

Jasmine Broadband Internet Infrastructure Fund
Report and interim financial statements
For the three-month and six-month periods ended 30 June 2017

Independent Auditor's Report on Review of Interim Financial Information

To the Unitholders of Jasmine Broadband Internet Infrastructure Fund

I have reviewed the accompanying balance sheet, including details of investments as at 30 June 2017, the related statements of income for the three-month and six-month periods then ended, and the related statements of changes in net assets and cash flows, and significant financial information for the six-month period then ended, as well as the condensed notes to the financial statements of Jasmine Broadband Internet Infrastructure Fund. The Fund's management is responsible for the preparation and presentation of this interim financial information in accordance with Thai Accounting Standard 34 *Interim Financial Reporting*. My responsibility is to express a conclusion on this interim financial information based on my review.

Scope of Review

I conducted my review in accordance with Thai Standard on Review Engagements 2410, *Review of Interim Financial Information Performed by the Independent Auditor of the Entity*. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Thai Standards on Auditing and consequently does not enable me to obtain assurance that I would become aware of all significant matters that might be identified in an audit. Accordingly, I do not express an audit opinion.

Conclusion

Based on my review, nothing has come to my attention that causes me to believe that the accompanying interim financial information is not prepared, in all material respects, in accordance with Thai Accounting Standard 34 *Interim Financial Reporting*.

Chonlaros Suntiasvaraporn
Certified Public Accountant (Thailand) No. 4523

EY Office Limited
Bangkok: 8 August 2017

Jasmine Broadband Internet Infrastructure Fund

Balance sheet

As at 30 June 2017

(Unit: Thousand Baht)

	<u>Note</u>	<u>30 June 2017</u> (Unaudited but reviewed)	<u>31 December 2016</u> (Audited)
Assets			
Investment in the optic fiber cable assets at fair value (At cost: Baht 55,000 million)	2	57,578,000	55,951,000
Investments in securities at fair value (At cost: Baht 1,677 million (31 December 2016: Baht 1,686 million))	13	1,678,717	1,687,119
Cash at bank	3	17,585	458,577
Accounts receivable from interest		74	98
Other assets		7,628	4,965
Total assets		59,282,004	58,101,759
Liabilities			
Accounts payable and accrued expenses		81,969	542,607
Rental received in advance	4, 9	816,510	816,510
Total liabilities		898,479	1,359,117
Net assets		58,383,525	56,742,642
Net assets			
Fund registered	4		
5,500,000,000 units of Baht 9.8516 each (31 December 2016: Baht 9.8753 each)		54,183,800	54,314,150
Capital from unitholders		54,183,800	54,314,150
Retained earnings	5	4,199,725	2,428,492
Net assets		58,383,525	56,742,642
		-	-
Net asset value per unit (Baht)		10.6151	10.3168
Number of units issued at the end of period (Thousand units)		5,500,000	5,500,000

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

(Mr. Winai Hirunpinyopard)

Managing Director

Jasmine Broadband Internet Infrastructure Fund

Details of investments

As at 30 June 2017

Details of investments classified by asset classes.

Type of investment	30 June 2017			31 December 2016		
	(Unaudited but reviewed)			(Audited)		
	Cost value (Thousand Baht)	Fair value (Thousand Baht)	Percentage of investment (Percent)	Cost value (Thousand Baht)	Fair value (Thousand Baht)	Percentage of investment (Percent)
Investment in the infrastructure business						
Investment in optic fiber cable assets (Note 2)	55,000,000	57,578,000	97.17	55,000,000	55,951,000	97.07
Total investment in the infrastructure business	55,000,000	57,578,000	97.17	55,000,000	55,951,000	97.07

Type of investments	Maturity date	Yield rate/ Interest rate	Par value	Fair value	Percentage of investment	Par value	Fair value	Percentage of investment	
		(Percent per annum)	(Thousand Baht)	(Thousand Baht)	(Percent)	(Thousand Baht)	(Thousand Baht)	(Percent)	
Investments in securities									
Bank of Thailand Bond	CB17112A	12 January 2017	1.4950	-	-	-	32,000	31,986	0.06
Bank of Thailand Bond	CB17223B	23 February 2017	1.4850	-	-	-	310,000	309,333	0.54
Bank of Thailand Bond	CB17309B	9 March 2017	1.5100	-	-	-	40,000	39,889	0.07
Bank of Thailand Bond	CB17316A	16 March 2017	1.5150	-	-	-	130,000	129,602	0.22
Bank of Thailand Bond	CB17316B	16 March 2017	1.5150-1.5175	-	-	-	730,000	727,762	1.26
Bank of Thailand Bond	CB17323A	23 March 2017	1.4600	-	-	-	450,000	448,547	0.78
Bank of Thailand Bond	CB17704A	4 July 2017	1.2550	32,000	31,997	0.05	-	-	-
Bank of Thailand Bond	CB17720B	20 July 2017	1.3675	400,000	399,715	0.67	-	-	-
Bank of Thailand Bond	CB17810A	10 August 2017	1.3900	22,000	21,967	0.04	-	-	-
Bank of Thailand Bond	CB17810B	10 August 2017	1.3900	348,000	347,471	0.59	-	-	-
Bank of Thailand Bond	CB17914A	14 September 2017	1.3000-1.3450	705,000	703,077	1.19	-	-	-
Bank of Thailand Bond	CB17914B	14 September 2017	1.3100	95,000	94,745	0.16	-	-	-
Bank of Thailand Bond	CB17928A	28 September 2017	1.3250-1.3400	80,000	79,745	0.13	-	-	-
Total investments in securities				1,682,000	1,678,717	2.83	1,692,000	1,687,119	2.93
Total investments				56,682,000	59,256,717	100.00	56,692,000	57,638,119	100.00

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

(Mr. Winai Hirunpinyopard)

Managing Director

(Unaudited but reviewed)

Jasmine Broadband Internet Infrastructure Fund

Income statement

For the three-month period ended 30 June 2017

(Unit: Thousand Baht)

	<u>Note</u>	<u>2017</u>	<u>2016</u>
Investment income			
Rental income	2, 9	1,444,082	1,342,110
Interest income		6,869	5,740
Other income		-	495
Total income		<u>1,450,951</u>	<u>1,348,345</u>
Expenses			
Management fee	7, 9	14,659	14,038
Trustee fee	7	2,638	2,527
Registrar fee	7	1,246	1,243
Professional fees		1,336	1,050
Operating expenses	8	62,657	50,069
Other expenses		<u>6,040</u>	<u>6,641</u>
Total expenses		<u>88,576</u>	<u>75,568</u>
Net investment income		<u>1,362,375</u>	<u>1,272,777</u>
Net gains (losses) from investments			
Net realised gains from investments		-	1
Net unrealised losses from investments		<u>(417,981)</u>	<u>(159)</u>
Total net losses from investments		<u>(417,981)</u>	<u>(158)</u>
Increase in net assets from operations		<u>944,394</u>	<u>1,272,619</u>

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

(Mr. Winai Hirunpinyopard)

Managing Director

(Unaudited but reviewed)

Jasmine Broadband Internet Infrastructure Fund

Income statement

For the six-month period ended 30 June 2017

(Unit: Thousand Baht)

	<u>Note</u>	<u>2017</u>	<u>2016</u>
Investment income			
Rental income	2, 9	2,888,164	2,651,145
Interest income		13,963	13,599
Other income		-	495
Total income		<u>2,902,127</u>	<u>2,665,239</u>
Expenses			
Management fee	7, 9	28,885	28,151
Trustee fee	7	5,199	5,067
Registrar fee	7	2,479	2,486
Professional fees		2,655	3,227
Operating expenses	8	122,669	97,711
Interest expenses	2, 9	-	5,696
Other expenses		11,012	10,408
Total expenses		<u>172,899</u>	<u>152,746</u>
Net investment income		<u>2,729,228</u>	<u>2,512,493</u>
Net gains (losses) from investments			
Net realised gains from investments		-	1
Net unrealised gains (losses) from investments	2	<u>1,627,005</u>	<u>(100)</u>
Total net gains (losses) from investments		<u>1,627,005</u>	<u>(99)</u>
Increase in net assets from operations		<u>4,356,233</u>	<u>2,512,394</u>

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

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(Mr. Winai Hirunpinyopard)

Managing Director

(Unaudited but reviewed)

Jasmine Broadband Internet Infrastructure Fund

Statement of changes in net assets

For the six-month period ended 30 June 2017

(Unit: Thousand Baht)

	<u>Note</u>	<u>2017</u>	<u>2016</u>
Increase in net assets resulting from operations during period			
Net investment income		2,729,228	2,512,493
Net realised gains from investments		-	1
Net unrealised gains (losses) from investments		<u>1,627,005</u>	<u>(100)</u>
Increase in net assets from operations during period		4,356,233	2,512,394
Payment of investment unit value from capital reduction			
during period	4	(130,350)	(460,900)
Distribution of income to unitholders during period	6	<u>(2,585,000)</u>	<u>(2,420,000)</u>
Increase (decrease) in net assets during period		1,640,883	(368,506)
Net assets at beginning of period		<u>56,742,642</u>	<u>56,868,842</u>
Net assets at end of period		<u><u>58,383,525</u></u>	<u><u>56,500,336</u></u>

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

(Mr. Winai Hirunpinyopard)

Managing Director

(Unaudited but reviewed)

Jasmine Broadband Internet Infrastructure Fund

Statement of cash flows

For the six-month period ended 30 June 2017

(Unit: Thousand Baht)

	<u>2017</u>	<u>2016</u>
Cash flows from operating activities		
Increase in net assets resulting from operations	4,356,233	2,512,394
Adjustments to reconcile the increase in net assets from operations to net cash provided by (paid from) operating activities:		
Purchases of investments in securities	(5,393,091)	(4,307,596)
Sales of investments in securities	5,414,988	4,594,967
Net sales of investments in securities	21,897	287,371
Decrease in accounts receivable from interest	24	1,389
Decrease in value added tax refundable	-	3,850,000
Increase in other assets	(2,663)	(3,569)
Decrease in accounts payable and accrued expenses	(460,638)	(9,708)
Amortisation of discounts on investments in securities	(13,490)	(8,696)
Net realised gains on investments	-	(1)
Net unrealised gains (losses) on investments	(1,627,005)	100
Interest expenses	-	5,696
Net cash from operating activities	<u>2,274,358</u>	<u>6,634,976</u>
Cash flows from financing activities		
Interest expenses	-	(8,017)
Decrease in short-term loan from related party	-	(3,850,000)
Payment of investment unit value from capital reduction	(130,350)	(460,900)
Distribution of income to unitholders	(2,585,000)	(2,420,000)
Net cash used in financing activities	<u>(2,715,350)</u>	<u>(6,738,917)</u>
Net decrease in cash at bank	(440,992)	(103,941)
Cash at bank at the beginning of period	<u>458,577</u>	<u>143,984</u>
Cash at bank at the end of period	<u><u>17,585</u></u>	<u><u>40,043</u></u>

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

(Mr. Winai Hirunpinyopard)

Managing Director

Jasmine Broadband Internet Infrastructure Fund

Notes to interim financial statements

For the three-month and six-month periods ended 30 June 2017

1. General information

1.1 Basis of preparation of interim financial statements

These interim financial statements are prepared in accordance with Thai Accounting Standard No. 34 (revised 2016) *Interim Financial Reporting*, with the Fund choosing to present condensed interim financial statements. However, the Fund has presented the balance sheet, details of investments, the statements of income, changes in net assets and cash flows, and significant financial information in the full format as that will be used for the annual financial statements, which are in accordance with the basis and formats as required by Thai Accounting Standard No. 106 *Accounting for Investment Business*.

The interim financial statements are intended to provide information additional to that included in the latest annual financial statements. Accordingly, they focus on new activities, events, and circumstances so as not to duplicate information previously reported. These interim financial statements should therefore be read in conjunction with the latest annual financial statements.

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

1.2 Significant accounting policies

The interim financial statement are prepared using the same accounting policies and methods of computation as were used for the financial statements for the year ended 31 December 2016.

1.3 New Financial Reporting Standards

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

2. Investments in the optic fiber cable assets (“OFCs”)

On 10 February 2015, the Fund entered into the Asset Sale and Transfer Agreement with Triple T Broadband Plc. (“TTTBB”) to purchase of the OFCs at a price of Baht 55,000 million. Under the agreement, TTTBB shall deliver and transfer the OFCs approximately 980,000 core kilometers whereby TTTBB is to transfer not less than 800,000 core kilometers of the OFCs (equivalent to Baht 45,527 million) on the contract date and will gradually transfer approximately 180,000 core kilometers of the OFCs (equivalent to Baht 9,473 million) within two years.

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

In addition, the Fund entered into agreements in respect of investment in the OFCs as follows; Main Lease Agreement, Rental Assurance Agreement, OFCs Maintenance Agreement, Marketing Services Agreement, and Loan Agreement, which had significant summary details as described in Note 7 to the financial statements for the year ended 31 December 2016. On 27 June 2017, the Fund informed the renewal of Rental Assurance Agreement and Marketing Service Agreement with TTTBB for additional periods of three years from their expiration dates. These renewal periods commence from 11 February 2018.

On 30 June 2017, the Fund engaged an independent appraiser to review the fair valuation of the investments in the OFCs using the income approach. The Fund revalued such investments to be as new fair value amounting to Baht 57,578 million (31 December 2016: Baht 55,951 million), resulting in the net unrealised gain from the revaluation amounting to Baht 1,627 million, which was recorded in the income statement for the six-month period ended 30 June 2017.

3. Cash at bank

Bank/account type	Principal (Unit: Million Baht)		Interest rate (% per annum)	
	30 June 2017	31 December 2016	30 June 2017	31 December 2016
		(Audited)		
Kasikornbank Public Company Limited				
Saving account	18	459	0.62	0.62
Total	18	459		

(Unaudited but reviewed)

4. Fund registered

Movements of the investment units during the six-month periods ended 30 June 2017 and 2016 are as follows:

	Units		Value per unit		Capital amount	
	(Unit: Million unit)		(Unit: Baht)		(Unit: Million Baht)	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
Capital at the beginning of period	5,500	5,500	9.8753	10.0000	54,314	55,000
Reduction of investment unit value	-	-	(0.0237)	(0.0838)	(130)	(461)
Capital at the end of period	<u>5,500</u>	<u>5,500</u>	<u>9.8516</u>	<u>9.9162</u>	<u>54,184</u>	<u>54,539</u>

During the second quarter of 2017, the Fund declared a reduction in the value of the investment units of Baht 0.0237 per unit, or a total of Baht 130.4 million (2016: Baht 0.0838 per unit, or a total of Baht 460.9 million), without any change in the number of units, in order to decrease the excess liquidity arising from the advance rental payment amounting to Baht 816.5 million that the Fund received from TTTBB pursuant to the Main Lease Agreement. This procedure is in accordance with the Fund prospectus. The advance rental payment is the rent for the last three months under the Main Lease Agreement that will be incurred in 2026. Therefore, this capital reduction may result in unitholders receiving less dividends in the future, as the advance rental payment has already been paid out in the form of a capital reduction and the Fund will not receive the rental payment in this amount in the future. In addition, in the event of force majeure, where the Fund does not have the OFCs to lease for TTTBB and the Main Lease Agreement is terminated, the Fund will be obliged to return the advance rental payment to TTTBB, in whole or in part, provided that TTTBB has fulfilled all of its obligations under the Main Lease agreement.

5. Retained earnings

	(Unit: Million Baht)	
	For the six-month periods ended 30 June	
	<u>2017</u>	<u>2016</u>
Accumulated net investment income	9,232	4,088
Accumulated net unrealised gains from investments	951	641
Less: Accumulated distributions of income to unitholders	<u>(7,755)</u>	<u>(2,860)</u>
Retained earnings at the beginning of period	2,428	1,869
Add: Net investment income	2,730	2,512
Net unrealised gains from investments	1,627	-
Less: Distribution of income to unitholders during period (Note 6)	<u>(2,585)</u>	<u>(2,420)</u>
Retained earnings at the end of period	<u>4,200</u>	<u>1,961</u>

(Unaudited but reviewed)

6. Distribution of income to unitholders

Dividends declared during the six-month periods ended 30 June 2017 and 2016 consisted of the followings:

<u>Declaration date</u>	<u>For the operations in the period</u>	<u>Per unit</u>	<u>Total</u>
		(Baht)	(Million Baht)
14 February 2017	1 October 2016 to 31 December 2016	0.23	1,265
8 May 2017	1 January 2017 to 31 March 2017	0.24	1,320
Total dividends for the six-month period ended 30 June 2017		<u>0.47</u>	<u>2,585</u>
2 February 2016	1 October 2015 to 31 December 2015	0.22	1,210
29 April 2016	1 January 2016 to 31 March 2016	0.22	1,210
Total dividends for the six-month period ended 30 June 2016		<u>0.44</u>	<u>2,420</u>

7. Fund expenses

Management fee, Trustee fee and Registrar fee have details as described in Note 12 to the financial statements for the year ended to 31 December 2016.

8. Operating expenses

(Unit: Million Baht)

For the three-month periods
ended 30 June

	<u>2017</u>	<u>2016</u>
Management and maintenance expenses of the OFCs (Note 9)	52	47
Right of way expenses (Note 9)	9	1
Insurance expenses	2	2
Total	<u>63</u>	<u>50</u>

(Unit: Million Baht)

For the six-month periods
ended 30 June

	<u>2017</u>	<u>2016</u>
Management and maintenance expenses of the OFCs (Note 9)	104	93
Right of way expenses (Note 9)	16	2
Insurance expenses	3	3
Total	<u>123</u>	<u>98</u>

9. Related party transactions

The below table presents relationships of the Fund with enterprises and individuals that control, or are controlled by, the Fund, whether directly or indirectly, or which are under common control with the Fund.

Name of entities	Nature of relationship
Jasmine International Public Company Limited (“JAS”)	The major unitholder, holding 33.33% of total outstanding units of the Fund
Triple T Broadband Public Company Limited	A subsidiary of JAS
BBL Asset Management Company Limited	The Fund’s management company

During the periods, the Fund had significant business transactions with related parties which have been concluded on commercial terms and bases agreed upon in the ordinary course of business between the Fund and those companies. Below is a summary of those transactions.

	For the three-month periods		(Unit: Million Baht)
	ended 30 June		Pricing policy
	<u>2017</u>	<u>2016</u>	
BBL Asset Management Company Limited			
Management fee	15	14	As detailed in Note 7
Triple T Broadband Public Company Limited			
Rental income	1,444	1,342	As detailed in Note 2
Management and maintenance expenses of the OFCs	52	47	As detailed in Note 2
Right of way expenses	9	1	As incurred
Damage claim expenses	4	5	As incurred

(Unaudited but reviewed)

(Unit: Million Baht)

	For the six-month periods		Pricing policy
	ended 30 June		
	<u>2017</u>	<u>2016</u>	
BBL Asset Management Company Limited			
Management fee	29	28	As detailed in Note 7
Triple T Broadband Public Company Limited			
Rental income	2,888	2,651	As detailed in Note 2
Management and maintenance expenses of the OFCs	104	93	As detailed in Note 2
Right of way expenses	16	2	As incurred
Damage claim expenses	7	7	As incurred
Interest expenses	-	6	As detailed in Note 2

As at 30 June 2017 and 31 December 2016, the Fund had the following significant outstanding balances with its related companies.

	(Unit: Million Baht)	
	30 June	31 December
	<u>2017</u>	<u>2016</u>
(Audited)		
BBL Asset Management Company Limited		
Accounts payable from management fee	5	5
Triple T Broadband Public Company Limited		
Accounts payable from management and maintenance expenses of the OFCs	19	18
Accounts payable from accrued right of way expenses	22	34
Accounts payable from damage claim	2	2
Accounts payable from rental received in advance	817	817

10. Information on investment purchase and sale transactions

The Fund's investment purchase and sale transactions for the six-month period ended 30 June 2017, excluding investments in cash at bank, amounted to Baht 10,808 million which is 18.60% of the average net asset values during the period (30 June 2016: amounted to Baht 7,263 million which is 12.88% of the average net asset values during the period).

11. Segment information

The Fund is principally engaged in the lease of the OFCs. Its operation is carried on only in Thailand. Segment performance is measured based on operating profit or loss, on a basis consistent with that used to measure operating profit or loss and assets in the financial statements. As a result, all of the revenues, operating profits and assets as reflected in these financial statements pertain to the aforementioned reportable operating segment and geographical area.

12. Commitments

The Fund is committed to pay fees to counterparties under the basis and conditions as described in the Note 7 and Note 12 to the financial statements for the year ended 31 December 2016.

13. Fair value of financial instruments

As of 30 June 2017, the Fund had the investments in securities that were measured at fair value using level 2 amounted to Baht 1,679 million (31 December 2016: Baht 1,687 million).

14. Approval of interim financial statements

These interim financial statements were authorised for issue by an authorised person of the Management Company on 8 August 2017.