

**NOW WE ARE ALL FIBER WIFI**  
**Everywhere Nationwide**



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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 2017 Annual Report

ACT	= ACeS (Thailand) Company Limited
ACU	= Acumen Company Limited
ADSL	= Asymmetric Digital Subscriber Line
ARS	= ACeS Regional Services Company Limited
Broadband Internet	= High-speed Internet
CCS	= Cloud Computing Solutions Company Limited
CP	= Chaengwatana Planner 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
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
SHW	= Smart Highway Company Limited
TJP	= T.J.P. Engineering Company Limited
TKSC	= Telecom KSC Company Limited
TLDT	= Thai Long Distance Telecommunications 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
SEC	= The Office of the Securities and Exchange Commission
NBTC	= The National Broadcasting and Telecommunications Commission
CAT	= CAT Telecom Public Company Limited
SET	= The Stock Exchange of Thailand
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 Chairman of the Board of Directors

### To Our Respected Shareholders,

In the year 2017, Jasmine International Public Company Limited (JAS) was very successful in carrying out its business. Essentially, as the company operating the core business under JAS, Triple T Broadband Public Company Limited, also known as 3BB, showed persistent growth in its business as well as gaining popularity among the public, portrayed through its 2.726 million subscribers and an 11% of increased income, compared to the previous year of 2016. The Company's sustainable growth was mainly possible through staff development in their capacity of technical skills and service provision, their promptness to face competition and steps taken forward to keep up with the current technology.

In terms of corporate social responsibility, the Company still aims at implementing its vision and mission based on complementing good governance with sustainable business development. This includes the JAS project that promotes knowledge and learning skills, in order to develop Thai youths, as well as the Broadband Internet project for free education, which is a project upon which the Company has continuously placed importance.

Through being readily equipped, and with strong and stable networks, 3BB was able to provide its services everywhere nationwide. The Board of Directors and over 15,000 staff members have the integrity to develop good quality service while also giving all their efforts in bringing the Company towards sustainable growth and development with 3BB as the leader in providing high-speed broadband Internet for the benefit of economic, social and national development.

On behalf of JAS Board of Directors, I would like to take this opportunity to thank our shareholders, business partners, financial institutions, and all respected customers for their continuous support and trust in our business operations.



(Mr. Sudhitham Chirathivat)  
Chairman of the Board of Directors



## ■■■ Message from CEO

Dear Shareholders,

Hi-speed broadband internet is the core business of Jasmine International Public Company Limited (JAS). The Company has expanded its FTTx network to cover everywhere nationwide and is also capable of offering the internet speed of up to 10 Gbps. Thus, the Company is presently recognized in the hi-speed broadband internet market both as the leader of service speed and the leader of fiber optic cables. At the end of 2017, the Company totally had 2.726 million subscribers; this number includes approximately 317,661 FTTx subscribers, increasing by 201,358 subscribers, compared to the year 2016 in which the Company had 36,171 net additional subscribers.

The Company has approximately 15,000 employees to support its expansion of over 3 million core kilometers of fiber optic cables for the provision of FTTx service. Such manpower will enable an increase in the efficiency and the quality of the Company's services to be offered to the customers.

With regard to the disposal of the additional Optical Fiber Cables to Jasmine Broadband Internet Infrastructure Fund, already approved by the shareholders' meeting, this transaction will be complete within 2018, resulting in the Company's obtainment of more capital for future expansion.

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



(Mr. Pete Bodharamik)  
Chief Executive Officer



## ■■■ JAS Board of Directors



**Mr. Sudhitham Chirathivat**

Chairman of the Board of Directors and Independent Director



**Mr. Pete Bodharamik**

Director and Chief Executive Officer

## ■■■ JAS Board of Directors



**Dr.Vichit Yamboonruang**

Independent Director



**Dr.Yodhin Anavil**

Independent Director



**Mrs.Chantira Purnariksha**

Independent Director

## ■■■ JAS Board of Directors



**Ms.Saijai Kitsin**

Director and President



**Mr.Pleumjai Sinarkorn**

Director



**Mr.Somboon Patcharasopak**

Director



## ■■■ JAS Board of Directors



**Mr.Terasak Jerauswapong**

Director



**Mr.Subhoj Sunyabhisithkul**

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 complement 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 services and cloud computing that is a technology providing users with ICT services; thus, an operator who needs the ICT system for running his business may choose to rent cloud services from us instead of acquiring them by own investment. We offer 2 types of cloud service: Infrastructure-as-a-service and Software-as-a-Service;
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.

#### 2018

On 23 February 2018, JAS Board of Directors at the meeting No.1/2018 resolved to acknowledge Mr.Somboon Patcharasopak's resignation from his director position in the Board of the Company.

### Changes in Nature of Business

In 2017, Jasmine International Group still had 4 business groups. Of these 4, the business that remarkably reported significant progress was Broadband Internet business under TTTBB and TTTI, which emphasized not only the expansion of networks to provide the FTTx service, utilizing the most up-to-date fiber optic networks, but also the continuous development of broadband Internet networks to enable an offer of Internet speed of up to 10 Gbps, enhancing the speed and properties that surpass the ones generally offered by Internet service via mobile phone networks. In addition, TTTBB and TTTI have also kept on developing more value-added services; for instances, IPTV, Cloudbox storage, and etc. to meet a variety of demands of the customers.

### Changes in Shareholding Structure and Management

- Acquisition and Disposal of Assets of Jasmine International Group

#### 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 percent; 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 acted 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 unit
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.

## 2017

On 27 April 2017, the 2017 Annual General Meeting of Shareholders passed a resolution to approve TTTBB, a subsidiary of JAS, to enter into the transactions in relation to the Jasmine Broadband Internet Infrastructure Fund (“JASIF/the Fund”) as follows :-

- Approving the disposal of the additional Optical Fiber Cables of not exceeding 980,000 core k.m. (the “Additional Assets”) to JASIF. TTTBB would transfer a portion of the Additional Assets to JASIF on the execution date of the Additional Assets Sale and Purchase Agreement and the remaining assets will be gradually transferred over a period to be agreed upon by the parties, which shall be within 3 years from the first date on which such assets are transferred;
- Approving the entering into the asset acquisition transaction by means of leasing the additional Optical Fiber Cables from JASIF and providing the Fund a guarantee of the lease payment for the additional Optical Fiber Cables. TTTBB is desirous to lease the Additional Assets from the Fund in the form of a “Master Lease Agreement” of 80 percent of the total Additional Assets the Fund would have received (or would have received from time to time) in order to use the Additional Assets in the business operation of broadband Internet. The lease term is approximately 12 years. In addition, TTTBB is desirous to provide the Fund a guarantee of asset lease payment under the “Asset Lease Payment Guarantee Agreement” of 20 percent of the total Additional Assets the Fund would have received (or would have received from time to time). In this regard, the guarantee period is three years, and the Fund is entitled to renew the Asset Lease Payment Guarantee Agreement for another three years per renewal until the Master Lease Agreement is expired;

- Approving the subscription of newly-issued investment units of JASIF : Due to JASIF's issuance of the newly-issued investment units in order to utilize a part of the proceeds derived to acquire the Additional Assets from TTTBB, JAS is desirous to additionally purchase the newly-issued investment units of the Fund at the amount of not exceeding one-third (or approximately not exceeding 33.33 percent) of the total number of the newly-issued investment units; in addition to
- Approving the appointment of Mr.Pete Bodharamik, JAS Chief Executive Officer, or his delegated person to be authorized to undertake any act relevant to the entering into the acquisition and the disposal of assets detailed above.

On 5 June 2017, JAS Board of Directors at the meeting No. 4/2017 resolved to dissolve 4 dormant subsidiaries as follows:-

- Compunet Corporation Company Limited
- Premium Real Estate Company Limited
- Jasmine Smart Shop Company Limited
- Pakkred Planner Company Limited

JAS registered the dissolution of these 4 companies with the Ministry of Commerce on 11 July 2017 and later registered the completion of their liquidation, accordingly on 23 November 2017.

On 10 November 2017, JAS Board of Directors at the meeting No. 7/2017 resolved to approve JAS to apply for a short-term loan, amounting Bt 340,000,000 with interest of 2.08 percent per annum, totaling Bt 347,072,000 , with the term of loan for 6 months and with an extension right for another 6 months, from JTS, a subsidiary, in which JAS has the total direct and indirect shareholding of 50.91 percent. The loan will be used as the working capital for JAS business.

- 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 Bt1,000 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 2016 Annual General Meeting of Shareholders, 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 percent 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 percent 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

#### 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.

## 2017

On 27 April 2017, the 2017 Annual General Meeting of Shareholders passed a resolution to approve paying dividend for the year 2016 to the shareholders of the entire 6,260,785,882 ordinary shares at the rate of Bt 0.25 per share, amounting to the total dividend payment of Bt 1,565,196,470.50.

On 9 August 2017, JAS Board of Directors at the meeting No. 5/2017 resolved to approve the payment of interim dividend from the retained earnings as at 30 June 2017 to the existing common shareholders of the total 6,494,856,062 shares, at the rate of Bt 0.20 per share, amounting to the total dividend payment of Bt 1,298,971,212.40.

On 10 November 2017, JAS Board of Directors at the meeting No. 7/2017 resolved to approve the payment of interim dividend from the net profit during the year 2017 to the existing common shareholders of the total 6,670,625,606 shares, at the rate of Bt 0.15 per share, amounting to the total dividend payment of Bt 1,000,593,840.90.

- 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 the date of the issuance and the allocation of JAS-W3 Warrants to be on 6 July 2015.

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

On 25 February 2016, JAS adjusted the exercise price and the exercise ratio of JAS-W3 Warrants due to its dividend payment's exceeding 80 percent 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 Warrants are as follows.

- Exercise price **adjusted from** Bt 4.30 per share **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 Warrants 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 Warrants are as follows.

- Exercise price **adjusted from** Bt 4.098 per share **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

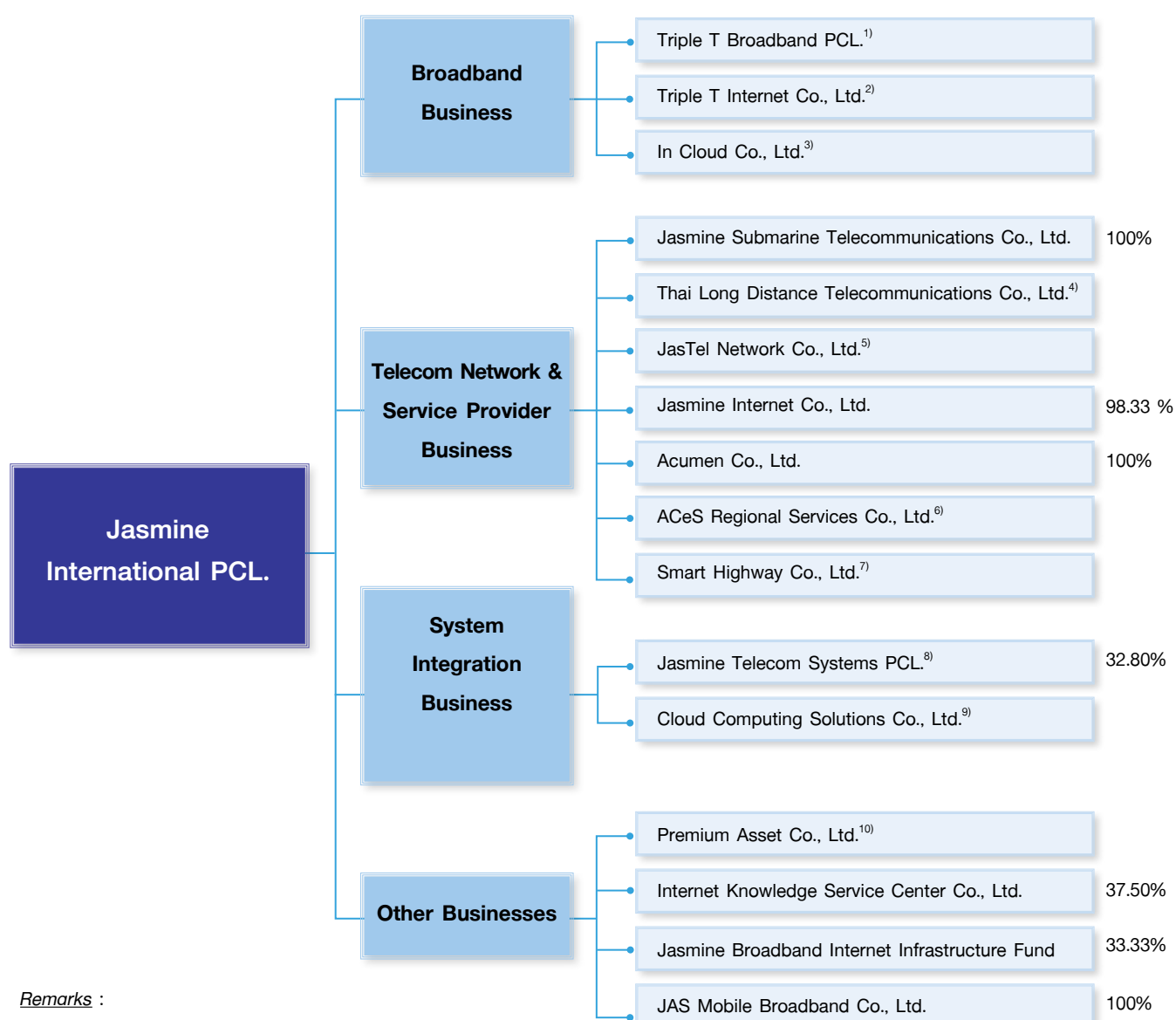
## Business Trend of Jasmine International Group in 2018

High-speed broadband Internet is still the core business of Jasmine International Group (JAS Group), in which there has been a continuous growth in the number of customers over the years. JAS Group has invested in the fiber optic network (FTTx) that is “Fiber to the Home”, as a means to provide a comprehensive service to all areas nationwide. This includes the provision of Internet service speed of up to 10,000 Mbps, through the shared utilization of the core network to enable maximum benefits. As a result, this would enable the number of subscribers to double by the end of the year 2018. Moreover, it also enables JAS Group to remain as the top operator in the business of high-speed broadband Internet, both in terms of speed and service quality. In order to maintain the status as the top leader in this business, JAS Group has managed to provide related equipment and increase its capacity through speed increasing apart from the recruitment of a lot of technical staff. Hence, currently, there is a total of approximately 15,000 staff members prompted to offer higher quality installation and service to the customers.

To increase efficiency of all sectors, JAS Group has performed research, as well as applying innovative technologies, such as Artificial Intelligence (AI) and Big Data in the organization. This in turn leads to the understanding of customers’ behavior, the development of quicker service and the improvement in the quality of service provided. Such service development incorporates the study on the feasibility to collaborate with partners in integrating IOT and Smart Home into the services, as well as other additional services such as CloudTV, CloudBox and MonoMaxx.

In addition, with all the optic fibers being serviced everywhere nationwide, the Company will also dispose its additional Optical Fiber Cables (OFCs) to JASIF this year; thus, increasing the value of JASIF to around as much as 50 billion Baht and enlarging the Fund size. The Company is confident that it will be able to pay dividends at high rate per share to the shareholders.

### 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 percent, compared to the size of the Company.

### 1.4 Relationship with Business Group of Major Shareholders

- None -

# ■■■ 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 puts emphasis on supporting 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, including nationwide WiFi. The companies under this business group are as follows:-

- **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; local and international private leased-circuit; International Internet Gateway; data center service; and satellite communication. The companies under this business group are as follows:-

- **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 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 (FTTx), data center, BranchConnex via ADSL, VDSL, FTTx and 4G in addition to WiFi service, 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, IP camera service, WiFi Hotspots and Firewall service etc. to its customers;
- **Acumen Co., Ltd.**, that provides wireless communication services in the form of satellite communications via Very Small Aperture Terminal (VSAT) nationwide; 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 in 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 or “ACeS Contax” 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 companies under this business group are as follows:-

- **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 companies under this business group are as follows:-

- **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 usage. 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 has 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 2017, the Company's total revenue was Bt 18,288 mn. This amount was from the contribution of the following business groups :-

1. Broadband Business whose contribution for the year 2017 was Bt 17,122 mn or 93.62 percent of the total revenue of Jasmine International Group;
2. Telecom Network & Service Provider Business whose contribution for the year 2017 was Bt 967 mn or 5.29 percent of the total revenue of Jasmine International Group;
3. System Integration Business whose contribution for the year 2017 was Bt 48 mn or 0.25 percent of the total revenue of Jasmine International Group;
4. Other Businesses whose contribution for the year 2017 was Bt 151 mn or 0.83 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	2017		2016		2015	
			Revenue	%	Revenue	%	Revenue	%
<i>The Company and the subsidiaries</i>								
Broadband Business	TTTBB	99.20% held by ACU	815	4.46	<sup>1)</sup> 2,436	13.42	<sup>1)</sup> 19,262	57.62
	TTTI	99.99% held by TTTBB	16,307	89.16	14,517	79.98	12,684	37.95
	INC	100% held by TTTBB	-	-	-	-	-	-
Total			17,122	93.62	16,953	93.40	31,946	95.57
Telecom Network &	JSTC	100	23	0.13	16	0.09	16	0.05
Service Provider Business	TLDT	90% held by JSTC	-	-	-	-	-	-
	JasTel	100% held by JSTC	646	3.53	583	3.21	691	2.07
	Ji-NET	98.33	230	1.26	261	1.44	310	0.92
	ACU	100	9	0.05	43	0.24	76	0.23
	ARS	98.04% held by ACT	59	0.32	63	0.35	87	0.26
	SHW	67.40% held by ACU	-	-	1	0.01	1	0.01
Total			967	5.29	967	5.33	1,181	3.54
System Integration Business	JTS	32.80% held by JAS, 9.06% held by ARS and 9.05% held by TJP	17	0.09	27	0.15	23	0.07
	CCS	97.87% held by JTS	31	0.17	32	0.18	22	0.06
Total			48	0.26	59	0.33	45	0.13
Other Businesses	JAS	-	2	0.01	6	0.03	87	0.26
	PA	53.85% held by ACU	146	0.80	148	0.82	159	0.47
		and 46.15% held by JSTC						
	TJP	80% held by JAS and 20% held by ACU	3	0.02	-	-	1	0.01
	Others <sup>2)</sup>	-	-	-	18	0.10	8	0.02
Total			151	0.83	172	0.94	255	0.76
Grand Total for the Company and the subsidiaries			18,288	100.00	18,151	100.00	33,427	100.00
<i>Associated Companies</i>								
Other Businesses	IKSC <sup>3)</sup>	37.50	0.5	0.04	0.3	0.03	0.4	0.04
	TKSC <sup>3)</sup>	40	-	-	-	-	-	-
	JASIF	33.33	1,095.3	99.96	1,018.9	99.97	796.5	99.96
Grand Total for the associated companies			1,095.8	100.00	1,019.21	100.00	796.9	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, Three BB, ACT, JASMBB

<sup>3)</sup> In 2017, 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 2016-2017.

## ■ ■ ■ Risk Factors

### 3. Risk Factors

The Risk Management Committee of the Company realizes that risk management is important to the Company's business operation. Thus, it has set up the risk management policy, control activities and monitoring system and has also conducted risk factor analyses by taking into account both internal and external risk factors so as to evaluate risk management in every area to be appropriate and in line with the Company's policies and strategies. Additionally, the Committee has promoted risk management to its personnel corporate-wide, fostering the awareness that managing corporate risks is a duty so everyone can play a part in managing risks to an acceptable level. Significant risks of the Company are as follows:-

#### Business Operational Risks

##### 1. Revenue

Since the Company's revenue is mainly from broadband Internet business, the Company's policy is not only maintaining the existing customer base by means of increasing the Internet speed, offering it to the customers at the same service price they used to pay; expanding and upgrading the Fiber Optic networks nationwide and keeping on maintaining both service quality and network stability ; but also bringing in new customers to expand its customer base by emphasizing its strengths in service quality, installation and after-sales service.

##### 2. Finance

To expand the FTTx service to cover all the areas country-wide needs a large amount of money; thus, the Company has managed its financial cost by way of disposing the additional assets to the Jasmine Broadband Internet Infrastructure Fund (JASIF). In relation to this transaction, the 2017 Annual General Meeting of Shareholders of the Company has passed a resolution to approve TTTBB to dispose the additional Optical Fiber Cables of not exceeding 980,000 core kilometers, the value of which is approximately Bt 50,000 mn-Bt 70,000 mn, to JASIF.

Also, to cope with this risk, the Company places importance on cash management within the Group; longer supplier credit terms of payment; credit line granted by financial institutions and the repayment plan, prepared according to cash flow of each period.

##### 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 used it as a tool for determining personnel compensation which reflects the personnel's own progress and job security. Furthermore, the Company puts emphasis on arranging training courses for its personnel organization-wide; for instances, technicians, salespersons, customer service officers, etc, providing them with the knowledge on techniques, goods and service, sale and so on; besides instilling in them, a sense of responsibility and an awareness of quality service offering.

##### 4. Market and Competition

A big mobile phone operator's aggressive penetration into broadband Internet business has caused price competition to become more severe. Thus, in order to maintain and, at the same time, acquire more market shares for the continuous growth of broadband Internet customer base, the Company not only

puts emphasis on the capability of its networks that cover the villages nationwide; but also increases salespersons all over the country to facilitate its customers a quick access to its services; provides high-speed Internet service via Fiber Optic, minimum speed : 100/30 Mbps, to meet the demand of the customers who frequently download large files ; offers a lifetime special privilege for free 3BB CloudBox service for online file sharing and storage and provides 3BB Application as a new service channel to facilitate the customers in getting special privileges granted by affiliate stores.

## 5. Operation and Maintenance

The Company has improved its network capability to keep its network system and other significant systems to remain continuously efficient. Moreover, it has hired a lot of new personnel to reinforce the technical team for the expansion of networks and the implementation of preventive action to maintain both the networks and the related equipment to be always stable for good service offering. 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.

## Risks that have Effects on the Rights or Investment of Security Holders

As at 27 November 2017, Mr.Pete Bodharamik held 4,295,246,452 shares of the JAS, equivalent to 64.39 percent of the entire paid-up shares of the Company. Thus, his shareholding proportion enables him to control almost all the resolutions of a shareholders' meeting, except for the ones required by law or the Company's Articles of Association to be passed by the votes of not less than  $\frac{3}{4}$  of the total votes of the shareholders' meeting. However, the checks and balance for a matter proposed by the major shareholder can be done provided that a lot of shareholders attend the shareholders' meeting. Furthermore, the Company has complied with Corporate Governance Policy. Moreover, it has 4 independent directors, 3 of whom are also the audit committees being responsible for overseeing the accuracy, the completeness and the reliability financial reports, including the compliance with the Securities and Exchange Act and other laws applicable to the business of the Company.

## 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 3,709,221,308 Baht  
4. Total number of 7,418,442,616 Shares  
Paid-up ordinary shares



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

#### 4.1.2 General Information of Juristic Persons in which the Company's Shareholding Proportion is of 10 Percent 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		
2. Telecom Network & Service Provider Business					
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%
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 27 November 2017)	- JAS - ARS - TJP	231,714,400 shares = 64,027,700 shares = 63,918,000 shares =	32.80% 9.06% 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, 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 = 60,000,000 shares =	53.85% 46.15%
Internet Knowledge Service Center Co., Ltd. 2/4, 10 <sup>th</sup> Fl., Chubb Tower, Vibhavadi Rungsit Rd., Thungsonghong Sub-district, Laksi District, Bangkok 10210 Tel: 0-2779-7777 Fax: 0-2779-7111	A holding company	12,000,000	JAS	4,500,000 shares =	37.50%

#### 4.1.2 General Information of Juristic Persons in which the Company's Shareholding Proportion is of 10 Percent 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			
4. Other Businesses						
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	units	= 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	122,071	JAS	122,068	shares	= 100%
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 shares shares	= 39.82% = 34.18% = 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%
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 shares	= 80% = 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%
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 Percent 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><i>Dormant Company or Company that Does not Operate Significant Transactions</i></b>			
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 : 0-2779-7777 Fax : 0-2779-7111	Engages in the distribution of computers, telecommunications equipment and software	100,000	JAS 40,000 shares = 40%
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 & Partners 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 (27 November 2017) are as follows:-

(The total number of shares: 6,670,625,606 Shares)

Name of Shareholder*	Number of Shares	% of Total Shares
1. Mr.Pete Bodharamik	4,295,246,452	64.39
2. RAFFLES NOMINEES (PTE) LIMITED	216,097,371	3.24
3. Thai NVDR Co., Ltd.	196,000,053	2.94
4. Mr.Tidchuan Nanawaratorn	84,500,000	1.27
5. Mrs.Jarunee Chinawongworakul	65,689,800	0.98
6. Mr.Pitan Ongkosit	63,328,300	0.95
7. COUNTRY GROUP SECURITIES PUBLIC COMPANY LIMITED	43,301,000	0.65
8. Mrs.Tanya Tuchinda	42,100,000	0.63
9. KGI SECURITIES (THAILAND) PUBLIC COMPANY LIMITED	35,334,043	0.53
10. STATE STREET EUROPE LIMITED	32,554,334	0.49

*Remark* : \* 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	0.63
- THE HONGKONG AND SHANGHAI BANKING CORPORATION LIMITED, SINGAPORE BRANCH	0.58

#### 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

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

The Board of Directors has the policy to propose for Shareholder 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. Details about dividend payment during the past 3 years is shown in Subsection 1.2 : "Significant Changes and Development", topic : "Changes in Shareholding Structure and Management."

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 the 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 2017, the Company had 8 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	7
2. Dr.Vichit	Yamboonruang	Independent Director and Chairman of Audit Committee	7
3. Dr.Yodhin	Anavil	Independent Director, Member of Audit Committee and Chairman of Remuneration and Nomination Committee	8
4. Mrs.Chantra	Purnariksha	Independent Director and Member of Audit Committee	7
5. Mr.Pete	Bodharamik	Director* and Chief Executive Officer	8
6. Mr.Somboon	Patcharasopak	Director*, Member of Remuneration and Nomination Committee and Chairman of Risk Management Committee	8
7. Mr.Subhoj	Sunyabhisithkul	Director*	8
8. Mr.Terasak	Jerauswapong	Director* and Member of Risk Management Committee	8
9. Mr.Pleumjai	Sinarkorn	Director and Member of Remuneration and Nomination Committee	8
10. Mr.Yordchai	Asawathongchai	Director	8
11. Ms.Saijai	Kitsin	Director, Director and President, Secretary to the Board of Directors and Corporate Secretary	8

Remarks : \* Authorized signatory director

## 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 * and President
2.	Mr.Somboon	Pacharasopak	Director *
3.	Mr.Subhoj	Sunyabhisithkul	Director *
4.	Mr.Pete	Bodharamik	Director *
5.	Ms.Saijai	Kitsin	Director

*Remarks* : \* Authorized director

### 2) Acumen Company Limited.

1.	Mr.Somboon	Pacharasopak	Director *
2.	Mr.Terasak	Jerauswapong	Director *
3.	Mr.Subhoj	Sunyabhisithkul	Director *
4.	Mr.Pete	Bodharamik	Director *

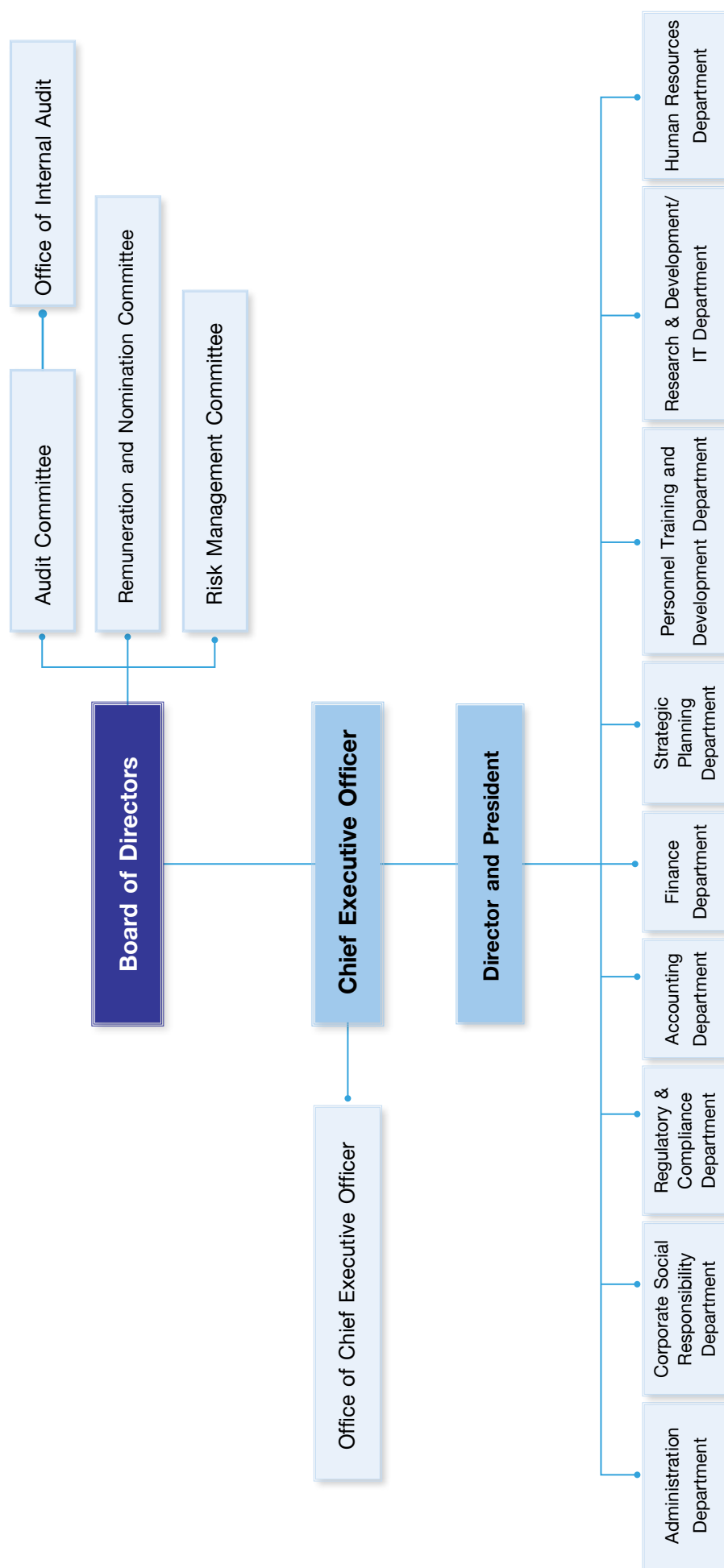
*Remarks* : \* Authorized signatory director

## 7.2 Executives

The Company has 6 executives as follows:-

1.	Mr.Pete	Bodharamik	Chief Executive Officer and President
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

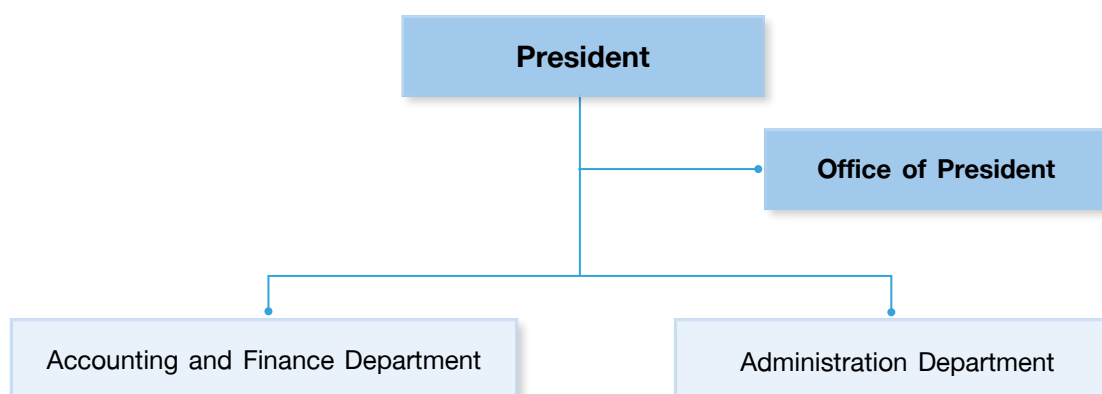


### Executives of the Subsidiaries that Operate the Core Businesses

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

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

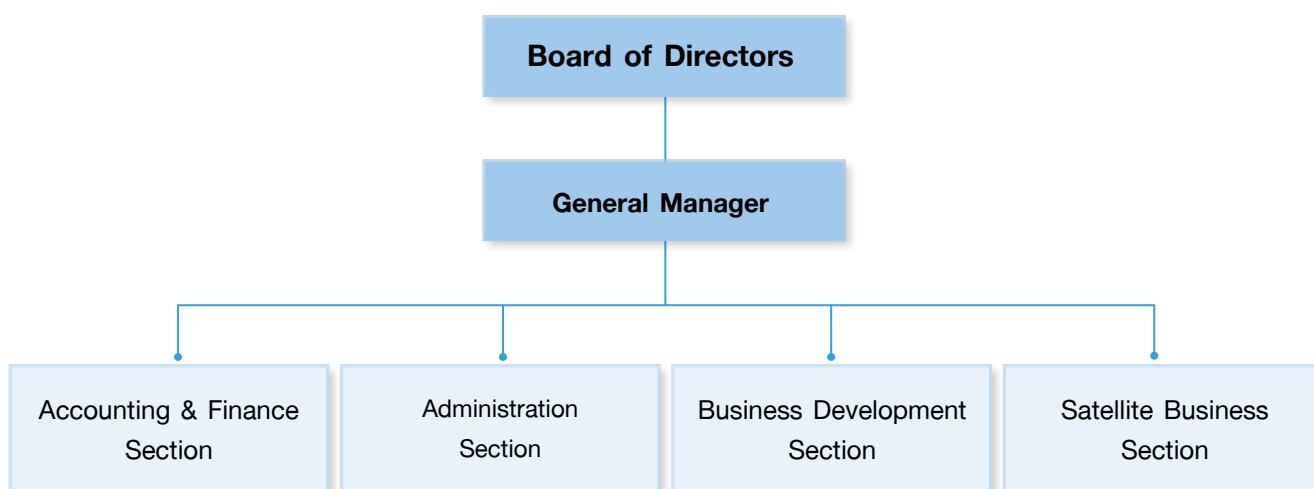
#### JSTC Organization Chart



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 propose 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	-
Executive Director *	30,000	250,000
Chairman of Audit Committee	35,000	-
Audit Committee Member	25,000	750,000
Chairman of the Remuneration and Nomination Committee	20,000	-
Remuneration and Nomination Committee Member	10,000	-
Chairman of the Risk Management Committee	20,000	-
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 2017 (Baht)	Remuneration Details
1. Mr.Sudhitham Chirathivat	2,610,000	Salary, Gratuity and other benefits**
2. Dr.Vichit Yamboonruang	1,948,208	Salary, Gratuity and other benefits**
3. Dr.Yodhin Anavil	1,960,468	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	1,061,338	Salary, Gratuity and other benefits**
7. Mr.Subhoj Sunyabhisithkul	712,704	Salary, Gratuity and other benefits**
8. Mr.Terasak Jerauswapong	745,277	Salary, Gratuity and other benefits**
9. Ms.Saijai Kitsin	748,000	Salary, Gratuity and other benefits**
10. Mr.Pleumjai Sinarkorn	763,669	Salary, Gratuity and other benefits**
11. Mr.Yordchai Asawathongchai	621,760	Salary, Gratuity and other benefits**

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

\*\* 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. The remuneration amounts vary according to each director's preference and usage of the benefits.

#### 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 2017 (Baht)	Remuneration Details
1. Jasmine International PCL.	6	35,587,600	Salary and bonus
2. Jasmine Submarine Telecommunications Co., Ltd.	3	6,790,525	Salary and bonus
3. Acumen Co., Ltd.	4	6,331,833	Salary and bonus
<b>Total</b>	<b>13</b>	<b>48,709,958</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 2017

Item	Number of Employees (Persons)	Remuneration Amount (Baht)	Remuneration Details
1. Jasmine International PCL.	109	102,104,767	Salary, Overtime Wage, and Bonus
2. Jasmine International PCL. and the subsidiaries	11,870	2,994,883,230	Salary, Overtime Wage, and Bonus

7.5.2 Number of Employees in Major Departments of the Company as at 31 December 2017

Department	Number of Employees (Persons)
1. Office of Chief Executive Officer	28*
2. Office of Internal Audit	3
3. Administration	14
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>109</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 that it has won throughout its own history, the Company is well aware that human resources is the most precious asset, a key factor that drives the organization to success. Thus, its policy on human resources development emphasizes quality in every stage. Starting from recruitment and selection, the Company chooses only qualified applicants who are strongly interested in being a part of the organization, as its employees. Next is to continuously develop its personnel of all levels, enriching them with skills, knowledge and abilities, so that they can be ready to efficiently support the Company's businesses and are always quick to manage changes that occur as a result of today's stiff competition.

Regarding training, the Company's training plan places emphasis on arranging practical courses that are beneficial to and required by the jobs of its personnel. In-house training, public training and seminars are appropriately arranged. Lecturers are either expert invited from outside or experienced personnel within the organization. In addition to training and seminars, the Company supports its personnel for more strength in knowledge and skills by way of coaching by supervisors, on the job training and field trips, both within the country and abroad. The efficiency and the effectiveness of all these and can be evaluated by the personnel's ability to apply the knowledge they acquire to their jobs and the ability to further pass it on to their colleagues or relevant parties.

In 2017, employees at the executive and supervisory levels were developed for such skills as administration, management, leadership, technology, strategic planning and etc.; the average training period was at least 120 hours/person/year; whereas, employees at the practitioner level are developed in such fields as selling skills, marketing, servicing, technician skills, computer and etc.; the average training period was at least 75 hours/person/year.

One of the Company's core values is to develop learning society within the organization. In addition, the Company places importance on its personnel's good quality of life; thus, providing them with good environment, welfare, chances of progress in their career paths, and reasonable compensation. All these, as a consequence, bring about the personnel's work efficiency, love, organizational commitment and loyalty.

## 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 to 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.

- |              |   |
|--------------|---|
| Shareholders | : 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.  |
| Employees    | : 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. |

Competitors	: The Company commercially contends with other trade competitors on the fair and ethical competition basis.
Customers	: The Company is committed to providing quality services for the highest satisfaction and confidence of the customers.
Trade Counterparts and Creditors	: 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.
Community and Public	: 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.
Environment	: 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, 3 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 Director and 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 to 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 2017, 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 2017 AGM) on 27 April 2017; 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 2017 AGM beforehand by:
  - posting the invitation letter to the 2017 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 2017 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 meeting and vote on their behalves at the shareholders' meetings in 2017 are as follows:-
- At the 2017 AGM, 559 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, 4 shareholders assigned Mr. Pete Bodharamik, Ms. Saijai Kitsin and Mr. Somboon Patcharasopak, the Company's director, to vote on their behalves.
7. In the shareholders' meeting, 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 2017, 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 1 December 2017.

### **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 Subsection 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 2017, the Company completely complied with the regulation on such matter. Throughout the year, 8 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 2017, the Company's subcommittees arranged their meetings as summarized below:-
  - The Audit Committee held 6 meetings. One of the meetings was not attended by Mrs.Chantra Purnariksha.
  - The Risk Management Committee held 4 meetings. All the committee members completed their attendance.
  - The Remuneration and Nomination Committee held 6 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 2017, 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.



Type of Committee	Evaluation Criteria	Percentage of Average of Good and Excellent Performance Evaluation Result
- 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 2017, the Company's Directors attended the following forum, courses and seminars:-

- Courses, forum and academic congress organized by Thai Institute of Directors Association (IOD)
  - Director Certification Program (DCP)
  - Board that Make a Different (BMD)
  - Independent Director Forum 2017, topic : "Updated COSO Enterprise Risk Management Integrating with Strategy and Performance "
  - Academic Congress on corporate governance, topic : "National Research Alliance Dialogue on Corporate Governance 2017"
- Forums organized by the Stock Exchange of Thailand
  - Capital Market Research Forum: A Study on the Relationship among Directors' Compensation and levels of Good Corporate Governance and Operating Results of the Companies Listed on the SET and mai
  - Capital Market Research Forum: Analysis on Minimum Value of Saving Assets Appropriate for Fundamental Life Insurance for the Elderly (old age)

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 signatory 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.Yordchai    | Asawathongchai  | 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 parent, spouse, brother, sister, child, including as spouse of child, 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 disposal 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 11,283,000 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



## ■■■ Corporate Social Responsibility

To ensure the utmost transparency and sustainable growth of the Company, Jasmine International PCL strictly adhered to the principles of good corporate governance. The core business of Jasmine International Group was to provide optical fiber cable networks to cover every area nationwide and this business was operated by Triple T Broadband PCL (3BB). The fiber optical networks enabled children, adults and all family members residing in any corners of the country to gain access to different sources of knowledge which eventually contributed to the rapid development of the country. Throughout the past years, Jasmine International PCL was committed to initiating and fostering a wide range of social projects.



### Education

Through “Free Broadband Internet for Education” project, Jasmine International PCL and Triple T Broadband PCL (3BB) provided high speed broadband internet and WiFi to schools in rural areas nationwide. This “Free Broadband Internet for Education” has been an ongoing project since 2011. Internet access enabled teachers, students and the communities nearby to learn and to access to various forms of knowledge, making them accomplish a higher level of learning which eventually brought about achievement to themselves and their families. Additionally, it offered children in remote areas the same learning standard and development opportunities as children in the urban areas.



As of 31 December 2017, Jasmine International PCL installed 3BB free internet and WiFi to more than 2,059 schools throughout the country.

“JAS CSR for Children” was another campaign that Jasmine International Public Company Limited was committed to building academic achievement and to developing athletic skills of the children. In the past year, we provided various kinds of supports, including providing scholarships, sponsoring an essay competition titled “Internet in My Daily Life”, providing sports uniforms and equipment and initiating a school lunch project. Lastly, we arranged friendly soccer matches to promote a cordial relationship between schools, communities and Jasmine’s employees.





## Sports

Women's volleyball was among everyone's fascinating sports. To promote this type of sport, the Company continuously provided all forms of supports to Nakornont Volleyball Club and together with the club, 3BB Nakornnont Women's Volleyball Team was formed. Through this initiative, players of the club developed their skills and qualified for competitions at national level and this greatly helped strengthening the capacity of Thailand Women's National Volleyball Team to match with international standards and enable them to enter the world championship league.



## Other social responsibility campaign activities

Cultivating consciousness in protecting and developing the environment was one of the main tasks that Jasmine International Group placed a high priority on so we encouraged our staff to actively participate in **"Jasmine Reforestation and Forest Rehabilitation"** project. In the past year, our reforestation activities took place in National Reserved Forest, Wang Yai Forest and Maenam Noi Forest in Kanjanaburi Province. Apart from that, Jasmine International Group also contributed to other good causes and helped communities affected by floods by providing financial assistance to different government projects ,including **"Thai National Assembly under His Majesty's Graciousness"**, **"Jasmine for Flood Relief"** which was to provide assistance to flood victims in Pattani, Songkhla, Nakhon Si Thammarat, Surat Thani, Phetchaburi and Sakon Nakhon and **"3BB for Flood Rehabilitation"** in Pattani and Nakhon Si Thammarat.

**It is the highest commitment of Jasmine International PCL and Triple T Broadband PCL (3BB) to give back to the society by offering development opportunities and strengthening the capacities of students, schools and the nation as a whole.**



## 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 Board of Directors has assigned the Audit Committee to assist it in verifying the adequacy of the internal control system, the accuracy of financial reports and the connected transactions to prevent conflicts of interests in addition to overseeing the Company's compliance with rules, regulations and applicable laws. The Office of Internal Audit is entrusted with the task of auditing the work of all the departments of the Company to be in accordance with the annual audit work plan approved by the Audit Committee.

At the Board of Directors' Meeting No.1/2018, convened on 23 February 2018, the Audit Committee reported that it had evaluated the Company's internal control system based on the information obtained from 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"), comprising 5 parts as follows. The Company's internal control system adequacy evaluation results for the year 2017 are summarized below.

##### Control Environment

The Company supports good internal control system organization-wide by arranging its structure to accord with the business plans to enable efficient operation that can be followed up, audited and evaluated appropriately. It also has the segregation of duties that helps intensify the check and balance of work between departments. In addition, it has policies and manuals for all the work systems that can be adjusted to suit the ever-changing internal and external environment.

##### Risk Assessment


Appointed by the Board of Directors, the Risk Management Committee is responsible for overseeing the Company's risk management to be appropriate, efficient and strictly put into practice. In assessing risks, both the executives and the staff of each department take part in risk factor estimates and risk follow-up earnestly; they estimate chances of risks, risk impacts, and size of risk impacts that might occur and also accordingly set up measures to prevent and mitigate such risks in due time.

##### Control Activities

To control its activities, the Company has set standards for the work of all the departments to possess the procedures that can be examined and controlled by way of considering budget spending in achieving the goal they set up for each project. Furthermore, it has the operation report system that enhances the appropriateness of the follow-up, the review and the implementation of corporate policies. 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's information and communication system emphasizes information accuracy, data update and user convenience. The IT safety policy of the Company provides security for both IT usage and information storage. Additionally, the Company has efficient communication channels not only for the contact within



the organization – both of top-down and bottom-up types, but also the contact among departments of the same level of organizational hierarchy or the so called horizontal communication and the contact between the Company and its external stakeholders. Apart from the above-mentioned, the Company also has communication channels for the whistle-blowing of corrupt practices.

### **Monitoring Activities**

The Company follows up and evaluates the adequacy of its internal control system via the Office of Internal Audit whose duties are to audit, monitor and evaluate the work of all the departments according to the audit plan, approved by the Audit Committee to ensure that the findings, be it from its audit or review, are properly improved in time. The audit results are reported to both the executives and the Audit Committee.

The Audit Committee has evaluated the Company's internal control system and is of the opinion that the internal control system and the risk management of the Company are conducted continuously; both are adequately efficient and suitable for the Company's business. Besides, in view of the Audit Committee, the Company also has good corporate governance and compliance with the applicable laws, rules and regulations.

## **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 Rattanaramik.
- 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.

## ■ ■ ■ Related Party Transaction

### 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 2017 were all in compliance with the terms and the conditions in the contracts entered into between the Company, its subsidiaries and associate companies for normal business practice (as referred to in Clause 6 of Notes to the Financial Statements for the year 2017). 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 2017, 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 2017
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 57.90% (as at 8 January 2018)	- PA executed contracts for leasing office space at Jasmine International Tower, billboard, and other facility services.  - TTTI executed a high-speed Internet service contract wherein stated that the service charge was subject to the circuit speed.  - ARS signed a contract to supply the UPS power  - JasTel executed contracts for circuit leasing.	55  23  1  3
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.	227

11.2 In 2017, the Company and its subsidiaries bought the products and equipment and paid for the leases and the services from connected persons as detailed below:-

Related Party	Relationship	Nature of Related Party Transaction	Amount (Million Baht) as at 31 December 2017
Mono Group, comprising 1. Mono Generation Co. Ltd. 2. Mono Technology Co., Ltd. 3. Mono Broadcast Co., Ltd. 4. Mono Radio Co., Ltd. 5. Mono Film 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 57.90% (as at 8 January 2018)	- TTTI bought its program license and utilized advertising service and media.	21
JASIF	JAS holds 33.33% of the total units	- TTTBB entered into the Lease Agreement of the Optical Fiber Cable with JASIF.	4,314



### 12. Significant Financial Information

#### Audit Report Summary

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

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

1. A concession provider has ceased making payment to a subsidiary for service under the co-investor agreement made between the subsidiary and the concession provider since September 2008 to 4 October 2011, the end date of the co-investor agreement, as the revenue sharing are still being disputed between a concession provider and the subsidiary. The subsidiary took the dispute to the Arbitration Institute and is currently awaiting this ruling from the Arbitration Institute. Subsequently, on 19 August 2016, a concession provider submitted a dispute proposal to the Arbitration Institute, asking a subsidiary to return the excess revenue sharing received based on the co-investor agreement and to pay opportunity costs, together amounting to approximately Baht 9,931 million. This is currently being considered by the Arbitration Institute. Furthermore, on 26 August 2016, a concession provider submitted a dispute proposal to the Arbitration Institute, asking a subsidiary and another subsidiary to pay costs, damages with interest and business opportunity costs in total amounting to approximately Baht 258 million. The management and the legal advisor of the subsidiaries believe that the subsidiaries have fully complied with the co-investor agreement. The ruling to the revenue sharing rate negotiation may significantly impact on the balance of such trade receivable, the costs and damages which may result from the above event, other receivables, accrued dividend income and the value of the investment from investing in the subsidiary, the auditor was unable to audit to satisfy himself as to the balances of such transactions.
2. On 7 August 2003, the Central Bankruptcy Court approved the business rehabilitation plan of the Company. However, certain creditors of the Company lodged objections to certain issues with the Supreme Court. Subsequently, on 14 September 2006, the Court issued an order to terminate the business rehabilitation plan of the Company since the Company has complied with all requirements in the plan. On 19 August 2013, the Central Bankruptcy Court read the judgment of Supreme Court, which reversed the decision of the Central Bankruptcy Court. The Supreme Court rejected the rehabilitation plan and cancelled the Central Bankruptcy Court's business rehabilitation order, and as a result the rights of claim of creditors of the Company returned to what they were prior to the rehabilitation order. The Company estimated that additional liabilities of up to Baht 1,343 million, excluding interest, might arise if the Company were sued by the creditors in the future. The Company therefore disclosed the event in the notes to financial statements and believed that such practice complied with the relevant financial reporting standards. However, in August 2014, five financial institutions filed lawsuits petitioning the Court to order the Company to make debt repayments equivalent to a total of approximately Baht 1,856 million. However, two of the five financial institutions are creditors whom the rights of claims were assigned by various former creditors, and the legal advisor is of the opinion that it is uncertain that these two creditors will receive payment of the amount claimed in the petitions. Therefore, the Company recorded provision amounting to Baht 313 million for the three financial institutions who

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

3. In September and December 2013, a subsidiary entered into agreements with two government agencies to sell tablet personal computers with total contract values of Baht 749 million. The subsidiary was unable to deliver tablets to two government agencies within December 2013 and March 2014 as scheduled in the relevant agreements, as a result of a massive fire at a production facility where a part for the tablets was produced. As stipulated in the sale and purchase agreements, the subsidiary is obliged to pay a penalty for delayed shipment at a daily rate of 0.2 percent of the price of the unshipped tablets. During 2014, counterparties of the agreements submitted letters to the subsidiary to terminate the sale and purchase agreements and asked the subsidiary to pay a penalty totaling Baht 5 million and Baht 142 million, respectively. However, the subsidiary submitted letters to these counterparties objecting the imposition of the penalty. The management of the subsidiary clarified that the delay in shipment was due to force majeure and the subsidiary did not breach the agreement. Later on, both counterparties filed a lawsuit against the subsidiary with the Administrative Court, requesting that the subsidiary pay a penalty in amount of Baht 5 million and Baht 190 million, respectively. However, as a result of the execution of a sale and purchase of tablets agreement between the subsidiary and a local counterparty, the subsidiary received cash amounting to Baht 38 million as a result of forfeiture of performance bond form by this counterparty. The subsidiary had a legal right to seize this amount as compensation for losses caused by this company or incurred as a result of a breach of agreement by this company. The subsidiary recorded the cash receipt as a liability under the caption of trade and other payables in the consolidated statement of financial position and treated it as a provision for any penalties and losses that might be incurred. The subsidiary does not expect such penalties and losses to exceed the amount of the reserve. On 22 February 2018, the Central Administrative Court issued a judgment on the case between the subsidiary and the government agency who filed the lawsuit, requesting the subsidiary to pay penalties totaling approximately Baht 5 million. The Central Administrative Court issued a judgment ordering the subsidiary to pay penalties totaling approximately Baht 3 million. However, the subsidiary has the right to file an appeal within 30 days after the Central Administrative Court issued a judgment. The ultimate outcome of these lawsuits and disputes that are not finalized cannot be determined at this time. However, the subsidiary's management and legal advisor are confident that no significant losses will be incurred as a result of these lawsuits and disputes, and therefore no further provision for contingent liabilities have been recorded in the accounts. The auditor was; therefore, unable to satisfy himself as to the reserves for penalties and losses that may be incurred as a result of the above.

The auditor also drew attention to the following matters:-

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

## 12.1 Summary of the Consolidated Financial Statements

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

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



## 12.2 Financial Ratio

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

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

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

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

#### Overview

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

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

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

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

## Operating Performance

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

Unit : Million Baht

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

## Performance breakdown by business unit

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

Unit : Million Baht

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

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

*Note* : <sup>1)</sup> Comprising JOIC , MCS , Three BB , ACT , JASMBB

## Revenue

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

Unit : Million Baht

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

## Sales and Service Income

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

Unit : Million Baht

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

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

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

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

### Other income

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

### Expenses

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

Unit : Million Baht

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

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

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

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

- 2) The selling and servicing expenses and administrative expenses in 2017 were Bt 4,199 mn, compared to Bt 3,926 mn in 2016, increasing by 7%. Such increase was mainly due to employee expenses.
- The subsidiaries set up an allowance for doubtful accounts and bad debts of Bt 225 mn. TTTI had the policy for the provision for doubtful debts of 3 months overdue receivables. (Details as shown in Notes to the Financial Statements No.9)

### Financial Expenses

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

### Net profit (loss)

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

### Financial Position

#### Assets

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

Unit : Bt mn

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

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

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

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

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

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



## Liabilities

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

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

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

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

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

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

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

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

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

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

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

### **Shareholders' Equity**

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

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

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

### **Capital Structure**

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

## Liquidity

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

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

## Treasury Stock Program for Financial Management

During the year 2010, the Company decreased its 2,032,127,200 paid-up shares by writing off 634,400,000 treasury shares of the first Treasury Stock Program and 1,397,727,200 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 full required amount of retained earnings to a reserve for the treasury shares.

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

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

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

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

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

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

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

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

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

Name-Surname Position Date of Registration for Directorship	Age (Years)	Academic Degree/Training	Family Relationship with Directors and Executives	JAS, JAS-W3 holding Ratio (%) <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	68	<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	-	Independent Director and Chairman of Remuneration and Nomination Committee, Muangthai Leasing PCL  Chairman of Remuneration and Nomination Committee, Jasmine International PCL  Independent Director, Audit Committee, Corporate Governance Committee, Robinson PCL.  Advisor to Director Committee, D.T.C. Industries PCL  Member of Remuneration and Nomination Committee, Jasmine International PCL  Advisor and Vice Chairman, POP Network Co., Ltd.  Independent Director and Member of Audit Committee, Jasmine International PCL  Executive Director, The Vintage Club Co., Ltd.
4) Mrs.Chantra Purnarksha  Independent Director and Member of Audit Committee  20 December 2011	71	<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	-	Advisor to the Board of Directors, Muang Thai Insurance PCL.  President / CEO, Saha Pathana Inter-Holding PCL.  Director, Saha Pathana Inter-Holding PCL.  Independent Director and Member of Audit Committee, Kasikornbank PCL.  Independent Director and Member of Audit Committee, Jasmine International PCL  Independent Director, Phatra Leasing PCL.  Director, S.P. Enterprise Co., Ltd.

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

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

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

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

<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 signatory director

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

Remarks : <sup>1)</sup> JAS = Ordinary share; the total number of JAS used for calculation = 7,418,442,616 shares  
JAS-W3 = the Warrant Representing the Rights to Purchase the Ordinary Shares of the Company; the total number of JAS-W3 used for calculation = 1,940,397,775 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 signatory director



Name-Surname Position Date of Registration for Directorship	Age (Years)	Academic Degree/Training	Family Relationship with Directors and Executives	JAS, JAS-W3 holding Ratio (%) <sup>1)</sup>	Work Experience
10) Mr.Pleumjai Sinarkorn Director and Member of Remuneration and Nomination Committee 20 November 2008	84	- Ph.D. (Innovative Management), Suan Sunandha Rajabhat University - MBA, Suan Sunandha Rajabhat University - Thai Institute of Directors Association (IOD) : Director Certification Program (DCP) (in 2004) Role of the Compensation Committee (RCC) (in 2007) DCP Refresher Course (in 2008)	None	JAS = 0.01 JAS-W3 = None	Chairman of the Board of Directors, Jasmine Telecom Systems PCL.  Chairman of Remuneration Committee, Jasmine Telecom Systems PCL.  Member of Remuneration and Nomination Committee, Jasmine International PCL.  Director, Cloud Computing Solutions Co., Ltd.  Advisor, JasTel Network Co., Ltd.  Director, Jasmine International PCL.  Director and Member of Remuneration Committee, Jasmine Telecom Systems PCL.
11) Mr.Yordchai Asawathongchai Director 27 September 2016	44	Bachelor of Engineering (Electrical Engineering), Chiang Mai University - Thai Institute of Directors Association (IOD) : Director Certification Program (DCP) (in 2017)	None	-	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 = 7,418,442,616 shares  
JAS-W3 = the Warrant Representing the Rights to Purchase the Ordinary Shares of the Company; the total number of JAS-W3 used for calculation = 1,940,897,775 units



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

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

## 1.2 Roles and Responsibilities of Corporate Secretary

Please see Section 7, Subsection 7.3

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

(Names of persons approved by the Company's directors to assume the position of directors and authorized persons in the subsidiaries that operate the Company's core businesses are presented in Subsection 1.1)

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

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

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

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

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

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

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

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

3.1 Dishonesty or serious negligence in performing duties

3.2 Disclosure or dissemination of false information that may result in misleading or misunderstanding as well as concealment of significant material information that should be clearly communicated because such cover-up may affect the decision making of shareholders, investors or other related persons

3.3 Unfair acts or the taking of advantage of investors in trading securities or futures contracts as well as having or used to have a part in doing or supporting such deeds

## Directors of the Subsidiaries and Associate Companies

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

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

## 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</li> <li>- Risk Assessment for Audit Planning</li> <li>- Internal Auditing Certificate Program (IACP)</li> <li>- The Institute of Internal Auditors of Thailand :</li> <li>- Skills for the New Auditor-In-Charge Fraud Audit</li> <li>- The Stock Exchange of Thailand :</li> <li>- Internal Control over Financial Reporting</li> <li>- The Stock Exchange of Thailand :</li> <li>- 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. 2016	Change in Number of Shares in 2017 Increase / (Decrease)	as at 31 Dec. 2017	as at 31 Dec. 2016	Change in Number of JAS-W3 in 2017 Increase / (Decrease)	as at 31 Dec. 2017
<b>Director</b>						
1. Mr.Sudhitham Chirathivat	-	-	-	-	-	-
Spouse and Minor child	-	-	-	-	-	-
2. Dr.Vichit Yamboonruang	-	60,000	60,000	-	-	-
Spouse and Minor child	-	-	-	-	-	-
3. Dr.Yodhin Anavil	-	-	-	-	-	-
4. Mrs.Chantra Purnariksha	-	-	-	-	-	-
Spouse and Minor child	-	-	-	-	-	-
5. Mr.Pete Bodharamik	4,295,246,452	-	4,295,246,452	1,983,295,757	(650,000,000)	1,333,295,757
6. Mr.Somboon Patcharasopak	14,789,270	-	14,789,270	7,249,642	-	7,249,642
Spouse and Minor child	-	-	-	-	-	-
7. Mr.Subhoj Sunyabhisithkul	-	-	-	-	-	-
Spouse and Minor child	-	-	-	-	-	-
8. Mr.Terasak Jerauswapong	5,585,080	-	5,585,080	2,737,784	-	2,737,784
Spouse and Minor child	-	-	-	-	-	-
9. Mr.Pleumjai Sinarkorn	847,058	200,000	1,047,058	-	-	-
Spouse and Minor child	-	-	-	-	-	-
10. Ms.Saijai Kitsin	1,700,000	-	1,700,000	-	-	-
11. Mr. Yordchai Asawathongchai	-	-	-	-	-	-
Spouse and Minor child	-	-	-	-	-	-
<b>Executive</b>						
1. Mrs.Chuenkamol Treesuttacheep	-	-	-	-	-	-
Spouse and Minor child	-	-	-	-	-	-
2. Mrs.Nitt Visphan	-	-	-	-	-	-
Spouse and Minor child	-	-	-	-	-	-
3. Ms.Sinenart Jongpakpaisal	-	-	-	-	-	-
4. Mrs.Uraiporn Charoenchit	-	-	-	-	-	-
Spouse and Minor child	-	-	-	-	-	-

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

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

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

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

## ■■■ Remuneration and Nomination Committee's Report

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

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

In 2017, the Remuneration and Nomination Committee arranged the meetings to consider the issues that were within the scope of their duties and responsibilities, as summarized below:-

- The consideration on the remuneration, gratuities and other benefits for the BOD and the subcommittees of the Company  
The Remuneration and Nomination Committee considered the remuneration, gratuities and other benefits for the BOD and the subcommittees of the Company thoroughly and with prudence, taking into account, the payment rates of the companies in the same industry, business expansion, the Company's growth of profits, including the directors' duties and responsibilities. The directors who were assigned with more duties and responsibilities in any of the subcommittees received increasing remuneration at the amount appropriate for the increasing work in charge; the rising remuneration payment, to this respect, was both an incentive and a way to retain a qualified director with the Company.
- The consideration on the remuneration and the annual bonus for the CEO  
The Remuneration and Nomination Committee considered the remuneration and the annual bonus of the CEO to be at a proper rate, comparable to the rates of the companies in the same industry and also in accordance with the Company's operating results each year.
- The recruitment, selection and nomination of a person to replace the director who resigned and was due to retire from office by rotation  
The Remuneration and Nomination Committee recruited, selected and nominated a person to replace a director who resigned to propose for the BOD s' approval. As for the directors who were due to retire from office by rotation, the Remuneration and Nomination Committee proposed their names for the BOD's and the shareholders' meeting's approvals, respectively.
- The recruitment, selection and nomination of the person to assume the position of Director and President of Jasmine International Public Company Limited to propose for the BOD s' approval and appointment
- The recruitment, selection and nomination of persons to assume the positions in the Executive Committee of Jasmine International Public Company Limited to propose for the BOD s' approval and appointment

- The acknowledgement of the expiration of the term of service of the Remuneration and Nomination Committee and the proposal to the BOD for appointing the new set of the Remuneration and Nomination Committee
- The proposal of the renewal of the term of service of the Audit Committee of Jasmine International Public Company Limited and the remuneration thereof which was of the same amount the committees received in the previous term of their service for the BOD's approval
- The proposal of the qualified persons to assume the positions in the Risk Management Committee from 23 February 2018 to 22 February 2021 and the remuneration thereof which was of the same amount the Company paid to each committee in the previous term of service for the BOD's approval
- The Remuneration and Nomination Committee Self Assessment  
The Remuneration and Nomination Committee evaluated their performances both as an individual and a party. The Self Assessment Form was divided into 6 parts which comprised Structure and Qualifications of the Committee, Roles and Responsibilities of the Committee, Committee Meetings, Fulfillment of duties of the Committee, Relationship with the Management Support Team and Self-development of the Committee. The self assessment results of the Remuneration and Nomination Committee for the year 2017 were reported as excellence, showing that the Committee performed the duties as being assigned completely well. Each appropriately applied his knowledge with responsibility, prudence and discretion; hence, enabling the work to be accomplished efficiently, in alignment with business operation of the Company.

The Remuneration and Nomination Committee accordingly reported its meeting resolutions to the BOD on a regular basis. In 2017, the Committee had worked with full efforts, prudence, transparency and independence to accomplish the tasks as assigned by the BOD for the optimum benefit of the Company and the shareholders and also to be in line with the Good Corporate Governance as required by the Stock Exchange of Thailand.



**(Dr. Yodhin Anavil)**

**Chairman of Remuneration and Nomination Committee**

## ■■■ Risk Management Committee's Report

Appointed by the Board of Directors, the Risk Management Committee of Jasmine International Group consists of 7 members. In 2017, the Risk Management Committee arranged 4 meetings to

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

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

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



**(Mr.Somboon Patcharasopak)**

**Chairman of the Risk Management Committee**

## ■ ■ ■ Audit Committee's Report

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

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

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

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

### **Verification of Financial Reports**

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

### **Verification of Internal Control System**

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

### **Verification of Compliance with Applicable Laws, Rules and Regulations**

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

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

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



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

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

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

#### **Audit Committee Self Assessment**

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

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

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

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

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

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

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

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

The Board of Directors is of the opinion that the internal control systems and the internal audit of the Company are overall good enough to assure the reliability of the financial reports of the Company and its subsidiaries for the year ended 31 December 2017, in line with generally accepted accounting principles, the applicable laws and the regulations of the relevant regulators.



**(Mr. Pete Bodharamik)**

**Chief Executive Officer**

## ■■■ Independent Auditor's Report

To the Shareholders of Jasmine International Public Company Limited

### Qualified Opinion on the Consolidated Financial Statements

I have audited the accompanying consolidated financial statements of Jasmine International Public Company Limited and its subsidiaries (the Group), which comprise the consolidated statement of financial position as at 31 December 2017, and the related consolidated statements of comprehensive income, changes in shareholders' equity and cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies, and have also audited the separate financial statements of Jasmine International Public Company Limited for the same period.

In my opinion, except for the possible effects on the matters described in the *Basis for Qualified Opinion on the Consolidated Financial Statements* section of my report, the financial statements referred to above present fairly, in all material respects, the financial position of Jasmine International Public Company Limited and its subsidiaries and of Jasmine International Public Company Limited as at 31 December 2017, their financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards.

### Basis for Qualified Opinion on the Consolidated Financial Statements

- a) As described in Note 9 to the consolidated financial statements, a concession provider had ceased making payment to a subsidiary for service under the co-investor agreement made between the subsidiary and the concession provider, as the revenue sharing rate is still being disputed between the concession provider and the subsidiary. The subsidiary took the dispute to the Arbitration Institute and is currently awaiting this ruling from the Arbitration Institute. Subsequently on 19 August 2016, the concession provider submitted a dispute proposal to the Arbitration Institute, Office of Dispute Resolution, the Judiciary, asking the subsidiary to return the excess revenue sharing received based on the co-investor agreement and to pay opportunity costs, together amounting to approximately Baht 9,931 million. This is currently being considered by the Arbitration Institute. Furthermore, on 26 August 2016, the concession provider submitted a dispute proposal to the Arbitration Institute, asking the subsidiary and another subsidiary to pay costs, damages with interest and business opportunity costs in total amounting to approximately Baht 258 million. However, the management and the legal advisor of the subsidiaries believe that the subsidiaries have fully complied with the co-investor agreement. The ruling on the revenue sharing rate may significantly affect the Baht 2,518 million balance of trade receivable as at 31 December 2017 (2016: Baht 2,518 million), and the costs and damages which may result from the above event, in the consolidated financial statements and may significantly impact on the balances of other receivables and dividend receivables from the subsidiary, and value of the investment in the subsidiary as at 31 December 2017 totaling amounting to Baht 2,379 million (2016: Baht 2,394 million) in the separate financial statements. I was unable to audit to satisfy myself as to the balances of such trade receivable, other receivables, dividend receivables and the value of the investment in the subsidiary and damages which may result from the above event, and this constitutes a limitation imposed by circumstance.

- b) As described in Note 33.6 to the consolidated financial statements, the Central Bankruptcy Court read the judgement of the Supreme Court, rejecting the rehabilitation plan and cancelling the Central Bankruptcy Court's business rehabilitation order. As a result the rights of claim of the creditors of the Company returned to what they were prior to the rehabilitation order. Since the Company had proceeded in accordance with the rehabilitation plan for a long time and has, in particular, completed repayment of debt to the creditors in various forms under the rehabilitation plan, the legal advisor is of the opinion that, whether the Company will be required to pay to any particular creditor depends solely on whether any creditors present themselves and their rights to the Company. In August 2014, five asset management company and financial institutions filed lawsuits petitioning the Central Intellectual Property and International Trade Court to order the Company to make debt repayments equivalent to a total of approximately Baht 1,856 million (principal of Baht 1,112 million and interest of Baht 744 million). The Company considers to record provision whenever lawsuits are filed with the court. However, the rights of claim of two plaintiffs were assigned by various former creditors, and the legal advisor is of the opinion that it is uncertain that these two plaintiffs will receive payment of the amount claimed in the petitions. Therefore, the Company recorded provision amounting to Baht 313 million (principal of Baht 260 million and interest of Baht 53 million) (2016: Baht 301 million (principal of Baht 260 million and interest of Baht 41 million)) for the three plaintiffs who are the original creditors named in applications for payment (principal of Baht 684 million and interest of Baht 323 million) in the Company's rehabilitation plan in the financial statements since it is highly likely that the Company will be liable for these amounts. This was determined based on the claims filed by the three plaintiffs less the approximate amounts of settlements made in any form under the rehabilitation plan, in accordance with the legal advisor's opinion. The ultimate outcome of the cases cannot be determined at present. The Company believes that the amount of provision recorded in the accounts is adequate and appropriate in the current circumstances. This constitutes a limitation imposed by circumstance and I was unable to audit to satisfy myself as to the amount of additional provision that the Company needs to record as a result of the cancellation of the rehabilitation order.
- c) As described in Note 33.7 to the consolidated financial statements, a subsidiary was unable to deliver tablets to two government agencies as scheduled in the agreements, as a result of a massive fire at a production facility where tablet parts were produced. As stipulated in the sale and purchase agreements, the subsidiary is obliged to pay a penalty for delayed shipment at a daily rate of 0.2 percent of the price of the unshipped tablets. In 2014, counterparties of the agreements submitted letters to the subsidiary to terminate the sale and purchase agreements and requested the subsidiary to pay penalties totaling Baht 5 million and Baht 142 million, respectively. However, the subsidiary submitted letters to these counterparties objecting to the imposition of the penalty. The management of the subsidiary clarified that the delay in shipment was due to force majeure and the subsidiary did not breach the agreements. Subsequently, these counterparties filed lawsuits with the Central Administrative Court, petitioning the Court to order the subsidiary to pay penalties and make payment under the letter of performance bond guarantee, together with interest totaling approximately Baht 5 million and Baht 190 million, respectively. However, as a result of the execution of a sale and purchase of tablets agreement between the subsidiary and a local counterparty, the subsidiary received cash amounting to Baht 38 million as a result of forfeiture of performance bond form by this counterparty. The subsidiary had a legal right to seize this amount as compensation for losses caused by this company or incurred as a result of a breach of agreement by this company. The subsidiary recorded the cash receipt as a liability under the caption of trade and other payables in the consolidated statement of financial position and treated it as a provision for any penalties and losses that might be incurred, while the subsidiary does not expect such penalties and losses to

exceed the amount of the reserve. During the current year, the situation has not changed, except for the recent development on 22 February 2018, when the Central Administrative Court issued a judgement on the case between the subsidiary and the government agency who filed the lawsuit, requesting the subsidiary to pay penalties totaling approximately Baht 5 million. The Central Administrative Court issued a judgement ordering the subsidiary to pay penalties totaling approximately Baht 3 million. However, the subsidiary has the right to file an appeal within 30 days after the Central Administrative Court issued a judgement. When the subsidiary receives the official judgement of the Central Administrative Court, the legal advisor will consider details of the judgement in order to subsequently file an appeal. Therefore, the ultimate outcome of these lawsuits and disputes that are not finalised cannot be determined at this time. However, the subsidiary's management and legal advisor are confident that no significant losses will be incurred as a result of these lawsuits and disputes, and therefore no further provision for contingent liabilities have been recorded in the accounts. Consequently, I was unable to audit to satisfy myself as to the penalties and losses that may be incurred as a result of inability to deliver the tablets, and this constitutes a limitation imposed by circumstance.

I have audited the consolidated financial statements of Jasmine International Public Company Limited and its subsidiaries, and the separate financial statements of Jasmine International Public Company Limited as at 31 December 2016 and for the year then ended, presented as comparative information, and expressed a qualified opinion on those statements with respect to limitation imposed by similar circumstances as described in a), b) and c), as stated in the above *Basis for Qualified Opinion on the Consolidated Financial Statements* paragraph, and drew attention to a subsidiary's inability to obtain a spectrum license for International Mobile Telecommunications in the frequency band 900 MHz which the subsidiary had already made payment of damages and the matters similar to 1. and 2. as stated in the below *Emphasis of Matters* paragraph, under my report dated 20 February 2017.

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

## Emphasis of Matters

I draw attention to the following matters:

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

2. As described in Note 33.5 to the consolidated financial statements, regarding the delay in the delivery of work of a subsidiary, with a contract value of Baht 31 million, on which a penalty is charged at a rate of 0.2 percent of the contract value per each day of delay

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

## Key Audit Matters

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

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

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

### *Revenue recognition*


Revenue of the Group presented in the 2017 financial statements, was primarily revenue from the provision of internet services, amounting to Baht 16,279 million. For audit purposes, I paid attention to recognition of revenue from provision of internet services because the amount is significant and directly affects the Group operating results. In addition, given the competitive environment in the telecommunications industry, marketing and pricing strategies are adjusted regularly, which may affect the Group recognition of revenue.

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

### *Deferred tax*

As at 31 December 2017, the Group had outstanding balances of deferred tax assets amounting to Baht 3,083 million. The Group has disclosed their accounting policies and details relating to deferred tax in Note 4.16 and Note 26 to the consolidated financial statements. A deferred tax asset is recognised when it is highly probable that the taxable profit of the Group will be sufficient to allow utilisation of the deferred tax in the future. Determining whether there will be sufficient future taxable profits to utilise the deferred tax requires significant management judgement with respect to the preparation of business plans and projections of future taxable profits based





on approved business plans. This exercise of judgement directly affects the value of the deferred tax assets presented in the financial statements.

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

## Other Information

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

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

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

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

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


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

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

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

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

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance



with Thai Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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

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

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

From the matters communicated with those charged with governance, I determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit



matters. I describe these matters in my auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, I determine that a matter should not be communicated in my report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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

**Supachai Phanyawattano**

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

EY Office Limited

Bangkok: 23 February 2018

## Consolidated financial statements

### Jasmine International Public Company Limited and its subsidiaries

#### Statement of financial position

As at 31 December 2017

(Unit: Baht)

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

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

# Jasmine International Public Company Limited and its subsidiaries

## Statement of financial position (continued)

As at 31 December 2017

(Unit: Baht)

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

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

# Jasmine International Public Company Limited and its subsidiaries

## Statement of financial position (continued)

As at 31 December 2017

(Unit: Baht)

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

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



# Jasmine International Public Company Limited and its subsidiaries

## Statement of comprehensive income

For the year ended 31 December 2017

(Unit: Baht)

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

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

## Jasmine International Public Company Limited and its subsidiaries

### Statement of comprehensive income (continued)

For the year ended 31 December 2017

(Unit: Baht)

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

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

(Unit Baht)

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

# Jasmine International Public Company Limited and its subsidiaries

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

For the year ended 31 December 2017

		Separate financial statements												(Unit: Baht)
		Issued and fully paid-up share capital	Share subscription received in advance	Premium on ordinary shares	Retained earnings				Treasury shares	Other components of shareholders' equity				Total shareholders' equity
					Appropriated			Unappropriated		Other comprehensive income	Other changes by the owners		Total other components of shareholders' equity	
					Statutory reserve	Treasury shares reserve	Treasury shares reserve				Premium on ordinary shares from expired warrants	Premium on capital reduction		
		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	
		-	-	-	-	-	9,622,383,173	-	-	-	-	-	9,622,383,173	
	32	-	-	-	-	-	(3,920,843,372)	-	-	-	-	-	(3,920,843,372)	
		-	-	-	-	-	-	-	2,724	-	-	2,724	2,724	
		-	-	-	-	-	-	(6,003,986,000)	-	-	-	-	(6,003,986,000)	
		-	-	-	-	6,003,986,000	(6,003,986,000)	-	-	-	-	-	-	
		(600,000,000)	-	-	-	-	(5,403,986,000)	6,003,986,000	-	-	-	-	-	
		-	-	-	-	(6,003,986,000)	6,003,986,000	-	-	-	-	-	-	
		1,742,129	(251,094)	11,885,874	-	-	-	-	-	-	-	-	13,376,909	
23		-	1,264,227,510	-	-	-	-	-	-	-	-	-	1,264,227,510	
24		-	-	-	107,730,109	-	(107,730,109)	-	-	-	-	-	-	
		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	
		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	
		-	-	-	-	-	3,492,322,432	-	-	-	-	-	3,492,322,432	
32		-	-	-	-	-	(3,864,560,998)	-	-	-	-	-	(3,864,560,998)	
23		366,834,545	(1,264,227,510)	2,497,407,248	-	-	-	-	-	-	-	-	1,600,014,283	
23		-	2,919,477,607	-	-	-	-	-	-	-	-	-	2,919,477,607	
		3,335,312,803	2,919,477,607	2,812,213,451	464,599,828	-	2,116,224,912	-	-	25,169,527	200,781,377	225,950,904	11,873,779,505	

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

# Jasmine International Public Company Limited and its subsidiaries

## Statement of cash flows

For the year ended 31 December 2017

(Unit: Baht)

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

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

# Jasmine International Public Company Limited and its subsidiaries

## Statement of cash flows (continued)

For the year ended 31 December 2017

(Unit: Baht)

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

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

## ■ ■ ■ Notes to consolidated financial statements

### Jasmine International Public Company Limited and its subsidiaries

#### Notes to consolidated financial statements

For the year ended 31 December 2017

#### 1. Corporate information

Jasmine International Public Company Limited (“the Company”) is a public company incorporated and domiciled in Thailand. The Company is principally engaged in the investments in the companies involved in the telecommunications business and its registered address is 200, 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 11 October 2016, issued under the Accounting Act B.E. 2543.

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

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

#### 2.2 Basis of consolidation

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



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

Company's name	Nature of business	Country of incorporation	Percentage of shareholding	
			2017	2016
			Percent	Percent
Held by subsidiaries				
Cloud Computing Solutions Co., Ltd. (98% held by Jasmine Telecom Systems Plc.)	Design and provision of computer system integration services, software development, sale of computer products and cloud computing service	Thailand	-	-
Smart Highway Co., Ltd. (67% held by Acumen Co., Ltd.)	Domestic high speed data communication service provider	Thailand	-	-
Triple T Broadband Plc. (99% held by Acumen Co., Ltd.)	Service provider in telecommunications services, fixed-line services and data communication network services	Thailand	-	-
Triple T Internet Co., Ltd. (100% held by Triple T Broadband Plc.)	Internet service provider	Thailand	-	-
In Cloud Co., Ltd. (100% held by Triple T Broadband Plc.)	Development, distribution and service in several kinds of software	Thailand	-	-
ACeS (Thailand) Co., Ltd. (59% held by Jasmine International Overseas Co., Ltd.)	Investment holding	Thailand	-	-
ACeS Regional Services Co., Ltd. (98% held by ACeS (Thailand) Co., Ltd.)	Marketing and distribution of equipment and providing services to satellite-based cellular phone users	Thailand	-	-
Pakkret Planner Co., Ltd. (100% held by Jasmine International Overseas Co., Ltd.)	Dissolution, completed liquidation	Thailand	-	-
Clippership Investments (BVI) Limited (100% held by Jasmine International Overseas Co., Ltd.)	Ceased operation	British Virgin Island	-	-
Thai Long Distance Telecommunications Co., Ltd. (90% held by Jasmine Submarine Telecommunications Co., Ltd.)	Operator of submarine optical fiber cable network and repair and maintenance services for local submarine cable systems	Thailand	-	-
Jastel Network Co., Ltd. (100% held by Jasmine Submarine Telecommunications Co., Ltd.)	Circuit leasing services and local and international data communication services	Thailand	-	-
Premium Assets Co., Ltd. (54% held by Acumen Co., Ltd. and 46% held by Jasmine Submarine Telecommunications Co., Ltd.)	Office rental	Thailand	-	-

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

### 3. New financial reporting standards

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

During the year, the Company and its subsidiaries have adopted the revised financial reporting standards and interpretations (revised 2016) and new accounting treatment guidance which are effective for fiscal years beginning on or after 1 January 2017. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards revision of wording and terminology, and provision of interpretations and accounting guidance to users of standards. The adoption of these financial reporting standards does not have any significant impact on the Company and its subsidiaries' financial statements.

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


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

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

### 4. Significant accounting policies

#### 4.1 Revenue recognition

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



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

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

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

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

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

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

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

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

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

#### **4.4 Inventories**

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

#### **4.5 Investments**

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

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

- c) Investments in non-marketable equity securities, which classifies as other investments, are stated at cost net of allowance for loss on impairment in value (if any).

- d) Investments in associates are accounted for in the consolidated financial statements using the equity method.
- e) Investments in subsidiaries and associates are accounted for in the separate financial statements using the cost method net of allowance for loss on impairment.

The fair value of unit trusts is determined from their net asset value which declared by the Fund's management company.

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

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

#### **4.6 Investment properties**

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

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

No depreciation is provided for land classified as investment properties.

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

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


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

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

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

Depreciation is recognised in profit or loss.

No depreciation is provided on land and assets under installation.



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

#### **4.8 Prepaid rent and amortisation**

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

#### **4.9 Related party transactions**

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

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

#### **4.10 Long-term leases**

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

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

#### **4.11 Foreign currencies**

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

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

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

#### **4.12 Impairment of assets**

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

An impairment loss is recognised in profit or loss.

#### 4.13 Employee benefits

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

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

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

###### *Defined contribution plans*

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

###### *Defined benefit plans*

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

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

Actuarial gains and losses arising from defined benefit plans are recognised immediately in other comprehensive income.

#### 4.14 Provisions

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

#### 4.15 Treasury shares

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

#### 4.16 Income tax

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



## **Current tax**

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

## **Deferred tax**

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

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

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

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

### **4.17 Fair value measurement**

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between buyer and seller (market participants) at the measurement date. The Company and its subsidiaries apply a quoted market price in an active market to measure their assets and liabilities that are required to be measured at fair value by relevant financial reporting standards. Except in case of no active market of an identical asset or liability or when a quoted market price is not available, the Company and its subsidiaries measure fair value using valuation technique that are appropriate in the circumstances and maximises the use of relevant observable inputs related to assets and liabilities that are required to be measured at fair value.

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

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

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

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

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

## 5. Significant accounting judgements and estimates

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

### **Leases**

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

### **Allowance for doubtful accounts**

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

### **Impairment of investments**

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

### **Property, plant, equipment and investment properties/Depreciation**

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

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

### **Deferred tax assets**

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

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

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

## Litigation and dispute

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

## 6. Related party transactions

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

Name of entities	Nature of relationship
Subsidiaries	The group of companies that the Company has power to set financial and operating policies in order to generate benefits from their activities.
Jasmine Broadband Internet Infrastructure Fund ("JASIF")	Associated company
Premium Real Estate Co., Ltd.	Associated company (Dissolution and completed liquidation in 2017)
Mono Group	Common directors

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

(Unit: Million Baht)

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

(Unit: Million Baht)

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

As at 31 December 2017 and 2016, the balances of the accounts between the Company, its subsidiaries and those related parties are as follows:

(Unit: Million Baht)

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

(Unit: Million Baht)

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

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

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

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

(Unit: Million Baht)

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

(Unit: Million Baht)

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

#### Directors and management's benefits

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

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
Short-term employee benefits	200	201	49	49
Post-employment benefits	19	18	4	4
Total	219	219	53	53

#### Guarantee obligations with subsidiaries

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

## 7. Cash and cash equivalents

(Unit: Million Baht)

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

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

## 8. Current investments - deposits with banks

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

## 9. Trade and other receivables

(Unit: Million Baht)

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

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

(Unit: Million Baht)

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



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

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

An outstanding trade receivable balances as at 31 December 2017 of Jasmine Submarine Telecommunications Co., Ltd. (“JSTC”) amounting to Baht 2,518 million (2016: Baht 2,518 million), are receivable for service under a co-investor agreement made between JSTC and TOT Plc. (“TOT”), its concession provider. TOT had ceased making payment as from September 2008 to 4 October 2011, the end date of the co-investor agreement, because the revenue sharing rates are still being disputed between TOT and JSTC. In order to finalise the revenue sharing rate, on 22 December 2014, JSTC took the dispute to the Arbitration Institute, Office of Dispute Resolution, the Judiciary, for a ruling. Subsequently, on 19 August 2016, TOT submitted a dispute proposal to the Arbitration Institute, asking JSTC to return the excess revenue sharing received based on the co-investor agreement and to pay opportunity costs, together amounting to approximately Baht 9,931 million, JSTC filed an objection with the Arbitration Institute. This is currently being considered by the Arbitration Institute.

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

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

In addition, as at 31 December 2017 the Company has other receivables amounting to Baht 47 million (2016: Baht 47 million) and dividend receivable amounting to Baht 386 million (2016: Baht 401 million), which are long outstanding balances receivable from JSTC.

JSTC and TLDT transferred their rights over the collection of their share of the revenues from TOT, under the above co-investor agreement, to secure long-term loan of JSTC, as described in Note 19 to the consolidated financial statements.

## 10. Accounts receivable under troubled debt restructuring

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

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

As at 31 December 2015, certain subsidiaries had an outstanding balance totalling approximately Baht 54 million that were receivable from TT&T, under the rehabilitation plan of TT&T, and which was to be fully repaid in cash in a single payment on the last working day of the first quarter of 2015. However, on 15 March 2016, the Central Bankruptcy Court issued an absolute receivership order against TT&T. In 2016, for prudent reasons, the subsidiaries therefore recorded full allowance for doubtful accounts for the remaining balances of accounts receivable from TT&T.

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

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

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

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

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

## 11. Investments in subsidiaries

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

(Unit: Million Baht)

Company's name	Paid-up capital		Cost		Dividend received during the year	
	2017	2016	2017	2016	2017	2016
Jasmine Submarine Telecommunications Co., Ltd.	1,550	1,550	1,946	1,946	-	-
Acumen Co., Ltd.	760	760	760	760	1,976	8,924
JAS Mobile Broadband Co., Ltd.	1.2	20	834	852	-	-
T.J.P. Engineering Co., Ltd.	200	200	160	160	-	-
Jasmine Smart Shop Co., Ltd.	-	110	-	110	-	-
Compunet Corporation Ltd.	-	260	-	100	-	-
Mobile Communication Services Co., Ltd.	100	100	70	70	-	-
Jasmine Telecom Systems Plc.	706	706	58	58	-	23
Three BB Co., Ltd.	52	52	52	52	-	-
Jasmine International Overseas Co., Ltd.	115	115	46	46	-	-
Jasmine Internet Co., Ltd.	15	15	7	7	-	-
Chaengwatana Planner Co., Ltd.	0.1	0.1	-	-	-	-
			3,933	4,161	1,976	8,947
Less: Allowance for impairment of investments			(980)	(1,199)		
Total investments in subsidiaries - net			2,953	2,962		

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

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

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

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

In 2016, JASMOBILE’s forfeiture of its deposit guarantee for the auction of a spectrum license in the frequency band 900 MHz and the call for it to accept liability for damages resulting from its non-compliance with the conditions precedent for granting a license, amounting to Baht 841 million. For prudent reasons, the Company recorded allowance for impairment of investment in JASMOBILE amounting to Baht 832 million.

### 11.3 Dissolution and deregistration of subsidiaries and associate

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

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

## 12. Investments in associates

### 12.1 Details of associates

(Unit: Million Baht)

Company's name	Nature of business	Country of incorporation	Consolidated financial statements							
			Shareholding percentage		Cost		Carrying amounts based on equity method		Share of profit from investments in associates during the year	
			2017	2016	2017	2016	2017	2016	2017	2016
			(%)	(%)						
Jasmine Broadband Internet Infrastructure Fund	Investment in infrastructure businesses	Thailand	33	33	18,060	18,103	6,209	6,826	1,095	1,019
Internet Knowledge Service Center Co., Ltd.	Communication equipment rental	Thailand	38	38	49	49	25	24	1	-
Premium Real Estate Co., Ltd.	Dissolution and completed liquidation	Thailand	-	49	-	402	-	-	-	-
Telecom KSC Co., Ltd.	Not yet operate	Thailand	40	40	-	-	-	-	-	-
Total					18,109	18,554	6,234	6,850	1,096	1,019

(Unit: Million Baht)

Company's name	Nature of business	Country of incorporation	Separate financial statements							
			Shareholding percentage		Cost		Allowance for impairment of investments		Carrying amounts based on cost method - net	
			2017	2016	2017	2016	2017	2016	2017	2016
			(%)	(%)						
Jasmine Broadband Internet Infrastructure Fund	Investment in infrastructure businesses	Thailand	33	33	18,060	18,103	-	-	18,060	18,103
Internet Knowledge Service Center Co., Ltd.	Communication equipment rental	Thailand	38	38	49	49	(33)	(33)	16	16
Premium Real Estate Co., Ltd.	Dissolution and completed liquidation	Thailand	-	49	-	402	-	(402)	-	-
Telecom KSC Co., Ltd.	Not yet operate	Thailand	40	40	-	-	-	-	-	-
Total					18,109	18,554	(33)	(435)	18,076	18,119

- 12.2 On 9 February 2015, the Company had purchased 1,833 million shares of JASIF, for a total of Baht 18,332 million or 33.33% of the total number of investment units. The Company has to maintain a percentage unit holding in JASIF, as described in Note 28.g) to the consolidated financial statements.

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

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

(Unit: Million Baht)

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

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

On 14 July 2016, the Company entered into a long-term loan agreement with a local bank, granting a loan facility of Baht 6,000 million. The Company has placed all the investment certificates in JASIF as collateral to secure its loan, as described in Note 19 to the consolidated financial statements.

### 13. Investment properties

(Unit: Million Baht)

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



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

(Unit: Million Baht)

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

The fair values of the above investment properties were determined based on valuation performed by an accredited independent value, which were determined at fair value using inputs of Level 3 on valuations. The fair value of the land were determined based on market prices, while that of the office building for rent were determined using the income approach. The main assumptions used in the valuation were as to yield rate, inflation rate, long-term vacancy rate and long-term growth in real rental rates.

The subsidiary has operating leases in respect of the lease of building space. The terms of the agreements ranging from 1 year to 4 years. As at 31 December 2017 and 2016, future minimum rental income generated from the investment properties under those lease agreements is as follows.

(Unit: Million Baht)

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

## 14. Property, plant and equipment

(Unit: Million Baht)

	Consolidated financial statements							
	Land	Buildings, leasehold improvement and building improvement	Telecommunications equipment	Motor vehicles	Tools and equipment	Furniture, fixtures and office equipment	Others	Assets under installation
<b>Cost</b>								<b>Total</b>
1 January 2016	105	1,113	19,398	467	535	899	1,346	6,650
Additions	10	20	993	43	102	84	3	10,834
Disposals	-	-	(14)	(10)	(28)	(18)	(595)	(4)
Transfer to non-current assets held-for-sale	-	-	-	-	-	-	-	(326)
Transfer from investment properties	5	15	-	-	-	-	5	-
Transfers in (out)	-	-	10,450	-	17	47	-	(10,659)
31 December 2016	120	1,148	30,827	500	626	1,012	759	6,495
Additions	2	24	1,039	152	52	96	3	5,792
Disposals	-	-	(10)	(1)	(106)	(23)	(17)	(4)
Transfers in (out)	-	-	6,538	-	6	49	-	(6,976)
31 December 2017	122	1,172	38,394	651	578	1,134	745	5,307
								48,103

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

(Unit: Million Baht)

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

(Unit: Million Baht)

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

As at 31 December 2017, certain plant and equipment items of the Company and its subsidiaries had been fully depreciated but were still in use. The gross carrying amount before deducting accumulated depreciation and allowance for impairment of those assets amounted to approximately Baht 6,234 million (2016: Baht 4,885 million), of which Baht 81 million is from the Company (2016: Baht 79 million).

As at 31 December 2017, subsidiaries had motor vehicles under finance lease agreements with net book values amounting to Baht 211 million (2016: Baht 118 million).

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

## 15. Prepaid rent

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

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

The prepaid rent balances as at 31 December 2017 and 2016 are as follows:

(Unit: Million Baht)

	Separate financial statements	
	2017	2016
Prepaid rent	415	415
Less: Accumulated amortisation	(269)	(255)
Prepaid rent - net	146	160
Amortisation expenses recognised in profit or loss	14	14

## 16. Short-term loans from banks

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

## 17. Trade and other payables

(Unit: Million Baht)

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

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

## 18. Short-term loans

(Unit: Million Baht)

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

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

## 19. Long-term loans

(Unit: Million Baht)

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



(Unit: Million Baht)

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

Details of the above loans are summarised below.

19.1 This long-term loan is the loan of the Company, under the loan facility of Baht 6,000 million. Payment of an interest to be made on a monthly basis, and principal is repayable in 10 semi-annual installments of Baht 600 million each, with the remaining principal balance to be paid in full in the final instalment, the first of these due on 25 June 2017, and is to be repaid in full within 25 December 2021. This loan is secured by guarantees provided by four subsidiaries, the pledge of all investment units held in JASIF and the transfer of rights to receive dividend from JASIF. The loan agreement stipulates certain covenants relating to matters such as the maintenance of financial ratios, the maintenance of shareholdings and the creation of obligation.

19.2 This long-term loan is the loan of JSTC, payment of an interest to be made in monthly basis and payment of principal to be made at the end of each March, June, September and December, with quarterly installments of Baht 11 million during 2012 - 2014, Baht 23 million during 2015 - 2016, Baht 57 million in 2017 and Baht 91 million in 2018. Subsequently on 12 January 2017 the lender agreed to restructure the long-term loan with JSTC, which is matured in 2018 under the original loan schedule. Details of the restructuring are summarised below.

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

2. Term of repayment:

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

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

## 20. Liabilities under finance lease agreements

(Unit: Million Baht)

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

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

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

(Unit: Million Baht)

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

(Unit: Million Baht)

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

## 21. Accounts payable for equipment

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

(Unit: Million Baht)

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

## 22. Provision for long-term employee benefits

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

(Unit: Million Baht)

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

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

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

Principal actuarial assumptions at the valuation date were as follows:

(Unit: Percent per annum)

	Consolidated / Separate financial statements	
	2017	2016
Discount rate	2.75%	2.75%
Future salary increase rate	5%	5%

The result of sensitivity analysis for significant assumptions that affect the present value of the long-term employee benefit obligation as at 31 December 2017 and 2016 are summarised below:

(Unit: Million Baht)

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

## 23. Warrants

On 6 July 2015, the Company issued the 3,428.4 million units of JAS-W3 warrants to the existing shareholders of the Company, free of charge, in proportion to their shareholding, at a ratio of 1 warrant for every 2.04 existing ordinary shares (par value of Baht 0.50 per share). The warrants have an exercise period of 5 years from the date of issue, and are exercisable on the last business day of each quarter over the term of the warrants. The first and the last exercise dates are 30 September 2015 and 3 July 2020, respectively. The exercise ratio is 1 warrant per 1 ordinary share and the exercise price is Baht 4.30 (par value of Baht 0.50 per share).

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

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

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

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

## 24. Statutory reserve

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

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

## 25. Expenses by nature

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
Telecommunication network rental expenses	5,508	5,319	-	-
Loss from impairment of investment in subsidiary	-	-	-	832
Damages from non-compliance with the conditions precedent to be met before granting a license	-	841	-	-
Salaries, wages and other employee benefits	2,623	2,263	114	105
Depreciation and amortisation	3,687	2,612	16	16
Telecommunication license fees	770	934	-	-
Consulting fees	58	133	21	81
Electricity expenses	429	330	2	2
Repair and maintenance expenses	423	402	-	-
Cost of goods sold	421	185	-	-
Sales promotion expenses	285	295	-	-
Doubtful debt and bad debt	225	338	-	-
Rental expenses from operating lease agreements	251	206	5	4
Losses on exchange	-	105	1	-

## 26. Income tax

Income tax for the years are made up as follows:

(Unit: Million Baht)

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

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

(Unit: Million Baht)

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

(Unit: Million Baht)

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

The components of deferred tax assets are as follows:

(Unit: Million Baht)

	Consolidated statements of financial position		Profit or loss in consolidated statements of comprehensive income	
	As at 31 December		For the years ended 31 December	
	2017	2016	2017	2016
<b>Deferred tax assets</b>				
Allowance for doubtful accounts	82	70	(12)	(16)
Provision for rental assurance	2,810	3,103	293	(10)
Provision for long-term employee benefits	76	71	(5)	(5)
Provision for entry fee for laying the optical fiber cables	55	92	37	2
Provision for reversal of judgement by the Supreme Court	60	60	-	(2)
Deferred tax relating to origination and reversal of temporary differences			313	(31)
<b>Deferred tax assets</b>	<b>3,083</b>	<b>3,396</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	
	2017	2016	2017	2016
<b>Deferred tax assets</b>				
Provision for long-term employee benefits	6	6	-	-
Provision for reversal of judgement by the Supreme Court	60	60	-	(2)
Deferred tax relating to origination and reversal of temporary differences			-	(2)
<b>Deferred tax assets</b>	<b>66</b>	<b>66</b>		

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

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



## 27. Promotional privileges

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

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

## 28. Infrastructure fund transactions

In February 2015, the Company and TTTBB entered into the agreements with JASIF as follows.

### a) Asset Sale and Transfer Agreement

TTTBB entered into the Asset Sale and Transfer Agreement with JASIF to sell of the OFCs at a price of Baht 55,000 million. Under the agreement, TTTBB shall deliver and transfer the OFCs approximately 980,000 core kilometers whereby TTTBB is to transfer not less than 800,000 core kilometers of the OFCs (equivalent to Baht 45,527 million) (“the Existing OFCs”) on the contract date and will gradually transfer approximately 180,000 core kilometers of the OFCs (equivalent to Baht 9,473 million) (“the Future OFCs”) over two years.

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

### b) Main Lease Agreement

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

### c) Rental Assurance Agreement

JASIF may lease 20% of the OFCs to any lessee. During the period in which there are no third party lessees, TTTBB agrees to lease these assets and pay for the rental fee to JASIF in order to guarantee JASIF’s lease revenue throughout the term of the Rental Assurance Agreement for three years. The Rental Assurance Agreement will be renewed for additional three-year periods at the option of JASIF until the expiration of the Main Lease Agreement with the rental fee of Baht 750 per core kilometer

per month until 31 December 2015 and the fee will be increased on 1 January each year in line with the change in Thailand CPI announced by the Ministry of Commerce with a cap of 3% per annum.

**d) OFCs Maintenance Agreement**

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

**e) Marketing Services Agreement**

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

**f) Loan Agreement**

TTTBB has agreed to grant a loan to JASIF amounting to Baht 3,850 million which is equal to the VAT amount of the purchase price of the OFCs. The interest rate is 2% per annum.

In January 2016, TTTBB received full repayment from JASIF.

**g) Undertaking Agreement**

The undertaking agreement specifies that the Company has to maintain its unitholding 33.33 % of the total number of investment units issued in JASIF (“initial investment units”) by not selling, transferring or disposing of the initial investment units for three years, unless it receives prior written consent from JASIF, and during the fourth to sixth years, the Company may not sell, transfer or dispose of the investment units of JASIF to the extent that its unitholding falls below 19% of the total initial number of investment units issued, unless it receives prior written consent from JASIF. Moreover, the Company and affiliates must maintain shareholdings of at least 76% in TTTBB and Triple T Internet Co., Ltd. (“TTTI”), and that TTTBB must maintain certain financial ratios, such as current liabilities to equity ratio, debt to equity ratio, and financial ratio for dividend payment, as specified in the agreement. In addition, liabilities of TTTBB and TTTI, as defined in the agreement, may not exceed as specified in the agreement at any given time.

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

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

1. TTTBB can recognise asset sale transactions since the asset sale transactions have transferred significant risks and rewards of ownership to JASIF. Revenue in the future from assets sold to JASIF will be JASIF's revenue and the sale did not result in the lease of assets solely being bound by TTTBB. To summarise, the transaction is true sale and can be recorded as assets sale.
2. As TTTBB entered into the Rental Assurance Agreement with JASIF, the rental assurance is considered immaterial, and this makes TTTBB unable to record the revenue from sales of assets because assurance rental is approximately only 20% of total the OFCs. However, TTTBB has recorded the provision for rental assurance in its account.
3. Sales and leaseback transactions have been tested with criterion specified in TAS 17 Lease and are considered operating lease.

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

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

TTTBB recognised gains on asset sales amounting to Baht 3,240 million and the Company recognised gains on asset sales amounting to Baht 2,160 million (after eliminating one third of the transactions, in proportion to the Company's unit holding in JASIF) in separate transaction under the caption of "Other income" in the consolidated statement of comprehensive income for the year ended 31 December 2016. The details are summarised as follows.

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

On 27 April 2017, the Annual General Meeting of shareholders of the Company passed the resolution approved TTTBB to sell the additional optical fiber cable assets not exceeding 980,000 core kilometers to JASIF. The selling price is expected to be approximately Baht 50,000 - 70,000 million. (However, the final selling price will be mutually agreed between TTTBB and JASIF).

## 29. Earnings per share

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

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

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

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

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

### 30. Segment information

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

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

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

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

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

Inter-segment revenues are eliminated on consolidation.

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

(Unit: Million Baht)

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

## Geographic information

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

## Major customers

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

## 31. Provident fund

The Company, its subsidiaries and their employees have jointly established a provident fund in accordance with the Provident Fund Act B.E. 2530. The Company, its subsidiaries and their employees contribute to the fund monthly at rates of 3 to 8 percent of basic salary and will be paid to employees upon termination in accordance with the fund rules. The fund is managed by BBL Asset Management Co., Ltd. During 2017, the contributions of the Company and its subsidiaries amounting to Baht 86 million (2016: Baht 81 million), of which Baht 6 million (2016: Baht 6 million) is from the Company, were recognised as expenses.

## 32. Dividends

Dividends	Approved by	Total dividends (Million Baht)	Dividend per share (Baht)
Final dividend for 2016	Annual General Meeting of shareholders on 27 April 2017	1,565	0.25
Interim dividends for the period as from 1 January 2017 to 30 June 2017	Board of Directors meeting on 9 August 2017	1,299	0.20
Interim dividends for the period as from 1 January 2017 to 30 September 2017	Board of Directors meeting on 10 November 2017	1,000	0.15
Total dividends for 2017		3,864	0.60
Final dividends for 2015	Annual General Meeting of shareholders on 29 April 2016	2,140	0.30
Interim dividends for the period as from 1 January 2016 to 31 March 2016	Board of Directors meeting on 21 June 2016	890	0.15
Interim dividends for the period as from 1 January 2016 to 30 September 2016	Board of Directors meeting on 10 November 2016	891	0.15
Total dividends for 2016		3,921	0.60

### 33. Commitments and contingent liabilities

#### 33.1 Capital commitments

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

#### 33.2 Operating lease commitments

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

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

(Unit: Million Baht)

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

#### 33.3 Guarantees

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

#### 33.4 Long-term service commitments

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



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

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


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

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

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

33.5 T.J.P. Engineering Co., Ltd. ("TJP"), has entered into a turn-key agreement with a counterparty, whereby TJP is obliged to deliver work within the period stipulated in the agreement, which is within 29 December 2006. Up to the present, TJP has been unable to make delivery within the stipulated period because the delay was caused by the delay in the delivery of areas by related agencies and the counterparty is therefore entitled to charge a penalty to TJP at the rate of 0.2 percent of the contract value (Baht 31 million) per each day of delay. However, the management of TJP is in the process of negotiation with the counterparty to reduce the scope of work. The management of TJP believe that TJP will successfully negotiate with the counterparty to reduce the scope of work and will close the project with an immaterial amount of penalty.

33.6 Following the Central Bankruptcy Court's approval of the business rehabilitation plan ("the plan") of the Company on 7 August 2003, the Company complied with all requirements in the plan. The Court therefore issued an order to terminate the business rehabilitation plan of the Company on 14 September 2006. However, certain creditors of the Company lodged objections to certain issues with the Supreme Court during the rehabilitation process.



On 19 August 2013, the Central Bankruptcy Court read the judgement of the Supreme Court, rejecting the rehabilitation plan and cancelling the Central Bankruptcy Court's business rehabilitation order. As a result the rights of claim of the creditors of the Company returned to what they were prior to the rehabilitation order. The Company and the legal advisor made a preliminary assessment and found that additional liabilities of up to Baht 1,343 million, excluding interest, might arise if the Company was sued by the creditors in the future. By the way, whether and how much the Company will be required to pay to any particular creditor depends on whether the creditors present themselves, exercise their rights and convince the Company that they are the creditors of the amounts claimed.

Subsequently in August 2014, five asset management company and financial institutions filed lawsuits petitioning the Central Intellectual Property and International Trade Court ("Central Intellectual Property Court") to order the Company to make debt repayments under loan agreements, guarantee agreements and rehabilitation agreements of Baht 526 million, USD 25 million and Yen 1,736 million (as at 31 December 2017 equivalent to a total of approximately Baht 1,856 million), comprising principal of Baht 1,112 million and interest of Baht 744 million. The Company has assessed the conditions of accounting under these new circumstances, and believes that the Company should record provision whenever lawsuits are filed with the court. However, the rights of claim of two plaintiffs were assigned by various former creditors, one is not named among the creditors filing claims under the business rehabilitation plan. The legal advisor is of the opinion that it is uncertain that these two plaintiffs will receive payment of the amount claimed in the petitions. Therefore, the Company recorded provision amounting to Baht 313 million (principal of Baht 260 million and interest of Baht 53 million) (2016: Baht 301 million (principal of Baht 260 million and interest of Baht 41 million)) for the three plaintiffs who are the original creditors named in applications for payment (principal of Baht 684 million and interest of Baht 323 million) in the Company's rehabilitation plan in the financial statements since it is highly likely that the Company will be liable for these amount. This was determined based on the claims filed by the three plaintiffs less the approximate amounts of settlements made in any form under the rehabilitation plan, in accordance with the legal advisor's opinion.

The Company has disputed the lawsuits brought by five plaintiffs on the grounds of the jurisdiction of the Central Intellectual Property Court. At this time, rulings on the lawsuits brought by five plaintiffs have stated that the cases are under the jurisdiction of the Central Intellectual Property Court. The ultimate outcome of the case cannot be determined at this stage. The court's decision may affect the amount of this provision. Since there is still a lack of legal clarity because the Supreme Court did not directly address the effect of the debt settlement made out by the plan administrator in accordance with the terms of the rehabilitation plan, the Company has decided that the amount of reserves recorded in the accounts is adequate and appropriate in the current circumstances. Moreover, if creditors file additional claims in the future and the Company has preliminarily verified these, the Company will record an additional provision for those creditors in the Company's accounts. However, the recording of such provision does not in any way constitute an acceptance of the Company's obligation to pay such liabilities.

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

counterparties to the agreements, to inform them of the cause of the delay and request extensions of the shipment schedules. The agreements stipulate that JTS is obliged to pay a penalty for delayed shipment at a daily rate of 0.2 percent of the price of the unshipped tablets. In 2014, the counterparties under the agreements submitted letters to JTS to request the termination of the sale and purchase of tablet agreements with JTS as they considered that JTS failed to perform its obligations under the agreements and requested JTS to pay the penalty at the daily rate of 0.2 percent of the price of the unshipped tablets from the dates of delivery stipulated in the agreements to the date of termination of the agreements, or a total of Baht 5 million and Baht 142 million, respectively. In addition, the counterparties requested the bank who issued bank guarantees on behalf of JTS as performance bonds for these agreements to pay them a total of Baht 40 million under the performance bonds. However, JTS submitted letters to these counterparties objecting to the terminations of the agreements and to the imposition of penalties under the agreements on the grounds that the cause of the delay in the shipments of tablets was the aforementioned massive fire at a production facility, which was an event of force majeure and outside the JTS's control, and JTS had already notified the cause of delay to the both counterparties. JTS therefore believes that it is not obliged to pay penalties and damages to these counterparties. In addition, JTS submitted letters to the bank who issued bank guarantees for JTS, asking it not to pay a total of Baht 40 million to these counterparties. However, in November 2014 and March 2015, The two counterparties filed lawsuits with the Central Administrative Court, requesting JTS to pay a penalty for its inability to deliver tablet as stipulated in the agreements and to make payment under the performance bonds, together with interest at the rate of 7.5% per annum, totaling approximately Baht 5 million and Baht 192 million, respectively. In 2014, JTS submitted a notice of breach of the agreement to a local company claiming that it had failed to deliver tablets in accordance with the agreement, and JTS exercised its right to terminate the agreement with this company. In addition, JTS requested the bank who issued a bank guarantee on behalf of this company in the form of a performance bond for the sale of tablets to pay Baht 38 million to JTS under the performance bond. JTS received the payment and retained the legal right to seize this amount as a compensation for losses caused by this company or incurred as a result of a breach of agreement by this company. JTS has recorded the performance bond as a liability under the caption of trade and other payables in the consolidated statement of financial position since 31 December 2014 and treated it as a provision for any penalties and losses that might be incurred. Moreover, in the event that JTS is required to pay penalties and compensation to the government agencies, JTS can reclaim all losses from this local company who is the seller of the tablets to JTS, in accordance with a condition stipulated in the sale and purchase of tablet agreements. However, on 22 February 2018, the Central Administrative Court issued a judgement on the case between JTS and the government agency who filed the lawsuit, requesting JTS to pay penalties totaling approximately Baht 5 million for its inability to deliver tablets as stipulated in the agreement. The Central Administrative Court issued a judgement ordering JTS to pay penalties totaling approximately Baht 3 million. However, JTS has the right to lodge an appeal within 30 days after the Central Administrative Court issued a judgement. When JTS receives the official judgement of the Court, the legal advisor will consider details of the judgement in order to file an appeal. Therefore, the ultimate outcome of these lawsuits and disputes that are not finalised cannot be determined at this time. In addition, JTS's legal advisor is of the opinion that the facts of this case are different from those of the case with another government agency, who demanded JTS pay penalties for its failure to deliver tablets according to the agreement and to make payment under the performance bond, together with interest, or a total of approximately Baht 190 million. As a result, it cannot be confirmed that the Central Administrative Court will issue the same judgement as above. However, JTS's management and legal advisor still believe that no significant losses will be incurred as a result of these lawsuits and disputes, and therefore no further provision for contingent liabilities was recorded in the accounts.

### 33.8 Litigation and disputes with TT&T and TOT

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


1. Cloud Computing Solutions Co., Ltd. (“CCS”) has outstanding balances receivable from TT&T pursuant to the contract for the supply of the Customer Care and Billing system amounting to approximately USD 5 million (as at 31 December 2017 equivalent to approximately Baht 171 million), which is being disputed with TT&T. In 2011, TT&T submitted a dispute proposal to the Thai Arbitration Institute alleging that CCS breach the said contract and asking CCS to pay a total of Baht 1,780 million, together with interest at the rate of 7.5% per annum from the date of the submission of the dispute until CCS effects whole performance. However, the management of CCS believe that CCS did not breach the agreement and will not have to pay such amount to TT&T. In February 2012, CCS filed an objection against the aforementioned dispute proposal of TT&T with the Thai Arbitration Institute, seeking to revoke the dispute proposal of TT&T and asking the Thai Arbitration Institute to order TT&T to pay a total of Baht 528 million, together with interest at the rate of 7.5% per annum from the next date after the submission of the objection until TT&T effects whole performance. In June 2015, an arbitration award was made by the arbitration tribunal revoking TT&T’s dispute proposal and ordering TT&T to pay the outstanding balance of installments due together with interest to CCS, a total of approximately Baht 204 million. On 25 September 2015, TT&T filed a petition with the Civil Court seeking to reverse the Thai Arbitration Institute’s order. On 7 November 2016, the Official Receiver submitted a request with the Civil Court, seeking to withdraw the case in connection with TT&T’s petition to reverse the Thai Arbitration Institute’s order which ordered TT&T to pay Baht 204 million. The Civil Court has approved to withdraw the case and removed the case from the directory. Moreover, with respect to the Central Bankruptcy Court’s absolute receivership order against TT&T, CCS submitted an application for repayment of debt, together with interest, to the Official Receiver. The settlement of this debt will therefore be made in accordance with the process prescribed laws. However, TT&T is in the process of following legal procedures with respect to Bankruptcy law implemented by the Official Receiver.
2. Jasmine Internet Co., Ltd. (“JI-Net”), received a letter dated 13 December 2010 from the Official Receiver, ordering it to pay TT&T leased line costs payable for the period from March 2005 to March 2008, amounting to Baht 20 million, with interest from the due date until full payment is made to TT&T. JI-Net has recorded the full amount of this cost in its accounts, while it believes that it can negotiate the interest with TT&T and it is unlikely that it will have to pay the interest. JI-Net has therefore not recorded the accrued interest in its accounts. Subsequently, the Official Receiver in rehabilitation case ordered JI-Net to pay the leased line costs payable to TT&T. JI-Net have objected to the order with the Central Bankruptcy Court, which later dismissed JI-Net’s petition. The case is currently being considered by the Supreme Court. However, in September 2016, the Official Receiver in the TT&T bankruptcy case sent a letter dated on 7 September 2016 requesting JI-Net to pay TT&T leased line costs amounting to Baht 28 million (including interest calculated until

15 March 2016). However, on 23 September 2016, JI-Net submitted notices rejecting the liabilities to the Official Receiver in the TT&T bankruptcy case. At present, the case is being considered by the Official Receiver.

3. Smart Highway Co., Ltd. ("Smart"), received a letter dated 8 November 2010 from the Official Receiver, ordering it to pay TT&T leased line costs payable for the period from July 2006 to April 2008, amounting to Baht 24 million, with interest of Baht 5 million calculated until 31 March 2010, and additional interest from the due date until full payment is made to TT&T. Smart has recorded the full amount of this cost in its accounts, while it believes that it can negotiate the interest with TT&T and it is unlikely that it will have to pay the interest. Smart has therefore not recorded the accrued interest in its accounts. Subsequently, the Official Receiver orders Smart to pay the leased line costs payable to TT&T. Smart filed a complaint with the Central Bankruptcy Court alleging that the Official Receiver had illegally served a letter on Smart, the Court subsequently issued an order dismissing Smart's complaint and Smart filed an appeal against the Central Bankruptcy Court to the Supreme Court. On 3 October 2017, the Central Bankruptcy Court read the judgement of the Supreme Court, which affirmed the judgement of the Central Bankruptcy Court. As a result the Central Bankruptcy Court's absolute receivership order against TT&T, the proceedings in the business reorganization case of TT&T was creased. In September 2016, the Official Receiver in the TT&T bankruptcy case sent a letter dated on 7 September 2016 requesting Smart to pay TT&T leased line costs amounting to Baht 39 million (including interest calculated until 15 March 2016). However, on 23 September 2016, Smart submitted notices rejecting the liabilities to the Official Receiver in the TT&T bankruptcy case.
4. In 2008, TOT filed a lawsuit against TTTBB and TT&TSS with the Civil Court and the Tungsong Provincial Court, seeking compensation of Baht 16.6 million and Baht 7.4 million respectively, and alleging that TTTBB and TT&TSS had illicitly used TOT's bandwidth for internet services. On 17 December 2010, the Tungsong Provincial Court ordered the dismissal of the case. TOT filed an appeal, on 19 January 2016 the Appeal Court affirmed the judgement of the Tungsong Provincial Court. TOT has filed an appeal to the Supreme Court. At present, the case is being considered by the Supreme Court. On 29 December 2010, the Civil Court ordered TTTBB and TT&TSS to pay the compensation of Baht 15.5 million plus interest at a rate of 7.5% per annum and an addition of Baht 0.9 million per month plus interest at a rate of 7.5% per annum from December 2008 until TTTBB and TT&TSS cease the infringement. TTTBB and TT&TSS have filed an appeal but the Appeal Court affirmed the judgement of the Civil Court. TTTBB and TT&TSS have filed an appeal to the Supreme Court. At present, the case is being considered by the Supreme Court.

In 2010, TTTBB received a notice from the Official Receiver, the Business Reorganisation Department, informing that TT&T requested TTTBB to pay the outstanding debts of Baht 834 million which are subject to an interest rate of 7.5% per annum until the payment is settled. However, in August 2016, the Official Receiver relevant to the bankruptcy case submitted the letter dated 9 August 2016 to notify that TTTBB has to pay the outstanding debts of Baht 1,157 million, which arose from the same obligation for which the notice from the Official Receiver was sent to TTTBB in 2010 regarding the business reorganization of TT&T. The Official Receiver explained that the investigation under the business reorganisation was superseded when the debtor was in receivership and the investigation will be reconsidered under the Bankruptcy law which nearly 90% of the claim was lease line service payable which TTTBB paid to TT&T through the offset debt payable and the assignment of promissory note in 2009, as described in Note 10 to the consolidated financial statements.





However, the rehabilitation planner disputed that the payment did not constitute a complete and legitimate debt settlement transaction. The remaining balance is not equal to the liabilities that TTTBB recorded in the accounts. The case is currently under investigation by the Official Receiver in the TT&T bankruptcy case.

On 12 January 2011, TTTBB received a notice from the Thai Arbitration Institute, Alternative Dispute Resolution Office, Office of the Judiciary, stating that on 27 December 2010 TT&T had filed a statement of claim demanding TTTBB settle leased line payable totaling Baht 1,447 million, plus interest accrued at a rate of 7.5% per annum until the amount is settled. TT&T later amended the claim to Baht 1,496 million. On 29 June 2011, TTTBB filed an objection and a counterclaim for damages suffered as a result of TTTBB's inability to use the leased line service, amounting to Baht 3,477 million, with the Thai Arbitration Institute. On 29 July 2014, the arbitration tribunal unanimously agreed that TT&T was in breach of the agreement, and the Chairman of the arbitration tribunal rendered the award stating that the compensation and penalty, which TT&T shall be liable to TTTBB, and the outstanding network rental service fee to be paid by TTTBB, shall be set off against each other and extinguished, while the other claims shall be lifted. On 12 November 2014, TT&T filed a petition with the Civil Court seeking to reverse the Thai Arbitration Institute's order. On 29 November 2016, the Official Receiver relevant to the bankruptcy case of TT&T filed an appeal with the Civil Court requesting not to conduct the case and dispose of the case from the directory, and the Civil Court ordered to dispose of the case.

On 21 February 2011, TTTBB and TTTI sued P Planner Co., Ltd. and its team, who were the rehabilitation plan preparer and administrator of TT&T at that time, seeking compensation of Baht 2,439 million for their obstruction of the provision of internet broadband services of TTTBB and TTTI on TT&T's network under the leased line service agreement between TTTBB and TT&T. On 25 August 2016, the Civil Court dismissed the case. TTTBB and TTTI filed an appeal. The Appeal Court affirmed the judgement of the Civil Court on 19 December 2017. TTTBB is in the process of filing an appeal to the Supreme Court.

On 29 November 2013, TT&T filed a lawsuit against TTTBB in a civil case lodged with the Nonthaburi Provincial Court, seeking compensation of Baht 228.7 million plus interest for breach of agreements. The major claims were made the same basis as the collection notice of the Official Receiver of TT&T (excluding the leased line payable). The case is under consideration by the Nonthaburi Provincial Court. On 10 October 2014, TTTBB pledged a fixed deposit account amounting to Baht 228.8 million as security with the Nonthaburi Provincial Court, without admission of guilt. However, on 7 May 2015, the Nontaburi Provincial Court ordered TTTBB to pay the compensation of Baht 228.7 million with an interest rate of 7.5% per annum of the principal of Baht 165.7 million and with an interest rate of 15% per annum of the principal of Baht 0.5 million, starting from the date TTTBB was sued until the full compensation was paid to TT&T. TTTBB has filed an appeal to the Nontaburi Provincial Court. On 24 January 2017, the Nonthaburi Provincial Court read the judgement of the Appeal Court ordering to revised the judgement of the Nonthaburi Provincial Court whereby TTTBB must pay the compensation of Baht 226.2 million with an interest rate of 7.5% per annum on the principal of Baht 175.3 million and with an interest rate of 15% per annum on the principal of Baht 0.5 million, starting from the date TTTBB was sued until the full compensation was paid to TT&T. On 21 April 2017, TTTBB filed an appeal to the Supreme Court. At present, the case is being considered by the Supreme Court.

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

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

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

The legal advisor of Acumen expressed an opinion that the above Memorandum of Understanding has been invalid since 19 June 2008, which is the date on which the SEC submitted a letter to TTTBB notifying it of the rejection of its request for permission to launch an IPO and the registration statement of newly issued securities of TTTBB, on the grounds that the SEC was unable to consider the request made by TTTBB because TTTBB had requested an indefinite extension to provide additional information. This can be held to constitute a denial of approval for TTTBB’s IPO by the SEC, and on this basis it can be held that TTTBB commenced the IPO process within 3 years but did not receive approval from the relevant regulator, and thus invalidating the memorandum from the above mentioned date as stipulated in the memorandum of understanding.

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

In July 2014, three individuals who are employees of TT&T, filed a lawsuit against Acumen with the Nonthaburi District Court, seeking to have Acumen transfer the 94,237 newly issued or existing shares of TTTBB held by Acumen under the memorandum of understanding. Subsequently, on 18 January 2018, three individuals filed a petition to withdraw the case. The Nonthaburi District Court issued an order approving the withdrawal and disposing the case.

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

33.9 JTS and CCS have been sued by former employees who were laid off, claiming compensation approximately Baht 18 million and Baht 2 million, respectively, for unfair termination. The cases are under consideration of the court. However, the legal advisor and management of JTS and CCS believe that JTS and CCS will not suffer any losses as a result of these cases because JTS and CCS had made full severance payment in accordance with the law. However, on 16 January 2018, the Labour Court issued a judgment ordering CCS to pay severance together with interest, totaling approximately Baht 1 million. For prudent reasons, CCS therefore recorded full provision for severance payment in accordance with the Labour Court's order in the current year.

### 33.10 Telecommunications licenses

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

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



Company	Type of license	Authorised service	Period
	Type - two Telecom	Domestic private leased circuit service	30 November 2006 - 29 November 2021
	Type – two Internet	International internet gateway service	30 March 2014 - 29 March 2019
	Type - three Telecom	International private leased circuit service	18 November 2009 - 17 November 2024
Triple T Internet Co., Ltd.	Type - one Internet	Internet service	20 June 2014 - 19 June 2019
	Type - one Telecom	Resale of International private leased circuit service	14 March 2016 - 13 March 2021
	Non-National Spectrum Broadcast Network	Non-national spectrum broadcast network service	28 January 2013 - 27 January 2028
ACeS Regional Services Co., Ltd.	Type - one Internet	Internet service	23 November 2014 - 22 November 2019
	Type - one Telecom	Telecom services, International calling card service	16 February 2015 - 15 February 2020
Jasmine Telecom Systems Plc.	Type - one Telecom	Mobile telephone network service	16 June 2016 - 15 June 2021

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

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

## 34. Financial instruments

### 34.1 Financial risk management

Financial instruments of the Company and its subsidiaries, as defined under Thai Accounting Standard No. 107 *Financial Instruments: Disclosure and Presentations*, principally comprise cash and cash equivalents, current investment, restricted bank deposits, trade and other receivables, trade and other payables, accounts payable for equipment, liabilities under finance lease agreements, loans, deposit received from customers and provisions. The financial risks associated with these financial instruments and how they are managed is described below.

#### **Credit risk**

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

### **Interest rate risk**

Exposure to interest rate risk of the Company and its subsidiaries relates primarily to its deposits with financial institutions and loans. However, since most of financial assets and liabilities of the Company and its subsidiaries bear floating interest rates or fixed interest rates which are close to the market rate, the interest rate risk is expected to be minimal.

### **Foreign currency risk**

The exposure of the subsidiaries to foreign currency risk arises mainly from purchase of equipment and trading transactions that are denominated in foreign currencies.

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

(Unit: Million Baht)

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

## **34.2 Fair values of financial instruments**

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

## **35. Capital management**

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

As at 31 December 2017, the Group's debt to equity ratio was 2.46:1 (2016: 3.22:1) and the Company was 1.05:1 (2016: 2.01:1).

## **36. Events after the reporting period**

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

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

## **37. Approval of financial statements**

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



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