

Jasmine Telecom Systems Public Company Limited
and its subsidiary
Review report and interim consolidated financial statements
For the three-month period ended 31 March 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 31 March 2019, and the related consolidated statements of comprehensive income, changes in shareholders' equity and cash flows for the three-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 9.2 to the interim consolidated financial statements, which describes the litigation claim between the Company and two government agencies, who demanded the Company pay penalties amounting to Baht 195 million for its failure to deliver tablets according to the agreements. In 2018, the Central Administrative Court issued a judgement 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 9.3 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: 8 May 2019

Jasmine Telecom Systems Public Company Limited and its subsidiary

Statement of financial position

As at 31 March 2019

(Unit: Thousand Baht)

	Note	Consolidated financial statements		Separate financial statements	
		31 March 2019 (Unaudited but reviewed)	31 December 2018 (Audited)	31 March 2019 (Unaudited but reviewed)	31 December 2018 (Audited)
Assets					
Current assets					
Cash and cash equivalents		59,330	401,213	57,038	397,266
Current investments - bank deposits		446	4,749	92	4,744
Trade and other receivables	3	825,386	812,556	806,593	790,833
Unbilled receivables					
Related parties	2	4	15	877	2,861
Unrelated parties		11,762	13,274	8,925	10,261
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		2,288	3,221	2,232	3,110
Account receivable under troubled					
debt restructuring	4	-	-	-	-
Prepaid project costs		1,617	819	344	483
Other current assets		3,789	3,451	1,506	1,474
Total current assets		1,232,122	1,239,298	1,221,107	1,227,032
Non-current assets					
Restricted bank deposits		9,322	9,381	6,799	6,799
Long-term loans to subsidiary	2	-	-	65,000	69,000
Investment in subsidiary	5	-	-	-	-
Property, plant and equipment		10,246	9,721	411	431
Withholding tax deducted at source		2,589	2,106	2,589	2,106
Deposits		1,058	1,179	910	1,015
Total non-current assets		23,215	22,387	75,709	79,351
Total assets		1,255,337	1,261,685	1,296,816	1,306,383

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 31 March 2019

(Unit: Thousand Baht)

	Note	Consolidated financial statements		Separate financial statements	
		31 March 2019 (Unaudited but reviewed)	31 December 2018 (Audited)	31 March 2019 (Unaudited but reviewed)	31 December 2018 (Audited)
Liabilities and shareholders' equity					
Current liabilities					
Trade and other payables	6	98,843	114,689	72,817	84,334
Accrued project cost		135,582	135,774	3,429	3,217
Income tax payable		2,029	1,371	-	-
Advances received for goods and services	2	6,210	3,471	510	478
Other current liabilities		29,197	27,936	18,481	17,692
Total current liabilities		271,861	283,241	95,237	105,721
Non-current liabilities					
Provision for long-term employee benefits		14,148	13,507	13,741	13,508
Total non-current liabilities		14,148	13,507	13,741	13,508
Total liabilities		286,009	296,748	108,978	119,229
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
Deficit		(229,755)	(234,074)	(9,534)	(10,218)
Other components of shareholders' equity		8,158	8,158	-	-
Equity attributable to owners of the Company		975,775	971,456	1,187,838	1,187,154
Non-controlling interests of the subsidiary		(6,447)	(6,519)	-	-
Total shareholders' equity		969,328	964,937	1,187,838	1,187,154
Total liabilities and shareholders' equity		1,255,337	1,261,685	1,296,816	1,306,383
		-	-	-	-

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 31 March 2019

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

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
<u>Note</u>	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Profit or loss:				
Revenues				
Sales and service income	22,995	21,933	14,384	11,026
Interest income	1,437	2,072	1,774	2,450
Exchange gains	497	1,121	-	-
Other income	4,105	492	4,850	821
Total revenues	<u>29,034</u>	<u>25,618</u>	<u>21,008</u>	<u>14,297</u>
Expenses				
Cost of sales and services	12,619	9,800	10,170	6,989
Selling and servicing expenses	373	-	-	-
Administrative expenses	10,727	9,704	10,120	9,386
Exchange losses	-	-	34	81
Total expenses	<u>23,719</u>	<u>19,504</u>	<u>20,324</u>	<u>16,456</u>
Profit (loss) before income tax	5,315	6,114	684	(2,159)
Income tax	7 (924)	(1,289)	-	-
Profit (loss) for the period	<u>4,391</u>	<u>4,825</u>	<u>684</u>	<u>(2,159)</u>
Total comprehensive income for the period	<u>4,391</u>	<u>4,825</u>	<u>684</u>	<u>(2,159)</u>
Profit (loss) attributable to:				
Equity holders of the Company	4,319	4,676	<u>684</u>	<u>(2,159)</u>
Non-controlling interests of the subsidiary	<u>72</u>	<u>149</u>		
	<u>4,391</u>	<u>4,825</u>		
Total comprehensive income attributable to:				
Equity holders of the Company	4,319	4,676	<u>684</u>	<u>(2,159)</u>
Non-controlling interests of the subsidiary	<u>72</u>	<u>149</u>		
	<u>4,391</u>	<u>4,825</u>		
Basic earnings (loss) per share (Baht)				
Profit (loss) attributable to equity holders of the Company	<u>0.006</u>	<u>0.007</u>	<u>0.001</u>	<u>(0.003)</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 three-month period ended 31 March 2019

(Unit: Thousand Baht)

Consolidated financial statements									
Equity attributable to owners of the Company									
				Other component of shareholders' equity					
				Difference between		Total equity		Equity attributable	
				the purchase price		attributable to		to non-controlling	
				of investment		owners of		interests of	
				in subsidiary under		the Company		the subsidiary	
				common control and		shareholders'		Total	
				its net book value		equity		shareholders'	
								equity	
Issued and	Premium on	Retained earnings							
fully paid-up	ordinary	Appropriated	Unappropriated						
share capital	shares		(deficit)						
Balance as at 1 January 2018	706,457	420,269	70,646	(247,818)	8,158	8,158	957,712	(6,951)	950,761
Total comprehensive income for the period	-	-	-	4,676	-	-	4,676	149	4,825
Balance as at 31 March 2018	<u>706,457</u>	<u>420,269</u>	<u>70,646</u>	<u>(243,142)</u>	<u>8,158</u>	<u>8,158</u>	<u>962,388</u>	<u>(6,802)</u>	<u>955,586</u>
Balance as at 1 January 2019	706,457	420,269	70,646	(234,074)	8,158	8,158	971,456	(6,519)	964,937
Total comprehensive income for the period	-	-	-	4,319	-	-	4,319	72	4,391
Balance as at 31 March 2019	<u>706,457</u>	<u>420,269</u>	<u>70,646</u>	<u>(229,755)</u>	<u>8,158</u>	<u>8,158</u>	<u>975,775</u>	<u>(6,447)</u>	<u>969,328</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 three-month period ended 31 March 2019

(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 2018	706,457	420,269	70,646	(4,108)	1,193,264
Total comprehensive income for the period	-	-	-	(2,159)	(2,159)
Balance as at 31 March 2018	<u>706,457</u>	<u>420,269</u>	<u>70,646</u>	<u>(6,267)</u>	<u>1,191,105</u>
Balance as at 1 January 2019	706,457	420,269	70,646	(10,218)	1,187,154
Total comprehensive income for the period	-	-	-	684	684
Balance as at 31 March 2019	<u>706,457</u>	<u>420,269</u>	<u>70,646</u>	<u>(9,534)</u>	<u>1,187,838</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 three-month period ended 31 March 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>
Cash flows from operating activities				
Profit (loss) before tax	5,315	6,114	684	(2,159)
Adjustments to reconcile profit (loss) before tax to net cash provided by (paid from) operating activities				
Depreciation	1,036	1,122	36	165
Gain on disposal of equipment	(3,084)	(145)	(3,084)	(145)
Provision for long-term employee benefits	641	208	233	208
Unrealised exchange (gains) losses	(507)	(1,145)	24	57
Interest income	<u>(1,437)</u>	<u>(2,072)</u>	<u>(1,774)</u>	<u>(2,450)</u>
Profit (loss) from operating activities before changes in operating assets and liabilities	1,964	4,082	(3,881)	(4,324)
Operating assets (increase) decrease				
Trade and other receivables	(9,943)	(13,718)	(12,879)	(4,267)
Unbilled receivables	1,523	(2,923)	3,320	(200)
Inventories	(611)	494	877	509
Prepaid project costs	(798)	(1,705)	139	(394)
Other current assets	(252)	1,239	55	1,570
Other assets	(362)	(2,075)	(378)	(2,107)
Operating liabilities increase (decrease)				
Trade and other payables	(15,810)	952	(11,480)	2,521
Accrued project costs	339	(681)	212	(203)
Advances received for goods and services	2,739	2,534	32	(454)
Other current liabilities	<u>1,261</u>	<u>(1,839)</u>	<u>789</u>	<u>(1,425)</u>
Cash used in operating activities	(19,950)	(13,640)	(23,194)	(8,774)
Cash paid for income tax	<u>(352)</u>	<u>(238)</u>	<u>(86)</u>	<u>(136)</u>
Net cash used in operating activities	<u>(20,302)</u>	<u>(13,878)</u>	<u>(23,280)</u>	<u>(8,910)</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 (continued)

For the three-month period ended 31 March 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>
Cash flows from investing activities				
Interest income	1,574	2,194	1,916	2,583
Decrease in current investments - bank deposits	4,303	6,247	4,652	6,196
Decrease in restricted bank deposits	58	14,397	-	14,374
Short-term loans to related party	(327,500)	-	(327,500)	-
Cash received from repayment of long-term loans to subsidiary	-	-	4,000	4,000
Acquisition of equipment	(16)	(1,465)	(16)	(38)
Proceeds from sales of equipment	-	145	-	145
Net cash from (used in) investing activities	<u>(321,581)</u>	<u>21,518</u>	<u>(316,948)</u>	<u>27,260</u>
Net increase (decrease) in cash and cash equivalents	<u>(341,883)</u>	<u>7,640</u>	<u>(340,228)</u>	<u>18,350</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>
Cash and cash equivalents at end of period	<u><u>59,330</u></u>	<u><u>104,281</u></u>	<u><u>57,038</u></u>	<u><u>95,234</u></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 period ended 31 March 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 financial reporting standards and interpretations, which are effective for fiscal years beginning on or after 1 January 2020. These new standards 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
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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 periods ended 31 March 2019 and 2018 are summarised below.

(Unaudited but reviewed)

(Unit: Thousand Baht)

	Consolidated		Separate		Pricing policy
	financial statements		financial statements		
	2019	2018	2019	2018	
<u>Transactions with parent company</u>					
Sales and service income	1,193	885	-	-	Contract price or at prices normally charged to other customers
Interest income	721	1,744	721	1,744	The rates referenced to the average weighted of 12-month fixed deposit interest rates quoted by three commercial banks plus 1.00 percent per annum and 2.08 percent per annum.
Office rental and service expenses	811	811	787	787	Contract price or at prices normally charged to other customers
Other expenses	1	1	1	1	Contract price or at prices normally charged to other customers
<u>Transactions with subsidiary</u>					
(eliminated from the consolidated financial statements)					
Sales and service income	-	-	4,237	3,875	Contract price or at prices normally charged to other customers
Interest income	-	-	347	412	The rates referenced to fixed deposit interest rates plus 0.50 percent per annum
Management income	-	-	744	570	Contract price
Cost of sales and services	-	-	217	22	Contract price or at prices normally charged to other customers
<u>Transactions with related companies</u>					
Sales and services income	13,479	13,181	6,193	3,495	Contract price or at prices normally charged to other customers
Other income	-	78	-	78	Contract price or at prices normally charged to other customers
Cost of sales and services	1,319	1,303	933	971	Contract price or at prices normally charged to other customers
Office rental and service expenses	63	63	63	63	Contract price or at prices normally charged to other customers
Other expenses	1,063	888	485	435	Contract price or at prices normally charged to other customers

(Unaudited but reviewed)

The balances of the accounts as at 31 March 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	
	31 March	31 December	31 March	31 December
	2019	2018	2019	2018
		(Audited)		(Audited)
<u>Trade receivables - related parties (Note 3)</u>				
Parent company	68	101	-	-
Subsidiary	-	-	17,716	11,045
(eliminated from the consolidated financial statements)				
Related companies				
Jasmine Group	815,637	808,889	781,285	778,235
Mono Group	69	78	-	-
Total trade receivables - related parties	<u>815,774</u>	<u>809,068</u>	<u>799,001</u>	<u>789,280</u>
<u>Other receivables - related parties (Note 3)</u>				
Parent company	-	-	-	-
Subsidiary	-	-	4,010	3,480
(eliminated from the consolidated financial statements)				
Related companies				
Jasmine Group	395	395	395	395
Total	395	395	4,405	3,875
Less: Allowance for doubtful account	-	-	(3,480)	(3,480)
Total other receivables - related parties - net	<u>395</u>	<u>395</u>	<u>925</u>	<u>395</u>
<u>Unbilled receivables from related parties</u>				
Subsidiary	-	-	877	2,861
(eliminated from the consolidated financial statements)				
Related companies				
Jasmine Group	4	12	-	-
Mono Group	-	3	-	-
Total unbilled receivables from related parties	<u>4</u>	<u>15</u>	<u>877</u>	<u>2,861</u>

(Unaudited but reviewed)

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	31 March	31 December	31 March	31 December
	2019	2018	2019	2018
		(Audited)		(Audited)
<u>Short-term loans to related parties</u>				
Parent company	327,500	-	327,500	-
Subsidiary	-	-	80,347	80,347
(eliminated from the consolidated financial statements)				
Total	327,500	-	407,847	80,347
Less: Allowance for doubtful account	-	-	(80,347)	(80,347)
Total short-term loans to related parties - net	327,500	-	327,500	-
<u>Long-term loans to subsidiary</u>				
Subsidiary	-	-	81,000	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	-	-	65,000	69,000
<u>Trade payables - related parties (Note 6)</u>				
Subsidiary	-	-	276	47
(eliminated from the consolidated financial statements)				
Related companies				
Jasmine Group	786	松Q儼Q3	3	3
Total trade payables - related parties	786	353	279	50
<u>Other payables - related parties (Note 6)</u>				
Parent company	18,568	18,617	-	-
Related companies				
Jasmine Group	6,029	5,917	133	5
Total other payables - related parties	24,597	24,534	133	5

(Unaudited but reviewed)

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	31 March	31 December	31 March	31 December
	2019	2018	2019	2018
		(Audited)		(Audited)
<u>Advances received from related parties</u>				
Parent company	86	64	-	-
Subsidiary	-	-	95	-
(eliminated from the consolidated financial statements)				
Related companies				
Jasmine Group	5,462	2,897	198	344
Total advances received from related parties	5,548	2,961	293	344

Loans to related parties

During the three-month period ended 31 March 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	31 March 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 2.08 percent per annum. Interest is repayable at each quarter-end, with the term of loan for 12 months with an extension right for another 12 months.

(Unit: Thousand Baht)

	Separate financial statements		
	Balance as at	Decrease	Balance as at
	31 December 2018	during the period	31 March 2019
	(Audited)		
Short-term loans to the subsidiary	80,437	-	80,437
Long-term loans to the subsidiary	85,000	(4,000)	81,000

(Unaudited but reviewed)

Directors and management's benefits

During the three-month periods ended 31 March 2019 and 2018, the Company and its subsidiary had employee benefit expenses payable to their directors and management as below.

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2019	2018	2019	2018
Short-term employee benefits	3,099	2,781	2,693	2,781
Post-employment benefits	283	263	240	263
Total	<u>3,382</u>	<u>3,044</u>	<u>2,933</u>	<u>3,044</u>

3. Trade and other receivables

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	31 March	31 December	31 March	31 December
	2019	2018	2019	2018
		(Audited)		(Audited)
Trade receivables - related parties (Note 2)	815,774	809,068	799,001	789,280
Trade receivables - unrelated parties	187,467	184,506	17,901	15,551
Other receivables - related parties (Note 2)	395	395	4,405	3,875
Other receivables - unrelated parties	43,648	40,485	43,639	40,480
Total	<u>1,047,284</u>	<u>1,034,454</u>	<u>864,946</u>	<u>849,186</u>
Less: Allowance for doubtful accounts	<u>(221,898)</u>	<u>(221,898)</u>	<u>(58,353)</u>	<u>(58,353)</u>
Trade and other receivables - net	<u>825,386</u>	<u>812,556</u>	<u>806,593</u>	<u>790,833</u>

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

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	31 March 2019	31 December 2018	31 March 2019	31 December 2018
	(Audited)		(Audited)	
<u>Trade receivables - related parties</u>				
Aged on the basis of due dates				
Not yet due	5,259	11,130	3,505	8,327
Past due				
Up to 3 months	20,410	42,826	17,310	40,072
Longer than 3 - 6 months	40,052	16,797	38,514	11,059
Longer than 6 - 12 months	24,754	17,010	17,353	8,516
Longer than 12 months	725,299	721,305	722,319	721,306
Total trade receivables - related parties (Note 2)	<u>815,774</u>	<u>809,068</u>	<u>799,001</u>	<u>789,280</u>
<u>Trade receivables - unrelated parties</u>				
Aged on the basis of due dates				
Not yet due	4,457	1,113	3,123	146
Past due				
Up to 3 months	1,410	1,793	202	830
Longer than 3 - 6 months	-	-	-	-
Longer than 6 - 12 months	-	-	-	-
Longer than 12 months	181,600	181,600	14,575	14,575
Total	187,467	184,506	17,900	15,551
Less: Allowance for doubtful accounts	(181,600)	(181,600)	(14,575)	(14,575)
Total trade receivables - unrelated parties - net	<u>5,867</u>	<u>2,906</u>	<u>3,325</u>	<u>976</u>
Total trade receivables - net	<u>821,641</u>	<u>811,974</u>	<u>802,326</u>	<u>790,256</u>

(Unaudited but reviewed)

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	31 March	31 December	31 March	31 December
	2019	2018	2019	2018
		(Audited)		(Audited)
<u>Other receivables - related parties</u>				
Accrued interest income	-	-	4,010	3,480
Others	395	395	395	395
Total	395	395	4,405	3,875
Less: Allowance for doubtful account	-	-	(3,480)	(3,480)
Total other receivables - related parties - net (Note 2)	395	395	925	395
<u>Other receivables - unrelated parties</u>				
Accrued interest income	12,363	12,500	12,354	12,495
Others	31,285	27,985	31,285	27,985
Total	43,648	40,485	43,639	40,480
Less: Allowance for doubtful accounts	(40,298)	(40,298)	(40,298)	(40,298)
Total other receivables - unrelated parties - net	3,350	187	3,341	182

4. 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.

(Unaudited but reviewed)

5. Investment in subsidiary

(Unit: Thousand Baht)

Company's name	Paid-up capital		Cost	
	31 March 2019	31 December 2018	31 March 2019	31 December 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			-	-

6. Trade and other payables

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements	financial statements	financial statements	financial statements
	31 March 2019	31 December 2018	31 March 2019	31 December 2018
		(Audited)		(Audited)
Trade payables - related parties (Note 2)	786	353	279	50
Trade payables - unrelated parties	33,715	43,031	32,918	42,317
Other payables - related parties (Note 2)	24,597	24,534	133	5
Other payables - unrelated parties	39,745	46,771	39,487	41,962
Total trade and other payables	98,843	114,689	72,817	84,334

7. 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 was payable for the three-month period ended 31 March 2019 since the Company had tax loss brought forward from previous years over its net profit for the period.

8. Segment information

The Company and its subsidiary are organised into business units based on its 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 periods ended 31 March 2019 and 2018.

(Unit: Million Baht)

	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	10	7	7	10	6	5	-	-	23	22
Inter-segment revenues	4	4	-	-	-	-	(4)	(4)	-	-
Total revenues	14	11	7	10	6	5	(4)	(4)	23	22
Segment operating profit	-	-	6	9	4	3			10	12
Unallocated income and expenses:										
Interest income									1	2
Exchange gains									1	1
Other income									4	1
Administrative expenses									(11)	(10)
Income tax									(1)	(1)
Profit for the period									4	5

9. Commitments and contingent liabilities

9.1 Guarantees

As at 31 March 2019, there were outstanding bank guarantees of Baht 76 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.

9.2 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.

9.3 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.

9.4 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.

10. Events after the reporting period

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 will reflect the effect of the change by recognising past service costs as expenses in the income statement of the period in which the law is effective, which is the second quarter of 2019.

11. Approval of interim financial statements

These interim financial statements were authorised for issue by the Company’s Board of Directors on 8 May 2019.