service, the service charge of which was subject to the circuit speed.	1
JASIF	JAS holds 33.33% of the total units	- TTTBB entered into the Asset Sale and Transfer Agreement of the Optical Fiber Cable and other related agreements with JASIF, including Loan Agreement	5,343

11.2 In 2016, the Company and its subsidiaries bought the products and equipment and paid for the leases and the services from related parties as detailed below:-

Related Party	Relationship	Nature of Related Party Transaction	Amount (Million Baht) as at 31 December 2016
Mono Group, comprising 1. Mono Generation Co.,Ltd. 2. Mono Technology Co., Ltd. 3. Mono Broadcast Co., Ltd.	1) Mr. Pete Bodharamik is a director and a major shareholder of Mono Group 2) Mr. Pete Bodharamik is a major shareholder of JAS, holding 68.61% (as at 9 January 2017)	- TTTI bought its program license and utilized advertising service and media.	21
		- TTTBB utilized the advertising service and media.	9
JASIF	JAS holds 33.33% of the total units	- TTTBB entered into the Lease Agreement of the Optical Fiber Cable with JASIF.	4,110

## 12. Significant Financial Information

### Audit Report Summary

The auditor whose appointment was approved by the Company was Mr.Supachai Phanyawattano, Certified Public Accountant (Thailand) No. 3930 or Mrs.Chonlaros Suntiasvaraporn, Certified Public Accountant (Thailand) No.4523, or Ms.Supanee Triyanantakul, Certified Public Accountant (Thailand) No.4498 of EY Office Limited, located at No.193/136-137, 33<sup>rd</sup> 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 2014, 2015 and 2016, due to a limitation imposed by the following circumstances:-

1. A concession provider has ceased making payment to a subsidiary for service under the co-investor agreement made between the subsidiary and the concession provider since September 2008 to 4 October 2011, the end date of the co-investor agreement, as the revenue sharing are still being disputed between a concession provider and the subsidiary. The subsidiary took the dispute to the Arbitration Institute and is currently awaiting this ruling from the Arbitration Institute. Subsequently, on 19 August 2016, a concession provider submitted a dispute proposal to the Arbitration Institute, asking a subsidiary to return the excess revenue sharing received based on the co-investor agreement and to pay opportunity costs, together amounting to approximately Baht 9,931 million. This is currently being considered by the Arbitration Institute. Furthermore, on 26 August 2016, a concession provider submitted a dispute proposal to the Arbitration Institute, asking a subsidiary and another subsidiary to pay costs, damages with interest and business opportunity costs in total amounting to approximately Baht 258 million. The management and the legal advisor of the subsidiaries believe that the subsidiaries have fully complied with the co-investor agreement. The ruling to the revenue sharing rate negotiation may significantly impact on the balance of such trade receivable, the costs and damages which may result from the above event, other receivables, accrued dividend income and the value of the investment from investing in the subsidiary, the auditor was unable to audit to satisfy himself as to the balances of such transactions.
  
2. On 7 August 2003, the Central Bankruptcy Court approved the business rehabilitation plan of the Company. However, certain creditors of the Company lodged objections to certain issues with the Supreme Court. Subsequently, on 14 September 2006, the Court issued an order to terminate the business rehabilitation plan of the Company since the Company has complied with all requirements in the plan. On 19 August 2013, the Central Bankruptcy Court read the judgment of Supreme Court, which reversed the decision of the Central Bankruptcy Court. The Supreme Court rejected the rehabilitation plan and cancelled the Central Bankruptcy Court's business rehabilitation order, and as a result the rights of claim of creditors of the Company returned to what they were prior to the rehabilitation order. The Company estimated that additional liabilities of up to Baht 1,343 million, excluding interest, might arise if the Company were sued by the creditors in the future. The Company therefore disclosed the event in the notes to financial statements and believed that such practice complied with the relevant financial reporting standards. However, in August 2014, five financial institutions filed lawsuits petitioning the Court to order the Company to make debt repayments equivalent to a total of approximately Baht 1,965 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 301 million for the three financial institutions who are the original creditors named in applications for payment in the Company's rehabilitation plan on the financial statements of the current year. This was determined based on the claims filed by the three financial institutions less the approximate amounts of settlements made in any form under the rehabilitation plan, in accordance with the legal advisor's opinion. The Company has disputed the authority of the Central Intellectual Property and International Trade Court in respect of these cases to the Supreme Court. Currently, the Central Intellectual Property Court has temporarily struck the lawsuits brought by two plaintiffs from the case list while awaiting a ruling from the president of the Supreme Court on the authority of the Court. The lawsuits brought by the other three plaintiffs are in the process of being considered by the Central Intellectual Property and International Trade

Court. The ultimate outcome of the cases cannot be determined at present. The Company believes that the amount of provision recorded in the accounts is adequate and appropriate in the current circumstances. This constitutes a limitation imposed by circumstances and the auditor was unable to perform review and audit procedures to satisfy himself as to the amount of additional provision to be recorded as a result of the cancellation of the rehabilitation order.

3. In September and December 2013, a subsidiary entered into agreements with two government agencies to sell tablet personal computers with total contract values of Baht 749 million. The subsidiary was unable to deliver tablets to two government agencies within December 2013 and March 2014 as scheduled in the relevant agreements, as a result of a massive fire at a production facility where a part for the tablets was produced. As stipulated in the sale and purchase agreements, the subsidiary is obliged to pay a penalty for delayed shipment at a daily rate of 0.2 percent of the price of the unshipped tablets. During 2014, counterparties of the agreements submitted letters to the subsidiary to terminate the sale and purchase agreements and asked the subsidiary to pay a penalty totaling Baht 148 million. However, the subsidiary submitted letters to these counterparties objecting the imposition of the penalty. The management of the subsidiary clarified that the delay in shipment was due to force majeure and the subsidiary did not breach the agreement. However, in November 2014 and March 2015, both counterparties filed a lawsuit against the subsidiary with the Administrative Court, requesting that the subsidiary pay a penalty in amount of approximately Baht 196 million, the outcome has not been known. However, as a result of the execution of a sale and purchase of tablets agreement between the subsidiary and a local counterparty, the subsidiary received a cash performance bond of Baht 38 million from this counterparty. The subsidiary has a legal right to seize this amount as compensation for losses caused by this company or incurred as a result of a breach of agreement by this company. The subsidiary recorded the performance bond as a liability and treated the amount as if it was a provision for any penalties and losses that might be incurred. The auditor was unable to perform review and audit procedures to satisfy himself as to the penalties and damages that may be incurred as a result of the above.

The auditor also drew attention to the following matters:-

1. A subsidiary was unable to obtain a spectrum license for International Mobile Telecommunications in the frequency band 900 MHz; however, during the current year the subsidiary made payment of damages.
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 and request for an extension of the deadline for delivery. The management of the subsidiary believes that the subsidiary will successfully negotiate with the counterparty to reduce the scope of work, extend the deadline 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					
	2016		2015		2014	
	Million Baht	%	Million Baht	%	Million Baht	%
<b>Balance sheet</b>						
Cash and cash equivalents	2,482	5.21	7,880	15.51	1,501	6.53
Trade and other receivables	3,020	6.35	3,088	6.08	3,169	13.79
Inventories	-	-	-	-	27	0.12
Total current assets	7,390	15.53	17,027	33.52	9,209	40.07
Investments in associates	6,850	14.39	8,770	17.27	24	0.10
Property, plant, and equipment	28,491	59.86	19,501	38.39	13,087	56.95
Other non-current assets	177	0.37	139	0.27	86	0.37
Total assets	47,594	100	50,796	100	22,982	100.00
Short-term loans from banks	2,229	4.68	1,519	2.99	2,458	10.70
Trade and other payables	3,950	8.30	3,753	7.39	2,950	12.84
Total current liabilities	11,990	25.19	18,279	35.99	8,559	37.24
Long-term liabilities	23,478	49.33	14,674	28.89	1,232	5.36
Total liabilities	36,327	76.33	33,785	66.51	10,055	43.75
Registered capital issued and fully paid-up	2,968	6.24	3,567	7.02	3,569	15.53
Appropriated retained earnings	1,012	2.13	892	1.76	850	3.70
Unappropriated retained earnings	4,418	9.28	10,862	21.38	7,434	32.35
Total shareholders' equity	11,267	23.67	17,010	33.49	12,927	56.25
<b>Profit and Loss Statement</b>						
Sales and service Income	15,619	100.00	13,983	100.00	12,268	100.00
Other income	2,532	16.21	19,444	139.06	143	1.16
Total revenues	18,151	116.21	33,427	239.06	12,411	101.16
Cost of sales and services	9,711	62.17	8,407	60.12	4,713	38.42
Selling, servicing and administrative expenses	3,926	25.13	3,347	23.94	2,889	23.55
Losses on impairment of assets	-	-	-	-	37	0.31
Loss on recording provision for reversal of judgment by the Supreme Court	-	-	-	-	277	2.26
Damages from non-compliance with the conditions precedent to be met before granting a license	841	5.38	-	-	-	-
Doubtful accounts and bad debt	338	2.16	223	1.59	163	1.33
Finance cost	395	2.53	197	1.41	297	2.42
Net Profit (Loss)	3,002	19.22	15,710	112.36	3,271	26.66
<b>Cash flow Statement</b>						
Net cash (used in) operating activities	(2,480)		(2,721)		6,809	
Net cash from investing activities	2,845		28,403		(2,761)	
Net cash (used in) financing activities	(5,763)		(19,303)		(5,544)	
Net increase (decrease) in cash and cash equivalents	(5,398)		6,379		(1,496)	

## 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		
		2016	2015	2014
<b>Liquidity Ratio</b>				
Current Ratio	(Time)	0.62	0.93	1.08
Quick Ratio	(Time)	0.49	0.67	0.65
Cash Ratio	(Time)	(0.16)	(0.20)	0.89
Receivable Turnover	(Time)	5.11	4.47	3.59
Average Collection Period	(Day)	70	81	100
Inventory Turnover	(Time)	-	614.18	140.91
Holding Period	(Day)	-	1	3
Payable Turnover	(Time)	2.52	2.51	1.69
Average Payment Period	(Day)	143	144	213
Cash Cycle	(Day)	(72)	(62)	(110)
<b>Profitability Ratio</b>				
Gross Profit Margin	%	37.83	39.88	61.58
Operating Profit Margin	%	17.69	20.87	31.41
Other Profit Margin	%	13.95	58.17	1.15
Cash to Profitability Ratio	%	(89.74)	(93.24)	176.68
Net Profit Margin	%	16.54	47.00	26.35
Return on Equity	%	21.23	104.96	25.76
<b>Efficiency Ratio</b>				
Return on Assets	(Time)	6.10	42.59	14.63
Return on Fixed Assets	(Time)	23.40	108.87	40.99
Total Assets Turnover	(Time)	0.37	0.91	0.56
<b>Financial Policy Ratio</b>				
Debt to Equity Ratio	(Time)	3.22	1.99	0.78
Interest Coverage Ratio	(Time)	(4.13)	16.72	25.53
Leverage Ratio (Cash Basis)	(Time)	(0.23)	(0.06)	0.87
<b>% Growth Ratio</b>				
Total Assets	%	(6.30)	121.03	5.74
Total Liabilities	%	7.52	236.00	8.54
Sales and Service Income	%	11.70	13.97	10.30
Operating Expenses	%	17.29	15.86	12.72
Net Profit (Loss)	%	(80.89)	380.31	8.94

# Management Discussion and Analysis (MD&A)

## 13. Management Discussion and Analysis (MD&A)

### Overview

For many years up to the present time, Internet market has been growing steadily not only as a consequence of the changing customers' behavior, but also the government's policy which aims at moving the country towards the true "Digital Economy" and states its emphasis on increasing both the Internet access and the number of Internet users by means of supporting the expansion of quality fixed-line broadband to cover the village level nationwide, including the areas without commercial potential and still have no Internet service. Thus, to achieve the aim, it is necessary to rely on digital technology and high-speed Internet as a substantial driving force.

Regarding competition, Internet market is currently experiencing high competitions. Last year, a big mobile operator began aggressively penetrating into the fixed line Internet market, as a new service provider, resulting in intense price and marketing competitions. Despite this situation, due to Thailand's not-very- high proportion of broadband Internet usage per household, compared to other countries'; the government's policy that focuses supporting Internet service expansion; the increasing demand of Internet users and the changing behaviors of the customers in general, the Thai Internet market continues expanding.

The Company has been expanding its networks for more coverage to serve the need of broadband Internet users, especially at tourist spots and dense areas, in consistent with plans of city development and expansion. In 2016, the Company rapidly expanded broadband Internet networks to cover the village level nationwide. It also increased marketing and service channels to enable competitiveness in quality, price, and prompt service to be in accordance with its goal of becoming a broadband Internet leader in terms of quality and speed. Moreover, the Company has upgraded its ADSL technology to become VDSL, a technology that enhances high speed service of up to 50 Mbps; expanded Broadband internet service via fiber optic network (FTTx technology) and developed the value-added services to meet a variety of demands of the customers. Moreover, it has promoted Internet usage to the new targets; resulting in continuous increase in the number of the subscribers. In 2016, 3BB had approximately 432,000 additional subscribers, increasing when compared to the year 2015 in which there were approximately 343,800 subscribers.

Due to the growth of the number of Internet subscribers, the total operating revenue for the year 2016 of the Company increased by 10%, in comparison to that of the year 2015. Nevertheless, the record of the rental fee of the Optical Fiber Cables ("OFCs") paid to JASIF, including other expenses related to the Company's investment in network expansion that increased, resulted in the decrease in operating profit and profitability in 2016 when compared to the past year 2015. The Gross profit margin for the year 2016 was 38%, compared to that of 40% in 2015. The Company aims to increase its sales and services revenue and at the same time properly manage its cost and operating expenses in order to maintain future profitability. Concerning the delivery of assets to JASIF, the Company completely delivered the OFCs to JASIF in November 2016; it already recorded gain on sales of the OFCs to JASIF in 4Q2016.

During the year 2016, the Company completed the Treasury Stock Program for financial management, totaling 1,200 million shares; then, it decreased its capital by way of writing off such number of treasury shares, accordingly on 23 December 2016. The decrease in the registered capital would result in the increase in the Company's Earnings Per Share (EPS) which would in turn lead to the increase in Return on Equity, beneficial to the shareholders in case of dividend payment.

### Operating Performance

In 2016, the Company and its subsidiaries generated the operating profit of Bt 2,764 mn, when compared to Bt 2,991 mn in 2015, decreasing by Bt 155 mn, or 5%. This amount, when included by gain on sales of assets to JASIF, net tax of Bt 1,534 mn and deducted by the FX loss of the subsidiaries of Bt 105 mn, the allowance for debts from the rehabilitation plan of Bt 12 mn, the damage from non-compliance with the conditions precedent to be met before granting a license of JASMBB of Bt 841 mn, the allowance for doubtful accounts and bad debt of the subsidiaries of Bt 279 mn and the allowance for doubtful debts from the rehabilitation plan of TT&T of Bt 59 mn, resulted in the record of the net profit for the year 2016 of the Company and its subsidiaries of Bt 3,002 mn, compared to that of Bt 15,710 mn in 2015 (the net profit for the year 2015 included gain on sales of assets to JASIF, net tax of Bt 13,218 mn).

Unit : Bt mn

Item	2016	2015	% change
Operating profit	2,764	2,919	(5)
Gain on sales of assets to the fund, net	1,534	13,218	(89)
FX gain (loss)	(105)	(127)	17
Loss on recording provision for reversal of judgement by the Supreme Court	(12)	(12)	(0)
Damage from non-compliance with the conditions precedent to be met before granting a license	(841)	-	100
Doubtful accounts and bad debt	(338)	(223)	52
Deferred Tax	-	(64)	(134)
Net profit (loss)	3,002	15,710	(81)
Earning (loss) Per Share (Bt)	0.46	2.23	(79)

### Performance breakdown by business unit

Performance breakdown by business unit in 2016 and 2015 is as follows:-

Unit : Bt mn

Company	Total Revenue		
	2016	2015	% Change
<b>Broadband Business</b>			
1. Triple T Broadband Public Company Limited	2,436	19,262	(87)
2. Triple T Internet Company Limited	14,517	12,684	14
<b>Total</b>	<b>16,953</b>	<b>31,946</b>	<b>(47)</b>



Unit : Bt mn

Company	Total Revenue		
	2016	2015	% Change
<b>Telecom Network &amp; Service Provider Business</b>			
1. Jasmine Submarine Telecommunications Company Limited	16	16	-
2. Thai Long Distance Telecommunications Company Limited	-	-	-
3. JasTel Network Company Limited	583	691	(16)
4. Jasmine Internet Company Limited	261	310	(16)
5. Acumen Company Limited	43	76	(43)
6. ACeS Regional Services Company Limited	63	87	(28)
7. Smart Highway Company Limited	1	1	-
<b>Total</b>	<b>967</b>	<b>1,181</b>	<b>(18)</b>
<b>System Integration Business</b>			
1. Jasmine Telecom Systems Public Company Limited	27	23	17
2. Cloud Computing Solutions Company Limited	32	22	45
<b>Total</b>	<b>59</b>	<b>45</b>	<b>31</b>
<b>Other Businesses</b>			
1. Jasmine International Public Company Limited	6	87	(93)
2. Premium Asset Company Limited	148	159	(7)
3. T.J.P.Engineering Company Limited	-	1	(100)
4. Others <sup>1)</sup>	18	8	125
<b>Total</b>	<b>172</b>	<b>255</b>	<b>(33)</b>
<b>Grand Total</b>	<b>18,151</b>	<b>33,427</b>	<b>(46)</b>

Remarks : <sup>1)</sup> Comprising JOIC, MCS, CPN, Three BB, ACT, JASMBB

## Revenue

In 2016, the total revenue of the Company and its subsidiaries was Bt 18,151 mn, compared to that of Bt 33,427 mn in 2015 (the total revenue in 2015 included gain on sales of assets to JASIF of Bt 18,859 mn), decreasing by 46%. Details are as follows:-

Item	2016	2015	% change
Sales and service income	15,619	13,983	12
Gains on sales of assets to the fund	2,160	18,859	(89)
Interest income	70	274	(74)
Other income	301	311	(3)
<b>Total</b>	<b>18,151</b>	<b>33,427</b>	<b>(46)</b>

### Sales and Service Income

In 2016, the Company and its subsidiaries totally obtained the sales and service income of Bt 15,619 mn, compared to that of Bt 13,982 mn in 2015, increasing by 12%. For the year 2016, contribution in sales and service income was mainly from Broadband Business, 93% of total sales and service income. Sales and service income breakdown by business unit are as follows:-

Unit : Bt mn

Type of business	2016	2015	% change
Broadband Business	14,510	12,677	14
Telecom Network & Service Provider Business	920	1,124	(18)
System Integration Business	43	32	34
Other Businesses	146	150	(3)
<b>Total</b>	<b>15,619</b>	<b>13,983</b>	<b>12</b>

In 2016, the sales and service income from Broadband Business was Bt 14,510 mn, compared to that of Bt 12,677 mn in 2015, increasing by 14%, a result of an increase in number of broadband Internet subscribers.

During the past year, TTTBB expanded its network footprint to cover the village level nationwide to meet the growing demand of the customers of broadband Internet service (ADSL and VDSL) and Broadband Internet service, via Fiber Optic (FTTx technology). In 2016, the TTTBB had approximately 432,000 additional subscribers, compared to the year 2015 in which there were approximately 343,800 subscribers.

In 2016, the sales and service income from Telecom Network & Service Provider Business was Bt 920 mn, decreasing by 18% , compared to that of Bt 1,124 mn in 2015. The decrease was due to the decrease in WiFi service income of ACU and satellite phone service income of ARS.

In 2016, the sales and service income from System Integration Business was Bt 43 mn, increasing by 34%, compared to that of Bt 32 mn in 2015. For Other Businesses, the sales and service income in 2016 was Bt 146 mn, decreasing by 3%, compared to that of Bt 150 mn in 2015.

### Gain on sales of assets to the Fund

In 2016, the record of gain on sales of the OFCs to JASIF was Bt 2,160 mn (gain on sales of assets to JASIF, net tax was Bt 1,534 mn). In November 2016, TTTBB completely delivered all the rest of the OFCs to JASIF (According to the schedule, the delivery of the last lot of OFCs was in January 2017). Thus, TTTBB delivered the OFCs totaling 980,500 core kilometers to JASIF.

The recognition of gain on sales of the OFCs in TTTBB's financial statements was recorded at Bt 3,240 mn. However, as the Company holds 33% in JASIF, the recognition of gain on sales of the OFCs recorded in the consolidated financial statements, according to Financial Reporting Standards, must not include this shareholding proportion of the Company in JASIF.

### Other income

In 2016, the Company and its subsidiaries recorded other income of Bt 371 mn (which comprised income from management and maintenance of assets of Bt 205 mn, interest income of Bt 70 mn and others of Bt 96 mn), compared to that of Bt 585 mn in 2015.

## Expenses

In 2016, the total expenses of the Company and its subsidiaries were Bt 14,921 mn, compared to Bt 12,104 mn in 2015, increasing by 23%. Details of expenses are as follows:-

Unit : Bt mn

Item	2016	2015	% change
Operating Expenses :			
- Cost of sales and services	9,711	8,407	16
- Selling and servicing expenses	1,156	1,000	16
- Administrative expenses	2,770	2,347	18
<b>Total Operating Expenses</b>	<b>13,637</b>	<b>11,754</b>	<b>16</b>
Doubtful accounts and bad debt	338	223	52
Damage from non-compliance with the conditions precedent to be met before granting a license	841	-	100
FX losses	105	127	(17)
<b>Total Expenses</b>	<b>14,921</b>	<b>12,104</b>	<b>23</b>

- In 2016, the operating expenses of the Company and its subsidiaries were Bt 13,637 mn in total, compared to Bt 11,754 mn in 2015, increasing by 16%. Details of expenses are as follows:-
  - 1) The cost of sales and services in 2016 was Bt 9,711 mn, compared to that of Bt 8,407 mn in 2015, increasing by 16%. Such increase was mainly due to the record of the OFC rental fee according to the 54 OFCs lease agreement with JASIF, the license fee and the USO fee paid to the NBTC. The gross margin for the year 2016 was at 38%, compared to 40% in the year 2015.
  - 2) The selling and servicing expenses and administrative expenses in 2016 were Bt 3,926 mn, compared to Bt 3,347 mn in 2015, increasing by 17%. The increase was a result of employee expenses, repairs and maintenance expenses, advertising and public relations expenses and office expenses.
- The subsidiaries set up an allowance for doubtful accounts and bad debts of Bt 338 mn; of this amount was the allowance for doubtful accounts and bad debt of the subsidiaries, amounting Bt 279 mn and the allowance for doubtful debts from the rehabilitation plan of TT&T of the subsidiaries, amounting Bt 59 mn (Details as shown in Notes to the Financial Statements No. 9 and 10).
- In 2016, JASMBB recorded the damage from non-compliance with the conditions precedent to be met before granting a license of Bt 841 mn.
- The subsidiaries recorded FX losses of Bt 105 mn, comprising unrealized FX loss of Bt 135 mn and realized Fx gain of Bt 29 mn.

## Financial Expenses

In 2016, the financial expenses of the Company and its subsidiaries were Bt 395 mn, increasing by Bt 198 mn, when compared to Bt 197 mn in 2015 due to long-term loans and accounts payable for equipment of the Company and its subsidiaries. The financial expenses in 2016 included an additional allowance for interest expenses of debts from the rehabilitation plan of Bt 12 mn.

## Net profit (loss)

In 2016, the Company and its subsidiaries reported the total net profit Bt 3,002 mn, compared to that of Bt 15,710 mn in 2015 (the net profit for the year 2015 included gain on sales of assets to JASIF, net tax of Bt 13,218 mn). In 2016, Broadband Business generated the net profit of Bt 3,944 mn, decreasing by Bt 20,283 mn from the year 2015 (this amount, included gain on sales of assets to JASIF); Telecom Network & Service Provider Business generated the net profit of Bt 285 mn, decreasing by Bt 46 mn from the year 2015; System Integration Business generated the net loss of Bt 49 mn, compared to the net loss of Bt 15 mn in 2015, its net loss; thus, increased by Bt 34 mn from the year 2015. For Other Businesses, the net profit for the year 2016 was Bt 10,734 mn, decreasing by Bt 2,776 mn from that of the year 2015. After the elimination of the intercompany transaction, the Company and its subsidiaries recorded the net profit for the year 2016 at Bt 3,002 mn. When comparing with the total revenue (excluding gain on sales of assets to JASIF), the net profit margin for the year 2016 was 19%.

## Financial Position

### Assets

As at 31 December 2016, the Company and its subsidiaries had total assets of Bt 47,594 mn, compared to Bt 50,796 mn in 2015, decreasing by 6%. The total assets of the Company and its subsidiaries comprised:-

Item	31 December 2016		31 December 2015	
	Bt mn	% of Total Asset	Bt mn	% of Total Asset
Current assets	7,390	16	16,939	33
Non-current assets held for sale	-	-	88	0.2
PP&E, net	28,491	60	19,501	38
Other non-current assets	11,713	25	14,268	28

As at 31 December 2016, the Company and its subsidiaries had current assets of Bt 7,390 mn, representing 16% of total assets, compared to Bt 16,939 mn at the end of 2015, decreasing by Bt 9,549 mn or 56%. The decrease was mostly because:-

- Cash and cash deposits with banks decreased by Bt 6,217 mn from the year 2015 due to the dividend payment for the year 2015 at the rate of Bt 0.30 per share, two times of interim dividend payment at the rate of Bt 0.15 per share each, the dividend payment of the subsidiaries totaling approximately Bt 3,944 mn, cash paid to purchase treasury shares, totaling 1,200 mn shares, amounting to approximately Bt 6,004 mn, cash received from dividend from JASIF of Bt 1,632 mn, cash received from short-term loans from JASIF of Bt 3,850 mn and cash received from the conversion of JAS-W3.
- Short-term loans to related parties decreased by Bt 3,850 mn. In 2015, TTTBB agreed to grant a loan to JASIF for the VAT payment from the purchase of the OFCs of JASIF. In January 2016, JASIF had completely repaid this loan to TTTBB.
- Other current assets increased by Bt 516 mn from the year 2015, mainly due to the revenue department receivable from the increase in overpayment of vat on purchase (input vat) of TTTBB.

The net of Property, plant and equipment was recorded at Bt 28,491 mn or 60% of the total assets, increasing by Bt 8,990 mn or 46%, compared to that recorded at the end of the year 2015, mainly

because of the increase in assets of the subsidiaries as a result of investment in network expansion for more extensive coverage to support of service provision of TTTBB. TTTBB entered into agreements to purchase equipment with suppliers. Under the purchase agreements, TTTBB is obliged to make payment within 3 years. In 2016, the amount to be paid according to this agreement was approximately Bt 766 mn which was recorded in the current portion of accounts payable for equipment in the financial statements.

At the end of 2016, other non-current assets were recorded at Bt 11,713 mn, decreasing by Bt 2,555 mn or 18% from the year 2015 mainly due to the decrease in the investment in associates by Bt 1,921 mn (Such investment in associates in the consolidated financial statements, was shown in the equity method) and the deposit guarantee for the auction of a license for the frequency band of JASMBB of Bt 644 mn.

### Liabilities

As at 31 December 2016, the Company and its subsidiaries had total liabilities of Bt 36,327 mn, compared to Bt 33,785 mn in 2015, increasing by 8%. Details of the total liabilities are as follows:-

Item	31 December 2016		31 December 2015	
	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)	8,009	22	16,537	49
Long term liabilities	11,942	33	950	3
Provision for rental assurance	15,517	43	15,466	46
Other non-current liabilities	859	2	832	2
<b>Total liabilities</b>	<b>36,327</b>	<b>100</b>	<b>33,785</b>	<b>100</b>

**Current liabilities** (excluding current portions of the long-term liabilities and provision for rental assurance) at the end of 2016 were Bt 8,009 mn, decreasing by Bt 8,528 mn from the year 2015. The decrease was mainly because:-

- Income tax payable decreased by Bt 4,394 mn due to TTTBB's income tax payment from gain on sales of assets to the fund.
- Advance received for assets delivered in the future decreased by Bt 5,131 mn due to the recognition of gain on sales of all the rest of assets after TTTBB's completion of the delivery of the OFCs to JASIF in November 2016.

The above-mentioned decreasing current liabilities offset with increasing current liabilities from the normal business operation such as trade payables, short-term loan from banks, withholding tax payable, undue output tax and others, resulted in the net decrease of the current liabilities of the Company and its subsidiaries, amounting Bt 8,528 mn.

**Long-term liabilities** at the end of 2016 was Bt 11,942 mn, increasing by Bt 10,992 mn from the year 2015 due to the Company and its subsidiaries entered into a long-term loan agreement and Supply Agreement with suppliers (Supplier Credit) during the year 2016.

According to the conditions stated in the long-term loan agreement, the Company was required to maintain certain financial ratio, such as Debt Service Coverage Ratio and Net Interest Bearing Debt to EBITDA. At the end of 2016, the Company has still maintained certain financial ratio as stated under the conditions.

**Provision for rental assurance** at the end of 2016 was Bt 15,517 mn, compared to Bt 15,466 mn in 2015 due to the provision set up for liabilities according to the conditions stated in the Rental Assurance Agreement with JASIF (for 20% of the total OFCs).

**Other non-current liabilities** at the end of 2016 were Bt 859 mn, increasing by Bt 27 mn from the year 2015 due to the provision for long-term employee benefits and other liabilities from the normal business operation of the Company and its subsidiaries.

### Shareholders' Equity

At the end of 2016, the shareholders' equity of the Company and its subsidiaries was Bt 11,267 mn, decreasing by Bt 5,743 mn from the year 2015. The decrease was mainly because:-

- The issued and fully paid-up capital decreased from the year 2015 due to the decrease in the Company's registered capital of the 1,200 million repurchased shares in December 2016.
- The appropriated and unappropriated retained earnings decreased by Bt 6,323 mn from the year 2015. The net profit for the year 2016 of the Company and its subsidiaries was of Bt 3,002 mn. During this year, the Company paid dividend to its shareholders, totaling Bt 3,921 mn ; it also decreased the registered capital by writing off the 1,200 million repurchased shares. These resulted in the decrease of the retained earnings of Bt 5,404 mn.
- The offset with increasing share subscription received in advance which increased by Bt 1,264 mn from the conversion of JAS-W3 of approximately 294 million units in December 2016. As at 31 December 2016, there remained 2,992.36 million unexercised warrants.

### Capital Structure

As at 31 December 2016, the Company and its subsidiaries had the total liabilities of Bt 36,327 mn, or 76% of total assets. The total shareholders' equity was Bt 11,267 mn, or 24% of total assets. Debt to Equity ratio was at 3.22 time. When calculated on debt to equity ratio, excluding liabilities arising from the provision for rental assurance of Bt 15,517 mn, which was the record of the provision for liabilities according to Thai Accounting Standards, Debt to Equity ratio was at 1.85 time.

### Liquidity

As at 31 December 2016, the Company and its subsidiaries had cash and cash equivalent of Bt 2,482 mn, decreasing by Bt 5,398 mn from the year 2015. The summary of net cash generated and used is as follows:-

- Net cash used in operating activities                      Bt   (2,480)   mn.
- Net cash generated from investing activities            Bt     2,846   mn.
- Net cash used in financing activities                    Bt   (5,763)   mn.

### **Expenditure on research, technology development and innovation following the guideline of National Science and Technology Development Agency (NSTDA)**

Jasmine International Group places importance to technology development for the purpose of adding value to its high-speed internet service and serving diverse demands of the customers of 3BB. In addition, it encourages the new target customers to use more Internet by developing both the general and the application software to support its high-speed internet service such as IPTV, Cloudbox Storage and etc. These technological development tasks are trusted to Incloud Co.Ltd. ("INC"), a company in which TTTBB holds 100%. The Company has been granted investment support by the Board of Investment of Thailand (BOI) (For more details about INC's nature of business, please see Section 2). In 2016, the expenditures arising from technology development and innovation were mostly the employee's salary.

### **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 treasury 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 retained earnings as a reserve for the entire 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, the total value of which was Bt 990 mn. The Company appropriated the retained earnings as a reserve for the entire 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 Company completely reversed all the appropriated retained earnings for treasury shares.

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.



## 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

Name-Surname Position Date of Registration for Directorship	Age (Years)	Academic Degree/Training	Family Relationship with Directors and Executives	JAS, JAS-W3 holding Ratio (%) <sup>1)</sup>	Work Experience
1) Mr.Sudhitham Chirathivat  Independent Director and Chairman of the Board of Directors  3 February 2010	69	- MBA Operation Research Iona University, New York, USA. - Thai Institute of Directors Association (IOD): Director Certification Program (DCP) (in 2003)	None	-	2014- Present Independent Director and Member of Audit Committee, TV Thunder PCL. 2010-Present Chairman of the Board of Directors, Jasmine International PCL. 2004-Present Vice Chairman and Executive Director, Robinson Department Store PCL. 2002-Present Director and Chairman of Advisory Committee, Central Group Co., Ltd. Chairman of Executive Committee, Earth Care Co., Ltd. Executive Director, The Vintage Club Co., Ltd Director and Executive Director, - Central Pattana PCL. - Central Plaza Hotel PCL.
2) Dr.Vichit Yamboonruang  Independent Director and Chairman of Audit Committee  4 June 1999	75	- Ph.D. Public & International Affairs, University of Pittsburgh, Pennsylvania, USA. - Thai Institute of Directors Association (IOD): Director Accreditation Program (DAP) (in 2004) Director Certification Program (DCP) (in 2004) The Role of Chairman Program (RCP) (in 2004) Audit Committee Program (ACP) (in 2004) Chartered Director Class (CDC) (in 2007)	None	-	2014-Present Independent Director and Chairman of Audit Committee, BMP Energy PCL. 2012-Present Independent Director and Chairman of Audit Committee, Sherwood Chemicals PCL. 2011-Present Chairman of the Board of Directors and Independent Director, Ekarat Engineering PCL. 2008-2014 Chairman and Chief Executive Officer, Thai Premier League Co., Ltd. 2006-Present Independent Director and Chairman, Wiik & Hoeglund PCL. 2004-2013 Independent Director and Chairman of Audit Committee, RPCG PCL. 1999-Present Independent Director and Chairman of Audit Committee, Jasmine International PCL.

Remarks : <sup>1)</sup> JAS = Ordinary share; the total number of JAS used for calculation = 6,260,765,882 shares

JAS-W3 = the Warrant Representing the Rights to Purchase the Ordinary Shares of the Company; the total number of JAS-W3 used for calculation = 2,992,357,152 units

Name-Surname Position Date of Registration for Directorship	Age (Years)	Academic Degree/Training	Family Relationship with Directors and Executives	JAS, JAS-W3 holding Ratio (%) <sup>1)</sup>	Work Experience
3) Dr.Yodhin Anavil  Independent Director, Member of Audit Committee, and Chairman of Remuneration and Nomination Committee  28 September 2006	67	<ul style="list-style-type: none"> <li>- Ph.D. Electric Engineer, University of Cincinnati, Ohio, USA.</li> <li>- Thai Institute of Directors Association (IOD) : Director Accreditation Program (DAP) (in 2006) Director Certification Program (DCP) (in 2008) Audit Committee Program (ACP) (in 2008) Chartered Director Class (CDC) (in 2008) Role of the Compensation Committee (RCC) (in 2008) Financial Statement Demystified for Directors (FDD) (in 2009)</li> </ul>	None	-	2014- Present Independent Director and Chairman of Remuneration and Nomination Committee, Muangthai Leasing PCL  2011-Present Chairman of Remuneration and Nomination Committee, Jasmine International PCL  2011-Present Independent Director, Audit Committee, Corporate Gover- nance Committee, Robinson Department Store PCL.  2010-2015 Advisor to Director Committee, D.T.C. Industries PCL.  2009- 2011 Expert of the Committee on Constitutional Organs Affairs and Following up the Budget Administration  2008-Present Member of Remuneration and Nomination Committee, Jasmine International PCL  2006-Present Independent Director and Member of Audit Committee, Jasmine International PCL  1992-Present Executive Director, The Vintage Club Co., Ltd.
4) Mrs.Chantra Purnariksha  Independent Director and Member of Audit Committee  20 December 2011	70	<ul style="list-style-type: none"> <li>- M.A. Diplomacy and Comparative Economics, University of Kentucky USA.</li> <li>- Thai Institute of Directors Association (IOD) : Director Accreditation Program (DAP) (in 2005)</li> </ul>	None	-	2015- Present Advisor to the Board of Directors, Muang Thai Insurance PCL  2013-Nov2016 President / CEO, Saha Pathana Inter-Holding PCL.  2012- Nov2016 Director, Saha Pathana Inter-Holding PCL.  2012-2013 Independent Director and Member of Audit Committee, Kasikornbank PCL  2011-Present Independent Director and Member of Audit Committee, Jasmine International PCL  Independent Director, Phatra Leasing PCL.  2007-2011 Secretary-General, Office of Insurance Commission (OIC)  1975-Present Director, S.P. Enterprise Co., Ltd.

Remarks : <sup>1)</sup> JAS = Ordinary share; the total number of JAS used for calculation = 6,260,785,882 shares

JAS-W3 = the Warrant Representing the Rights to Purchase the Ordinary Shares of the Company; the total number of JAS-W3 used for calculation = 2,992,357,152 units

Name-Surname Position Date of Registration for Directorship	Age (Years)	Academic Degree/Training	Family Relationship with Directors and Executives	JAS, JAS-W3 holding Ratio (%) <sup>1)</sup>	Work Experience
5) Mr.Pete Bodharamik <sup>2)</sup> Director <sup>3)</sup> and Chief Executive Officer 21 March 2008	44	Bachelor of Management Sciences, London School of Economics and Political Science, England	None	JAS = 68.61 JAS-W3 = 66.28	2012-Present - Chairman, Mono Technology PCL. - Director, PVS Development Co., Ltd. 2008-Present - Director and Chief Executive Officer, Jasmine International PCL. - Director, Jasmine International Group 2007-Present Director, Triple T Internet Co., Ltd. 2006-Present Director, Triple T Broadband PCL. 2002-Present Director, Mono Group. 2001-Present Director, TT&T PCL. 1995-Present Director, Emerald Farm Co., Ltd.
6) Mr.Somboon Patcharasopak <sup>2)</sup> Director <sup>3)</sup> , Member of Remuneration and Nomination Committee and Chairman of Risk Management Committee 7 January 1994	56	- Honorary Doctorate Degree, Faculty of Science and Technology, Rajamangala University of Technology Phra Nakhon - MBA, Kasetsart University - Thai Institute of Directors Association (IOD) : Director Accreditation Program (DAP) (in 2003) Director Certification Program (DCP) (in 2003)	None	JAS = 0.24 JAS-W3 = 0.24	2012-Present Chairman of Risk Management Committee, Jasmine International PCL. 2008-Present - Member of Remuneration and Nomination Committee, Jasmine International PCL. - Director, TT&T PCL. 2004-Present Member of Risk Management Committee, Jasmine International PCL. 1988-Present Director, Jasmine International Group 1982-Present Director, Jasmine International PCL.

Remarks : <sup>1)</sup> JAS = Ordinary share; the total number of JAS used for calculation = 6,260,785,882 shares

JAS-W3 = the Warrant Representing the Rights to Purchase the Ordinary Shares of the Company; the total number of JAS-W3 used for calculation = 2,992,357,152 units

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

<sup>3)</sup> Authorized director

Name-Surname Position Date of Registration for Directorship	Age (Years)	Academic Degree/Training	Family Relationship with Directors and Executives	JAS, JAS-W3 holding Ratio (%) <sup>1)</sup>	Work Experience
7) Mr.Subhoj Sunyabhisithkul <sup>2)</sup> Director <sup>3)</sup> 4 June 1999	48	- Bachelor of Electrical Engineering, - Chulalongkorn University - Thai Institute of Directors Association (IOD) : - Director Certification Program (DCP) (in 2004)	None	-	2007-Present Director and President, Triple T Broadband PCL. Director, Triple T Internet Co., Ltd. Member of Risk Management Committee, Jasmine International PCL. 1999-Present Director, Jasmine International PCL. 1997-Present Director, Jasmine International Group 1988-Present Executive, Jasmine International Group
8) Mr.Terasak Jerauswapong <sup>2)</sup> Director <sup>3)</sup> and Member of Risk Management Committee 22 June 2000	55	- Bachelor of Electrical Engineering, (Telecommunications), King Mongkut's Institute of Technology, Ladkrabang - Thai Institute of Directors Association (IOD) : Director Accreditation Program (DAP) (in 2004) Director Certification Program (DCP) (in 2004)	None	JAS = 0.09 JAS-W3 = 0.09	2004-Present Member of Risk Management Committee, Jasmine International PCL. 1999-Present Director, Jasmine International PCL. 1996-Present President, Jasmine Submarine Telecommunications Co.,Ltd. 1990-Present Director, Jasmine International Group 1988-Present Executive, Jasmine International Group
9) Ms.Saijai Kitsin <sup>2)</sup> Director, Director and President, Secretary to the Board of Directors and Corporate Secretary 8 May 2008	54	- MS. (Accounting), Chulalongkorn University - Thai Institute of Directors Association (IOD) : Director Accreditation Program (DAP) (in 2004) Director Certification Program (DCP) (in 2004) Finance for Non-Finance Director (FND) (in 2005) Audit Committee Program (ACP) (in 2005)	None	JAS = 0.03 JAS-W3 = None	17 Jan 2017 Director and President, Jasmine International PCL. 2015- Present Director, Premium Asset Co., Ltd. 2008-Present Director and Corporate Secretary, Jasmine International PCL. 2008- Jan 2017 Executive Vice President, Jasmine International PCL. 2011-Present Director, In Cloud Co., Ltd. 2007-Present Director, Triple T Internet Co., Ltd. 2006-Present Director, Triple T Broadband PCL. 1992-Present Director and Executive, Jasmine International Group

Remarks : <sup>1)</sup> JAS = Ordinary share; the total number of JAS used for calculation = 6,260,785,882 shares

JAS-W3 = the Warrant Representing the Rights to Purchase the Ordinary Shares of the Company; the total number of JAS-W3 used for calculation = 2,992,357,152 units

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

<sup>3)</sup> Authorized director

Name-Surname Position Date of Registration for Directorship	Age (Years)	Academic Degree/Training	Family Relationship with Directors and Executives	JAS, JAS-W3 holding Ratio (%) <sup>1)</sup>	Work Experience
10) Mr.Pleumjai Sinarkorn  Director and Member of Remuneration and Nomination Committee  20 November 2008	83	- Ph.D. (Innovative Management), Suan Sunandha Rajabhat University - MBA, Suan Sunandha Rajabhat University - Thai Institute of Directors Association (IOD) : Director Certification Program (DCP) (in 2004) Role of the Compensation Committee (RCC) (in 2007) DCP Refresher Course (in 2008)	None	JAS = 0.01 JAS-W3 = None	Chairman of the Board of Directors, Jasmine Telecom Systems PCL.  Chairman of Remuneration Committee, Jasmine Telecom Systems PCL.  Member of Remuneration and Nomination Commit- tee, Jasmine International PCL.  Director, Cloud Computing Solutions Co., Ltd.  Advisor, JasTel Network Co., Ltd.  Director, Jasmine International PCL.  Director, TT&T Group  Director and Member of Remuneration Committee, Jasmine Telecom Systems PCL.  Executive Director Jasmine Telecom Systems PCL.  Director, TT&T PCL
11) Mr.Yordchai Asawathongchai  Director  27 September 2016	43	Bachelor of Engineering (Electrical Engineering), Chiang Mai University	None	-	Director, Jasmine International PCL. Chief Operation Officer 2, Triple T Broadband PCL. Executive Officer, - Triple T Broadband PCL. - Triple T Internet Co., Ltd.  Head of Contact Center Department, Triple T Broadband PCL.

Remarks: <sup>1)</sup> JAS = Ordinary share; the total number of JAS used for calculation = 6,260,785,882 shares

JAS-W3 = the Warrant Representing the Rights to Purchase the Ordinary Shares of the Company; the total number of JAS-W3 used for calculation = 2,992,357,152 units

Name-Surname Position	Age (Years)	Academic Degree/Training	Family Relationship with Directors and Executives	JAS, JAS-W3 holding Ratio (%) <sup>1)</sup>	Work Experience
12) Mrs.Chuenkamol Treesuttacheep Chief Financial Officer, Finance Department	46	MBA Finance, National Institute of Development Administration	None	-	2005-Present - Executive, Jasmine International Group
13) Mrs.Nitt Viseshan Vice President, Finance Department	56	Master of Administration (Public Management), Burapha University	None	-	1994-Present - Executive, Jasmine International Group
14) Ms.Sinenart Jongpakpaisal Vice President, Accounting Department	54	Master of Science Accounting, Thammasat University	None	-	1992-Present - Executive, Jasmine International Group
15) Mrs.Uraipom Charoenchit Vice President, Regulatory & Compliance Department	52	Bachelor of Arts, Thammasat University	None	-	1992-Present - Executive, Jasmine International Group

Remarks : <sup>1)</sup> JAS = Ordinary share; the total number of JAS used for calculation = 6,260,785,882 shares

JAS-W3 = the Warrant Representing the Rights to Purchase the Ordinary Shares of the Company; the total number of JAS-W3 used for calculation = 2,992,357,152 units

## 1.2 Roles and Responsibilities of Corporate Secretary

Please see Section 7, Subsection 7.3

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

Name-Surname Position	Age (Years)	Academic Degree/Training	Family Relationship with Directors and Executives	JAS, JAS-W3 Shareholding Ratio (%) <sup>1)</sup>	Work Experience
<b>Jasmine Submarine Telecommunications Co., Ltd.</b>					
1) Ms.Sinenart Jongpakpaisal Vice President, Accounting and Finance Department	54	Master of Science Accounting, Thammasat University	None	-	1992-Present Executive, Jasmine Submarine Telecommunications Co., Ltd.
2) Ms.Lukkana Moolsri Senior Manager, Administration Department	57	Master of Arts (Psychology), Chulalongkorn University	None	-	1993-Present Executive, Jasmine Submarine Telecommunications Co., Ltd.
<b>Acumen Co., Ltd.</b>					
1) Mrs.Nonglug Pongsrihadulchai General Manager	61	Master of Environment Technology Management, Mahidol University	None	-	1994-Present Executive, Acumen Co., Ltd.
2) Mr.Kamchai Vongklednark Assistant General Manager	46	Bachelor of Engineering (Computer Engineering), Kasetsart University	None	-	1993-Present Executive, Acumen Co., Ltd.
3) Mrs.Jirawat Prayoonyuang Assistant Vice President, Satellite Business Department	55	Bachelor of Arts, Ramkhamhaeng University	None	-	1993-Present Executive, Acumen Co., Ltd.
4) Mrs.Kanchana Surbkitwanchai Senior Manager	50	Bachelor of Accounting, Kirk University	None	-	1992-Present Executive, Acumen Co., Ltd.

Remarks : <sup>1)</sup> JAS = Ordinary share; the total number of JAS used for calculation = 6,260,785,882 shares

JAS-W3 = the Warrant Representing the Rights to Purchase the Ordinary Shares of the Company; the total number of JAS-W3 used for calculation = 2,992,357,152 units



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

Name of Executive	JAS	Subsidiary																		Associate
		TTTBB	TTTI	INC	JSTC	TLDT	JasTel	JJ-NET	ACU	ARS	SHW	JTS	CCS	PA	CP	JIOC	ACT	PP	JASMBB	
1) Mr.Sudhitham Chirathivat	C,I																			
2) Dr.Vichit Yamboonruang	CA,I																			
3) Dr.Yodhin Anavil	AC,I,CRN																			
4) Mrs.Chantra Punariksha	AC,I																			
5) Mr.Somboon Patcharasopak	A,CRM,RN				A	A	A	A	A	A	D			A	A	A	A			A
6) Mr. Subhoj Sunyabhisithkul	A	A,P	A	A	A	A	A	A	A	A						A	A			
7) Mr.Terasak Jerauswapong	A,RM				A,P	A	A	A	A	A	A					A	A	A		A
8) Mr.Pete Bodharamik	A,CEO	A	A		A	A	A,P	A	A	A	A			A					A	
9) Ms.Sajjai Kitsin	D,D&P	A	A	A	A	A	A							A					A	
10) Mr.Pleumjai Sinarkorn	D,RN											A,C,CRC	A							
11) Mr.Yordchai Asawathongchai	D																		A	
12) Mrs.Nitt Visesphan				A								A	A							

### Remarks :-

A	=	Authorized Director	AC	=	Member of Audit Committee	C	=	Chairman of the Board of Directors
CA	=	Chairman of Audit Committee	CEO	=	Chief Executive 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
CRN	=	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	PP	JASMBB
1) Mrs. Nonglug	Pongsrihadulchai		A	A									A	A						
2) Ms.Chongrak	Rojanavipat		A																	
3) Mr.Vasu	Prasannate		A																	
4) Mr-Anupong	Bodharamik		A																	
5) Mr.Pisit	Tantirodjanakitiakarn		E	E						D										
6) Mrs.Somchit	Terachutikul						D													
7) Mr.Kittipong	Mekvichitsaeng										A									
8) Mr.Varin	Chayanun										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.Dusit	Srisangaoran												D,P							
13) Mrs.Pindao	Rojanakul												A	A						
14) Mr.Suraphol	Chanpetch				A															
15) Ms.Oranuch	Chandhasin														A					
16) Ms.Yaowapa	Rattanaburee																	A		
17) Mrs.Lalana	Tharasuk																	A		
18) Mrs. Surparsorn	Honchalya																		A	
19) Mr.Taj	Bussadeegarn																		A	
20) Mr.Saharat	Kanongsilp																		A	
21) Mr.Chumanus	Keshsathira																		A	
22) Mr.Sombat	Punsiripat																		A	

### Remarks :

A = Authorized Director  
D = Director

AC = Member of Audit Committee  
I = Independent Director

CA = Chairman of Audit Committee  
RC = Remuneration Committee

### Information of JAS Head of Internal Audit

Name-Surname	Academic Degree/Training	Work Experience
Mrs.Nipaporn Rattanarmik Manager, Office of Internal Audit	<ul style="list-style-type: none"> <li>- Bachelor of Business Administration (Finance and Banking), Ramkhamhaeng University</li> <li>- 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)</li> <li>- The Institute of Internal Auditors of Thailand : Skills for the New Auditor-In-Charge Fraud Audit</li> <li>- The Stock Exchange of Thailand : Internal Control over Financial Reporting</li> </ul>	<p>2008-Present Manager, Office of Internal Audit, Jasmine International PCL.</p> <p>2004-2007 Assistant Manager, Office of Internal Audit Jasmine International PCL.</p>

# Changes in Shareholding of Directors and Executives

## Changes in Shareholding of Directors and Executives

Name-Surname	Number of Shares (Shares)			Number of JAS-W3 (Units)		
	as at 31 Dec. 2015	Change in Number of Shares in 2016 Increase /(Decrease)	as at 31 Dec. 2016	as at 31 Dec. 2015	Change in Number of JAS-W3 in 2016 Increase /(Decrease)	as at 31 Dec. 2016
<b>Director</b>						
1. Mr.Sudhitham Chirathivat	-	-	-	-	-	-
Spouse and Minor child	-	-	-	-	-	-
2. Dr.Vichit Yamboonruang	650,000	(650,000)	-	-	-	-
Spouse and Minor child	-	-	-	-	-	-
3. Dr.Yodhin Anavil	-	-	-	-	-	-
4. Mrs.Chantra Purnariksha	-	-	-	-	-	-
Spouse and Minor child	-	-	-	-	-	-
5. Mr.Pete Bodharamik	1,844,046,870	2,451,199,582	4,295,246,452	553,944,543	1,429,351,214	1,983,295,757
6. Mr.Somboon Patcharasopak	18,589,270	(3,800,000)	14,789,270	9,112,387	(1,862,745)	7,249,642
Spouse and Minor child	-	-	-	-	-	-
7. Mr.Subhoj Sunyabhisithkul	-	-	-	-	-	-
Spouse and Minor child	-	-	-	-	-	-
8. Mr.Terasak Jerauswapong	5,585,080	-	5,585,080	2,737,784	-	2,737,784
Spouse and Minor child	-	-	-	-	-	-
9. Mr.Pleumjai Sinarkorn	547,058	300,000	847,058	-	-	-
Spouse and Minor child	-	-	-	-	-	-
10. Ms.Saijai Kitsin	2,074,790	(374,790)	1,700,000	1,017,053	(1,017,053)	-
11. Mr.Yordchai Asawathongchai	-	-	-	-	-	-
Spouse and Minor child	-	-	-	-	-	-
<b>Executive</b>						
1. Mrs.Chuenkamol Treesuttacheep	-	-	-	-	-	-
Spouse and Minor child	-	-	-	-	-	-
2. Mrs.Nitt Visesphan	-	-	-	-	-	-
Spouse and Minor child	-	-	-	-	-	-
3. Ms.Sinenart Jongpakpaisal	-	-	-	-	-	-
4. Mrs.Uraiporn Charoenchit	-	-	-	-	-	-
Spouse and Minor child	-	-	-	-	-	-

# Shareholding in Subsidiaries and Associate Company of the Board of Directors

## Shareholding in Subsidiaries and Associate Company of the Board of Directors

Company name	Name of Director		Number of Ordinary Shares as at 31 December 2015
In Cloud Co., Ltd.	Mr.Subhoj	Sunyabhisithkul	1
Jasmine Submarine Telecommunications Co., Ltd.	Mr.Somboon	Patcharasopak	2
	Ms.Saijai	Kitsin	1
Thai Long Distance Telecommunications Co., Ltd.	Mr.Somboon	Patcharasopak	2
	Mr.Terasak	Jerauswapong	1
	Ms.Saijai	Kitsin	1
JasTel Network Co., Ltd.	Mr.Somboon	Patcharasopak	1
	Mr.Subhoj	Sunyabhisithkul	1
	Mr.Terasak	Jerauswapong	3
	Ms.Saijai	Kitsin	1
Acumen Co., Ltd.	Mr.Somboon	Patcharasopak	1
	Ms.Saijai	Kitsin	2
ACeS Regional Services Co., Ltd.	Mr.Somboon	Patcharasopak	1
Smart Highway Co., Ltd.	Mr.Somboon	Patcharasopak	1
	Mr.Subhoj	Sunyabhisithkul	1
	Mr.Terasak	Jerauswapong	3
Jasmine Telecom Systems PCL.*	Mr.Somboon	Patcharasopak	400
	Mr.Subhoj	Sunyabhisithkul	100
	Mr.Terasak	Jerauswapong	1,000
	Ms.Saijai	Kitsin	400
	Mr.Pleumjai	Sinarkorn	50,000
Cloud Computing Solutions Co., Ltd.	Ms.Saijai	Kitsin	3
Premium Asset Co., Ltd.	Mr.Terasak	Jerauswapong	3
JAS Mobile Broadband Co., Ltd.	Mr.Pete	Bodharamik	1
	Ms.Saijai	Kitsin	1
ACeS (Thailand) Co., Ltd.	Mr.Somboon	Patcharasopak	1
T.J.P. Engineering Co., Ltd.	Mr.Somboon	Patcharasopak	1
	Mr.Subhoj	Sunyabhisithkul	1
	Mr.Terasak	Jerauswapong	2
Mobile Communication Services Co., Ltd.	Mr.Somboon	Patcharasopak	1
	Mr.Subhoj	Sunyabhisithkul	1
	Mr.Terasak	Jerauswapong	3
Compunet Corporation Co., Ltd.	Mr.Somboon	Patcharasopak	1
	Ms.Saijai	Kitsin	2
Three BB Co., Ltd.	Mr.Somboon	Patcharasopak	1
	Mr.Subhoj	Sunyabhisithkul	1
	Mr.Terasak	Jerauswapong	2
Jasmine Smart Shop Co., Ltd.	Mr.Somboon	Patcharasopak	1

Remarks : \* Shareholding as at 14 November 2016, the closing date of share register book

# Remuneration and Nomination Committee's Report

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

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

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

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

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

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

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

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

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

- The Remuneration and Nomination Committee Self Assessment

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

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

  
(Dr.Yodhin Anavil)

Chairman of Remuneration and Nomination Committee



# Risk Management Committee's Report

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

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

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

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



**(Mr.Somboon Patcharasopak)**

**Chairman of the Risk Management Committee**

# Audit Committee's Report

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

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

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

## Verification of Financial Statements

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

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

## Verification of Related Party Transaction

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

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

## Verification of Internal Control System

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

### **Verification of Compliance with Law**

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

### **Verification and Oversight of Work of Office of Internal Audit**

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

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

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

### **Audit Committee Self Assessment**

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

**(Dr.Vichit Yamboonruang)**  
**Chairman of Audit Committee**

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

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

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

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

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

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



**(Mr. Pete Bodharamik)**

**Chief Executive Officer**

# Independent Auditor's Report

To the Shareholders of Jasmine International Public Company Limited

## Qualified Opinion on the Consolidated Financial Statements

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

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

## Basis for Qualified Opinion on the Consolidated Financial Statements

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

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



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

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

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

## Emphasis of Matters

I draw attention to the following matters:

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

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

## Key Audit Matters

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

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

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

### *Revenue recognition*

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

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

### *Deferred tax*

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

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

## Other Information

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

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

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

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

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

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

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

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

## Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. I am responsible for the direction, supervision and performance of the group audit. I remain solely responsible for my audit opinion.

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

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

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

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



**Supachai Phanyawattano**

**Certified Public Accountant (Thailand) No. 3930**

EY Office Limited

Bangkok: 20 February 2017

# Consolidated Financial Statements

Jasmine International Public Company Limited and its subsidiaries

Statement of financial position

As at 31 December 2016

(Unit: Baht)

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

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



# Jasmine International Public Company Limited and its subsidiaries

## Statement of financial position (Continued)

As at 31 December 2016

(Unit: Baht)

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

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

## Jasmine International Public Company Limited and its subsidiaries

## Statement of financial position (Continued)

As at 31 December 2016

(Unit: Baht)

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

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

# Jasmine International Public Company Limited and its subsidiaries

## Statement of comprehensive income

For the year ended 31 December 2016

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2016	2015	2016	2015
Profit or loss:					
Revenues					
Sales and service income		15,619,264,085	13,982,677,626	-	-
Other income					
Gains on sales of assets to the fund	28	2,159,900,003	18,859,325,567	-	-
Management fee income	6	-	-	524,052,600	509,311,071
Interest income		70,386,195	274,021,291	8,993,560	26,258,519
Income from management and maintenance of assets	6, 28	205,524,462	154,142,322	-	-
Dividend income from subsidiaries	11	-	-	8,946,704,395	12,484,283,650
Dividend income from associate	12	-	-	1,631,503,500	953,238,000
Others		95,766,885	156,973,006	12,208,186	81,117,203
Total other income		2,531,577,545	19,444,462,186	11,123,462,241	14,054,208,443
Total revenues		18,150,841,630	33,427,139,812	11,123,462,241	14,054,208,443
Expenses					
Cost of sales and services		9,711,218,325	8,406,506,200	-	-
Selling and servicing expenses		1,156,376,081	1,000,200,306	-	-
Administrative expenses		2,769,402,510	2,346,943,881	242,960,119	184,297,620
Exchange losses		105,212,188	127,355,273	-	-
Damages from non-compliance with the conditions precedent to be met before granting a license	33.10	840,655,645	-	-	-
Loss from impairment of investment in subsidiary	11.1	-	-	832,440,961	-
Doubtful accounts and bad debt		337,835,255	222,974,746	-	-
Total expenses		14,920,700,004	12,103,980,406	1,075,401,080	184,297,620
Profit before share of profit from investments in associates, finance cost and income tax		3,230,141,626	21,323,159,406	10,048,061,161	13,869,910,823
Shares of profit from investments in associates	12	1,019,210,672	796,857,131	-	-
Profit before finance cost and income tax		4,249,352,298	22,120,016,537	10,048,061,161	13,869,910,823
Finance cost		(395,046,772)	(197,436,691)	(428,142,744)	(357,669,755)
Profit before income tax		3,854,305,526	21,922,579,846	9,619,918,417	13,512,241,068
Income tax	26	(862,526,455)	(6,022,844,444)	2,464,756	(81,470,245)
Profit for the year		2,991,779,071	15,899,735,402	9,622,383,173	13,430,770,823

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

## Jasmine International Public Company Limited and its subsidiaries

## Statement of comprehensive income (Continued)

For the year ended 31 December 2016

(Unit: Baht)

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

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

# Jasmine International Public Company Limited and its subsidiaries

## Statement of changes in shareholders' equity

For the year ended 31 December 2016

(Unit: Baht)

Consolidated financial statements																
	Equity attributable to owners of the Company															
	Other components of shareholders' equity										Total equity attributable to owners of the Company	Equity attributable to non-controlling interests of the subsidiaries	Total shareholders' equity			
	Issued and fully paid-up share capital	Share subscription received in advance	Premium (discount) on ordinary shares	Retained earnings			Treasury shares	Other changes by the owners						Total other components of shareholders' equity		
				Statutory reserve	Appropriated	Unappropriated		Deficit on changes in value of investments in available-for-sale securities	Premium on ordinary shares from expired warrants	Premium on capital reduction					Capital surplus from share premium of subsidiary	Deficit from changes in shareholding in subsidiaries
Balance as at 1 January 2015	3,568,697,189	-	(224,549,619)	849,715,545	991,662,088	7,434,161,926	(991,662,088)	(2,724)	25,169,527	200,781,377	49,665,575	(17,436,516)	258,177,239	11,886,202,280	1,040,530,651	12,926,732,931
Profit for the year	-	-	-	-	-	15,710,408,063	-	-	-	-	-	-	-	15,710,408,063	189,327,339	15,899,735,402
Other comprehensive income for the year	-	-	-	-	-	(60,534,067)	-	-	-	-	-	-	-	(60,534,067)	-	(60,534,067)
Total comprehensive income for the year	-	-	-	-	-	15,649,873,996	-	-	-	-	-	-	-	15,649,873,996	189,327,339	15,839,201,335
Dividend paid to the Company's shareholders	32	-	-	-	-	(12,251,520,173)	-	-	-	-	-	-	-	(12,251,520,173)	-	(12,251,520,173)
Reduction of paid-up share capital by writing off treasury shares		(71,365,000)	-	-	-	(920,297,088)	991,662,088	-	-	-	-	-	-	-	-	-
Reversal of appropriated retained earnings for treasury shares		-	-	-	(991,662,088)	991,662,088	-	-	-	-	-	-	-	-	-	-
Increase in share capital		69,403,940	-	527,469,948	-	-	-	-	-	-	-	-	-	596,873,888	-	596,873,888
Share subscription received in advance		-	251,094	-	-	-	-	-	-	-	-	-	-	251,094	-	251,094
Dividend paid to non-controlling interests of the subsidiaries		-	-	-	-	-	-	-	-	-	-	-	-	-	(101,335,077)	(101,335,077)
Transferred to statutory reserve	24	-	-	-	41,961,820	-	-	-	-	-	-	-	-	-	-	-
Balance as at 31 December 2015		3,566,736,129	251,094	302,920,329	891,677,365	-	10,861,918,929	-	(2,724)	25,169,527	200,781,377	49,665,575	(17,436,516)	258,177,239	15,981,681,085	17,010,203,998

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

# Jasmine International Public Company Limited and its subsidiaries

## Statement of changes in shareholders' equity (Continued)

### For the year ended 31 December 2016

(Unit: Baht)

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

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

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

**For the year ended 31 December 2016**

(Unit: Baht)

	Note	Separate financial statements											
		Issued and fully paid-up share capital	Share subscription received in advance	Premium (discount) on ordinary shares	Retained earnings			Treasury shares	Other components of shareholders' equity				
					Appropriated		Unappropriated		Other comprehensive income	Other changes by the owners			
					Statutory reserve	Treasury shares reserve				Premium on ordinary shares from expired warrants	Premium on capital reduction	Total other components of shareholders' equity	
Balance as at 1 January 2015		3,568,697,189	-	(224,549,619)	331,107,500	991,662,088	1,083,383,521	991,662,088	(2,724)	25,169,527	200,781,377	225,948,180	4,984,586,771
Profit for the year		-	-	-	-	-	13,430,770,823	-	-	-	-	-	13,430,770,823
Other comprehensive income for the year		-	-	-	-	-	(9,597,166)	-	-	-	-	-	(9,597,166)
Total comprehensive income for the year		-	-	-	-	-	13,421,173,657	-	-	-	-	-	13,421,173,657
Dividend paid to the Company's shareholders	32	-	-	-	-	-	(12,251,520,173)	-	-	-	-	-	(12,251,520,173)
Reduction of paid-up share capital by writing off treasury shares		(71,365,000)	-	-	-	-	(920,297,088)	991,662,088	-	-	-	-	-
Reversal of appropriated retained earnings for treasury shares		-	-	-	-	-	(991,662,088)	991,662,088	-	-	-	-	-
Increase in share capital		69,403,940	-	527,469,948	-	-	-	-	-	-	-	-	596,873,888
Share subscription received in advance		-	251,094	-	-	-	-	-	-	-	-	-	251,094
Transferred to statutory reserve	24	-	-	-	25,762,219	-	(25,762,219)	-	-	-	-	-	-
Balance as at 31 December 2015		3,566,736,129	251,094	302,920,329	356,869,719	-	2,298,639,786	-	(2,724)	25,169,527	200,781,377	225,948,180	6,751,365,237
Balance as at 1 January 2016		3,566,736,129	251,094	302,920,329	356,869,719	-	2,298,639,786	-	(2,724)	25,169,527	200,781,377	225,948,180	6,751,365,237
Total comprehensive income for the year		-	-	-	-	-	9,622,383,173	-	-	-	-	-	9,622,383,173
Dividend paid to the Company's shareholders	32	-	-	-	-	-	(3,920,843,372)	-	-	-	-	-	(3,920,843,372)
Transferred unrealised loss to loss from impairment of investment		-	-	-	-	-	-	-	-	-	-	-	-
Treasury shares purchased during the year	22	-	-	-	-	-	-	-	2,724	-	-	2,724	2,724
Transferred to treasury share reserve	22	-	-	-	-	-	6,003,986,000	(6,003,986,000)	-	-	-	-	(6,003,986,000)
Reduction of paid-up share capital by writing off treasury shares	22	(600,000,000)	-	-	-	-	-	(5,403,986,000)	6,003,986,000	-	-	-	-
Reversal of appropriated retained earnings for treasury shares	22	-	-	-	-	-	(6,003,986,000)	6,003,986,000	-	-	-	-	-
Increase in share capital	22	1,742,129	(251,094)	11,885,874	-	-	-	-	-	-	-	-	13,376,909
Share subscription received in advance	23	-	1,264,227,510	-	-	-	-	-	-	-	-	-	1,264,227,510
Transferred to statutory reserve	24	-	-	-	107,730,109	-	(107,730,109)	-	-	-	-	-	-
Balance as at 31 December 2016		2,968,478,258	1,264,227,510	314,806,203	464,599,828	-	2,488,463,478	-	-	25,169,527	200,781,377	225,950,904	7,726,526,181

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



# Jasmine International Public Company Limited and its subsidiaries

## Cash flow statement

For the year ended 31 December 2016

(Unit: Baht)

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

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

# Jasmine International Public Company Limited and its subsidiaries

## Cash flow statement (Continued)

For the year ended 31 December 2016

(Unit: Baht)

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

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

# Notes to consolidated financial statements

**Jasmine International Public Company Limited and its subsidiaries**

**Notes to consolidated financial statements**

**For the year ended 31 December 2016**

## 1. Corporate information

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

## 2. Basis of preparation

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

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

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

### 2.2 Basis of consolidation

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

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

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

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

### 3. New financial reporting standards

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

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

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

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

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

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

#### **TAS 27 (revised 2016) Separate Financial Statements**

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

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

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

## **4. Significant accounting policies**

### **4.1 Revenue recognition**

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

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

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

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

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

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

### **4.2 Cash and cash equivalents**

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

### **4.3 Trade and other receivables**

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

### **4.4 Inventories**

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

### **4.5 Non-current assets held for sale**

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



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

#### 4.6 Investments

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

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

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

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

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

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

#### 4.7 Investment properties

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

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

No depreciation is provided for land classified as investment properties.

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

#### 4.8 Property, plant and equipment/Depreciation

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

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

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

Depreciation is recognised in profit or loss.

No depreciation is provided on land and assets under installation.

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

#### 4.9 Prepaid rent and amortisation

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

#### 4.10 Related party transactions

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

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

#### 4.11 Long-term leases

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

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

#### 4.12 Foreign currencies

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

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

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

#### 4.13 Impairment of assets

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

An impairment loss is recognised in profit or loss.

#### 4.14 Employee benefits

##### ***Short-term employee benefits***

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

##### ***Post-employment benefits***

###### *Defined contribution plans*

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

###### *Defined benefit plans*

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

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

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

#### 4.15 Provisions

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

#### 4.16 Treasury shares

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

#### 4.17 Income tax

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

##### Current tax

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

##### Deferred tax

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

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

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

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

#### 4.18 Fair value measurement

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

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

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

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

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

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

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

## 5. Significant accounting judgements and estimates

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

### **Leases**

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

### **Allowance for doubtful accounts**

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

### **Impairment of investments**

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

### **Property plant and equipment/Depreciation**

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

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

#### **Deferred tax assets**

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

#### **Post-employment benefits under defined benefit plans**

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

#### **Litigation**

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

## **6. Related party transactions**

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

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

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

(Unit: Million Baht)

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

(Unit: Million Baht)

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



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

(Unit: Million Baht)

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

(Unit: Million Baht)

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

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

(Unit: Million Baht)

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

(Unit: Million Baht)

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

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

### Directors and management's benefits

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

(Unit: Million Baht)

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

### Guarantee obligations with subsidiaries

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

## 7. Cash and cash equivalents

(Unit: Million Baht)

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

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

## 8. Current investments - deposits with banks

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

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

## 9. Trade and other receivables

(Unit: Million Baht)

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

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

(Unit: Million Baht)

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

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

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

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

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

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

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

## 10. Accounts receivable under troubled debt restructuring

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

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

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

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

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

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

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

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

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



## 11. Investments in subsidiaries

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

(Unit: Million Baht)

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

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

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

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

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

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

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

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

## 12. Investments in associates

### 12.1 Details of associates

(Unit: Million Baht)

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

(Unit: Million Baht)

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

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

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

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

(Unit: Million Baht)

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

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

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

### 13. Investment properties

(Unit: Million Baht)

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

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

(Unit: Million Baht)

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

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

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

(Unit: Million Baht)

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



## 14. Property, plant and equipment

(Unit: Million Baht)

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

(Unit: Million Baht)

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

(Unit: Million Baht)

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

(Unit: Million Baht)

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



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

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

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

## 15. Prepaid rent

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

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

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

(Unit: Million Baht)

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

## 16. Short-term loans from banks

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

## 17. Trade and other payables

(Unit: Million Baht)

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

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

## 18. Long-term loans

(Unit: Million Baht)

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

(Unit: Million Baht)

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

Details of the above loans are summarised below.

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

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



## 19. Liabilities under finance lease agreements

(Unit: Million Baht)

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

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

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

(Unit: Million Baht)

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

(Unit: Million Baht)

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

## 20. Accounts payable for equipment

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

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

(Unit: Million Baht)

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

## 21. Provision for long-term employee benefits

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

(Unit: Million Baht)

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

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

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

Principal actuarial assumptions at the valuation date were as follows:

(Unit: Percent per annum)

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

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

(Unit: Million Baht)

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

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

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

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

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

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

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

### 23. Warrants

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

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

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

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

## 24. Statutory reserve

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

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

## 25. Expenses by nature

Significant expenses by nature are as follows:

(Unit: Million Baht)

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

## 26. Income tax

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

(Unit: Million Baht)

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

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

(Unit: Million Baht)

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

(Unit: Million Baht)

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

The components of deferred tax assets are as follows:

(Unit: Million Baht)

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



(Unit: Million Baht)

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

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

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

## 27. Promotional privileges

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

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

## 28. Infrastructure fund transactions

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

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

**a) Asset Sale and Transfer Agreement**

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

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

**b) Main Lease Agreement**

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

**c) Rental Assurance Agreement**

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

**d) OFCs Maintenance Agreement**

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

#### e) **Marketing Services Agreement**

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

#### f) **Loan Agreement**

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

#### g) **Undertaking Agreement**

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

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

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

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

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

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

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

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

The assets sales transactions are summarised as follows:

(Unit: Million Baht)

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

## 29. Earnings per share

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

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

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

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

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

### 30. Segment information

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

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

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

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

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

Inter-segment revenues are eliminated on consolidation.

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

(Unit: Million Baht)

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



### 31. Provident fund

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

### 32. Dividends

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

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

### 33. Commitments and contingent liabilities

#### 33.1 Capital commitments

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

#### 33.2 Operating lease commitments

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

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

(Unit: Million Baht)

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

### 33.3 Guarantees

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

### 33.4 Long-term service commitments

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

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

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

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

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

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

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

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

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

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

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

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

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

### 33.8 Litigation and disputes with TT&T

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

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

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



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

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

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

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

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

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

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

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

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

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



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

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

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

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

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

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

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

### 33.9 Telecommunications licenses

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

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

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

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

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

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

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

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

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

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

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

### 34. Fair value hierarchy

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

(Unit: Million Baht)

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

### 35. Financial instruments

#### 35.1 Financial risk management

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

##### ***Credit risk***

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

##### ***Interest rate risk***

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

##### ***Foreign currency risk***

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

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

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

### 35.2 Fair values of financial instruments

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

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

## 36. Capital management

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

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

## 37. Events after the reporting period

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

## 38. Approval of financial statements

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

