

Jasmine Telecom Systems Public Company Limited
and its subsidiary

Review report and interim consolidated 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 Shareholders of Jasmine Telecom Systems Public Company Limited

I have reviewed the accompanying consolidated statement of financial position of Jasmine Telecom Systems Public Company Limited and its subsidiary as at 30 June 2017, the related consolidated statements of comprehensive income for the three-month and six-month periods ended 30 June 2017, and the related consolidated statements of changes in shareholders' equity and cash flows for the six-month period then ended, as well as the condensed notes to the consolidated financial statements. I have also reviewed the separate financial information of Jasmine Telecom Systems Public Company Limited for the same period. 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

Except for the matter in the Basis for Qualified Conclusion paragraph, 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.

Basis for Qualified Conclusion

As described in Note 8.2 to the consolidated financial statements, the Company was unable to deliver tablets to two government agencies as scheduled in the agreements, as a result of a massive fire at a production facility where a part of the tablets was produced. As stipulated in the sale and purchase agreements, the Company is obliged to pay a penalty for delayed shipment at a daily rate of 0.2 percent of the price of the unshipped tablets. In 2014, counterparties of the agreements submitted letters to the Company to terminate the sale and purchase agreements and requested the Company to pay penalties totaling Baht 148 million. However, the Company submitted letters to these counterparties objecting to the imposition of the penalty. The management of the Company clarified that the delay in shipment was due to force majeure and the Company did not breach the agreements. Subsequently, these counterparties filed lawsuits against the Company, petitioning the court to order the Company to pay penalties totaling approximately Baht 196 million. Currently, these lawsuits are being considered by the Administrative Court and the outcomes are unknown. However, as a result of the execution of a sale and purchase of tablets agreement between the Company and a local counterparty, the Company received cash amounting to Baht 38 million as a result of forfeiture of a performance bond provided by this counterparty. The Company had a legal right to seize this amount as compensation for losses caused by this company or incurred as a result of a breach of agreement by this company. The Company recorded the cash receipt as a liability under the caption of trade and other payables in the statements of financial position and treated it as a provision for any penalties and losses that might be incurred, while the Company does not expect such penalties and losses to exceed the amount of the reserve. I was consequently unable to perform audit procedures to satisfy myself as to the provision for penalties and losses that might be incurred due to the Company's inability to deliver the tablets and my conclusion and opinion on the consolidated financial statements of the Company and its subsidiary and the separate financial statements of the Company for the three-month and six-month periods ended 30 June 2016 and for the year ended 31 December 2016, respectively, were therefore qualified with respect to this matter, due to a limitation imposed by circumstance. During the current period, there has been no significant progress in this matter. I have also been unable to perform audit or review procedures to obtain sufficient appropriate audit evidence regarding the provision of Baht 38 million recorded for the penalties and losses that may be incurred as a result of the above situation, for the same reason as last period. This provision is recorded under liabilities, as part of balance of trade and other payables, which amounts to Baht 115 million (31 December 2016: Baht 151 million) in the consolidated statements of financial position as at 30 June 2017 and Baht 76 million (31 December 2016: Baht 113 million) in the separate statements of financial position. Consequently, I was unable to determine whether and to what extent any adjustments were

required to the penalties and losses that may be incurred as a result of the above situation in the consolidated and separate statements of financial position as at 30 June 2017 and 31 December 2016, together with the related accounts in the consolidated and separate statements of comprehensive income for the three-month and six-month periods ended 30 June 2017 and 2016. If any adjustments were to be necessary, they may affect both the financial statements of the prior periods presented herein for comparative purposes and the financial statements of the current period. This constitutes a limitation imposed by circumstance.

Qualified Conclusion

Based on my review, except for any adjustments that might be required as a result of the matter as described in the Basis for Qualified Conclusion paragraph, 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*.

Emphasis of Matter

I draw attention to Note 8.3 to the consolidated financial statements, which describes disputes between the subsidiary and an unrelated company. The Civil Court has disposed the case per a request by the official receiver in the bankruptcy case of the unrelated company. At present, the unrelated company is in the process of following legal procedures with respect to Bankruptcy law implemented by the official receiver. My conclusion is not qualified in respect of this matter.

Chonlaros Suntiasvaraporn
Certified Public Accountant (Thailand) No. 4523

EY Office Limited
Bangkok: 10 August 2017

Jasmine Telecom Systems Public Company Limited and its subsidiary

Statement of financial position

As at 30 June 2017

(Unit: Thousand Baht)

	Note	Consolidated financial statements		Separate financial statements	
		30 June 2017 (Unaudited but reviewed)	31 December 2016 (Audited)	30 June 2017 (Unaudited but reviewed)	31 December 2016 (Audited)
Assets					
Current assets					
Cash and cash equivalents		64,344	322,516	59,652	314,287
Current investments - bank deposits		354,132	100,808	354,037	100,679
Trade and other receivables	3	773,414	791,824	754,255	788,245
Unbilled receivables					
Related parties	2	8	19	812	574
Unrelated parties		9,158	11,112	6,733	5,467
Short - term loans to subsidiary	2	-	-	-	-
Current portion of long-term loans					
to subsidiary	2	-	-	16,000	16,000
Inventories		8,839	8,189	8,616	8,044
Account receivable under troubled					
debt restructuring	4	-	-	-	-
Prepaid project costs		1,468	1,230	418	62
Other current assets		7,789	10,710	2,818	4,762
Total current assets		1,219,152	1,246,408	1,203,341	1,238,120
Non-current assets					
Restricted bank deposits		25,562	30,409	23,009	27,849
Long-term loans to subsidiary	2	-	-	93,000	101,000
Investment in subsidiary	5	-	-	-	-
Property, plant and equipment		9,372	9,541	1,273	1,871
Deposits		1,203	1,847	1,016	1,014
Total non-current assets		36,137	41,797	118,298	131,734
Total assets		1,255,289	1,288,205	1,321,639	1,369,854

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

Jasmine Telecom Systems Public Company Limited and its subsidiary

Statement of financial position (continued)

As at 30 June 2017

(Unit: Thousand Baht)

	Note	Consolidated financial statements		Separate financial statements	
		30 June 2017	31 December 2016	30 June 2017	31 December 2016
		(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
Liabilities and shareholders' equity					
Current liabilities					
Trade and other payables	6	114,658	151,305	76,460	113,105
Accrued project cost		147,008	157,641	8,683	12,301
Advances received for goods and services	2	4,002	2,894	762	906
Other current liabilities		27,273	28,351	17,895	19,635
Total current liabilities		292,941	340,191	103,800	145,947
Non-current liabilities					
Provision for long-term employee benefits		10,883	10,484	10,883	10,484
Total non-current liabilities		10,883	10,484	10,883	10,484
Total liabilities		303,824	350,675	114,683	156,431
Shareholders' equity					
Share capital					
Registered					
706,457,300 ordinary shares of Baht 1 each		706,457	706,457	706,457	706,457
Issued and fully paid-up					
706,457,300 ordinary shares of Baht 1 each		706,457	706,457	706,457	706,457
Premium on ordinary shares		420,269	420,269	420,269	420,269
Retained earnings					
Appropriated-statutory reserve		70,646	70,646	70,646	70,646
Unappropriated (deficit)		(246,838)	(260,338)	9,584	16,051
Other components of shareholders' equity		8,158	8,158	-	-
Equity attributable to owners of the Company		958,692	945,192	1,206,956	1,213,423
Non-controlling interests of the subsidiary		(7,227)	(7,662)	-	-
Total shareholders' equity		951,465	937,530	1,206,956	1,213,423
Total liabilities and shareholders' equity		1,255,289	1,288,205	1,321,639	1,369,854
		-	-	-	-

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

Directors

(Unaudited but reviewed)

Jasmine Telecom Systems Public Company Limited and its subsidiary

Statement of comprehensive income

For the three-month period ended 30 June 2017

(Unit: Thousand Baht, except basic earnings (loss) per share expressed in Baht)

	Consolidated financial statements		Separate financial statements	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
Profit or loss:				
Revenues				
Sales and services income	24,245	28,829	4,913	12,017
Interest income	1,488	380	1,943	914
Exchange gains	362	51	-	-
Other income	2,913	626	587	-
Total revenues	<u>29,008</u>	<u>29,886</u>	<u>7,443</u>	<u>12,931</u>
Expenses				
Cost of sales and services	12,490	16,793	2,076	8,931
Selling and servicing expenses	-	392	-	-
Administrative expenses	10,477	16,488	9,758	11,919
Exchange losses	-	-	27	-
Doubtful accounts	-	-	-	4,519
Total expenses	<u>22,967</u>	<u>33,673</u>	<u>11,861</u>	<u>25,369</u>
Profit (loss) before finance cost	<u>6,041</u>	<u>(3,787)</u>	<u>(4,418)</u>	<u>(12,438)</u>
Finance cost	-	(2,402)	-	-
Profit (loss) for the period	<u>6,041</u>	<u>(6,189)</u>	<u>(4,418)</u>	<u>(12,438)</u>
Other comprehensive income for the period	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total comprehensive income for the period	<u>6,041</u>	<u>(6,189)</u>	<u>(4,418)</u>	<u>(12,438)</u>
Total comprehensive income attributable to:				
Equity holders of the Company	5,818	(6,226)	<u>(4,418)</u>	<u>(12,438)</u>
Non-controlling interests of the subsidiary	<u>223</u>	<u>37</u>		
	<u>6,041</u>	<u>(6,189)</u>		
Basic earnings (loss) per share (Baht)				
Profit (loss) attributable to equity holders of the Company	<u>0.008</u>	<u>(0.009)</u>	<u>(0.006)</u>	<u>(0.018)</u>

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

(Unaudited but reviewed)

Jasmine Telecom Systems Public Company Limited and its subsidiary

Statement of comprehensive income

For the six-month period ended 30 June 2017

(Unit: Thousand Baht, except basic earnings (loss) per share expressed in Baht)

	Consolidated financial statements		Separate financial statements	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
Profit or loss:				
Revenues				
Sales and services income	40,401	44,459	9,326	14,873
Interest income	5,940	2,753	6,866	3,746
Exchange gains	1,447	1,482	-	723
Other income	6,005	625	1,630	-
Total revenues	<u>53,793</u>	<u>49,319</u>	<u>17,822</u>	<u>19,342</u>
Expenses				
Cost of sales and services	17,872	23,679	3,728	10,730
Selling and servicing expenses	-	681	-	-
Administrative expenses	21,986	30,888	20,462	22,985
Exchange losses	-	-	99	-
Bad debt	-	1,725	-	-
Doubtful accounts	-	52,042	-	34,725
Total expenses	<u>39,858</u>	<u>109,015</u>	<u>24,289</u>	<u>68,440</u>
Profit (loss) before finance cost	<u>13,935</u>	<u>(59,696)</u>	<u>(6,467)</u>	<u>(49,098)</u>
Finance cost	-	(4,680)	-	(31)
Profit (loss) for the period	<u>13,935</u>	<u>(64,376)</u>	<u>(6,467)</u>	<u>(49,129)</u>
Other comprehensive income for the period	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total comprehensive income for the period	<u>13,935</u>	<u>(64,376)</u>	<u>(6,467)</u>	<u>(49,129)</u>
Total comprehensive income attributable to:				
Equity holders of the Company	13,500	(63,747)	<u>(6,467)</u>	<u>(49,129)</u>
Non-controlling interests of the subsidiary	435	(629)		
	<u>13,935</u>	<u>(64,376)</u>		
Basic earnings (loss) per share (Baht)				
Profit (loss) attributable to equity holders of the Company	<u>0.019</u>	<u>(0.090)</u>	<u>(0.009)</u>	<u>(0.070)</u>

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

(Unaudited but reviewed)

Jasmine Telecom Systems Public Company Limited and its subsidiary

Statement of changes in shareholders' equity

For the six-month period ended 30 June 2017

(Unit: Thousand Baht)

Consolidated financial statements									
Equity attributable to owners of the Company									
				<u>Other component of shareholders' equity</u>					
				Difference between					
				the purchase price					
				of investment		Total other		Total equity	
				in subsidiary under		component of		attributable to	
				common control and		shareholders'		owners of	
				its net book value		equity		the Company	
Issued and		Premium on		Retained earnings		to non-controlling		Equity attributable	
fully paid-up		ordinary		Unappropriated		interests of		Total	
share capital		shares		(deficit)		the subsidiary		shareholders'	
Appropriated		-		-		equity		equity	
Balance as at 1 January 2016	706,457	420,269	65,186	(126,795)	8,158	8,158	1,073,275	(7,293)	1,065,982
Total comprehensive income for the period	-	-	-	(63,747)	-	-	(63,747)	(629)	(64,376)
Balance as at 30 June 2016	<u>706,457</u>	<u>420,269</u>	<u>65,186</u>	<u>(190,542)</u>	<u>8,158</u>	<u>8,158</u>	<u>1,009,528</u>	<u>(7,922)</u>	<u>1,001,606</u>
Balance as at 1 January 2017	706,457	420,269	70,646	(260,338)	8,158	8,158	945,192	(7,662)	937,530
Total comprehensive income for the period	-	-	-	13,500	-	-	13,500	435	13,935
Balance as at 30 June 2017	<u>706,457</u>	<u>420,269</u>	<u>70,646</u>	<u>(246,838)</u>	<u>8,158</u>	<u>8,158</u>	<u>958,692</u>	<u>(7,227)</u>	<u>951,465</u>

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

(Unaudited but reviewed)

Jasmine Telecom Systems Public Company Limited and its subsidiary

Statement of changes in shareholders' equity (continued)

For the six-month period ended 30 June 2017

(Unit: Thousand Baht)

	Separate financial statements				Total shareholders' equity
	Issued and fully paid-up share capital	Premium on ordinary shares	Retained earnings		
			Appropriated	Unappropriated	
Balance as at 1 January 2016	706,457	420,269	65,186	147,117	1,339,029
Total comprehensive income for the period	-	-	-	(49,129)	(49,129)
Balance as at 30 June 2016	<u>706,457</u>	<u>420,269</u>	<u>65,186</u>	<u>97,988</u>	<u>1,289,900</u>
Balance as at 1 January 2017	706,457	420,269	70,646	16,051	1,213,423
Total comprehensive income for the period	-	-	-	(6,467)	(6,467)
Balance as at 30 June 2017	<u>706,457</u>	<u>420,269</u>	<u>70,646</u>	<u>9,584</u>	<u>1,206,956</u>

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

(Unaudited but reviewed)

Jasmine Telecom Systems Public Company Limited and its subsidiary**Statement of cash flows****For the six-month period ended 30 June 2017**

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
Cash flows from operating activities				
Profit (loss) before tax	13,935	(64,376)	(6,467)	(49,129)
Adjustments to reconcile profit (loss) before tax to net cash provided by (paid from) operating activities				
Depreciation	3,034	7,131	656	4,543
Bad debt	-	1,725	-	-
Doubtful accounts	-	52,042	-	34,725
Gains on disposal of equipment	(38)	-	(38)	-
Provision for long-term employee benefits	399	477	399	382
Unrealised exchange losses (gains)	(1,478)	(725)	68	34
Interest income	(5,940)	(2,753)	(6,866)	(3,746)
Interest expenses	-	4,680	-	31
Profit (loss) from operating activities before changes in operating assets and liabilities	9,912	(1,799)	(12,248)	(13,160)
Operating assets (increase) decrease				
Trade and other receivables	17,753	(535,451)	33,317	(532,601)
Unbilled receivables	1,965	5,519	(1,504)	4,368
Inventories	(650)	1,740	(572)	1,785
Prepaid project costs	(238)	(235)	(356)	47
Other current assets	2,037	774	1,790	800
Other assets	644	(2)	(2)	1
Operating liabilities increase (decrease)				
Trade and other payables	(36,540)	(23,802)	(36,537)	(20,862)
Accrued project costs	(9,086)	2,410	(3,618)	1,797
Advances received for goods and services	1,108	951	(144)	-
Other current liabilities	(1,078)	(171)	(1,740)	(435)
Cash used in operating activities	(14,173)	(550,066)	(21,614)	(558,260)
Cash paid for interest expenses	-	(4,683)	-	(31)
Cash paid for income tax	(1,598)	(972)	(1,042)	(376)
Withholding tax refund	2,481	9,395	1,196	9,395
Net cash used in operating activities	(13,290)	(546,326)	(21,460)	(549,272)

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

(Unaudited but reviewed)

Jasmine Telecom Systems Public Company Limited and its subsidiary

Statement of cash flows (continued)

For the six-month period ended 30 June 2017

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
Cash flows from investing activities				
Interest income	6,422	4,485	7,363	4,893
Decrease (increase) in current investments - bank deposits	(253,324)	423,336	(253,358)	423,315
Decrease in restricted bank deposits	4,847	65	4,840	-
Increase in short-term loans to subsidiary	-	-	-	(11,000)
Cash received from repayment of long-term loans made to subsidiary	-	-	8,000	-
Acquisition of equipment	(2,901)	(478)	(94)	-
Proceeds from sales of equipment	74	-	74	-
Net cash from (used in) investing activities	<u>(244,882)</u>	<u>427,408</u>	<u>(233,175)</u>	<u>417,208</u>
Cash flows from financing activities				
Repayment of long-term loans	-	(14,488)	-	-
Net cash used in financing activities	<u>-</u>	<u>(14,488)</u>	<u>-</u>	<u>-</u>
Net decrease in cash and cash equivalents	(258,172)	(133,406)	(254,635)	(132,064)
Cash and cash equivalents at beginning of period	322,516	179,229	314,287	170,279
Cash and cash equivalents at end of period	<u>64,344</u>	<u>45,823</u>	<u>59,652</u>	<u>38,215</u>
	-	-	-	-

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

Jasmine Telecom Systems Public Company Limited and its subsidiary

Notes to interim consolidated financial statements

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

1. General information

1.1 Basis for the 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 Company choosing to present condensed interim financial statements. However, the Company has presented the statements of financial position, comprehensive income, changes in shareholders’ equity, and cash flows in the same format as that used for the annual financial statements.

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 Company. The interim financial statements in English language have been translated from the Thai language financial statements.

1.2 Basis of consolidation

These interim consolidated financial statements include the financial statements of the Company and its subsidiary, and have been prepared on the same basis as that applied for the consolidated financial statements for the year ended 31 December 2016, with no structural changes related to subsidiary company occurring during the current period.

1.3 New financial reporting standards

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

1.4 Significant accounting policies

The interim financial statements 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.

2. Related party transactions

During the periods, the Company and its subsidiary had significant business transactions with related parties, which have been concluded on commercial terms and based agreed upon in the ordinary course of business between the Company and those related parties. Those transactions for the three-month and six-month periods ended 30 June 2017 and 2016 are summarised below.

(Unit: Million Baht)

	Consolidated financial statements				Pricing policy
	For the three-month periods ended 30 June		For the six-month periods ended 30 June		
	2017	2016	2017	2016	
<u>Transactions with parent company</u>					
Sales and services income	-	-	1	-	Contract price or at prices normally charged to other customers
Interest income	-	-	3	-	The rates referenced to the average weighted of 12-month fixed deposits interest rate quoted by three commercial banks plus 0.6 percent per annum
Office rental and service expenses	1	2	2	3	Contract price or at prices normally charged to other customers
<u>Transactions with related companies</u>					
Sales and services income	17	14	25	22	Contract price or at prices normally charged to other customers or cost plus margin
Cost of sales and services	1	1	2	2	Contract price or at prices normally charged to other customers
Other expenses	1	2	2	3	Contract price or at prices normally charged to other customers

(Unaudited but reviewed)

(Unit: Million Baht)

	Separate financial statements				Pricing policy
	For the three-month periods ended 30 June		For the six-month periods ended 30 June		
	2017	2016	2017	2016	
<u>Transactions with parent company</u>					
Interest income	-	-	3	-	The rates referenced to the average weighted of 12-month fixed deposits interest rate quoted by three commercial banks plus 0.6 percent per annum
Office rental and service expenses	1	1	2	2	Contract price or at prices normally charged to other customers
<u>Transactions with subsidiary</u>					
(eliminated from the consolidated financial statements)					
Sales and services income	3	-	5	-	Contract price
Interest income	-	-	1	1	The rates referenced to fixed deposits interest rates plus 0.5 percent per annum
Management income	-	-	1	-	Contract price
<u>Transactions with related companies</u>					
Sales and services income	-	1	-	2	Contract price or at prices normally charged to other customers or cost plus margin
Cost of sales and services	1	1	2	2	Contract price or at prices normally charged to other customers
Other expenses	-	-	1	1	Contract price or at prices normally charged to other customers

The balances of the accounts as at 30 June 2017 and 31 December 2016 between the Company and its subsidiary and those related parties are as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	30 June 2017	31 December 2016	30 June 2017	31 December 2016
		(Audited)		(Audited)
<u>Trade accounts receivable - related parties (Note 3)</u>				
Parent company	42	113	-	-
Related companies				
Jasmine Group	764,891	778,981	752,845	775,994
Total trade accounts receivable - related parties	764,933	779,094	752,845	775,994

(Unaudited but reviewed)

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	30 June	31 December	30 June	31 December
	2017	2016	2017	2016
		(Audited)		(Audited)
<u>Other receivables - related party (Note 3)</u>				
Subsidiary	-	-	3,480	3,495
(eliminated from the consolidated financial statements)				
Less: Allowance for doubtful account	-	-	(3,480)	(3,480)
Total other receivables - related party - net	-	-	-	15
<u>Unbilled receivable from related parties</u>				
Subsidiary	-	-	812	574
(eliminated from the consolidated financial statements)				
Related companies				
Jasmine Group	8	19	-	-
Total unbilled receivable from related parties	8	19	812	574
<u>Short-term loans to subsidiary</u>				
Subsidiary	-	-	80,347	80,347
(eliminated from the consolidated financial statements)				
Less: Allowance for doubtful account	-	-	(80,347)	(80,347)
Total short-term loans to subsidiary - net	-	-	-	-
<u>Long-term loans to subsidiary</u>				
Subsidiary	-	-	109,000	117,000
(eliminated from the consolidated financial statements)				
Less: Current portion of long-term loans	-	-	(16,000)	(16,000)
Total long-term loans to subsidiary - net of current portion	-	-	93,000	101,000
<u>Trade accounts payable - related parties (Note 6)</u>				
Related companies				
Jasmine Group	507	421	3	3
Total trade accounts payable - related parties	507	421	3	3

(Unaudited but reviewed)

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	30 June	31 December	30 June	31 December
	2017	2016	2017	2016
		(Audited)		(Audited)
<u>Other payables - related parties (Note 6)</u>				
Parent company	20,886	22,523	-	-
Related companies				
Jasmine Group	7,613	8,273	79	81
Total other payables - related parties	28,499	30,796	79	81
<u>Advance received from related parties</u>				
Related companies				
Jasmine Group	2,793	1,139	417	-
Total advance received from related parties	2,793	1,139	417	-

Short-term loans to subsidiary

During the six-month period ended 30 June 2017, movements of short-term loans to subsidiary was as follows:

(Unit: Million Baht)

	Separate financial statements		
	Balance as at	Increase/Decrease	Balance as at
	31 December 2016	during the period	30 June 2017
	(Audited)		
Short-term loans to subsidiary	80	-	80

Long-term loans to subsidiary

As at 30 June 2017 and 31 December 2016, the balances of long-term loans between the Company and its subsidiary and the movement was as follows:

(Unit: Million Baht)

	Separate financial statements		
	Balance as at	Decrease	Balance as at
	31 December 2016	during the period	30 June 2017
	(Audited)		
Long-term loans to subsidiary	117	(8)	109

(Unaudited but reviewed)

Directors and management's benefits

During the three-month and six-month periods ended 30 June 2017 and 2016, the Company and its subsidiary had employee benefit expenses payable to their directors and management as below.

(Unit: Million Baht)

	For the three-month periods ended 30 June			
	Consolidated		Separate	
	financial statements		financial statements	
	2017	2016	2017	2016
Short-term employee benefits	2	3	2	3
Post-employment benefits	1	-	1	-
Total	3	3	3	3

(Unit: Million Baht)

	For the six-month periods ended 30 June			
	Consolidated		Separate	
	financial statements		financial statements	
	2017	2016	2017	2016
Short-term employee benefits	5	7	5	5
Post-employment benefits	1	1	1	-
Total	6	8	6	5

3. Trade and other receivables

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	30 June	31 December	30 June	31 December
	2017	2016	2017	2016
		(Audited)		(Audited)
Trade receivables - related parties (Note 2)	764,933	779,094	752,845	775,994
Trade receivables - unrelated parties	188,676	192,443	14,585	24,929
Other receivables - related parties (Note 2)	-	-	3,480	3,495
Other receivables - unrelated parties	41,671	42,153	41,666	42,148
Total	995,280	1,013,690	812,576	846,566
Less: Allowance for doubtful debts	(221,866)	(221,866)	(58,321)	(58,321)
Trade and other receivables - net	773,414	791,824	754,255	788,245

(Unaudited but reviewed)

The outstanding balances of trade accounts receivable as at 30 June 2017 and 31 December 2016, aged on the basis of due dates, are summarised below.

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	30 June	31 December	30 June	31 December
	2017	2016	2017	2016
		(Audited)		(Audited)
<u>Trade receivables - related parties</u>				
Aged on the basis of due dates				
Not yet due	11,427	5,728	1,022	2,676
Past due				
Up to 3 months	3,891	24,785	1,981	24,785
Longer than 3 - 6 months	3,257	26,716	3,484	26,673
Longer than 6 - 12 months	26,497	673	26,497	668
Longer than 12 months	719,861	721,192	719,861	721,192
Total trade receivables - related parties (Note 2)	<u>764,933</u>	<u>779,094</u>	<u>752,845</u>	<u>775,994</u>
<u>Trade receivables - unrelated parties</u>				
Aged on the basis of due dates				
Not yet due	2,155	3,099	-	2,763
Past due				
Up to 3 months	2,958	161	10	12
Longer than 3 - 6 months	1,962	6,610	-	6,610
Longer than 6 - 12 months	-	-	-	-
Longer than 12 months	181,601	182,573	14,575	15,544
Total	188,676	192,443	14,585	24,929
Less: Allowance for doubtful debts	<u>(181,568)</u>	<u>(181,568)</u>	<u>(14,543)</u>	<u>(14,543)</u>
Total trade receivables - unrelated parties - net	<u>7,108</u>	<u>10,875</u>	<u>42</u>	<u>10,386</u>
Total trade receivables - net	<u><u>772,041</u></u>	<u><u>789,969</u></u>	<u><u>752,887</u></u>	<u><u>786,380</u></u>
<u>Other receivables - related party</u>				
Accrued interest income	-	-	3,480	3,495
Less: Allowance for doubtful debts	<u>-</u>	<u>-</u>	<u>(3,480)</u>	<u>(3,480)</u>
Total other receivables - related party - net (Note 2)	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>15</u></u>

(Unaudited but reviewed)

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	30 June	31 December	30 June	31 December
	2017	2016	2017	2016
		(Audited)		(Audited)
<u>Other receivables - unrelated parties</u>				
Accrued interest income	13,686	14,168	13,681	14,163
Others	27,985	27,985	27,985	27,985
Total	41,671	42,153	41,666	42,148
Less: Allowance for doubtful debts	(40,298)	(40,298)	(40,298)	(40,298)
Total other receivables - unrelated parties - net	1,373	1,855	1,368	1,850

Included in trade accounts receivable from unrelated parties as at 30 June 2017 and 31 December 2016, were amounts receivable from government agencies as follows:

(Unit: Thousand Baht)

Age of receivables	Consolidated		Separate	
	financial statements		financial statements	
	30 June	31 December	30 June	31 December
	2017	2016	2017	2016
		(Audited)		(Audited)
Not yet due	2,085	3,026	-	2,763
Past due				
Up to 3 months	2,725	-	-	-
Longer than 3 - 6 months	1,962	6,610	-	6,610
Longer than 6 - 12 months	-	-	-	-
Longer than 12 months	32	1,001	32	1,001
Total	6,804	10,637	32	10,374

4. Account receivable under troubled debt restructuring

The Company and its subsidiary had an outstanding balance totaling Baht 47 million (the Company only: Baht 19 million) that was receivable from TT&T Public Company Limited (“TT&T”) under the rehabilitation plan of TT&T, and which was to be repaid in full, in cash in a single payment on the last working day of the first quarter of 2015. However, on 15 March 2016, the Central Bankruptcy Court issued an absolute receivership order against TT&T. For prudent reasons, the Company and its subsidiary therefore recorded full allowance for doubtful accounts for the remaining balances of accounts receivable from TT&T in the first quarter of 2016.

5. Investment in subsidiary

Details of investment in subsidiary as presented in separate financial statements are as follows

Company's name	Paid-up capital		Shareholding percentage		Cost		(Unit: Thousand Baht) Dividend received during the period	
	30 June	31 December	30 June	31 December	30 June	31 December	30 June	30 June
	2017	2016	2017	2016	2017	2016	2017	2016
	(Audited)		(Audited)		(Audited)			
			(%)	(%)				
Could Computing Solution Company Limited	55,000	55,000	98	98	83,899	83,899	-	-
Less: Provision for impairment loss on investment					(83,899)	(83,899)		
Total investment in subsidiary - net					-	-		

6. Trade and other payables

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	30 June	31 December	30 June	31 December
	2017	2016	2017	2016
	(Audited)		(Audited)	
Trade payables - related parties (Note 2)	507	421	3	3
Trade payables - unrelated parties	41,899	71,637	33,623	65,469
Other payables - related parties (Note 2)	28,499	30,796	79	81
Other payables - unrelated parties	43,753	48,451	42,755	47,552
Total trade and other payables	114,658	151,305	76,460	113,105

7. Segment information

The Company and its subsidiary are organised into business units based on its products and services. During the current period, the Company and its subsidiary have separately presented design and installation of telecommunication systems segment, computer systems integration business and cloud computing business segment because its income is material to the financial statements.

Inter - segment revenues are eliminated on consolidation.

Below is the consolidated financial information for the three-month and six-month periods ended 30 June 2017 and 2016 of the Company and its subsidiary by segment.

(Unit: Million Baht)

	For the three-month periods ended 30 June									
	Design and installation of telecommunication systems segment		Computer systems integration business segment		Cloud computing business segment		Elimination of inter-segment transactions		Consolidation	
	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016
Sales and services income										
Revenue from external customers	2	12	17	14	5	3	-	-	24	29
Inter-segment revenues	3	-	-	-	-	-	(3)	-	-	-
Total revenues	<u>5</u>	<u>12</u>	<u>17</u>	<u>14</u>	<u>5</u>	<u>3</u>	<u>(3)</u>	<u>-</u>	<u>24</u>	<u>29</u>
Segment operating profit	1	3	8	7	3	2			12	12
Unallocated income and expenses:										
Interest income									1	-
Other income									3	1
Administrative expenses									(10)	(17)
Finance cost									-	(2)
Profit (loss) for the period									<u>6</u>	<u>(6)</u>

(Unit: Million Baht)

	For the six-month periods ended 30 June									
	Design and installation of telecommunication systems segment		Computer systems integration business segment		Cloud computing business segment		Elimination of inter-segment transactions		Consolidation	
	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016
Sales and services income										
Revenue from external customers	4	15	27	23	9	6	-	-	40	44
Inter-segment revenues	5	-	-	-	-	-	(5)	-	-	-
Total revenues	9	15	27	23	9	6	(5)	-	40	44
Segment operating profit	1	4	16	14	6	3			23	21
Unallocated income and expenses:										
Exchange gains									1	1
Interest income									6	3
Other income									6	1
Administrative expenses									(22)	(31)
Bad debt									-	(2)
Doubtful accounts									-	(52)
Finance cost									-	(5)
Profit (loss) for the period									14	(64)

8. Commitments and contingent liabilities

8.1 Guarantees

As at 30 June 2017, there were outstanding bank guarantees of Baht 117 million (31 December 2016: Baht 243 million) issued by the banks on behalf of the Company and its subsidiary, with Baht 92 million (31 December 2016: Baht 218 million) attributed to the Company, in respect of certain bid bonds and performance bonds as required in the normal course of business of the Company and its subsidiary.

8.2 Contingent liability from tablet personal computers sale agreements

In September and December 2013, the Company entered into agreements with two government agencies to sell 357,024 and 12,246 tablet personal computers in Zone 4 (Northern and Northeastern regions) with total contract values of Baht 749 million (excluding value added tax). Under a condition in the agreements, the Company had to deliver all of the tablets to these government agencies within December 2013 and March 2014, respectively. However, the Company was unable to deliver the tablets as scheduled in the agreements as a result of a massive fire in September 2013 at a production facility in China where a part of the tablets was produced. The Company submitted letters to the government agencies, the counterparties to the agreements, to inform them of the cause of the delay and request extensions of the shipment schedules. The agreements stipulate that the Company is obliged to pay a penalty for delayed shipment at a daily rate of 0.2 percent of

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

8.3 Disputes with TT&T

During the current period, there has been no significant progress with respect to the disputes with TT&T as described in Note 23.2 to the financial statements for the year 2016.

8.4 Litigations and other disputes

Except as described in the following paragraphs, during the current period there has been no significant progress with respect to the litigation and disputes as described in Note 23.4 to the financial statements for the year 2016.

In 2016, the subsidiary was sued for a total of approximately Baht 7 million in respect of the breach of a sale and purchase contract. In March 2017, the Court of First Instance issued a judgment ordering the subsidiary to pay compensation together with a fine and interest, totaling approximately Baht 4 million. The subsidiary then filed an appeal and a request to suspend execution. At present, this case is under consideration by the Appeal Court. However, the legal advisor and the management of the subsidiary believe that the subsidiary did not breach the contract and will therefore not suffer any losses as a result of this case.

9. Approval of interim financial statements

These interim financial statements were authorised for issue by the Company's Board of Directors on 10 August 2017.