

JAS shareholders give AIS acquisition moves the nod

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Shareholders of Jasmine International Plc (JAS) have approved a deal in which Advanced Info Service (AIS) Plc will acquire its subsidiary Triple T Broadband (TTTBB), a fixed broadband operator, and buy 19% of Jasmine Broadband Internet Infrastructure Fund (JASIF) for 32.4 billion baht in total.

Shareholders with 5.29 billion shares in total attended the meeting to vote on the deal yesterday, according to a statement sent by JAS to the Stock Exchange of Thailand (SET). At least three-quarters of the shareholders were required to vote in favour in order to approve the deal.

Of the shareholders in attendance at the meeting, 97.2% voted in favour of the proposed deal.

However, the deal still has to be approved by the National Broadcasting and Telecommunications Commission (NBTC) before the transactions can be carried out, based on the exchange filing made by AIS in July.

Trairat Viriyasirikul, acting secretary-general of NBTC, said yesterday the regulator has not yet been informed about a deal by AIS or JAS,



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TRAI RAT VIRIYASIRIKUL
ACTING SECRETARY-GENERAL, NBTC

both of which are telecom licence holders.

Once the proposed deal is lodged with the NBTC office, NBTC management will study all the details of the

deal before forwarding its study to the board for consideration, he said.

"The two parties can follow their own procedures, but they have to wait for an approval resolution from the NBTC board before executing the deal," said Mr Trairat.

He said AIS's takeover of TTTBB comes under the scrutiny of the regulator based on two regulations: the 2006 notification of the National Telecommunications Commission (NTC) regarding measures for the prevention of monopoly or unfair competition in the telecommunications business, and the amended Telecom Business Act, which came into force in 2018.

The NTC was Thailand's telecom regulatory body prior to the establishment of the NBTC.

A source in NBTC management who requested anonymity said the 2006 notification provides the regulatory power to prescribe measures to prevent monopoly and unfair competition, while the amended Telecom Business Act prohibits telecom licensees from carrying out any acts that cause monopoly or reduce competition in the telecom sector.

Under the deal, AIS will pursue the acquisition of TTTBB and the investment in JASIF through its Advanced



AIS announced in July its plan to acquire TTTBB and buy 19% of JASIF in a deal worth 32.4 billion baht in total.

Wireless Network (AWN) subsidiary.

AWN will buy 7.5 billion shares — equivalent to 99.8% of TTTBB's shares — from Acumen Co (ACU), a subsidiary of JAS. The investment will cost 19.5 billion baht.

AWN will also purchase 1.52 billion units — equivalent to 19% of JASIF — from JAS at 8.5 baht per unit at a cost of 12.9 billion baht.

JAS is the biggest unitholder of JASIF with a 19% stake.

JASIF owns fibre-optic cable spanning 1.6 million core kilometres, currently leased by TTTBB for its broadband internet service under the brand name 3BB.

JASIF unitholders are scheduled to hold a meeting on Oct 18 to consider and approve JAS's sale of its investment units in JASIF to AWN. JASIF unitholders will also have to approve amendments to lease agreements between TTTBB and JASIF, in line with demands raised by AIS.

AIS chief executive Somchai Lertsuwong earlier told the *Bangkok Post* that amendments to the lease agreements would increase benefits to JASIF unitholders in more sustainable terms.

A source close to the deal who requested anonymity said the amendment will generate a yield of 9% on average per year for JASIF's

unitholders.

Pisut Ngamvijitvong, senior equity research analyst at Kasikorn Securities, said he remains doubtful whether JASIF unitholders will approve the amendments to the lease agreements.

He said even if the unitholders eventually reject the amendments, AIS is still likely to accept the deal with the agreements unchanged.

JAS closed at 2.66 baht per share yesterday on the SET, unchanged from Thursday, in total trade valued at 206 million baht, while AIS closed at 193 baht per share, a decline of one baht from Thursday, in trade worth 589 million baht.