



*Moving forward
to create more opportunities*



ALT Telecom Public Company Limited

ANNUAL REPORT 2018

A person in a dark suit is shown from the chest up, holding a smartphone in their right hand. The person's face and body are overlaid with a complex digital graphic. A city skyline is visible within the person's head area. Numerous blue and red lines crisscross the image, connecting various data points represented by small numbers. The background is white, and a dark blue horizontal band is positioned behind the text.

ANNUAL REPORT 2018

CONTENT

Vision and Mission	3	Industrial status and business trends	76
Message from the Board of Directors	4	Shareholders Structure	78
Board of Director	6	Dividend Payment Policy	80
Management Committee	8	Corporate Governance	81
Board Profile	10	Social Responsibility	93
Management Profile	18	Related Transactions	97
Organization Structure	27	Report from the Executive Committee	102
Financial Highlights	46	Report from the Audit Committee	103
Business overview and policy	47	Report from the Risk Management Committee	105
Type of business	52	Report from the Nomination and Remuneration Committee	106
Company Structure	60	Report on the Board of Directors responsibilities for financial reports	107
General Information	63	Analysis Of Operating Results	108
Important Events	69	Independent Auditor's Report and Statement of Financial Position	112
Risk factors	70		

Remark : Investors can find further information regarding the Company from the Annual Registration Statement (Form 56-1) which has been disclosed at www.sec.or.th or www.alt.co.th

“

Be a part to create a smart city,

Step forward to Thailand 4.0 ”

”





Vision

To be leader in providing network infrastructure and being business partner with the telecom operators in this region

Mission

We are the neutral infrastructure provider of the telecommunication infrastructures responding to the highest quality of services in the substantially – economic areas and aiming for mutually – shared infrastructures to minimize cost of investment and national resource consumption

Message from the Board of Directors



A handwritten signature in white ink, which appears to be 'อนันต์ วราทิติพงษ์' (Anant Voratitipong).

(Mr. Anant Voratitipong)

Chairman of the Board

ALT and its affiliates established business ethics policy, ethics manual for directors, executives and employees as a guideline to comply with the business ethics and the code of conduct, according to the policy in corporate governance. The board of directors involved in the processes of consideration, review and specification of the Company's vision to ensure that the executives and the employees are heading towards the same goal, and monitored the Company's strategic implementation. In 2018, our business has moved forward to Thailand 4.0 in accordance with the government policy to drive the country with technology, innovation and creativity. Even though the Company's business has been facing challenges from the disruptive trends of technology, we have analysed the change and prepared for countermeasures. By breaking the limitation with improved critical thinking and further our technology development to cope with a rapid change in business competition of all aspects, the Company will be able to transform from an SME to a smart enterprise equipped with higher competency, and transform its conventional services into high-value services which help creating security, prosperity and sustainability of the business. ALT has launched several business projects located in industrial

estates, and has proposed the bid proposals for government projects and the network connection projects within the country and abroad. The Company also founded alliances with other business partners. These movements were for the Company to overcome the challenges and perfectly enhance its competitiveness along with technology development and stability. Moreover, ALT has also been developing its human resource to improve the efficiency of the Company's one-stop service.

During 2018, we have never stopped our development in technology and expertise in fundamental network and we are ready to establish an alliance with partners in different businesses. We wholeheartedly believe that ALT will sustainably grow in this era of disruptions. The Company will become a part driving the country forward to the same level with other countries in term of sustainable and security of businesses.

Our business cannot move forward without cooperation and support from all stakeholders including customers, suppliers, product manufacturers, financial institutes, business partners, and our shareholders. On behalf of the board of directors, executives and staffs, I would like to thank you for all of your support and please trust in the capability of the Company to sustainably move forward with the vision, strategies planned by the board of directors, as well as determination and accomplishment of our staffs of all level.



(Mrs. Preeyaporn Tangpaosak)

President

Board of Director



1. Assis.Prof. Chirasil Chayawan, Ph.D.

- Director
- Independent Director

3. Mr. Pyut Bhuwakulwong

- Director
- Executive Director
- Chairman of Risk Management Committee
- Member of Nomination and Remuneration Committee
- Vice President – Corporate Administration
- Authorized Director

2. Associate Professor Suchart Laopreeda

- Independent Director
- Chairman of Nomination and Remuneration Committee
- Member of Audit Committee
- Member of Risk Management Committee

4. General Sittisak Tayparsit

- Independent Director
- Chairman of Audit Committee





5. Mrs. Preeyaporn Tangpaosak

- Director
- Chairman of Executive Board
- Member of Risk Management Committee
- President
- Vice President (Acting) – Sales and Marketing
- Vice President (Acting) – Business Development
- Authorized Director

7. Ms. Preeyapun Bhuwakul

- Director
- Executive Director
- Member of Risk Management Committee
- Vice President – Supply Chain
- Authorized Director

6. Associate Professor Dr.- Ing Panit Pujinda

- Independent Director
- Member of Audit Committee
- Member of Risk Management Committee

8. Mr. Anant Voratitipong

- Chairman of the Board
- Independent Director

Management Committee



1. Mr. Pairoj Rujirawanich

- Vice President – Operations

2. Mr. Sirin Promchot

- Executive Committee

3. Mrs. Preeyaporn Tangpaosak

- Director
- Chairman of Executive Board
- Member of Risk Management Committee
- President
- Vice President (Acting) – Sales and Marketing
- Vice President (Acting) – Business Development
- Authorized Director

4. Mr. Supat Eamwiwat

- Deputy Managing Director – System Development
International Gateway Co., Ltd.

5. Mr. Somboon Setsuntipong

- Executive Committee
- Vice President – Finance and Accounting

6. Mr. Chanad Bhowbhandee, Ph.D.

- Vice President – Information Technology





7. Ms. Preeyapun Bhuwakul

- Director
- Executive Director
- Member of Risk Management Committee
- Vice President – Supply Chain
- Authorized Director

9. Mr. Somchai Treerattananukool

- Deputy Managing Director – Sales
International Gateway Co., Ltd.

11. Mrs. Samorn Deeseng

- Executive Committee

8. Mr. Pyut Bhuwakulwong

- Director
- Executive Director
- Chairman of Risk Management Committee
- Member of Nomination and
Remuneration Committee
- Vice President – Corporate Administration
- Authorized Director

10. Mr. Pichit Satapattayanont

- Chief Executive Officer
International Gateway Co., Ltd.

12. Mr. Disorn Chatrupamai

- Deputy Managing Director – Commercial
International Gateway Co., Ltd.

Board Profile



Mr. Anant Voratitipong

Chairman of the Board, Independent Director

Age 64

Percentage of shareholding(%)* -None-

Nationality Thai

Date of first appointment 10 November 2015

Current positions in ALT Telecom

Public Company Limited

2015 – Present

- Chairman of the Board
- Independent Director

Education

Ph.D in ICT for Education
Master of Business Administration
Bachelor of Electrical Engineering

Other positions in listed company

-None-

Positions in 1 other companies

2014 – Present Advisor - The Expert ICT Co., Ltd

Other positions in a company competing with ALT

-None-

Work experience during the past 5 years

2018 – Present Chairperson of Information Technology Engr. Comm. of EIT.
Chairperson of The Subcommittee on Public and Private Sector Development for Vocational Education level, Professional group of ICT and Digital Content

2017 – Present Vice Chairman of Creative Digital Economy.
The Thai Chamber of Commerce

2014 – Present Member of Information and Communication Technology Committee, the National Legislative Assembly
Advisor - The Expert ICT Co., Ltd

2012 – Present Honorary President of Telecommunications Association of Thailand under the Royal Patronage

Training

1979 – Present Observation on information technology, telecommunication and computer in various countries such as USA, UK, Sweden, Germany, France, Japan, Korea, Taiwan, Hong Kong, and Singapore
2015 Certificate on Bhumipalangk Phandin for Executives, 3rd Batch (Chulalongkorn University)

2014 Director Certification Program (DCP) Batch 184/2014, Thai Institution of Directors Association (IOD)

2011 Certificate on Promotion of Peaceful Society, 2nd Batch (King Prajadhipok's Institute)

2009 Certificate on Politics and Governance in Democratic Systems for Executives, 12nd Batch (King Prajadhipok's Institute)

Criminal record during the past 10 years

-None-

* Remark: Amount of shares held by spouse and underage child are included in the shareholding proportion as at 28 December 2018



General Sittisak Tayparsit

Independent Director,
Chairman of Audit Committee

Age 70

Percentage of shareholding(%)* -None-

Nationality Thai

Date of first appointment 10 November 2015

**Current positions in ALT Telecom
Public Company Limited**

2015 – Present

- Independent Director
- Chairman of Audit Committee

Education

- 1998** National Defense Collage of Thailand
- 1988** Bachelor of Education, Suan Dusit University
- 1984** Command and General Staff Course - Primary Course, 62nd Batch Command and General Staff Collage
- 1979** Master of Educational Counselling Psychology (Royal Thai Army Scholarship) Bridgeport University, USA

- 1972** Bachelor of Science
Chulachomklao Royal Military Academy (CRMA 19)
- 1967** Military Training School, (TT. 8)
- 1965** St. Gabriel's College (Senior High School 4)

Other positions in 2 listed company

- 2006 – Present** Chairman or Audit Committee/Independence Director Thai - German Products Public Company Limited
- 2004 – 2014** Chairman or Audit Committee/Independence Director Sino - Thai Resources Development Public Company Limited

Positions in 1 other companies

- Present** Director
The Thai Dairy Industry Company Co., Ltd

Other positions in a company competing with ALT

-None-

Work Experience during the past 5 years

- 2013 – Present** Sub-Committee ,Office of The Election Commission of Thailand
- 2006 – Present** Independent Director/Chairman of Audit Committee ,Thai - German Products Public Company Limited
- 2009 – 2013** Sub-committee Chairman of Diagnosis of objections and dispute 15 ,The Election Commission of Thailand

Training

- 2005** Director Accreditation Program (DAP) Batch 32/2005 Thai Institution of Directors Association (IOD)

Criminal record during the past 10 years

-None-

* **Remark:** Amount of shares held by spouse and underage child are included in the shareholding proportion as at 28 December 2018



Associate Professor Suchart Laopreeda

Independent Director, Chairman of Nomination and Remuneration Committee, Member of Audit Committee, Member of Risk Management Committee

Age 57

Percentage of shareholding(%)* -None-

Nationality Thai

Date of first appointment 10 November 2015

Current positions in ALT Telecom Public Company Limited

2015 – Present

- Independent Director
- Chairman of Nomination and Remuneration Committee
- Member of Audit Committee
- Member of Risk Management Committee

Education

- 1991** Master of Accounting (Cost Accounting)
Chulalongkorn University
- 1988** Bachelor of Political Science (Government)
Ramkhamhaeng University
- 1985** Bachelor of Business Administration
(Accounting) Kirk University

Other positions in 1 listed company

Chairman of Audit Committee/
Independent Director,
AEC Securities Public Company Limited.

Positions in 2 other companies

Chairman of Audit Committee/
Independent Director,
Sirivej Medical Co., Ltd
Member of Audit Committee/
Independent Director,
Munkong Steel Co., Ltd

Other positions in a company competing with ALT

-None-

Work experience during the past 5 years

- 1992 – Present** Lecturer – Business Administration
Department Ramkhamhaeng University

Training

- 2015** Director Accreditation Program (DAP),
Batch 117/2015 Thai Institution of Directors
Association (IOD)

Criminal record during the past 10 years

-None-

* **Remark:** Amount of shares held by spouse and underage child are included in the shareholding proportion as at 28 December 2018



**Associate Professor
Dr.- Ing Panit Pujinda**

Independent Director, Member of Audit Committee, Member of Risk Management Committee

Age 46

Percentage of shareholding(%)* -None-

Nationality Thai

Date of first appointment 10 November 2015

Current positions in ALT Telecom Public Company Limited

2015 – Present

- Independent Director
- Member of Audit Committee
- Member of Risk Management Committee

Education

2006	Doctor of Engineering (Traffic Engineering) DAAD scholarship Darmstadt University, Darmstadt, Germany
1998	Master of Planning, Department of Geography and Planning University at Albany, State University of New York, USA
1994	Bachelor of Architecture, Faculty of Architecture, Chulalongkorn University

Other positions in listed company

-None-

Positions in 3 other companies

2013 – Present	Managing Director – Metroscap Co., Ltd Managing Director – Auros Co., Ltd
1994 – 1997	Project Engineer – Plan Consultant Co., Ltd

Other positions in a company competing with ALT

-None-

Work experience during the past 5 years

2016 – Present	Head of Urban and Regional Planning Department Faculty of Architecture, Chulalongkorn University
2014 – Present	Advisor - Urban Design and Development Center, Chulalongkorn University
2014	Thai government representative in The GMS Task Force on Urban Development, Asian Development Bank (ADB)
2013 – Present	Managing Director - Metroscap Co., Ltd Managing Director - Auros Co., Ltd
2013 – Present	Academic director - Thai City Planners Society
2012 – Present	Academic Director - Thailand Cycling Club
2011 – Present	Chief of Healthy city research unit - Department of Urban and Regional Planning Faculty of Architecture, Chulalongkorn University
2006 – Present	Executive President - Master and Doctoral Program in of Urban and Regional Planning (continuous program)
2006 – Present	Executive director - Department of Urban and Regional Planning
1998 – Present	Lecturer - Department of Urban and Regional Planning Faculty of Architecture, Chulalongkorn University

Training

2015	Director Accreditation Program (DAP) Batch 116/2015 Thai Institution of Directors Association (IOD)
-------------	---

Criminal record during the past 10 years

-None-

* **Remark:** Amount of shares held by spouse and underage child are included in the shareholding proportion as at 28 December 2018



**Assis.Prof.
Chirasil Chayawan, Ph.D.**

Director/Independent Director

Age 49

Shareholding Proportion (%)*

50,000 shares of 0.005% of shareholders

Nationality Thai

Date of first appointment 26 April 2017

**Current positions in ALT Telecom
Public Company Limited**

Present

- Director/Independent Director

Education

- Doctor of Electrical Engineering,
State University System of Florida
(Florida Atlantic University), USA
- Master of Science (Electrical Engineering)
University of Massachusetts Amherst, USA
- Bachelor of Science (Electronics),
King Mongkut's Institute of Technology
Ladkrabang

Other positions in 1 listed company

2007 – 2008 Director, The Committee for Supervision of
Business and the CAT Project. CAT Telecom
Public Company Limited

Positions in 3 other companies

2010 Information Technology Consultant,
Bangkok Broadcasting and TV Co., Ltd.

1992 – 1993 Engineer, IBM Thailand Co., Ltd

1991 Engineer, Control Data (Thailand) Co., Ltd

Other positions in a company competing with ALT

-None-

Work experience during the past 5 years

Present Director, Communication and Integrated
Services Study Center: CISS,
King Mongkut's University of Technology
Thonburi (KMUTT)

2009 – Present Peer reviewer

2010 – 2014 Lecturer, Faculty of Engineering
(Electronics and Telecommunications
Engineering)

2008 – 2012 Member of Examination Review Committee,
Chaopraya University

2005 – 2012 Advisor, Telecommunications Association
of Thailand under Royal Patrol, Pattaya
Municipality

Training

2017

- Director Accreditation Program (DAP),
Batch 136/2017 ,Thai Institution of
Directors Association (IOD)
- Intermediate Manager
- Total Productive Management (TPM)
(JIPM Certified)
- Spectrum Management, ITU
- Network Planning, ITU
- ISO17024, ISO9000
- Assessor with professional standard course

Criminal record during the past 10 years

-None-

* Remark: Amount of shares held by spouse and underage child are included in the shareholding proportion as at 28 December 2018



Mrs. Preeyaporn Tangpaosak

Director, Chairman of Executive Board,
Member of Risk Management Committee,
President, Vice President (Acting)- Sales and
Marketing, Vice President (Acting)- Business
Development, Authorized Director

Age 47

Percentage of shareholding(%)*

69,650,000 shares of 6.855% of shareholders

Nationality Thai

Date of first appointment 10 November 2015

**Current positions in ALT Telecom
Public Company Limited**

2015 – Present

- Director
- Chairman of Executive Board
- Member of Risk Management Committee
- President
- Vice President (Acting) - Sales and Marketing
- Vice President (Acting) - Business Development
- Authorized Director

Education

1993

Bachelor in Business Administration
– Marketing Assumption University

Other positions in listed company

–None–

Positions in 10 other companies

- 2018 – Present** Director / Win and Win Telecom Co., Ltd
Director / Spotwerkz (Thailand) Co., Ltd
- 2017 – Present** Director / Thai Thanan Co., Ltd
Director / International Gateway Co., Ltd
- 2014 – Present** Director / Telecom Solutions Provider Co., Ltd
- 2013 – Present** Director / Information Highway Co., Ltd
- 2008 – Present** Director / Group Tech Solutions Co., Ltd
Director / Innova Telecommunication Co., Ltd
- 2006 – Present** Director / Energy Max Co., Ltd
- 2002 – Present** Director / I Twenty One Inter Corporation Co., Ltd

Other positions in a company competing with ALT

–None–

Work Experience during the past 5 years

- 2018 – Present** Director / Win and Win Telecom Co., Ltd
Director / Spotwerkz (Thailand) Co., Ltd
Treasurer /Telecommunications Association
of Thailand under the Royal Patronage
- 2017 – Present** Director / Thai Thanan Co., Ltd
Director / International Gateway Co., Ltd
- 2017** Vice President/ Telecommunications
Association of Thailand under
the Royal Patronage
- 2014 – Present** Director / Telecom Solutions Provider Co., Ltd
- 2013 – Present** Director / Information Highway Co., Ltd
- 2008 – Present** Director / Group Tech Solutions Co., Ltd
Director / Innova Telecommunication Co., Ltd
- 2006 – Present** Director / Energy Max Co., Ltd
- 2002 – Present** Director / I Twenty One Inter Corporation Co., Ltd

Training

- 2017** Capital Market Academy Leader
Program (CMA 24)
- 2015** TLCA Executive Development Program
(EDP) Batch 15 Thai Listed Company
Association
- 2012** Director Accreditation Program (DAP)
Batch 96/2012 Thai Institution of Directors
Association (IOD)

Criminal record during the past 10 years

–None–

* **Remark:** Amount of shares held by spouse and underage child are included in the shareholding proportion as at 28 December 2018



Ms. Preeyapun Bhuwakul

Director, Executive Director, Member of Risk Management Committee, Vice President – Supply Chain, Authorized Director

Age 45

Percentage of shareholding(%)*

69,650,000 shares of 6.855% of shareholders

Nationality Thai

Date of first appointment 10 November 2015

Current positions in ALT Telecom Public Company Limited

2015 – Present

- Director
- Executive Director
- Member of Risk Management Committee
- Vice President - Supply Chain
- Authorized Director

Education

1995 Bachelor in Education
Chulalongkorn University

Other positions in listed company

–None–

Positions in 7 other companies

2018 – Present Director / Win and Win Telecom Co., Ltd
Director / Spotwerkz (Thailand) Co., Ltd

2017 – Present Director / Thai Thanan Co., Ltd
Director / International Gateway Co., Ltd

2013 – Present Director / Information Highway Co., Ltd

2008 – Present Director / Group Tech Solutions Co., Ltd
Director / Innova Telecommunication Co., Ltd

Other positions in a company competing with ALT

–None–

Work Experience during the past 5 years

2018 – Present Director / Win and Win Telecom Co., Ltd
Director / Spotwerkz (Thailand) Co., Ltd

2017 – Present Director / Thai Thanan Co., Ltd
Director / International Gateway Co., Ltd

2013 – Present Director / Information Highway Co., Ltd

2008 – Present Director / Group Tech Solutions Co., Ltd
Director / Innova Telecommunication Co., Ltd

Training

2018 Smart City & Data Center: Concept, Design and Case Study

2012 Director Accreditation Program (DAP)
Batch 98/2012 Thai Institution of Directors Association (IOD)

Criminal record during the past 10 years

–None–

* Remark: Amount of shares held by spouse and underage child are included in the shareholding proportion as at 28 December 2018



Mr. Pyut Bhuwakulwong

Director, Executive Director, Chairman of Risk Management Committee, Member of Nomination and Remuneration Committee, Vice President – Corporate Administration , Authorized Director

Age 58

Percentage of shareholding(%)*

59,700,000 shares of 5.876% of shareholders

Nationality Thai

Date of first appointment 10 November 2015

Current positions in ALT Telecom

Public Company Limited

2015 – Present

- Director
- Executive Director
- Chairman of Risk Management Committee
- Member of Nomination and Remuneration Committee
- Vice President - Corporate Administration
- Authorized Director

Education

1983 Bachelor in Political Science /
Public Administration
Thammasat University

Other positions in listed company

–None–

Positions in 9 other companies

2018 – Present Director / Win and Win Telecom Co., Ltd
2017 – Present Director / Thai Thanan Co., Ltd
Director / International Gateway Co., Ltd
2014 – Present Director / Telecom Solutions Provider Co., Ltd
2013 – Present Director / Information Highway Co., Ltd
2008 – Present Director / Group Tech Solutions Co., Ltd
Director / Innova Telecommunication Co., Ltd
2006 – Present Director / Energy Max Co., Ltd
2002 – Present Director / I Twenty One Inter Corporation Co., Ltd

Other positions in a company competing with ALT

–None–

Work Experience during the past 5 years

2018 – Present Director / Win and Win Telecom Co., Ltd
2017 – Present Director / Thai Thanan Co., Ltd
Director / International Gateway Co., Ltd
2014 – Present Director / Telecom Solutions Provider Co., Ltd
2013 – Present Director / Information Highway Co., Ltd
2008 – Present Director / Group Tech Solutions Co., Ltd
Director / Innova Telecommunication Co., Ltd
2006 – Present Director / Energy Max Co., Ltd
2002 – Present Director / I Twenty One Inter Corporation Co., Ltd

Training

2013 Risk Management Committee Program (RMP)
Batch 2/2013 Thai Institution of Directors
Association (IOD)
2012 Director Accreditation Program (DAP)
Batch 96/2012
Thai Institution of Directors Association (IOD)
Financial Statement for Director (FSD)
Batch 16/2012 Thai Institution of Directors
Association (IOD)

Criminal record during the past 10 years

–None–

* **Remark:** Amount of shares held by spouse and underage child are included in the shareholding proportion as at 28 December 2018

Management Profile



Mr. Somboon Setsuntipong

Executive Committee,
Vice President – Finance and Accounting,
ALT Telecom Public Company Limited

Age 55

Percentage of shareholding(%)* -None-

Nationality Thai

Appointment date 16 June 2016

Current Position

2016 – Present

- Executive Committee ,
ALT Telecom Public Company Limited
- Vice President - Finance and Accounting ,
ALT Telecom Public Company Limited

Education

1986 Bachelor of Business Administration
(Banking and Finance), Chulalongkorn University

Work Experience during the past 5 years

2015 – 2016 Deputy Chief Executive Officer - Finance and
Accounting , Eastern Polymer Group PLC.

2013 – 2015 Chief Finance Officer , PT (Sole) Co., Ltd. – Lao PDR

2011 – 2013 Vice President - Financial and Accounting,
System Development & Policy,
PTT Global Chemical PLC.

Training

2017 Director Accreditation Program (DAP)138/2017
Thai Institute of Directors Association (IOD)

2006 CFO Certification, 7th batch – Federation
of Accounting Professions

Criminal record during the past 10 years

-None-

***Remark :** Amount of shares held by spouse and underage child are included in the shareholding proportion as at 28 December 2018



Mr. Sirin Promchot

Executive Committee,
ALT Telecom Public Company Limited

Age 54

Percentage of shareholding (%)* -None-

Nationality Thai

Appointment date 26 February 2017

Current Position

2017 – Present

- Executive Committee,
ALT Telecom Public Company Limited

Education

1988 – 1991 Bachelor of Industrial Electrical Technology,
King Mongkut's University of
Technology North Bangkok

Work Experience during the past 5 years

2016 – Present Managing Director,
I Twenty One Inter Corporation Co., Ltd

Training

2017 Director Accreditation Program (DAP) 138/2017,
Thai Institute of Directors Association (IOD)

1999 MRP Program (2nd Edition), AMP (Singapore)

1998 Product Presentation Technique,
AMP (Thailand) Ltd.

1997 Auto CAD Program (13rd Edition), NECTEC

1995 Product Value Added Management,
AT&T (Thailand) Ltd.

Criminal record during the past 10 years

-None-

*Remark : Amount of shares held by spouse and underage child are included in the shareholding proportion as at 28 December 2018



Mrs. Samorn Deeseng

Executive Committee,
ALT Telecom Public Company Limited

Age 47

Percentage of shareholding(%)* -None-

Nationality Thai

Appointment date 26 February 2017

Current Position

2017 – Present

- Executive Committee,
ALT Telecom Public Company Limited

Education

1997 Bachelor of Business Administration,
Saint John University

Work Experience during the past 5 years

2016 – Present Managing Director,
Innova Telecommunication Co., Ltd
Deputy Managing Director,
I Twenty One Inter Corporation Co., Ltd
2004 – 2018 Manager – Procurement and Store,
I Twenty One Inter Corporation Co., Ltd

Training

2018 Financial Statement for Directors (FSD) 36/2018 ,
Thai Institute of Directors Association (IOD)
2017 Director Accreditation Program (DAP) 138/2017 ,
Thai Institute of Directors Association (IOD)
2016 GATT Declaration ,The Dharmniti PLC.
Integrated Internal Auditing ,The Dharmniti PLC.
“The One Team One Goal” External seminar
2011 The Manager, Management and Psychology Institute
2002 Proactive News Reporting,
The Secretariat of the House of Representatives
2001 Operation Assistant of Parliament Member,
King Prajadhipok's Institute

Criminal record during the past 10 years

-None-

*Remark : Amount of shares held by spouse and underage child are included in the shareholding proportion as at 28 December 2018



Mr. Pairoj Rujirawanich

Vice President – Operations,
ALT Telecom Public Company Limited

Age 49

Percentage of shareholding(%)* -None-

Nationality Thai

Appointment date 25 January 2016

Current Position

2016 – Present

- Vice President - Operations,
ALT Telecom Public Company Limited

Education

1991 Education High Diploma of Construction Management

Work Experience during the past 5 years

2008 – Present Director - Project Implement ,
Group Tech Solutions Co., Ltd.

Training

2017 Director Accreditation Program (DAP) 141/ 2017,
Thai Institute of Directors Association (IOD)

2014 Safety Officer at Management Level

2012 Coaching and Mentoring Techniques
Safety Officer Supervisor Level

2009 Project Management
Successfully Completed

1997 The Manager
How to Assign Delegate and Follow
Up to Get Good Job Back

1994 Construction Management Course

1992 Training in Japan
(Building Structure Course)

Criminal record during the past 10 years

-None-

*Remark : Amount of shares held by spouse and underage child are included in the shareholding proportion as at 28 December 2018



Mr. Chanad Bhowbandee, Ph.D.

Vice President – Information Technology,
ALT Telecom Public Company Limited

Age 55

Percentage of shareholding (%)* -None-

Nationality Thai

Appointment date 1 March 2018

Current Position

2018 – current

- Vice President - Information Technology,
ALT Telecom Public Company Limited

Education

2002

Ph.D. (International Program in Development Administration), National Institute of Development Administration

1990

MSc. (Information System Engineering with Data Communication System), UK Scholarship, London Southbank University, UK.

1985

B.Eng. (Electrical Engineering), Kasetsart University

Work Experience during the past 5 years

2017 – 2018

Advisor - Information Technology,
ALT Telecom Public Company Limited

2011 – 2016

Assistant Vice President
(Management of Information Technology),
Dhurakij Pundit University

Training

2018

Director Accreditation Program (DAP)150/2018
Thai Institute of Directors Association (IOD)

Criminal record during the past 10 years

-None-

*Remark : Amount of shares held by spouse and underage child are included in the shareholding proportion as at 28 December 2018



Mr. Pichit Satapattayanont

Chief Executive Officer
International Gateway Co., Ltd.

Age 60

Percentage of shareholding(%)* -None-

Nationality Thai

Appointment date 20 September 2017

Current Position

2017 – Present

- Chief Executive Officer, International Gateway Co., Ltd.

Education

Bachelor of Science and Industrial Education,
Electrical Engineering ,
King Mongkut's Institute of Technology North
Bangkok Campus

Work Experience during the past 5 years

- Instructor of Technical Teaching,
Power Electronics at KMIT North Bangkok
- Data Communication and System Support,
Krung Thai Bank
- Field Service Manager, Phillips Electric Thailand
- Customer Service Manager, Digital Equipment
Solution Services
- Country Customer Services and Partner
Management, BT Worldwide Ltd.,
- Strategic Marketing Manager , Ericsson Thailand
- Vice President - the new customer, Cambodia
market and Ericsson Enterprise Business,
Ericsson Thailand
- Company Budget Committee and Talent
Development Committee.,
Summit Auto Body Industry

Training

- Global Telecommunication Workshop
conducted by the American Graduate School
of International Management,
Thunderbird Executive University
- Business Leader Skill in Asia Consortium
Programme conducted
by Insead Euro - Asia Center

Criminal record during the past 10 years

-None-

*Remark : Amount of shares held by spouse and underage child are included in the shareholding proportion as at 28 December 2018



Mr. Disorn Chatrupamai

Deputy Managing Director – Commercial,
International Gateway Co., Ltd.

Age 54

Percentage of shareholding(%)* -None-

Nationality Thai

Appointment date 20 September 2017

Current Position

2017 – Present

- Deputy Managing Director - Commercial,
International Gateway Co., Ltd.

Education

Bachelor of Industry (Industrial Electric),
King Mongkut's University
of Technology North Bangkok

Work Experience during the past 5 years

2008 – Present Deputy Managing Director,
Energy Max Co., Ltd.

2016 – 2017 Vice President - Sales and Marketing,
ALT Telecom Public Company Limited

Training

2017 Director Accreditation Program (DAP) 136/2017,
Thai Institute of Directors Association (IOD)

Criminal record during the past 10 years

-None-

*Remark : Amount of shares held by spouse and underage child are included in the shareholding proportion as at 28 December 2018



Mr. Supat Eamwiwat

Deputy Managing Director – System
Development, International Gateway Co., Ltd.

Age 51

Percentage of shareholding(%)* -None-

Nationality Thai

Appointment date 20 September 2017

Current Position

2017 – Present

- Deputy Managing Director - System Development,
International Gateway Co., Ltd.

Education

- 1999 – 2001** Master of Telecommunication Management
College of Innovation, Thammasat University
- 1993 – 1995** Master of Business Administration,
Young Executive Program,
Kasetsart University
- 1985 – 1989** Bachelor of Engineering - Telecommunication,
King Mongkut's Institute of Technology
Ladkrabang

Work Experience during the past 5 years

- 2016 – 2017** Vice President - Business Development ,
Information Highway Co., Ltd
- 2011 – 2013** Vice President - Operations ,
ALT Telecom Public Company Limited
- 2010 – 2011** Deputy Managing Director,
Energy Max Co., Ltd

Criminal record during the past 10 years

-None-

*Remark : Amount of shares held by spouse and underage child are included in the shareholding proportion as at 28 December 2018



Mr. Somchai Treerattananukool

Deputy Managing Director – Sales,
International Gateway Co., Ltd.

Age 49

Percentage of shareholding (%)* -None-

Nationality Thai

Appointment date 1 June 2018

Current Position

2018 – Present

- Deputy Managing Director - Sales,
International Gateway Co., Ltd.

Education

1988 – 1991 Bachelor Degree, Telecommunication Engineering, King Mongkut 's Institute of Technology Ladkrabang

Work Experience during the past 5 years

2011 – 2018 First Senior Vice President, Marketing and Sales, Symphony Communication Public Company Limited

Training

2010 TLCA Executive Development Program # 7 (EDP 7), Thai Listed Company Association

1998 Certificate, Mini- MBA, University of the Thai Chamber of Commerce

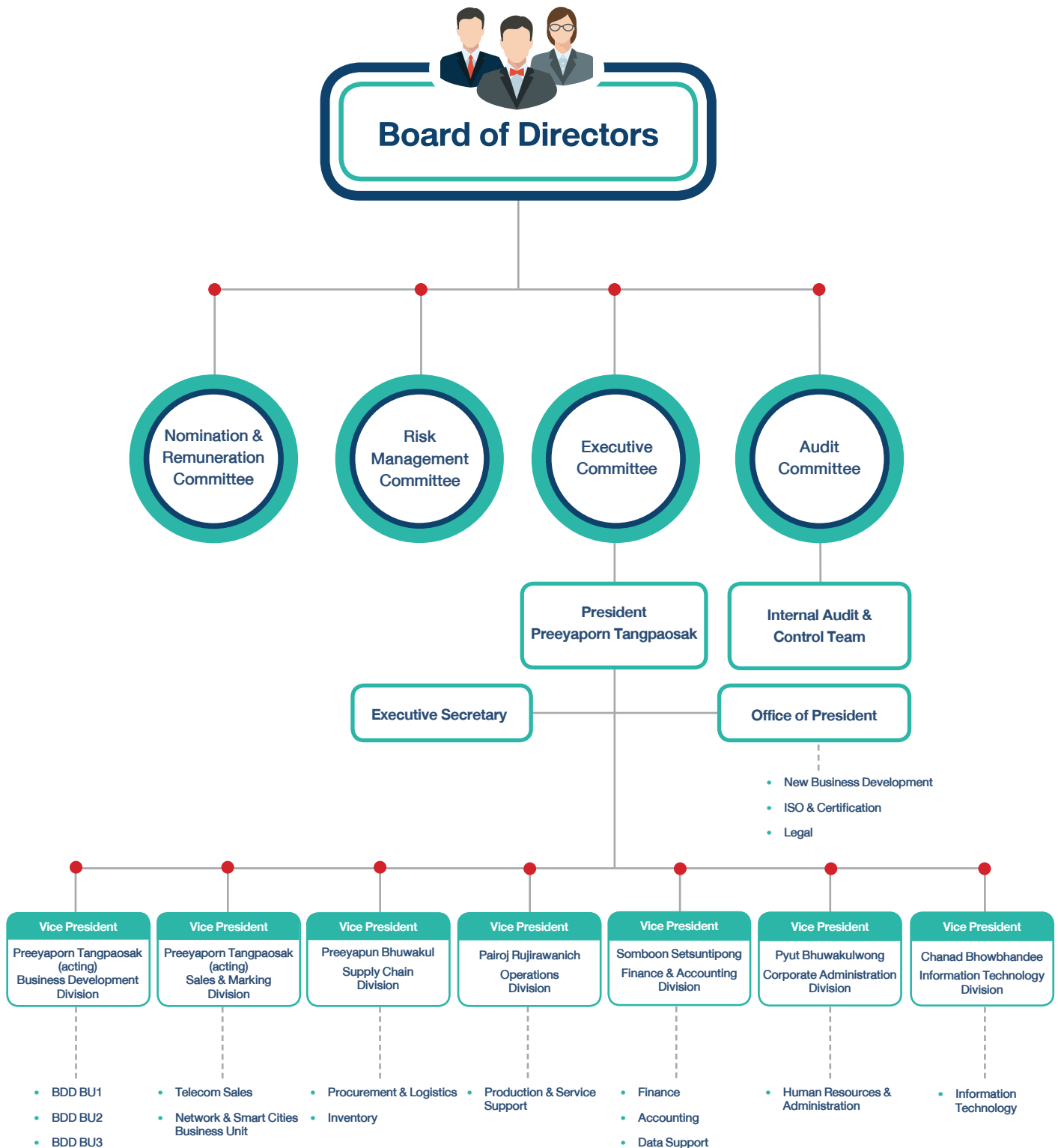
Criminal record during the past 10 years

-None-

*Remark : Amount of shares held by spouse and underage child are included in the shareholding proportion as at 28 December 2018

Organization Structure

Organization : ALT Telecom Public Company Limited



The Company's organization structure consists of the Board of Directors and 4 sub-committees which are Audit Committee, Nomination and Remuneration Committee, Risk Management Committee and Executive Committee. The members and the scope of authorization of each committee are as follows;

Board of Directors

The Company's Board of Directors comprises of 8 directors who have competency and experience in various areas including business management, telecommunication, urban planning, accounting and corporate governance. 5 members of the board are independent and non-executive directors, while 3 of the members are executive directors. The Chairman of the Board is as well an Independent Director and is not the same individual with the highest authority in the management. The list of members are as follows;

Name – Surname	Position
1. Mr. Anant Voratitipong	Independent Director/ Chairman of the Board
2. Gen. Sittisak Tayparsit	Independent Director/ Chairman of Audit Committee
3. Mr. Suchart Laopreeda	Independent Director/ Audit Committee
4. Mr. Panit Pujinda	Independent Director/ Audit Committee
5. Mr. Chirasil Chayawan	Independent Director
6. Mrs. Preeyaporn Tangpaosak	Authorized Director/ Director
7. Ms. Preeyapun Bhuwakul	Authorized Director/ Director
8. Mr. Pyut Bhuwakulwong	Authorized Director/ Director

With Ms. Tanyaporn Malila as company secretary.

To legally bind the Company, the authorized signatory of a contract must adhere to the restriction prescribed in the Company's Certificate, which indicated that Mrs. Preeyaporn Tangpaosak, Ms. Preeyapun Bhuwakul and Mr. Pyut Bhuwakulwong; 2 out of 3 directors jointly sign a contract with a common seal of the Company.

The Board of Directors is a representative for all shareholders and responsible for important duties in decision making for policies and strategies of the Company. Therefore, the Board of Director plays an important role in building up the Company's trustworthiness, business value added and providing investment returns to shareholders. The Chairman and the top management of the organization share collective responsibility, being a different individual, and separate their roles from each other.

Scope of duties and responsibilities of the Board of Directors

- Determine the Company's vision, mission, achievement and strategy, including offering an opinion on business operation, asset management, finance, fund raising and risk management.
- Approve the Company's annual budget, project investment budget, and control and review the Company's operating performance
- Consider and approve the Company's performance report, financial reports, profit allocation and transactions with possible conflict of interest, as well as nominate personnel for directors, auditors and consider the auditors' remuneration.
- Asses the performance of the Board of Directors and sub-committees
- Appoint the Audit Committee, and acknowledge any significant reports from the Audit Committee or internal control and auditing unit.
- Appoint and specify authority of the Executive Committee, Executive President and other sub-committees as appropriate.
- Enforce a disclosure of general information and financial information, and review sufficiency and suitability of internal control system and risk management.

Independent Director

The Nomination and Remuneration Committee shall consider personnel qualified to be appointed as Independent Directors initially from their personal qualification and prohibited characteristics of the directors in accordance to the Public Limited Company Act, the laws on securities and exchange, the notifications of the Securities and Exchange Commission, the notifications of the Capital Market Supervisory Board, and the notifications of the Stock Exchange of Thailand, as well as other notifications, regulations and/or relevance rules. Moreover, the Company's Board of Directors shall consider the Independent Directors according to their expertise, experiences and other suitable qualifications altogether, before nominating them to shareholders' meeting for appointment. The Company has set a policy to maintain at least one-third of Independent Directors out of total directors with the following qualifications;

1. An Independent Director does not hold over than 1.0 percent of all voting shares of the Company, the parent company, a subsidiary, an associated company, a major shareholder or a controlling entity of the Company. This includes the shares held by affiliated person of such an Independent Director.
2. An Independent Director is uninvolved or has not been involved with the management, employees, staffs, consultants with monthly salary or controlling entities of the Company, the parent company, a subsidiary, an associated company, a subsidiary in the same hierarchy, a major shareholder, or a controlling entity of the Company, for not less than 2 years prior the appointment as an Independent Director. In this regard, the prohibition previously mentioned do not apply to an Independent Director who previously is a government officer, an advisor of government agency which is a major shareholder or controlling entity of the Company.
3. An Independent Director does not have any connection by blood or legal registration as father, mother, spouse, sibling, and child, including a spouse of the child of other directors, executives, major shareholders, controlling entities, or an individual to be nominated as director, executive, or controlling entity of the Company or a subsidiary.
4. An Independent Director does not currently have or has not been in a business relationship with the Company, the parent company, a subsidiary, an associated company, a major shareholder, or a controlling entity of the Company, in such a manner that may obstruct the exercise of discretion and independent judgement. In addition, an Independent Director is currently not or has not been a significant shareholder or controlling entity of a party with business relationship with the Company, the parent company, a subsidiary, an associated company, a major shareholder, or a controlling entity of the Company, for not less than 2 years prior the appointment as an Independent Director. Such business relationship includes trading transaction occurring on a conventional basis to conduct the business; a rent or lease of property, assets or services related transaction, a provision or an acceptance of financial support through means of a loan, a guarantee, collateral assets, and similar actions which caused debt burden to the Company or the contract party to be repaid to the counterpart for the amount of, 3 percent of net tangible assets of the Company, or from 20 million Bath, whichever is lower. The value of debt burden is determined using the methods to assess the value of related transaction as per the Notification of the Capital Market Supervisory Board, *mutatis mutandis*. Regarding the assessment of debt value, the debt obliged to the same party which arose within 1 year prior the business relationship must be included in the calculation.
5. An Independent Director is currently not or has not been an auditor of the Company, the parent company, a subsidiary, an associated company, a major shareholder, or a controlling entity of the Company. In addition, an independent Director is not a major shareholder, a significant shareholder or a partner of the audit office which the accounting auditors of; the Company, the parent company, a subsidiary, an associated company, a major shareholder or a controlling entity of the Company, are currently associate with or has been associated within 2 years prior the appointment as an Independent Director.
6. An Independent Director is not a person offering any professional service, including legal or financial consultant, who receives service fee over than 2 million Baht per year from; the Company, the parent company, a subsidiary, an associated company, a major shareholder or a controlling entity of the Company, and is not or has not been a significant shareholder, a controlling entity, or a partner of such professional service provider for not less than 2 years prior the appointment as an Independent Director.
7. An Independent Director is not or has not been a director appointed as a representative on behalf a director of the Company, a major shareholder or a shareholder connecting to the major shareholder.

8. An Independent Director does not engage in a business of the same nature which is significantly competitive to the business of the Company, the parent company or a subsidiary. In addition, an Independent Director is not a significant partner of a partnership or a director involving in the management, employees, staffs, consultants with monthly salary, or holds more than 1 percent of all voting shares of another company conducting a business of the same nature and is significantly competitive to the business of the Company or a subsidiary.
9. An Independent Director does not represent any characteristics that will restrain such Independent Director from providing independent opinion on the Company business operation.

Scope of Duties and Responsibilities of Chairman

1. Govern the Company's management in overall to ensure compliance with regulations of relevance government agencies and the Company's articles of association as well as a resolution of shareholders' meeting, and oversee the Board of Directors to ensure that the board carries out its duties in accordance with its scope of duties and responsibilities.
2. Ensure that the Company has established monitoring system to regularly evaluate its operating performance in accordance with the Company's policy.
3. Encourage the implication of the Company's policies regarding corporate governance and social responsibility, and encourage a development of ethical values to its personnel of all levels.
4. Encourage the Company's directors to attend training sessions to develop skills and knowledge from credible institutes such as the Thai Institute of Directors and the Stock Exchange of Thailand etc.
5. Perform their duties a chairman in the Board of Directors' meeting and attend every meeting to ensure efficient meeting. The Chairman should encourage every director to share their opinions and assign appropriate managerial roles to the management, while oversee that all directors receive accurate data timely and correctly for efficient decision making leading to the Company's success.
6. To act as the Chairman of the meeting and assign a person to take charge of the meeting in accordance with law and regulations. Moreover, the Chairman has to lead all the Directors to attend the meeting punctually and encourage shareholders in the meeting for participating, voting, inquiring and recommending.

Sub-Committees

As of 15 June 2015, the Board of Directors appointed 4 sub-committees to relieve the Board's duties. Each sub-committee carries out its duties according to the charter which clearly indicates roles and responsibility.

Audit Committee

The Board of Directors appointed the Audit Committee to assist the Board regarding the quality and trustworthiness of accounting system, internal auditing, and internal control, as well as the financial information disclosure procedure. The qualification of the appointed members completely complies with the rules of the Securities and Exchange Commission of Thailand. As of 31 December 2018, the Audit Committee comprised of 3 Independent Directors as follows;

Name – Surname ^{1/}	Position
1. Gen. Sittisak Tayparsit	Chairman of Audit Committee
2. Mr. Suchart Laopreeda ^{2/}	Audit Committee
3. Mr. Panit Pujinda	Audit Committee

With Mrs. Ramida Chooputtaphong as a secretary of the Audit Committee

Note

1/ Gen. Sittisak Tayparsit and Mr. Panit Pujinda were appointed for the committee during the Board of Directors meeting No. 16/2014 on 24 December 2014. Mr. Suchart Laopreeda was appointed for the committee during the Board of Directors meeting No. 2/2015 on 20 February 2015. The extraordinary general meeting of shareholders No. 3/2015, held on 10 November 2015, had a resolution to approve the public company transformation of the Company, and appointed new members of the Audit Committee with a term starting from 10 November 2015 onward.

2/ A member of Audit Committee with expertise and experience in financial statements review

Scope of duties and responsibilities of the Audit Committee

- Review integrity of the Company's financial statements to meet the accounting standard
- Review adequacy and effectiveness of internal control and internal audit system
- Review the Company to ensure law-abiding practice, concerning securities and exchange law, the Stock exchange's regulation or other laws relating to the Company's business
- Recruit and nominate a financial auditor, with consideration of remuneration, trustworthiness, workload of the auditor. To participate with the auditor in a meeting without administrative personnel at least once a year.
- Consider a related transaction or a transaction with conflict of interest, compliantly with the Stock Exchange's regulations, to ensure that the transaction is reasonable and the best benefit for the Company.
- Consider acquisition or disposal of the Company's asset in compliance with regulations of the Securities and Exchange Commission of Thailand and the Capital Market Supervisory Board.
- Approve internal audit plan and to be informed of the internal auditor's report.
- Review and revise the Audit Committee's charter and present to the Board of Directors for approval
- Report the Audit Committee's accomplishment to the Board of Directors, especially in a case of doubtful transactions or actions that will possibly cause significant effect to the Company's financial status and performance. Investigate any issues reported by the financial auditor and report the initial investigation result to the Securities and Exchange Commission of Thailand and the financial auditor within 30 days after being reported.
- Prepare the Audit Committee report signed by Chairman of the Audit Committee, and publish in the Company's annual report.

Nomination and Remuneration Committee

The Nomination and Remuneration Committee has responsibility to recommend on structure, size and component of the Board of Directors and each sub-committee, and specify personnel qualification and nomination procedure and criteria according to the structure, size and component as prescribed. The Committee responsible for nominating personnel suitable for the position of company director, member of sub-committee and executive president, and presenting to the Board of Directors and shareholders for approval accordingly. The Committee also supervises on the remuneration and performance evaluation of each position in consider to sustainable growth of the Company. As of 31 December 2018, the Nomination and Remuneration Committee comprised of 3 members as follows;

Name – Surname ^{1/}	Position
1. Mr. Suchart Laopreeda	Chairman of Nomination and Remuneration Committee
2. Mr. Pyut Bhuwakulwong	Nomination and Remuneration Committee
3. Mrs. Natika Praduttanachote ^{2/}	Nomination and Remuneration Committee

With Ms. Rossalin Sornpratun as secretary of the Nomination and Remuneration Committee

Note

- 1/ Mr. Suchart Laopreeda and Mr. Pyut Bhuwakulwong were appointed for the Nomination and Remuneration Committee during the Board of Directors during the meeting No. 7/2015 on 15 Jun 2015.
- 2/ Mrs. Natika Praduttanachote was appointed for the Nomination and Remuneration Committee by the Board of Directors during the meeting No. 4/2016 on 16 May 2016.

Scope of duties and responsibilities of the Nomination and Remuneration Committee

- Determine criteria and policy regarding the nomination of the company director and sub-committee member, presenting to the Board of Directors and/or shareholders for approval.
- Recruit and nominate appropriate personnel to replace directors completing their term and/or resigning from their position, and/or to be appointed for an additional position.
- Evaluate performance of an executive president and present to the Board of Directors for consideration.
- Determine criteria and policy regarding remuneration of the Board of Directors and sub-committees and present to the Board of Directors and/or shareholders meeting for approval.
- Determine appropriate and necessary remuneration, either monetary term or not, for the Company director individually each year, and present to the Board of Directors and shareholders meeting for approval.
- Consider for the job evaluation criteria and annual remuneration of an executive president, vice presidents, senior executives and present to the Board of Directors and shareholders meeting for approval.
- Describe the policies, principles and reasons regarding the consideration on directors and executive remuneration according to the Stock Exchange's regulation, and publish in a disclosure report (Form 56-1) and the Company's annual report.
- Consider appropriateness and approval for an issuance of securities offering to directors and employees.
- Clarify any questions relating to the director remuneration during shareholders meeting.

Risk Management Committee

The Risk Management Committee is responsible for risk policies and general risk management of the Company in different aspects such as finance, investment and company reputation. As of 31 December 2018, the Risk Management Committee consists of 7 members as follows;

Name – Surname ^{1/}	Position
1. Mr. Pyut Bhuwakulwong	Chairman of Risk Management Committee
2. Mr. Suchart Laopreeda	Risk Management Committee
3. Mr. Panit Pujinda	Risk Management Committee
4. Mrs. Preeyaporn Tangpaosak	Risk Management Committee
5. Ms. Preeyapun Bhuwakul	Risk Management Committee
6. Mr. Satian Tantanasarit ^{2/}	Risk Management Committee
7. Mr. Narong Ongartmaneerut ^{2/}	Risk Management Committee

With Ms. Rossalin Sornpratum as a secretary of the Risk Management Committee

Note

- 1/ Mr. Pyut Bhuwakulwong, Mr. Suchart Laopreeda, Mr. Panit Pujinda Mrs. Preeyaporn Tangpaosak and Ms. Preeyapun Bhuwakul were appointed for the Risk Management Committee during the Board of Directors during the meeting No. 7/2015 on 15 June 2015.
- 2/ Mr. Satian Tantanasarit and Mr. Narong Ongartmaneerut were appointed for the Risk Management Committee in the Board of Directors meeting No. 5/2016 on 10 August 2016.

Scope of duties and responsibilities of Risk Management Committee

- Determine general risk management policy and guideline covering different aspects of risk which are significant and possible threat to the Company's reputation, presenting to the Board of Directors for consideration.
- Specify risk management plan, scope of work, operations, implementation and evaluating procedure, following risk management framework. Review risk management report to ensure the adequacy and appropriateness of risk management.
- Follow up and evaluate the result of risk management to consecutively improve efficiency and effectiveness of risk management.
- Establish and assist a working group for risk management as necessary
- Make a decision and suggestion on important issues occurred in risk management processes.
- Report accomplishment of the Risk Management Committee to the Audit Committee for acknowledgement and/or consideration every half year.

Executive Committee

The Executive Committee manages the Company according to the vision, mission, strategies and policies prescribed by the Board of Directors, laws, conditions, rules and regulations of the Company. The Executive Committee must rely on discretion for business decision making with consideration of the Company and shareholders best benefit. As of 31 December 2018, The Executive Committee consists of 6 members as follows;

Name - Surname	Position
1. Mrs. Preeyaporn Tangpaosak	Chairman of Executive Committee
2. Mr. Pyut Bhuwakulwong	Vice-chairman of Executive Committee
3. Ms. Preeyapun Bhuwakul	Executive Committee
4. Mr. Somboon Setsuntipong	Executive Committee
5. Mr. Sirin Promchot	Executive Committee
6. Mrs. Samorn Deeseng	Executive Committee

With Ms. Tanyaporn Malila as a secretary of the Executive Committee

Scope of duties and responsibilities of Executive Committee

- Determine a business plan and achievement of the Company, and oversee the Company's operation compliantly to the vision, mission, strategies, policies and the Board of Directors' resolution
- Make a decision for the Company's investment, fund raising, including acquisition of fixed assets within approval authority and/or report to the Board of Directors
- According to the scope of authority given by the Board of Directors, Executive Committee is responsible for an additional annual budget, investment, business transaction, financial obligation and opening bank accounts

Executives

As of 31 December 2018, the Company has 6 executives, according to the Notification of the Securities and Exchange Commission No. KorJor 17/2551 notified on 15 December 2008, as follows;

Name - Surname	Position
1. Mrs. Preeyaporn Tangpaosak	President / Acting Vice President of Business Development / Acting Vice President of Sales and Marketing
2. Ms. Preeyapun Bhuwakul	Vice President - Supply Chain
3. Mr. Pyut Bhuwakulwong	Vice President - Corporate Administration
4. Mr. Pairoj Rujirawanich	Vice President - Operations
5. Mr. Somboon Setsuntipong	Vice President - Finance and Accounting
6. Mr. Chanad Bhaobhandee ^{1/}	Vice President - Information Technology

Note

- 1/ Mr. Chanad Bhaobhandee was appointed as the Company's executive during the Board of Directors' meeting No. 1/2018 held on 26 February 2018. The appointment is effective since 1 March 2018 onward.

Company Secretary

The Board of Directors meeting No. 7/2015, held on 15 June 2015, appointed Ms. Tanyaporn Malila, as company secretary. The qualification required for a company secretary was published in a disclosure report of year 2018 (Attachment 1). Scope of duties of the Company secretary are as follows;

1. Assist and advice the Company directors and executives to adhere to laws, rules, notification, and regulations of the Company, and carefully pursue to ensure legitimate practice.
2. Responsible for meeting arrangement for the Board of Directors and shareholders, and cooperate with relating parties to ensure that the meeting resolutions has been carried out.
3. Ensure that information and reports relating to responsible duties has been disclosed compliantly with the regulations of the Stock Exchanges of Thailand, the regulations of the Securities and Exchange Commission of Thailand, and relating laws.
4. Prepare and keep the following documents;
 - Company director register
 - Invitation letters for the Board of Directors meeting and meeting reports
 - Invitation letters for the shareholders meeting and meeting reports
 - Annual report of the Company
 - Report on conflict of interest of the Company directors and executives

The Board of Directors' meeting

The attendant of the Board of Directors meeting during the year 2018 are as follows;

Directors and Executives	Meeting Attendance					
	Board of Directors 5 meetings/ year	Audit Committee 4 meetings/ year	Nomination and Remuneration Committee 1 meeting / year	Risk Management Committee 2 meetings/ year	Executive Committee 5 meetings/ year	AGM 1 meeting / year
1. Mr. Anant Voratitipong	5/5	-	-	-	-	1/1
2. Gen. Sittisak Tayparsit	5/5	4/4	-	-	-	1/1
3. Mr. Suchart Laopreeda	5/5	4/4	1/1	2/2	-	1/1
4. Mr. Panit Pujinda	5/5	4/4	-	2/2	-	1/1
5. Mr. Chirasil Chayawan	5/5	-	-	-	-	1/1
6. Mrs. Preeyaporn Tangpaosak	5/5	-	-	2/2	5/5	1/1
7. Ms. Preeyapun Bhuwakul	5/5	-	-	2/2	5/5	1/1
8. Mr. Pyut Bhuwakulwong*	3/5	-	1/1	2/2	5/5	1/1
9. Mr. Satian Tantanararit**	-	-	-	1/2	-	-
10. Mr. Narong Ongartmaneerut	-	-	-	2/2	-	-
11. Mr. Somboon Setsuntipong	-	-	-	-	5/5	1/1
12. Mr. Sirin Promchot	-	-	-	-	5/5	-
13. Mrs. Samorn Deeseng	-	-	-	-	5/5	1/1
14. Mrs. Natika Praduttanachote	-	-	1/1	-	-	-

Note

*Absence due to important business

**Absence due to traveling abroad

Scope of duties and responsibilities of the President

1. Abide with laws and regulations including the regulations regarding securities and exchange, the notification of the Securities and Exchange Commission, the notification of the Capital Market Supervisory Board, other notifications, laws, and/or other relevance rules, and resolutions of the shareholders' meeting and the Board of Directors' meeting.
2. Oversee, manage and carry out their duties in daily business operation according to the Company's policy, vision, business target, business plan and budget approved by the Board of Directors.
3. Manage the Company's operation in accordance to the primary mission specified by the Board of Directors, in consistent with the Company's operating plan, budget and business strategy.
4. Supervise the Company's financial management, marketing, human resource management and other operations according to the Company's policy and operating plan specified by the Board of Directors.
5. Hire, appoint, transfer, dismissal, layoff, and determine wages and remunerations for the Company's personnel. The Executive President may delegate authority to another person to carry out the duties.

6. Determine rewards, salary increase, pay raise or extra bonus in addition to regular bonus allocation of the Company's employees from the position of Vice President towards the lower level of organization.
7. Negotiate and conclude a contract, and/or other transactions concerning the Company's normal business within a specified budget indicated in an approval authority chart approved by the Board of Directors.
8. Issue an order, rules, announcement and memorandums within the organization, to comply with the policy and for the benefit of the Company as well as to maintain discipline within the organization.
9. Determine trading conditions for the benefit of the Company.
10. Make a decision on new business investment or business dissolution to be proposed to the Executive Committee and/or the Board of Directors.
11. Approve and appoint advisors from various areas of expertise which are necessary to the business.
12. Perform other duties as assigned by the Board of Directors with necessary authority to carry out the duties.
13. The executive president may delegate authority to other persons and/or assign other persons to perform a specific duty on their behalf. The delegation of authority and/or assignment must be within the scope prescribed in an authorization letter and/or in accordance with rules, regulations or order of the Board of Directors. The delegation of authority and responsibilities of the executive president must not be in a way that causes the executive president or the authorized person to be able to approve a transaction causing any kind of conflict of interest with themselves or their connected persons (according to the definition prescribed in the notification of the Securities and Exchange Commission or the notification of the Capital Market Supervisory Board) unless the approval is in accordance with a policy and principle determined by shareholders or the Board of Directors.

Scope of duties and responsibilities of the Executive Management

The Company has clearly separated the roles and responsibilities of the Board of Directors and the Executive Management as follows;

1. Administrate the Company's operating performance in accordance with the Company's objectives and the tasks assigned by the Board of Directors.
2. Execute the Company's strategy and business plan to achieve a target as prescribed in the plan determined by the Board of Directors.
3. Perform the task as assigned by the Board of Directors according to the policy of the Board of Directors.
4. Issue rules, announcement and memorandum to ensure the operations is in accordance with the Company's policy.
5. Cooperate with other executives and staffs within the organization according to the policy and business direction determined by the Board of Directors.
6. Explore new opportunity for the business and investment concerning the core business of the Company and its subsidiaries, to increase the Company's revenue.
7. Approve normal business expenditure within the budget determined by the Board of Directors.
8. Oversee staff's performance to comply with the policy, rules and corporate governance.
9. Encourage staffs to develop their skill and capability to increase efficiency of the organization
10. Prepare an annual budget of the organization according to the Company's policy.
11. Approve for an appointment, transfer, and staff layoff as deemed appropriate.

12. Perform other tasks assigned by the Board of Directors and higher Executives case by case. The executive management shall not have authority to approve a connected transaction exceeding a scope of normal business transaction, an acquisition and disposal of the Company's significant asset, and/or a transaction with a connected person or a person causing a conflict of interest with the Company and subsidiaries, unless such transaction is within a scope of normal business transaction as prescribed within a policy and principle determined by the Board of Directors and approved by shareholders, to comply with relevance regulations of the Stock Exchange of Thailand

Performance Evaluation of the Board of Directors

The Board of Directors and the sub-committees shall evaluate their performance as a whole and individual on annual basis, which the Board of Directors shall collectively review their performance and issues, and revise their performance.

The performance assessment of the Board of Directors and sub-committees; both group and individual, is specified focusing on 5 subjects as follows;

1. Structure and qualification of the Board of Directors
2. Roles, duties and responsibilities of the Board of Directors
3. The Board of Directors' meeting
4. Performance of directors
5. Relationship with the management

For individual performance assessment, additional subject shall be evaluated which is 6. Director's self-development and executive's development.

The assessment scoring is that; 0 = Never conducted, 1 = Seldom conducted, 2 = Moderately conducted, 3 = Well conducted, 4 = Excellently conducted. The assessment is calculated from average score of each subject with the criteria as follows;

5-59 percent = Improvement Required

60 - 70 percent = Fair

71 - 80 percent = Good

81 - 90 percent= Very Good

91 - 100 percent = Excellent

Using the following procedure,

- The Board of Directors and sub-committees must evaluate their performance as a whole and as individual at least once a year.
- A secretary of each committee shall summarize and report a result of both group and individual assessment to the committee, for the committees to improve their performance.
- The company secretary shall prepare and report the result; of both group and individual assessment of the Board of Directors and sub-committee, to the Board of Directors, for the board to improve their performance and efficiency.

As for 2018, the assessments of each committee are as follows;

1. The Board of Directors- as a whole: average score 94% - Excellent
2. The Board of Directors- individual: average score 97% - Excellent
3. The Executive Committee: average 94% - Excellent
4. The Risk Management Committee: average 89% - Very Good
5. The Nomination and Remuneration Committee: average 95% - Excellent
6. The Audit Committee: average 100% - Excellent

Remuneration of the Directors and Executives

Criteria for Determining Director and Executive Remuneration

The Board of Directors has established the Nomination and Remuneration Committee to consider the principle and criteria for appropriate remuneration; either in monetary term or non-monetary term, of each director annually. The remuneration of each director shall be determined in consideration of their roles, responsibilities, and performance, comparing with other companies of similar business and benefit which the Company expected to receive from the director. The committee shall report the determined remuneration to the Board of Directors for further consideration which will later be propose to shareholders' meeting for approval.

Remuneration of the executives including commissions, bonus, rewards and other welfare, shall be determined based on the Company's policy in consideration of business growth, operating results, roles and responsibilities, the Company's liquidity and current economic situation and overall performance of the Executive Management. The remuneration shall be proposed to the Board of Directors for approval.

A. Monetary Remuneration

• Directors

The Annual General Meeting of 2018 held on 26 April 2018 approved the remuneration of the Company directors and sub-committees in term of meeting attendance fee. The details are as follows;

Position	2017 Attendance fee (Baht / person / meeting)	2018 Attendance fee (Baht / person / meeting)
Chairman of the Board	40,000	40,000
Directors (Independent Directors)	30,000	30,000
Chairman of Audit Committee	30,000	30,000
Audit Committee	25,000	25,000
Chairman of Risk Management Committee	20,000	20,000
Risk Management Committee	15,000	15,000
Chairman of Nomination and Remuneration Committee	20,000	20,000
Nomination and Remuneration Committee	15,000	15,000

Details of Directors and Sub-committee Remuneration

The Annual General Meeting of 2018 held on 26 April 2018 approved the criteria of director remuneration and shall not remunerate the executive directors, executives and staffs, while directors attending both the Board of Directors meeting and other sub-committee meeting on the same day shall be remunerated for the meeting with the highest attendance fee.

Name - Surname	2017		2018	
	Director ^{1/} (Baht)	Risk Management Committee (Baht)	Director (Baht)	Risk Management Committee (Baht)
1. Mr. Anant Voratitipong	400,000	-	200,000	-
2. Gen. Sittisak Tayparsit	300,000	-	150,000	-
3. Mr. Suchart Laopreeda	300,000	-	150,000	-
4. Mr. Panit Pujinda	300,000	-	150,000	-
5. Mr. Chirasil Chayawan	240,000	-	150,000	-
6. Mr. Satian Tantanararit ^{1/}	-	30,000	-	15,000
7. Mr. Narong Ongartmaneerut	-	45,000	-	30,000
8. Mrs. Preeyaporn Tangpaosak	-	-	-	-
9. Ms. Preeyapun Bhuwakul	-	-	-	-
10. Mr. Pyut Bhuwakulwong	-	-	-	-
Total	1,540,000	75,000	800,000	45,000

Note

- 1/ Mr. Satian Tantanararit was appointed as Risk Management Committee during the Board of Directors' meeting No. 5/2016 held on 10 August 2016. He was absent from the Risk Management Committee meeting No. 2/2018 held on 20 July 2018 and did not received the attendance fee for the absence.

• Executives

The remuneration including commission, bonus, reward, and welfare of the Executives during 2017 and 2018 were as follows;

Remuneration	2017		2018	
	No. of Executives (person)	Remuneration (Million Baht)	No. of Executives (person)	Remuneration (Million Baht)
Salary and bonus	10	30.23	12	31.41
Other payments such as social security fee and commission	10	1.38	12	2.50
Total	10	31.62	12	33.91

B. Other remunerations

The Company did not have a policy to remunerate the Company's directors in non-monetary term. In 2017 and 2018, the Company paid for other remunerations consisted of employee benefit and provident fund in total amount of 0.74 million Baht and 3.60 million Baht respectively.

- **Personnel**

In 2017 and 2018, the Company and its subsidiaries employed 318 and 324 employees respectively (Executives are excluded). The Company paid for employee remunerations in total amount of 144.23 million Baht and 166.64 million Baht in 2017 and 2018 respectively; consisted of salary, bonus and commission. The remuneration amount of each department is presented as follows;

Department	No. of Employee (Person)		Remuneration (Million Baht)	
	2017	2018	2017	2018
Executive Department	8	7	4.65	2.98
Sales and Marketing	7	7	6.25	4.67
Supply Chain	13	5	5.64	2.68
Project Management	29	23	12.86	10.02
General Management	6	6	2.62	2.44
Business Development	-	5	-	4.35
Finance and Accounting	18	15	8.46	7.48
Group Tech Solutions Co., Ltd	141	138	65.40	64.45
I21 Inter Corporation Co., Ltd	21	23	11.45	15.26
Innova Telecommunication Co., Ltd	50	51	14.39	15.82
International Gateway Co.,Ltd	25	27	12.5	18.02
Total	318	324	144.23	166.64

- **Provident Fund**

The Company has established its provident fund since 1 May 2015 and has assigned One Asset Management Co., Ltd as fund manager, with an intention to increase morale and motivation of employees in long term.

- **Personnel Professional Development**

The Company places important on continue professional development of employees to increase their capability at work in accordance with the Company's target, policy and strategic direction, which will increase competitiveness of the Company in global competition and support the growth of ASEAN Economic Community. Moreover, the professional development includes establishing corporate culture and positive employee attitude leading to effective organization management; comparing with other corporate in the same industry, which is suitable to the Company's business environment and goal.

Personnel Development is one of the Company's major mission, since employees is essential resource driving the Company business. Thus, the Company arranged training programs for its staffs to develop individual skillsets and strengthen company business. Each year the Company invests a lot of resource for employee development while focuses on increasing efficiency of staffs. As for 2018, the Company's employees have average training session of 12 hours/person.

The employee development plan is separated into 2 categories which are internal and external training, conducted by internal and external professional. As the Company considers that employees is crucial resource for its business operation and have to grow together with the Company, several professionals have been invited to share their knowledge and skill to the employees, to encourage a development in individual skillsets, interpersonal communication inside and outside the organization as follows;

- **Internal Training**

The human resource department made a survey on training needs in various department and setup an internal training schedule and courses regarding important topics relating to employees. Lecturers of the courses were the professionals working in the organizations such as supervisors and specialists, or external professionals invited to conduct a training course within the Company.

External Training

The Company sent employees out to external institutes to improve their knowledge and skill, to be more efficient at work. Some of the courses which the Company's executives and employees has participated in 2018 are as follows;

1. The Company sent employees for training on the management system standard, ISO 14001:2015-Introduction, while received a support from the project: SME Strong/Regular Level, for fiscal year 2018.
2. The Company sent employees to train/join a seminar Thailand's Private Sector Collective Action Coalition Against Corruption (CAC) which held on 28 June 2018. Since the Company determined to become a part of the CAC, it tries to promote transparent business conduct without monopolizing and bribery, while focuses on market mechanism and fair competition on price and quality. The Company is currently in preparation to ensure that the operation is efficient and effective.
3. The Company has been continuously participating in the good corporate governance program of IOD and evaluated the degree of compliance for corporate governance to improve corporate governance of the Company, while improving the degree of corporate governance practice to standard level. The Company sent its staffs to participate in the Corporate Governance Report program every year to continuously develop the Company's corporate governance.

Internal training program conducted by external lecturers



Essential First Aid Training: How to perform CPR correctly The Company has been providing the training to every company in ALT group



CPR : Cardiopulmonary Resuscitation




injured mobilization


Fire Extinguisher Training and Fire Drill



Customer Satisfaction Survey

In 2018, ALT Telecom Public Company Limited conducted a customer satisfaction survey to evaluate the satisfaction in the Company's products and services. The information could make the Company to understand customer needs efficiently which can strengthen the marketing strategy and make the Company to be able to response to customer expectation properly. The survey was conducted half-yearly (twice a year) as follows;

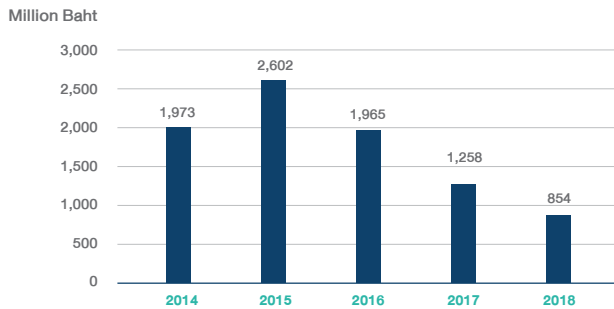
Customer Satisfaction Survey (1 st 2018)		
 <p>Product : Please rate your satisfaction with each of the following?</p> <p>1 Overall Product Quality</p> <p>2 Product delivery time</p> <p>3 Price</p> <p>4 Skills and competency of our staff</p> <p>5 Politeness and personality of our staff</p> <p>6 After sales service</p> <p>7 Organization on overall consideration</p>	Percentage	Target
	100.00%	95.00%
	95.00%	95.00%
	80.00%	95.00%
	95.00%	95.00%
	95.00%	95.00%
	100.00%	95.00%
	90.00%	95.00%
Total	93.57%	95.00%

Customer Satisfaction Survey (2 st 2018)		
 <p>Product : Please rate your satisfaction with each of the following?</p> <p>1 Overall Product Quality</p> <p>2 Product delivery time</p> <p>3 Price</p> <p>4 Skills and competency of our staff</p> <p>5 Politeness and personality of our staff</p> <p>6 After sales service</p> <p>7 Organization on overall consideration</p>	Percentage	Target
	77.14%	95.00%
	81.43%	95.00%
	77.14%	95.00%
	80.00%	95.00%
	80.00%	95.00%
	77.14%	95.00%
	78.57%	95.00%
Total	78.78%	95.00%

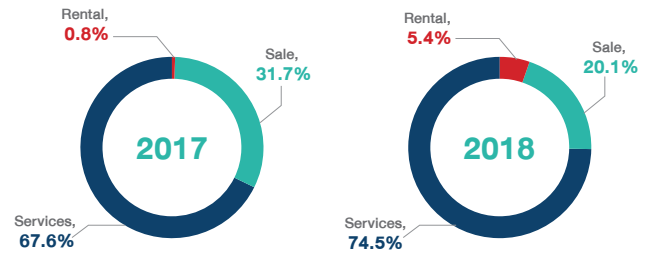


Financial Highlights

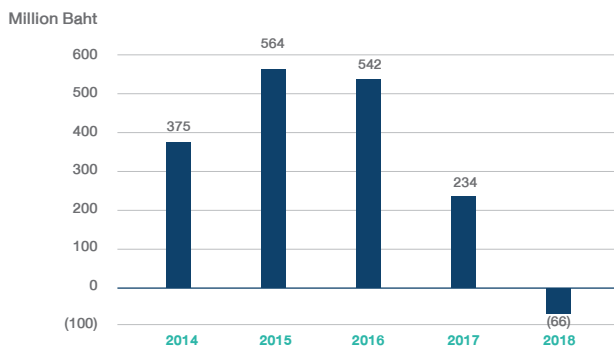
Revenue



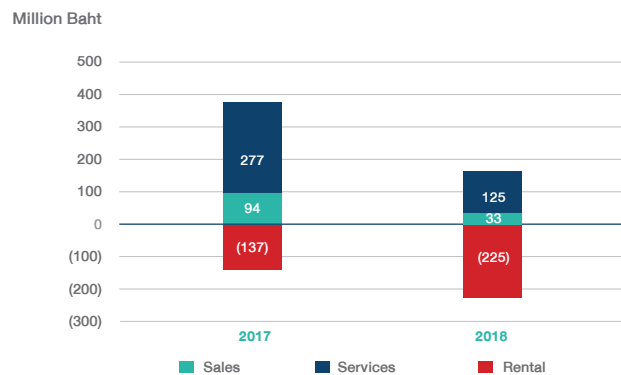
Revenue Contribution



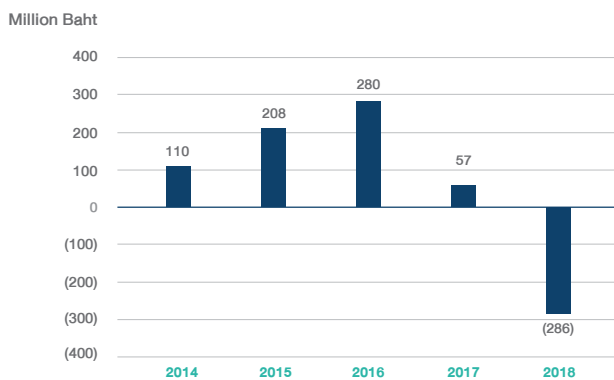
Gross Profit



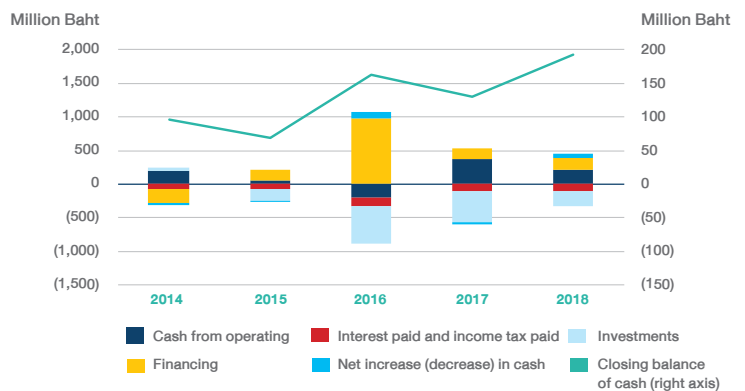
Gross Profit Contribution



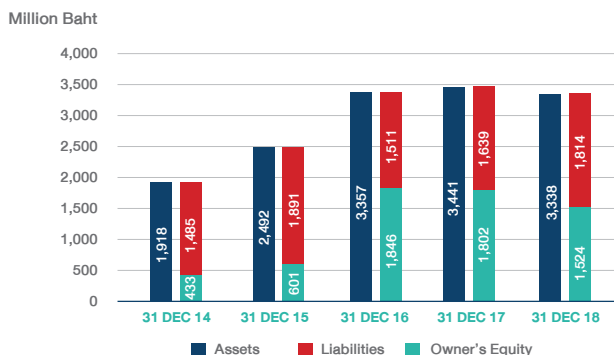
Net Profit



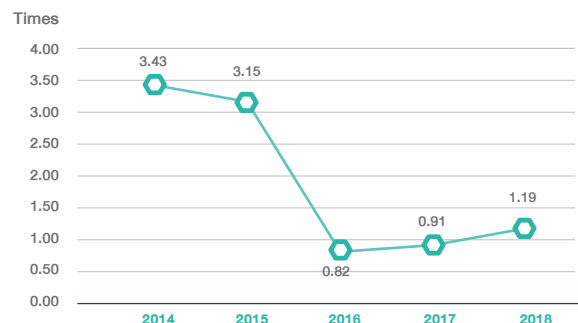
Cash Flows



Statement of Financial Position



Debt to Equity



Business overview and policy

Business Overview

ALT Telecom PLC. (“The Company” or “ALT”) established on 19 March 2001 under the name ALT Inter Corporation Co., Ltd, with an initial registered capital of 1.00 million Baht. The Company’s first business was interior decoration service for buildings and base stations owned by mobile phone operators. With great effort to offer the best service to customers, ALT gradually entrusted by the operators, creating an opportunity for new business expansion; base stations implementation and telecom equipment installation, which later became ALT’s core business, hence the Company ceased its interior decorating service in 2007.

Advantageous from the experiences in base stations construction and telecom equipment installation, ALT’s shareholders noticed an opportunity for telecommunication equipment trading business, as a result, I21 Inter Corporation Co., Ltd was founded by the shareholders in 2002 to sell telecommunication equipment such as fiber optic cable, RF feeder cable, wireless networking equipment etc., focusing on a target customers who were mobile phone operators and contractors involved in base stations implementation and telecom equipment installation. Later in 2006, I21 was bought by ALT and became ALT’s subsidiary.

In Addition to an expansion of telecommunication equipment trading business, ALT developed new product line; Telecom shelters. During that time, telecom shelters in the market usually came with large size and expensive price, which fail to serve the cost minimization demand of the operators. In 2002, ALT cooperated with a business partner to develop telecom shelters and sell under “ALT” brand. ALT’s telecom shelters were feature with minimal size and quality serving customer demand at reasonable price. Later in 2005, ALT with a cooperation of business partner, developed rapid deployment unit (RDU) under “ALT” brand, as an alternative of imported products which were more expensive and had long procurement lead-time. The RDU developed by ALT were featured with minimal size, qualities meeting customer demand and cheaper price. Moreover, ALT’s cell on legs RDU won Telecom Universal Service Obligation (USO) award from Telecom Innovation Award 2010, sponsored by NECTEC and NBTC.

As the telecom equipment trading business grew, the base station and telecom equipment installation business which was ALT’s core business, was growing continuously as well, therefore in 2008, ALT’s shareholders established Group Tech Solutions Co., Ltd (“GTS”) to support the growth of this business and develop new telecommunication lease business by offering spaces on various locations, such as billboards and rooftop of buildings, for telecom antenna installation. To do so, GTS would survey for potential spaces capable for telecom site installation, and contact the landowner for leasing agreement. GTS then offered the spaces together with antenna and networking equipment installation service to each mobile phone operator. This service was a stepping stone for ALT to build a source of recurring income. Later In 2010 GTS was bought by ALT and became a subsidiary of ALT group.

In 2008, ALT’s shareholders founded Innova Telecommunication Co., Ltd. (“INN”) to start telecom antenna trading business. During the initial stage of this business, all of INN’s merchandises were imported products. However, in 2011 INN started to produce telecom antennas and PIM loads and sell under INN’s brand “SUMTEL”. A prominent characteristic of INN is customizable products and co-development which INN would cooperate with customers to develop products that exactly serve the customers’ requirement. By doing so, INN was continuously requested by customers to develop products serving their special purposes. Moreover, INN also provided telecom equipment repair service.



With continuous growth in telecom equipment trading business and telecom service business of ALT, and the executives' vision to notice the upcoming trend of telecom industry in oversea, ALT became one of companies in Thailand offering a concept of telecommunication infrastructure sharing to mobile phone operators. In 2011, the Company started its telecommunication infrastructure leasing business, which is one of the businesses generating recurring income for ALT group. ALT started the first project in Hemaraj Eastern Seaboard Industrial Estate and Eastern Seaboard Industrial Estate (Rayong), by installing optical networks within the industrial estates and offering network infrastructure leasing service to telecom service providers consist of mobile phone operators and internet service providers. By sharing the network infrastructure, the telecom service providers served their subscribers; the manufacturers within the industrial estates, via the same network infrastructure which reduced the cost of the telecom service providers, while the manufacturers benefited from the new facility of each industrial estate.

In 2013, Information Highway Co., Ltd ("IH") was founded by the shareholders while ALT held 99.99 percent of shareholding proportion. In the middle of 2014, ALT diluted its shareholding proportion in IH from 99.99 percent to 71.00 percent of registered capital and sold them to a company in a group of a certain mobile phone operator. IH shareholders signed on an agreement for a co-investment in optical networks and networking equipment leasing business. The shareholder agreement specified terms of business and director and shareholders authorities during the co-investment, which caused a change in IH's status from a subsidiary company of ALT, to a joint-venture between ALT and the investor, starting from an effective date of the agreement. IH currently has 3 optical network and base station projects under development for lease.

In 2014, ALT established Telecom Solution Provider Co., Ltd ("TSP") to invest in Myanmar Information Highway Limited ("MIH") which would operate telecommunication infrastructure leasing business in Myanmar. However, for ALT to reach its achievement and mission on becoming a leader in telecommunication infrastructure service provider especially in Thailand's economic strategic location to support the development of telecommunication industry of the country, During July 2015, ALT made a decision to reduce its shareholding proportion in TSP from 99.99 percent to 30.00 percent of registered capital and offer 70 percent of TSP registered capital to a certain telecom service provider to become a co-investor.

By taking the concept of telecommunication infrastructure sharing into account, ALT believes that, the infrastructure sharing will reduce investment cost of the Company's customers while maximize utilization of telecommunication resource for the best benefit. Moreover, it also supports a development on telecommunication in Thailand since it helps the telecom service providers improve service coverage more thoroughly. The improvement will enhance quality of life of consumers and businesses in terms of communication and transmission of data and information, which comply with the government policy to encourage economy with digital technology; or the Digital Economy policy. ALT has been investing in 7 telecommunication infrastructure projects including; the installation of fiber optic network for Hemaraj Industrial Estate, State Railway of Thailand (SRT), Navanakorn Industrial Zone; the underground fiber optic network on Sukhumvit Rd., Phaholyothin Rd., and Phayathai Rd.; the fiber optic network along the expressway system in Bangkok and its perimeter; and telecom towers for lease which were installed at around 260 gas stations approximately.

ALT believes that the development on telecommunication infrastructure will benefit to telecom service providers in general. However, the telecom service providers in Thailand has been separately developed their own networks, therefore it will take some time to encourage them to embrace the network sharing service practically. Moreover, every player in the business including the Company, were affected by technological change, thus organizational restructuring has become a critical measure which the Company can immediately adopt with an aim to increase efficiency of operation management, in preparation for a business alliance which will further the Company's business. The reorganization also provides the Company an opportunity to welcome new business partners to join the business or to share their experience to help expanding the Company's business through the existing scope of telecom business which focuses on telephone and internet only. In the future, a development at city and community level; in government, private or household sectors; including personal consumptions, will be more closely related with digital technology, hence the necessity and importance of telecom infrastructure will be more obvious.



In late 2018, the Company has restructured its business to enhance efficiency and flexibility of business operation, and increase an opportunity for a new investment and a new business alliance. Thus, the Company has transferred ownership of a part of its optical networks and equipment installed along the railway and highway (SRT Project) to International Gateway Company Limited (“IG”). IG is a telecom network operator specializes in international lease circuit, and domestic and international virtual private network (VPN) via optical network along the railway networks connecting with neighbor countries such as Myanmar, Lao, Cambodia and Malaysia. IG has been developing its networks for worldwide connection by connecting its networks with the internet networks in major cities around the world via high-quality and trustworthy networks. With an alliance having more than 30 IPXs connecting with more than 3,000 peering partners, IG can connect to more than 80 PoPs globally and be able to thoroughly serve customer demand to connect with the major cities around the world.

In addition to the telecom network service, ALT has expanded to data analytic business by investing in Spotwerkz (Thailand) Company Limited (“SWT”) and holding 45.19% of SWT shares. The investment was due to ALT’s vision that the data analytic business, with its high growth rate, will become more important since the service allows business entrepreneurs to efficiently analyze customer demand and be able to accurately offer appropriate products and services at the right time.

Since the foundation of the Company in 2001, ALT has been growing its business continuously with efforts and dedication to develop telecom related businesses. As a result, ALT became one of telecom companies providing full-range of product and service to serve all demand in telecommunication of customers as a one-stop service providers. The Company is ready to support and sustainably grow together with its customers; the telecom service providers, and take part in the development of telecommunication industry in Thailand to be on par with other countries.

Business Policy

“ALT and subsidiary companies would build up sustainable growth together with our customers and would not auction for the spectrum licensing for telecommunications service, to be conform with the Act on Organization to Assign Radio Frequency and to Regulate the Broadcasting and Telecommunications Services B.E. 2553 (2010), and would not invest in a telecommunication infrastructure project that would cause either a comparison or a competition with the projects operated by ALT’s joint-venture or associated company, such as a project located in the same area focusing on the same target customers, to remain its fairness in competition with all partners.”

Business Strategies

1. Encourage telecommunication infrastructure sharing by investing in telecommunication infrastructure in economic strategic location to support the service providers reaching to consumers with less network development cost and to be able to fully focus on improving the quality of service.

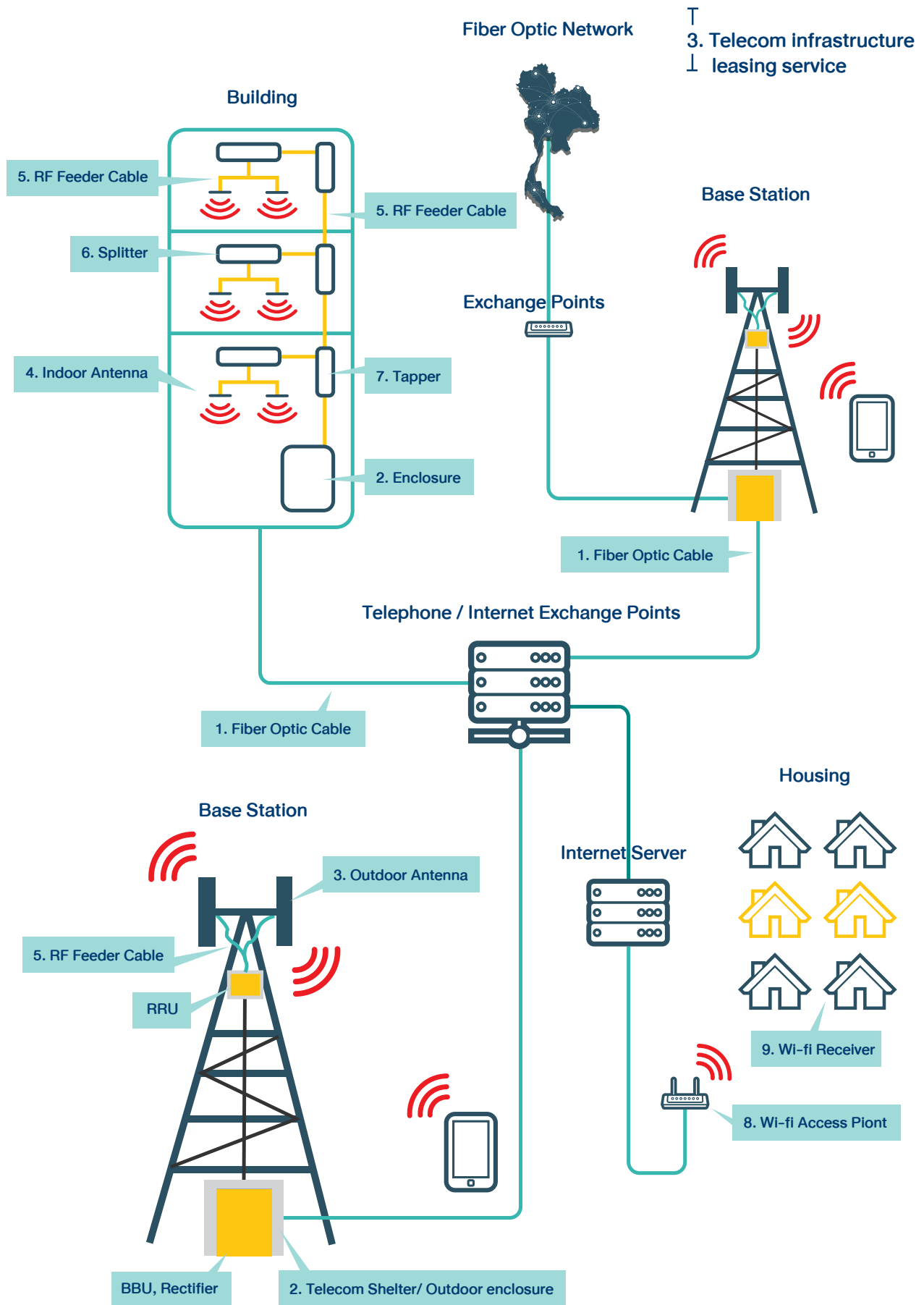
2. Equally provide telecommunication infrastructure leasing service to every customer and would not enter into a business competing with the target customers who are telecom service providers, such as mobile phone service providers and internet service providers etc., as a commitment that ALT will grow its business together with all of its customers without a conflict of interest.

3. Serve the customer demand at best with the Company’s knowhow, experience and well understanding in telecommunication business and with relating businesses operated by the subsidiary companies which efficiently support each other.

4. Increase proportion of income and profit from a source of recurring income, such as network leasing or long-term contract for equipment maintenance and repair, to ascertain its sustainability and stability of income and profit growth.

5. Expand the Company’s business from the existing telecom business to relevant businesses or other businesses with future growth prospect, which are relevant to the current business or require telecommunication system or technology. The business expansion is to change or develop quality of products and services to serve changing demand of customer, or to appropriately reach target customers while spending less time etc.

1. Telecommunication equipment distribution (No. 1-9)



2. Base stations implementation and telecommunication equipment repair

Type of Business

Products and Services

ALT Telecom PCL. group provides one-stop service for telecommunication. The Company's businesses can be categorized into 3 groups as follows;

Group 1: Base stations implementation and telecommunication equipment repair

Group 2: Telecommunication products distribution

Group 3: Telecommunication infrastructure leasing service

ALT's revenue structure of each business group, according to consolidated financial statements, is as follows;

Revenue Structure	Consolidated Financial Statements					
	2016		2017		2018	
	M. Baht	%	M. Baht	%	M. Baht	%
1. Base stations implementation and telecommunication equipment repair						
1.1 Base stations implementation, fiber optic network and networking equipment installation	1,148.58	58	743.42	59	514.10	60
1.2 Other services	89.40	5	106.72	8	122.13	15
Total revenue from services	1,237.98	63	850.14	68	636.23	75
2. Telecommunication products distribution						
2.1 Fiber optic cable	327.13	17	91.03	7	75.40	9
2.2 Telecom shelter and Rapid Deployment Unit (RDU)	210.85	11	154.70	12	6.92	1
2.3 - 2.4 Antenna and other telecommunication hardware	188.72	10	152.64	12	89.28	10
Total revenue from sales	726.69	37	398.37	31	171.60	20
3. Telecommunication Infrastructure leasing service ¹⁾						
Total Income from leasing service	-	-	9.58	1	45.84	5
Total revenue from sales and services	1,964.67	100	1,258.09	100	853.67	100

Note:

¹⁾ In 2016, ALT had not recognized the revenue from telecommunication infrastructure leasing service, the revenue was partially recorded in 2017.

1. Base Station Implementation and Telecommunication Equipment Repair

During 2016, 2017, and 2018, ALT earned revenue from base stations implementation and telecommunication equipment repair services 1,237.98 million Baht, 850.14 million Baht, and 636.23 million Baht respectively, which equaled to 63 percent, 68 percent and 75 percent of total revenue from sales and services according to ALT's consolidated financial statements. Type of services provided by ALT groups can be summarized as follows;

1.1 Telecom Turnkey Site Solutions

ALT and its subsidiary (GTS) offer telecommunication turnkey site solutions for mobile phone operators, starting from land survey for base stations, design, ground construction, telecommunication tower and equipment installation, and maintenance.

For job acceptance consideration, due to the different in procedures and documentation of each mobile phone service providers, ALT group has a policy for each company to prioritize job offering from regular customers. Therefore, ALT and GTS would focus on providing service for different service providers, creating flexible cooperation during each process of works. However, both ALT and GTS are enabled to provide service for non-regular customers. GTS is registered in approved vendor list of 3 major mobile phone service providers, including AIS, DTAC and TRUE, and are able to work for main contractors of mobile phone service providers. ALT is currently registered as an approved vendor by 2 major mobile phone service providers; AIS and DTAC.



Every process of service provided by ALT group is supervised by expert engineers to ensure on-time service completion and safety standard. Each base station generally takes 2 - 3 months for implementation, starting from survey, design, construction to finished work. However, works offered by the customers to ALT group are project works which customers will inform the number of base stations to be implementation in batch. Each batch of work must be delivered within approximately 3 - 4 months. The processes of work are as follows;

- Land survey for suitable location, in consider of coordinates, environment, soil profiles etc.
- Ground construction and transmission tower structural analysis and design regarding customers' requirement and budget, such as foundation designed for telecommunication lattice tower with 35 meter and 45 meter height, guyed mast tower with 45 - 60 meter height or separate foundation designed for lattice tower with 60 meter height etc. Tower construction area, soil profiles, ratio, type of tower, weight of equipment to be installed on the tower and transmission efficiency must be considered during design process.

- Civil work for foundation and tower construction are supervised by engineers to ensure the construction is in line with the design and meets safety standard.
- Systems and hardware installation to make the base station ready for transmission (on service) on-time, including multiple system installations such as; transmission and access network, OSP, transmission line system, radio frequency (RF) system and radio access network (RAN). Furthermore, ALT provides on-site facility maintenance and surge protection system installation including surge/lighting protection system, base station fence, and lighting.



During the implementation processes, the Company would contract external contractors for area survey, civil work on ground construction, telecommunication tower and hardware installation, in order to reduce operating cost. The Company would contract famous chartered engineers who are accepted by the customers, to work on the foundation and transmission tower structural design. Whereas ALT's expert engineers would oversee important project management control processes, which are crucial in telecom site solutions and services, including project presentation and development with customers, contractor site supervisor, quality control of every implementation processes conforming to a quality and safety standard within the project schedule, and site system testing prior delivery to customers.

1.1.1 Area Survey, Design and Radio Access Network Installation

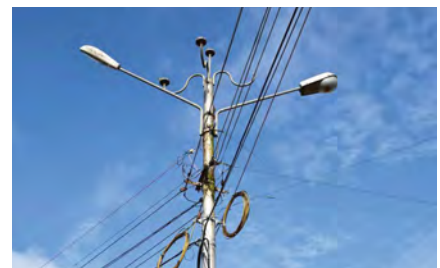
In addition to large-scale mobile base transceiver station, GTS; the Company's subsidiary, also provides transceiver system hardware installation service, both indoor and outdoor. As the demand for mobile phone service is rapidly increase, the quality of mobile phone signal in many locations, such as indoor or in an alley, is not enough to serve customer demand, causing a drop in signal strength, disruption or no reception, especially in the location exposed to poor reception such as car park, inside an elevator, underground floor, slum, and tourist attractions. Additional mobile transceiver system hardware is required to improve mobile service efficiency to better serve the demand.

Scope of services regarding the installations are;

- Area/building survey and design to install equipment in crucial location providing most efficient signal transmission.
- Hardware installation conforming to a plan and engineer standards, such as outdoor antennas, indoor antennas, and repeaters.
- System test after the installation, by walk test or drive test for optimization of whole area; within a building or site area, to meet standard requirement.

1.1.2 Area Survey, Design and Fiber Optic Cable Installation (Outside Plant)

GTS; ALT's subsidiary, offers services including area survey, design and fiber optic cable installation (outside plant), either backbone network installation interconnecting regional exchange points separated by thousand kilometer of distance, or regional network installation connecting exchange points within a region which is less distant. Scope of works regarding this service are;



- Route survey and deployment design for the highest efficiency in optical network installation, from the starting point to a destination as required by customers.
- Installation procedures analysis selecting a deployment method for optical network such as overhead line, or underground line deployment.
- Fiber optic cable, ground line, cable gripping and pulling tools, and other connectors.



1.2 Other Services

Additional to the prescribed services, ALT group also provides other service such as,

- Area rental for antenna installation for mobile signal transmission. GTS would survey and rent a space in suitable location capable for mobile transceivers installation, such as large billboard or rooftop etc. The rented spaces will be offered to customers, mostly TELCOs, for their service efficiency improvement. Not only rental space for antenna installation but GTS also provides antenna and relating hardware installation services.
- Telecommunication equipment repair services. Instead of exporting broken equipment oversea for repair which is expensive and requires long lead-time, INN has experienced staffs with expertise in telecommunication equipment; especially antennas, to revamp and re-fabricate equipment.
- Intelligent building systems installation services, provided by GTS, for example, data center solutions, air conditioning system, fire protection system, electrical distribution and panel board, lighting system and power outlet system and security system; such as CCTV, building entry control, emergency exit.



- Management service for base stations located at BTS stations, which is consortium services provided to 3 major mobile phone service providers and managed by GTS. GTS is responsible for survey, design, implementation and maintenance of all base stations installed at BTS stations.



2. Telecommunication Equipment Distribution

In 2016, 2017 and 2018, ALT group earned revenue from telecommunication equipment distribution 726.69 million Baht and 398.37 million Baht and 171.60 million Baht respectively, which accounted for 37 percent 31 percent and 20 percent of revenue from sales and services regarding the consolidated financial statements. ALT group's products can be categorized into 4 major groups as follows;

2.1 Fiber Optic Cable or FOC

Fiber optic cable (FOC) is a cable applicable for data transmission. The cable consists of optical fibers created from high-purity glass with a diameter approximately equal to a human hair and coated with plastic layers. By applying the law of reflection, during the transmission, digital data is converted into optical signals and transmitted through optical fibers from one end to the other; such as data transmission between exchange points and base stations, or between a BBU located on the ground of base station and a signal amplifier on the telecom tower. Optical transmission and reflection allow high-speed data transmission close to light speed with less attenuation. Therefore, fiber optic cable can be used for data transmission over longer distance than other wire cables.



I21 (ALT's subsidiary) is ALT group's main distributor of fiber optic cables. I21 has several domestic and overseas partners for FOC supplies to satisfy its customers with products that meet the specification and price requirement, for example, FOC for aerial installation requires high durability to the climate, FOC for underground or undersea installation requires high corrosion resistance etc. Moreover, ALT is entrusted by LS Cable & System Corp. which is South Korean based FOC leading manufacturer, to be a distributor in Thailand for FOC products under the brand "LS Cable", and to co-develop new products to serve customer demand, such as FOC with rodent proof.

2.2 Telecom Shelter and Rapid Deployment Unit (RDU)

Telecom shelter protects telecommunication equipment from the environment which can cause a disruption of the equipment. ALT telecom shelters, under the brand "ALT", are designed by engineering team and manufactured by ALT's contract partners in accordance to the product specification. ALT telecom shelters are designed for different applications as follows;

- Prefabricated Shelter: A product suitable for multi-equipment protection such as FOC exchange points and transmitting equipment etc. The type of shelter usually has large size from 1.5m x 2.2m x 2.8m to 6m x 6m x 2.8m (width x length x height) and has strong and durable structure, with IP55 standard for dust and water resistance; which can endure against water projected from any direction. The prefabricated shelter also supports additional insulation, ventilation fan or air-condition for temperature control, and can be knocked-down for easy transportation, relocation, installation and demolition.
- Outdoor Enclosure Shelter: A product suitable for medium-size telecom equipment protection such as telecom equipment installed on the base station or electrical pole. The size of this type of shelter is generally ranging from 0.65m x 0.45m x 1.11m to 1,3m x 0.7m x 2.20m



(width x length x height). ALT outdoor enclosure shelter is certified with IP55 standard for dust and water resistance; which can endure against water projected from any direction. Outdoor enclosure shelter supports additional air-condition, ventilation fan and equipment. Moreover, sun and rain protection can be enhanced with additional sun shelter, and by raising floor level of the sun shelter, flood protection can be enhanced as well.

- Main Distribution Board (MDB) : MDB is used to control electricity supply for buildings and base stations, by limiting electrical power feed to base station's equipment,

Rapid deployment units (RDUs) are telecom equipment designed and integrated to operate as a transportable base station, allowing fast access to a location and rapid installation suitable for temporary or emergency service providing. For example, RDUs are deployed as emergency base stations during graduation ceremony day or live broadcasting, or as a temporary base station while implementing the permanent base station.

ALT group distributes RDUs under "ALT" brand. The RDUs are designed by ALT engineering team and manufactured by ALT's contract partners in accordance to the product specification, under supervision of ALT engineering team. The RDUs distributed by ALT are designed to support different applications which can be divided into 2 main categories;

- Ready to Drive (RTD): RTD is a vehicle attached with RDUs. With high mobility, RTD can be deployed as a base station in any destined location. ALT engineering team designed and developed RTDs in different formats and competency to suit customer need, such as a RTD which can be transported by a helicopter to provide service in disaster area, or a RTD powered by solar power.
- Cell on Wheels (COWs) and Cell on Legs (COLs): COWs are RDUs attached on wheeled chassis transportable to destine location. COLs are RDUs enclosed in a large telecom shelter which can be relocated and deployed as a permanent site solution by releasing a stand attached to the ground. COWs and COLs are mostly deployed as temporary site solution during an implementation of permanent base station, or deployed as a survey unit to measure the demand of subscribers in each location.



2.3 Antenna

Antennas are radio receiving and transmitting equipment. There are various sizes and formats of antenna for different utilization. Wireless communication antennas distributed by ALT group are managed by ALT's subsidiary; INN, under its brand "SUMTEL". Most antennas used in Thailand are imported from oversea. The imported antennas which are mass-produced for international market has standard utilization and specification causing difficulty in repair and customization. Therefore, ALT group, with INN's expert engineering team, has developed antennas for customer's specific demand such as an antenna concealed within building interior decoration, an antenna transmitting wireless signal into specific direction etc. ALT distributes antennas in 2 categories including;



- Indoor Antennas: Antennas designed for indoor transmission which will be installed in various locations within a building, such as hallway ceiling, elevator shaft etc.
- Outdoor Antennas: Antennas designed for outdoor transmission which will be installed on base station towers, or on small telecommunication towers on rooftops or billboards.



2.4 Other Telecommunication Equipment

Other telecom equipment sold by ALT are as follows;

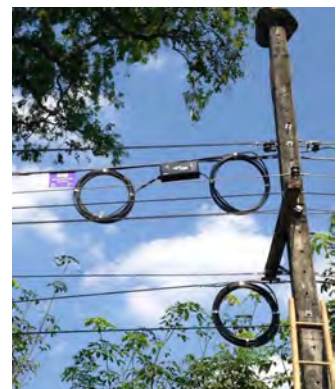
- RF feeder cable (RFC) and connector. RFC is used for receiving and transmitting data converted into radio signal. RFCs are distributed by INN.
- Wireless networking equipment and software such as Wi-Fi Access Point, Wi-Fi receiver etc. Distributed by I21.
- Radio transmission reinforcement and efficiency enhancement equipment, such as network filters using for eliminate noise, repeaters using for wireless signal amplifier, tappers using for wireless signal asymmetrically splitting, and splitters using for splitting wireless signal for better coverage. Distributed by INN



3. Telecom Infrastructure Lease

ALT started telecom infrastructure leasing business under a concept of telecom infrastructure sharing which will benefit the operators such as mobile phone service providers and internet service providers, to be able to concentrate only on service providing less burden of investment on network infrastructure. ALT operates this business together with IH (joint-venture), TSP (associated company) which established for investing in another joint-venture; MIH, a Myanmar-based company which is currently installing optical network and networking equipment for lease.

In 2018, ALT group earned 45.84 million Baht from the telecom infrastructure lease business, which equaled to 5 percent of total revenue. However, the Company endeavors to increase its revenue proportion generated from the business to lessen the fluctuation of revenue, because the term of lease contract is mostly longer than one year. Type of telecom infrastructure leasing services consist of 2 types of service.



3.1 Fiber Optic Cable Network and Networking Equipment

ALT is currently implementing fiber optic networks in economic strategic location and preparing access point for customers to connect their network equipment with ALT optical network. ALT currently has 4 on-going projects. 2 implementation projects are managed by ALT which are; optical network in Hemaraj industrial estate and optical network attached on telegraph network along the railway path, while other 2 implementation projects are managed by IH, which will be implemented on main transportation route in CBD and main streets around Bangkok. All of on-going optical networks will be provided for operating lease.



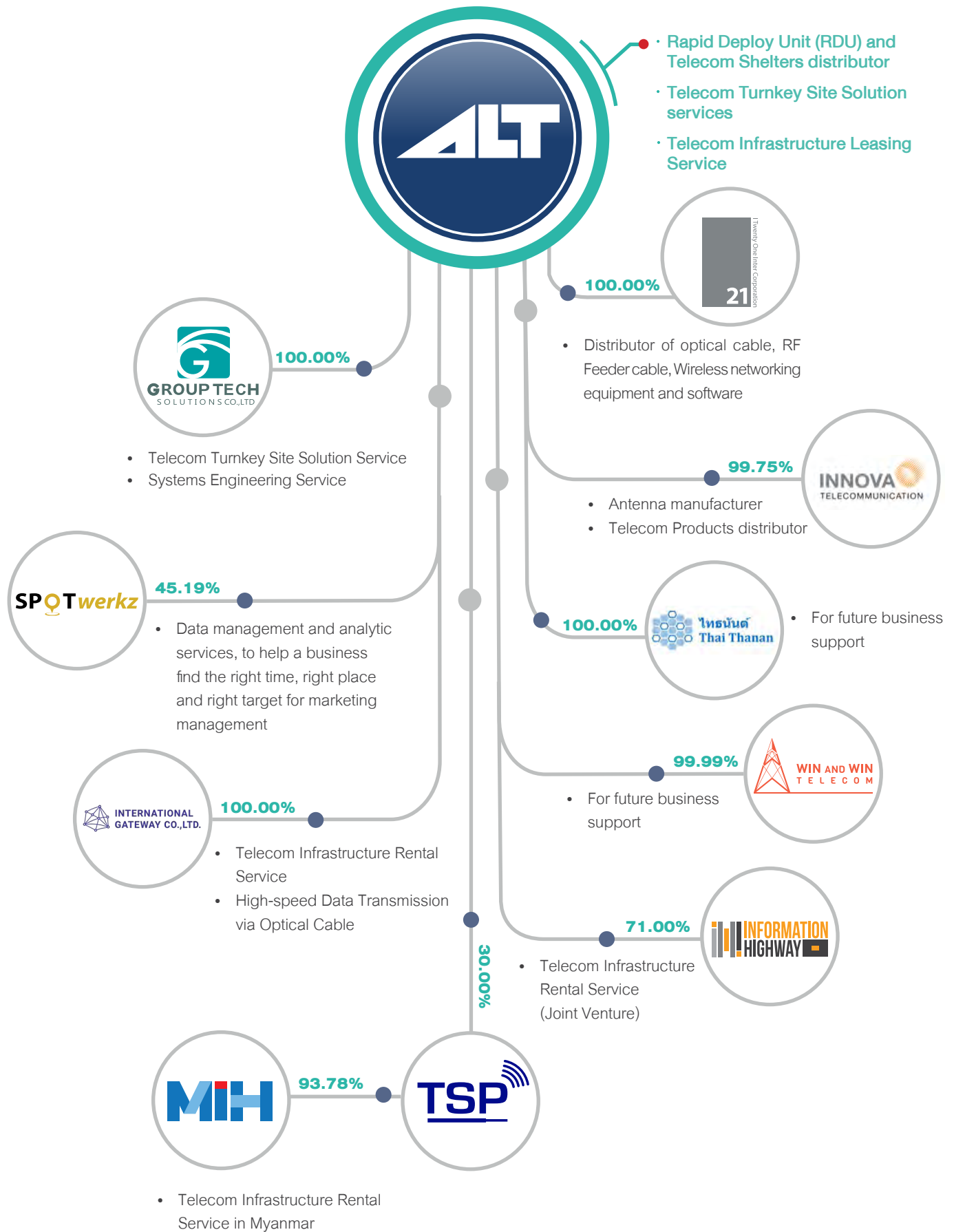
3.2 Telecom Tower and Site Facilities Lease

ALT is currently constructing and implementing telecom towers including site facilities such as antennas, telecom shelters, and batteries etc., located in potential locations. The telecom towers and site facilities will be offered to telecom operators to install their active network equipment and put the site on service. ALT group currently developing 1 project; managed by IH, which is telecom towers and site facilities leasing service, located in gas stations.



In addition to revenue from the three main businesses of the Company, in late 2018, ALT has invested in Spotwerkz (Thailand) Co., Ltd ("SWT") by acquiring 45.19 percent of shares. SWT operates data analytic business which allows a business to pinpoint the demand of target customers and offer the right products and services at the right time and place. The Company determined that, in the future there will be high demand for data analytic since it can serve strategic planning of a business.

Company Structure



Summary of the Company and Subsidiaries' Businesses



ALT TELECOM PUBLIC COMPANY LIMITED ("The Company" and "ALT") was established in March 2001 and currently has registered capital of 625.00 million Baht. ALT's key businesses include providing telecommunication infrastructure deployment products; such as Rapid Deployment Unit (RDU) and telecom shelters, and turnkey telecom site solution services, and developing telecom infrastructure; optical cable networks and other required connection hardware, for lease service.



GROUP TECH SOLUTIONS CO., LTD ("GTS") was established in May, 2008 and currently has register capital of 100.00 million Baht. It is a subsidiary which ALT holds 100.00 percent of shares. GTS delivers turnkey telecom site solution service starting from site survey, design, construction, optical cable network installation, to telecom equipment installation. GTS also offers building system engineering service such as electric system, air conditioning system and fire protection system.



I TWENTY ONE INTER CORPORATION CO., LTD ("I21") was established in September 2002 and currently has registered capital of 30.00 million Baht. The company is a subsidiary which ALT holds 100.00 percent of shares. I21 supplies several telecom products which the main products are fibre optic cables (FOC), RF Feeder cables and equipment, and software for Wi-Fi network management.



INNOVA TELECOMMUNICATION CO., LTD ("INN") was established in December 2008 and currently has registered capital of 40.00 million Baht. The company is a subsidiary which ALT holds 99.75 percent of shares. INN manufactures and distributes antennas; made-to-order or custom design, as well as other telecom equipment such as filters and combiners. INN also offers one-stop repair service for integrated telecom hardware reparation and testing.



INTERNATIONAL GATEWAY CO., LTD ("IG") was established in July 2017 and currently has registered capital of 625.00 million Baht. It is a subsidiary which ALT holds 100.00 percent of shares. IG develops telecommunication infrastructure for lease and offers high speed data transmission service over fiber optic network, providing to domestic and international telecommunications operators.



THAI THANAN CO., LTD (“THAI THANAN”) was established in July 2017 and currently has registered capital of 10.00 million Baht. The company is a subsidiary which ALT holds 100.00 percent of shares and was founded in order to support further business growth of the group.



WIN AND WIN TELECOM CO., LTD (“WIN AND WIN”) was founded in January 2018 and currently has registered capital of 5 million Baht. The company is a subsidiary which ALT holds 99.99 percent of shares and was founded in order to support further business growth of the group.



INFORMATION HIGHWAY CO., LTD. (“IH”) established in April 2013 and currently has registered capital of 50.00 million Baht. The company is a joint venture between ALT and Advance Broadband Network Co., Ltd (“ABN”) holding 71.00 percent and 29.00 percent of IH’s registered capital respectively. Due to a shareholder agreement upon IH’s business and the authority of directors and shareholders, IH is not considered as a subsidiary but a joint venture of ALT. IH develops telecommunication infrastructure for lease; including optical fibre network, network connectors, and telecom poles, which the business is focused especially in Thailand’s major economic area.



TELECOM SOLUTIONS PROVIDER CO., LTD (“TSP”) was established in August 2014 and currently has registered capital of 155.00 million Baht. ALT holds 30.00 percent of TSP’s registered capital while BCH Venture Co., Ltd (“BCH”) and United Distribution Solution Co., Ltd (“UDS”) hold 70.00 percent of its registered capital. TSP is a holding company which holds 93.78 percent of shares in Myanmar Information Highway Limited (“MIH”) which currently has registered capital of 4 million USD. MIH operates telecommunication infrastructure rental business in Myanmar.



SPOTWERKZ (THAILAND) CO., LTD (“SWT”) was founded in October 2016 and currently has registered capital of 31.93 million Baht. The company is an associated company which ALT holds 45.19 percent of shares while the other 54.81 percent was held by its founders who have expertise in data analytics. SWT provides big data management and analytics and offers full-range services on Wi-Fi marketing which can help a business to specify the right target and time for marketing.

General Information

Company Information



ALT Telecom Public Company Limited

Head Office 52/1 Moo 5 Bangkruay-Sainoi Road, Bangsithong, Bangkruay,
Nonthaburi 11130

Type of Business

Telecom equipment sales and distribution, such as telecom shelter and RDU. Base station construction and telecom equipment installation service. Telecom infrastructure network for lease.

Registration Number 0107558000440

License Number Type 3, License No. 3 Kor/58/002

Tel. (662) 863 - 8999

Fax. (662) 886 - 3364

Company Website <http://www.alt.co.th>

Registered Capital 625,000,000 Baht¹, divided into 1,250,000,000 common shares
at par value of 0.50 Baht

Paid-up Capital 508,002,100 Baht², consisting of 1,016,004,200 shares
with paid-up value of 0.50 Baht per share

ALT-W1: Transferable warrants specifying holder's name.

On 30 November 2017, the extraordinary general meeting No. 1/2018 approved the issuance of transferable warrants, specifying holder's name, to purchase ordinary shares (ALT-W1), allotted to the existing shareholders proportionally at a ratio of 4 existing shares per 1 unit of warrant; in the number not exceed 250,000,000 units of warrant. The exercise price is 3 Baht per share with the exercise ratio of 1 unit of warrant per 1 ordinary share. The term of warrants is 3 years from the issuance date; 19 December 2017.

¹ The Company has raised its register capital 125 million Baht reserved for an exercise of the warrant (ALT-W1) according to the resolution of the extraordinary general meeting No. 1/2018 held on 30 November 2017.

² As of 31 December 2018, the Company's capital has been raised upon exercise of the warrant; ALT-W1, totaling 16,004,200 shares.

Subsidiary



GROUP TECH
SOLUTIONS CO., LTD

Group Tech Solutions Co., Ltd

Relationship Subsidiary

Head Office 52/1 Moo 5 Bangkruey-Sainoi Road, Bangsithong, Bangkruey,
Nonthaburi 11130

Type of Business

Construction service for telecom base station and telecom equipment installation services covering from surveying, design, construction, to optical cable and telecom equipment installation; and other services relating to building engineering system such as an electric power system, air-conditioning system, and fire protection system.

Registration Number 0125551006017

Tel. (662) 863 - 3400

Fax. (662) 863 - 8960

Company Website <http://www.grouptech.co.th>

Registered Capital 100,000,000 Baht, divided into 1,000,000 ordinary shares at par value of 100 Baht.

Paid-up Capital 100,000,000 Baht, consisting of 1,000,000 shares with paid-up value of 100 Baht per share

Subsidiary



I Twenty One Inter Corporation Co., Ltd

Relationship Subsidiary

Head Office 365 Bond Street, Bangpud, Pakkred, Nonthaburi 11120

Type of Business

Telecom equipment sales and distribution; mainly fiber optic cable (FOC), RF feeder cable and Wi-Fi system equipment and software

Registration Number 0125545007988

Tel. (662) 503 - 4977

Fax. (662) 503 - 4979

Company Website <http://www.i21.co.th>

Registered Capital 30,000,000 Baht, divided into 300,000 ordinary shares at par value of 100 Baht

Paid-up Capital 30,000,000 Baht, consisting of 300,000 shares with paid-up value of 100 Baht per share

Subsidiary



Innova Telecommunication Co., Ltd

Relationship Subsidiary

Head Office 365 Bond Street, Bangpud, Pakkred, Nonthaburi 11120

Type of Business

Antenna manufacturing and design; made-to-order and custom design. Telecom equipment sales and distribution such as filters and combiners. One-stop repair service, providing integrated reparation and testing service for telecom equipment.

Registration Number 0125551015172

Tel. (662) 503 - 3950

Fax. (662) 503 - 4979

Company Website <http://www.innovatelecom.co.th>

Registered Capital 40,000,000 Baht, divided into 400,000 ordinary shares at par value of 100 Baht.

Paid-up Capital 40,000,000 Baht, consisting of 400,000 shares with paid-up value of 100 Baht per share

Subsidiary



**INTERNATIONAL
GATEWAY CO.,LTD.**

International Gateway Co., Ltd

Relationship Subsidiary

Head Office 52/1 Moo 5 Bangkruey-Sainoi Road, Bangsithong, Bangkruey, Nonthaburi 11130

Type of Business

Telecommunication infrastructure lease service and high-speed data transmission service over optical cable network, for domestic and international telecom operators

Registration Number 0125560018162

License Number Type 3 License No. 3Kor/61/001 and International Internet Gateway and National Internet License Type 2 with its own network No. NTC/INT/II/002/2561

Tel. (662) 863 - 8999

Fax. (662) 886 - 3364

Company Website <http://www.intergateway.co.th>

Registered Capital 625,000,000 Baht, divided into 6,250,000 ordinary shares at par value of 100 Baht

Paid-up Capital 625,000,000 Baht, consisting of 6,250,000 shares with paid-up value of 100 Baht per share

Subsidiary



Thai Thanan Co., Ltd

Relationship	Subsidiary
Head Office	52/1 Moo 5 Bangkruay-Sainoi Road, Bangsithong, Bangkruay, Nonthaburi 11130
Type of Business	
For future business support	
Registration Number	0125560018243
License Number	Type I Internet Service License No. NTC/MM/INT/ISP/I/011/2561
Tel.	(662) 863 - 8999
Fax.	(662) 886 - 3364
Registered Capital	10,000,000 Baht, divided into 100,000 shares at par value of 100 Baht
Paid-up Capital	2,500,000 Baht, consisting of 100,000 shares at par value of 25 Baht

Subsidiary



Win and Win Telecom Co., Ltd

Relationship	Subsidiary
Head Office	52/1 Moo 5 Bangkruay-Sainoi Road, Bangsithong, Bangkruay, Nonthaburi 11130
Type of Business	
For future business support	
Registration Number	0125561003088
Tel.	(662) 863 - 8999
Fax.	(662) 886 - 3364
Registered Capital	5,000,000 Baht divided into 50,000 ordinary shares at par value of 100 Baht
Paid-up Capital	1,250,000 Baht consisting of 50,000 shares with paid-up value of 25 Baht per share

Joint Venture



Information Highway Co., Ltd

Relationship	Joint Venture
Head Office	52/1 Moo 5 Bangkruiy-Sainoi Road, Bangsithong, Bangkruiy, Nonthaburi 11130
Type of Business	Telecommunication infrastructure for lease, providing leases on optical cable network and networking equipment, and financial leases on telecom base stations; focusing on Thailand's economic strategic area.
Registration Number	0105556062781
License Number	Type III License No. 3Kor/57/001
Tel.	(662) 863 - 8999
Fax.	(662) 886 - 3364
Registered Capital	50,000,000 Baht, divided into 500,000 ordinary shares at par value of 100 Baht
Paid-up Capital	50,000,000 Baht, consisting of 500,000 shares with paid-up value of 100 Baht per share

Associated Company



Telecom Solutions Provider Co., Ltd

Relationship	Associated Company
Head Office	499 Kamphaengphet Road, Lat Yao, Chatuchak, Bangkok 10900
Type of Business	Share investment in Myanmar Information Highway ("MIH") which operates telecommunication infrastructure rental business in Myanmar
Registration Number	0125557016928
Tel.	(662) 016 – 5111 Ext 5041
Fax.	(662) 016 - 5043
Registered Capital	155,000,000 Baht, divided into 1,550,000 ordinary shares at par value of 100 Baht
Paid-up Capital	155,000,000 Baht, consisting of 1,550,000 shares with paid-up value of 100 Baht per share

Associated Company



Spotwerkz (Thailand) Co., Ltd

Relationship Associated Company

Head Office 818/70 Udomsuk Road, Noth-Bang Na, Bang Na, Bangkok 10260

Type of Business

System and management solution provider, organizing analytical data benefiting for the exact, appropriate and timely target customer management

Registration Number 0105559170916

Tel. (662) 108-3900

Company Website <http://www.spotwerkz.co.th>

Registered Capital 31,930,000 Baht, divided into 3,193,000 ordinary shares at par value of 10 Baht

Paid-up Capital 31,930,000 Baht, consisting of 3,193,000 shares with paid-up value of 10 Baht per share

Securities Registrar

Thailand Securities Depository Co., Ltd.

Head Office Level 1, the Stock Exchange of Thailand Building B, 93 Ratchadaphisek Road, Dindaeng, Bangkok 10400

Tel. (662) 009 - 9000

Fax. (662) 009 - 9991

Auditor

Pricewaterhousecoopers ABAS Ltd.

Head Office 179/74-80 South Sathorn Road, Thung Maha Mek, Sathorn, Bangkok 10120

Tel. (662) 344 - 1000

Fax. (662) 286 - 5050

Important Events



2001

- ALT was established to operate a business in interior decoration, base station and telecom equipment installation.
- Telecom Shelter Distribution

2005

- ALT got a patent on RDU and market launched for RDU products.

2002

- I21 was established to run telecom products distribution business

2010-2011

- ALT won Telecom USO award (for COLs)
- ALT got ISO 9001:2008 certification for RDUs and telecom shelters
- ALT launched a business providing telecom infrastructure lease in Hemraj Industrial Estate.
- GTS got ISO 9001:2008 certification
- INN launched antenna products for distribution.

2008

- GTS was established to support base station and equipment installation business and offer antenna installation space for rent.
- INN was established to provide telecom equipment repair service.

2014

- ALT entered into a shareholder agreement, to invest in IH, with ABN.
- IH got the Telecommunication Service License Type 3
- IH developed optical network for lease in CBD and base stations, installed in petrol stations, for leased.
- TSP was established to invest in MIH; a company running telecom infrastructure for lease in Myanmar.

2013

- IH was established to develop optical network for lease.

2016

- ALT raised its registered capital to 500 MB and transformed into a public company.
- ALT went public and listed on SET, which the first trading day was 4 July 2016.

2015

- ALT got the Telecommunication Service License Type III
- ALT entered into a shareholder agreement, to invest in TSP, with UIH and UDS.
- INN got a patent for PIM Load equipment.
- I21 and INN got ISO 9001:2008 certification.
- ALT started a development on optical networks installed along the railway system.
- INN's antenna products were patented

2018

- ALT was appointed by the Provincial Electricity Authority (PEA) to be a developer of the Smart Grid project in Pattaya.
- ALT, GTS, I21 and INN were certified by ISO 9001:2015 standard
- Invested in SWT to further the benefit of optical cable network to a new business: Big data and data analytic.
- Commenced Wi-Fi service available on 30 BTS stations
- Transferred partial of SRT network to IG to increase efficiency and flexibility in business management.

2017

- ALT was granted the right of way to launch a pilot project for laying telecom wires underground.
- ALT has installed the fiber optic network for lease in Nava Nakorn Industrial Estate.
- Issued ALT-W1 to support future investment
- Installed DwDm equipment on SRT network to enhance capacity of the network and commenced commercial service on the optical networks along the railway system (SRT)
- Signed a Memorandum of Understanding on cooperation between ALT and edotco

Risk Factors

1. Risk from technological change

Telecommunication business is always facing a challenge of technological change, for example, a technological shift from 2G technology, which emphasized on voice communication, to 3G/4G technology, which enhanced data transfers. As a result, telecom operators are pressured to install or upgrade their relevant equipment to support the advancement of technology. ALT group, as a telecom products distributors and services provider for base station and telecom equipment installation and repair, inevitably exposed to the risk in product and service sourcing, the risk of obsolete products and the risk in human resource development to catch up with an advance in technology, which possibly affect to the Company's operations.

As for telecom products distribution business, ALT products are sourced from domestic and overseas suppliers. In case of technological change, ALT can swiftly source new product supporting advance technology from suppliers or manufacturers capable for production line changeover. As for telecom antennas which are in-house products, because telecom antennas are passive equipment, the crucial manufacturing process lies upon a design of transmitting function while other processes can be easily adjusted without changeover cost. As for services, ALT offers continuous training and skill development for employees, to ensure that all personnel of ALT group have sufficient professional skills to serve customers. Moreover, strong partnership between ALT and major overseas telecom product manufacturers and firm relationship with the customers provide a communication channel for ALT group's employees to access to news on technology updates. Moreover, ALT is ready to cooperate with its partners to deliver services to customer more efficiently together.

Telecommunication infrastructure services provided by ALT group, including telecom infrastructures that are offered for lease, are passive network infrastructure mainly focused on core network consists of primary components such as, optical cables, telecom towers and base station equipment, that are used for connecting customers' telecom networks to ALT's. These core network components do not require frequent technology upgrade, unlike the components of access network or the last mile; a terminal part of telecom operator's network connecting to customer premises, which requires frequent technology upgrade. The access networks are mostly the responsibility of ALT's customers to upgrade the equipment. As a result, ALT's telecommunication infrastructure leasing service exposes to relatively low risk from technological advancement.

2. Risk from failure to acquire the Right of Way

As for telecommunication infrastructure business or other businesses that need to deploy optical cable network through personal premises or properties, the Right of Way must be granted from the owner of properties or land, where telecom towers and equipment or optical cable will be installed. In case that ALT could not acquire a Right of Way, or could not extend a Right of Way contract with the owner of land and properties where the base stations, telecom towers, equipment and optical cable of ALT are installed, ALT would be unable to implement the telecom infrastructures for leasing service or unable to deliver the service within scheduled timeframe. ALT would have lost potential revenue and would have to pay a penalty fee, if the Company failed to deploy the infrastructure within a deadline as agreed with customers.

However, according to the notification of National Broadcasting and Telecommunication Commission ("NBTC") regarding the rules and methods for deployments of overhead and underground line network, or equipment installation to deliver telecommunication service, the licensees of Telecommunication Service License Type 2 and 3 have a right to install overhead or underground network through the ground or properties of 1) other telecom operators 2) government agencies, public utility providers and national parks, or 3) other persons. Enforcement of the rights prescribed in the

notification would be similar to the enforcement of administrative power by NBTC, which can force the owner of land and properties to allow telecom operator to deploy overhead or underground line network in the area. However, in normal business practice, ALT has a policy to negotiate with a land and properties owner, without submitting a request to NBTC for the enforcement as previously mentioned. Furthermore, as defined in the Company's business plan, ALT would concentrate on the deployment of telecom infrastructures only in economic strategic locations that usually have distinct ownership. Thus, the number of counterparties is limited to the few, which mitigates the risk that the Company fails to negotiate for a Right of Way, and there is no need to enforce the rights as prescribed by NBTC. Moreover, regarding the negotiation for a Right of Way, the management believe that with ALT'S business policy, which emphasizes on sustainable growth together with all partners, and a solid foundation in telecom business, ALT will be capable to bring up a collaborative business plan to the properties owners in concern of mutual benefit. The management's belief can be proof with historical records which ALT has never fail to acquire an approval from land and properties owners to deploy telecommunication network for lease.

3. Risk from major customers dependency

In 2016, 2017 and 2018, ALT delivered a service on base station and telecom equipment installation to a major customer which accounted for 47.58%, 35.44% and 29.70% of revenue from sales and services of the Company in each respective period. The customer is a mobile phone operator planning to deploy more base stations and extend the range of its optical network infrastructure. Therefore, ALT is exposed to the risk from dependency on major customers.

However, the major customers of ALT are changeable in each time period, depending on the change in telecom operators' investment plan and the Company's service capacity. Since ALT has a policy to continuously maintain the quality standard of products and services, as well as customer relationship, the Company believes that it can maintain its competitiveness to keep the customers. Moreover, the Company has a policy to diversify customer dependency on particular product and service which relies on telecom operator's investment plan as previously mentioned, by engaging into telecom infrastructure leasing business which will level out the revenue stream in long term, and provide an opportunity to expand a customer base.

In addition to the conservative telecommunication business, the Company has expanded into a new business alike the existing one, which relied on communication system as an indispensable component, such as the Smart Grid Project in Pattaya city which the Company was responsible for the implementation of the project. The business expansion will increase the Company's business opportunity, while lessen the risk from major customer dependency.

4. Risk from revenue fluctuation

Because ALT group's businesses are mostly project based such as, base station and telecom equipment installation service, and sales of telecom equipment for the installation service, ALT's sales and services revenue fluctuated depending on an investment plan of the customers who are telecom operators, and the Company's capacity to serve the customers. In case that the customers discontinue the investment or ALT fails to keep the customers, the Company will expose to revenue fluctuation risk.

However, due to the quality of products and services, expertise of employees, capability to offer one-stop services and the Company's policy to secure a relationship with major customers who are mobile phone operators and internet service providers by restraining from an investment in a business that might compete with the customers and providing full support to enhance the growth of business of the customers, the management believe that ALT will be continually entrust by the customers. Furthermore, ALT has a policy to mitigate revenue fluctuation by engaging into telecom infrastructure leasing business, which emphasized on the investment in passive network infrastructure located in economic strategic location that will level out revenue fluctuation in long-term and provide an opportunity to expend the Company's target customers such as, customers in government and private sector who want to transfer data through optical network.

5. Risk from the cost management of base station installation service

ALT offers turn-key base station service which customers; the telecom operators, would specify the number of base stations to be deployed and delivered within specific period. ALT will undertake a cost estimation of entire project to measure the project cost and present to the customer during a negotiation for job acceptance. In case that the actual cost of project defers from the forecast and ALT fail to negotiate with the customer for price adjustment, the Company has a risk to earn revenue under expectation.

To counteract a risk, all relevant personnel of ALT would participate in the meeting to estimate the revenue and project cost to be presented to the customer. Product design and development team would responsible for a bill of quantities (BOQ) required for the project. Procurement team would check the price of material and labor according to the BOQ while taking price trend of material and labor into account, and inform the marketing team to submit a quotation to the customer. After getting a customer reply, procurement team would confirm the price and delivery period with suppliers compliance with the project's delivery schedule in order to minimize the fluctuation of material price. In general, the duration between survey, design and construction process will take approximately 2-3 months per site. However, in case of high fluctuating price of material, or in case that the customer request for an adjustment in details of the project which cause surplus cost without a miscalculation caused by the Company, ALT will negotiate for price adjustment with the customer to compensate with increasing cost. However, based on historical records, ALT never fail to negotiate the price to compensate the surplus cost. The Company would also negotiate with suppliers for material price confirmation which will reduce the effect from the surplus cost which ALT are not compensated from the customer.

6. Risk from major suppliers and manufacturers dependency

In 2016, 2017 and 2018, ALT's product are sourced from a major overseas manufacturer/distributor of fiber-optic cable, which are accounted for 26.34%, 15.16% and 11.16% of cost of goods sold and cost of services, regarding the Company's consolidated financial statements of each respective period.

The cost of fiber-optic cable procured from the manufacturer/distributor during 2016-2018 are accounted for 100%, 100% and 100% of purchases amount of fiber-optic cable each year respectively. The manufacturer/distributor previously mentioned is world leading manufacturer offering quality products widely accepted by customers. ALT's subsidiary has been act as a distributor of the manufacturer since 2004, however, the subsidiary did not appointed as an official distributor by written agreement because the manufacturer has a policy not to enter into a long-term agreement with any partner. Therefore, if the manufacturer refuses to sell products to ALT or unable to deliver products on-time, and ALT is unable to source the replacement products, the Company's business will be affected.

However, ALT group has been distributing products of the manufacturer for over than 10 year and has been in good relationship with the manufacturer. Furthermore, ALT and the manufacturer have been sharing knowledge and information regarding customer demand, and have been cooperating in product development. Thus, the management of ALT is certain that the Company will be trusted and able to continually distribute products of the manufacturer. Whereas the manufacturer dose not has a policy to sell its products to end-customers directly. However, in case that the manufacturer unable to source and deliver products on-time, ALT still has other partners who are able to source for replacement products and deliver to customers, which will protect the Company from such risk.

7. Risk of industrial competition and new competitor

Telecom products distribution business has low barrier to entry for a new competitor who capable for product sourcing from manufacturers or suppliers; domestic and overseas. However, ALT believes that apart from the capability in product sourcing and marketing channels, several factors are required to gain a customer trust such as, an ability to offer selective quality product, on-time delivery, expert advice teams, product integrated service such as equipment installation and repair. With this competency, ALT will be able to maintain its competitiveness. For the business regarding to base station and equipment installation and repair business required expertise, solid financial status and customer trust from previous track records, which cause it to become a relatively high barrier to entry business.

Telecommunication infrastructure leasing business requires large sum of investment, expertise in networking, ability to select a potential location, competency to offer deliver quality service, and managerial policy in acquiring a Right of Way. These are essential factors especially to the Company's telecom infrastructure located on economic strategic location which to cost of access is high, telecom infrastructure sharing therefore becomes an optimum choice for the operators including telecom operators and other companies in the same business with ALT which do not have network infrastructure in the strategic location. With these requirements and limitation, telecommunication infrastructure leasing business can be considered to have low competition.

8. Risk from human resource dependency

Telecom products distribution business requires personnel who are well-knowledge in the business and able to catch up with an advance in technology, to develop or source products that serve the changing demand of customers. Furthermore, in order to manufacture or to import particular telecom products, ALT must abide to laws regarding the control of radio communication equipment which demands well-knowledged personnel regarding importing procedures and procedures to comply with laws and regulations. As for the service business, ALT is depended on expert engineering teams with experience and competency to supervise every processes of work starting from design, construction, installation, and testing, to ensure that ALT will be able to deliver on-time service that meets customer's standard of quality. ALT currently has 9 associate engineers, and in case of the Company to lose these personnel, business operation will be interrupted.

ALT is aware of an importance of human resource to the organization, and attempts to persuade staffs to stay with the Company for long-term mutual growth, by building up solid clear career path, offering appropriate remuneration for each position and education level comparable to other companies in the same industry, and providing appropriate training and skill improvement. Moreover, since ALT operates diversified telecom businesses, the Company therefore offers job rotation for employees to be able to work in their interested area and acquire an opportunity to earn new knowledge, as well as promote better understanding between colleagues from different departments. Furthermore, ALT promotes employees satisfaction on being a part of the organization through several activities to build up employees awareness in their value and importance as a part of organization, to be able to undertake their responsibility and grow together with the Company. According to historical records, average employee turnover takes approximately 5 - 6 years.

9. Risk from shareholders agreement on joint venture and associated company

ALT has signed in shareholders' agreement on a joint venture and an associated company. The agreement defied the type of businesses to be operate by the joint venture and the associated company, agreement regarding the business operations, cancellation conditions and termination conditions of the agreement. In case that ALT fails to comply with the agreement and are filed a lawsuit against, if it causes the agreement to be terminated, the joint venture and associated company will be affected.

However, ALT has been strictly abided to the agreement to minimize the risk of being filed a lawsuit against. Whereas the management of ALT has measured the level of exposure to the risk to be insignificant, since the agreement was established from the intention of both parties who recognized the potential of their counterparty, to support each other business for be able to sustainably grow together. Moreover, ALT has a solid business policy to continue and concentrate on providing products and services to support the telecom operators. The management of ALT, therefore, believe that by entering into the shareholders' agreement, ALT will be able to grow its business along with the counterparty's business.

10. Risk from majority shareholders controlling the managerial policy

After listing in the Stock Exchange of Thailand, ALT's majority shareholders are the management of the Company including ALT Holding Co., Ltd. The management consist of the Executive President and authorized directors of ALT, as a result, the majority shareholders become controlling shareholders who undertake a control of the Company management and hold majority votes for most of important agendas in a shareholders meeting such as director appointment, or other agendas that requires majority votes from shareholders meeting, except the agendas related to legal matters or the Company's articles of association which require three-fourth of shares hold by the shareholders attending the meeting and have voting right. Therefore, other shareholders who attend the meeting and have voting right might not be able to collect the votes for check and balance with the majority shareholders.

However, ALT's managerial structure consist of the Board of Directors and 4 sub-committees including Audit Committee, Risk Management Committee, Nomination and Remuneration Committee, and Executive Committee. Each committee has definite scope of duties and responsibilities, which make ALT managerial system become standardized and accountable. Moreover, out of 8 members of the Board of Directors, 5 members are independent directors. The Audit Committee consists of 3 independent directors who are well-knowledge and able to monitor the Company's operation to ensure the transparency. The Company has separated the role of Chairman from the top authority of the management; the Executive President, into 2 different persons. Such actions would promote check and balance to a certain degree, regarding the matters brought into the shareholders meeting for approval. Moreover, ALT had defied regulations regarding the connected transactions between ALT group and directors, major shareholders, controlling persons or other persons that are possible for the conflict of interest. Those persons as prescribed will not be authorized for approval to enter into the transaction, which will mitigate the potential risk.

11. Risk from non-compliance with business regulations

ALT operates businesses in telecommunication industry and must comply with relevant regulations and rules enforcement such as, Telecommunication Service License, Radio Communication Equipment Import License, or the acquisition of a Right of Way etc. ALT inevitably expose to the risk upon failure to comply with relevant business regulation and expose to penalty risk.

ALT attempts to operate the business with transparency under the principle of good corporate governance. To ensure that the Company is able to legally comply with the relevant regulations, ALT has assigned person to study and follow up with the information regarding the enforcement of regulations and practices, including news and update in the industry, to communicate with government agencies and to collect information regarding the Company's suppliers and report to personnel in relevant departments to be able to comply with the regulations correctly. However, ALT has never been sued due to non-compliance with relevant business regulations.

12. Risk of interest rate

In 2016, 2017 and 2018, ALT's financial expense equaled to 36.38 million Baht, 24.31 million Baht and 42.90 million Baht respectively. A part of the Company's debt is on floating rate. Thus, in case of the rise of interest rate, ALT will suffer from increasing financial expense.

However, after became a listed company in the Stock Exchange of Thailand, some of the capital increase would be pay back for the debt which would substantially lessen the impact of changing interest rate.

13. Risk from business financial liquidity

The major customers which ALT offers base station and equipment installation services, are Thailand's major telecom operators which usually demand for extensive period for final inspection and have several documentation processes, thus ALT's unbilled contract revenue has been increased in proportion to the increase of service contracts, as well as longer cash cycle; from 255.65 days in 2017 to 372.39 days in 2018. ALT expose to the liquidity risk which pressured the Company to get additional sources of business financing while the contract revenue is unbillable. This could be a threat to the Company's profitability since most of the additional financing source are from short-term borrowing.

To minimize the risk, ALT attempted to negotiate with the customers for an adjustment in the inspection and documentation process, to coordinate with the delivery period, which would help the Company to be able to bill for the delivered service within schedule date. ALT also negotiated with suppliers and subcontractors for an adjustment in credit term for products and services, to match with the customer's credit term as much as possible. As for the source of business financing prior the payment due date, several financial institutions has been offering financial support to ALT. Those financial institutions understand the business characteristic of the Company and has been supported the Company through all this time. Moreover, in order to reduce the impact of increasing financial cost on the Company's profitability, ALT has included expected financial cost into the calculation of service pricing and has presented to the customer.

14. Risk from exchange rate

ALT groups both imports and exports the products overseas, in 2016, 2017 and 2018, the Company imported products and services in foreign currencies equaled to 443.72 million Baht, 242.80 million Baht and 209.38 million Baht respectively. ALT exported products and services overseas equalled to 76.46 million Baht, 47.70 million Baht and 21.52 million Baht. Primary foreign currency use by ALT group is US Dollar, which the Company exposed to exchange rate risk. High fluctuation in THB/USD exchange rate causes significant impact on the Company's revenue and profit margin, when import and export amount are converted into THB, ALT might have both currency gains and losses from the exchange rate, if the exchange rate on the entry date significantly defers from the exchange rate used to convert into THB.

Therefore, to mitigate the risk from the fluctuation of exchange rate, the management of ALT group closely monitor the exchange rate, to measure the situation and the trend of exchange rate on different currencies. The Company attempts to minimize the risk by using foreign currency deposit account (FCD) and foreign exchange forward contracts, depending on a decision of the management which complied with the policy that approved by the Board of Directors meeting No. 7/2015 on 15 June 2015. ALT group had forward contract with financial institutions in the amount of 415.20 million Baht and 4.74 million US Dollar. Nonetheless, the Company does not attempt to speculate for foreign exchange.

Industrial status and business trends

technological breakthrough during the past decade has been continuously driving radical growth in telecommunication industry to serve the massive growth in multimedia data traffic, leading to an increasing demand. The growth has been supported by the government's Digital Economy and Thailand 4.0 policies, which emphasized on using digital technology as a tool to develop economic competitiveness of the country via technological innovation in manufacturing and service sectors, and to promote the adoption of advanced digital technology in both government and private sectors as well as in everyday life of people.

Thailand's reformation; in term of digital technology, could not be succeeded without secured telecommunication infrastructure. ALT as a player in the telecommunication industry, is ready to take part in economic and social development in accordance with the government policies. We strives to bring quality products and services to customers via our companies as follows;

1. Telecommunication infrastructure implementation and installation services

- Telecom turnkey site solutions for base stations, and optical networks, including area survey, design, construction, telecom equipment installation and maintenance.
- System engineering service for buildings such as electrical system, air-conditioning system, fire protection system, for base stations.

2. Telecom equipment trading business

- Optical Fiber Cable
- RF Feeder Cable
- Wireless networking hardware and software
- Telecom antenna, either made-to-stock or made-to-order products such as filters and repeaters.
- Telecom shelter and RDU

3. Telecom Infrastructure Lease

- Telecommunication infrastructure; including optical networks, networking equipment and base stations, in economic strategic locations for domestic and foreign telecommunication service providers
- Optical network installation along the railway route throughout the country which can be connected with neighbor countries via 14 border points and 3 cable terminal stations for submarine cable in Rayong and Songkhla - connected to the Gulf of Thailand, and Satun-connected to Andaman Sea.
- High-speed optical cable network for lease in industrial zone which encourage optimization of network topology and the government's Smart City policy.

- Taking part in the Smart City's development as a representative of players in telecom sector to remove communication cables to underground; at the lowest cost, to beautify cityscape for public benefit.
- Wi-Fi network service at 30 stations of BTS provided for telecom service providers which ultimately leads to free Wi-Fi internet for public.

Over the last year of 2018, though there was a sign of consistent growth in telecommunication industry, market competition has been drastically increasing. Radical changes and technology disruptions has vastly affected several players in the industry, including ALT Telecom. The Company has suffered from a delay of revenue generation from the telecommunication infrastructure development business. However, the revenue has been increasing QoQ, towards an upward trend. The Company also has planned to further its businesses by utilizing the existing optical network for other services such as Wi-Fi service in BTS stations, and entering into other relevance businesses such as IoT business, the Smart City and big data analytic business. During the past year, ALT invested in Spotwerkz (Thailand) Co., Ltd; an expert company in data analytic, and expanded itself into an electrical business, which ALT was granted by the Provincial Electricity Authority as a developer of the smart grid development project in Pattaya. Moreover, ALT has reformed its internal organization for better flexibility and efficiency to cope with the business change, and transferred a part of its ownership in SRT Project's optical networks to its subsidiary; International Gateway Co., Ltd ("IG"), to target on cross-country data transfer. The Company is also open for a new business partnership to strengthen and expand its businesses, to be ready for a change and welcome a new opportunity.



Shareholder Structure

Registered and Paid-up Capital

As of 31 December 2018, the Company's registered capital amounted to 625,000,000 Baht, divided into 1,250,000,000 ordinary shares at par value of 0.50 Baht each. The Company's paid-up capital was 508,002,100 Baht, divided into 1,016,004,200 paid-up shares at par value of 0.50 Baht each.

Shareholders

Top 10 major shareholders		Number of shares	% of shares
1	ALT Holding Co.,Ltd	516,000,000	50.79
2	Mrs. Preeyaporn Tangpaosak	69,650,000	6.86
3	Ms. Preeyapun Bhuwakul	69,650,000	6.86
4	Mr. Pyut Bhuwakulwong	59,700,000	5.88
5	Ms. Nattawan Sae-Kung	50,589,300	4.98
6	Thai NVDR Co., Ltd	47,872,790	4.71
7	Mr. Taweechat Chulangkul	46,986,000	4.62
8	Mr. Surin Chunhachatchawankul	5,493,000	0.54
9	Mrs. Piriya Aphitanothai	3,072,300	0.30
10	Mr. Noppadol Tangpaosak	2,794,000	0.27
Top 10 Total		871,807,390	85.81
Grand Total		1,016,004,200	100.00

Shareholder Diversification by Nationality

Type of Shareholders	Number	Number of Shares	%
Juristic Person			
Thai Nationality	6	564,526,290	55.56
Foreigner	1	200,000	0.02
Total of Juristic Person	7	564,726,290	55.58
Individual Shareholder			
Thai Nationality	3,357	451,269,200	44.42
Foreigner	3	8,710	0.00
Total of Individual Shareholder	3,360	451,277,910	44.42
Grand Total	3,367	1,016,004,200	100.00

Shareholder Diversification by Shareholding Proportion

Type of Shareholders	Number	Number of Shares	%
Juristic Person			
Shareholder holding more than 0.5% of shares	2	563,872,790	55.50
Shareholder holding less than 0.5% of shares, but over than one trading unit	5	853,500	0.08
Shareholders holding less than one trading unit of shares	0	0	0.00
Total of Juristic Person	7	564,726,290	55.58
Individual Shareholder			
Shareholder holding more than 0.5% of shares	6	302,068,300	29.73
Shareholder holding less than 0.5% of shares, but over than one trading unit	3,253	149,208,664	14.69
Shareholders holding less than one trading unit of shares	101	946	0.00
Total of Individual Shareholder	3,360	451,277,910	44.42
Grand Total	3,367	1,016,004,200	100.00

Shareholder's agreement regarding a subject affecting the issuance and offering of the Company's securities and the Company's management, of which the Company has entered into an agreement.

-None-

Issuance of Securities

Warrants to Purchase Ordinary Shares holding the bearer's name and being transferable (ALT-W1)

On 30 November 2017, the Company's Extraordinary Meeting of Shareholders No. 1/2017 approved an issuance of warrants to purchase ordinary shares, holding the bearer's name and being transferable, to be proportionally allocated to existing shareholders at the ratio of 4 existing shares per 1 unit of warrant. The units of warrant to be allocated shall not exceed 250,000,000 units and an exercise price equals 3 Baht per share, with an exercise ratio of 1 unit of warrant per 1 ordinary share. The term of warrant is 3 years starting from the issue date which is 19 December 2020. The bearers of warrant can exercise their rights on 15th of every March and September of each year throughout the term of warrant. The first exercise date of the warrant was 15 March 2018 and the last exercise date will be the maturity date of the warrant which is 19 December 2020.

The Company has reserved its registered capital amounting to 125 million Baht for the exercise of ALT-W1 in accordance to the resolution of EGM No. 1/2017 held on 30 November 2017.

On 19 December 2017, the Company allocated ALT-W1 to the existing shareholders totaling 249,988,705 units. As of 31 December 2018, 16,004,200 units of ALT-W1 have been exercised while 233,984,505 units of warrant remained.

Dividend Payment Policy

The Company will pay dividend to shareholders not less than 40 percent of net profit after deduction of all reserves as specified in its individual financial statements. However, the dividend payment can be less than the specified rate depending on necessities in working capital, investment plan and other circumstances relating to the Company's operations specified by the Board of directors. However, the decision shall be done for the best benefit of shareholders.

However, the resolution of the Board of directors on dividend payment must be submitted to shareholders' meeting for approval, in exception of interim dividend which can be approved by the Board of directors and then reported in the next shareholders' meeting.

Historical Dividend Payment of the Company (Separate Financial Statement)

Fiscal Period	EPS (Baht)	Dividend per Share (Baht)	Dividend Payout Ratio (%)	Dividend Payout Date	Type of Dividend
1 Jan 2016 – 31 Dec 2016	0.37	0.10	27.03	25 May 2017	Cash
1 Jan 2017 – 31 Dec 2017	0.09	0.04	46.41	24 May 2018	Cash

Corporate Governance

Corporate Governance Policy

The Board of Directors put an importance on the Good Corporate Governance policy while firmly believes that the good corporate represents effectiveness, transparency, and accountability of the management; which will create trust among shareholders, investors and stakeholders, leading to increasing competency, value-adding and sustainable growth of the Company.

The Company has propagated the corporate governance policy and the code of conduct to the executives, and employees. As for the Company's shareholders and public, the policies were published in the section "Corporate Governance" on the Company's website. The details of the corporate governance policy, which has been improved as commented, are as follows;

1. The Board of Directors

The Board of Directors has appointed 4 sub-committees consisting of an audit committee, a risk management committee, a nomination and remuneration committee, and an executive committee. Chairman of the board does not take a position in any sub-committee to encourage separation of duties and independence in internal control. The Board of Directors has clearly separated the roles and responsibilities of its members from the management's. The details of the Board of Directors and the sub-committees are presented in "Organizational Structure".

2. Nomination and Appointment of the Executives

The Company currently has 8 directors consisting of 5 independence directors and 3 executive directors. The Board of Directors shall select Chairman of the Board and Chairman of Audit Committee from the independent directors. Moreover, for the directors to dedicate their effort to the Company adequately, the Board of Directors has prescribed that the directors should not held a position with more than 5 companies listed in the Stock Exchange of Thailand.

3. Internal Control

The Company has specified an internal control system covering all aspects of the Company including finance and operations, to comply with laws and related regulations. The internal control system has an appropriate balance of power to secure the Company's assets. An approval hierarchy and responsibility of the executives and employees have been as well established and implemented with checks and balances, while the operating procedures have been clearly specified in written documents. Moreover, the Company has setup an independent internal control unit and outsourced the function to an expert outsource provider who regularly assesses and follow-up the Company's internal control, and reports to the Audit Committee quarterly, to ensure that the Company's internal control is trustworthy and meets the international standard.

4. The Corporate Governance of Subsidiaries, Associated Companies and Joint Ventures

For investment in subsidiaries, the Company's representatives shall be appointed for director and managing director positions of each subsidiary, while the number of representative directors depends on the Company's shareholding proportion of the subsidiaries. The representative directors and managing directors must be appointed

by the Company's Board of Directors. In case that the subsidiary's business are presumed to significantly affect the Company, the authorities and responsibilities of the representative directors and executives have been defined by the Company as a guideline for the subsidiary management, which indicate the subjects that require an approval from the Company's Executive Committee or Board of Directors, such as the subsidiary's annual budget, annual budget for fixed asset investment, capital increase and capital reduction etc. Moreover, the representative directors are assigned to ensure that the subsidiaries have appropriate policies for connected transactions, assets acquisition and disposal, other significant transactions, and information disclosure policy which must be in compliance with the Company's. The representative directors must ensure that the subsidiaries' accounting data and documentation are appropriately collected and accountable for timely preparation of the consolidated financial statements of the Company.

As for the associated companies, the Company's representative directors will be appointed proportionally to the Company's shareholding proportion of each associated company. As for the joint ventures, the number of the Company's representative management depends on an agreement with co-investors. As for the investment policies in a subsidiary, an associated company or a joint venture to be established in the future, the Company has a policy to invest in a business benefiting to the Company's current business, a business in growing industry or in the same field of business as the Company. The Company, moreover, prioritizes the rate of returns from the investment.

5. Auditor's Remuneration for the Past Fiscal Year

ALT Telecom Public Company Limited

1. Accounting Audit Fees

The Company's auditors (Mrs.Nattaporn Panudom or Mr.Pisit Thangtanakul or Mr. Paiboon Tankul) for the past fiscal year

- None

The audit firm (Pricewaterhousecoopers ABAS Ltd.) including a person or a firm related to the auditors and the audit firm

- 1,650,000 Baht

2. Other Fees

- None

The Subsidiaries

1. Accounting Audit Fees

The Company's auditors (Mrs.Nattaporn Panudom or Mr.Pisit Thangtanakul or Mr. Paiboon Tankul) for the past fiscal year

- None

The audit firm (Pricewaterhousecoopers ABAS Ltd.) including a person or a firm related to the auditors and the audit firm

- 2,925,000 Baht

2. Other Fees

- None

6. Abidance to the Principles of Good Corporate Governance for Listed Company

The Board of Directors is aware that the Company has to be strengthen in order to stably achieve the goal. Hence the board has been striving to develop the Company's corporate governance and adopted "the Principle of Good Corporate Governance" to organize the Company's structure and relationship with the board, the management and shareholders in order to sustain its competence which will help the Company to grow and increase its value to shareholders in a long run; with concern to other stakeholders.

The Company has determined the corporate governance policy according to the principles specified by the Stock Exchange of Thailand and has set as a mission to continuously maintain the Good Corporate Governance and review the policy on annual basis. Moreover, the Board of Directors has made practical use of the principle of Good Corporate Governance for listed company (2018), to make it suitable to the Company's normal business operation and changing circumstances of the business according to the principles specified by the Stock Exchange of Thailand.

Regarding the Principles of Good Corporate Governance for Thai listed company, the Company received an average score of 84% (Very Good) for its corporate governance, according to the Corporate Governance Report of Thai Listed Company (CGR) prepared by Thai Institute of Directors (IOD).

The Principles of Good Corporate Governance comprises of 5 categories of practice are as follows;

1) Rights of Shareholders

ALT respects fundamental rights and equality of shareholders either minor shareholders or major shareholders. All shareholders have equitable rights as follows;

- The use of record date to scheduling the shareholders' meeting, allowing shareholders appropriate time to consider a meeting invitation and related information prior to the meeting.
- The information on shareholder meeting: The Company shall inform its shareholders of the date of meeting, venue, and meeting agendas at least 7 days prior to the meeting date, for shareholders to have enough time to consider the information in advance. The Company shall publish all information on the Company's website as an additional channel for shareholders to access the information.
- The Company encourage shareholders to participate in decision making on important issues and vote for agenda items, and shall provide an opportunity for shareholders to make an inquiry during a shareholder meeting as to sustain transparency of the meeting and voting process.
- The right to receive sufficient information regarding the Company
- The right to equally receive profit sharing
- The right to participate in the shareholders' meeting. The right to offer an opinion or suggestion to the Board of Directors, and participate in important decisions such as connected transactions, asset acquisition and disposal etc.
- The right to vote for an appointment or a dismissal of director, auditor, or an agenda affecting the Company such as dividend payment, specification or amendment of the Company's articles of association and memorandum of association, capital decrease or capital increase, and special transactions.

- The right to submit a question to the Company which will be included in the agendas for the Annual General Meeting of Shareholders in advance.
- The Company shall facilitate shareholders regarding the shareholder meeting by;
 - Using barcode for registration and voting to increase efficiency and speed of the processes
 - Using a computer application in registration and voting to increase efficiency and transparency of the processes.
 - Offering revenue stamps, free of charge, for proxy holders.
- Prior to the meeting, the meeting conductor shall clarify voting and vote counting procedures for each agenda.
- During the meeting, shareholders have equal rights to express their opinions and ask questions. Inquiries and opinions discussed in the meeting shall be recorded in a minute of meeting.
- After the meeting was adjourned, the Company shall;
 - Disclose the meeting's resolutions and voting score of each agenda through the channels provided by the Stock Exchange of Thailand and the Company's website by the evening of the meeting date.
 - Publish the meeting's minutes through the channels provided by the Stock Exchange of Thailand and the Company's website.

2) Equitable Treatment of Shareholders

The Board of Directors has specified an equitable treatment of shareholders within the Section 2 of the Company's corporate governance policy. In addition to legal practice, the Company has completely abided to the principles of Good Corporate Governance prescribed by the Stock Exchange of Thailand. The Company adheres to an equitable treatment of all shareholders whether they are executive or non-executive, Thai or foreign, major or minor shareholders, to ensure that the Board of Directors and the executives equally disclose information to every group of shareholders.

2.1 Attendance of a Shareholder meeting

A Shareholder meeting is an important channel for the Company to communicate with shareholders. Thus, the Company shall arrange an annual general meeting once a year within 4 months after the end of a fiscal year, while an extraordinary general meeting of shareholders will be arranged as necessary. In case of emergency issues, which directly impacts shareholder benefit or relates to law-abidance, those agendas require shareholder approval, the Company shall send invitation letters for shareholder meeting, enclosed with attachments, to shareholders within the prescribed time limit prior the meeting date and publish the invitation documents on the Company's website.

Shareholders are encouraged to participate in the shareholder meeting, to exercise their right to elect the Board of Directors individually. Shareholders who cannot attend the meeting can apply to vote by proxy. After the meeting, the meeting report shall be prepared within 14 days and published on the Company website.

As the Company has placed importance on shareholder meetings; which is an important communication channel with shareholders, it received 100 score on the assessment of 2018 annual general meeting (AGM Checklist) assessed by Thai Investors Association.

2.2 Treatment of Minority Shareholders

1. The independent directors are assigned to take a role in safeguarding minority shareholders. The minority shareholders can submit their opinion, suggestion, or petition to the independent directors, who shall consider the request as appropriate. For a petition, the independent directors shall investigate the matter and seek an appropriate resolution; for a suggestion and recommendation, if the independent directors deem that it is an important matter affecting the Company's stakeholders as a whole, or affecting the Company's business; the independent directors shall propose to the Board of Directors to put the issue on an agenda of a shareholder meeting.
2. The Company encourages shareholders to vote in an election of the Company's directors separately.
3. The Company shall not allow its shareholders who are the Company's executives to unnecessarily submit an agenda item without advance notice; especially the agenda item which shareholders should have adequate time to consider.
4. The Company encourages shareholders to submit an item for the agenda, or to nominate a person as a director by submitting a profile of the nominated person in advance. The shareholders eligible to submit an agenda or nominate a director must meet the following qualifications;
 - (4.1) Must be the Company's shareholder, either a single or a group of shareholders.
 - (4.2) Must hold at least 5% of paid-up shares.
 - (4.3) Must have held the Company's share consecutively at least 12 months prior to the date of nomination/proposition of the agenda item.

In addition, ALT would abide by laws, regulations, or rules currently enforced, and any relating amendment to be issued by regulators, through announcements, orders and other methods. In such cases, the Company shall abide by the amendment that will be enforced in the future.

2.3 The Use of Insider Information

The Company has setup a policy to prohibit the exploitation of non-public information for personal benefit as follows

- Educate the directors and executives about their responsibility regarding; the securities holding reports of themselves, their spouses and minor children, submitted to the Securities and Exchange Commission, regarding Section 59 and Section 275 of the Securities and Exchange Act. B.E.2535 (1992) (and amendments), and the change in securities holding reports of themselves, their spouses and minor children, submitted to the Securities and Exchange Commission, regarding Section 246 and Section 298 of the Securities and Exchange Act. B.E.2535 (1992) (and amendments).
- Instruct the directors and executives; including their spouses and minors, to prepare and submit the securities holding report and the change in securities holding report, to the Securities and Exchange Commission, according to Section 59 and Section 275 of the Securities and Exchange Act. B.E.2535 (1992) (and amendments). A copy of the reports must be sent to the Company within the same day.
- Directors, executives have to report to the Board of Directors about the transaction of buying (or selling) the Company's stock at least 1 day prior to the execution. In case of infringement, the management must inform the Audit Committee immediately.
- Directors, executives, employees, and contractual employees of the Company, who has accessed to significant internal information, which will impact the Company's securities price, must be aware of trading of the Company's securities during 30 days prior public disclosure of financial statements and during

24 hours after public disclosure of such information. Relating persons are prohibited from sharing the information to third parties until the information has been disclosed to the Stock Exchange.

- Directors, executives, employees, and contractual employees of the Company are prohibited from exploiting insider information; (non-public information), that could cause a change in the Company's securities price, which they received by using their positions or statuses in the Company. Those individuals are prohibited from insider trading, bidding and offering, neither by themselves or through third parties, of the Company's stocks or other securities (if any), whether or not such activities are executed directly or indirectly, for personal benefit or not. Those individuals are also forbidden to disclose the insider information to others to carry out such activities; whether or not the actions would benefit to themselves or others.

2.4 Prevention of a Conflict of Interest

1. Directors and executives must report their stakes on the activities according to the information disclosure guideline of the Stock Exchange of Thailand. For every change of the information, a report must be submitted to the Company's secretary.
2. Director, executive and employees of the Company must disclose their involvement in a transaction which may cause a conflict of interest to the Company immediately or at least before the approval of such transaction. The information must be recorded in a minute of the Board of Directors' meeting, to comply with the regulation or guideline of the Securities and Exchange Commission, the Stock Exchange of Thailand and the Company's policy.
3. A director having a significant stake in any agenda items which may be unable to independently provide an opinion regarding the issue, should restrain from participating in the meeting, and should abstain from voting for the agenda item.

In addition to the above practices, the Company shall abide by laws, regulations, and restrictions currently effective. In case of any changes, update, alteration of the regulations relating to the practices and procedures specified by the governing bodies; the Company shall also comply with the new regulations.

3) Consideration of the Roles of Stakeholders

The Board of Directors has defined the roles of stakeholders within the Good Corporate Governance policy. The Company has completely complied with the principles of Good Corporate Governance issued by the Stock Exchange of Thailand.

ALT holds the principle of equitable and fair treatment of stakeholders consisting of shareholders, customers, employees, suppliers, partners, creditors, competitors, public community and entire society. In order to maintain fairness and transparency, with an awareness of both legal and contractual rights of stakeholders, stakeholder policy has been defined as follows;

3.1 Shareholders

The Company determines to be a good representor of shareholders in generating profit with a consideration toward sustainable growth, transparency, and information disclosure with accuracy, integrity and regularity.

3.2 Customers

The Company endeavors to build up highest customer satisfaction by offering quality products and services within reasonable price and fairness, high quality after-sales services, with a consideration to customer privacy.

3.3 Employees

Employees are valued resource which is important to the Company's growth. Thus, the Company has setup a policy of quality, occupational health and work environment for employees to comply with. A safety policy has been setup with a distinct determination to emphasize the important of health and safety. In 2018, the Company reported none of workplace injury. Moreover, the Company also concerns of employee development in terms of skill, knowledge, expertise and capability; as prescribed in the following 3 topics;

- Knowledge and skill development: The Company offers training and apprenticeship to its employees (See more details in "Personnel Development").
- Expertise development: The Company encourages employees to inspire a new vision and be ready for a change for better efficiency at work.
- Attitude development: The Company instilled a value of self-worth and organizational worthiness in its employees with encouragement via salaries, wages, fringe benefits and career positions; and assessment, both personal and company's performance, via KPI system suitable for the Company's normal business operation. Nevertheless, the Company has encouraged a value of organizational loyalty to limit the amount of turnover rate.

3.4 Suppliers and Partners

The Company strives to establish a concrete and sustainable relationship relied on trust with suppliers and partners, and shall treat each supplier and partner fairly. The Company's procurement process is in accordance with ISO 9001: 2015 - a standard of quality management system. The Company has specified a guideline for the procurement procedure and strictly complied with the terms of contract. The Company has set a policy on supplier selection process as follows;

- Suppliers must have reliable financial profile and capability to grow their business along with the Company in long-term.
- Suppliers must be manufacturers or distributors of products which the quality of products meet the Company's requirement and can be checked.
- Suppliers must provide after-sale support and service.
- Suppliers must comply with intellectual property law; and must not offer any products infringing a patent or a trademark.

3.5 Creditors and Guarantors

The Company has established a policy and practice concerning the treatment of creditors. The Company attaches great important to the condition of guarantees, money management and loan default under the following principles;

- The Company shall provide complete and accurate information to a creditor.
- The Company shall strictly comply with conditions and obligations of an agreement with creditor/guarantor.
- If the Company is unable to follow any criteria of the agreement, the creditor will be informed as soon as possible, to discuss for a resolution.
- The Company has set a money management plan emphasizing on liquidity management to assure on-time repayment.

3.6 Competitors

The Company promotes fair and ethical treatment to the competitors, and shall conduct the business with an aim to develop and move-forward the industry while abide by laws strictly.

3.7 Public Community

The Company is aware of to the importance of society, environment and quality of life of people relevant to the Company's operation. Hence it has participated several activities to preserve environment and community and support culture of the countries which the Company's business located in (More details in "Social Responsibility").

3.8 Regulators Overseeing the Company

With an awareness in laws and regulations issued by the government agencies, ALT attempts to abide by the intention of such of laws and regulations.

3.9 Non-Infringement of Human Rights and Intellectual Property

The Company has specified a policy of non-infringement regarding human rights and intellectual property in every aspect, directly or indirectly, with the code of practices as follows;

1. The Company encourages employees to contribute their knowledge in research and development to invent and create modernized and practical tools, devices and innovation that meet international standard. The development must be original without intellectual property infringement.
2. Employees should comply with intellectual property laws such as trademark law, patent law, license law and other relevance laws etc.
3. The Company shall monitor software and hardware utilized in equipment or office equipment of the Company, to prevent illegal and non-work related software and/or hardware.
4. Upon termination of employment, employees must return all intellectual properties including works to the Company, regardless of the content format.

Communication Channels Available for Whistleblower Reports and Complaints

The Board of Directors has specified a communication channel for whistleblower reports and complaints, from employees or stakeholders, regarding illegal practices, breaches of ethics, or any action indicating corruption or misbehavior of the Company's personnel as well as inaccurate financial reporting or defective internal control. For any channels of communication, the Company shall keep confidentiality of the whistleblowers. The Board of Directors has assigned the Audit Committee to consider reports and complaints of activities suspicious for corruption related to the Company; directly or indirectly, through the following channels;

By Mail:	Chairman of Audit Committee/ Audit Committee/ Secretary of Audit Committee ALT Telecom Public Company Limited 52/1 Moo 5 Bangkruey-Sai Noi road, Bang Sithong sub-district, Bang Kruey district Nonthaburi 11130 Tel. 02-863-8999
By E-mail:	auditcommittee@alt.co.th
Website:	Go to "Contact" section on http://www.alt.co.th

Company Contact:

Board of Directors	Tel.	02-863-8997
	Fax.	02-866-3364
	E-mail	directors@alt.co.th
Company Secretary	Tel.	02-863-8997
	Fax.	02-866-3364
	E-mail	tanyaporn_m@alt.co.th
Investor Relations	Tel.	02-863-8943
	Fax.	02-866-3364
	E-mail	pattarasai@alt.co.th

In 2018, there was no complaint, suspicion, or any action breaching the Company's corporate governance, and code of conduct, relevant laws or the regulations of SEC and SET.

4) Information Disclosure and Transparency

ALT greatly concerns the importance of accuracy, integrity and transparency of information disclosure; financial/non-financial information and other information impacting to the Company securities' price and investor/stakeholder's decision. In accordance to the regulations of the Stock Exchange of Thailand, the Company has defined an information disclosure policy as follows;

1. Principle of Information Disclosure: The Company shall timely disclose significant information to shareholders and investors with accuracy and transparency. The Company is aware of its responsibility to the integrity, accuracy, and reasonableness of financial statements.
2. The Company shall publish the profile and number of attendances of each director, including duties and responsibilities of the Board of Directors and sub-committees, in an annual report.
3. The Company shall, with consideration, ensure that the financial statements reflect actual status and performance of the Company, based on accurate, complete and sufficient accounting information as required by general accepted accounting standard. The Company shall disclose auditing fee and other fee for services provided by the auditor.
4. The remuneration of the directors and executives shall be published in the Company's annual report, as well as the director and executive remuneration policy indicating roles, responsibilities and terms of remuneration of each person.
5. The Company concerns the relationship with shareholders and investors, and has assigned Investor Relationship Department to communicate with investors and shareholders; both individuals and institutions, who want to access the Company's information including financial information, performance report, financial status and the information of transaction affecting the Company. The Company shall regularly arrange a meeting for analyzing an annual performance.

Investor Relations

The Company acknowledges that all information regarding the Company including financial or non-financial information can affect investment decision of investors and stakeholders. The management gives precedence to accuracy, trustworthiness, regularity of information disclosure in accordance to the requirement of SEC and SET. Thus, the Company has established an investor relation department as a communication center to disclose and

distribute information to public and investors, including financial reports, business performance and trends, and other key information affecting the Company's security price. The department also controls quality of information to be equally disclosed to investors and stakeholders. The Company reported its performance and disclosed related information, via both direct and indirect channels, as follows;

- **Direct Channel:** The Company arranged activities for shareholders, securities analyst, investors and employees to receive updates on its performance; such as analyst meeting, roadshows, and conferences held in Thailand and foreign country.
- **Indirect Channel:** The Company disclosed information regarding the Company, performance, financial reports, information memorandums and reports, which have been published on the Stock Exchange of Thailand's website, on the investor relations section of the company website (www.alt.co.th). The disclosed information was published in Thai and English and are regularly updated.

For more details, investors and concerned persons please find the investor relation contact in "Corporate Governance - Section 3: Company Contact Information"

5) The Board of Directors' Responsibilities

The Board of Directors has duties and responsibilities, as committed to shareholders, to manage the Company in compliance with laws, the Company's objectives, the articles of association, and the resolutions of lawful shareholders' meeting. Roles, duties, responsibilities of the Board of Directors shall be in accordance to the Board of Directors' charter (More details in "Organization Structure") and the Company's Good Corporate Governance policy. The practices are as follows;

1. The Board of Directors shall regularly revise the corporate governance policy and practices at least once a year.
2. The Board of Directors shall specify the code of conducts in written documents to promote acknowledgement on ethical standards of the Company to directors, executives, and employees. The Board of Directors will monitor compliance with the code of conducts and will revise the policy in response to any internal and external change.
3. The Board of Directors shall cautiously consider any issues related to conflict of interests, transactions that might cause conflict of interests shall be considered with solid decision criteria prioritizing the benefit of the Company and its shareholders. A person who has a conflict of interest with the transaction shall not be a part of decision making. The Board of Directors shall ensure the procedures have been conducted in accordance to the policy, and information regarding the transaction was disclosed completely.
4. The Board of Directors shall arrange for a control system for operation, financial reporting, and regulation and policy compliance. The Board of Directors will also appoint an independent person or an independent unit to be responsible for the internal control audit and shall revise key functions at least once a year.
5. The Board of Directors shall regularly receive a report from the management regarding the risk management and shall revise or assess the effectiveness of the Company's risk management at least once a year.
6. The Board of Directors or the Audit Committee shall report their opinions regarding the adequacy of internal control system and risk management within the Company's annual report or other necessary channels.

The Board of Directors commits to perform its duties in compliance with the Good Corporate Governance to ensure transparency and effectiveness of the Company's business operation, and to ensure that the Company is responsible for every stakeholder which the Company has been complied with the principles of Good Corporate Governance of listed company. As for the noncompliance issues, the Company shall consider and apply the principles with its operations later on.

5.1 Terms of the Board of Directors

The Board of Directors prescribed the qualification of an “independent director” in accordance to the requirement of the Securities and Exchange Commission (SEC) and the Stock Exchange of Thailand (More details in “Organization Structure: Independent Director”). Moreover, a person can be in the position of independent director for not over than 9 years from the first appointment, except for a necessary reason. According to the article of associations, for each annual general meeting of shareholders, one-third of the directors who are in the position at the time must resign. In case that the number of directors cannot be perfectly divided by three, the number of directors to resign must be the closet number. In the first and second year of the company registration, the directors must draw lots to resign. As for later years, the directors with the longest term must resign. The resigned directors are eligible for re-election.

In case of vacant seat on the Board due to circumstances other than the end of term, during the next meeting of the Board, the remaining directors shall appoint a qualified individual without any legal prohibitions as a replacement, except that remaining term of the resigned director is less than 2 months. The replacement director’s term equals to remaining term of the resigned director. The resolution of the Board must be approved by not less than three-fourth of the remaining directors.

5.2 The Board of Directors’ Meeting

1. Meeting Schedule:

Each year, the Board of Directors shall schedule its regular meetings in advance; excluding a special meeting, and inform every director of the meeting schedule. The Company has specified that the Board of Directors shall arrange the meetings regularly, at least every 3 months, to consider the Company’s financial report, policy and performance monitoring. In case of a special meeting, the Board of Directors must attend the meeting promptly.

2. Invitation Letter:

The company secretary will prepare an invitation letter for the Board of Directors’ meeting indicating date, time, venue, and agendas altogether with the enclosures to the Audit Committee and meeting participants 7 days in advance prior to the meeting date, in order to provide adequate time for the participants to consider the details of each agendas or request for additional information. The invitation letter must specify agenda items which need to be approved, attached with complete relevant information.

3. Number of Meetings:

The Board of Directors shall arrange a meeting at least every 3 months, depends on situation and necessity. In case of 2 directors, at least, cautiously request to have a meeting, the Company must arrange the Board of Directors meeting within 14 days after receiving the request.

4. Meeting Participants:

The quorum of the Board of Directors’ meeting must consist of not less than 75% of total number of directors. The Board of Director may invite sub-committee’s members, executives, external auditor or internal auditor to participate in the meeting upon necessity.

5. Voting:

Meeting resolution is decided by majority voting. In case of indiscrete voting result, the Chairman may vote for an additional vote as a decisive vote. However, for the agenda relating to any of directors, the director who has conflict of interest must abstain his vote for the agenda.

6. Minute of the Meeting:

The company secretary is responsible to taking a minute of the meeting. Since the directors participating in the meeting are responsible for their decision, directors having different opinion from the others or abstaining their vote, must be recorded in the minute of the meeting, to determine their responsibility regarding the agenda. The Company has to prepare a minute of the Board of Directors' meeting within 14 days after the meeting date, and keeps the minute within the head office. The Company must be able to rapidly send a copy of the minute to a director as per requested.

5.3 Self-Assessment of Directors

The Board of Directors and sub-committees shall carry out a self-assessment for themselves as a whole and separately at least once a year, which the Board of Directors shall evaluate their performance and determine problematic issues to solve and improve the performance (More details in "Organization Structure: Assessment of the Directors").

5.4 Director's Remuneration

1. The Board of Directors' remuneration is determined by comparable practice in the industry, experience, accountability, responsibilities, and expected contribution of each director.
2. The remuneration of the President and executives shall be in compliance with a policy specified by the Board of Directors which is approved by the meeting, for the best benefit of the Company.
3. The performance of the President shall be annually evaluated by non-executive directors which will be a reference for the determination of the President's remuneration, according to the tangible criteria committed to the President.

More details are available in "Organization Structure: Directors' Remuneration"

5.5 Development of the Directors and Executives

1. The Board of Directors encourages the Company train and educate, by an internal or external instructor, personnel involved in the Company's corporate governance to promote continuous improvement.
2. The management shall provide resources and information, including profiles of the Company and its business, for a newly-appointed director to help the new director carry out his duties.
3. The Board of Directors has specified that the President shall report a development and succession plan at least once a year, to support the growth of the Company and to be prepared for the circumstance that a person in the position is unable to conduct his duties.

Abidance to other topics of the principle of corporate governance.

Throughout the year of 2018, the Company has strictly abided by the principle of corporate governance for listed company as specified by the Stock Exchange of Thailand, excepted for some topics which the Company is currently in preparation and cannot completely comply with, including;

1. Preparation of a sustainability report according to the standard of Global Reporting Initiative (GRI); or the establishment of Corporate Government Committee (director level)
2. Corruption risk assessment within an organization
3. Succession planning for director level.

Social Responsibility

Social Responsibility intends to operate the business with responsibility for society, environment and community which the Company's business involved with. To encourage participation leading to sustainable growth, the Company has been arranging multiple activities consecutively. ALT has set 8 social responsibility policies as follows;

1. Fair Business Conduct

The Company shall encourage fair competition and avoid any activity that might cause a conflict of interest and intellectual property infringement, and promote social responsibility throughout the business chain.

2. Anti-corruption

ALT is against a corruption either within or outside the organization, to promote transparency and accountability of the business. The Company cooperates with other companies against any kind of corruption and encourage its employees to aware of anti-corruption practices.

3. Respect for Human Right

The Company treats all related parties; employees, communities and society, with respect and, will not breach their basic human rights. All parties are encouraged to participate and provide their opinion to identify a problem occurred and seek a solution together with the Company.

4. Fair treatment at work

The Company shall treat all employees equally and fairly, by providing employee welfare, secured and hygiene workplace as well as promoting learning and training to further their professional mastery. The Company encourages improvement in work procedure and the employees' participation in social activities, to bring the benefit, directly or indirectly, to the society.

5. Responsibility to Consumers

The Company shall deliver service without causing any harm to consumers and environment and shall maintain the service standard at expected or higher level of quality with fair terms, and will provide accurate information of products and services without exaggeration, and shall not wrongfully exploit customers' confidential information for benefit of the Company or relating parties.

6. Environment Protection

The Company shall assess environmental risks and hygiene of every business activity, and shall promote efficient resource utilization and energy saving in accordance to international practices.

7. Community and Social Development

The Company encourages business involvement to support an improvement in the quality of life, by building up economy and strengthening neighbouring communities as well as Thai society.

8. Develop and Publish Innovation

The Company supports new creations and encourages the stakeholders to engage in innovation to balance between values of the community, society and environment, and a sustainable growth of the business.

In 2018, the Company carried out various activities concerning social responsibility as follows;

Children's Day Gift Give Away 2018

The Company organized activities for children with the importance of children in mind, because children are important to a country's development, while the Company wants children to be happy. Therefore, the Company has given away Children's Day gifts to them. In 2018, the Company arranged Children's Day activities for the children at Wat Ruak Bang Si Thong School; a school in neighbour community of the Company's head office, located in Bang Si Thong subdistrict, Bang Kruai district, Nonthaburi. Another activity was held at Wat Klong Toey Nai Community, Bangkok, which is the community located in the same neighbourhood with the Company's project worksite.



Staffs movie meet up; influencing inspiration "2,215 Chuea Baa Kla Kao"



The Company arranged an activity for the staffs to watch the film; "2,215" which is inspired by the true story during 5 days of the Kao Kon La Kao project. The Company then contributed a donation, on 26 September 2018, to the Faculty of Medicine Siriraj Hospital, Mahidol University, for patient care at the Navamindrapobith 84th Birthday Anniversary Building.



Blood Donation Program



On 13 October 2018, to commemorate the King Bhumibol Adulyadej, on the 729th date of his passing, the Company arranged a blood donation activity.

Telecommunication Professional Qualification Test (FTTx Level 2)

The Company cooperated with Thailand Professional Qualification Institute (public organization) and the KMUTT to arrange the professional qualification test in Telecommunication (FTTx Level 2) on 16 November 2018. The cooperation was under the MOU between the Company and the KMUTT to encourage and develop academic cooperation, professional standard and professional qualification in “Telecommunication”. ALT has sponsored for venues, equipment, and specialists for the proficiency test and the professional qualification examination, in cooperate with Thailand Professional Qualification Institute (public organization) and the faculty members of KMUTT. The purpose of the cooperation is to encourage students to apply theoretical knowledge in practical use, and work with the best efficiency.



No Gift Policy Charity Project: A donation for Thailand Research Fund to support researches and studies of the Faculty of Medicine Siriraj Hospital, Mahidol University



The Company emphasizes the significance of conducting the business on the principles of good governance, morality, transparency and fair treatment to every related party and stakeholder. Thus, in compliance with the Company's code of conduct, the Company has adopted a policy to refrain from giving gift baskets, gifts, feast or other benefit to all stakeholders during New Year festival and other festive seasons. In accordance with the No Gift Policy, on 20 December 2018, the Company made a donation from the gift budget to Thailand Research Fund, to support researches and studies of the Faculty of Medicine Siriraj Hospital, Mahidol University, amounting to 200,000 Baht.



Related Transactions

ALT and subsidiaries have agreed to enter into transaction with related persons. The transactions are normal business transactions of the Company and subsidiaries and are in the normal course of business, in compliance with The Securities and Exchange Act No.4 (B.E. 2551) Section 89/12 (1).

The Company has set policy and procedures regarding an approval on related transaction which were approved by the Board of Directors during the Board of Directors meeting No. 7/2015 on 15 June 2015. In case where it is necessary for the Company to enter into transaction with an interested person which has possible conflict of interest, the Audit Committee will provide an advice regarding the necessity and appropriateness of the transaction. If the Audit Committee does not have appropriate competency to consider potential related transaction, the Company will appoint independent expert or accounting auditor of the Company to provide an advice regarding the transaction as a reference to support a decision of the Board of Directors and/or the Audit Committee and/or the shareholders, depending on the matters. Whereas the interested person or the person with possible conflict of interests on the transaction will not eligible to cast a vote for approval on the transaction.

Moreover, the audit committee shall review transaction between the Company and subsidiaries and connected persons in every quarter, to carefully eliminate the conflict of interests in concern of the Company's overall benefit. As for the fiscal year ended 31 December 2018 and 31 December 2017, ALT and subsidiaries had entered into transaction with related persons which have been disclosed by the auditor in the note to financial statements audited, and reviewed by the Audit Committee with comments on the transaction that all related transactions are reasonable, in the normal course of business, as described below;

Related company/ Relationship with the Company	Transaction type	Consolidated financial statements		Separated financial statements		Reasonableness and necessities
		Transaction amount for fiscal year ended 31 December				
		2018 Baht	2017 Baht	2018 Baht	2017 Baht	
1. ALT Holding Co., Ltd The company holds 50% of ALT's shares and both companies share the same directors as follows; 1. Mr. Pyut Bhuwakulwong 2. Mrs. Preeyaporn Tangpaosak 3. Ms. Preeyapun Bhuwakul	ALT borrowed from ALT Holding Co., Ltd for its business operation Other transactions Dividend Payment	20,360,000	50,000,000	20,360,000	50,000,000	
2. Information Highway Co., Ltd ("IH") ("Joint venture") ALT holds 71% of shares and both companies share the same directors as follows; 1. Mr. Pyut Bhuwakulwong 2. Mrs. Preeyaporn Tangpaosak 3. Ms. Preeyapun Bhuwakul	ALT and subsidiaries offered construction service and sold telecom equipment to IH Sales and services Revenue from sales Revenue from services Revenue from management service Revenue from rental and common charge Other revenue Trade account receivables Other receivables Accrued income Lending and borrowing Interest received Accrued interest Lending	1,087,816 18,577,254 7,256,952 1,155,492 - 17,277,563 6,722,868 1,206,000 19,220,410 17,716,027 406,000,000	14,467,574 14,444,137 9,142,449 1,204,452 278,389 1,858,565 998,713 - 16,854,247 - 350,000,000	841,816 2,540,350 7,256,952 1,155,492 - 695,303 6,718,368 1,206,000 19,220,410 17,716,027 406,000,000	10,692,174 - 9,142,449 1,204,452 225,889 197,629 998,713 - 16,854,247 - 350,000,000	ALT and subsidiaries sold products/services to IH at the same price ALT offered to other customers of comparable products/ services IH rent partial of ALT's office space at comparable rental fee in comparison to nearby office buildings

Related company/ Relationship with the Company	Transaction type	Consolidated financial statements		Separated financial statements		Reasonableness and necessities
		Transaction amount for fiscal year ended 31 December				
		2018 Baht	2017 Baht	2018 Baht	2017 Baht	
3. Group Tech Solutions Co., Ltd ("GTS") ("Subsidiary") ALT holds 99.99% of shares and both companies share the same directors as follows; 1. Mr. Pyut Bhuwakulwong 2. Mrs. Preeyaporn Tangpaosak 3. Ms. Preeyapun Bhuwakul	GTS provided network installation service and sold equipment for base station to ALT. ALT sold telecom shelters and telecom equipment to GTS					
	Sales and services					
	Revenue from sales and services	-	-	3,450,249	1,941,951	ALT sold telecom shelters and telecom equipment to GTS at the price comparable to normal customers
	Revenue from management service	-		8,272,680	4,898,253	GTS rent partial of ALT's office space at comparable rental fee in comparison to nearby Office buildings
	Revenue from rental and common charge	-	-	4,937,290	5,726,136	
	Other revenues	-	-	-	-	
	Trade account receivables	-	-	86,670	-	
	Other receivables	-	-	1,156,533	937,621	
	Purchase of products and services		-			
	Network installation service	-		237,520,009	221,490,558	ALT hired GTS to deploy fiber-optic cable networks
	Network maintenance service	-	-	40,105,510	-	
	Trade account payable	-	-	240,491,429	183,679,761	
	Lending and borrowing					
	Interest received	-	-	1,927,397	8,537,671	ALT provided a loan to GTS for its business operation.
	Interest payment	-	-	1,286,301	-	
	Lending	-	-	-	105,000,000	
	Borrowing	-	-	84,000,000	-	
	Others					
	Dividend received	-	-	-	179,998,380	

Related company/ Relationship with the Company	Transaction type	Consolidated financial statements		Separated financial statements		Reasonableness and necessities
		Transaction amount for fiscal year ended 31 December				
		2018 Baht	2017 Baht	2018 Baht	2017 Baht	
4. Innova Telecommunication Co., Ltd ("INN") ("Subsidiary") ALT holds 99.75% of INN's shares and both companies share the same directors as follows; 1. Mr. Pyut Bhuwakulwong 2. Mrs. Preeyaporn Tangpaosak 3. Ms. Preeyapun Bhuwakul	ALT charged management fee from INN Sales and services Revenue from management service Revenue from rental and common charge Other revenues Other receivables Lending and borrowing Interest payment Borrowing	- 				

Related company/ Relationship with the Company	Transaction type	Consolidated financial statements		Separated financial statements		Reasonableness and necessities
		Transaction amount for fiscal year ended 31 December				
		2018 Baht	2017 Baht	2018 Baht	2017 Baht	
6. International Gateway Co., Ltd (“IG”)(“Subsidiary”) ALT holds 99.99% of shares and both companies share the same directors as follows; 1. Mr. Pyut Bhuwakulwong 2. Mrs. Preeyapom Tangpaosak 3. Ms. Preeyapun Bhuwakul	ALT sold products and network equipment to IG Sales and services Sales of products and equipment Other income Trade account receivables	-	-	584,187,268	-	ALT sold product and equipment at cost price plus markup ALT charged consultant fee for USO license
7. Thai Thanan Co., Ltd (“Thai Thanan”) (“Subsidiary”) ALT holds 99.99% of shares and both companies share the same directors as follows; 1. Mr. Pyut Bhuwakulwong 2. Mrs. Preeyapom Tangpaosak 3. Ms. Preeyapun Bhuwakul	Sales and services Other income	-	-	100,000	-	ALT charged consultant fee for USO license
8. Spotwerkz (Thailand) Co., Ltd (“SWT”) (“Associated company”) ALT holds 45.19% of shares and both companies share the same directors as follows; 1. Ms.Preeyapun Bhuwakul 2. Mrs. Preeyapom Tangpaosak	Sales and services Advance received	-	-	12,705,000	-	ALT received a rent in advance for BTS-WIFI network equipment
9. Telecom Solutions Provider Co., Ltd (“TSP”) (“Associated Company”) ALT holds 30.00% of shares and shares the same directors as follows; 1. Mr. Pyut Bhuwakulwong 2. Mrs. Preeyapom Tangpaosak	ALT offered a loan to TSP to use as initial funds Sales and services Interest received Accrued interest	-	-	-	-	ALT offered a loan to TSP to use as initial funds for company registration with an interest rate of 6.63% per year
		10,989	10,989	10,989	10,989	

Report from the Executive Committee

Dear shareholders of ALT Telecom Pcl.,

In 2018, telecommunication market remained in deceleration. Thus, ALT planned its organizational strategies to be coordinate with Thailand's strategic plan, then strengthen the Company with new business utilizing the Company's telecommunication network to full capacity, and established new business alliance to further and enhance the Company's potentiality. The Executive Committee consists of 6 members as follows;

- | | |
|-------------------------------|--------------------------------------|
| 1. Mrs. Preeyaporn Tangpaosak | Chairman of Executive Committee |
| 2. Mr. Pyut Bhuwakulwong | Vice-Chairman of Executive Committee |
| 3. Ms. Preeyapun Bhuwakul | Member of Executive Committee |
| 4. Mr. Somboon Setsuntipong | Member of Executive Committee |
| 5. Mr. Sirin Promchot | Member of Executive Committee |
| 6. Mrs. Samorn Deeseng | Member of Executive Committee |

As for the year 2018, the executive committee has arranged 5 meetings to consider the important matters to be proposed to the board of directors with an advice from the committee, which can be summarized as follows;

1. Proposition of the Company's draft business plan and targets, altogether with a strategic plan to achieve the goal prescribed in the Company's vision and mission.
2. Monitoring and report on performance of the Company and its subsidiaries on quarterly basis, to measure accomplishment according to the plan.
3. Considering, review and approval on a business plan, an annual budget and an investment plan of the Company, prior to proposing the plans to the board of directors for approval.
4. Considering the Company's position structure and appointed the executives to work in the key personnel positions.

The executive committee has carried out their duties cautiously, transparently, honestly and reasonably, with a reference on relevance information in all respects. The committee prioritized the best benefit of shareholders and all stakeholders and oversaw the Company to ensure that the business operation is compliant with laws and the good corporate governance policy, to promote sustainable growth of the Company.



(Mrs. Preeyaporn Tangpaosak)
Chairman of Executive Committee

Report from the Audit Committee

Dear Shareholders of ALT Telecom Pcl.,

As appointed by the board of directors, the audit committee of ALT Telecom Public Company Limited (“the Company”) consists of independent directors who are professional, knowledgeable and experienced in finance and accounting, and fully qualified in compliance with the audit committee charter. The audit committee comprises of the following members;

- | | |
|---------------------------------------|-----------------------------|
| 1. Gen. Sittisak Tayparsit | Chairman of Audit Committee |
| 2. Assoc. Prof. Suchart Laopreeda | Audit Committee |
| 3. Assoc. Prof. Dr.-Ing Panit Pujinda | Audit Committee |

The audit committee has carried out its duties independently according to the charter approved by the Board of Directors, to ensure that the Company’s business operation has appropriate level of corporate governance, in compliance with regulations of the Securities and Exchange Commission (SEC) and the Stock Exchange of Thailand (SET). In 2018, the Audit Committee had 4 meeting with perfect attendance, which the auditors and the internal auditors were invited to attend the meeting as necessary for their opinion regarding important matters without participation of the management. Details of the meetings can be summarized as follows;

1. Review of Financial Reports

The audit committee reviewed the Company’s quarterly and annual financial report, including the consolidated financial statements of the Company and its subsidiaries. Before the financial reports were reviewed by the audit committee and proposed to the board of directors, the accounting manager, the auditor and the internal auditors were requested to clarify and provide information as required by the audit committee regarding accuracy and completeness of the financial statements, the significant adjustments to the financial statements, and adequacy of disclosure as well as the auditor’s opinion on the financial statements. Moreover, the audit committee made a discussion with the auditors and the Company’s executives regarding the Company’s readiness to prepare the financial statements in accordance with the financial reporting standards; IFRS 9 Financial Instruments, which will be effective in 2019.

The audit committee has concluded that the financial statements of ALT Telecom Public Company Limited are presented fairly, in all material respects in accordance with the financial reporting standards. The financial statements have been prepared completely, timely and consistently, with appropriate disclosure of information benefitting to investors and users of the financial statements.

2. Review of Connected Transactions or Transactions that might cause a conflict of interest

The audit committee reviewed the appropriateness of the procedure relating to the connected transactions or the transactions that might cause a conflict of interest during the year, to ensure that the transactions are fair, reasonable and for the best benefit of the Company. The review of the connected transactions is one of the primary meeting agenda items of the audit committee. The committee has overseen the disclosure of the transaction to ensure the information was disclosed completely, lawfully and in compliance with notifications of the Securities and Exchange Commission and the Stock Exchange of Thailand.

3. Consideration of nomination and remuneration of the auditor for 2018.

The audit committee considered the nomination and remuneration of auditors for 2018 based on the auditor's independence, qualification, competency and expertise in financial statement auditing presented during the previous year, and the auditing fee. The audit committee suggested an opinion to the board of director to seek approval of shareholders at the annual general meeting 2018 to appoint Mr. Pisit Thangtanagul CPA 4095 and/or Mrs. Nattaporn Panudom CPA 3430 and/or Mr. Paiboon Tunkoon CPA 4298 from Pricewaterhousecoopers ABAS Ltd. as the Company's auditors for 2018.

4. Internal Control and Internal Audit

The audit committee has overseen the Company's internal audit to ascertain that the internal audit procedure is independent and effective, by review of internal audit reports prepared by the internal auditors on a quarterly basis according to the internal audit plan which governs all major business activities of the Company. The audit committees offered recommendations to improve the effectiveness of the Company's internal control, and reviewed the Company's internal control according to the COSO framework of internal control as required by the Securities and Exchanges Commission and the Stock Exchange of Thailand. There was no subject matter or fault that can possibly affect the Company significantly, representing that the Company has been placing value on the internal control and it can be reasonably assured that the Company's internal control is adequate, efficient and effective.

5. Compliance with the laws applicable to the securities and exchanges, regulations of the Stock Exchange of Thailand and/or the laws relevant to the Company's business

The audit committee has supervised and monitored the Company and its subsidiaries to ensure their regulatory compliance with rules, regulations and laws applicable to the securities and exchange, the regulations of the Stock Exchange of Thailand and/or the laws applicable to the Company's business. No indication of incompliance or breach of the relevant regulations, rules and laws has been found.

6. Review and Update of Audit Committee Charter

The audit committee reviews and update the audit committee charter on annual basis to ascertain that the charter complies with the regulations and the best practice of the Securities and Exchanges Commission and the Stock Exchange of Thailand. The committee has evaluated its performance in accordance with the best practice specified by the Securities and Exchange Commission and the Stock Exchange, and the result was at satisfied level in which the committee has completely carried out its duties, as prescribed in the charter of audit committee approved by the board of directors, with expertise, knowledge and independence of the committee's members. The committee also consistently assisted the management and the board of directors by providing opinions and suggestions.



(General Sittisak Tayparsit)
Chairman of Audit Committee

Report from the Risk Management Committee

Dear Shareholders of ALT Telecom Pcl.,

ALT Telecom Public Company Limited places important on managing the risks affecting the Company's business and had appointed the risk management committee consisting of the following members;

1. Mr. Pyut Bhuwakulwong	Chairman of Risk Management Committee
2. Assoc. Prof. Suchart Laopreeda	Risk Management Committee
3. Assoc. Prof. Dr.-Ing Panit Pujinda	Risk Management Committee
4. Mr. Satian Tantanasarit	Risk Management Committee
5. Mr. Narong Ongartmaneerut	Risk Management Committee
6. Mrs. Preeyaporn Tangpaosak	Risk Management Committee
7. Ms. Preeyapun Bhuwakul	Risk Management Committee

During 2018, the risk management committee had 2 meetings and carried out its duties as prescribed in a charter of the risk management committee for the year 2018, which the Company's management was invited to the meeting as appropriate. The major activities of the committee were as follows;

1. Review the risk management policy and the risk management committee charter for the year, to appropriately specify the scope of work
2. Consider investment risk of the Company's major projects. The risk management committee has freely provided their advice and suggestions, to ensure that all important risk factors have been fully considered and appropriately controlled to an acceptable level, and to ensure that the risk management procedure was adopted consistently.

The risk management committee has advised and provided their opinion freely, cautiously and appropriately, with their qualification, knowledge and experiences. The committee has suggested a risk management framework to the management, for the Company to efficiently operate its business and achieve the goal which was set under the acceptable level of risk, to be suitable for the current situation and future trend of the business. The goal must be fully in accordance with the good corporate governance practice as well as the rules, regulations and relevance laws.



(Mr. Pyut Bhuwakulwong)
Chairman of Risk Management Committee

Report from the Nomination and Remuneration Committee

Dear Shareholders of ALT Telecom Pcl.,

The nomination and remuneration committee comprises of 3 independent directors and executives, with one of the members being qualified as an independent director. Members of the committee are as follows;

- | | |
|-----------------------------------|---|
| 1. Assoc. Prof. Suchart Laopreeda | Chairman of Nomination and Remuneration Committee
/ Independent Director |
| 2. Mr. Pyut Bhuwakulwong | Member of Nomination and Remuneration Committee
/ Executive Committee |
| 3. Mrs. Natika Pradujtanachot | Member of Nomination and Remuneration Committee |

In 2018, the nomination and remuneration committee has arranged a meeting and reported the meeting results and the committee's opinions and suggestions to the board of directors. The major activities of the committee are as follows;

1. Nominated and proposed suitable persons to be appointed as the Company's director in replacement of those retired by rotation and/or resignation, and/or to be appointed as an additional director of the Company.
2. Select a qualified person from the nominated list to take a position of the Vice President of Information Technology and specified appropriate remuneration for the recruitment.
3. Evaluate the performance of the Executive President and proposed to the board of directors' meeting for approval.
4. Specified the remuneration criteria and policy for the board of directors and other sub-committees, and proposed to the board of directors.
5. Specified the necessary and appropriate remuneration of the board of directors, either in monetary term or not, to be suitable with obligations, responsibilities and performance of the board, compared with peer companies and expected benefit the Company will receive from the board. The remuneration was proposed to the board of director for consideration and proposed to the shareholders' meeting for approval.
6. Clarified and answered to questions regarding the remuneration and the nomination of directors to the shareholders meeting.

The nomination and remuneration committee thoroughly and appropriately carried out its duties as assigned with caution, care, transparency, faithfulness and transparency, while taking into account the best benefit of shareholders and stakeholders. The committee fully researched relating information and encouraged each member of the committee to express their opinion independently and creatively, according to the responsibilities prescribed in the charter of nomination and remuneration committee.



(Assoc. Prof. Suchart Laopreeda)
Chairman of Nomination and Remuneration Committee

Report on the Board of Directors Responsibilities for Financial Reports

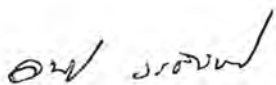
Dear Shareholders of ALT Telecom Plc.,

The Board of Directors is responsible for financial statements of ALT Telecom Plc. and consolidated financial statements of ALT Telecom Plc. and the subsidiaries, including financial information which published in the annual report. The consolidated financial statements of the Company and subsidiaries and the separated financial statement for fiscal year ended 31 December 2018 has been prepared in accordance with general accepted accounting principles of Thailand. In the preparation of these financial statements, proper accounting policies have been employed and consistently adhered to, including careful consideration, prudent and reasonable estimations, and appropriate information disclosure in the note to the financial statements.


The Board of Directors has arranged for proper and efficient internal control system and internal audit system. The Audit Committee, which entirely comprised of independent directors, was appointed by the Board of Directors to audit and review the Company's financial reports, internal control, and risk management, as well as information disclosure of the related transactions, compliance with the laws and regulations relating to the Company's business, to ensure that the Company's accounting records were accurate, complete and sufficient as a safeguard to protect the Company's asset and prevent fraud or significant abnormality. Whereas the opinion of the Audit Committee regarding the issues have been disclosed in a report of the Audit Committee stated in this annual report.

The Company's financial statements have been audited by the Company's accounting auditor; Pricewaterhousecoopers ABAS Ltd. and received unqualified opinions reflecting the Company's financial status and performance for the benefit of shareholders and investors.

The Board of Directors had an opinion that the Company's internal control was, in overall, on satisfied level. The Company has been abided by Thai financial reporting standard and other relevance laws and regulations. Thus, the financial reports of ALT Telecom Public Company Limited; both the consolidated and separated financial reports, and the financial reports of its subsidiaries for the fiscal year ended 31 December 2018 are accountable.



(Mr. Anant Voratitipong)
Chairman of the Board



(Mrs. Preeyaporn Tangpaosak)
President

Analysis Of Operating Results

Throughout the year 2018, telecommunication business has been consistently challenged by intense competition. Business sector remains within the flow of change from traditional to online platform at accelerating pace, while the government sector has been providing supports through the digital economy policy, for the business sector to make a leap forward development. The implementation of the policy started from a development in telecommunication infrastructure in order to provide equitable accessibility and coverage. Thus, the growth of telecommunication business is a crucial factor relating to the growth of other businesses.

Operating Results

For the year 2018, the Company reported a decrease in revenue and profit comparing to the previous year, primarily from an investment slowdown of mobile phone operators and internet service providers. The Company's revenue from telecom network service was not enough to cover the cost of services which mostly is fixed costs. However, the Company well acknowledged the issue and has been adapted its business strategies to increase revenue from customers in other industries, to compensate a reduction of revenue from the existing sources.

The Company's operating results for the year 2018, regarding the consolidated financial statements, are as follows;

Statement of Profit and Loss	2018		2017		Increase/(Decrease)	
	M. Baht	%	M. Baht	%	M. Baht	%
Total revenues	853.7	100%	1,258.1	100%	(404.4)	-32%
Total costs	(919.8)	-108%	(1,023.7)	-81%	(103.9)	-10%
Gross profit	(66.2)	-8%	234.4	19%	(300.6)	-128%
Other incomes	37.9	4%	39.8	3%	(1.9)	-5%
Selling, general and administrative expenses	(206.8)	-24%	(174.4)	-14%	32.4	51%
Profit (loss) from exchange rate	0.5	0%	2.2	0%	(1.7)	-78%
Share of profit (loss) from investments in associates and joint ventures	(24.9)	-3%	(1.5)	0%	(23.4)	-242%
Financial expenses	(42.9)	-5%	(24.3)	-2%	18.6	76%
Profit before taxes	(302.4)	-35%	76.1	6%	(378.5)	-497%
Income tax (expense) revenue	16.1	2%	(19.3)	-2%	(35.4)	-184%
Net profit	(286.3)	-34%	56.9	5%	(343.2)	-603%

Major Revenue and Gross Profit

The Company's revenue from sales and services in 2018 decreased by 404.42 million Baht or 32.1% from 2017, while gross profit margin decreased by 300.57 million Baht. Proportion of revenue from sales, turnkey services, and network services changed from 31.7%, 67.6% and 0.8% in 2017, to 20.1%, 74.5% and 5.4% in 2018 respectively

Sales Business

In 2018, the Company earned 171.6 million Baht from sales of telecom equipment such as optical fiber cable and Wi-Fi equipment. The revenue decreased by 226.8 million Baht or 56.9% comparing to 2017 which was 398.4 million Baht. Gross profit was 33.4 million Baht, downed by 61.0 million Baht or 64.6% from 2017 which the gross profit was 94.5 million Baht. Gross profit margin decreased to 19.5% compared to 2017 which was 23.7%.

Service Business

The Company's revenue from services, such as base station turnkey solution, equipment and cable installation services, has been decreased for the past year since mobile phone operators has slowed down their investment. In 2018, the Company earned revenue from services 636.2 million Baht, decreased by 213.9 million Baht or 25.2% compared to 2017 which the revenue was 850.1 million Baht. Gross profit for year 2018 was 125.4 million Baht, downed by 151.7 million Baht or 54.7% from 2017 which the Company reported 277.1 million Baht of gross profit. Gross profit margin decreased to 19.7% compared to 2017 which was 32.6%

Network Service Business

In 2018, the Company earned 45.8 million Baht from the network service business, primarily from SRT project which has grown by 36.3 million Baht and growing. The cost of optical cable network service was 270.9 million Baht, primarily composing of depreciation of optical network totaling 61.6 million Baht and other costs such as rent, network service fee, salary, and maintenance cost.

At the end of 2018, the Company has transferred a part of its optical cable network and equipment to International Gateway Co., Ltd (IG) which is a subsidiary of ALT because IG has executives and personnel who are experts and specialists in the field that will increase efficiency in business management.

Selling and Administrative Expenses

In 2018, selling and administrative expense equaled 206.8 million Baht, increased by 32.4 million Baht or 18.6% from 2017. The expense majorly caused from foreign market and customer base expansion.

Financial Expense

The Company had financial expense of 42.9 million Baht, increased by 18.6 million Baht from 2018 due to increase amount of borrowing and increased interest rate.

Net Loss

In 2018, the Company reported total net loss of 286.3 million Baht, mostly due to a loss from network service business since the Company was in launching stage of the business. The business, however, currently shows decent growth rate and is expected to gain profit in the near future.

Financial Position

Unit: million Baht

Statement of Financial Position	31 Dec 18	31 Dec 17	Increase/Decrease	
Assets				
Current assets	1,375.58	2,055.42	(679.85)	-33.1%
Non-current assets	1,962.16	1,385.22	576.95	41.7%
Total assets	3,337.74	3,440.64	(102.90)	-3.0%
Liabilities and shareholders' equity				
Current liabilities	1,678.99	1,592.47	86.51	5.4%
Non-current liabilities	134.77	46.38	88.39	190.6%
Total liabilities	1,813.75	1,638.85	174.90	10.7%
Registered capital	508.00	500.00	8.00	1.6%
Premium on shares	1,050.50	1,010.49	40.01	4.0%
Other components	49.59	48.80	0.79	1.6%
Retained earning	(84.27)	242.32	(326.59)	-134.8%
Non-controlling interests	0.16	0.18	(0.01)	-7.7%
Total shareholders' equity	1,523.99	1,801.79	(277.80)	-15.4%
Total liabilities and shareholders' equity	3,337.74	3,440.64	(102.90)	-3.0%

Assets

As of 31 December 2018, the Company had total assets of 3,337.74 million Baht, decreased by 102.90 million Baht or 3.0% from 2017. The decrease of assets caused by a decrease in current asset of by 679.85 million Baht, mainly from a decrease in unbilled receivables. While non-current asset increased to 576.95 million Baht which mainly contributed by long-term loan provided to related companies, and optical network.

Liabilities

As of 31 December 2018, the Company had total liabilities of 1,813.75 million Baht, increased by 174.90 million Baht or 10.7% from 2017. The increase of liabilities was due to an increase in current liabilities and non-current liabilities totaling 86.51 million Baht and 88.39 million Baht respectively, which the major items were short-term and long-term borrowing from financial institutes.

Shareholders' Equity

As of 31 December 2018, the Company had shareholders' equity of 1,523.99 million Baht, decreased from 2017 by 277.80 million Baht or 15.4%, due to the net loss of 286.29 million Baht.

Statement of Cash Flows

Unit: million Baht

Statement of Cash Flows	2018	2017
Net Cash Flows from Operating Activities	114.88	280.21
Net Cash Flows from Investment Activities	(229.50)	(472.59)
Net Cash Flows from Financing Activities	177.48	160.23
Net Cash and Cash Equivalents	62.87	(32.15)
Cash and Cash Equivalents-beginning of year	128.87	161.03
Cash and Cash Equivalents-end of year	191.74	128.87

Net Cash Flows from Operating Activities

In 2018, the Company's net cash inflows from operating activities equaled to 114.88 million Baht, primarily from account receivable collection.

Net Cash Flows from Investment Activities

In 2018, the Company's net cash outflows from investment activities equaled to 229.50 million Baht, primarily from an investment in optical cable network totaling 175.46 million Baht.

Net Cash Flows from Financing Activities

In 2018, the Company's net cash inflows from financing activities was 177.48 million Baht, primarily from cash received from short-term and long-term borrowing from financial institutes, and capital increase from the exercise of warrants (ALT-W1).

In summary, for the year 2018 the Company's net cash increased by 62.87 million Baht, while 191.74 million Baht of cash remained.

Independent Auditor's Report and Statement of Financial Position

Independent Auditor's Report

To the Shareholders and the Board of Directors of ALT Telecom Public Company Limited

My opinion

In my opinion, the consolidated financial statements of ALT Telecom Public Company Limited (the Company) and its subsidiaries (the Group) and the separate financial statements of the Company present fairly, in all material respects, the consolidated and separate financial position of the Group and of the Company as at 31 December 2018, and its consolidated and separate financial performance and its consolidated and separate cash flows for the year then ended in accordance with Thai Financial Reporting Standards (TFRSs).

What I have audited

The consolidated financial statements and the separate financial statements comprise:

- the consolidated and separate statements of financial position as at 31 December 2018;
- the consolidated and separate statements of comprehensive income for the year then ended;
- the consolidated and separate statements of changes in equity for the year then ended;
- the consolidated and separate statements of cash flows for the year then ended; and
- the notes to the consolidated and separate financial statements, which include a summary of significant accounting policies.

Basis for opinion

I conducted my audit in accordance with Thai Standards on Auditing (TSAs). My responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the consolidated and separate financial statements section of my report. I am independent of the Group and the Company in accordance with the Federation of Accounting Professions under the Royal Patronage of his Majesty the King's Code of Ethics for Professional Accountants together with the ethical requirements that are relevant to my audit of the consolidated and separate financial statements, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Key audit matters

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

Key audit matter	How my audit addressed the key audit matter
<p><i>Accounting for long-term contracts, including revenue recognition, work in progress and accrued construction cost.</i></p> <p>Refer to note 3.7</p> <p>The Group has revenue from long-term contracts for the year ended 31 December 2018 of Baht 636.23 million representing 74.53% of total revenue in the consolidated income statement.</p> <p>The Group recognised its revenue from construction contracts based on the percentage-of-completion method. Percentage of completion was determined by the responsible engineers. This was assessed by reference to the physical proportion of the performed contract work assessed by the project engineers and customers to the total contract work to be performed.</p> <p>I focused on this area because the recognition of revenue and expenses on construction contracts in accordance with Thai Accounting Standard no. 11, 'Construction Contracts' involved significant judgement in estimating the percentage of completion.</p>	<p>My procedures in relation to management's assessment of revenue recognition of those contracts included:</p> <ul style="list-style-type: none"> • testing internal controls over the budgeting process relating to the estimated total contract costs and verifying management's estimated total contract costs by inquiring the project engineer and inspecting the supporting evidence; • testing the internal controls over the revenue and receivable cycle, and the purchase and payable cycle for projects; • understanding and assessing the judgements applied in management's forecast, particularly, the key assumptions including the expected recovery in the forecast, and the historical financial performance and forecast out-turn against budget of other contracts of a similar nature and size; • inspecting client acceptance certificates, correspondence and minutes of meetings with customers; and • observing the method used to assess the progress of work by engineers. <p>I found management's preparation of the budget costs, as well as the estimation over the percentage of completion associated with revenue recognition on construction contracts were reasonable and appropriate based on the environment and circumstances.</p>

Key audit matter	How my audit addressed the key audit matter
<p><i>Impairment of fiber optic network</i></p> <p>Refer to note 18</p> <p>The Company has total fiber optic network as at 31 December 2018 of Baht 814.87 million, including fiber optic cabling to the Factory (FTTF) project in Hemraj Eastern Seaboard Industrial Park and Eastern Seaboard Rayong Industrial Park of Baht 175.77 million. The Company signed a contract with a state enterprise to install fiber optic cables in the industrial parks and the state enterprise would rent this asset from the Company at Baht 13.5 million per month for 36 months (from 27 September 2011 - 26 September 2014). However, from 27 September 2011 to now, the state enterprise has not yet paid the Company. As a result, the Company decided to terminate the contract with the state enterprise on 7 February 2013.</p> <p>Management determined the recoverable amount for the fiber optic network from the value in use model by applying a discounted cash flow approach. Key assumptions used in the discounted cash flow included:</p> <ul style="list-style-type: none"> the cash flow forecasts derived from internal forecasts and assumptions around the future performance; the discount rate and the long-term growth rate, including the assessment of risk factors and growth expectation of the relevant factors; and <p>Based on the assessment of impairment, Management concluded that there is no impairment in respect of the fiber optic network. This conclusion was based on the value in use that is higher than carrying value.</p> <p>I focused on this area because there is an indication of impairment on the fiber optic network that its carrying value may be lower than its recoverable amount. No revenue was recognised after the contract was terminated. However, the Company still recognises depreciation expenses for this network in the financial statement. The net book value of the fiber optic network as at 31 December 2018 is Baht 175.77 million, representing 5.98% of total assets. Additionally, the determination of its recoverable amounts is dependent on a number of assumptions which involved significant management judgment.</p>	<p>My procedures in relation to management's assessment of the recoverability of the fiber optic network included:</p> <ul style="list-style-type: none"> assessing the methodologies used by management to estimate values in use; understanding and assessing the reasonableness of key assumptions such as the discount rate, number of customers and growth expectation. The procedures included comparing the key assumptions to external sources; reconciling input data to supporting evidence such as quotations from third parties and considering the reasonableness of the budget; and considering the potential impact of any possible negative changes in these key assumptions. <p>I found management's assumptions in relation to value in use calculations were reasonable and supported by the available evidence. The recoverable amount is greater than the carrying value.</p>

Other information

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

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

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

When I read the annual report, if I conclude that there is a material misstatement therein, I am required to communicate the matter to the audit committee.

Responsibilities of the directors for the consolidated and separate financial statements

The directors are responsible for the preparation and fair presentation of the consolidated and separate financial statements in accordance with TFRSs, and for such internal control as the directors determine is necessary to enable the preparation of consolidated and separate financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated and separate financial statements, the directors are responsible for assessing the Group and the Company'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 the directors either intend to liquidate the Group and the Company or to cease operations, or has no realistic alternative but to do so.

The audit committee assists the directors in discharging their responsibilities for overseeing the Group and the Company's financial reporting process.

Auditor's responsibilities for the audit of the consolidated and separate financial statements

My objectives are to obtain reasonable assurance about whether the consolidated and separate 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 TSAs 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 consolidated and separate financial statements.

As part of an audit in accordance with TSAs, I exercise professional judgment and maintain professional scepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the consolidated and separate 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 and the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' 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 and the Company'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 consolidated and separate 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 and the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate 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 the audit committee 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 the audit committee 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 the audit committee, I determine those matters that were of most significance in the audit of the consolidated and separate 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.

PricewaterhouseCoopers ABAS Ltd.



Pisit Thangtanagul

Certified Public Accountant (Thailand) No. 4095

Bangkok

22 February 2019

ALT Telecom Public Company Limited

Statement of Financial Position

As at 31 December 2018

	Notes	Consolidated financial statements		Separate financial statements	
		2018	2017	2018	2017
		Baht	Baht	Baht	Baht
Assets					
Current assets					
Cash and cash equivalents	9	191,741,677	128,871,243	53,850,312	75,692,307
Short-term investments	10	648,449	15,178,121	648,449	3,398,364
Trade and other receivables	11	454,618,844	459,295,007	167,486,942	330,179,000
Current portion of long-term receivables		17,296,765	149,636,988	-	-
Unbilled contract revenue	12	212,489,638	655,221,229	35,166,906	159,694,718
Short-term loans to related parties	34	16,000,000	350,000,000	77,000,000	531,000,000
Inventories	13	314,180,746	202,292,761	186,537,790	69,906,508
Current portion of prepaid rent		22,829,111	10,998,533	20,073,390	7,577,921
Other current assets	14	145,771,149	83,928,763	76,767,486	72,784,476
Total current assets		<u>1,375,576,379</u>	<u>2,055,422,645</u>	<u>617,531,275</u>	<u>1,250,233,294</u>
Non-current assets					
Restricted cash	15	96,574,727	133,179,529	37,900,000	52,122,000
Long-term receivables		22,115,248	-	-	-
Prepaid rent		54,314,733	13,750,000	54,314,733	13,750,000
Investment in associate	16	42,164,174	29,614,862	75,360,000	46,500,000
Investment in subsidiaries	16	-	-	802,811,432	176,561,807
Interest in joint venture	16	48,355,810	56,165,738	35,499,900	35,499,900
Long-term loans to related parties	34	390,000,000	-	390,000,000	-
Property, plant and equipment	17	98,413,314	95,593,604	59,996,161	54,443,304
Fiber optic network equipment	18	1,071,653,211	947,983,345	814,869,944	1,160,028,027
Intangible assets	19	16,729,808	12,888,200	5,416,529	8,114,344
Deferred tax assets	20	100,945,905	76,497,488	44,526,562	35,838,569
Other non-current assets		20,895,853	19,543,330	2,082,470	1,757,742
Total non-current assets		<u>1,962,162,783</u>	<u>1,385,216,096</u>	<u>2,322,777,731</u>	<u>1,584,615,693</u>
Total assets		<u><u>3,337,739,162</u></u>	<u><u>3,440,638,741</u></u>	<u><u>2,940,309,006</u></u>	<u><u>2,834,848,987</u></u>

The accompanying notes are an integral part of these consolidated and separate financial statements.

Statement of Financial Position (Cont'd)

As at 31 December 2018

	Notes	Consolidated financial statements		Separate financial statements	
		2018	2017	2018	2017
		Baht	Baht	Baht	Baht
Liabilities and equity					
Current liabilities					
Bank overdrafts and short-term borrowings from financial institutions	21	1,113,214,585	927,613,705	683,000,000	634,177,436
Trade and other payables	22	483,433,154	496,659,495	525,690,547	462,282,233
Current portion of finance lease liability	21	356,252	309,902	-	-
Current portion of long-term borrowings from financial institutions	21	23,301,000	101,115,600	23,301,000	-
Short-term loans from related parties	21,34	-	-	102,000,000	-
Accrued income tax		-	17,999,577	-	-
Other current liabilities	23	58,682,384	48,776,450	18,872,392	19,065,923
Total current liabilities		<u>1,678,987,375</u>	<u>1,592,474,729</u>	<u>1,352,863,939</u>	<u>1,115,525,592</u>
Non-current liabilities					
Long-term borrowings from financial institutions	21	62,908,305	-	62,908,305	-
Finance lease liability	21	313,206	683,464	-	-
Employee benefit obligations	24	26,343,579	20,960,735	10,614,487	8,889,443
Provision for decommissioning		30,319,192	12,988,604	27,439,521	12,988,604
Other liabilities		14,881,905	11,745,750	-	-
Total non-current liabilities		<u>134,766,187</u>	<u>46,378,553</u>	<u>100,962,313</u>	<u>21,878,047</u>
Total liabilities		<u>1,813,753,562</u>	<u>1,638,853,282</u>	<u>1,453,826,252</u>	<u>1,137,403,639</u>

The accompanying notes are an integral part of these consolidated and separate financial statements.

Statement of Financial Position (Cont'd)

As at 31 December 2018

	Notes	Consolidated financial statements		Separate financial statements	
		2018	2017	2018	2017
		Baht	Baht	Baht	Baht
Liabilities and equity (Cont'd)					
Equity					
Share capital	25				
Authorised share capital					
Ordinary share 1,250,000,000 shares of par Baht 0.50 each (31 December 2017: Ordinary share 1,250,000,000 shares of paid-up Baht 0.50 each)		625,000,000	625,000,000	625,000,000	625,000,000
Issued and paid-up share capital					
Ordinary share 1,016,004,200 shares of paid-up Baht 0.50 each (31 December 2017: Ordinary share 1,000,000,000 shares of paid-up Baht 0.50 each)		508,002,100	500,000,000	508,002,100	500,000,000
Share premium	25	1,050,503,500	1,010,493,000	1,050,503,500	1,010,493,000
Share surplus from business combination under common control		4,605,502	4,605,502	-	-
Share surplus from share-based payment		1,836,570	1,836,570	-	-
Change in parent's ownership interest in subsidiaries		42,694,664	42,694,664	-	-
Retained earnings					
Appropriated - legal reserve	26	55,000,000	55,000,000	55,000,000	55,000,000
Unappropriated		(139,270,699)	187,320,111	(127,022,846)	131,952,348
Other components of equity		452,126	(339,778)	-	-
Equity attribute to owners of the parent		1,523,823,763	1,801,610,069	1,486,482,754	1,697,445,348
Non-controlling interests	16	161,837	175,390	-	-
Total equity		1,523,985,600	1,801,785,459	1,486,482,754	1,697,445,348
Total liabilities and equity		3,337,739,162	3,440,638,741	2,940,309,006	2,834,848,987

The accompanying notes are an integral part of these consolidated and separate financial statements.

Statement of Comprehensive Income

For the year ended 31 December 2018

	Notes	Consolidated financial statements		Separate financial statements	
		2018 Baht	2017 Baht	2018 Baht	2017 Baht
Revenues					
Sales		171,601,404	398,369,046	71,946,811	154,701,312
Services income		636,232,174	850,138,147	162,079,343	191,955,624
Services income - fiber optic network		45,836,233	9,582,947	45,836,233	9,582,947
Total revenues		853,669,811	1,258,090,140	279,862,387	356,239,883
Cost					
Cost of sales		(138,177,552)	(303,896,838)	(58,595,119)	(124,194,197)
Cost of services		(510,799,853)	(573,003,346)	(151,521,723)	(143,700,460)
Cost of service - fiber optic network		(270,853,584)	(146,781,887)	(257,717,037)	(163,738,919)
Total cost		(919,830,989)	(1,023,682,071)	(467,833,879)	(431,633,576)
Gross profit (loss)		(66,161,178)	234,408,069	(187,971,492)	(75,393,693)
Other income	29	37,899,587	39,756,450	125,451,636	236,935,590
Selling expenses		(71,430,946)	(50,314,490)	(40,933,804)	(19,115,388)
Administrative expenses		(135,378,334)	(124,077,211)	(94,973,271)	(54,461,208)
Gain (loss) from exchange rate		473,250	2,169,506	274,586	(3,851,588)
Share of loss of investments in associate	16	(17,102,592)	(10,808,271)	-	-
Share of profit (loss) of interest in joint venture	16	(7,809,928)	9,303,000	-	-
Finance costs	30	(42,899,793)	(24,312,074)	(29,195,822)	(13,913,342)
Profit (loss) before income tax		(302,409,934)	76,124,979	(227,348,167)	70,200,371
Income tax	32	16,120,291	(19,256,114)	8,687,993	21,757,217
Profit (loss) for the year		(286,289,643)	56,868,865	(218,660,174)	91,957,588
Other comprehensive income (expense) :					
Item that will be reclassified subsequently to profit or loss					
Other comprehensive income (expense) from investment in associate	16	791,904	(1,298,990)	-	-
Total comprehensive income (expense) for the year		(285,497,739)	55,569,875	(218,660,174)	91,957,588

The accompanying notes are an integral part of these consolidated and separate financial statements.

Statement of Comprehensive Income

For the year ended 31 December 2018

	Note	Consolidated financial statements		Separate financial statements	
		2018 Baht	2017 Baht	2018 Baht	2017 Baht
Profit (loss) attributable to:					
Owners of the parent		(286,275,790)	56,856,440	(218,660,174)	91,957,588
Non-controlling interests		(13,853)	12,425	-	-
		<u>(286,289,643)</u>	<u>56,868,865</u>	<u>(218,660,174)</u>	<u>91,957,588</u>
Total comprehensive income (expense) attributable to:					
Owners of the parent		(285,483,886)	55,557,450	(218,660,174)	91,957,588
Non-controlling interests		(13,853)	12,425	-	-
		<u>(285,497,739)</u>	<u>55,569,875</u>	<u>(218,660,174)</u>	<u>91,957,588</u>
Earnings (Loss) per share	33				
Basic earnings (loss) per share		<u>(0.28)</u>	<u>0.06</u>	<u>(0.22)</u>	<u>0.09</u>
Diluted earnings (loss) per share		<u>-</u>	<u>0.05</u>	<u>-</u>	<u>0.08</u>

The accompanying notes are an integral part of these consolidated and separate financial statements.

ALT Telecom Public Company Limited

Statement of Changes in Equity

For the year ended 31 December 2018

Consolidated financial statements													
Attributable to owners of the parent													
Notes	Issued and paid-up share capital	Share premium	Share surplus from business combination under common control	Share surplus from share-based payment	Changes in parent's ownership interest in subsidiaries	Retained earnings		Share of other comprehensive income (expense) from investment in associate		Total owners of the parent		Non-controlling interests	
	Baht	Baht	Baht	Baht	Baht	Appropriated - Legal reserve	Unappropriated	Baht	Baht	Baht	Baht	Baht	Baht
Opening balance at 1 January 2017	500,000,000	1,010,493,000	4,605,502	1,836,570	42,694,664	50,000,000	235,463,671	959,212	1,846,052,619	164,435	1,846,217,054		
Investment in subsidiary	-	-	-	-	-	-	-	-	-	-	150		150
Dividends payment by subsidiary	-	-	-	-	-	-	-	-	-	-	(1,620)		(1,620)
Legal reserve	-	-	-	-	-	5,000,000	(5,000,000)	-	-	-	-		-
Dividends payment	-	-	-	-	-	-	(100,000,000)	-	(100,000,000)	-	(100,000,000)		(100,000,000)
Total comprehensive income for the year	-	-	-	-	-	-	56,856,440	(1,298,990)	55,557,450	12,425	55,569,875		55,569,875
Closing balance at 31 December 2017	500,000,000	1,010,493,000	4,605,502	1,836,570	42,694,664	55,000,000	187,320,111	(339,778)	1,801,610,069	175,390	1,801,785,459		
Opening balance at 1 January 2018	500,000,000	1,010,493,000	4,605,502	1,836,570	42,694,664	55,000,000	187,320,111	(339,778)	1,801,610,069	175,390	1,801,785,459		
Proceeds from shares issued	8,002,100	40,010,500	-	-	-	-	-	-	48,012,600	300	48,012,900		
Dividends payment	-	-	-	-	-	-	(40,315,020)	-	(40,315,020)	-	(40,315,020)		
Total comprehensive expense for the year	-	-	-	-	-	-	(286,275,790)	791,904	(285,483,886)	(13,853)	(285,497,739)		
Closing balance at 31 December 2018	508,002,100	1,050,503,500	4,605,502	1,836,570	42,694,664	55,000,000	(139,270,699)	452,126	1,523,823,763	161,837	1,523,985,600		

The accompanying notes are an integral part of these consolidated and separate financial statements.

Statement of Changes in Equity

For the year ended 31 December 2018

Separate financial statements						
	Notes	Issued and paid-up share capital	Share premium	Retained earnings		Total equity
				Appropriated - Legal reserve	Unappropriated	
		Baht	Baht	Baht	Baht	Baht
Opening balance at 1 January 2017		500,000,000	1,010,493,000	50,000,000	144,994,760	1,705,487,760
Legal reserve	26	-	-	5,000,000	(5,000,000)	-
Dividends payment	28	-	-	-	(100,000,000)	(100,000,000)
Total comprehensive income for the year		-	-	-	91,957,588	91,957,588
Closing balance at 31 December 2017		500,000,000	1,010,493,000	55,000,000	131,952,348	1,697,445,348
Opening balance at 1 January 2018		500,000,000	1,010,493,000	55,000,000	131,952,348	1,697,445,348
Proceeds from shares issued	25	8,002,100	40,010,500	-	-	48,012,600
Dividends payment	28	-	-	-	(40,315,020)	(40,315,020)
Total comprehensive expense for the year		-	-	-	(218,660,174)	(218,660,174)
Closing balance at 31 December 2018		508,002,100	1,050,503,500	55,000,000	(127,022,846)	1,486,482,754

The accompanying notes are an integral part of these consolidated and separate financial statements.

ALT Telecom Public Company Limited

Statement of Cash Flows

For the year ended 31 December 2018

	Notes	Consolidated financial statements		Separate financial statements	
		2018	2017	2018	2017
		Baht	Baht	Baht	Baht
Cash flows from operating activities					
Profit (loss) before income tax		(302,409,934)	76,124,979	(227,348,167)	70,200,371
Adjustments for:					
Depreciation of building and equipment	17	12,755,792	11,697,231	4,764,075	2,671,275
Depreciation of fiber optic network	18	61,583,431	39,308,992	70,865,553	43,723,042
Amortisation expenses	19	2,041,350	1,428,010	1,164,791	690,274
Impairment of doubtful (reversal)		(2,219,330)	(608,747)	1,341,000	(177,908)
Impairment of unbilled contracts revenue (reversal)		13,289,662	-	12,674,637	-
Loss (gain) on disposal of equipment		(13,324)	91,163	31,180	-
Loss on disposal of intangible assets		-	-	25,990	-
Gain on disposal of fiber optic network		-	-	(71,860,606)	-
Loss on write-off of equipment	17	4,802,511	-	34,776	-
Loss on write-off of intangible assets	19	-	2,816,330	-	-
Loss on write-off of fiber optics	18	7,760,561	-	7,760,561	-
Interest income		(24,423,187)	(25,747,578)	(25,347,313)	(30,924,763)
Interest expense	30	42,899,793	24,312,074	29,195,822	13,913,342
Dividends income		-	-	-	(179,998,380)
Loss on diminution in value of inventories (reversal of)		1,961,761	(2,174,625)	(4,157,000)	(457,363)
Employee benefit obligations		5,408,844	4,579,987	1,725,044	1,796,971
Share of loss of investments in associate	16	17,102,592	10,808,271	-	-
Share of profit (loss) of investments in joint venture	16	7,809,928	(9,303,000)	-	-
Changes in operating assets and liabilities					
- trade and other receivables		24,611,522	74,924,940	(931,007)	(60,331,411)
- long-term trade receivables		110,224,975	-	-	-
- unbilled contract revenue		429,441,929	213,200,135	111,853,175	81,245,578
- inventories		(113,849,746)	130,004,795	(152,055,856)	896,067
- other current assets		(30,136,399)	(24,806,004)	6,908,450	(24,434,698)
- prepaid rent		(52,395,311)	(13,805,667)	(53,060,202)	(14,207,148)
- other non-current assets		(1,352,523)	(3,448,619)	(324,728)	1,761,051
- trade and other payables		(14,054,494)	(155,092,196)	207,167,061	217,464,821
- other current liabilities		9,905,934	19,463,735	(40,278,854)	1,702,209
- other non-current liabilities		3,136,155	3,105,750	-	-
- employee benefit obligations		(26,000)	-	-	-
Cash generated from (used in) operations		213,856,492	376,879,956	(119,851,618)	125,533,330
<u>Less</u> Interest paid		(40,938,039)	(17,684,100)	(27,764,470)	(7,324,651)
Income tax paid		(58,033,690)	(78,987,214)	(10,891,460)	(8,160,997)
Net cash generated from (used in) operating activities		114,884,763	280,208,642	(158,507,548)	110,047,682

The accompanying notes are an integral part of these consolidated and separate financial statements.

ALT Telecom Public Company Limited

Statement of Cash Flows (Cont'd)

For the year ended 31 December 2018

	Notes	Consolidated financial statements		Separate financial statements	
		2018 Baht	2017 Baht	2018 Baht	2017 Baht
Cash flow from investing activities					
Purchase of short-term investment	10	(19,220,000)	(7,421,630)	(19,220,000)	(10,000)
Purchase of property, plant and equipment	17	(21,150,627)	(30,499,328)	(17,540,791)	(16,125,157)
Purchase of fiber optic network		(175,461,098)	(406,770,003)	(312,729,663)	(420,210,150)
Purchase of intangible assets	19	(5,882,958)	(6,651,515)	(3,490,597)	(5,886,500)
Increase in restricted cash		36,604,802	(74,971)	14,222,000	(24,720,685)
Payment for investment in subsidiaries		-	-	(13,516,825)	(2,499,925)
Payment for investment in associate	16	(28,860,000)	(24,000,000)	(28,860,000)	(24,000,000)
Payment for loans to related parties	34	(56,000,000)	(300,000,000)	(115,300,000)	(639,000,000)
Proceeds from redemption of short-term investment	10	34,269,494	18,077,993	22,469,701	18,063,152
Proceeds from loans to related parties	34	-	267,000,000	179,300,000	884,000,000
Proceeds from disposals of equipment		15,938	3,051	2,979	-
Dividends received from subsidiaries		-	-	179,998,380	99,999,100
Interest received		6,187,337	17,747,873	7,131,212	30,506,439
Net cash used in investing activities		(229,497,112)	(472,588,530)	(107,533,604)	(99,883,726)
Cash flows from financing activities					
Proceeds from short-term borrowing from related parties	34	-	-	124,300,000	-
Repayment of short-term borrowing from related parties	34	-	-	(22,300,000)	-
Proceeds from short-term borrowing from financial institutions		185,070,588	348,225,063	48,292,272	84,707,728
Proceeds from long-term borrowing from financial institutions	21	90,890,000	-	90,890,000	-
Repayment of long-term borrowing from financial institutions	21	(105,796,295)	(87,473,229)	(4,680,695)	-
Repayments of finance lease liabilities		(379,390)	(525,326)	-	-
Proceeds from shares issuance from non-controlling interest		300	150	-	-
Proceeds from shares issuance	25	48,012,600	-	48,012,600	-
Dividends paid to non-controlling interest		-	(1,620)	-	-
Dividends paid to shareholders	28	(40,315,020)	(100,000,000)	(40,315,020)	(100,000,000)
Net cash from (used in) financing activities		177,482,783	160,225,038	244,199,157	(15,292,272)

The accompanying notes are an integral part of these consolidated and separate financial statements.

ALT Telecom Public Company Limited

Statement of Cash Flows (Cont'd)

For the year ended 31 December 2018

	Note	Consolidated financial statements		Separate financial statements	
		2018 Baht	2017 Baht	2018 Baht	2017 Baht
Net increase (decrease) in cash and cash equivalents		62,870,434	(32,154,850)	(21,841,995)	(5,128,316)
Opening balance of cash and cash equivalents		128,871,243	161,026,093	75,692,307	80,820,623
Closing balance of cash and cash equivalents		<u>191,741,677</u>	<u>128,871,243</u>	<u>53,850,312</u>	<u>75,692,307</u>
Significant non-cash transactions					-
Provision for decommissioning cost of fiber optic network		16,782,760	-	13,903,089	-
Payment for investment in a subsidiary with assets	16	-	-	612,732,800	-
Accrued dividend income	11	-	-	-	179,998,380
Payable arising from purchases of fiber optic network		-	-	10,445,201	154,557,180
Asset held under a finance lease agreement		-	1,518,692	-	-

The accompanying notes are an integral part of these consolidated and separate financial statements.

Notes to the Consolidated and Separate Financial statements

For the year ended 31 December 2018

1 General information

ALT Telecom Public Company Limited (the “Company”) is a public limited company which is listed on the Stock Exchange of Thailand and is incorporated and domiciled in Thailand. The address of the Company’s registered office is as follows:

52/1 Moo 5, Bangkruay-Sainoi Rd., Bangsithong, Bangkruay, Nonthaburi.

For reporting purposes, the Company and its subsidiaries are referred to as ‘the Group’.

The Group is principally engaged in the business of sales, installation, maintenance and network rental for telecommunication network including manufacturing, installation.

These Group consolidated financial statements were authorised for issue by the Board of Directors on 22 February 2019.

2 Financial position

As of 31 December 2018, in consolidated and separate financial statements, the Group and the Company has the total current liabilities exceeding total current assets by Baht 303.41 million and Baht 735.33 million and loss for the period of Baht 285.50 million and Baht 218.66 million, respectively. In addition, in separate financial statements, there were negative cash flows from operating activities of Baht 158.51 million. These raised doubt on the entity’s ability to continue as a going concern. However, management has prepared a cash flow forecast and analysed that the situation will be improved because of an increase in revenue from fiber optic network and revenue from sales. Management also forecasted cash inflow from share issue through warrants exercised. Accordingly, the Group and the Company could continue its operations as a going concern and fulfil all its financial obligations now and in the future. The undertaking was provided for a minimum period of twelve months from 31 December 2018. These financial statements have been prepared on a going concern basis.

3 Accounting policies

The principal accounting policies applied in the preparation of these consolidated and separate financial statements are set out below:

3.1 Basis for preparation

The consolidated and separate financial statements have been prepared in accordance with Thai generally accepted accounting principles under the accounting Act B.E. 2543, being those Thai Financial Reporting Standards issued under the accounting profession Act B.E. 2547, and the financial reporting requirements of the Securities and Exchange Commission under the Securities and Exchange Act B.E. 2535.

The consolidated and separate financial statements have been prepared under the historical cost convention.

The preparation of financial statements in conformity with Thai generally accepted accounting principles requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group’s accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 5.

Comparative figures have been reclassified to conform with the current year presentation as disclosed in Note 7.

An English version of the consolidated and separate financial statements have been prepared from the statutory financial statements that are in the Thai language. In the event of a conflict or a difference in interpretation between the two languages, the Thai language statutory financial statements shall prevail.

Notes to the Consolidated and Separate Financial statements

For the year ended 31 December 2018

3 Accounting policies (Cont'd)

3.2 Revised financial reporting standard

3.2.1 Revised financial reporting standards are effective for annual periods beginning on or after 1 January 2018.

The Group has assessed and considered that the revised financial reporting standards do not have significant impact to the Group.

TAS 7 (revised 2017)	Statement of cash flows
TAS 12 (revised 2017)	Income taxes

TAS 7 (revised 2017), the amendments require additional disclosure of changes in liabilities arising from financing activities. This includes changes arising from cash and non-cash.

TAS 12 (revised 2017), the amendments clarify the accounting for deferred tax where an asset is measured at fair value and that fair value is below the asset's tax base. Specifically, the amendments confirm that:

- A temporary difference exists whenever the carrying amount of an asset is less than its tax base at the end of the reporting period.
- An entity can assume that it will recover an amount higher than the carrying amount of an asset to estimate its future taxable profit.
- Where the tax law restricts the source of taxable profits against which particular types of deferred tax assets can be recovered, the recoverability of the deferred tax assets can only be assessed in combination with other deferred tax assets of the same type.
- Tax deductions resulting from the reversal of deferred tax assets are excluded from the estimated future taxable profits.

The Group's management assessed and considered that the above revised standards do not have a significant impact on the Group except for disclosure.

3.2.2 New and revised financial reporting standard which have been issued but not yet effective.

3.2.2.1 The FAP has issued new standard, TFRS15 Revenue from contracts with customers. This standard will become effective for annual periods beginning on or after 1 January 2019. The Group has not early adopted this standard.

TFRS 15 provide the requirements for the recognition of revenue. This standard will supersede the following standards:

TAS 11 (revised 2017)	Construction contracts
TAS 18 (revised 2017)	Revenue
TFRIC 13 (revised 2017)	Customer Loyalty Programmes
TFRIC 15 (revised 2017)	Agreements for the Construction of Real Estate
TFRIC 18 (revised 2017)	Transfers of Assets from Customers

The new standard is based on the principle that revenue is recognised when control of a good or service transfers to a customer - so the notion of control replaces the existing notion of risks and rewards.

An entity recognises revenue in accordance with that core principle by applying the following steps:

- Step 1: Identify the contract(s) with a customer
- Step 2: Identify the performance obligations in the contract
- Step 3: Determine the transaction price
- Step 4: Allocate the transaction price to the performance obligations in the contract
- Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation

Notes to the Consolidated and Separate Financial statements

For the year ended 31 December 2018

3 Accounting policies (Cont'd)

3.2 Revised financial reporting standard (Cont'd)

3.2.2 New and revised financial reporting standards which have been issued but not yet effective (Cont'd)

3.2.2.1 The FAP has issued new standard, TFRS15 Revenue from contracts with customers. This standard will become effective for annual periods beginning on or after 1 January 2019. The Group has not early adopted this standard. (Cont'd)

Key changes to current practice are:

- Any bundled goods or services that are distinct must be separately recognised, and any discounts or rebates on the contract price must generally be allocated to the separate elements
- Revenue may be recognised earlier than under current standards if the consideration varies for any reasons (such as for incentives, rebates, performance fees, royalties, success of an outcome etc) - minimum amounts must be recognised if they are not at significant risk of reversal
- The point at which revenue is able to be recognised may shift: some revenue which is currently recognised at a point in time at the end of a contract may have to be recognised over the contract term and vice versa
- There are new specific rules on licenses, warranties, non-refundable upfront fees and, consignment arrangements
- As with any new standard, there are also increased disclosures.

Entities will have a choice to apply this standard retrospectively in accordance with TAS 8 Accounting Policies, Changes in Accounting Estimates and Errors, subject to the expedients or retrospectively with the cumulative effect recognised as an adjustment to the opening balance of retained earnings of the annual reporting period that includes the date of initial application with additional disclosures.

The Group's management is currently assessing the impact of initial adoption of this standard.

3.2.2.2 Revised financial reporting standards will become effect for annual periods beginning on or after 1 January 2019 and are relevant to the Group. The Group has not yet adopt these standards.

TFRS 2 (revised 2018)	Share-based Payment
TAS 28 (revised 2018)	Investments in associates and joint ventures
TAS 40 (revised 2018)	Investment Property
TFRIC 22	Foreign Currency Transactions and Advance Consideration

TFRS 2, the amendments clarify;

- The measurement basis for cash-settled share-based payments, vesting conditions, other than market conditions, shall not be taken into account when estimating the fair value of the cash-settled share-based payment at the measurement date. Instead, vesting conditions, other than market conditions, shall be taken into account by adjusting the number of awards included in the measurement of the liability arising from the transaction.
- Where an employer is obliged to withhold an amount for the employee's tax obligation associated with a share-based payment and pay that amount to the tax authority, the whole award will be treated as if it was equity-settled provided it would have been equity-settled without the net settlement feature, and
- The accounting for modifications that change an award from cash-settled to equity-settled.

Notes to the Consolidated and Separate Financial statements

For the year ended 31 December 2018

3 Accounting policies (Cont'd)

3.2 Revised financial reporting standard (Cont'd)

3.2.2 New and revised financial reporting standards which have been issued but not yet effective (Cont'd)

- 3.2.2.2 Revised financial reporting standards will become effect for annual periods beginning on or after 1 January 2019 and are relevant to the Group. The Group has not yet adopt these standards. (Cont'd)

TAS 28, the amendment clarifies that the election by venture capital organisations, mutual funds, unit trusts and similar entities to measure investments in associates or joint ventures at fair value through profit or loss should be made separately for each associate or joint venture at initial recognition.

TAS 40, the amendments clarify that transfers to, or from, investment property can only be made if there has been a change in use that is supported by evidence. A change in use occurs when the property meets, or ceases to meet, the definition of investment property. A change in intention alone is not sufficient to support a transfer.

The TFRIC 22 interpretation provides guidance for determining the exchange rate to be used on the initial recognition of a related asset, expense or income where an entity pays or receives an advance consideration in a foreign currency. The interpretation requires an entity to use the exchange rate at the date on which an entity recognises the non-monetary assets, such as prepayments and advances, or non-monetary liability, such as deferred income arising from the advance consideration. If there are multiple advance payments or receipts of payments, the exchange rate is to be used on the date when each non-monetary asset or liability is recognised.

- 3.2.2.3 The Group of financial instruments reporting standards which are effective for annual periods beginning on or after 1 January 2020 consist of the following standards. These standards could be early adopted before the effective date only for the period beginning on or after 1 January 2019.

TAS 32	Financial instruments: Presentation
TFRS 7	Financial Instruments: Disclosures
TFRS 9	Financial Instruments
TFRIC 16	Hedges of a Net Investment in a Foreign Operation
TFRIC 19	Extinguishing Financial Liabilities with Equity Instruments

The above new standards and interpretations will supersede the following standards:

TAS 101	Bad and Doubtful Debts
TAS 103	Disclosures in the Financial Statements of Bank and Similar Financial Institutions
TAS 104	Accounting for Troubled Debt Restructuring
TAS 105	Accounting for Investment in Debts and Equity securities
TAS 106	Accounting for Investment Companies
TAS 107	Financial Instruments: Disclosure and Presentation

TAS 32 Financial Instruments: Presentation, provides the requirements for the presentation financial instruments as liabilities or equity and for offsetting financial assets and financial liabilities. It applies to the classification of financial instruments, from the perspective of the issuer, into financial assets, financial liabilities and equity instruments; the classification of related interest, dividends, losses and gains; and the circumstances in which financial assets and financial liabilities should be offset.

TFRS 7 Financial Instruments: Disclosures, provides the requirements for the disclosure that are intended to enable users to evaluate the significance of financial instruments for an entity's financial position and performance, and to understand the nature and extent of risks arising from those financial instruments to which the entity is exposed during the period and at the end of the reporting period, and how the entity manages those risks.

Notes to the Consolidated and Separate Financial statements

For the year ended 31 December 2018

3 Accounting policies (Cont'd)

3.2 Revised financial reporting standard (Cont'd)

3.2.2 New and revised financial reporting standards which have been issued but not yet effective (Cont'd)

3.2.2.3 The Group of financial instruments reporting standards which are effective for annual periods beginning on or after 1 January 2020 consist of the following standards. These standards could be early adopted before the effective date only for the period beginning on or after 1 January 2019. (Cont'd)

TFRS 9 Financial Instruments, establishes principles for the classification, measurement and derecognition of financial assets and financial liabilities, impairment requirement and hedge accounting as follow:

- Classification and measurement:
 - The classification and measurement of debt instrument financial assets has three classification categories, which are amortised cost, fair value through profit or loss and fair value through other comprehensive income. Classification of debt assets will be driven by the entity's business model for managing the financial assets and contractual cash flows characteristics of the financial assets.
 - Equity instrument financial assets shall be measured at fair value through profit or loss. An entity can make an irrevocable election to recognise the fair value change in other comprehensive income without subsequent recycling to profit or loss.
 - Financial liabilities are classified and measured at amortised cost. An entity can choose to measure a liability at fair value through profit or loss when the conditions are met.
 - Derivatives are classified and measured at fair value through profit or loss.
- The impairment requirements relating to the accounting for an entity's expected credit losses on its financial assets measured at amortised cost, investments in debt instruments measured at fair value through other comprehensive income, lease receivables, loan commitments and financial guarantee contracts. It is no longer necessary for a credit event to have occurred before credit losses are recognised. The entity always accounts for expected credit losses which involves a three stage approach. The stage dictates how the entity measures impairment losses and applies the effective interest rate method. Except for trade receivables and contractual assets which apply in TFRS 15 and are no significant financial components and lease receivables, they are permitted to measure by simplified approach for credit impaired consideration.
- The objective of hedge accounting is to represent, in the financial statements, the effect of an entity's risk management activities that use financial instruments to manage exposures arising from particular risks that could affect profit or loss (or other comprehensive income, in the case of investments in equity instruments for which an entity has elected to present changes in fair value in other comprehensive income). This approach aims to convey the context of hedging instruments for which hedge accounting is applied in order to allow insight into their purpose and effect.

TFRIC 16 Hedges of a Net Investment in a Foreign Operation, clarifies the accounting treatment in respect of net investment hedging, provides guidance on identifying the foreign currency risks that qualify as a hedged risk. Clarifying that hedging instruments that are hedges of a net investment in a foreign operation may be held anywhere in the group not only by the parent. This includes the guidance on how an entity should determine the amount to be reclassified from equity to profit or loss for both the hedging instrument and the hedged item.

Notes to the Consolidated and Separate Financial statements

For the year ended 31 December 2018

3 Accounting policies (Cont'd)

3.2 Revised financial reporting standard (Cont'd)

3.2.2 New and revised financial reporting standards which have been issued but not yet effective (Cont'd)

3.2.2.3 The Group of financial instruments reporting standards which are effective for annual periods beginning on or after 1 January 2020 consist of the following standards. These standards could be early adopted before the effective date only for the period beginning on or after 1 January 2019. (Cont'd)

TFRIC 19 Extinguishing financial liabilities with equity instruments, provides the requirements for accounting treatment when the entity issues equity instruments to a creditor to extinguish all or part of a financial liability. The equity instruments issued shall be measured at fair value. The entity shall remove a financial liability (or part of a financial liability) from its statement of financial position when it is extinguished in accordance with TFRS 9. The difference between the carrying amount of the financial liability (or part of a financial liability) extinguished and the fair value of equity instruments issued shall be recognised in profit or loss.

The Group's management is currently assessing the impact of initial adoption of these standards.

3.3 Group accounting - investments in subsidiaries and associates and in joint arrangements

(1) Subsidiaries

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

The Group applies the acquisition method to account for business combinations except business combination under common control. The consideration transferred for the acquisition of a subsidiary is the fair value of the assets transferred, the liabilities incurred to the former owners of acquiree and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Acquisition-related costs are expensed as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. On an acquisition-by-acquisition basis, the Group recognises any non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree's net assets.

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is re-measured to fair value at the acquisition date; any gains or losses arising from such re-measurement are recognised in profit or loss.

Any contingent consideration to be transferred by the Group is recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration that is deemed to be an asset or liability is recognised in profit or loss. Contingent consideration that is classified as equity is not re-measured, and its subsequent settlement is accounted for within equity.

The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the identifiable net assets acquired is recorded as goodwill. If the total of consideration transferred, non-controlling interest recognised and previously held interest measured is less than the fair value of the net assets of the subsidiary acquired in the case of a bargain purchase, the difference is recognised directly in profit or loss.

Intercompany transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Notes to the Consolidated and Separate Financial statements

For the year ended 31 December 2018

3 Accounting policies (Cont'd)

3.3 Group accounting - investments in subsidiaries and associates and in joint arrangements (Cont'd)

(2) Transactions with non-controlling interests

The Group treats transactions with non-controlling interests as transactions with equity owners of the Group. For purchases from non-controlling interests, the difference between any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

(3) Disposal of subsidiaries

When the Group ceases to have control it shall ceased to consolidate its subsidiaries. Any retained interest in the entity is re-measured to its fair value, with the change in carrying amount recognised in profit or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities.

(4) Associates

Associates are all entities over which the Group has significant influence but not control, generally accompanying a shareholding of between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting.

(5) Joint arrangements

Investments in joint arrangements are classified as either joint operations or joint ventures depending on the contractual rights and obligations of each investor, rather than the legal structure of the joint arrangements.

Joint venture

A joint venture is a joint arrangement whereby the Group has rights to the net assets of the arrangement. Interests in joint ventures are accounted for using the equity method.

(6) Accounting under equity method

Under the equity method, the investment is initially recognised at cost, and the carrying amount is increased or decreased to recognise the investor's share of the profit or loss of the investee after the date of acquisition. The Group's investment in associates includes goodwill identified on acquisition.

If the ownership interest in associates and joint ventures is reduced but significant influence is retained, only a proportionate share of the amounts previously recognised in other comprehensive income is reclassified to profit or loss where appropriate. Profit or loss from reduce of the ownership interest in an associates and joint ventures is recognise in profit or loss

The Group's share of its associates and joint ventures' post-acquisition profits or losses is recognised in the profit or loss, and its share of post-acquisition movements in other comprehensive income is recognised in other comprehensive income. The cumulative post-acquisition movements are adjusted against the carrying amount of the investment. When the Group's share of losses in associates and joint ventures equals or exceeds its interest in the associates and joint ventures, together with any long-term interests that, in substance, form part of the entity's net investment in the associates or joint ventures, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associates and joint ventures

Notes to the Consolidated and Separate Financial statements

For the year ended 31 December 2018

3 Accounting policies (Cont'd)

3.3 Group accounting - investments in subsidiaries and associates and in joint arrangements (Cont'd)

(6) Accounting under equity method (Cont'd)

The Group determines at each reporting date whether there is any objective evidence that the investments in the associates and joint ventures are impaired. If this is the case, the Group calculates the amount of impairment as the difference between the recoverable amount of the investments and its carrying value and recognises the amount adjacent to share of profit (loss) of associates and joint ventures in profit or loss.

Unrealised gains on transactions between the Group and its associates and joint ventures are eliminated to the extent of the Group's interest in the associates and joint ventures. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates and joint ventures have been changed where necessary to ensure consistency with the policies adopted by the Group.

(7) Separate financial statement

In the separate financial statements, investments in subsidiaries, associates and joint ventures are accounted for at cost less impairment. Cost is adjusted to reflect changes in consideration arising from contingent consideration amendments. Cost also includes direct attributable costs of investment.

3.4 Foreign currency translation

(a) Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The financial statements are presented in Baht, which is the Company's functional and the Group's presentation currency.

(b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the profit or loss.

When a gain or loss on a non-monetary item is recognised in other comprehensive income, any exchange component of that gain or loss is recognised in other comprehensive income. Conversely, when a gain or loss on a non-monetary item is recognised in profit and loss, any exchange component of that gain or loss is recognised in profit and loss.

(c) Group companies

The results and financial position of all the Group entities (none of which has the currency of a hyper-inflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- Assets and liabilities for each statement of financial position presented are translated at the closing rate at the date of that statement of financial position;
- Income and expenses for each income statement are translated at average exchange rates; and
- All resulting exchange differences are recognised as a separate component of equity.

Goodwill and fair value adjustments arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the closing rate.

Notes to the Consolidated and Separate Financial statements

For the year ended 31 December 2018

3 Accounting policies (Cont'd)

3.5 Cash and cash equivalents

In the statements of cash flows, cash and cash equivalents includes cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less and bank overdrafts. In the statements of financial position, bank overdrafts are shown within borrowings in current liabilities.

3.6 Trade accounts receivable

Trade accounts receivable are carried at original invoice amount and subsequently measured at the remaining amount less provision for impairment of doubtful receivables based on a review of all outstanding amounts at the year end. The amount of the provision is the difference between the carrying amount of the receivable and the amount expected to be collectible. Bad debts are written off during the year in which they are identified and recognised in profit or loss within selling and expenses.

3.7 Construction contracts

A construction contract is a contract specifically negotiated for the construction of an asset or a combination of assets that are closely interrelated or interdependent in terms of their design, technology and functions or their ultimate purpose or use.

When the outcome of a construction contract cannot be estimated reliably, contract revenue is recognised to the extent of contract costs incurred where it is probable those costs will be recoverable. Contract costs are recognised when incurred.

When the outcome of a construction contract can be estimated reliably, contract revenue and contract costs are recognised using the percentage of completion method. The stage of completion is measured by reference to percentage of complete construction. When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognised as an expense immediately.

Costs incurred in the year in connection with future activity on a contract are excluded and shown as work in process.

The aggregate of the costs incurred and the profit (less recognised losses) on the contract is compared against the progress billings up to the year end. Where the total costs incurred and recognised profit (less recognised losses) exceed the progress billings, the balance is shown as a current asset, under "unbilled contract revenue". Where progress billings exceed total costs incurred plus recognised profits (less recognised losses), the balance is shown a current liability, under "progress billing in excess of work in progress".

3.8 Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined by the first-in, first-out method. The cost of purchase comprises both the purchase price and costs directly attributable to the acquisition of the inventory, such as import duties and transportation charges, less all attributable discounts, allowances or rebates. The cost of finished goods and work in progress comprises raw materials, direct labour, other direct costs and related production overheads (based on normal operating capacity). It excludes borrowing costs. Net realisable value is the estimate of the selling price in the ordinary course of business, less applicable variable selling expenses. Allowance is made, where necessary, for obsolete, slow - moving and defective inventories.

Work in process comprises raw materials, direct labour, subcontract expenses and other direct costs.

Notes to the Consolidated and Separate Financial statements

For the year ended 31 December 2018

3 Accounting policies (Cont'd)

3.9 Investments

Investments other than investments in subsidiaries, associates and interests in joint ventures are classified into the following four categories: (1) trading investments; (2) held-to-maturity investments; (3) available-for-sale investments; and (4) general investments. The classification is dependent on the purpose for which the investments were acquired. Management determines the appropriate classification of its investments at the time of the purchase and re-evaluates such designation on a regular basis.

1. Investments that are acquired principally for the purpose of generating a profit from short-term fluctuations in price are classified as trading investments and included in current assets.
2. Investments with fixed maturity that the management has the intent and ability to hold to maturity are classified as held-to-maturity and are included in non-current assets, except for maturities within 12 months from the statement of financial position date which are classified as current assets.
3. Investments intended to be held for an indefinite period of time, which may be sold in response to liquidity needs or changes in interest rates, are classified as available-for-sale; and are included in non-current assets unless management has expressed the intention of holding the investment for less than 12 months from the statement of financial position date or unless they will need to be sold to raise operating capital, in which case they are included in current assets.
4. Investments in non-marketable equity securities are classified as general investments.

All categories of investment are initially recognised at cost, which is equal to the fair value of consideration paid plus transaction cost.

Trading investments and available for sale investments are subsequently measured at fair value. The fair value of investments is based on quoted bid price at the close of business on the statement of financial position date by reference to the Stock Exchange of Thailand. The unrealised gains and losses of trading investments are recognised in income statement. The unrealised gains and losses of available for sale investments are recognised in other comprehensive income.

Held-to-maturity investments are carried at amortised cost using the effective yield method less impairment loss.

General investments are carried at cost less impairment loss.

A test for impairment is carried out when there is a factor indicating that an investment might be impaired. If the carrying value of the investment is higher than its recoverable amount, impairment loss is charged to the income statement.

On disposal of an investment, the difference between the net disposal proceeds and the carrying amount is charged or credited to the profit or loss. When disposing of part of the Company's holding of a particular investment in debt or equity securities, the carrying amount of the disposed part is determined by the weighted average carrying amount of the total holding of the investment.

Notes to the Consolidated and Separate Financial statements

For the year ended 31 December 2018

3 Accounting policies (Cont'd)**3.10 Property, plants and equipment**

All property, plant and equipment are stated at historical cost less accumulated depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to profit or loss during the financial period in which they are incurred.

Land is not depreciated. Depreciation on other assets is calculated using the straight line method to allocate their cost to their residual values over their estimated useful lives, as follows:

Buildings	20, 30 years
Utilities system, tools and equipment	5 years
Furniture fixture and office equipment	5 years
Computer equipment	3, 5 years
Vehicles	5 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

The asset's carrying amount is written-down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with carrying amount and are included in income statements.

3.11 Fiber optic network

Fiber optic network are stated at historical cost less accumulated depreciation and provision for impairment (if any). Depreciation is calculated using the straight line method to allocate their cost to their residual values over the estimated useful lives.

Fiber optic network	10, 15, 25 years
Transceiver at base station	3, 5, 10 years
Computer equipment	3, 5 years
Computer software	10 years

Depreciation expenses shown a cost of services, under "Cost of service - fiber optic network" in the income statement.

Gains and losses on disposals are determined by comparing proceeds with carrying amount and are included in income statements.

3.12 Intangible assets**Computer software**

Acquired computer software licenses are capitalised on the basis of the costs incurred to acquire and bring to use the specific software. These costs are amortised over their estimated useful lives of 10 years.

Cost associated with maintaining computer software programmes are recognised as an expense as incurred.

Notes to the Consolidated and Separate Financial statements

For the year ended 31 December 2018

3 Accounting policies (Cont'd)

3.13 Impairment of assets

Property, plant, equipment and other assets are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the carrying amount of the assets exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest level for which there are separately identifiable cash flows. Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

3.14 Leases

Leases - where the Group is the lessee

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to profit or loss on a straight-line basis over the period of the lease.

The Group leases certain property, plant and equipment. Leases of property, plant or equipment where the Group has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the inception of the lease at the lower of the fair value of the leased property and the present value of the minimum lease payments.

Each lease payment is allocated between the liability and finance charges so as to achieve a constant rate on the finance balance outstanding. The corresponding rental obligations, net of finance charges, are included in other long-term payables. The interest element of the finance cost is charged to profit or loss over the lease period so as to achieve a constant periodic rate of interest on the remaining balance of the liability for each period. The property, plant or equipment acquired under finance leases is depreciated over the shorter period of the useful life of the asset and the lease term.

Leases - where the Group is the lessor

When assets are leased out under a finance lease, the present value of the lease payments is recognised as a receivable. The difference between the gross receivable and the present value of the receivable is recognised as unearned finance income. Lease income is recognised over the term of the lease using the net investment method, which reflects a constant periodic rate of return. Initial direct costs are included in initial measurement of the finance lease receivable and reduce the amount of income recognised over the lease term.

Assets leased out under operating leases are included in fiber optic network in the statement of financial position. They are depreciated over their expected useful lives. Rental income (net of any incentives given to lessees) is recognised on a straight-line basis over the lease term.

Notes to the Consolidated and Separate Financial statements

For the year ended 31 December 2018

3 Accounting policies (Cont'd)

3.15 Borrowings

Borrowings are recognised initially at the fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost; any difference between proceeds (net of transaction costs) and the redemption value is recognised in profit or loss over the period of the borrowings using the effective yield method.

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent that there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a pre-payment for liquidity services and amortised over the period of the facility to which it relates.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the end of reporting date.

(a) Borrowing costs

General and specific borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

3.16 Current and deferred income taxes

The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case the tax is also recognised in other comprehensive income or directly in equity, respectively.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of reporting period in the countries where the company's subsidiaries and associates operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is recognised, using the liability method, on temporary differences arising from differences between the tax base of assets and liabilities and their carrying amounts in the financial statements.

However, the deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised. Deferred income tax is provided on temporary differences arising from investments in subsidiaries and associates, except where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

Notes to the Consolidated and Separate Financial statements

For the year ended 31 December 2018

3 Accounting policies (Cont'd)

3.17 Employee benefits

A defined benefit plan is a retirement plan that is not a defined contribution plan. Typically defined benefit plans define an amount of retirement benefit that an employee will receive on retirement, usually depends on one or more factors such as age, years of service and compensation.

The liability recognised in the statement of financial position in respect of retirement obligation is the present value of the retirement obligation at the end of the reporting period, together with adjustments for unrecognised past-service costs. The retirement obligation is calculated annually by independent actuaries using the projected unit credit method. The present value of the retirement obligation is determined by discounting the estimated future cash outflows using market yield of Thai government bonds that have terms to maturity approximating to the terms of the related liability.

Remeasurements arising from experience adjustments and changes in actuarial assumptions are charged or credited to equity in other comprehensive income in the period in which they arise.

Past-service costs are recognised immediately in profit or loss.

3.18 Share-based payment

The Group operates a number of equity-settled, share-based compensation plans, under which the entity receives services from employees as consideration for equity instruments (options) of the Group. The fair value of the employee services received in exchange for the grant of the options is recognised as an expense. The total amount to be expensed is determined by reference to the fair value of the options granted:

- Including any market performance conditions;
- Excluding the impact of any service and non-market performance vesting conditions (for example, profitability, sales growth targets and remaining an employee of the entity over a specified time period); and
- Including the impact of any non-vesting conditions (for example, the requirement for employees to save or holdings shares for a specific period of time).

Non-market performance and service conditions are included in assumptions about the number of options that are expected to vest. The total expense is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. At the end of each reporting period, the entity revises its estimates of the number of options that are expected to vest based on the non-marketing vesting conditions. It recognises the impact of the revision to original estimates, if any, in profit or loss, with a corresponding adjustment to equity.

When the options are exercised, the Company issues new shares. The proceeds received net of any directly attributable transaction costs are credited to share capital (nominal value) and share premium.

The grant by the Company of options over its equity instruments to the employees of subsidiary undertakings in the Group is treated as a capital contribution. The fair value of employee services received, measured by reference to the grant date fair value, is recognised over the vesting period as an increase to investment in subsidiary, in separate financial statement undertakings, with a corresponding credit to equity.

Notes to the Consolidated and Separate Financial statements

For the year ended 31 December 2018

3 Accounting policies (Cont'd)

3.19 Provisions

Provisions are recognised when: the Group has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense.

3.20 Share capital

Ordinary shares and non-redeemable preference shares with discretionary dividends are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

3.21 Revenue recognition

Revenue comprises the fair value of the consideration received or receivable for the sale of goods and service in the ordinary course of the Group's activities. Revenue is shown net of value-added tax, returns, rebates and discounts, and after eliminating sales within the Group. Revenue from sales of goods is recognised when significant risks and rewards of ownership of the goods are transferred to the buyer.

Revenue from construction contract is recognized using the stage of completion determined by reference to the completion of a physical proportion of the contract work performed as assessed by the project engineers and customers as a percentage of total services to be performed (Note 3.7).

Interest income is recognised using the effective interest method.

Rental and other services revenue are recognised on an accrual basis in accordance with the substance of the relevant agreements. Dividend income is recognised when the right to receive payment is established.

3.22 Dividend distribution

Dividend distribution to the Company's shareholders is recognised as a liability in the Group's financial statements in the period in which the dividends are approved by the Company's shareholders.

3.23 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as board of director that makes strategic decisions.

Notes to the Consolidated and Separate Financial statements

For the year ended 31 December 2018

4 Financial risk management

4.1 Financial risk factors

The Group's activities expose it to a variety of financial risks, including the effects of changes in interest rates, counterparties do not comply with the contract and credit risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Group.

Risk management is carried out by central treasury department (Group Treasury) in accordance with policies approved by the Board of Directors. The Group Treasury identifies, evaluates and hedges financial risks in close co-operation with the Group's operating units. The Board provides written principles for overall risk management, as well as written policies covering specific areas, such as interest rates risk, credit risk, use of derivative financial instruments and investing excess liquidity.

4.1.1 Foreign exchange risk

The Group has exposure to foreign currency risk from purchase of goods in various currencies. Entities in the Group use forward contracts, transacted with the commercial banks, to hedge their exposure to foreign currency risk in connection with measurement currency.

4.1.2 Interest rate risk

The Group's income and operating cash flows are not substantially independent of changes in market interest rates. Interest rate risk is the risk that future movements in market interest rates will affect the results of the Group's operations and its cash flows. The loan interest rates of the Group are mainly fixed. The Group does not use the interest rate derivative to manage exposure from fluctuation in interest rate on specific borrowing.

4.1.3 Credit risk

The Group has no significant concentrations of credit risks. The Group has policies in place to ensure that sales of products and services are made to customers with an appropriate credit history. Derivative counterparties and cash transactions are limited to high credit quality financial institutions. The Group has policies that limit the amount of credit exposure to any one financial institution.

4.1.4 Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions. Due to the dynamic nature of the underlying business, Group Treasury aims at maintaining flexibility in funding by keeping committed credit lines available.

4.2 Accounting for derivative financial instruments and hedging activities

The Group is party to derivative financial instruments, which is forward contracts. Such instruments are not recognised in the financial statements on inception.

Foreign currency forward contracts protect the Group from movements in exchange rates. The Group enters into contract establishing the rate at which a foreign currency asset will be realised or a foreign currency liability will be settled in the future. The Group does not recognise foreign currency forward contracts transaction in the financial statements until the contracts are settled. The realised gain (loss) from the settlement of foreign currency forward contracts will be included in gain (loss) on exchange rate in profit or loss. The fee incurred in establishing each agreement is amortised over the contract period, if any.

4.3 Fair value

The book values of financial assets and financial liabilities with a maturity of less than one year approximate their fair values. Long-term borrowings with financial institutions are carried an interest at the market interest rate. Management believe that their net book values are assumed to approximate their fair value.

Notes to the Consolidated and Separate Financial statements

For the year ended 31 December 2018

5 Critical accounting estimates, assumptions and judgements

Estimates, assumptions and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

5.1 Critical accounting estimates and assumptions

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are outlined below.

a) Estimated impairment of assets

At the end of each reporting period the Group shall assess whether there is any indication that an asset may be impaired. Management needs to consider both external and internal factors. If there is any indication that an asset may be impaired, management needs to consider whether the expected recoverable amount is greater than the carrying amount of an asset or not. The recoverable amount is the higher of an asset's or cash-generating unit's fair value less costs of disposal and its value in use.

In measuring value in use an entity shall base cash flow projections on reasonable and supportable assumptions that represent management's best estimate of the range of economic conditions that will exist over the remaining useful life of the asset.

b) Property plant and equipment and intangible assets

Management determines the estimated useful lives and residual values for the Group's property plant and equipment and intangible assets. Management will revise the depreciation charge when useful lives and residual values are different to previous estimation, or will write off or write down technically obsolete or assets that have been abandoned or sold.

c) Employee benefit obligations

The present value of the pension obligations depends on a number of factors that are determined on an actuarial basis using a number of assumptions. The assumptions used in determining the net cost (income) for retirement include the discount rate. Any changes in these assumptions will have an impact on the carrying amount of retirement obligations.

The Group determines the appropriate discount rate at the end of each year. This is the interest rate that should be used to determine the present value of estimated future cash outflows expected to be required to settle the retirement obligations. In determining the appropriate discount rate, the Group considers the market yield of government bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating the terms of the related liability.

Other key assumptions for pension obligations are based in part on current market conditions. Additional information is disclosed in Note 24.

d) Construction revenue and costs

Construction revenue and construction costs are recognised by using the percentage of completion method. The stage of completion is measured by reference to the completion of a physical proportion of the contract work performed as assessed by the project engineers and customers. Construction costs are estimated based from management and engineer experience after taking into consideration of work progress and updated budget project costs incurred as part of the budget.

e) Provision for impairment of doubtful accounts

The Group records an provision for impairment of doubtful accounts which is equivalent to the estimated collection losses that may be incurred in the collection of all receivables. The estimated losses are based on historical collection experience combined with a review of all outstanding receivables at the statement of financial position date. The provision for impairment of doubtful accounts might be changed.

Notes to the Consolidated and Separate Financial statements

For the year ended 31 December 2018

6 Capital risk management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debts.

7 Reclassification

Comparative figures have been reclassified to conform with the current year presentation.

The effect of reclassification to the financial statements for the year ended 31 December 2017 are as follows;

	Originally stated Baht	(Increase) Decrease Baht	Restated Baht
Consolidated statement of comprehensive income			
Cost of service	(520,639,494)	(52,363,852)	(573,003,346)
Selling expense	(56,843,306)	6,528,816	(50,314,490)
Administration expense	(169,912,247)	45,835,036	(124,077,211)
	Originally stated Baht	(Increase) Decrease Baht	Restated Baht
Separate statement of comprehensive income			
Cost of service	(137,171,645)	(6,528,815)	(143,700,460)
Selling expense	(25,644,203)	6,528,815	(19,115,388)

Notes to the Consolidated and Separate Financial statements

For the year ended 31 December 2018

8 Segment information

The Group has three segments report which are comprised of network equipment distribution business network equipment installation business and network equipment rental business.

Reporting segments are referred from the Group's internal report which is reviewed by the Chief Operating Decision Maker (CODM). CODM is the Executive Directors who makes decisions about resource allocation and assesses the segment performance.

The Chief Operating Decision Maker considers the following reporting segments.

	Consolidated financial statements			
	Network equipment distribution Baht	Network equipment installation Baht	Network equipment rental Baht	Total Baht
For the year ended 31 December 2018				
Total revenue	171,601,404	636,232,174	45,836,233	853,669,811
Segment results	33,423,852	125,432,321	(225,017,351)	(66,161,178)
Other income				37,899,587
Unallocated costs				(206,336,030)
Share of loss of investments				(24,912,520)
Finance costs				(42,899,793)
Loss before income tax				(302,409,934)
Income tax				16,120,291
Net loss				(286,289,643)
Fixed assets	37,306,123	44,875,943	1,087,884,459	1,170,066,525
Other assets	118,287,313	704,100,219	153,803,468	976,191,000
Unallocated assets	-	-	-	1,191,481,637
Consolidated total assets				3,337,739,162

Notes to the Consolidated and Separate Financial statements

For the year ended 31 December 2018

8 Segment information (Cont'd)

	Consolidated financial statements			
	Network equipment distribution Baht	Network equipment installation Baht	Network equipment rental Baht	Total Baht
For the year ended 31 December 2017				
Total revenue	398,369,046	850,138,147	9,582,947	1,258,090,140
Segment results	94,472,208	277,134,801	(137,198,940)	234,408,069
Other income				39,756,450
Unallocated costs				(172,222,195)
Share of loss of investments				(1,505,271)
Finance costs				(24,312,074)
Profit before income tax				76,124,979
Income tax				(19,256,114)
Net profit				56,868,865
Fixed assets	50,942,896	43,186,183	949,447,870	1,043,576,949
Other assets	373,513,962	1,053,667,727	42,262,505	1,469,444,194
Unallocated assets	-	-	-	927,617,598
Consolidated total assets				3,440,638,741

The Group has 3 major customers which operate in telecommunication businesses. The revenue generated from those customers is 61.93% of the total revenue in the consolidated statement of comprehensive income for the year ended 31 December 2018 (2017 : 57.57%). These customers belong to network equipment distribution and network equipment installation segments.

9 Cash and cash equivalents

	Consolidated financial statements		Separate financial statements	
	2018 Baht	2017 Baht	2018 Baht	2017 Baht
Cash on hand	785,794	685,449	419,921	474,851
Deposits held at call with banks	190,955,883	128,185,794	53,430,391	75,217,456
	191,741,677	128,871,243	53,850,312	75,692,307

The interest rate on deposits held at call with banks is at 0.13% to 1.25% per annum (2017: 0.04% to 0.38% per annum).

Notes to the Consolidated and Separate Financial statements

For the year ended 31 December 2018

10 Short-term investments

The movement of short-term investment over the year is as follows:

	Consolidated financial statements		Separate financial statements	
	2018 Baht	2017 Baht	2018 Baht	2017 Baht
At 1 January	15,178,121	25,333,373	3,398,364	21,033,192
Addition	19,220,000	7,421,630	19,220,000	10,000
Redeem	(34,269,494)	(18,077,993)	(22,469,701)	(18,063,152)
Interest income	519,822	501,111	499,786	418,324
At 31 December	648,449	15,178,121	648,449	3,398,364

Short-term investments at 31 December 2018 represent fixed deposits with financial institution which is not restricted and have maturity period within 3 months to 12 months. Short-term investments bears interest at the rate of 0.90% to 1.00% per annum (2017: 0.90% to 1.00% per annum).

11 Trade and other receivables

	Consolidated financial statements		Separate financial statements	
	2018 Baht	2017 Baht	2018 Baht	2017 Baht
Trade receivables				
Trade receivables - third parties	354,691,614	405,872,726	76,674,184	132,366,917
Trade receivables - related parties (Note 34)	17,277,563	1,858,565	27,811,936	197,629
Total trade receivables	371,969,177	407,731,291	104,486,120	132,564,546
<u>Less</u> Provision for impairment trade receivables	(6,056,508)	(8,275,838)	(2,232,000)	(891,000)
Trade receivables, net	365,912,669	399,455,453	102,254,120	131,673,546
Other receivables				
Other receivables - third parties	6,228,236	14,992,933	402,622	643,657
Other receivables - related parties (Note 34)	6,722,868	998,713	8,250,227	2,342,302
Advance payment - third parties	3,297,858	413,489	66,700	114,180
Advance payment - related parties (Note 34)	-	56,995	684,319	11,579,406
Advance payment for inventory	5,860,871	22,079,895	4,168,040	2,672,466
Advance payment for inventory - related parties (Note 34)	17,730,014	-	17,730,014	-
Accrued interest income - related parties (Note 34)	17,727,016	10,989	17,727,304	10,989
Accrued income	26,199,647	25,071,520	6,670,820	292,500
Accrued income - related parties (Note 34)	8,482,461	-	8,482,461	-
Accrued dividend income (Note 34)	-	-	-	179,998,380
Prepayments	1,307,204	1,065,020	1,050,315	851,574
Total other receivables	93,556,175	64,689,554	65,232,822	198,505,454
<u>Less</u> Provision for impairment trade receivables	(4,850,000)	(4,850,000)	-	-
Other receivables, net	88,706,175	59,839,554	65,232,822	198,505,454
Total trade and other receivables, net	454,618,844	459,295,007	167,486,942	330,179,000

Notes to the Consolidated and Separate Financial statements

For the year ended 31 December 2018

11 Trade and other receivables (Cont'd)

Outstanding trade account receivables as at 31 December can be analysed as follows:

	Consolidated financial statements		Separate financial statements	
	2018 Baht	2017 Baht	2018 Baht	2017 Baht
Trade account receivables				
Current	143,450,691	257,817,419	9,577,440	82,521,074
Overdue less than 3 months	138,375,409	84,185,007	20,538,110	9,834,283
Overdue 3 months but less than 6 months	21,197,492	12,961,082	1,155,814	-
Overdue 6 months but less than 9 months	947,237	3,499,580	-	1,064,115
Overdue 9 months but less than 12 months	1,086,954	1,658,706	-	206
Overdue over 12 months	49,633,831	45,750,932	45,402,820	38,947,239
Total trade account receivables	354,691,614	405,872,726	76,674,184	132,366,917
<u>Less</u> Provision for impairment trade receivables	(6,056,508)	(8,275,838)	(2,232,000)	(891,000)
Trade account receivables, net	348,635,106	397,596,888	74,442,184	131,475,917

Trade account receivable that overdue more than 12 months included a state enterprise receivable arising from the use of fiber optic network and equipment of Baht 37.56 million from total receivable of Baht 236.42 million. On 8 April 2014, the Company received compensation from insurance claimed amount of Baht 198.86 million and present net-off trade receivable in the financial statements because the insurer is the plaintiff who filed an arbitration claim against state enterprise. The Group's management did not reserve any provision for impairment of doubtful accounts on the remaining balance because the Group has strong evidence to support that counterparty use the Group's assets to generate revenue. Legal advisor gave a strong opinion that it is probable that the Group will win the case.

During 2013, the Company has filed an arbitration claim against this receivable to Administrative Court regarding the additional claim of Baht 275.56 million for service income from the use of fiber optic network and equipment under the services agreement and damages other than amount mentioned above (the Company did not record this claim as revenue in the financial statements). According to the Administrative Court's judgment on 30 September 2016, this receivable was judged to pay the Company for compensation with a monthly rate of Baht 13.5 million, calculated since 12 February 2013 until the project is transferred back. However, the case is currently within the arbitration process because this receivable has lodged an appeal against the court.

During 2014, the Company therefore filed an arbitration claim against this receivable to Civil Court to claimed amount of Baht 96.88 million for the remaining balance at Baht 37.56 million included related damages. The case is currently within the Civil Court's process.

Notes to the Consolidated and Separate Financial statements

For the year ended 31 December 2018

11 Trade and other receivables (Cont'd)

Outstanding trade accounts receivable related parties as at 31 December can be analysed as follows:

	Consolidated financial statements		Separate financial statements	
	2018 Baht	2017 Baht	2018 Baht	2017 Baht
Trade account receivables - related parties				
Current	885,227	1,737,120	27,126,456	76,184
Overdue less than 3 months	3,481,284	121,445	-	121,445
Overdue more than 3 months but less than 6 months	9,836,379	-	19,645	-
Overdue more than 6 months but less than 9 months	3,074,673	-	665,835	-
Total trade account receivables - related parties	17,277,563	1,858,565	27,811,936	197,629
<u>Less</u> Provision for impairment trade receivables	-	-	-	-
Trade account receivables - related parties, net	17,277,563	1,858,565	27,811,936	197,629

12 Unbilled contracts revenue and progress billing in excess of work in progress

At 31 December	Consolidated financial statements		Separate financial statements	
	2018 Baht	2017 Baht	2018 Baht	2017 Baht
Contract costs to date	3,983,956,822	3,825,208,722	639,801,279	613,707,236
Recognised profits to date	1,516,286,572	1,533,839,257	168,431,242	227,049,474
Contract costs incurred and recognised profits to date	5,500,243,394	5,359,047,979	808,232,521	840,756,710
<u>Less</u> Progress billings	(5,343,131,984)	(4,741,421,816)	(827,188,931)	(681,061,992)
Net	157,111,410	617,626,163	(18,956,410)	159,694,718

Unbilled contracts revenue and progress billing in excess of work in progress are presented as current asset and current liability in the statement of financial position, respectively. Unbilled contracts revenue represents the excess of contract cost incurred and recognised profits to date over progress billings to date. Progress billing in excess of work in progress represents the excess of progress billings to date over contract costs incurred and recognised profits to date.

Notes to the Consolidated and Separate Financial statements

For the year ended 31 December 2018

12 Unbilled contracts revenue and progress billing in excess of work in progress (Cont'd)

The difference between contract costs incurred and recognised profits to date and progress billings can be presented as follows:

At 31 December	Consolidated financial statements		Separate financial statements	
	2018 Baht	2017 Baht	2018 Baht	2017 Baht
Unbilled contracts revenue	225,779,300	655,221,229	47,841,543	159,694,718
Progress billing in excess of work in progress (Note 22)	(68,667,890)	(37,595,066)	(66,797,953)	-
Net	157,111,410	617,626,163	(18,956,410)	159,694,718
<u>Less</u> Provision for impairment of unbilled contracts revenue	(13,289,662)	-	(12,674,637)	-
Net	143,821,748	617,626,163	(31,631,047)	159,694,718

13 Inventories

	Consolidated financial statements		Separate financial statements	
	2018 Baht	2017 Baht	2018 Baht	2017 Baht
Raw materials	52,480,443	54,203,764	19,273,204	14,998,302
Work in process	1,423,009	10,155,134	1,268,060	10,101,497
Work in process - construction contract	148,020,593	37,495,609	134,692,047	5,278,049
Goods in Transit	-	7,176,719	-	-
Supplies	93,854,877	35,523,936	28,776,437	35,523,936
Finished goods	37,275,297	74,649,311	5,971,042	11,604,724
Total inventories	333,054,219	219,204,473	189,980,790	77,506,508
<u>Less</u> Provision for impairment of diminution in value of inventories	(18,873,473)	(16,911,712)	(3,443,000)	(7,600,000)
Inventories, net	314,180,746	202,292,761	186,537,790	69,906,508

14 Other current assets

	Consolidated financial statements		Separate financial statements	
	2018 Baht	2017 Baht	2018 Baht	2017 Baht
Input tax	67,459,747	42,827,043	25,588,730	38,825,871
Undue input tax	22,047,321	16,778,058	20,097,349	13,803,108
Withholding tax receivables	56,092,146	24,172,068	30,961,054	20,069,594
Others	171,935	151,594	120,353	85,903
	145,771,149	83,928,763	76,767,486	72,784,476

Notes to the Consolidated and Separate Financial statements

For the year ended 31 December 2018

15 Restricted cash

On 31 December 2018, restricted cash represent fixed deposits with financial institutions carrying interest at the rate of 0.90% to 1.00% per annum (2017: 0.90% to 1.00% per annum). The Company pledged a fixed deposit account with bank as security against the bank overdraft, bank guarantees and promissory note.

16 Investments in subsidiaries, associates and interests in joint ventures**(a) Principal subsidiaries**

The movements of investments in subsidiaries can be analysed as follows:

	Separate financial statements	
	2018 Baht	2017 Baht
At 1 January	176,561,807	174,061,882
Addition	626,249,625	2,499,925
At 31 December	802,811,432	176,561,807

Addition of investments in subsidiaries**2018****Thaithanan Company Limited (old name “2ocean Company Limited”)**

On 26 February 2018, the Company paid for the investment of Baht 2,499,925 to acquire 99,997 shares, representing 99.99% of issued shares, of 2ocean Company Limited (later changing its name to Thaithanan Company Limited) from International Gateway Company Limited, a subsidiary of the Company.

On 27 March 2018, Thaithanan Company Limited registered the change of company name and shareholders with the Ministry of Commerce.

Win and Win Telecom Company Limited

On 5 September 2018, the Company paid for the investment of Baht 1,249,925 to acquire 49,997 shares at a par value of Baht 100 per share, representing 99.99% of issued shares. Win and Win Telecom Company Limited is a company incorporated in Thailand and engages in telecommunications business.

International Gateway Company Limited

On 13 December 2018, the Company paid for investment Baht 7,499,775 to acquire 99,997 shares at a par value of Baht 100 per share, representing 99.99% of issued shares.

On 28 December 2018, the Company paid for additional investment amounting to Baht 615,000,000 to acquire 6,150,000 shares at a par value of Baht 100 per share. The investment was settled by cash of Baht 2,267,200 and with assets valued at Baht 612,732,800, respectively.

Notes to the Consolidated and Separate Financial statements

For the year ended 31 December 2018

16 Investments in subsidiaries, associates and interests in joint ventures (Cont'd)

(a) Principal subsidiaries (Cont'd)

Addition of investments in subsidiaries (Cont'd)

2017

International Gateway Company Limited

On 5 September 2017, the Company paid for the investment amounting to Baht 2,499,925 to acquire 99,997 shares at a par value of Baht 100 per share, representing 99.99% of issued shares. International Gateway Company Limited incorporated in Thailand and engages in rental and management of telecommunication network infrastructures.

A subsidiary under International Gateway Company Limited

2ocean Company Limited

On 5 September 2017, International Gateway Company Limited which is a subsidiary of the Company paid for investment in 2ocean Company Limited, amounting to Baht 2,499,925 to acquire 99,997 shares at a par value of Baht 100 per share, representing 99.99% of issued shares. 2ocean Company Limited incorporated in Thailand and engages in rental and management of telecommunication network infrastructures.

Nature of investments in subsidiaries 2018 and 2017

	Business	Country of incorporation	% Ownership interest		Nature of the relationship
			2018	2017	
Group Tech Solutions Company Limited	Sales and installation electrical system and telecom	Thailand	99.99	99.99	Direct shareholders
I Twenty One Inter Corporation Company Limited	Sales and installation electrical equipment and telecom	Thailand	99.99	99.99	Direct shareholders
Innova Telecommunication Company Limited	Sales and maintenance electrical equipment and telecom	Thailand	99.75	99.75	Direct shareholders
International Gateway Company Limited	Leasing and management of telecommunication basic structure	Thailand	99.99	99.99	Direct shareholders
Thaithanan Company Limited (formerly "2ocean Company Limited" : 2017 held by International Gateway Company Limited)	Leasing and management of telecommunication basic structure	Thailand	99.99	99.99	Direct shareholders
Win and Win Telecom Company Limited	Engaging in telecommunication business	Thailand	99.99	-	Direct shareholders

All subsidiary undertakings are included in the consolidation. The proportion of the voting rights in the subsidiary undertakings held directly by the parent company do not differ from the proportion of ordinary shares held.

The total non-controlling interest at 31 December 2018 is Baht 161,837 (2017 : Baht 175,390) of which is not material to the financial statements.

Notes to the Consolidated and Separate Financial statements

For the year ended 31 December 2018

16 Investments in subsidiaries, associates and interests in joint ventures (Cont'd)

Investments accounted for using equity method

The amounts recognised in the statement of financial position are as follows:

At 31 December	Consolidated financial statements		Separate financial statements	
	2018 Baht	2017 Baht	2018 Baht	2017 Baht
Associate	42,164,174	29,614,862	75,360,000	46,500,000
Joint venture	48,355,810	56,165,738	35,499,900	35,499,900
	<u>90,519,984</u>	<u>85,780,600</u>	<u>110,859,900</u>	<u>81,999,900</u>

The amounts recognised in the income statement are as follows:

For the year ended 31 December	Consolidated financial statements		Separate financial statements	
	2018 Baht	2017 Baht	2018 Baht	2017 Baht
Associate	(16,310,688)	(12,107,261)	-	-
Joint venture	(7,809,928)	9,303,000	-	-
	<u>(24,120,616)</u>	<u>(2,804,261)</u>	<u>-</u>	<u>-</u>

(b) Investments in associate

The movements of investments in associate can be analysed as follows:

	Consolidated financial statements		Separate financial statements	
	2018 Baht	2017 Baht	2018 Baht	2017 Baht
At 1 January	29,614,862	17,722,123	46,500,000	22,500,000
Addition	28,860,000	24,000,000	28,860,000	24,000,000
Share of loss	(17,102,592)	(10,808,271)	-	-
Currency translation differences	791,904	(1,298,990)	-	-
At 31 December	<u>42,164,174</u>	<u>29,614,862</u>	<u>75,360,000</u>	<u>46,500,000</u>

Notes to the Consolidated and Separate Financial statements

For the year ended 31 December 2018

16 Investments in subsidiaries, associates and interests in joint ventures (Cont'd)

(b) Investments in associate (Cont'd)

Addition of interests in associates

2018Spotwerkz (Thailand) Company Limited

On 21 September 2018, the Company paid for investment in Spotwerkz (Thailand) Company Limited, amounting to Baht 5,000,000 to acquire 250,000 shares with a par value of Baht 10 per share, at a value of Baht 20 per share, representing 25.00% of issued shares. Spotwerkz (Thailand) Company Limited incorporated in Thailand and engages in business of providing marketing data derived from WI-FI network and selling of IT and related equipment. On 10 October 2018, Spotwerkz (Thailand) Company Limited registered changes in shareholders with the Ministry of Commerce.

On 16 November 2018, the Company paid for investment in Spotwerkz (Thailand) Company Limited, amounting to Baht 23,860,000 to acquire 1,193,000 shares with a par value of Baht 10 per share, at a value of Baht 20 per share. After the acquisition, the investment represents 45.19% of issued shares.

Consideration paid and net assets acquired from the acquisition are as follows:

	Consolidated financial statements
	Million Baht
Consideration paid	28.86
<u>Less</u> Net book value of net assets acquired*	<u>(18.37)</u>
Purchase price differences	<u>10.49</u>

* As at 31 December 2018, the Company was under the process of determining the fair value of the acquired net assets and reviewing purchase price allocation ("PPA"). Therefore, the difference between purchase price and net assets carrying value will be recorded as goodwill or other assets depending on the determination of fair value and the result of the PPA, which is expected to be finalised within the second quarter 2019.

Notes to the Consolidated and Separate Financial statements

For the year ended 31 December 2018

16 Investments in subsidiaries, associates and interests in joint ventures (Cont'd)

(b) Investments in associate (Cont'd)

2017Telecom Solutions Provider Company Limited

At the Board of Director meeting held on 12 May 2017, resolution was passed to approve the increase in the registered shares by 300,000 shares to 750,000 shares at the par value of Baht 100 per share. The Company paid Baht 24 million for 240,000 shares increase on 9 June 2017. There is no effect to the control power in this associate.

Set out below is the associate of the Group as at 31 December 2018, which, in the opinion of the directors, are material to the Group. The associate as listed below share capital consisting solely of ordinary shares, which are held directly by the Group; the country of incorporation or registration is also their principal place of business.

Nature of investments in associate 2018 and 2017:

Name	Business	Country of incorporation	% Ownership interest		Nature of the relationship	Measurement method
			2018	2017		
Telecom Solutions Provider ("TSP")	Holding company investing in overseas	Thailand	30.00	30.00	Direct shareholders	Equity method
Spotwerkz (Thailand) ("SW")	Providing data analytics services	Thailand	45.19	-	Direct shareholders	Equity method

There are no contingent liabilities relating to the Group's interests in the associate.

Summarised financial information for associate

Set out below are the summarised financial information for the associates that are material to the Group. The information disclosed reflects the amounting presented in the financial statements of the relevant associates (not the Group's shares of those amounts). They have been amended to reflect adjustments made using the equity method, including fair value adjustments and modifications for differences in accounting policy.

Summarised statement of financial position

	TSP		SW		Total	
	2018 Baht	2017 Baht	2018 Baht	2017 Baht	2018 Baht	2017 Baht
Current assets	70,053,879	77,449,576	40,142,605	-	110,196,484	77,449,576
Non-current assets	140,329,774	46,188,162	1,461,287	-	141,791,061	46,188,162
Current liabilities	(97,824,351)	(25,179,815)	(1,237,356)	-	(99,061,707)	(25,179,815)
Non-current liabilities	(71,252,560)	-	(163,401)	-	(71,415,961)	-
Net assets including non-controlling interests	41,306,742	98,457,923	40,203,135	-	81,509,877	98,457,923
Non-controlling interests	3,707,172	258,284	-	-	3,707,172	258,284
Net assets excluding non-controlling interests	45,013,914	98,716,207	40,203,135	-	85,217,049	98,716,207

Notes to the Consolidated and Separate Financial statements

For the year ended 31 December 2018

16 Investments in subsidiaries, associates and interests in joint ventures (Cont'd)

(b) Investments in associate (Cont'd)

Summarised statement of comprehensive income

	TSP		SW		Total	
	2018 Baht	2017 Baht	2018 Baht	2017 Baht	2018 Baht	2017 Baht
Revenue	17,964,086	1,715,349	1,735,062	-	19,699,148	1,715,349
Profit from continuing operation	(59,790,862)	(30,222,077)	(498,271)	-	(60,289,133)	(30,222,077)
Post-tax profit from continuing operations	(59,790,862)	(30,222,077)	(505,391)	-	(60,296,253)	(30,222,077)
Other comprehensive income	2,639,681	(4,329,967)	-	-	2,639,681	(4,329,967)
Total comprehensive income	(57,151,181)	(34,552,044)	(505,391)	-	(57,656,572)	(34,552,044)
Dividends received from associates	-	-	-	-	-	-

Reconciliation of summarised financial information

Reconciliation of the summarised financial information presented to the carrying amount of its interest in associate

Summarised financial information

	TSP		SW		Total	
	2018 Baht	2017 Baht	2018 Baht	2017 Baht	2018 Baht	2017 Baht
Net assets excluding non-controlling interests as at period end	45,013,914	98,716,207	40,203,135	-	85,217,049	98,716,207
Interest in associate (%)	30.00	30.00	45.19	-	-	-
Interest in joint venture	13,504,174	29,614,862	18,167,797	-	31,671,971	29,614,862
Purchase price differences	-	-	10,492,203	-	10,492,203	-
Carrying value	13,504,174	29,614,862	28,660,000	-	42,164,174	29,614,862

Notes to the Consolidated and Separate Financial statements

For the year ended 31 December 2018

16 Investments in subsidiaries, associates and interests in joint ventures (Cont'd)

(c) Interests in joint venture

The movements of interests in joint ventures can be analysed as follows:

	Consolidated financial statements		Separate financial statements	
	2018 Baht	2017 Baht	2018 Baht	2017 Baht
At 1 January	56,165,738	46,862,738	35,499,900	35,499,900
Share of profit (loss)	(7,809,928)	9,303,000	-	-
At 31 December	48,355,810	56,165,738	35,499,900	35,499,900

The joint venture listed below has share capital consisting solely of ordinary shares, which is held directly by the Group.

Nature of interests in joint venture 2018 and 2017

Name	Business	Country of incorporation	% Ownership interest		Nature of the relationship	Measurement method
			2018	2017		
Information Highway	Telecom network installation and network rental	Thailand	71.00	71.00	Direct shareholders	Equity method

Shareholders agreement of Information Highway Company Limited between the Company and external party identified that the Company and external party have joint control over Information Highway Company Limited. The resolution of Board of Directors and shareholders must receive the approval of the representative appointed by the Company and the representative appointed party. If there is a disagreement between representatives of both parties the resolution cannot resolve. Considering the above condition the Group classify investment in Information Highway Company Limited as interest in joint venture.

Information Highway is a private company and there is no quoted market price available for its shares.

There are no contingent liabilities relating to the Group's interests in the joint venture.

Summarised financial information for joint venture

Set out below are the summarised financial information for the joint ventures that are material to the Group. The information disclosed reflects the amounting presented in the financial statements of the relevant joint ventures (not the Group's shares of those amounts). They have been amended to reflect adjustments made using the equity method, including fair value adjustments and modifications for differences in accounting policy.

Notes to the Consolidated and Separate Financial statements

For the year ended 31 December 2018

16 Investments in subsidiaries, associates and interests in joint ventures (Cont'd)

(c) Interests in joint venture (Cont'd)

Summarised statement of financial position

	IH	
	2018 Baht	2017 Baht
Current assets		
Cash and cash equivalents	8,813,634	15,010,236
Other current assets (excluding cash)	122,392,608	99,277,414
Total current assets	131,206,242	114,287,650
Non-current assets	491,760,079	551,243,881
	622,966,321	665,531,531
Current liabilities		
Financial liabilities (excluding trade payables)	426,820,000	467,290,000
Other current liabilities (including trade payables)	68,120,016	45,477,496
Total current liabilities	494,940,016	512,767,496
Non-current liabilities		
Financial liabilities	6,600,000	22,420,000
Other liabilities	39,278,611	36,249,085
Total non-current liabilities	45,878,611	58,669,085
	540,818,627	571,436,581
Net assets	82,147,694	94,094,950
Summarised statement of comprehensive income		
	IH	
	2018 Baht	2017 Baht
Revenue	138,352,112	195,541,502
Interest income	5,435,209	7,477,467
Depreciation and amortisation	(39,381,984)	(35,484,655)
Interest expense	(25,263,899)	(27,946,850)
Profit (loss) from continuing operations	(13,389,683)	11,421,974
Income tax	1,442,427	729,577
Post-tax profit (loss) from continuing operations	(11,947,256)	12,151,551
Other comprehensive income (expense)	-	-
Total comprehensive income (expense)	(11,947,256)	12,151,551
Dividends received from joint venture	-	-

Notes to the Consolidated and Separate Financial statements

For the year ended 31 December 2018

16 Investments in subsidiaries, associates and interests in joint ventures (Cont'd)

(c) Interests in joint venture (Cont'd)

Reconciliation of summarised financial information

Reconciliation of the summarised financial information presented to the carrying amount of its interest in joint venture

Summarised financial information	IH	
	2018 Baht	2017 Baht
Opening net assets at 1 January	94,094,950	81,943,399
Gain (loss) for the year	(11,947,256)	12,151,551
Closing net assets at 31 December	82,147,694	94,094,950
Interest in joint venture	71%	71%
Interest in joint venture	58,324,863	66,807,415
Gains from downstream transactions	(9,969,053)	(10,641,677)
Carrying value	48,355,810	56,165,738

Notes to the Consolidated and Separate Financial statements

For the year ended 31 December 2018

17 Property, plant and equipment

	Consolidated financial statements									
	Land and land improvement		Buildings	Utilities system	Tools and equipment	Furniture fixtures and office equipment	Computer equipment	Vehicles	Work in progress	Total
	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht
At 1 January 2017										
Cost	23,677,780	50,323,575	2,052,493	43,183,591	10,969,455	7,596,364	4,484,486	10,239,195	152,526,939	
Less Accumulated depreciation	-	(23,135,678)	(1,861,479)	(34,156,170)	(8,372,253)	(5,149,849)	(4,484,481)	-	(77,159,910)	
Net book value	23,677,780	27,187,897	191,014	9,027,421	2,597,202	2,446,515	5	10,239,195	75,367,029	
For the year ended 31 December 2017										
Opening net book value	23,677,780	27,187,897	191,014	9,027,421	2,597,202	2,446,515	5	10,239,195	75,367,029	
Additions	335,000	3,433,021	20,084	9,683,950	2,197,788	3,122,476	1,518,692	11,707,009	32,018,020	
Transfer in (out)	-	6,946,535	-	-	-	-	-	(6,946,535)	-	
Disposals, net	-	(72,094)	-	(9,556)	(12,553)	(11)	-	-	(94,214)	
Depreciation charge	-	(3,074,291)	(80,604)	(5,624,403)	(1,098,089)	(1,525,259)	(294,585)	-	(11,697,231)	
Closing net book value	24,012,780	34,421,068	130,494	13,077,412	3,684,348	4,043,721	1,224,112	14,999,669	95,593,604	
At 31 December 2017										
Cost	24,012,780	60,258,330	2,072,577	52,644,976	13,037,106	10,315,350	6,003,178	14,999,669	183,343,966	
Less Accumulated depreciation	-	(25,837,262)	(1,942,083)	(39,567,564)	(9,352,758)	(6,271,629)	(4,779,066)	-	(87,750,362)	
Closing net book value	24,012,780	34,421,068	130,494	13,077,412	3,684,348	4,043,721	1,224,112	14,999,669	95,593,604	

Notes to the Consolidated and Separate Financial statements

For the year ended 31 December 2018

17 Property, plant and equipment (Cont'd)

	Consolidated financial statements								
	Land and land improvement Baht	Buildings Baht	Utilities system Baht	Tools and equipment Baht	Furniture fixtures and office equipment		Vehicles Baht	Work in progress Baht	Total Baht
					Baht	Baht			
At 1 January 2018									
Cost	24,012,780	60,258,330	2,072,577	52,644,976	13,037,106	10,315,350	6,003,178	14,999,669	183,343,966
Less Accumulated depreciation	-	(25,837,262)	(1,942,083)	(39,567,564)	(9,352,758)	(6,271,629)	(4,779,066)	-	(87,750,362)
Net book value	24,012,780	34,421,068	130,494	13,077,412	3,684,348	4,043,721	1,224,112	14,999,669	95,593,604
For the year ended 31 December 2018									
Opening net book value	24,012,780	34,421,068	130,494	13,077,412	3,684,348	4,043,721	1,224,112	14,999,669	95,593,604
Additions	-	259,684	20,746	1,170,083	1,494,776	4,867,477	-	13,337,861	21,150,627
Disposals, net	-	(1,081)	-	(1,499)	(26)	(8)	-	-	(2,614)
Write-off, net	-	(6)	(31,536)	-	(3,969)	-	-	(4,767,000)	(4,802,511)
Transfer in (out)	-	21,915,270	1,160,946	(816,986)	147,338	-	-	(23,176,568)	(770,000)
Depreciation charge	-	(4,549,414)	(109,210)	(4,072,677)	(1,247,741)	(2,473,012)	(303,738)	-	(12,755,792)
Closing net book value	24,012,780	52,045,521	1,171,440	9,356,333	4,074,726	6,438,178	920,374	393,962	98,413,314
At 31 December 2018									
Cost	24,012,780	81,748,672	1,506,828	51,855,242	14,538,202	15,136,040	6,003,178	393,962	195,194,904
Less Accumulated depreciation	-	(29,703,151)	(335,388)	(42,498,909)	(10,463,476)	(8,697,862)	(5,082,804)	-	(96,781,590)
Closing net book value	24,012,780	52,045,521	1,171,440	9,356,333	4,074,726	6,438,178	902,374	393,962	98,413,314

Notes to the Consolidated and Separate Financial statements

For the year ended 31 December 2018

17 Property, plant and equipment (Cont'd)

	Separate financial statements								
	Land and land improvement Baht	Buildings Baht	Utilities system Baht	Tools and equipment Baht	Furniture fixtures and office equipment Baht	Computer equipment Baht	Vehicles Baht	Work in progress Baht	Total Baht
At 1 January 2017									
Cost	20,077,780	26,998,276	1,206,590	556,254	4,246,523	3,234,324	3,061,729	586,628	59,968,104
Less Accumulated depreciation	-	(9,729,357)	(1,058,793)	(417,169)	(2,661,016)	(2,050,621)	(3,061,726)	-	(18,978,682)
Net book value	20,077,780	17,268,919	147,797	139,085	1,585,507	1,183,703	3	586,628	40,989,422
For the year ended 31 December 2017									
Opening net book value	20,077,780	17,268,919	147,797	139,085	1,585,507	1,183,703	3	586,628	40,989,422
Additions	335,000	1,799,880	20,084	5,901,200	212,065	2,578,887	-	5,278,041	16,125,157
Depreciation charge	-	(956,271)	(57,676)	(447,496)	(429,755)	(780,077)	-	-	(2,671,275)
Closing net book value	20,412,780	18,112,528	110,205	5,592,789	1,367,817	2,982,513	3	5,864,669	54,443,304
At 31 December 2017									
Cost	20,412,780	28,798,156	1,226,674	6,457,454	4,458,588	5,813,211	3,061,729	5,864,669	76,093,261
Less Accumulated depreciation	-	(10,685,628)	(1,116,469)	(864,665)	(3,090,771)	(2,830,698)	(3,061,726)	-	(21,649,957)
Closing net book value	20,412,780	18,112,528	110,205	5,592,789	1,367,817	2,982,513	3	5,864,669	54,443,304

Notes to the Consolidated and Separate Financial statements

For the year ended 31 December 2018

17 Property, plant and equipment (Cont'd)

	Separate financial statements								
	Land and land improvement Baht	Buildings Baht	Utilities system Baht	Tools and equipment Baht	Furniture fixtures and office equipment Baht	Computer equipment Baht	Vehicles Baht	Work in progress Baht	Total Baht
At 1 January 2018									
Cost	20,412,780	28,798,156	1,226,674	6,457,454	4,458,588	5,813,211	3,061,729	5,864,669	76,093,261
Less Accumulated depreciation	-	(10,685,628)	(1,116,469)	(864,665)	(3,090,771)	(2,830,698)	(3,061,726)	-	(21,649,957)
Net book value	20,412,780	18,112,528	110,205	5,592,789	1,367,817	2,982,513	3	5,864,669	54,443,304
For the year ended 31 December 2018									
Opening net book value	20,412,780	18,112,528	110,205	5,592,789	1,367,817	2,982,513	3	5,864,669	54,443,304
Additions	-	259,683	20,746	366,150	1,290,281	2,266,070	-	13,337,861	17,540,791
Disposals, net	-	(978,000)	(12,625)	(4,508,010)	(102,451)	(817,997)	-	-	(6,419,083)
Write-off, net	-	-	(30,808)	-	(3,968)	-	-	-	(34,776)
Transfer in (out)	-	16,730,284	1,160,946	-	147,337	-	-	(18,808,567)	(770,000)
Depreciation charge	-	(1,252,603)	(102,956)	(1,265,989)	(531,500)	(1,611,027)	-	-	(4,764,075)
Closing net book value	20,412,780	32,871,892	1,145,508	184,940	2,167,516	2,819,559	3	393,963	59,996,161
At 31 December 2018									
Cost	20,412,780	44,810,124	1,470,450	683,144	5,741,525	6,982,491	3,061,729	393,963	83,556,206
Less Accumulated depreciation	-	(11,938,232)	(324,942)	(498,204)	(3,574,009)	(4,162,932)	(3,061,726)	-	(23,560,045)
Closing net book value	20,412,780	32,871,892	1,145,508	184,940	2,167,516	2,819,559	3	393,963	59,996,161

Notes to the Consolidated and Separate Financial statements

For the year ended 31 December 2018

17 Property, plant and equipment (Cont'd)

As at 31 December 2018, the land and buildings have been pledged with the net book value of Baht 72.58 million and Baht 54.43 million in the consolidated and separate financial statements, respectively (2017 : Baht 58.56 million and Baht 38.63 million in the consolidated and separate financial statements, respectively) under the short-term borrowings (Note 21).

Detail of depreciation recognised in the statement of comprehensive income are as follows;

	Consolidated financial statements		Separate financial statements	
	2018 Baht	2017 Baht	2018 Baht	2017 Baht
Cost of sales / cost of services	2,643,621	2,874,223	1,415,923	501,946
Selling expenses	1,025,353	1,309,050	296,327	235,768
Administrative expenses	9,086,818	7,513,958	3,051,825	1,933,561
Total	12,755,792	11,697,231	4,764,075	2,671,275

The leased assets included above, where the Group is a lessee under a finance lease, are motor vehicles.

	Consolidated financial statements		Separate financial statements	
	2018 Baht	2017 Baht	2018 Baht	2017 Baht
Cost - capitalised under finance leases	1,518,692	1,518,692	-	-
<u>Less</u> Accumulated depreciation	(598,323)	(294,585)	-	-
Net book amount	920,369	1,224,107	-	-

Notes to the Consolidated and Separate Financial statements

For the year ended 31 December 2018

18 Fiber optic network

	Consolidated financial statements	Separate financial statements
	Baht	Baht
At 31 December 2017		
Cost	700,625,109	749,086,514
<u>Less</u> Accumulated depreciation	<u>(120,102,775)</u>	<u>(120,102,775)</u>
Closing net book value	<u>580,522,334</u>	<u>628,983,739</u>
For the year ended 31 December 2017		
Opening net book value	580,522,334	628,983,739
Additions	406,770,003	574,767,330
Depreciation charge	<u>(39,308,992)</u>	<u>(43,723,042)</u>
Closing net book value	<u>947,983,345</u>	<u>1,160,028,027</u>
At 31 December 2017		
Cost	1,107,395,112	1,323,853,844
<u>Less</u> Accumulated depreciation	<u>(159,411,767)</u>	<u>(163,825,817)</u>
Closing net book value	<u>947,983,345</u>	<u>1,160,028,027</u>
For the year ended 31 December 2018		
Opening net book value	947,983,345	1,160,028,027
Additions	192,243,858	182,520,773
Disposals, net	-	(449,822,742)
Write-off, net	(7,760,561)	(7,760,561)
Transfer in	770,000	770,000
Depreciation charge	<u>(61,583,431)</u>	<u>(70,865,553)</u>
Closing net book value	<u>1,071,653,211</u>	<u>814,869,944</u>
At 31 December 2018		
Cost	1,292,135,592	1,009,774,590
<u>Less</u> Accumulated depreciation	<u>(220,482,381)</u>	<u>(194,904,646)</u>
Closing net book value	<u>1,071,653,211</u>	<u>814,869,944</u>

Notes to the Consolidated and Separate Financial statements

For the year ended 31 December 2018

19 Intangible assets

	Consolidated financial statements				Separate financial statements
	Computer program Baht	Patent Baht	Computer program under installation Baht	Total Baht	Computer program Baht
At 31 December 2017					
Cost	11,930,571	926,725	3,055,483	15,912,779	4,929,140
<u>Less</u> Accumulated amortisation	<u>(4,505,029)</u>	<u>(926,725)</u>	<u>-</u>	<u>(5,431,754)</u>	<u>(2,011,022)</u>
Net book value	<u>7,425,542</u>	<u>-</u>	<u>3,055,483</u>	<u>10,481,025</u>	<u>2,918,118</u>
For the year ended 31 December 2017					
Opening net book value	7,425,542	-	3,055,483	10,481,025	2,918,118
Additions	6,651,515	-	-	6,651,515	5,886,500
Disposals, net	-	-	(2,816,330)	(2,816,330)	-
Transfer in (out)	162,353	-	(162,353)	-	-
Amortisation charge	<u>(1,428,010)</u>	<u>-</u>	<u>-</u>	<u>(1,428,010)</u>	<u>(690,274)</u>
Closing net book value	<u>12,811,400</u>	<u>-</u>	<u>76,800</u>	<u>12,888,200</u>	<u>8,114,344</u>
At 31 December 2017					
Cost	18,744,439	926,725	76,800	19,747,964	10,815,640
<u>Less</u> Accumulated amortisation	<u>(5,933,039)</u>	<u>(926,725)</u>	<u>-</u>	<u>(6,859,764)</u>	<u>(2,701,296)</u>
Net book value	<u>12,811,400</u>	<u>-</u>	<u>76,800</u>	<u>12,888,200</u>	<u>8,114,344</u>
For the year ended 31 December 2018					
Opening net book value	12,811,400	-	76,800	12,888,200	8,114,344
Additions	5,882,958	-	-	5,882,958	3,490,597
Disposals, net	-	-	-	-	(5,023,621)
Amortisation charge	<u>(2,041,350)</u>	<u>-</u>	<u>-</u>	<u>(2,041,350)</u>	<u>(1,164,791)</u>
Closing net book value	<u>16,653,008</u>	<u>-</u>	<u>76,800</u>	<u>16,729,808</u>	<u>5,416,529</u>
At 31 December 2018					
Cost	24,627,397	926,725	76,800	25,630,922	9,282,616
<u>Less</u> Accumulated amortisation	<u>(7,974,389)</u>	<u>(926,725)</u>	<u>-</u>	<u>(8,901,114)</u>	<u>(3,866,087)</u>
Net book value	<u>16,653,008</u>	<u>-</u>	<u>76,800</u>	<u>16,729,808</u>	<u>5,416,529</u>

Notes to the Consolidated and Separate Financial statements

For the year ended 31 December 2018

20 Deferred income taxes

The analysis of deferred tax assets and deferred tax liability at 31 December is as follows:

	Consolidated financial statements		Separate financial statements	
	2018 Baht	2017 Baht	2018 Baht	2017 Baht
Deferred tax assets:				
Deferred tax asset to be recovered within 12 months	62,594	153,515	-	153,515
Deferred tax asset to be recovered after more than 12 months	139,716,530	119,720,829	83,359,781	79,061,910
	<u>139,779,124</u>	<u>119,874,344</u>	<u>83,359,781</u>	<u>79,215,425</u>
Deferred tax liabilities:				
Deferred tax liability to be settled within 12 months	(4,543,636)	(4,543,636)	(4,543,636)	(4,543,636)
Deferred tax liability to be settled after more than 12 months	(34,289,583)	(38,833,220)	(34,289,583)	(38,833,220)
	<u>(38,833,219)</u>	<u>(43,376,856)</u>	<u>(38,833,219)</u>	<u>(43,376,856)</u>
Deferred tax asset, net	<u>100,945,905</u>	<u>76,497,488</u>	<u>44,526,562</u>	<u>35,838,569</u>

The gross movement and the deferred income tax account is as follows:

	Consolidated financial statements		Separate financial statements	
	2018 Baht	2017 Baht	2018 Baht	2017 Baht
At 1 January	76,497,488	39,653,650	35,838,569	14,081,352
Charged to income statement	24,448,417	36,843,838	8,687,993	21,757,217
At 31 December	<u>100,945,905</u>	<u>76,497,488</u>	<u>44,526,562</u>	<u>35,838,569</u>

Notes to the Consolidated and Separate Financial statements

For the year ended 31 December 2018

20 Deferred income taxes (Cont'd)

The movement in deferred tax assets and liabilities during the year is as follows:

	Consolidated financial statements		
	At 1 January 2017 Baht	Charged to Income statement Baht	At 31 December 2017 Baht
Deferred tax assets			
Provision for impairment of diminution in value of inventories	3,815,867	(434,925)	3,380,942
Provision for impairment of doubtful account	1,776,917	(121,749)	1,655,168
Employee benefit obligations	3,276,150	915,997	4,192,147
Services income - fiber optic network	53,010,000	-	53,010,000
Prepaid expenses	736,432	620,447	1,356,879
Tax loss carry forward	4,890,702	16,375,849	21,266,551
Deferred interest income	2,159,553	(1,499,717)	659,836
Margins in inventories/assets	17,658,560	16,419,062	34,077,622
Others	249,960	25,239	275,199
	<u>87,574,141</u>	<u>32,300,203</u>	<u>119,874,344</u>
Deferred tax liabilities			
Depreciation of fiber optic network	47,920,491	(4,543,635)	43,376,856
	<u>47,920,491</u>	<u>(4,543,635)</u>	<u>43,376,856</u>
	Consolidated financial statements		
	At 1 January 2018 Baht	Charged to Income statement Baht	At 31 December 2018 Baht
Deferred tax assets			
Provision for impairment of diminution in value of inventories	3,380,942	(257,904)	3,123,038
Provision for impairment of doubtful account	1,655,168	1,967,036	3,622,204
Employee benefit obligations	4,192,147	948,899	5,141,046
Services income - fiber optic network	53,010,000	-	53,010,000
Prepaid expenses	1,356,879	546,362	1,903,241
Tax loss carry forward	21,266,551	756,764	22,023,315
Deferred interest income	659,836	(597,242)	62,594
Margins in inventories/assets	34,077,622	15,259,606	49,337,228
Others	275,199	1,281,259	1,556,458
	<u>119,874,344</u>	<u>19,904,780</u>	<u>139,779,124</u>
Deferred tax liabilities			
Depreciation of fiber optic network	43,376,856	(4,543,637)	38,833,219
	<u>43,376,856</u>	<u>(4,543,637)</u>	<u>38,833,219</u>

Notes to the Consolidated and Separate Financial statements

For the year ended 31 December 2018

20 Deferred income taxes (Cont'd)

The movement in deferred tax assets and liabilities during the year is as follows: (Cont'd)

	Separate financial statements		
	At 1 January 2017 Baht	Charged to Income statement Baht	At 31 December 2017 Baht
Deferred tax assets			
Provision for impairment of diminution in value of inventories	1,611,472	(91,472)	1,520,000
Provision for impairment of doubtful accounts	213,782	(35,582)	178,200
Employee benefit obligations	1,418,495	359,394	1,777,889
Services income - fiber optic network	53,010,000	-	53,010,000
Prepaid expenses	736,432	620,447	1,356,879
Tax loss carry forward	4,890,702	16,206,556	21,097,258
Others	120,960	154,239	275,199
	<u>62,001,843</u>	<u>17,213,582</u>	<u>79,215,425</u>
Deferred tax liabilities			
Depreciation of fiber optic network	47,920,491	(4,543,635)	43,376,856
	<u>47,920,491</u>	<u>(4,543,635)</u>	<u>43,376,856</u>

	Separate financial statements		
	At 1 January 2018 Baht	Charged to Income statement Baht	At 31 December 2018 Baht
Deferred tax assets			
Provision for impairment of diminution in value of inventories	1,520,000	(831,400)	688,600
Provision for impairment of doubtful accounts	178,200	2,803,127	2,981,327
Employee benefit obligations	1,777,889	345,009	2,122,898
Services income - fiber optic network	53,010,000	-	53,010,000
Prepaid expenses	1,356,879	546,362	1,903,241
Tax loss carry forward	21,097,258	-	21,097,258
Others	275,199	1,281,258	1,556,457
	<u>79,215,425</u>	<u>4,144,356</u>	<u>83,359,781</u>
Deferred tax liabilities			
Depreciation of fiber optic network	43,376,856	(4,543,637)	38,833,219
	<u>43,376,856</u>	<u>(4,543,637)</u>	<u>38,833,219</u>

The Company did not recognise deferred income tax of Baht 33,257,755 in respect of losses amounting to Baht 166,288,777 and the Group did not recognise deferred income tax of Baht 37,089,984 in respect of losses amounting to Baht 185,449,920 from the Group that can be carried forward against future taxable income. This is because the Group did not anticipate these subsidiaries to have sufficient tax profit to utilise such tax loss carried forward (2017: The Group did not recognise deferred income tax of Baht 2,272,752 in respect of losses amounting to Baht 11,363,759).

Notes to the Consolidated and Separate Financial statements

For the year ended 31 December 2018

20 Deferred income taxes (Cont'd)

Expiration of tax loss can be analysed as below:

	Consolidated financial statements 2018 Baht	Separate financial statements 2018 Baht
Tax losses for non-deferred tax assets		
Expire in 2022	654,774	-
Expire in 2023	184,795,146	166,288,777
	<u>185,449,920</u>	<u>166,288,777</u>

21 Borrowings

	Consolidated financial statements		Separate financial statements	
	2018 Baht	2017 Baht	2018 Baht	2017 Baht
Current				
Promissory notes / Bill of Exchange	1,035,973,480	862,158,301	683,000,000	604,366,708
Trust receipt	77,241,105	65,455,404	-	29,810,728
Current portion of long-term borrowings from financial institutions	23,301,000	101,115,600	23,301,000	-
Short-term loans	-	-	102,000,000	-
- related party (Note 34)	356,252	309,902	-	-
Current portion of finance lease liability	<u>1,136,871,837</u>	<u>1,029,039,207</u>	<u>808,301,000</u>	<u>634,177,436</u>
Non-current				
Long-term borrowings from financial institutions	62,908,305	-	62,908,305	-
Finance lease liability	313,206	683,464	-	-
Total non-current borrowings	<u>63,221,511</u>	<u>683,464</u>	<u>62,908,305</u>	<u>-</u>
Total borrowings	<u>1,200,093,348</u>	<u>1,029,722,671</u>	<u>871,209,305</u>	<u>634,177,436</u>

Promissory notes / Bill of Exchange are secured over a part of land and buildings of the Group (Note 17).

The interest rates exposure on the borrowings of the Group and the Company are as follows:

	Consolidated financial statements		Separate financial statements	
	2018 Baht	2017 Baht	2018 Baht	2017 Baht
Borrowings				
Fixed rates	907,203,348	165,198,001	710,319,305	40,000,000
Floating rates	292,890,000	864,524,670	160,890,000	594,177,436
Total borrowings	<u>1,200,093,348</u>	<u>1,029,722,671</u>	<u>871,209,305</u>	<u>634,177,436</u>

Notes to the Consolidated and Separate Financial statements

For the year ended 31 December 2018

21 Borrowings (Cont'd)

The effective interest rates at the statement of financial position date were as follows:

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
Promissory note / Bill of Exchange	3.20 - 4.00 and MLR - 1.25 - MLR - 3.475	3.40 - 5.00 and MLR - 1.25 - MLR - 3.275	3.20 - 4.00 and MLR - 2.00 - MLR - 3.275	3.40 - 4.15 and MLR - 1.25 - MLR - 3.275
Trust Receipt	3.30 - 4.20	3.77 - 4.00	-	3.77
Short-term loans - related parties	-	-	5.00	-
Finance lease liability	6.30	6.30	-	-
Long-term borrowing	4.75 and MLR - 1.50	3.80	4.75 and MLR - 1.50	-

Change in long-term loans (exclude finance lease liability) can be analysed as below:

	Consolidated financial statements	Separate financial statements
	Baht	Baht
For the year ended 31 December 2018		
Opening balance	101,115,600	-
Addition	90,890,000	90,890,000
Repayment	(105,796,295)	(4,680,695)
Closing balance	86,209,305	86,209,305

Finance lease liability - minimum lease payments:

	Consolidated financial statements		Separate financial statements	
	2018 Baht	2017 Baht	2018 Baht	2017 Baht
Not later than one year	390,960	365,383	-	-
Later than one year	325,800	730,767	-	-
	716,760	1,096,150	-	-
<u>Less</u> Future finance charges on finance leases	(47,302)	(102,784)	-	-
Present value of finance lease liability	669,458	993,366	-	-

The present value of finance lease liability is as follows:

	Consolidated financial statements		Separate financial statements	
	2018 Baht	2017 Baht	2018 Baht	2017 Baht
Not later than 1 year	356,252	309,902	-	-
More than 1 year	313,206	683,464	-	-
	669,458	993,366	-	-

The fair values of borrowings, and lease obligations approximate their carrying amounts.

Notes to the Consolidated and Separate Financial statements

For the year ended 31 December 2018

21 Borrowings (Cont'd)

Borrowing facilities

The Group and the Company have the following undrawn committed borrowing facilities:

	Consolidated financial statements		Separate financial statements	
	2018 Baht	2017 Baht	2018 Baht	2017 Baht
Floating rate - expiring within a year	599,113,104	654,381,749	135,277,541	176,179,272

Borrowing facilities are reviewed annually.

Reconciliation of liabilities arising from financial activities

	31 December 2017 Baht	Cash flow Baht	Non-cash changes Amortisation of prepaid interest expense Baht	31 December 2018 Baht
Consolidated financial information				
Short-term borrowings from financial institutions	927,613,705	185,070,588	530,292	1,113,214,585
Finance lease liability	993,366	(379,390)	55,482	669,458
Long-term borrowings from financial institutions	101,115,600	(14,906,295)	-	86,209,305
Separate financial information				
Short-term borrowings from financial institutions	634,177,436	48,292,272	530,292	683,000,000
Long-term borrowings from financial institutions	-	86,209,305	-	86,209,305
Short-term loans from related party	-	102,000,000	-	102,000,000

22 Trade and other payables

	Consolidated financial statements		Separate financial statements	
	2018 Baht	2017 Baht	2018 Baht	2017 Baht
Trade accounts payable				
Trade accounts payable - third parties	159,313,843	140,330,024	109,438,870	17,879,402
Trade accounts payable - related parties (Note 34)	432,489	-	273,961,065	197,085,791
Total	159,746,332	140,330,024	383,399,935	214,965,193
Other accounts payable				
Other accounts payable - third parties	6,430,175	8,175,471	4,157,644	5,632,165
Accrued interest expense	1,193,970	365,817	569,697	216,465
Accrued expense	46,976,161	47,747,336	33,952,598	27,341,936
Accrued expense - related party (Note 34)	-	-	11,347,012	166,893,162
Progress billing in excess of work in progress (Note 12)	68,667,890	37,595,066	66,797,953	-
Advance from customers	9,465,570	7,987,227	131,342	1,826,680
Advance from customers - related parties (Note 34)	12,705,000	-	12,705,000	-
Accrued construction costs	178,248,056	254,458,554	12,629,366	45,406,632
Total	323,686,822	356,329,471	142,290,612	247,317,040
Total trade and other payables	483,433,154	496,659,495	525,690,547	462,282,233

Notes to the Consolidated and Separate Financial statements

For the year ended 31 December 2018

23 Other current liabilities

	Consolidated financial statements		Separate financial statements	
	2018 Baht	2017 Baht	2018 Baht	2017 Baht
Undue output tax	56,297,908	45,856,672	18,068,893	18,122,833
Withholding tax payable	2,384,476	2,842,885	803,499	943,090
Other	-	76,893	-	-
Total	58,682,384	48,776,450	18,872,392	19,065,923

24 Employee benefit obligations

Employee benefit obligations comprises:

	Consolidated financial statements		Separate financial statements	
	2018 Baht	2017 Baht	2018 Baht	2017 Baht
Retirement benefits	24,864,691	19,759,127	10,048,626	8,433,438
Other employee benefits	1,478,888	1,201,608	565,861	456,005
Liability in the statement of financial position	26,343,579	20,960,735	10,614,487	8,889,443

Post-retirement benefits

	Consolidated financial statements		Separate financial statements	
	2018 Baht	2017 Baht	2018 Baht	2017 Baht
Statement of financial position				
Retirement benefits	24,864,691	19,759,127	10,048,626	8,433,438
Liability in the statement of financial position	24,864,691	19,759,127	10,048,626	8,433,438
Profit or loss charge included in operating profit for:				
Retirement benefits	5,105,564	4,308,442	1,615,188	1,697,614
	5,105,564	4,308,442	1,615,188	1,697,614

Notes to the Consolidated and Separate Financial statements

For the year ended 31 December 2018

24 Employee benefit obligations (Cont'd)

Retirement benefits

Retirement benefits are final salary retirement plans, which provide benefits to members in the form of a guaranteed level of pension payable. The level of benefits provided depends on members' length of service and their salary in the final years leading up to retirement.

The movement in the defined benefit obligation over the year is as follows:

	Consolidated financial statements		Separate financial statements	
	2018 Baht	2017 Baht	2018 Baht	2017 Baht
At 1 January	19,759,127	15,450,685	8,433,438	6,735,824
Current service cost	4,712,632	3,996,156	1,476,484	1,580,488
Interest cost	392,932	312,286	138,704	117,126
At 31 December	24,864,691	19,759,127	10,048,626	8,433,438

The principal actuarial assumptions used were as follows:

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
Discount rate	1.79 - 2.35	1.79 - 2.35	1.79	1.79
Salary increase rate	6.00	6.00	6.00	6.00
Staff turnover rate	11.00 - 31.00	11.00 - 31.00	18.00 - 30.00	18.00 - 30.00
Retirement age	55 years	55 years	55 years	55 years

Sensitivity analysis

	Consolidated financial statements					
	Change in assumption		Impact on defined benefit obligation			
			Increase in assumption		Decrease in assumption	
	2018	2017	2018	2017	2018	2017
Discount rate	1.0%	1.0%	Decrease by 6.46%	Decrease by 6.70%	Increase by 7.37%	Increase by 7.66%
Salary growth rate	1.0%	1.0%	Increase by 9.02%	Increase by 8.31%	Decrease by 8.00%	Decrease by 7.39%
Staff turnover rate	1.0%	1.0%	Decrease by 7.13%	Decrease by 7.41%	Increase by 3.66%	Increase by 3.79%

	Separate financial statements					
	Change in assumption		Impact on defined benefit obligation			
			Increase in assumption		Decrease in assumption	
	2018	2017	2018	2017	2018	2017
Discount rate	1.0%	1.0%	Decrease by 3.31%	Decrease by 3.30%	Increase by 3.72%	Increase by 3.68%
Salary growth rate	1.0%	1.0%	Increase by 5.60%	Increase by 4.61%	Decrease by 5.14%	Decrease by 4.25%
Staff turnover rate	1.0%	1.0%	Decrease by 3.84%	Decrease by 3.81%	Increase by 2.48%	Increase by 2.21%

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the pension liability recognised within the statement of financial position.

Notes to the Consolidated and Separate Financial statements

For the year ended 31 December 2018

24 Employee benefit obligations (Cont'd)**Retirement benefits (Cont'd)****Sensitivity analysis (Cont'd)**

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the previous period.

Through its defined benefit retirement benefit plans the Group is exposed to a number of risks, the most significant of which are detailed below:

Changes in bond yields A decrease in Government bond yields will increase plan liabilities.

The weighted average duration of the defined benefit obligation is 17.05 years.

Expected maturity analysis of undiscounted retirement and post-employment medical benefits:

	Consolidated financial statements				
	Less than a year Baht	Between 1 - 2 years Baht	Between 2 - 5 years Baht	Over 5 years Baht	Total Baht
At 31 December 2018 Retirement benefits	4,905,747	3,935,589	2,375,211	27,161,977	38,378,524
	Consolidated financial statements				
	a year Baht	1 - 2 years Baht	2 - 5 years Baht	5 years Baht	Total Baht
At 31 December 2017 Retirement benefits	741,576	4,905,747	6,111,599	27,361,178	39,120,100
	Separate financial statements				
	Less than a year Baht	Between 1 - 2 years Baht	Between 2 - 5 years Baht	Over 5 years Baht	Total Baht
At 31 December 2018 Retirement benefits	2,725,211	2,989,394	1,954,359	4,729,484	12,398,448
	Separate financial statements				
	Less than a year Baht	Between 1 - 2 years Baht	Between 2 - 5 years Baht	Over 5 years Baht	Total Baht
At 31 December 2017 Retirement benefits	741,576	2,725,211	4,744,552	4,928,685	13,140,024

Notes to the Consolidated and Separate Financial statements

For the year ended 31 December 2018

24 Employee benefit obligations (Cont'd)

Other employee benefits

Other employee benefits are benefit plans which provide gold pendants to members. The level of benefits provided depends on service years before retirement.

The movement in the defined benefit obligation over the year is as follows:

	Consolidated financial statements		Separate financial statements	
	2018 Baht	2017 Baht	2018 Baht	2017 Baht
At 1 January	1,201,608	930,063	456,005	356,648
Current service cost	283,925	254,957	104,483	94,089
Interest cost	19,355	16,588	5,373	5,268
Benefit paid	(26,000)	-	-	-
At 31 December	1,478,888	1,201,608	565,861	456,005

25 Share capital

	Authorised number of Share	Number of Share	Ordinary shares Baht	Share Premium Baht	Total Baht
At 1 January 2017	1,000,000,000	1,000,000,000	500,000,000	1,010,493,000	1,510,493,000
Issue of shares	250,000,000	-	-	-	-
At 31 December 2017	1,250,000,000	1,000,000,000	500,000,000	1,010,493,000	1,510,493,000
Issue of shares	-	16,004,200	8,002,100	40,010,500	48,012,600
At 31 December 2018	1,250,000,000	1,016,004,200	508,002,100	1,050,503,500	1,558,505,600

The total authorised number of ordinary shares is 1,250,000,000 shares (31 December 2017: 1,250,000,000 shares) with a par value of Baht 0.5 per share (31 December 2017: Baht 0.50 per share). The issued and fully paid-up ordinary shares is 1,016,004,200 shares (31 December 2017: 1,000,000,000 shares).

On 6 December 2017, the Company registered the increase in share capital with the Ministry of Commerce in the amount of 250 million shares at Baht 0.50 per share, totaling Baht 125 million in accordance with the resolution of the Extraordinary General Meeting of Shareholders No.1/2017. On 30 November 2017, the registration of the capital increase to support the allocation of warrants to purchase ordinary shares of the Company No.1 (ALT-W1), the amount of less than 250 million units to the existing shareholders at the ratio of 4 existing shares to 1 warrant unit without charge (Note 27).

During the year 2018, the shareholders exercised their rights to purchase ordinary shares of the Company in the amount of 16,004,200 rights (Note 27) with the exercise ratio of 1:1 shares, totaling 16,004,200 shares with the exercise price 3 Baht per share.

Notes to the Consolidated and Separate Financial statements

For the year ended 31 December 2018

26 Legal reserve

	Consolidated and Separate financial statements	
	2018 Baht	2017 Baht
At 1 January	55,000,000	50,000,000
Appropriation during the year	-	5,000,000
At 31 December	55,000,000	55,000,000

Under the Public Company Limited Act B.E.2535, the Company is required to set aside a statutory reserve of at least 5% of its net profit for the year, after deducting accumulated deficit brought forward (if any), until the reserve reaches 10% of its registered share capital. This legal reserve is non-distributable.

27 Warrants

At the Extraordinary General Meeting of Shareholders No.1/2017 held on 30 November 2017, the shareholders have passed the solution to issue warrants to purchase of ordinary shares, issued in a named certificate and transferable ('ALT-W1') by allocating to existing shareholders in proportion to their shares before the capital increase at proportion of 4 ordinary shares to 1 warrant. Total number of warrants to be allotted not exceeding 250,000,000 warrants and the exercise price is of Baht 3 per share. The exercise right is 1 warrant per 1 ordinary share. The warrant has the period of 3 years from the date of issuance and offering.

	Issued	Ended	As at 31 December 2017	Exercise during the year	As at 31 December 2018
			Outstanding warrant Unit		Outstanding warrant Unit
ALT-W1	19 December 2018	18 December 2020	249,988,705	(16,004,200)	233,984,505
			249,988,705	(16,004,200)	233,984,505

During 2018, warrants of 16,004,200 options have been exercised with a value of Baht 48.01 million (Note 25).

28 Dividends**2018**

At the Annual General Meeting of Shareholders held on 26 April 2018, the shareholders passed the resolution to approve dividends payment from the result of operation in 2017 at Baht 0.04 per share, totalling Baht 40.32 million. The dividends were distributed to the shareholders in May 2018.

2017

At the Annual General Meeting of Shareholders held on 26 April 2017, the shareholders passed the resolution to approve dividends payment from the result of operation in 2016 at Baht 0.1 per share, totalling Baht 100.00 million. The dividends were distributed to the shareholders in May 2017.

Notes to the Consolidated and Separate Financial statements

For the year ended 31 December 2018

29 Other income

	Consolidated financial statements		Separate financial statements	
	2018 Baht	2017 Baht	2018 Baht	2017 Baht
Dividend income - related party (Note 34)	-	-	-	179,998,380
Management fee income				
- related parties (Note 34)	7,256,952	9,142,449	19,738,896	17,983,362
Rental income - related parties (Note 34)	1,155,492	1,204,452	6,092,784	7,201,728
Interest income	5,202,776	8,893,331	515,053	418,325
Interest income - related party (Note 34)	19,220,411	16,854,247	24,832,260	30,506,438
Gain from disposals	13,324	-	-	-
Gain from disposals - related parties (Note 34)	-	-	71,803,432	-
Others	5,050,632	3,383,582	2,269,211	601,468
Others - related parties (Note 34)	-	278,389	200,000	225,889
Total	37,899,587	39,756,450	125,451,636	236,935,590

30 Finance costs

	Consolidated financial statements		Separate financial statements	
	2018 Baht	2017 Baht	2018 Baht	2017 Baht
Finance cost:				
Bank borrowings	42,296,483	23,892,974	26,734,048	13,562,103
Finance lease	55,482	67,861	-	-
Short-term borrowings from related parties (Note 34)	-	-	1,913,945	-
Others	547,828	351,239	547,829	351,239
Total	42,899,793	24,312,074	29,195,822	13,913,342

31 Expense by nature

The following items, classified by nature, have been charged in arriving at the profit:

	Consolidated financial statements		Separate financial statements	
	2018 Baht	2017 Baht	2018 Baht	2017 Baht
Changes in inventories	(113,849,746)	130,004,795	(112,474,282)	896,068
Raw material and consumables used	143,274,785	342,318,979	138,288,269	142,273,321
Construction supplies and subcontractor charges	444,901,478	231,442,895	176,576,037	108,913,830
Salaries, wages and other employee benefits	190,099,705	169,601,958	98,001,280	60,083,834
Depreciation and amortisation	76,380,573	52,434,232	76,794,419	47,084,592
Rental and utilities expenses	127,581,127	116,437,887	32,018,376	25,779,450
Service fee expenses	40,567,942	19,693,512	19,940,512	4,332,906
Transportation and import duty expense	8,011,612	16,777,537	1,062,795	6,047,567
Provision for impairment of diminution in value of inventories (reversal)	1,961,761	(2,174,625)	(4,157,000)	(457,363)
Provision for impairment of doubtful accounts (reversal)	(2,219,330)	(608,747)	1,341,000	(177,908)
Travelling expenses	11,420,098	11,840,887	4,799,412	3,999,911
Fee	6,719,328	4,726,192	4,938,163	3,433,334
Maintenance expenses				
- Fiber optic network	51,887,559	24,401,501	77,338,104	36,944,483

Notes to the Consolidated and Separate Financial statements

For the year ended 31 December 2018

32 Income tax

	Consolidated financial statements		Separate financial statements	
	2018 Baht	2017 Baht	2018 Baht	2017 Baht
Current tax	8,328,126	56,099,952	-	-
Deferred income tax (Note 20)	(24,448,417)	(36,843,838)	(8,687,993)	(21,757,217)
Income tax	<u>(16,120,291)</u>	<u>19,256,114</u>	<u>(8,687,993)</u>	<u>(21,757,217)</u>

The tax on the Group's profit before tax differs from the theoretical amount that would arise using the basic weighted average tax rate applicable to profit of the home country of the Company as follows:

	Consolidated financial statements		Separate financial statements	
	2018 Baht	2017 Baht	2018 Baht	2017 Baht
(Loss) profit before tax	(302,409,934)	76,124,979	(227,348,167)	70,200,371
Tax calculated at a tax rate of 20% (2017: 20%)	(60,481,986)	15,224,996	(45,469,633)	14,040,074
Tax effect of:				
Share of profit (loss)	4,982,504	301,054	-	-
Income not subject to tax	(163,846)	-	-	(35,999,676)
Expenses not deductible for tax purpose	6,225,037	2,228,889	4,842,979	704,483
Expenses that are deductible at a greater amount	(3,771,984)	(1,167,592)	(1,319,094)	(905,655)
Tax losses for which no deferred income tax asset was recognised	37,089,984	2,272,752	33,257,755	-
Adjustment in respect of prior period	-	396,015	-	403,557
Tax charge (credit)	<u>(16,120,291)</u>	<u>19,256,114</u>	<u>(8,687,993)</u>	<u>(21,757,217)</u>

The weighted average applicable tax rate was 5.33% and 3.82% (2017: 25.30% and 30.99% respectively). The decrease in average annual tax rate used for consolidated and separate financial statements is caused by an increase in tax losses for which no deferred income tax asset was recognised.

Notes to the Consolidated and Separate Financial statements

For the year ended 31 December 2018

33 Earnings (Loss) per share

Basic earnings (loss) per share

Basic earning (loss) per share is calculated by dividing the profit (loss) attributable to shareholders of the parent by the weighted average number of ordinary shares held by the shareholders during the year.

	Consolidated financial statements		Separate financial statements	
	2018 Baht	2017 Baht	2018 Baht	2017 Baht
Earnings (Loss) (Baht)				
Profit (Loss) attributable to ordinary shareholders of the Company (Baht)	(286,275,790)	56,856,440	(218,660,174)	91,957,588
Weighted average number of ordinary shares outstanding (shares)	1,000,000,000	1,000,000,000	1,000,000,000	1,000,000,000
Weighted average number of ordinary shares disposal (shares)	9,291,915	-	9,291,915	-
Total weighted average number of ordinary shares (shares)	1,009,291,915	1,000,000,000	1,009,291,915	1,000,000,000
Basic earnings (loss) per share (Baht per share)	(0.28)	0.06	(0.22)	0.09

Diluted earnings (loss) per share

Basic earning (loss) per share is calculated by dividing the profit (loss) attributable to shareholders of the parent by the weighted average number of ordinary shares held by the shareholders during the period.

Diluted earning (loss) per share is calculated by adjusting the weighted average number of ordinary shares used in calculation of basic loss per share to assumed conversion of all dilutive potential ordinary shares. During the period, the Company has dilutive potential ordinary shares arising from issuance of warrants to purchase ordinary shares. The calculation is made to determine the number of shares that could have been acquired at fair value as determined from the average market price of the Company's shares for the period based on the monetary value of the exercise rights attached to outstanding warrants. The number of shares calculated as above is compared with the number of shares that would have been issued assuming the exercise of the warrants. The warrants are dilutive when they would result in the issue of ordinary shares for less than the average market price of ordinary shares during the period.

	Consolidated financial statements		Separate financial statements	
	2018 Baht	2017 Baht	2018 Baht	2017 Baht
Earnings (Loss) (Baht)				
Profit (Loss) used to determine diluted earnings per share attributable to shareholders of the Company (Baht)	(286,275,790)	56,856,440	(218,660,174)	91,957,588
Weighted average number of ordinary shares outstanding (shares)	1,009,291,916	1,000,000,000	1,009,291,916	1,000,000,000
Adjustments for share options ALT-W1 (Note 27) (shares)	38,801,165	100,692,199	38,801,165	100,692,199
Weighted average number of ordinary shares for diluted earnings (loss) per share (shares)	1,048,093,081	1,100,692,199	1,048,093,081	1,100,692,199
Diluted earnings (loss) per share (Baht per share)	-	0.05	-	0.08

The company's loss per share is not dilutive as the calculated diluted earnings (loss) per share contribute to a decrease in loss per share.

The warrants will be expired on 18 December 2020.

Notes to the Consolidated and Separate Financial statements

For the year ended 31 December 2018

34 Related-party transactions

Enterprises and individuals that directly, or indirectly through one or more intermediaries, control, or are controlled by, or are under common control with, the company, including holding companies, subsidiaries and fellow subsidiaries are related parties of the company. Associates and individuals owning, directly or indirectly, an interest in the voting power of the company that gives them significant influence over the enterprise, key management personnel, including directors and officers of the company and close members of the family of these individuals and companies associated with these individuals also constitute related parties.

In considering each possible related party relationship, attention is directed to the substance of the relationship, and not merely the legal form.

The major shareholders of the Company is ALT Holding Company Limited, Ms.Preeyaporn Tangpaosak, Ms. Preeyapun Bhuwakul and Mr.Pyut Bhuwakulwong who own 50.79% and 6.86% and 6.86% and 5.88% of the Company's shares, respectively. The remaining 29.61% of the shares are widely held.

The following transactions were carried out with related parties:

Relationship of the related company as follows :

Company	Relationship	Related by
ALT Holding Co., Ltd.	Parent	Shareholders and directors
Group Tech Solutions Co., Ltd.	Subsidiary	Shareholders and directors
Innova Telecommunication Co., Ltd.	Subsidiary	Shareholders and directors
I Twenty One Inter Corporation Co., Ltd.	Subsidiary	Shareholders and directors
International Gateway Co., Ltd.	Subsidiary	Shareholders and directors
Thaithanan Co., Ltd. (old name "2ocean Company limited")	Subsidiary	Indirect shareholders and directors
Win and Win Telecom Co., Ltd.	Subsidiary	Indirect shareholders and directors
Telecom Solutions Providers Co., Ltd.	Associate	Shareholders and directors
Myanmar Information Highway Co., Ltd.	Associate	Indirect shareholders
Spotwerkz (Thailand) Co., Ltd.	Associate	Shareholders
Information Highway Co., Ltd.	Joint venture	Shareholders and directors
Enegymax Co., Ltd.	Related party	Directors

Related transaction pricing policy as follow :

Related transaction	Pricing policy
Sale revenues	Cost plus margin
Service revenues	Negotiate price
Management fee income	Cost plus margin
Interest income/expenses	Loans rates plus margin
Dividend income/payment	Declared
Rental and service income	Negotiate price - refer to monthly rental nearby

Notes to the Consolidated and Separate Financial statements

For the year ended 31 December 2018

34 Related-party transactions (Cont'd)

The following material transactions were carried out with related parties:

a) Revenue from sales and services

For the years ended 31 December	Consolidated financial statements		Separate financial statements	
	2018 Baht	2017 Baht	2018 Baht	2017 Baht
Sales of goods				
Subsidiaries	-	-	65,030,043	1,941,952
Joint venture	841,816	14,467,574	841,816	10,692,174
	<u>841,816</u>	<u>14,467,574</u>	<u>65,871,859</u>	<u>12,634,126</u>
Sales of services				
Subsidiaries	-	-	919,411	1,246,694
Joint venture	20,111,665	14,444,137	4,260,150	-
	<u>20,111,665</u>	<u>14,444,137</u>	<u>5,179,561</u>	<u>1,246,694</u>
Management fee income (Note 29)				
Subsidiaries	-	-	12,481,944	8,840,913
Joint venture	7,256,952	9,142,449	7,256,952	9,142,449
	<u>7,256,952</u>	<u>9,142,449</u>	<u>19,738,896</u>	<u>17,983,362</u>
Rental and service income (Note 29)				
Subsidiaries	-	-	4,937,292	5,997,276
Joint venture	1,155,492	1,204,452	1,155,492	1,204,452
	<u>1,155,492</u>	<u>1,204,452</u>	<u>6,092,784</u>	<u>7,201,728</u>
Interest income (Note 29)				
Subsidiaries	-	-	5,611,849	13,652,191
Joint venture	19,220,411	16,854,247	19,220,411	16,854,247
	<u>19,220,411</u>	<u>16,854,247</u>	<u>24,832,260</u>	<u>30,506,438</u>
Gain from sales of assets (Note 29)				
Subsidiaries	-	-	71,803,432	-
	<u>-</u>	<u>-</u>	<u>71,803,432</u>	<u>-</u>
Other income (Note 29)				
Subsidiaries	-	-	200,000	-
Joint venture	-	278,389	-	225,889
	<u>-</u>	<u>278,389</u>	<u>200,000</u>	<u>225,889</u>
Dividend income (Note 29)				
Subsidiaries	-	-	-	179,998,380
	<u>-</u>	<u>-</u>	<u>-</u>	<u>179,998,380</u>

Notes to the Consolidated and Separate Financial statements

For the year ended 31 December 2018

34 Related party transactions (Cont'd)

The following material transactions were carried out with related parties: (Cont'd)

b) Purchases of goods and services

For the years ended 31 December	Consolidated financial statements		Separate financial statements	
	2018 Baht	2017 Baht	2018 Baht	2017 Baht
Cost of sales and services				
Subsidiaries	-	-	344,464,119	264,733,940
Joint venture	8,512,325	-	3,644,286	-
Related party	331,132	50,000	208,000	-
	<u>8,843,457</u>	<u>50,000</u>	<u>348,316,405</u>	<u>264,733,940</u>
Finance costs (Note 30)				
Subsidiaries	-	-	1,913,945	-
	<u>-</u>	<u>-</u>	<u>1,913,945</u>	<u>-</u>

c) Outstanding balances arising from purchases of goods and services

	Consolidated financial statements		Separate financial statements	
	2018 Baht	2017 Baht	2018 Baht	2017 Baht
Trade accounts receivable (Note 11)				
Subsidiaries	-	-	27,116,633	-
Joint venture	17,277,563	1,858,565	695,303	197,629
	<u>17,277,563</u>	<u>1,858,565</u>	<u>27,811,936</u>	<u>197,629</u>
Other receivables (Note 11)				
Subsidiaries	-	-	1,531,859	1,343,589
Joint venture	6,722,868	998,713	6,718,368	998,713
	<u>6,722,868</u>	<u>998,713</u>	<u>8,250,227</u>	<u>2,342,302</u>
Advance payment (Note 11)				
Subsidiaries	-	-	684,319	11,522,411
Joint venture	-	56,995	-	56,995
	<u>-</u>	<u>56,995</u>	<u>684,319</u>	<u>11,579,406</u>
Deposits (Note 11)				
Related party	17,730,014	-	17,730,014	-
	<u>17,730,014</u>	<u>-</u>	<u>17,730,014</u>	<u>-</u>
Accrued interest receivable (Note 11)				
Subsidiaries	-	-	288	-
Joint venture	17,716,027	-	17,716,027	-
Related party	10,989	10,989	10,989	10,989
	<u>17,727,016</u>	<u>10,989</u>	<u>17,727,304</u>	<u>10,989</u>

Notes to the Consolidated and Separate Financial statements

For the year ended 31 December 2018

34 Related party transactions (Cont'd)

The following material transactions were carried out with related parties: (Cont'd)

c) Outstanding balances arising from purchases of goods and services (Cont'd)

	Consolidated financial statements		Separate financial statements	
	2018 Baht	2017 Baht	2018 Baht	2017 Baht
Accrued income (Note 11)				
Associate	1,206,000	-	1,206,000	-
Joint venture	7,276,461	-	7,276,461	-
	<u>8,482,461</u>	<u>-</u>	<u>8,482,461</u>	<u>-</u>
Accrued dividend income (Note 11)				
Subsidiaries	-	-	-	179,998,380
	<u>-</u>	<u>-</u>	<u>-</u>	<u>179,998,380</u>
Trade accounts payable (Note 22)				
Subsidiaries	-	-	273,528,576	197,085,791
Joint venture	432,489	-	432,489	-
	<u>432,489</u>	<u>-</u>	<u>273,961,065</u>	<u>197,085,791</u>
Accrued expense (Note 22)				
Subsidiaries	-	-	11,347,012	166,893,162
	<u>-</u>	<u>-</u>	<u>11,347,012</u>	<u>166,893,162</u>
Advance from customers (Note 22)				
Associate	12,705,000	-	12,705,000	-
	<u>12,705,000</u>	<u>-</u>	<u>12,705,000</u>	<u>-</u>

d) Loans to related parties

	Consolidated financial statements		Separate financial statements	
	2018 Baht	2017 Baht	2018 Baht	2017 Baht
Loans to related parties				
Subsidiaries	-	-	61,000,000	181,000,000
Joint venture	406,000,000	350,000,000	406,000,000	350,000,000
	<u>406,000,000</u>	<u>350,000,000</u>	<u>467,000,000</u>	<u>531,000,000</u>
	Consolidated financial statements		Separate financial statements	
	2018 Baht	2017 Baht	2018 Baht	2017 Baht
Loans to related parties				
Short-term loans	16,000,000	350,000,000	77,000,000	531,000,000
Long-term loans	390,000,000	-	390,000,000	-
	<u>406,000,000</u>	<u>350,000,000</u>	<u>467,000,000</u>	<u>531,000,000</u>

Notes to the Consolidated and Separate Financial statements

For the year ended 31 December 2018

34 Related party transactions (Cont'd)

The following material transactions were carried out with related parties: (Cont'd)

d) Loans to related parties (Cont'd)

The movements of loans to related parties can be analysed as follows:

	Consolidated financial statements	Separate financial statements
	Baht	Baht
For the year ended 31 December 2018		
Opening balance	350,000,000	531,000,000
Loans additions	56,000,000	115,300,000
Loans repayments	-	(179,300,000)
Closing balance	406,000,000	467,000,000

The related interest expense was Baht 19,220,411 and Baht 24,832,260 in the consolidated and separate financial statements, respectively (2017: Baht 16,854,247 and Baht 30,506,438 in the consolidated and separate financial statements, respectively). The borrowing from related parties are unsecured loans carrying interest rate 5.00% and 5.25% per annum and due at call.

e) Short-term loans from related parties

	Consolidated financial statements		Separate financial statements	
	2018 Baht	2017 Baht	2018 Baht	2017 Baht
Subsidiary	-	-	102,000,000	-
	-	-	102,000,000	-

The movement of short-term loans from related can be analysed as follows:

	Consolidated financial statements	Separate financial statements
	Baht	Baht
For the year ended 31 December 2018		
Opening balance	-	-
Loans additions	-	124,300,000
Loans repayments	-	(22,300,000)
Closing balance	-	102,000,000

Short-term loans from related parties are unsecured and denominated in Thai Baht. The loans carry interest at the rates of 5.00% per annum and due for repayment on demand.

Notes to the Consolidated and Separate Financial statements

For the year ended 31 December 2018

34 Related party transactions (Cont'd)

The following material transactions were carried out with related parties: (Cont'd)

f) Key management compensation

	Consolidated financial statements		Separate financial statements	
	2018 Baht	2017 Baht	2018 Baht	2017 Baht
Short-term employee benefits	32,486,920	25,249,390	9,709,706	12,979,359
Post-employee benefits	1,495,243	1,488,199	807,356	911,783
	<u>33,982,163</u>	<u>26,737,589</u>	<u>10,517,062</u>	<u>13,891,142</u>

35 Commitments and contingencies**a) Bank guarantees**

As at 31 December 2018, there are outstanding bank guarantees amounting to Baht 562.07 million and USD 3.00 million (2017: Baht 197.63 million and USD 0.25 million).

b) Operating lease commitments - where a Group is the lessee

As at 31 December 2018, the future aggregated minimum lease payment under non-cancelable operating lease are as follows:

	Consolidated financial statements		Separate financial statements	
	2018 Baht	2017 Baht	2018 Baht	2017 Baht
Less than 1 year	66,057,827	107,529,619	11,148,399	52,517,449
Later than 1 year but within 5 years	91,366,938	84,397,545	48,199,162	47,101,878
Later than 5 years	230,009,160	236,856,476	230,009,160	236,856,476
	<u>387,433,925</u>	<u>428,783,640</u>	<u>289,356,721</u>	<u>336,475,803</u>

36 Contingent assets

On 22 August 2013, the Company has filed a claim against a receivable ("contract party") to Administrative Court regarding that contract party breached the service agreement of the use of fiber optic network and Fiber To The Factory (FTTF) equipment at an industrial estate.

According to the Administrative Court's judgment on 30 September 2016, contract party to pay compensation with a monthly rate of Baht 13.5 million, calculated since 12 February 2013 until the project is transferred back to the Company. However, the case has not been finalised the court order because the contract party has lodged an appeal to the court against the Company.

37 Subsequent events

On 5 February 2019, the Company signed a contract with Ratchaburi Electricity Generating Holding Public Company Limited to jointly establish a new company to invest in underground optical fiber network. The establishment is expected to be completed within April 2019.



ALT Telecom Public Company Limited

52/1 Moo 5 Bangkray-Sainoi Rd., Bangsithong, Bangkray,
Nonthaburi 11130, Thailand.

Tel. +66 2863 8999 Fax : +66 2886 3364, +66 2886 3084

E-mail : info@alt.co.th www.alt.co.th