

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 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 September 2017, the related consolidated statements of comprehensive income for the three-month and nine-month periods ended 30 September 2017, and 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

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 nine-month periods ended 30 September 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 106 million (31 December 2016: Baht 151 million) in the consolidated statement of financial position as at 30 September 2017 and Baht 76 million (31 December 2016: Baht 113 million) in the separate statement 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 September 2017 and 31 December 2016, together with the related accounts in the consolidated and separate statements of comprehensive income for the three-month and nine-month periods ended 30 September 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: 13 November 2017

Jasmine Telecom Systems Public Company Limited and its subsidiary

Statement of financial position

As at 30 September 2017

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements		
	Note	30 September 2017	31 December 2016	30 September 2017	31 December 2016
		(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
Assets					
Current assets					
Cash and cash equivalents		85,058	322,516	77,204	314,287
Current investments - bank deposits		335,227	100,808	335,093	100,679
Trade and other receivables	3	769,834	791,824	756,278	788,245
Unbilled receivables					
Related parties	2	7	19	805	574
Unrelated parties		7,511	11,112	6,095	5,467
Short-term loans to subsidiary	2	-	-	-	-
Current portion of long-term loans to subsidiary	2	-	-	16,000	16,000
Inventories		5,337	8,189	5,120	8,044
Account receivable under troubled debt restructuring	4	-	-	-	-
Prepaid project costs		753	1,230	430	62
Other current assets		7,312	10,710	2,835	4,762
Total current assets		1,211,039	1,246,408	1,199,860	1,238,120
Non-current assets					
Restricted bank deposits		25,562	30,409	23,009	27,849
Long-term loans to subsidiary	2	-	-	89,000	101,000
Investment in subsidiary	5	-	-	-	-
Property, plant and equipment		8,648	9,541	974	1,871
Deposits		1,215	1,847	1,016	1,014
Total non-current assets		35,425	41,797	113,999	131,734
Total assets		1,246,464	1,288,205	1,313,859	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 September 2017

(Unit: Thousand Baht)

	Note	Consolidated financial statements		Separate financial statements	
		30 September 2017	31 December 2016	30 September 2017	31 December 2016
		(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
Liabilities and shareholders' equity					
Current liabilities					
Trade and other payables	6	106,455	151,305	76,085	113,105
Accrued project cost		143,847	157,641	5,179	12,301
Advances received for goods and services	2	4,043	2,894	654	906
Income tax payable		447	-	-	-
Other current liabilities		27,677	28,351	18,025	19,635
Total current liabilities		282,469	340,191	99,943	145,947
Non-current liabilities					
Provision for long-term employee benefits		11,082	10,484	11,082	10,484
Total non-current liabilities		11,082	10,484	11,082	10,484
Total liabilities		293,551	350,675	111,025	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)		(245,508)	(260,338)	5,462	16,051
Other components of shareholders' equity		8,158	8,158	-	-
Equity attributable to owners of the Company		960,022	945,192	1,202,834	1,213,423
Non-controlling interests of the subsidiary		(7,109)	(7,662)	-	-
Total shareholders' equity		952,913	937,530	1,202,834	1,213,423
Total liabilities and shareholders' equity		1,246,464	1,288,205	1,313,859	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 September 2017**

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

	Note	Consolidated financial statements		Separate financial statements	
		2017	2016	2017	2016
Profit or loss:					
Revenues					
Sales and services income		19,610	49,820	6,664	35,454
Interest income		1,497	635	1,941	1,188
Exchange gains		480	362	-	-
Other income		1,223	2,108	1,792	32
Total revenues		22,810	52,925	10,397	36,674
Expenses					
Cost of sales and services		10,765	13,299	5,605	7,441
Selling and servicing expenses		-	1,065	-	-
Administrative expenses		9,337	15,117	8,848	11,234
Exchange losses		-	-	34	29
Doubtful accounts		32	-	32	545
Total expenses		20,134	29,481	14,519	19,249
Profit (loss) before finance cost and income tax		2,676	23,444	(4,122)	17,425
Finance cost		-	(2,050)	-	-
Profit (loss) before income tax		2,676	21,394	(4,122)	17,425
Income tax	9	(1,228)	-	-	-
Profit (loss) for the period		1,448	21,394	(4,122)	17,425
Other comprehensive income for the period		-	-	-	-
Total comprehensive income for the period		1,448	21,394	(4,122)	17,425
Total comprehensive income attributable to:					
Equity holders of the Company		1,329	21,321	(4,122)	17,425
Non-controlling interests of the subsidiary		119	73	-	-
		1,448	21,394		
Basic earnings (loss) per share (Baht)					
Profit (loss) attributable to equity holders of the Company		0.002	0.030	(0.006)	0.025

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 2017

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

	Note	Consolidated financial statements		Separate financial statements	
		2017	2016	2017	2016
Profit or loss:					
Revenues					
Sales and services income		60,011	94,279	15,990	50,327
Interest income		7,437	3,388	8,807	4,934
Exchange gains		1,927	1,844	-	694
Other income		7,228	2,733	3,422	32
Total revenues		<u>76,603</u>	<u>102,244</u>	<u>28,219</u>	<u>55,987</u>
Expenses					
Cost of sales and services		28,637	36,978	9,333	18,171
Selling and servicing expenses		-	1,746	-	-
Administrative expenses		31,323	46,005	29,310	34,219
Exchange losses		-	-	133	-
Bad debt		-	1,725	-	-
Doubtful accounts		32	52,042	32	35,270
Total expenses		<u>59,992</u>	<u>138,496</u>	<u>38,808</u>	<u>87,660</u>
Profit (loss) before finance cost and income tax		<u>16,611</u>	<u>(36,252)</u>	<u>(10,589)</u>	<u>(31,673)</u>
Finance cost		-	(6,730)	-	(31)
Profit (loss) before income tax		<u>16,611</u>	<u>(42,982)</u>	<u>(10,589)</u>	<u>(31,704)</u>
Income tax	9	(1,228)	-	-	-
Profit (loss) for the period		<u>15,383</u>	<u>(42,982)</u>	<u>(10,589)</u>	<u>(31,704)</u>
Other comprehensive income for the period		-	-	-	-
Total comprehensive income for the period		<u>15,383</u>	<u>(42,982)</u>	<u>(10,589)</u>	<u>(31,704)</u>
Total comprehensive income attributable to:					
Equity holders of the Company		14,830	(42,426)	<u>(10,589)</u>	<u>(31,704)</u>
Non-controlling interests of the subsidiary		553	(556)		
		<u>15,383</u>	<u>(42,982)</u>		
Basic earnings (loss) per share (Baht)					
Profit (loss) attributable to equity holders of the Company		<u>0.021</u>	<u>(0.060)</u>	<u>(0.015)</u>	<u>(0.045)</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 2017

(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									
components of									
shareholders'									
Total equity									
attributable to									
owners of									
the Company									
Equity attributable									
to non-controlling									
interests of									
the subsidiary									
Total									
shareholders'									
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	-	-	-	(42,426)	-	-	(42,426)	(556)	(42,982)
Balance as at 30 September 2016	<u>706,457</u>	<u>420,269</u>	<u>65,186</u>	<u>(169,221)</u>	<u>8,158</u>	<u>8,158</u>	<u>1,030,849</u>	<u>(7,849)</u>	<u>1,023,000</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	-	-	-	14,830	-	-	14,830	553	15,383
Balance as at 30 September 2017	<u>706,457</u>	<u>420,269</u>	<u>70,646</u>	<u>(245,508)</u>	<u>8,158</u>	<u>8,158</u>	<u>960,022</u>	<u>(7,109)</u>	<u>952,913</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 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	-	-	-	(31,704)	(31,704)
Balance as at 30 September 2016	<u>706,457</u>	<u>420,269</u>	<u>65,186</u>	<u>115,413</u>	<u>1,307,325</u>
Balance as at 1 January 2017	706,457	420,269	70,646	16,051	1,213,423
Total comprehensive income for the period	-	-	-	(10,589)	(10,589)
Balance as at 30 September 2017	<u>706,457</u>	<u>420,269</u>	<u>70,646</u>	<u>5,462</u>	<u>1,202,834</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 2017**

(Unit: Thousand Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
Cash flows from operating activities				
Profit (loss) before tax	16,611	(42,982)	(10,589)	(31,704)
Adjustments to reconcile profit (loss) before tax to net cash provided by (paid from) operating activities				
Depreciation	4,286	10,494	979	6,801
Bad debt	-	1,725	-	-
Doubtful accounts	32	52,042	32	35,270
Gains on disposal of equipment	(51)	(24)	(51)	(24)
Provision for long-term employee benefits	598	716	598	573
Unrealised exchange losses (gains)	(1,968)	(1,095)	92	55
Interest income	(7,437)	(3,388)	(8,807)	(4,934)
Interest expenses	-	6,730	-	31
Profit (loss) from operating activities before changes in operating assets and liabilities	12,071	24,218	(17,746)	6,068
Operating assets (increase) decrease				
Trade and other receivables	21,622	(33,825)	31,578	(35,821)
Unbilled receivables	3,613	7,345	(859)	5,621
Inventories	2,852	2,391	2,924	2,401
Prepaid project costs	477	(78)	(368)	52
Other current assets	2,091	240	1,904	25
Other assets	632	172	(2)	58
Operating liabilities increase (decrease)				
Trade and other payables	(44,708)	(33,818)	(36,877)	(25,780)
Accrued project costs	(11,734)	3,544	(7,123)	1,043
Advances received for goods and services	1,149	959	(252)	-
Other current liabilities	(674)	2,054	(1,610)	1,804
Cash used in operating activities	(12,609)	(26,798)	(28,431)	(44,529)
Cash paid for interest expenses	-	(6,734)	-	(31)
Cash paid for income tax	(1,955)	(1,490)	(1,171)	(518)
Withholding tax refund	2,481	9,395	1,196	9,395
Net cash used in operating activities	(12,083)	(25,627)	(28,406)	(35,683)

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 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	7,539	4,547	8,929	4,969
Decrease (increase) in current investments - bank deposits	-234,419	423,347	-234,414	423,315
Decrease in restricted bank deposits	4,847	67	4,840	10
Increase in short-term loans to subsidiary	-	-	-	(11,000)
Cash received from repayment of				
long-term loans made to subsidiary	-	-	12,000	-
Acquisition of equipment	(3,428)	(1,375)	(118)	-
Proceeds from sales of equipment	86	45	86	45
Net cash from (used in) investing activities	<u>(225,375)</u>	<u>426,631</u>	<u>(208,677)</u>	<u>417,339</u>
Cash flow from financing activity				
Repayment of long-term loans	-	(21,730)	-	-
Net cash used in financing activity	<u>-</u>	<u>(21,730)</u>	<u>-</u>	<u>-</u>
Net increase (decrease) in cash and cash equivalents	<u>(237,458)</u>	<u>379,274</u>	<u>(237,083)</u>	<u>381,656</u>
Cash and cash equivalents at beginning of period	<u>322,516</u>	<u>179,229</u>	<u>314,287</u>	<u>170,279</u>
Cash and cash equivalents at end of period	<u><u>85,058</u></u>	<u><u>558,503</u></u>	<u><u>77,204</u></u>	<u><u>551,935</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 and nine-month periods ended 30 September 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 nine-month periods ended 30 September 2017 and 2016 are summarised below.

(Unit: Million Baht)

	Consolidated financial statements				Pricing policy
	For the three-month periods ended 30 September		For the nine-month periods ended 30 September		
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>	
<u>Transactions with parent company</u>					
Sales and services income	1	1	2	1	Contract price or at prices normally charged to other customers
Interest income	-	-	3	-	The rate 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	4	Contract price or at prices normally charged to other customers
<u>Transactions with related companies</u>					
Sales and services income	10	37	35	59	Contract price or at prices normally charged to other customers
Cost of sales and services	2	1	4	3	Contract price or at prices normally charged to other customers
Other expenses	1	1	3	4	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		For the nine-month periods		
	ended 30 September		ended 30 September		
	2017	2016	2017	2016	
<u>Transactions with parent company</u>					
Interest income	-	-	3	-	The rate 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	-	-	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	2	-	7	-	Contract price or at prices normally charged to other customers
Interest income	-	1	1	2	The rate referenced to fixed deposits interest rates plus 0.5 percent per annum
Management income	1	-	2	-	Contract price
<u>Transactions with related companies</u>					
Sales and services income	1	33	1	35	Contract price or at prices normally charged to other customers
Cost of sales and services	-	1	2	3	Contract price or at prices normally charged to other customers
Other expenses	1	1	2	2	Contract price or at prices normally charged to other customers

The balances of the accounts as at 30 September 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 September	31 December	30 September	31 December
	2017	2016	2017	2016
	(Audited)		(Audited)	
<u>Trade accounts receivable - related parties (Note 3)</u>				
Parent company	56	113	-	-
Subsidiary	-	-	3,510	-
(eliminated from the consolidated financial statements)				
Related companies				
Jasmine Group	766,202	778,981	749,551	775,994
Total trade accounts receivable - related parties	766,258	779,094	753,061	775,994

(Unaudited but reviewed)

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	30 September	31 December	30 September	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)				
Related companies				
Jasmine Group	55	-	55	-
Total	55	-	3,535	3,495
Less: Allowance for doubtful account	-	-	(3,480)	(3,480)
Total other receivables - related party - net	55	-	55	15
<u>Unbilled receivable from related parties</u>				
Subsidiary	-	-	805	574
(eliminated from the consolidated financial statements)				
Related companies				
Jasmine Group	7	19	-	-
Total unbilled receivable from related parties	7	19	805	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	-	-	105,000	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	-	-	89,000	101,000

(Unaudited but reviewed)

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements	financial statements	financial statements	financial statements
	30 September	31 December	30 September	31 December
	2017	2016	2017	2016
		(Audited)		(Audited)
<u>Trade accounts payable - related parties (Note 6)</u>				
Related companies				
Jasmine Group	853	421	25	3
Total trade accounts payable - related parties	853	421	25	3
<u>Other payables - related parties (Note 6)</u>				
Parent company	20,434	22,523	-	-
Related companies				
Jasmine Group	7,313	8,273	88	81
Total other payables - related parties	27,747	30,796	88	81
<u>Advance received from related parties</u>				
Parent company	40	22	-	-
Related companies				
Jasmine Group	2,810	1,117	309	-
Total advance received from related parties	2,850	1,139	309	-

Loans to subsidiary

As at 30 September 2017 and 31 December 2016, the balances of loans between the Company and its subsidiary and the movements were as follows:

(Unit: Million Baht)

	Separate financial statements		
	Balance as at	Decrease	Balance as at
	31 December 2016	during the period	30 September 2017
	(Audited)		
Short-term loans to subsidiary	80	-	80
Long-term loans to subsidiary	117	(12)	105

(Unaudited but reviewed)

Directors and management's benefits

During the three-month and nine-month periods ended 30 September 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 September			
	Consolidated		Separate	
	financial statements		financial statements	
	2017	2016	2017	2016
Short-term employee benefits	3	3	3	2
Post-employment benefits	-	-	-	1
Total	3	3	3	3

(Unit: Million Baht)

	For the nine-month periods ended 30 September			
	Consolidated		Separate	
	financial statements		financial statements	
	2017	2016	2017	2016
Short-term employee benefits	8	10	8	7
Post-employment benefits	1	1	1	1
Total	9	11	9	8

3. Trade and other receivables

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	30 September	31 December	30 September	31 December
	2017	2016	2017	2016
		(Audited)		(Audited)
Trade receivables - related parties (Note 2)	766,258	779,094	753,061	775,994
Trade receivables - unrelated parties	183,367	192,443	15,994	24,929
Other receivables - related parties (Note 2)	55	-	3,535	3,495
Other receivables - unrelated parties	42,052	42,153	42,041	42,148
Total	991,732	1,013,690	814,631	846,566
Less: Allowance for doubtful account	(221,898)	(221,866)	(58,353)	(58,321)
Trade and other receivables - net	769,834	791,824	756,278	788,245

(Unaudited but reviewed)

The outstanding balances of trade accounts receivable as at 30 September 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 September	31 December	30 September	31 December
	2017	2016	2017	2016
		(Audited)		(Audited)
<u>Trade receivables - related parties</u>				
Aged on the basis of due dates				
Not yet due	4,056	5,728	1,467	2,676
Past due				
Up to 3 months	10,023	24,785	2,760	24,785
Longer than 3 - 6 months	2,865	26,716	659	26,673
Longer than 6 - 12 months	28,416	673	27,277	668
Longer than 12 months	720,898	721,192	720,898	721,192
Total trade receivables - related parties (Note 2)	766,258	779,094	753,061	775,994
<u>Trade receivables - unrelated parties</u>				
Aged on the basis of due dates				
Not yet due	1,601	3,099	1,410	2,763
Past due				
Up to 3 months	166	161	9	12
Longer than 3 - 6 months	-	6,610	-	6,610
Longer than 6 - 12 months	-	-	-	-
Longer than 12 months	181,600	182,573	14,575	15,544
Total	183,367	192,443	15,994	24,929
Less: Allowance for doubtful account	(181,600)	(181,568)	(14,575)	(14,543)
Total trade receivables - unrelated parties - net	1,767	10,875	1,419	10,386
Total trade receivables - net	768,025	789,969	754,480	786,380
<u>Other receivables - related party</u>				
Accrued interest income	-	-	3,480	3,495
Others	55	-	55	-
Total	55	-	3,535	3,495
Less: Allowance for doubtful account	-	-	(3,480)	(3,480)
Total other receivables - related party - net (Note 2)	55	-	55	15

(Unaudited but reviewed)

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	30 September	31 December	30 September	31 December
	2017	2016	2017	2016
		(Audited)		(Audited)
<u>Other receivables - unrelated parties</u>				
Accrued interest income	14,067	14,168	14,056	14,163
Others	27,985	27,985	27,985	27,985
Total	42,052	42,153	42,041	42,148
Less: Allowance for doubtful account	(40,298)	(40,298)	(40,298)	(40,298)
Total other receivables - unrelated parties - net	1,754	1,855	1,743	1,850

Included in trade receivables from unrelated parties as at 30 September 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 September	31 December	30 September	31 December
	2017	2016	2017	2016
		(Audited)		(Audited)
Not yet due	1,375	3,026	1,375	2,763
Past due				
Up to 3 months	-	-	-	-
Longer than 3 - 6 months	-	6,610	-	6,610
Longer than 6 - 12 months	-	-	-	-
Longer than 12 months	32	1,001	32	1,001
Total	1,407	10,637	1,407	10,374
Less: Allowance for doubtful account	(32)	-	(32)	-
Total trade receivables - government agencies - net	1,375	10,637	1,375	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

Company's name	Cost		Dividend received during the period	
	30 September	31 December	30 September	30 September
	2017	2016	2017	2016
	(Audited)			
Could Computing Solution Company Limited	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

	Consolidated		Separate	
	financial statements		financial statements	
	30 September	31 December	30 September	31 December
	2017	2016	2017	2016
	(Audited)			(Audited)
Trade payables - related parties (Note 2)	853	421	25	3
Trade payables - unrelated parties	33,792	71,637	32,711	65,469
Other payables - related parties (Note 2)	27,747	30,796	88	81
Other payables - unrelated parties	44,063	48,451	43,261	47,552
Total trade and other payables	106,455	151,305	76,085	113,105

7. Segment information

The Company and its subsidiary are organised into business units based on its products and services. During the second quarter of the current year, 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 nine-month periods ended 30 September 2017 and 2016 of the Company and its subsidiary by segment.

(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	
	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016
Sales and services income										
Revenue from external customers	5	35	10	11	5	4	-	-	20	50
Inter-segment revenues	2	-	-	-	-	-	(2)	-	-	-
Total revenues	7	35	10	11	5	4	(2)	-	20	50
Segment operating profit (loss)	(1)	28	8	6	2	2			9	36
Unallocated income and expenses:										
Interest income									1	1
Other income									1	2
Selling and servicing expenses									-	(1)
Administrative expenses									(9)	(15)
Finance cost									-	(2)
Income tax									(1)	-
Profit for the period									1	21

(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	
	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016
Sales and services income										
Revenue from external customers	9	50	37	34	14	10	-	-	60	94
Inter-segment revenues	7	-	-	-	-	-	(7)	-	-	-
Total revenues	16	50	37	34	14	10	(7)	-	60	94
Segment operating profit (loss)	(1)	32	24	20	8	5			31	57
Unallocated income and expenses:										
Interest income									7	3
Exchange gains									2	2
Other income									7	3
Selling and servicing expenses									-	(2)
Administrative expenses									(31)	(46)
Bad debt									-	(2)
Doubtful accounts									-	(52)
Finance cost									-	(6)
Income tax									(1)	-
Profit (loss) for the period									15	(43)

8. Commitments and contingent liabilities

8.1 Guarantees

As at 30 September 2017, there were outstanding bank guarantees of Baht 116 million (31 December 2016: Baht 243 million) issued by the banks on behalf of the Company and its subsidiary, with Baht 91 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, respectively) 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. Income tax

Interim income tax was calculated on net profit before income tax for the current period, after adding back expenses and deducting 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 and nine-month periods ended 30 September 2016, since the Company and its subsidiary had tax loss brought forward from previous years over its net profit for the period.

10. Approval of interim financial statements

These interim financial statements were authorised for issue by the Company's Board of Directors on 13 November 2017.