

Jasmine Telecom Systems Public Company Limited  
and its subsidiary  
Review report and interim consolidated financial statements  
For the three-month and nine-month periods ended  
30 September 2019

## **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 September 2019, the related consolidated statements of comprehensive income for the three-month and nine-month periods ended 30 September 2019, the related consolidated statements of changes in shareholders' equity and cash flows for the nine-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**

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.

### **Emphasis of Matters**

I draw attention to Note 11.2 to the interim consolidated financial statements, which describes the litigation claim between the Company and two government agencies, who demanded the Company to pay penalties amounting to Baht 195 million for its failure to deliver tablets according to the agreements. In 2018, the Central Administrative Court issued judgements ordering the Company to pay penalties totaling approximately Baht 10 million. However, the Company and the two government agencies filed appeals to the Supreme Administrative Court. At present, the cases are under consideration by the Courts. In addition, I draw attention to Note 11.3 to the interim consolidated financial statements, which describes disputes between the subsidiary and an 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 these matters.

Chonlaros Suntiasvaraporn

Certified Public Accountant (Thailand) No. 4523

EY Office Limited

Bangkok: 11 November 2019

Jasmine Telecom Systems Public Company Limited and its subsidiary

Statement of financial position

As at 30 September 2019

(Unit: Thousand Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>		
	<u>Note</u>	<u>30 September 2019</u>	<u>31 December 2018</u>	<u>30 September 2019</u>	<u>31 December 2018</u>
		(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
<b>Assets</b>					
<b>Current assets</b>					
Cash and cash equivalents		52,500	401,213	43,375	397,266
Current investments - bank deposits		190	4,749	93	4,744
Trade and other receivables					
Current portion of receivables under finance					
lease agreements	3	831,982	810,685	819,239	790,833
Related party	2, 4	1,718	-	1,718	-
Unrelated party	4	1,158	1,314	1,158	1,314
Unbilled receivables					
Related parties	2	9	15	883	2,861
Unrelated parties		5,140	11,144	3,849	8,131
Short-term loans to related parties	2	327,500	-	327,500	-
Current portion of long-term loans to subsidiary	2	-	-	16,000	16,000
Inventories		5,518	3,221	5,451	3,110
Account receivable under troubled					
debt restructuring	5	-	-	-	-
Prepaid project costs		1,564	819	966	483
Other current assets		3,951	2,968	1,303	991
<b>Total current assets</b>		<b>1,231,230</b>	<b>1,236,128</b>	<b>1,221,535</b>	<b>1,225,733</b>
<b>Non-current assets</b>					
Restricted bank deposits		9,033	9,381	6,799	6,799
Receivables under finance lease agreements -					
net of current portion					
Related party	2, 4	3,087	-	3,087	-
Unrelated party	4	-	816	-	816
Long-term loans to subsidiary	2	-	-	57,000	69,000
Investment in subsidiary	6	-	-	-	-
Property, plant and equipment		9,334	9,721	2,820	431
Withholding tax deducted at source		915	2,589	915	2,589
Deposits		841	1,179	733	1,015
<b>Total non-current assets</b>		<b>23,210</b>	<b>23,686</b>	<b>71,354</b>	<b>80,650</b>
<b>Total assets</b>		<b>1,254,440</b>	<b>1,259,814</b>	<b>1,292,889</b>	<b>1,306,383</b>

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 September 2019

(Unit: Thousand Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>		
	<u>Note</u>	<u>30 September 2019</u>	<u>31 December 2018</u>	<u>30 September 2019</u>	<u>31 December 2018</u>
		(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
<b>Liabilities and shareholders' equity</b>					
<b>Current liabilities</b>					
Trade and other payables	7	100,130	114,689	72,490	84,334
Accrued project cost		132,237	135,774	1,869	3,217
Income tax payable		526	1,371	-	-
Advances received for goods and services	2	1,756	1,600	457	478
Other current liabilities		29,881	27,936	18,897	17,693
<b>Total current liabilities</b>		<u>264,530</u>	<u>281,370</u>	<u>93,713</u>	<u>105,722</u>
<b>Non-current liabilities</b>					
Provision for long-term employee benefits	8	19,447	13,507	18,873	13,507
<b>Total non-current liabilities</b>		<u>19,447</u>	<u>13,507</u>	<u>18,873</u>	<u>13,507</u>
<b>Total liabilities</b>		<u>283,977</u>	<u>294,877</u>	<u>112,586</u>	<u>119,229</u>
<b>Shareholders' equity</b>					
Share capital					
Registered					
706,457,300 ordinary shares of Baht 1 each		<u>706,457</u>	<u>706,457</u>	<u>706,457</u>	<u>706,457</u>
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
Deficit		(228,812)	(234,074)	(17,069)	(10,218)
Other components of shareholders' equity		<u>8,158</u>	<u>8,158</u>	<u>-</u>	<u>-</u>
Equity attributable to owners of the Company		976,718	971,456	1,180,303	1,187,154
Non-controlling interests of the subsidiary		<u>(6,255)</u>	<u>(6,519)</u>	<u>-</u>	<u>-</u>
<b>Total shareholders' equity</b>		<u>970,463</u>	<u>964,937</u>	<u>1,180,303</u>	<u>1,187,154</u>
<b>Total liabilities and shareholders' equity</b>		<u>1,254,440</u>	<u>1,259,814</u>	<u>1,292,889</u>	<u>1,306,383</u>
		-	-	-	-

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 September 2019**

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

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
Note	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
<b>Profit or loss:</b>				
<b>Revenues</b>				
Sales and services income	24,837	38,063	14,446	24,885
Interest income	1,942	2,081	2,250	2,451
Exchange gains	116	582	-	-
Other income	189	982	801	1,371
<b>Total revenues</b>	<u>27,084</u>	<u>41,708</u>	<u>17,497</u>	<u>28,707</u>
<b>Expenses</b>				
Cost of sales and services	14,101	24,992	10,432	20,654
Selling and servicing expenses	182	-	-	-
Administrative expenses	8,578	8,876	8,278	8,609
Exchange losses	-	-	9	44
<b>Total expenses</b>	<u>22,861</u>	<u>33,868</u>	<u>18,719</u>	<u>29,307</u>
<b>Profit (loss) before income tax</b>	4,223	7,840	(1,222)	(600)
Income tax	9 (1,006)	(1,602)	-	-
<b>Profit (loss) for the period</b>	<u>3,217</u>	<u>6,238</u>	<u>(1,222)</u>	<u>(600)</u>
<b>Total comprehensive income for the period</b>	<u>3,217</u>	<u>6,238</u>	<u>(1,222)</u>	<u>(600)</u>
<b>Profit (loss) attributable to:</b>				
Equity holders of the Company	3,122	6,092	<u>(1,222)</u>	<u>(600)</u>
Non-controlling interests of the subsidiary	95	146		
	<u>3,217</u>	<u>6,238</u>		
<b>Total comprehensive income attributable to:</b>				
Equity holders of the Company	3,122	6,092	<u>(1,222)</u>	<u>(600)</u>
Non-controlling interests of the subsidiary	95	146		
	<u>3,217</u>	<u>6,238</u>		
<b>Basic earnings (loss) per share (Baht)</b>				
Profit (loss) attributable to equity holders of the Company	<u>0.004</u>	<u>0.009</u>	<u>(0.002)</u>	<u>(0.001)</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 nine-month period ended 30 September 2019**

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

	Note	Consolidated financial statements		Separate financial statements	
		2019	2018	2019	2018
<b>Profit or loss:</b>					
<b>Revenues</b>					
Sales and services income		70,200	83,955	40,973	47,158
Interest income		5,290	6,240	6,260	7,367
Exchange gains		1,439	211	-	-
Other income		4,331	1,704	6,431	2,850
<b>Total revenues</b>		<u>81,260</u>	<u>92,110</u>	<u>53,664</u>	<u>57,375</u>
<b>Expenses</b>					
Cost of sales and services		38,805	46,611	28,531	35,184
Selling and servicing expenses		936	-	-	-
Administrative expenses	8	33,074	30,150	31,881	29,291
Exchange losses		-	-	103	15
<b>Total expenses</b>		<u>72,815</u>	<u>76,761</u>	<u>60,515</u>	<u>64,490</u>
<b>Profit (loss) before income tax</b>		8,445	15,349	(6,851)	(7,115)
Income tax	9	(2,919)	(4,012)	-	-
<b>Profit (loss) for the period</b>		<u>5,526</u>	<u>11,337</u>	<u>(6,851)</u>	<u>(7,115)</u>
<b>Total comprehensive income for the period</b>		<u>5,526</u>	<u>11,337</u>	<u>(6,851)</u>	<u>(7,115)</u>
<b>Profit (loss) attributable to:</b>					
Equity holders of the Company		5,262	10,944	<u>(6,851)</u>	<u>(7,115)</u>
Non-controlling interests of the subsidiary		264	393		
		<u>5,526</u>	<u>11,337</u>		
<b>Total comprehensive income attributable to:</b>					
Equity holders of the Company		5,262	10,944	<u>(6,851)</u>	<u>(7,115)</u>
Non-controlling interests of the subsidiary		264	393		
		<u>5,526</u>	<u>11,337</u>		
<b>Basic earnings (loss) per share (Baht)</b>					
Profit (loss) attributable to equity holders of the Company		<u>0.007</u>	<u>0.015</u>	<u>(0.010)</u>	<u>(0.010)</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 nine-month period ended 30 September 2019

(Unit: Thousand Baht)

Consolidated financial statements									
Equity attributable to owners of the Company									
				Other component of shareholders' equity					
				Difference between					
				the purchase price					
				of investment	Total other	Total equity	Equity attributable	Total	
				in subsidiary under	component of	attributable to	to non-controlling	shareholders'	
				common control and	shareholders'	owners of	interests of	equity	
				its net book value	equity	the Company	the subsidiary	equity	
Issued and	Premium on	Retained earnings							
fully paid-up	ordinary	Appropriated	Deficit						
share capital	shares								
<b>Balance as at 1 January 2018</b>	706,457	420,269	70,646	(247,818)	8,158	8,158	957,712	(6,951)	950,761
Total comprehensive income for the period	-	-	-	10,944	-	-	10,944	393	11,337
<b>Balance as at 30 September 2018</b>	<u>706,457</u>	<u>420,269</u>	<u>70,646</u>	<u>(236,874)</u>	<u>8,158</u>	<u>8,158</u>	<u>968,656</u>	<u>(6,558)</u>	<u>962,098</u>
<b>Balance as at 1 January 2019</b>	706,457	420,269	70,646	(234,074)	8,158	8,158	971,456	(6,519)	964,937
Total comprehensive income for the period	-	-	-	5,262	-	-	5,262	264	5,526
<b>Balance as at 30 September 2019</b>	<u>706,457</u>	<u>420,269</u>	<u>70,646</u>	<u>(228,812)</u>	<u>8,158</u>	<u>8,158</u>	<u>976,718</u>	<u>(6,255)</u>	<u>970,463</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 nine-month period ended 30 September 2019**

(Unit: Thousand Baht)

	<b>Separate financial statements</b>				<b>Total shareholders' equity</b>
	<b>Issued and fully paid-up share capital</b>	<b>Premium on ordinary shares</b>	<b>Retained earnings</b>		
			<b>Appropriated</b>	<b>Deficit</b>	
<b>Balance as at 1 January 2018</b>	706,457	420,269	70,646	(4,108)	1,193,264
Total comprehensive income for the period	-	-	-	(7,115)	(7,115)
<b>Balance as at 30 September 2018</b>	<u>706,457</u>	<u>420,269</u>	<u>70,646</u>	<u>(11,223)</u>	<u>1,186,149</u>
<b>Balance as at 1 January 2019</b>	706,457	420,269	70,646	(10,218)	1,187,154
Total comprehensive income for the period	-	-	-	(6,851)	(6,851)
<b>Balance as at 30 September 2019</b>	<u>706,457</u>	<u>420,269</u>	<u>70,646</u>	<u>(17,069)</u>	<u>1,180,303</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 nine-month period ended 30 September 2019**

(Unit: Thousand Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
<b>Cash flows from operating activities</b>				
Profit (loss) before tax	8,445	15,349	(6,851)	(7,115)
Adjustments to reconcile profit (loss) before tax to net cash provided by (paid from) operating activities				
Depreciation	3,068	3,448	267	467
Gains on disposal of equipment	(3,069)	(911)	(3,069)	(911)
Provision for long-term employee benefits	5,940	626	5,366	626
Unrealised exchange losses (gains)	(1,470)	(214)	73	11
Interest income	<u>(5,290)</u>	<u>(6,240)</u>	<u>(6,260)</u>	<u>(7,367)</u>
Profit (loss) from operating activities before changes in operating assets and liabilities	7,624	12,058	(10,474)	(14,289)
Operating assets (increase) decrease				
Trade and other receivables	(19,546)	(47,074)	(26,663)	(32,243)
Receivable under finance lease agreement	(3,833)	-	(3,833)	-
Unbilled receivables	6,010	(619)	6,260	(1,751)
Inventories	(3,841)	(7,466)	(2,341)	(7,478)
Prepaid project costs	(745)	(531)	(483)	(242)
Other current assets	(983)	(1,191)	(312)	(971)
Other assets	338	26	282	2
Operating liabilities increase (decrease)				
Trade and other payables	(14,452)	4,973	(11,736)	7,978
Accrued project costs	(1,994)	(1,325)	(1,348)	(488)
Advances received for goods and services	156	22	(21)	(243)
Other current liabilities	<u>1,945</u>	<u>(258)</u>	<u>1,204</u>	<u>(781)</u>
Cash used in operating activities	(29,321)	(41,385)	(49,465)	(50,506)
Cash paid for income tax	(4,196)	(4,956)	(432)	(387)
Refundable withholding tax	<u>2,106</u>	<u>1,948</u>	<u>2,106</u>	<u>684</u>
<b>Net cash used in operating activities</b>	<u>(31,411)</u>	<u>(44,393)</u>	<u>(47,791)</u>	<u>(50,209)</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 flow (continued)**

**For the nine-month period ended 30 September 2019**

(Unit: Thousand Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
<b>Cash flows from investing activities</b>				
Interest income	5,380	6,282	6,357	7,414
Decrease in current investments - bank deposits	4,559	6,151	4,651	6,196
Decrease in restricted bank deposits	348	16,276	-	16,210
Short-term loans to related party	-327,500	-	-327,500	-
Cash received from long-term loans to subsidiary	-	-	12,000	12,000
Acquisition of equipment	(1,137)	(3,630)	(2,656)	(246)
Proceeds from sales of equipment	1,048	912	1,048	912
<b>Net cash from (used in) investing activities</b>	<u>(317,302)</u>	<u>25,991</u>	<u>(306,100)</u>	<u>42,486</u>
<b>Net decrease in cash and cash equivalents</b>	<u>(348,713)</u>	<u>(18,402)</u>	<u>(353,891)</u>	<u>(7,723)</u>
Cash and cash equivalents at beginning of period	<u>401,213</u>	<u>96,641</u>	<u>397,266</u>	<u>76,884</u>
<b>Cash and cash equivalents at end of period</b>	<u><u>52,500</u></u>	<u><u>78,239</u></u>	<u><u>43,375</u></u>	<u><u>69,161</u></u>
	-		-	
<b>Supplement cash flows information:</b>				
Non-cash transaction				
Receivable from sale of equipment	2,056	-	2,056	-
Reclassify inventories to equipment	1,544	-	-	-

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 nine-month periods ended 30 September 2019**

**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, 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 2018, with no structural changes related to subsidiary company occurring during the current period.

**1.3 New financial reporting standards**

**a. Financial reporting standards that become effective in the current year**

During the period, the Company and its subsidiary have adopted the revised (revised 2018) and new financial reporting standards and interpretations which are effective for fiscal years beginning on or after 1 January 2019. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards, with most of the changes directed towards clarifying accounting treatment and providing accounting guidance for users of the standards. The adoption of these financial reporting standards does not have any significant impact on the Company and its subsidiary's financial statements. However, the new standard involves changes to key principles, which are summarised below:

## **TFRS 15 Revenue from Contracts with Customers**

TFRS 15 supersedes the following accounting standards together with related interpretations.

TAS 11 (revised 2017)	Construction Contracts
TAS 18 (revised 2017)	Revenue
TSIC 31 (revised 2017)	Revenue - Barter Transactions Involving Advertising Services
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

Entities are to apply this standard to all contracts with customers unless those contracts fall within the scope of other standards. The standard establishes a five-step model to account for revenue arising from contracts with customers, with revenue being recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. The standard requires entities to exercise judgement, taking into consideration all of the relevant facts and circumstances when applying each step of the model.

This standard does not have any significant impact on the Company's and its subsidiary's financial statements.

### **b. Financial reporting standards that became effective for fiscal years beginning on or after 1 January 2020**

The Federation of Accounting Professions issued a number of new and revised financial reporting standards and interpretations, which are effective for fiscal years beginning on or after 1 January 2020. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards clarifying accounting treatment and providing accounting guidance for users of the standards except the following new standards which involve changes to key principles, which are summarised below.

#### **Financial reporting standards related to financial instruments**

A set of TFRSs related to financial instruments consists of five accounting standards and interpretations, as follows:

Financial reporting standards:

TFRS 7	Financial Instruments: Disclosures
TFRS 9	Financial Instruments

Accounting standard:

TAS 32                                      Financial Instruments: Presentation

Financial Reporting Standard Interpretations:

TFRIC 16                                      Hedges of a Net Investment in a Foreign Operation

TFRIC 19                                      Extinguishing Financial Liabilities with Equity Instruments

These TFRSs related to financial instruments make stipulations relating to the classification of financial instruments and their measurement at fair value or amortised cost (taking into account the type of instrument, the characteristics of the contractual cash flows and the Company's business model), calculation of impairment using the expected credit loss method, and hedge accounting. These include stipulations regarding the presentation and disclosure of financial instruments. When the TFRSs related to financial instruments are effective, some accounting standards, interpretations and guidance which are currently effective will be cancelled.

The management of the Company and its subsidiary is currently evaluating the impact of these standards to the financial statements in the year when they are adopted.

#### **TFRS 16 Leases**

TFRS 16 supersedes TAS 17 Leases together with related Interpretations. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases, and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is low value.

Accounting by lessors under TFRS 16 is substantially unchanged from TAS 17. Lessors will continue to classify leases as either operating or finance leases using similar principles to those used under TAS 17.

The management of the Company and its subsidiary is currently evaluating the impact of this standard on the financial statements in the year when it is adopted.

#### **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 2018.

## 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 nine-month periods ended 30 September 2019 and 2018 are summarised below.

(Unit: Thousand Baht)

	Consolidated financial statements				Pricing policy
	For the three-month periods		For the nine-month periods		
	ended 30 September		ended 30 September		
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>	
<u>Transactions with parent company</u>					
Sales and services income	1,329	964	3,807	2,855	Contract price or at prices normally charged to other customers
Interest income	1,717	1,782	4,136	5,289	The rate referenced to the average weighted of 12-month fixed deposits interest rate quoted by three commercial banks plus 1.00 percent per annum and 2.08 percent per annum
Office rental and service expenses	697	811	2,227	2,434	Contract price or at prices normally charged to other customers
Other expenses	1	16	19	50	Contract price or at prices normally charged to other customers
<u>Transactions with related companies</u>					
Sales and services income	11,099	30,097	39,033	59,635	Contract price or at prices normally charged to other customers
Interest income	73	-	90	-	The interest rate under the hire purchase contract
Other income	-	26	-	182	Contract price or at prices normally charged to other customers
Cost of sales and services	-	1,304	2,136	3,482	Contract price or at prices normally charged to other customers
Office rental and service expenses	-	63	63	189	Contract price or at prices normally charged to other customers
Other expenses	1,050	1,179	3,322	2,994	Contract price or at prices normally charged to other customers

(Unaudited but reviewed)

(Unit: Thousand Baht)

	Separate financial statements				Pricing policy
	For the three-month periods		For the nine-month periods		
	ended 30 September	ended 30 September	ended 30 September	ended 30 September	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>	
<u>Transactions with parent company</u>					
Sales and services income	25	-	56	108	Contract price or at prices normally charged to other customers
Interest income	1,717	1,782	4,136	5,289	The rate referenced to the average weighted of 12-month fixed deposits interest rate quoted by three commercial banks plus 1.00 percent per annum and 2.08 percent per annum
Office rental and service expenses	672	787	2,153	2,361	Contract price or at prices normally charged to other customers
Other expenses	2	16	19	49	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	2,694	2,619	9,624	8,962	Contract price or at prices normally charged to other customers
Interest income	321	388	1,003	1,201	The rate referenced to fixed deposits interest rates plus 0.50 percent per annum
Management fee income	744	570	2,232	1,710	Contract price
Cost of sales and services	252	23	750	67	Contract price or at prices normally charged to other customers
Purchases of equipment	2,136	-	2,136	-	At prices normally charged to other customers
<u>Transactions with related companies</u>					
Sales and services income	4,032	20,024	17,722	30,085	Contract price or at prices normally charged to other customers
Interest income	73	-	90	-	The interest rate under the hire purchase contract
Other income	-	26	-	182	Contract price or at prices normally charged to other customers
Cost of sales and services	-	971	1,117	2,491	Contract price or at prices normally charged to other customers
Office rental and service expenses	-	63	63	189	Contract price or at prices normally charged to other customers
Other expenses	457	451	1,462	1,378	Contract price or at prices normally charged to other customers



(Unaudited but reviewed)

The balances of the accounts as at 30 September 2019 and 31 December 2018 between the Company and its subsidiary and those related parties are as follows:

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	30 September	31 December	30 September	31 December
	2019	2018	2019	2018
		(Audited)		(Audited)
<b><u>Trade receivables - related parties (Note 3)</u></b>				
Parent company	13	47	-	-
Subsidiary	-	-	20,362	11,045
(eliminated from the consolidated financial statements)				
Related companies				
Jasmine Group	820,451	807,098	785,413	778,235
Mono Group	-	78	-	-
Total trade receivables - related parties	<u>820,464</u>	<u>807,223</u>	<u>805,755</u>	<u>789,280</u>
<b><u>Other receivables - related parties (Note 3)</u></b>				
Subsidiary	-	-	5,603	3,480
(eliminated from the consolidated financial statements)				
Related companies				
Jasmine Group	395	395	395	395
Total	<u>395</u>	<u>395</u>	<u>5,998</u>	<u>3,875</u>
Less: Allowance for doubtful account	<u>-</u>	<u>-</u>	<u>(3,480)</u>	<u>(3,480)</u>
Total other receivables - related parties - net	<u>395</u>	<u>395</u>	<u>2,518</u>	<u>395</u>
<b><u>Receivable under finance lease agreement - related party</u></b>				
Related company				
Jasmine Group	4,805	-	4,805	-
Total receivable under finance lease agreement - related party	<u>4,805</u>	<u>-</u>	<u>4,805</u>	<u>-</u>

(Unaudited but reviewed)

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	30 September	31 December	30 September	31 December
	2019	2018	2019	2018
		(Audited)		(Audited)
<b><u>Unbilled receivables from related parties</u></b>				
Subsidiary	-	-	877	2,861
(eliminated from the consolidated financial statements)				
Related companies				
Jasmine Group	9	12	6	-
Mono Group	-	3	-	-
Total unbilled receivables from related parties	<u>9</u>	<u>15</u>	<u>883</u>	<u>2,861</u>
<b><u>Short-term loans to related parties</u></b>				
Parent company	327,500	-	327,500	-
Subsidiary	-	-	80,347	80,347
(eliminated from the consolidated financial statements)				
Total	<u>327,500</u>	<u>-</u>	<u>407,847</u>	<u>80,347</u>
Less: Allowance for doubtful account	-	-	(80,347)	(80,347)
Total short-term loans to related parties - net	<u>327,500</u>	<u>-</u>	<u>327,500</u>	<u>-</u>
<b><u>Long-term loans to subsidiary</u></b>				
Subsidiary	-	-	73,000	85,000
(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	<u>-</u>	<u>-</u>	<u>57,000</u>	<u>69,000</u>
<b><u>Trade payables - related parties (Note 7)</u></b>				
Subsidiary	-	-	-	47
(eliminated from the consolidated financial statements)				
Related companies				
Jasmine Group	<u>1,830</u>	<u>353</u>	<u>123</u>	<u>3</u>
Total trade payables - related parties	<u>1,830</u>	<u>353</u>	<u>123</u>	<u>50</u>

(Unaudited but reviewed)

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	30 September	31 December	30 September	31 December
	2019	2018	2019	2018
		(Audited)		(Audited)
<b><u>Other payables - related parties (Note 7)</u></b>				
Parent company	18,601	18,617	-	-
Related companies				
Jasmine Group	6,022	5,917	76	5
Total other payables - related parties	24,623	24,534	76	5

**Advances received from related parties**

Parent company	91	8	-	-
Subsidiary	-	-	26	-
(eliminated from the consolidated financial statements)				
Related companies				
Jasmine Group	826	1,108	58	344
Total advances received from related parties	917	1,116	84	344

**Loans to related parties**

During the nine-month period ended 30 September 2019, movements of loans to related parties were as follows:

(Unit: Thousand Baht)

	Consolidated/Separate financial statements		
	Balance as at	Increase	Balance as at
	31 December 2018	during the period	30 September 2019
	(Audited)		
Short-term loans to the parent company	-	327,500	327,500

On 28 December 2018, and 26 February 2019, Board of Directors' meeting of the Company and an Extraordinary General Meeting of the Company's shareholders passed resolutions approving the offer of financial assistance to the parent company in form of short-term loans in amount of Baht 27.5 million and Baht 300 million, respectively, totaling in Baht 327.5 million. Short-term loans to parent company carry interest at the rate of 2.08 percent per

(Unaudited but reviewed)

annum. Interest is repayable at each quarter-end, with the term of loan for 12 months with an extension right for another 12 months.

(Unaudited but reviewed)

(Unit: Thousand Baht)

	Separate financial statements		
	Balance as at 31 December 2018	Decrease during the period	Balance as at 30 September 2019
	(Audited)		
Short-term loans to the subsidiary	80,437	-	80,437
Long-term loans to the subsidiary	85,000	(12,000)	73,000

#### Directors and management's benefits

During the three-month and nine-month periods ended 30 September 2019 and 2018, the Company and its subsidiary had employee benefit expenses payable to their directors and management as below.

(Unit: Thousand Baht)

	For the three-month periods ended 30 September			
	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Short-term employee benefits	3,049	2,568	2,642	2,568
Post-employment benefits	310	263	263	263
Total	3,359	2,831	2,905	2,831

(Unit: Thousand Baht)

	For the nine-month periods ended 30 September			
	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Short-term employee benefits	9,237	8,115	8,018	8,115
Post-employment benefits	931	790	790	790
Total	10,168	8,905	8,808	8,905

(Unaudited but reviewed)

### 3. Trade and other receivables

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	30 September	31 December	30 September	31 December
	2019	2018	2019	2018
		(Audited)		(Audited)
Trade receivables - related parties (Note 2)	820,464	807,223	805,775	789,280
Trade receivables - unrelated parties	190,390	184,480	23,199	15,551
Other receivables - related parties (Note 2)	395	395	5,998	3,875
Other receivables - unrelated parties	42,599	40,485	42,588	40,480
Total	1,053,848	1,032,583	877,560	849,186
Less: Allowance for doubtful accounts	(221,866)	(221,898)	(58,321)	(58,353)
Trade and other receivables - net	831,982	810,685	819,239	790,833

The outstanding balances of trade receivable as at 30 September 2019 and 31 December 2018, aged on the basis of due dates, are summarised below.

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	30 September	31 December	30 September	31 December
	2019	2018	2019	2018
		(Audited)		(Audited)
<u>Trade receivables - related parties</u>				
Aged on the basis of due dates				
Not yet due	4,764	10,635	3,816	8,327
Past due				
Up to 3 months	6,997	41,963	5,430	40,072
Longer than 3 - 6 months	8,025	16,420	5,428	11,059
Longer than 6 - 12 months	58,920	16,900	55,229	8,516
Longer than 12 months	741,758	721,305	735,872	721,306
Total trade receivables - related parties (Note 2)	820,464	807,223	805,775	789,280

(Unaudited but reviewed)

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	30 September	31 December	30 September	31 December
	2019	2018	2019	2018
		(Audited)		(Audited)
<u>Trade receivables - unrelated parties</u>				
Aged on the basis of due dates				
Not yet due	8,688	1,092	8,544	146
Past due				
Up to 3 months	134	1,788	112	830
Longer than 3 - 6 months	-	-	-	-
Longer than 6 - 12 months	-	-	-	-
Longer than 12 months	181,568	181,600	14,543	14,575
Total	190,390	184,480	23,199	15,551
Less: Allowance for doubtful accounts	(181,568)	(181,600)	(14,543)	(14,575)
Total trade receivables - unrelated parties - net	8,822	2,880	8,656	976
Total trade receivables - net	829,286	810,103	814,431	790,256
<u>Other receivables - related parties</u>				
Accrued interest income	-	-	3,480	3,480
Others	395	395	2,518	395
Total	395	395	5,998	3,875
Less: Allowance for doubtful account	-	-	(3,480)	(3,480)
Total other receivables - related parties - net (Note 2)	395	395	2,518	395
<u>Other receivables - unrelated parties</u>				
Accrued interest income	12,409	12,500	12,398	12,495
Others	30,190	27,985	30,190	27,985
Total	42,599	40,485	42,588	40,480
Less: Allowance for doubtful accounts	(40,298)	(40,298)	(40,298)	(40,298)
Total other receivables - unrelated parties - net	2,301	187	2,290	182

**4. Receivables under finance lease agreements**

(Unit: Million Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2019	2018	2019	2018
Receivables under finance lease agreements	6,387	2,243	6,387	2,243
Less: Deferred interest income	(424)	(113)	(424)	(113)
Total	5,963	2,130	5,963	2,130
Less: Current portion	(2,876)	(1,314)	(2,876)	(1,314)
Receivables under finance lease agreements - net of current portion	3,087	816	3,087	816

**5. Account receivable under troubled debt restructuring**

The Company and its subsidiary had an outstanding balance totaling Baht 47 million and the Company's 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 outstanding balances of account receivable from TT&T in the year 2016.

**6. Investment in subsidiary**

(Unit: Thousand Baht)

Company's name	Paid-up capital		Cost	
	30 September	31 December	30 September	31 December
	2019	2018	2019	2018
		(Audited)		(Audited)
Cloud Computing Solution Company Limited	55,000	55,000	83,899	83,899
Less: Allowance of impairment on investment			(83,899)	(83,899)
Total investment in subsidiary - net			-	-



**7. Trade and other payables**

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	30 September	31 December	30 September	31 December
	2019	2018	2019	2018
		(Audited)		(Audited)
Trade payables - related parties (Note 2)	1,830	353	123	50
Trade payables - unrelated parties	34,069	43,031	32,980	42,317
Other payables - related parties (Note 2)	24,623	24,534	76	5
Other payables - unrelated parties	39,608	46,771	39,311	41,962
<b>Total trade and other payables</b>	<b>100,130</b>	<b>114,689</b>	<b>72,490</b>	<b>84,334</b>

**8. Provision for long-term employee benefits**

On 5 April 2019, The Labor Protection Act (No. 7) B.E. 2562 was announced in the Royal Gazette. This stipulates additional legal severance pay rates for employees who have worked for an uninterrupted period of twenty years or more, with such employees entitled to receive not less than 400 days' compensation at the latest wage rate. The law is effective from 5 May 2019. This change is considered a post-employment benefits plan amendment and the Company and its subsidiary have additional long-term employee benefit liabilities of Baht 5 million (The Company only: Baht 4 million) as a result. The Company and its subsidiary recorded the effect of the change by recognising past service costs as administrative expenses in the profit or loss in the second quarter of the current year.

**9. Income tax**

Interim income tax was calculated on net profit before income tax for the current period, after adding back and deducting with expenses and income which are disallowable for tax computation purposes, using the estimated effective tax rate for the year.

No interim corporate income tax for the Company was payable for the three-month and nine-month periods ended 30 September 2019 and 2018, since the Company had tax loss brought forward from previous years over its net profit for the period.

## 10. Segment information

The Company and its subsidiary are organised into business units based on type of products and services. During the current period, the Company and its subsidiary have been no structural change of reporting segment information.

Business operations of the Company and its subsidiary are mainly carried on in Thailand. Below is the consolidated financial information by segment for the three-month and nine-month periods ended 30 September 2019 and 2018.

(Unit: Million Baht)

	For the three-month periods ended 30 September									
	Design and installation of telecommunication systems segment		Computer systems integration business segment		Cloud computing business segment		Elimination of inter-segment transactions		Consolidation	
	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
Sales and services income										
Revenue from external customers	12	22	7	10	6	6	-	-	25	38
Inter-segment revenues	3	3	-	-	-	-	(3)	(3)	-	-
Total revenues	<u>15</u>	<u>25</u>	<u>7</u>	<u>10</u>	<u>6</u>	<u>6</u>	<u>(3)</u>	<u>(3)</u>	<u>25</u>	<u>38</u>
Segment operating profit	2	2	5	8	4	3			11	13
Unallocated income and expenses:										
Interest income									2	2
Exchange gains									-	1
Other income									-	1
Administrative expenses									(9)	(9)
Income tax									(1)	(2)
Profit for the period									<u>3</u>	<u>6</u>

(Unaudited but reviewed)

(Unit: Million Baht)

For the nine-month periods ended 30 September										
	Design and installation of telecommunication systems segment		Computer systems integration business segment		Cloud computing business segment		Elimination of inter-segment transactions		Consolidation	
	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
Sales and services income										
Revenue from external customers	31	38	21	30	18	16	-	-	70	84
Inter-segment revenues	10	9	-	-	1	-	(11)	(9)	-	-
Total revenues	41	47	21	30	19	16	(11)	(9)	70	84
Segment operating profit	4	3	17	24	11	10			32	37
Unallocated income and expenses:										
Interest income									5	6
Exchange gains									1	-
Other income									4	2
Selling and servicing expenses									(1)	-
Administrative expenses									(33)	(30)
Income tax									(3)	(4)
Profit for the period									5	11

## 11. Commitments and contingent liabilities

### 11.1 Guarantees

As at 30 September 2019, there were outstanding bank guarantees of Baht 73 million (31 December 2018: Baht 75 million) issued by the banks on behalf of the Company and its subsidiary, and the Company only of Baht 51 million (31 December 2018: Baht 51 million), in respect of certain bid bonds and performance bonds.

### 11.2 Contingent liability arising from the sale and purchase of tablet agreements

During the current period, there has been no significant progress with respect to the litigation claim between the Company and two government agencies for its failure to deliver tablets according to the agreements as described in Note 22.3 to the financial statements for the year 2018.

### 11.3 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 22.4 to the financial statements for the year 2018.

#### **11.4 Litigation and other disputes**

During the current period, there has been no significant progress with respect to the litigation and other disputes in addition to those as disclosed in Note 22.5 to the financial statements for the year 2018 except progress of the case that Metropolitan Electricity Authority (“MEA”) filed a lawsuit with the Central Administrative Court, demanding the Company to pay the amount of Baht 8 million under the letter of guarantee, on 28 September 2019, the Central Administrative Court dismissed the case and ordered MEA to return the letter of guarantee and pay guarantee fee to the Company. MEA filed an appeal to the Supreme Court. Subsequently on 6 February 2019, the Supreme Administrative Court ordered the Company to file an amendment of the appeal to the Court. On 8 March 2019, the Company filed the amendment of the appeal to the Court. Currently, the case is under consideration by the Court.

#### **12. Approval of interim financial statements**

These interim financial statements were authorised for issue by the Company’s Board of Directors on 11 November 2019.