

ANNUAL REPORT

2014



The Way for  
**Better** Communication  
Life

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## Financial Summary

### Operating Results (' 000 Baht)

	2012	2013	2014
Sales and Services Income	1,179.13	311.20	109.55
Total Revenue	1,225.74	348.82	127.61
Cost of Sales and Services and Selling, Servicing and Administrative	1,061.12	301.98	180.11
Gross Profit*	255.81	139.73	54.95
Operating Profit	66.72	1.19	(65.17)
Net Profit (Loss)	(173.55)	12.01	(133.92)
Total Assets	2,710.85	1,991.19	1,750.42
Total Liabilities	1,448.18	751.70	644.68
Shareholders' Equity	1,262.67	1,239.49	1,105.74

### Financial Ratio

	2012	2013	2014
Current Ratio (times)	2.10	3.22	3.45
Debt to Equity (times)	1.15	0.61	0.58
Return on Assets (%)	(4.96%)	0.51%	(7.16%)
Return on Equity (%)	(12.71%)	0.96%	(11.42%)

### Per Share Data (Baht)

	2012	2013	2014
Earnings (Loss) per share	(0.25)	0.02	(0.19)
Weighted Average Number of Ordinary Shares (shares)	706,457,300	706,457,300	706,457,300
Book Value	1.79	1.75	1.57
Par Value	1.00	1.00	1.00
Paid-up Ordinary Shares (shares)	706,457,300	706,457,300	706,457,300

\* Gross profit was a result of sales and service income minus sales and service cost.

# General and other important Information

## General Information

### Details of the Company

<b>Company name</b>	: Jasmine Telecom Systems PCL.
<b>Registration</b>	: 0107547000109
<b>Head office Address</b>	: 200 Moo 4, 9 <sup>th</sup> Fl. Jasmine International Tower, Chaengwattana Road, Tambon Pakkret, Amphoe Pakkret, Nonthaburi, 11120 Tel. (66)-021008300 Fax. (66)-029622523 Home Page : <a href="http://www.jts.co.th">http://www.jts.co.th</a>
<b>Nature of Business</b>	: Information & Communication Technology

### Total Amount and Type of issued shares as at December 31, 2014

<b>Registered ordinary shares</b>	: 706,457,300 Shares
<b>Paid up ordinary shares</b>	: 706,457,300 Shares
<b>Par Value</b>	: 1 Baht
<b>Total</b>	: 706,457,300 Baht

### Details of the Subsidiary

<b>Company name</b>	: Cloud Computing Solutions Co., Ltd.
<b>Registration</b>	: 010552701289
<b>Head office Address</b>	: 200 Moo 4, Chaengwattana Road, Tambon Pakkret, Amphoe Pakkret, Nonthaburi, 11120 Tel. (66)-021003500 Fax. (66)-025023511
<b>Shareholding in the Subsidiary</b>	: The Company holds 538,264 ordinary shares equal to investment of 83.90 million Baht or 97.87 percent of total shares.

## Reference Persons

<b>Registrar</b>	: Thailand Securities Depository Co., Ltd. 62, 7 <sup>th</sup> Floor, the Stock Exchange of Thailand Building, Ratchadapisek Road, Klongtoey Sub-district, Klongtoey District, Bangkok 10110 Tel.0-2229-2888 Fax 0-2654-5642 <a href="http://www.tsd.co.th">www.tsd.co.th</a>
<b>Auditor</b>	: Mr.Supachai Phanyawattano, Certified Public Accountant (Thailand) No. 3930 or Mrs.Chonlaros Suntiasvaraporn, Certified Public Accountant (Thailand) No. 4523 or Miss Supanee Triyanantakul, Certified Public Accountant (Thailand) No. 4498 EY Office Limited 193/136-137, 33 <sup>rd</sup> Floor, Lake Rajada Office Complex, Rajadapisek Road, Klongtoey, Bangkok 10110 Tel. 0-2264-9090 Fax 0-2264-0789-90 <a href="http://www.ey.com">www.ey.com</a>
<b>Legal Advisor</b>	: Vasu Prasannate Law office. No.12/76, Soi Chaengwatana 4, Khwaeng Anosaowaree, Khet Bang Khen, Bangkok 10200 Tel. 08-6004-3714

## Other Important Information

-None-

Interested investors may study more information of the issuer from JTS Annual Registration Statement  
(Form 56-1) disclosed on [www.sec.or.th](http://www.sec.or.th). or [www.jts.co.th](http://www.jts.co.th)

## Message from the Board of Directors

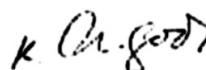
Dear Shareholders,

2014 is another year that Jasmine Telecom Systems Public Company Limited (the “Company”) was affected by unstable political situation and the slow-down on investment of both the government and the private sectors which in turn affected the Company’s revenue. Despite such circumstances; however, the Company continues its business commitment on seeking new opportunities, getting into businesses that are related to the industry trends and technological solutions, and responding to the customers’ needs while keeping focuses on efficient performances and excellent customer services. In view of the Company, the government’s initiative on Digital Economy will bring the Company into a tremendous opportunity to participate since a large part of it involves telecommunications and ICT, the areas in which the Company has experience and know-how.

With dedication and the best effort, the Company is confident to enter the service provider sector with competitiveness and capability to keep pace with changing telecommunications technology and always places importance on corporate social responsibility policy for the benefits of all the stakeholders.



(Mr. Pleumjai Sinarkorn)  
Director



(Mr. Kriengsak Chalermtiragool)  
Director

## Board of Directors



**MR. PLEUMJAI SINARKORN**  
(DIRECTOR, EXECUTIVE COMMITTEE AND  
CHAIRMAN OF REMUNERATION COMMITTEE)

### Age

- 82 yearss

### Education

- Ph.D. (Innovative Management), Suan Sunandha Rajabhat University
- MBA, Suan Sunandha Rajabhat University
- MMP Chulalongkorn University
- Bachelor of Electrical Engineering, Rajamongkol University
- Directors Certification Program (DCP) Class No. 41/2004, Thai Institutions of Directors Association (IOD)
- Role of The Compensation Committee (RCC), Thai Institutions of Directors Association (IOD)
- DCP Refresher Course, Thai Institutions of Directors Association (IOD)

### Working Experience

- |                     |                                                                       |
|---------------------|-----------------------------------------------------------------------|
| <b>2014-Present</b> | • Chairman of Remuneration Committee<br>JTS                           |
| <b>2011-Present</b> | • Remuneration and Nomination Committee<br>Jasmine International Pcl. |
| <b>2010-present</b> | • Director<br>Cloud Computing Solutions Co., Ltd.                     |
| <b>2009-Present</b> | • Advisor<br>Jastel Network Co., Ltd.                                 |
| <b>2008-Present</b> | • Director<br>Jasmine International Pcl.                              |
| <b>2007-2009</b>    | • Advisor<br>Thai Long Distance Telecommunications<br>Co., Ltd        |
| <b>2004-Present</b> | • Director, Executive Committee, Remuneration<br>Committee<br>JTS     |
| <b>1998-2006</b>    | • Advisor to Executive Committee<br>Jasmine International Pcl.        |
| <b>1994-Present</b> | • Director<br>TT& T Pcl.                                              |



**MR. KRIENGSAK CHALERMTIRAGOO**  
(DIRECTOR AND PRESIDENT)

#### Age

- 63 Years

#### Education

- Ph.D. (Electrical Engineering), University of Notre Dame
- Master of Electrical Engineering, University of Notre Dame
- Bachelor of Electrical Engineering, Auckland University
- Directors Certification Program (DCP) Class No. 146/2011, Thai Institutions of Directors Association (IOD)

#### Working Experience

- |                     |                                                                                                       |
|---------------------|-------------------------------------------------------------------------------------------------------|
| <b>2010-Present</b> | • Director and President<br>JTS                                                                       |
| <b>2010-Present</b> | • Director<br>Cloud Computing Solutions Co., Ltd.                                                     |
| <b>2008-Present</b> | • Advisor<br>Jasmine International Pcl.                                                               |
| <b>2007-2012</b>    | • Advisor<br>Triple T Broadband Pcl.                                                                  |
| <b>2006-2007</b>    | • Advisor<br>JTS                                                                                      |
| <b>2003-2006</b>    | • Vice President, Human Resource Department<br>Nation Multimedia Group Pcl.                           |
| <b>1994-2003</b>    | • Senior Vice President, Human Resource<br>Department and IT Department<br>Jasmine International Pcl. |
| <b>1992-1994</b>    | • General Manager<br>Radio Phone Co., Ltd.                                                            |
| <b>1976-1992</b>    | • Assistant Professor<br>Electrical Engineering, Faculty of Engineering,<br>Chulalongkorn University  |





**MRS. NONLUG PONGSRIHADULCHAI**  
(DIRECTOR AND CORPORATE SECRETARY)

#### Age

- 60 Years

#### Education

- Master of Agricultural Economics, Kasetsart University
- Master of Environmental Management, Mahidol University
- Bachelor of Education, Chulalongkorn University
- Directors Certification Program (DCP) Class No.147/2011, Thai Institutions of Directors Association (IOD)

#### Working Experience

- |                     |                                                                                              |
|---------------------|----------------------------------------------------------------------------------------------|
| <b>2010-Present</b> | • Director<br>JTS                                                                            |
| <b>2010-Present</b> | • Director<br>Cloud Computing Solutions Co., Ltd.                                            |
| <b>2010-Present</b> | • General Manager<br>Acumen Co., Ltd.                                                        |
| <b>2009-Present</b> | • Director<br>Triple T Broadband Pcl.                                                        |
| <b>2008-2009</b>    | • Assistant Vice President, Administration<br>Department<br>Acumen Co., Ltd.                 |
| <b>2007-Present</b> | • Director<br>Triple T Internet Co., Ltd.                                                    |
| <b>2004-2007</b>    | • Senior Manager, Administration Department<br>Acumen Co., Ltd.                              |
| <b>1996-2004</b>    | • Manager and Senior Manager<br>Jasmine International Pcl.                                   |
| <b>1994-1996</b>    | • Assistant Manager and Manager,<br>Administration Department<br>Acumen Co., Ltd.            |
| <b>1992-1994</b>    | • Executive Secretary<br>Postal Training Centre of Asia and Pacific                          |
| <b>1981-1992</b>    | • Assistant Researcher and Economist<br>Center for Agricultural Development Plan<br>of ASEAN |



**MRS. NITT VISESPHAN**  
(DIRECTOR)

#### Age

- 55 Years

#### Education

- Master Business Administration (MBA) (Public Management), Burapha University
- Bachelor of Arts, Chiang Mai University

#### Working Experience

- |                     |                                                                        |
|---------------------|------------------------------------------------------------------------|
| <b>2010-Present</b> | • Director<br>JTS                                                      |
| <b>2012-Present</b> | • Director<br>In Cloud Co., Ltd.                                       |
| <b>2010-Present</b> | • Director<br>Cloud Computing Solutions Co., Ltd.                      |
| <b>1994-Present</b> | • Vice President, Financial Department<br>Jasmine International Pcl.   |
| <b>1993-1994</b>    | • Vice President, Administration Department<br>Ban Chang Group         |
| <b>1987-1993</b>    | • Assistant Manager, Patent Department<br>Tilleke and Gibbins Law Firm |
| <b>1987-1993</b>    | • Assistant Manager, Patent Department<br>Tilleke and Gibbins Law Firm |
| <b>1982-1987</b>    | • Teacher<br>Assumption Commercial College                             |



**MR. RAKS UNAHABHOKHA**  
(INDEPENDENT DIRECTOR, CHAIRMAN OF  
AUDIT COMMITTEE AND REMUNERATION  
COMMITTEE)

#### Age

- 76 years

#### Education

- Ph.D. (Chemical Engineering), University College London, U.K.
- Bachelor of Engineering (Honours) in Industrial Engineering, Chulalongkorn University
- Director Certification Program (DCP), Thai Institute of Directors Association (IOD)
- Audit Committee Program (ACP), Thai Institute of Directors Association (IOD)
- Effective Audit Committee, Thai Institute of Directors Association (IOD)
- Chartered Director Class, Thai Institute of Directors Association (IOD)

#### Working Experience

- |                     |                                                                            |
|---------------------|----------------------------------------------------------------------------|
| <b>2013-Present</b> | • Independent Director and Audit Committee JTS                             |
| <b>2002-Present</b> | • Vice Chairman<br>Assumption College Alumni                               |
| <b>2002-2009</b>    | • Independent Director and Chairman of the Audit Committee<br>TT&T Pcl.    |
| <b>2002-2003</b>    | • Board Member of the Trade Competition Commission<br>Ministry of Commerce |
| <b>2001-2002</b>    | • Director<br>Thai Maritime Navigation Co., Ltd.                           |
| <b>2000-2008</b>    | • Advisor<br>British-Thai Synthetic Textile Co., Ltd.                      |
| <b>1999-2002</b>    | • Head of the consulting team advising SME<br>Ministry of Industry         |
| <b>1992-Present</b> | • Board Member<br>Assumption College Parents and Teachers Association      |
| <b>1988-1999</b>    | • Managing Director<br>Rubia Industries Ltd.                               |
| <b>1984-1987</b>    | • Deputy Managing Director<br>Betagro Group                                |
| <b>1978-1983</b>    | • Director of Operation<br>Johnson and Johnson (Thailand) Ltd.             |



**MR. ANNOP SUTHAKAVATIN**

(INDEPENDENT DIRECTOR, MEMBER OF AUDIT  
COMMITTEE AND REMUNERATION COMMITTEE)

#### Age

- 73 years

#### Education

- Bachelor of Accounting, Thammasat University
- Directors Accreditation Program (DAP) Class No. 1/2003 and Director Certification Program (DCP) Class No. 51/2004, Thai Institute of Directors Association (IOD)
- Audit Committee Program (ACP) Class No. 7/2005, MFR, MIR and MIA, Thai Institute of Directors Association (IOD)
- National Defence Collage (Government and Private Sector 388)

#### Working Experience

- |                     |                                                                                                    |
|---------------------|----------------------------------------------------------------------------------------------------|
| <b>2010-Present</b> | • Remuneration Committee<br>JTS                                                                    |
| <b>2004-Present</b> | • Independent Director and Audit Committee<br>JTS                                                  |
| <b>2004-Present</b> | • Independent Director and Chairman of Audit Committee<br>Chao Praya Insurance Pcl.                |
| <b>2003-2010</b>    | • Independent Director and Chairman of Audit Committee<br>Professional West Technology (1999) Pcl. |
| <b>2003-Present</b> | • Director<br>Rent A-V Co., Ltd.                                                                   |
| <b>2001-Present</b> | • Independent Director and Audit Committee<br>Royal Orchid Hotel (Thailand) Pcl.                   |
| <b>2000-Present</b> | • Advisor<br>Krung Thai Tractor Co., Ltd.                                                          |
| <b>1998</b>         | • Acting for Managing Director<br>Bangkok Asian Finance Ltd.                                       |
| <b>1997</b>         | • Vice President, Audit and Analysis<br>Department<br>Bangkok Motor Works Co, Ltd.                 |
| <b>1993-1997</b>    | • Director and Deputy Managing Director<br>Bangkok Asian Finance Ltd.                              |
| <b>1971-1993</b>    | • Auditor C.P.A. (Thailand), Shareholders,<br>Director<br>Bancheekij Auditing Co,Ltd.              |
| <b>1971-Present</b> | • Auditor C.P.A. (Thailand)<br>Freelance                                                           |



**MAJOR GENERAL SUNANTA  
SIRISUMPAN**  
(INDEPENDENT DIRECTOR AND MEMBER  
OF AUDIT COMMITTEE)

#### Age

- 65 Years

#### Education

- Bachelor of Arts (Political Science), Chiang Mai University

#### Working Experience

- |                     |                                                                                                                            |
|---------------------|----------------------------------------------------------------------------------------------------------------------------|
| <b>2014-Present</b> | <ul style="list-style-type: none"><li>• Independent Director and Audit Committee JTS</li></ul>                             |
| <b>2007</b>         | <ul style="list-style-type: none"><li>• Secretary<br/>Royal Thai Army Radio and Television<br/>Station Channel 5</li></ul> |

Name of Directors	JTS	CCS	1	2	3	4	5	6
1. Mr. Pleumjai Sinarkorn	I,II	/	/		/			
2. Mr. Kriengsak Chalermtiragool	I,III	/						
3. Mrs. Nonglug Pongsrihadulchai	/	/		III		/	/	
4. Mrs. Nitt Visesphan	/	/	III					/
5. Mr. Raks Unahabhokha	/							
6. Mr. Annop Suthakavatin	/							
7. Major General Sunanta Sirisumpan	/							

## Associates Company

1. Jasmine International Pcl.
2. Acumen Co., Ltd.
3. TT&T Pcl.
4. Triple T Broadband Pcl.
5. Triple T Internet Co., Ltd.
6. In Cloud Co., Ltd.

**Remarks :** X = Chairman  
/ = Director  
// = Executive Committee  
/// = Executive

# Policy and Overview

## Policy and Overall Business Operation

Jasmine Telecom Systems Public Company Limited (“JTS” or “the Company”) is a company in Jasmine International Group (“JAS Group”). The Company engages in telecommunications and ICT business, focusing on the design and the implementation of telecommunications and information technology systems, as a system integrator. JTS also sells equipment and provides the customers with relevant services. Besides, the Company has provided telecom service with respect to the Universal Services Obligation (“USO”) projects. The Company has also expanded its rented contact center system on Hosted Contact Center under the service name “EasyConnect”; its computer systems integration business; and the Cloud Computing business. It has created plans for new businesses that will enable the Company to generate sustainable growth of revenue.

### 1 Vision, Mission, Goal, and Company Strategy

Both the Company and its subsidiary aim to be recognized as leading companies in System Integration (“SI”) business due to their long experiences and specialization in telecommunications and ICT systems. The Company has several business alliances, among them are renowned manufacturers and leading domestic network providers, an important factor that strengthens the capability of the Company and its subsidiary in providing complete system integration services (Total Solution) for their customers.

Additionally, the subsidiary has expanded its business into the area of providing both hardware and software services by means of utilizing Cloud Computing Technology, ranging from Infrastructure as a Service (“IaaS”) all the way through Software as a Service (“SaaS”) via internet network. This is to provide its customers with new alternative that should help reduce their cost of investment and maintenance for computer equipment and system.

The Company and its subsidiary are confident that their consistent business development to become a service provider will not only bring differences but also increase their competitiveness, in keeping with continuous changes and fast growth of the industry, while keeping the customers’ satisfaction.

**Vision :** To achieve leadership in ICT Systems Integration, capable of providing standard services that meet the demand of the customers

**Mission :**

1. To develop the service quality to meet the demand of the customers and to win their satisfaction
2. To develop the personnel to have more potential to work with higher efficiency
3. To be always ready for advanced ICT technology and know-how

## 2 Significant Changes and Development

On April 21, 1995 the Company named “Jasmine Telecom Systems Company Limited” was established by Jasmine International Public Company Limited (“JAS”), with the registered capital and paid-up capital in amount of Baht 100,000,000 which was divided into 1,000,000 ordinary shares at a par value of Baht 100 per share, with JAS as the 100 percent shareholder. The Company’s objective was to engage in the business of design on engineering work; installation and test of telecommunications system as a turnkey project, including the distribution of its equipment.

On February 20, 2004 the Company registered with the Ministry of Commerce to convert into a public company limited; change its name to “Jasmine Telecom Systems Public Company Limited”; and reduce the par value from Baht 100 to Baht 1 per share. On November 5, 2004 the Company issued its stock dividends to its existing shareholders, at the ratio of 1 existing share to 3 new ordinary shares so the Company had its registered capital and paid-up capital in amount of Baht 400 million which was divided into 400 million ordinary shares at a par value of Baht 1 per share. On December 15, 2004 the Company registered the increased capital by issuing 125 million new shares at an offering price of Baht 1.50 per share so the Company had its registered capital and paid-up capital in amount of Baht 525 million. On September 6-8, 2006, the Company offered to sell 175 million shares to the public at an offering price of Baht 3.20 per share so the Company had its registered capital and paid-up capital in amount of Baht 700 million. In addition, the Company was listed on the Stock Exchange of Thailand (the “SET”) and had an initial public offering on September 18, 2006.

Due to its ESOP scheme, the Company offered to sell 5,000,000 newly issued shares for continuous 5 years (ESOP shares) that ended on April 28, 2011; and 1,457,300 warrants for buying its ordinary shares for the period of 5 years (ESOP warrants), to its directors and employees. One warrant entitled the holder to buy one Company’s share until October 27, 2011 that was the expiry date. As the result of it, the Company had its registered capital and paid-up capital in amount of Baht 706.46 million.

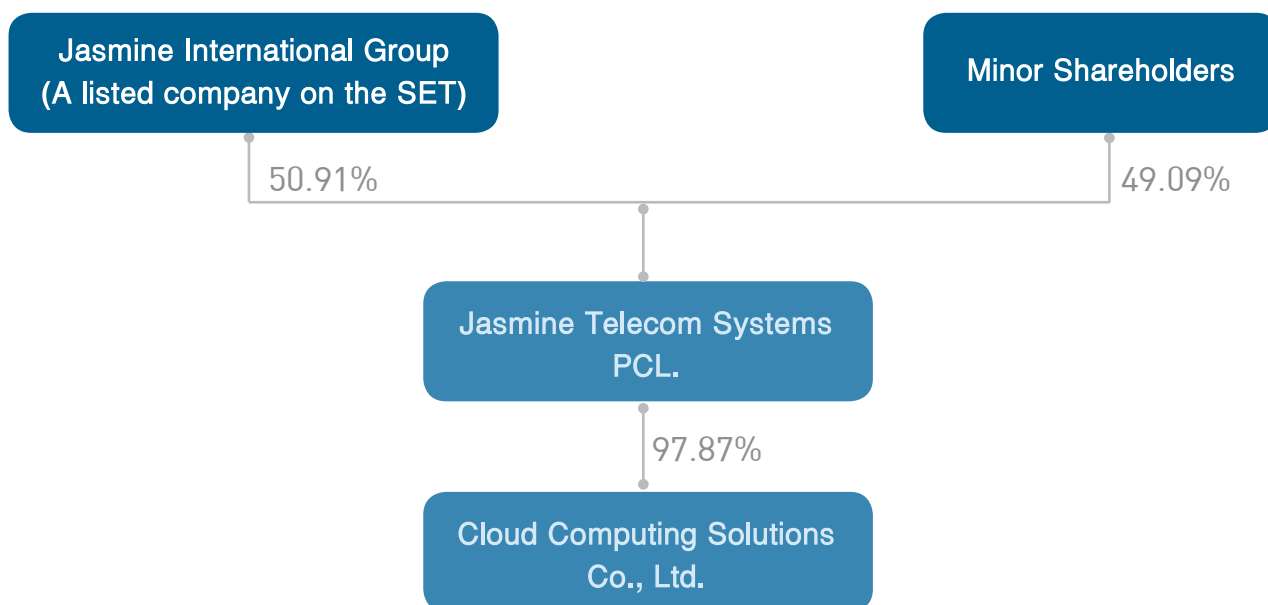
At the present time, the Company has the registered capital that is 706.46 million ordinary shares. As at December 30, 2014, the Company had 706.46 million ordinary shares at a par value of Baht 1 per share so its paid-up capital was Baht 706.46 million.

## 3. The Company Structure

The Company has a subsidiary company named Cloud Computing Solutions Co., Ltd. (“CCS” or “the subsidiary”) which engages in computer systems integration, software development and maintenance service for computer hardware and other peripheral equipment, including offering Cloud Computing Services. Currently, the Company holds 538,264 shares in CCS, equivalent to 97.87% of the entire 550,000 shares of CCS. The Company’s shareholding structure is illustrated as the following:



## The Company's Shareholding Structure as at March 18, 2015



### 4. The Relationship with Major Shareholder Business

The Company and its subsidiary have business transaction with the companies in JAS Group such as JasTel Network Co., Ltd. ("JasTel"), Triple T Broadband PCL. ("TTTBB") and others, as the detail specified in Subject: The Connected Transaction and Notes to Consolidated Financial Statements. The Business Structure of Major Shareholder is shown in the Annual Registration Statement (Form 56-1) of JAS.

# Business of the Company and the Subsidiary

The Company and its subsidiary provide ICT systems integration service and other related services; in addition to telecom services. The Company also does the businesses regarding the nationwide provision of basic telecommunications services and social services (Universal Service Obligation: USO). In addition, the Company expands its business to the rented contact center system on Hosted Contact Center, in the name “EasyConnect”; computer system integration business; and cloud computing business.

Followings are the details of 3 businesses of the Company and its subsidiary.

## 1 Telecom Systems Integration

The Company does the telecom systems integration business that involves the distribution of telecommunications equipment and the provision of other related services, such as the design, installation, and testing of telecom equipment for government and private sectors; for examples, TOT Public Company Limited (“TOT”), CAT Telecom Public Company Limited (“CAT”), Provincial Electricity Authority (“PEA”), Metropolitan Electricity Authority (“MEA”), The National Broadcasting and Telecommunications Commission (“NBTC”), State Railway of Thailand (“SRT”), Government Savings Bank (“GSB”), Office of the Basic Education Commission (“OBEC”), TTTBB, JasTel and also engages in an outsourcing project of Advanced Info Service PCL (“AIS”) to improve AIS In-Building Antenna Systems. The 2 main distribution channels of the Company are participating in bidding in order to provide SI services to both government and private sectors and subcontracting projects from telecommunication operators. The Company also provides the products that support its turnkey business as detailed below.

- The business in connection with security systems which include CCTV System, Access Control System, Intrusion Prevention System and Fire Alarm System, etc.

The Company engages in telecom system services as follows:

- 1 [Access Network](#) - Access network provides connectivity between a central office and the premises of the customer. There are several media, including telephone subscriber line or copper cable network, and optical fiber network. Access network deploys various telecommunications solutions, such as Digital Data Network or Private Network offering leased line Internet connectivity, and Broadband Connections over Digital Subscriber Lines (xDSL) utilizing the copper wired and Fiber to the X (FTTx) offering hi-speed Internet service utilizing the optical fiber network.

In addition, the Company also provides terminal equipment for network connections, such as Router Modems, Media Converter, and FTTx Termination Unit (ONU) for hi-speed Internet network, and also other required network equipment.

- 2 [Transmission Network](#) - The transmission network connects the exchanges of the telecom providers. The networks link exchanges in the same province, among provinces or regions and transmit the data to the destination exchange based on the selected solution platform, such as Next Generation Dense Wavelength Division Multiplexing (NG-DWDM) or Synchronous Digital Hierarchy Multiplexer (SDH MUX) or IP Link devices.
- 3 [Data Communication Network](#) - 3 Data communication network supports the transmission of data or connects equipment to link various networks using the IP protocol, including the access network connection between the client premise equipment in order to support Broadband Internet Services. The Company offers various solutions, such as IP Core Router for IP Network and Core Router for International Gateway Exchange (IGX) and Switch for Metro Ethernet network.
- 4 [Next Generation Network](#) - The Company offers new generation solutions to fixed-line telephone operators who have already installed and launched networks. The Company develops, improves or adds some service features, such as voice, data and video in order to enhance the operating efficiency of these operators. Examples of these are Intelligent network equipment (IN) and Next Generation Network equipment (NGN).
- 5 [Wireless Communication Network](#) - Wireless communication network is a communication channel transmitting data via electromagnetic waves, which are divided into frequency bands or channels and assigned for various communication services. The Company provides the wireless communication network solutions for telecom operators and other customers, to meet their requirements, such as WiFi, or Mobile Telephone Network 3G, 4G LTE/IMT-Advanced and 5G.

## 2 Telecom Service Business

Telecom services business involves total solution provision of various telecom services that help support corporate customers in their non-core business. The services include system design, equipment providing and system installation. Furthermore, they include system/equipment maintenance services both of the preventive and corrective types. From 2010 to 2014, the Company has provided telecom service with respect to the Universal Service Obligation (“USO”) projects of TTTBB and JasTel. In addition to the above-mentioned, another business of the Company is a business for rented contact center system on Hosted Contact Center, in the service name “Easy Connect”, developed by the Company’s personnel who have both experience and expertise. The targets of this service are customers and corporates that require a contact center to support their sales and after sales service activities. Renting the Hosted Contact Center service can help save their investment cost of Contact Center System. The Hosted Contact Center provides connectivity service by linking the customer’s operator PC with a headphone via hi-speed Internet to the center hosted system (Host), thus, the customers receive quick and efficient service.

### 3 Computer Systems Integration Business and Cloud Computing Business

Computer Systems Integration and Cloud Computing Business are operated by the Company's subsidiary, which is a provider of computers and related equipment, including the consulting services, system design and installation of computer and ICT systems. The service range also entails the development of software applications and a maintenance service for computer hardware and other peripheral equipment for the customers in the government and private sectors, as well as cloud computing service providers.

Cloud Computing business provides an operator of a business which needs ICT system support with an option to lease the computer hardware and software. Cloud computing services are suitable for small and medium sized corporates that may have budget constraints. Cloud computing services can be divided into 2 types:

- 1 Cloud Infrastructure Service (Infrastructure-as-a-Service)
- 2 Software Based Service (Software-as-a-Service)

### Revenue Structure of the Company and its Subsidiary

Revenue structure of the Company and its subsidiary classified according to business segments is as follows:

Business		Operated by		Consolidated Statement of Revenue					
				2012		2013		2014	
				Million Baht	%	Million Baht	%	Million Baht	%
Telecom Systems Integration Business		Company	1,104.41	90.10	196.19	56.24	38.35	30.05	
Telecom Service Business		Company	11.70	0.96	44.18	12.67	9.19	7.21	
Computer Systems Integration Business		Subsidiary	63.02	5.14	70.83	20.31	62.01	48.60	
Total Sales & Services Revenue			1,179.13	96.20	311.20	89.22	109.55	85.85	
Other Income		Company	46.62	3.80	37.62	10.78	18.05	14.15	
Total Revenues			1,225.74	100.00	348.82	100.00	127.61	100.00	

# Risk Factors

The Company places importance on risk factors that may impact the Company's business operation; therefore, the Risk Management Working Group was established to be responsible for managing risks and drawing up strategies to mitigate, transfer, and curb risks to an acceptable degree both in the organizational and departmental levels to ensure that the Company has chosen the proper and efficient risk management methods that are in alignment with the Company's policies and strategies. Significant risk factors are classified as follows:-

## 1 Revenue Risk

Generally, Telecom System Integration Business and Computer System Integration Business contribute most revenue to the Company. However, in the previous year, political factors and the discontinuation of large-sized project bidding, both in the government and the private sectors, impacted the Company's finding of new projects to replace the existing ones that are near to the completion. To manage this risk, the Company has developed new businesses with an aim to continuously generate revenue to the Company. It has also mitigated the risks that may arise from project bidding by offering the service of leasing Hosted Contact Center to the SME customers in order to serve their need, reduce their limitations on capital, and enable them to develop their businesses by making use of 3G service that has been tremendously expanding.

## 2 Personnel Risk

The Company's business significantly relies upon the personnel who have both expertise and experience in turnkey telecommunications and computer services, ranging from system design, supply, to installation; thus, the loss of these people is considered an impact to the Company's business.

The Company has a good policy on developing its human resources. The policy focuses on the continuity of personnel development and states the incentive measures that are comparable with other companies of the same business nature; it also has a fair performance evaluation system.

## 3 Project Delivery Risk

The Company has procedures for project management. It analyzes all the projects in order to draw up strategies that specifically suit each one and to mitigate the risks that may occur during any process of project management to be at an acceptable level in time. The project follow-up as well as the project progress report is, on a regular basis, acknowledged to the management. So far, the manufacturer, the customers and other relevant persons have been in good cooperation. The Company's project control and follow-up enable project delivery to be on time as specified in the contract, resulting in the customers' satisfaction.

## 4 Technological Change Risk

ICT business is the business that always encounters fast and continuous changes of technology. Being aware of this fact, the Company, by its policy, assigns the technical support team to conduct researches and keep track of technological advancement of the manufacturers both in Thailand and abroad all the time as well as passing on new knowledge to relevant personnel in order to enhance the provision of modern technologies that appropriately meet the demand of the customers.

## 5 Exchange Rate Risk

The Company has a policy on hedging the exchange rate risks that it may face when purchasing goods and services from abroad. According to the policy, the Company keeps observing changes of the exchange rates and applies the information gained from such observation and follow-up for an analysis and decision on entering a risk hedging contract each time. Furthermore, the Company considers entering into a forward contract only when the timing is appropriate meanwhile the USD reserve account is also properly managed.

## Shareholders

List of top 10 major shareholders and shareholding structure as at March 18, 2015

	Name of Shareholders	Number of Shares	% of Total Shares
1	Jasmine International Public Company Limited	231,714,400	32.80
	ACeS Regional Service Co., Ltd.*	64,027,700	9.06
	T.J.P. Engineering Co., Ltd.**	63,918,000	9.05
2	Mr. Wichai Boonsatirapong	21,360,000	3.02
3	Mr. Kiet Srichomkwan	18,000,000	2.55
4	Mr. Kirkkrai Tribanyatkul	8,444,800	1.20
5	Mr. Veerayuth Eiamsudthiwat	7,800,000	1.10
6	Thai NVDR Co., Ltd	5,452,600	0.77
7	Mrs. Malai Taosridee	5,165,000	0.73
8	Mr. Manop Chaiyasatitwanich	3,388,000	0.48
9	Mr. Krit Sanpruksin	3,050,000	0.43
10	Mr. Kirin Narular	2,800,000	0.40

### Remarks

\* ACeS Regional Service Co., Ltd. ("ARS") is a subsidiary of Jasmine International Public Company Limited ("JAS"); ARS is 98.04% held by ACeS (Thailand) Co, Ltd. ("ACT"); ACT is 58.84% held by Jasmine International Overseas Co., Ltd. ("JIOC"); and JIOC is 39.82% held by JAS.

\*\* T.J.P. Engineering Co., Ltd. ("TJP") is a subsidiary of JAS. TJP is 80% held by JAS and 20% held by Acumen Co., Ltd. which is one of JAS' subsidiaries.

The details of shareholding structure of JAS Group can be seen in JAS Annual Registration Statement (Form 56-1).

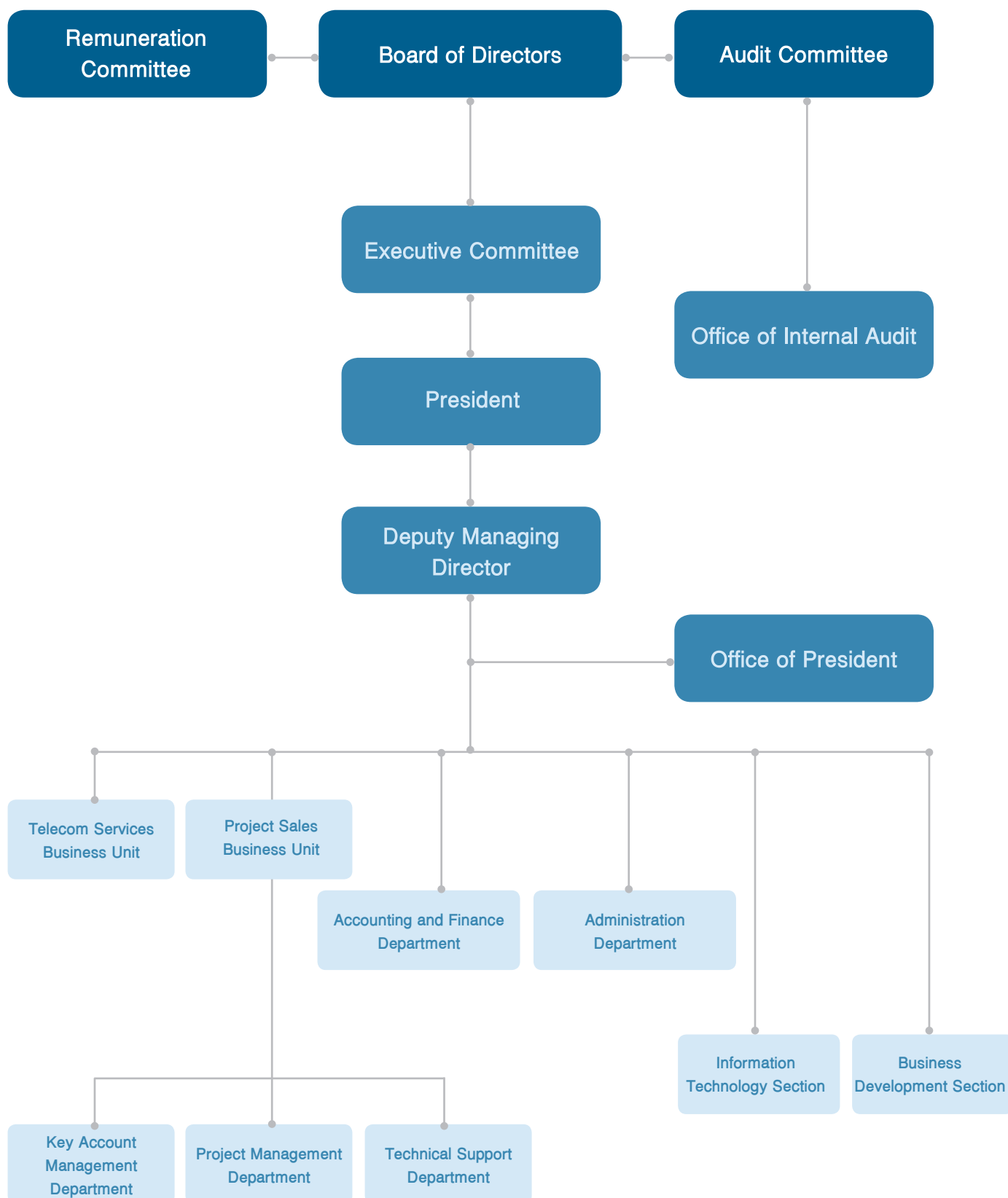
## Dividend Policy

The Company has a policy of paying a dividend not less than 40 % of the Company's net profit after tax and such dividend payment shall have no significant effect on the Company's operations. However, the Company may pay a dividend less than the above rate when it is necessary to use some money from its net profit for the Company's business expansion.

According to the dividend payment policy of the subsidiary, dividend payment is considered based on its operating results and liquidity at that time.



## Management Structure



## Management

The Company has the Board of Directors and three sub committees i.e. Audit Committee, Executive Committee and Remuneration Committee.

## The Board of Directors

1. Mr. Pleumjai	Sinarkorn	Director
2. Mr. Kriengsak	Chalermtiragool	Director and President
3. Mrs.Nonglug	Pongsrihadulchai	Director
4. Mrs.Nitt	Visesphan	Director
5. Mr. Raks	Unahabhokha	Independent Director
6. Mr. Annop	Suthakavatin	Independent Director
7. Major General Sunanta Sirisumpan*		Independent Director

Remarks : \*Major General Sunanta Sirisumpan was appointed to directorship on May 8, 2014.

## Authorized Directors and Conditions

Mr. Pleumjai Sinarkorn, Mr. Kriengsak Chalermtiragool, Mrs. Nonglug Pongsrihadulchai and Mrs. Nitt Visesphan; two of them affix their signatures together with the Company seal.

## Scopes of Authority and Duties of the Board of Directors

The Directors shall honestly and prudently perform their duties in accordance with the laws of Thailand, the objectives and the Articles of Association of the Company as well as the legal resolutions or the recommendations of the shareholders' meetings. The scopes of authority and duties of the Board of Directors are summarized as per the followings.

1. Convene an annual general meeting of shareholder within four months of the last day of the fiscal year of the Company
2. Convene a meeting of the Board of Directors at least once every three months
3. Provide the preparation of the audited balance sheet and the profit and loss statement of the fiscal year of the Company for submission to the shareholders' meeting for consideration and approval
4. May delegate their authority to any director or directors or other person to take any action on behalf of and under the supervision of the Board, or empower such person as the Board considers appropriate and within the time the Board considers appropriate. The Board may cancel, withdraw, change or amend the said authority whenever it deems appropriate.

The Board of Directors may grant the Executive Committee the authority to supervise the normal operations of the Company, which was already described in the duties and authorities of the Executive Committee. However, such authorization shall not include transactions in which any director or member of management has a material interest, directly or indirectly, or has a conflict of interest with the

Company or its subsidiary, except where the transactions are in accordance with policies and measures which were already approved by the Board or where guidelines have already been established.

5. Determine the Company's objective, policy, business plan and budget, as well as supervise and monitor the management of the Executive Directors to ensure that they conform to the Company's policy, with the exception of the following matters which require the approval of a shareholders' meeting: a capital increase, capital reduction, debenture issuance, the entire disposal or transfer of the business or a significant part thereof to other parties, the purchase or transfer of other businesses, and an amendment of the Memorandum of Association or Articles of Association.

Furthermore, the Board of Directors shall supervise and monitor the Company to ensure its compliance with the regulations of the Office of the Securities and Exchange Commission (the "SEC") and the SET i.e. connected transactions, the disposal or acquisition of assets, or other related legislation, etc.

6. Determine the management structure, appointment of the Executive Committee, the President and other committees as appropriate
7. Monitor the Company's performance so as to compare with the overall business plan and budget
8. No director shall engage in any business which has the same nature as and is in competition with the business of the Company or become a partner in an ordinary partnership or become a director of a private Company or any other Company operating a business which has the same nature as and is in competition with the business of the Company, either for his or her own benefit or for the benefit of other persons, unless he or she notifies the shareholders' meeting prior to the resolution of his or her appointment.
9. A director shall notify the Company without delay when he or she has a direct or indirect interest in any contract which is made by the Company, or when he or she holds shares or debentures of the Company or an affiliated company, and shall indicate any increase or decrease in the number of the director's total number of shares.

## Authorized Financial Operating Duties of the Chairman of the Board of Directors

The Chairman of the Board of Directors shall approve expenditures, purchases, procurements, rentals and leasing related to the Company's normal business operations and investments within a credit limit of Baht 30 million or equivalent or an amount the Company's Board of Directors assigned for each transaction. Also, the Chairman of the Board of Directors shall approve bidding for projects and/or a consortium with a partner within a project value limit of Baht 200 million or an equivalent amount for each project.

The authority of the Chairman of the Board of Directors shall not include empowering and/or delegating authority for the approval of transactions which may cause a conflict of interest with the Company according to the SET's regulations. The approval of the said transactions is required to be proposed to the Board of Directors and/or Shareholders of the Company for their consideration and approval in accordance with the Company's Articles of Association or relevant laws, except for the approval of transactions in the normal course of business which is already covered by existing guidelines approved by the Board.

Besides, the Board of Directors has granted the Executive Committee, the Chairman of the Executive Committee and the President their authorities to supervise the normal operations and investments of the Company. The scopes of authority and credit limit of each of these three levels of management are clearly determined. No authority is granted without a credit limit determined.

## Executives

- |    |               |                 |                                                    |
|----|---------------|-----------------|----------------------------------------------------|
| 1. | Mr. Kriengsak | Chalermtiragool | President                                          |
| 2. | Mr. Anuchit   | Jutamatayangkul | Deputy Managing Director                           |
| 3. | Mr. Wisanu    | Suksusin        | Vice President - Office of President               |
| 4. | Mr. Wichai    | Tanjariyaporn   | Vice President - Project Sales Business Unit       |
| 5. | Ms. Saengdao  | Dechaduangsakul | Vice President - Accounting and Finance Department |

## Scopes of Authority and Duties of the President

1. To manage and control the Company's normal business operations and act pursuant to assignments by the Board of Directors and the Board of Executive Directors as well as assign a suitable person to manage and perform as the representative of the President in necessary and suitable issues under the consideration of the President in accordance with the Company's Articles of Association or relevant laws
2. To approve expenditures, purchasing, procurement, rent and leasing according to the annual budget which is approved by the Board of Directors, as well as expenditures, purchasing, procurement, rent and leasing related to the Company's normal business operations and investments within a credit limit of Baht 5 million or equivalent or complies with the Company's Board of Directors' assignment for each transaction
3. To evaluate, appoint, remove and relieve the Company's employees whose positions are lower than Assistant Vice President
4. Approve bidding for projects or consortium with a partner within a project value limit of Baht 100 million or an equivalent amount for each project

The delegation of authority to the President as well as the assigning of a suitable person to act as a representative under the consideration of the President does not include the authority to approve a transaction which may have a conflict of interest with the Company or any transactions which may have a conflict of interest according to the SET's regulations. The approval of the said transactions will be required to be proposed to a Board of Directors' meeting and/or a Shareholders' meeting in accordance with the Company's Articles of Association or relevant laws, except for normal business transactions already covered by existing guidelines approved by the Board.

## Corporate Secretary

Mrs. Nonglug      Pongsrihadulchai      Corporate Secretary

### Roles and responsibilities of Corporate Secretary

To be in compliance with Section 89/15 and Section 89/16 of the Securities and Exchange Act (No.4) B.E. 2551, effective on August 31,2008, Corporate Secretary has to work with responsibility, prudence and loyalty, in conformity with laws, goals of the Company, Articles of Association, resolutions passed by the Board of Directors' meetings and the shareholders' meetings. Duties under the law of Corporate Secretary are as follows:-

1. Preparing and keeping the following documents:-
  - Registration of directors
  - Notices calling the Board of Directors' meetings, minutes of the Board of Directors' meetings and the Company's Annual Reports
  - Notices calling the shareholders' meetings and minutes of the shareholders' meetings
2. Keeping reports on interest filled by directors and executives and delivering copies of such reports, as required by Section 89/14, to Chairman of the Board of Directors and Chairman of Audit Committee for acknowledgement, within 7 business days from the date on which the Company receives the reports.
3. Carrying out other activities as defined by the Capital Market Supervisory Board

## Directors and Executives Remuneration

The Company has remunerated the directors and executives based on the industry standard and reflect level. The remuneration for the Board of Directors shall be considered by the Remuneration Committee to be proposed to the Board of Directors then to the shareholders for approval. A remuneration for an executive shall be considered based on the Company's operation results and accountability of an executive, including his/her qualifications, knowledge, experience and contribution.

For the year 2014, the Board of Directors and the executives received money remuneration and other remuneration as follows.

## Money Remuneration for Directors

Remuneration for Directors	The Remuneration per Month (Baht)
	2014
Chairman of the Board of Directors	40,000
Vice Chairman of the Board of Directors	20,000
Independent Director	30,000
Non Executive - Director	30,000
Executive Director	10,000
Chairman of the Audit Committee	10,000
Audit Committee Member	5,000
Chairman of the Executive Committee	10,000
Executive Committee Member	5,000
	The Remuneration per Meeting (Baht)
Chairman of the Remuneration Committee	5,000
Remuneration Committee Member	5,000
Gratuity	Yes

## Money Remuneration for the Executives

Remuneration for Executives	2014
Number of Executives (person)	5
Total Remuneration for Executives (Baht)	9,674,991
Type of Remuneration	Salary and Bonus

## Other Forms of Remuneration for Directors

- None -

## Other Forms of Remuneration for Executives

The Company has contributed Baht 734,689.08 for the provident fund of the Executives in the year 2014.

# Corporate Governance

## 1. Corporate Governance Policy

The Company's Board of Directors is entitled to set up Corporate Governance which encompasses 5 major principles to be in line with the guideline of the SET, the details of which are as the followings.

### 1. The Rights of Shareholders

The Company is well aware that all the fundamental rights of the shareholders both as investors and company owners must be significantly recognized. Such rights include the right to sell, purchase or transfer the securities they hold, the right to receive the Company's profits sharing, the right to adequately receive the Company's information, the right to attend the shareholders' meeting wherein they can express their opinions and vote on resolutions on the Company's significant matters; for instance, the dividend payment, the appointment or dismissal of a director, the appointment of the external auditors, the approval of any crucial transaction which might affect the directions of the Company's operation, the amendment on Memorandum of Association or Articles of Association and so on.

Moreover, to support and facilitate the shareholders in exercising their rights as follows;

- 1 The Company manages to arrange the Shareholders' Annual General Meeting within the first 4 months of the Company's fiscal year. As for the so called "Extraordinary Shareholders' Meeting", each will be called for only when it is deemed appropriate.  
 Invitation letters together with the meeting agenda and related documents with adequate fact(s), reason(s) and opinion(s) of the Board of Directors will be distributed for the shareholders to consider 7 or 14 days prior to the meeting date, depending on the subjects. The Company will also advertise the Meeting notice in the press 3 days consecutively before the date of meeting.
- 2 Provided that a shareholder is unable to attend the meeting in person, the Company allows him/her to assign an independent director or any person to attend and vote on his/her behalf. To this regard, the shareholder as the Proxy Grantor must inform the Company in writing by filling in one of the proxy forms attached with the meeting invitation letter or downloaded from the Company's website.
- 3 During the meeting, the Company provides equal opportunities for the shareholders to make enquiries or to express their views. Therein, all the Company's directors and relevant management are present to be acknowledged of the shareholders' opinions as well as to answer the questions raised. Every question-and-answer issue and all the significant opinions are recorded in the minutes of meeting to facilitate the shareholders' scrutiny.
- 4 After the meeting finished, the Company shall arrange the minutes that present the complete and accurate information for the shareholders to review.

## 2. The Equitable Treatment of Shareholders

The Company has a policy to treat all the shareholders equally whether the major shareholders, minor shareholders, institutional investors or foreign investors. Independent directors are assigned by the Company to be responsible for looking after the minor shareholders.

The Company has the policy to announce the schedule of its shareholders' meeting together with the agendas in Thai and English via the Company's website in no less than 30 days prior to the meeting date to facilitate both the Thai and foreign investors.

The shareholders' meeting is properly conducted according to the scheduled agenda in respect of the Company's Articles of Association. Related information is clearly presented. No un-informed agenda is introduced to the meeting neither is an important agenda which the shareholders need some time to make a prudent study before making a decision. In case that a shareholder is unable to attend the meeting in person, the Company allows him/her to assign an independent director or any person to attend and vote on his/her behalf. To this regard, the shareholder as the Proxy Grantor must inform the Company in writing by filling in one of the proxy forms attached with the meeting invitation letter or downloaded from the Company's website.

Voting process is transparent with regard to the order of agenda items. During the meeting, the shareholders are entitled to cast the vote to express their agreement or disagreement or even to abstain from voting on such issues as related transactions, the acquisition or the disposal of the Company's assets and so on. The agenda on director election provides the shareholders with the chance to elect the directors as individual persons to replace the ones who retire by rotation.

The Company has the policy to disclose information on related transactions, connected transactions and others as required by the regulations stipulated by offices overseeing listed companies.

The Company has business ethics for the employees, stipulating the importance of keeping the information of both the Company and its subsidiaries in confidence. It has also set up penalty for any staff who makes use of the inside information for his/her own benefits or implement the same in the manner that may damage the Company's reputation. Additionally, the trading or transferring of the Company's securities by using confidential information and / or inside information is prohibited in the like manner as the conduct of juristic act, using the Company's confidential information and / or inside information since such doing may cause damage to the Company either directly or indirectly.

The Company has set up a measure to prevent the improper "Insider Trading" by relevant persons who are directors, executives, and staff working in the department related to the inside information (including their spouses and minors). According to the measure, such relevant persons are not allowed to trade the Company's securities a month before the disclosure of the quarterly and annual financial statements. The Company has informed its directors and executives not only of their duty to report their holding of the Company's securities but also the penalty according to the Securities and Exchange Act of B.E.2535 and the regulations of the SET. In case that the directors or executives trade the Company's securities which they hold, they are obliged to report changes in the possession of their own securities, spouses and minors to the SEC to comply with Section 59 of the Securities and Exchange Act of B.E.2535 within 3 working days so that it is further disclosed to the public.



Pertaining to this matter, the Company has set up the disciplinary penalty to apply to any relevant person who discloses or makes use of the Company's inside information for seeking his / her own personal interests. The degree of penalty varies, according to the case, from verbal warning, written warning to probation or dismissal.

### 3. The Role of Stakeholders

The Company equally respects the rights of all the stakeholders whether they are the inside stakeholders such as the Company's employees and management or outside-party stakeholders such as creditors and customers, etc. The Company also realizes that the support and suggestions from every group of stakeholders are valuable and beneficial to both the operation and business development. Therefore, the Company will perform the duty to comply with the law and other related regulations to ensure that all the rights of the stakeholders are well protected. Furthermore, the Company gives importance to equal treatment under human rights principles and shall not have a hand in any conspiracy that is against human rights. The Company supports and respects human rights protection and has guidelines to guard the rights of every stakeholder group as required by law.

Regarding intellectual property or copyright, the Company has a policy to strictly obey the laws enacted to protect intellectual property to prevent relevant stakeholders from any impact.

Also, the Company has an anti-corruption-and-bribery-for-business-benefit policy that is included in Code of Employees' Ethics for employees' acknowledgement and further conformity. The Company does not have any policy on offering money, incentives, gifts, or special privileges in any form, directly or indirectly, to any person in order to gain business benefits or competitive advantages. In addition, the Company strongly supports cooperation between the Company itself and each group of stakeholders for the Company's stability. To this respect, the Company follows the directions below to appropriately treat each stakeholder group.

**Shareholders :** With the aim to bring about the highest satisfaction to its shareholders, the Company intends to be their ever efficient and trustworthy business representatives, taking into account the long term growth of its value and the emphasis on transparent and honest information disclosure.

**Employees :** The Company regards employees as its precious resources. So, it focuses on supporting human resources development which consequently leads to its maximum benefit. Besides, it encourages the employees to play a part in creating a good organization culture, strong teamwork and safe and pleasant working atmosphere. In addition, it provides the employees with welfares and good environment; meanwhile, implanting in them the awareness of working with loyalty, taking into the minds all the possible impacts on both the organization and outside people in general.

**Competitors :** The Company commercially contends with other trade competitors on the fair and ethical competition basis.

**Customers :** The Company is committed to responding and providing quality services for the highest satisfaction and confidence of the customers.

**Trade Counterparts and Creditors :** The Company has the policy to treat both the counterparts and the creditors fairly in compliance with trading conditions and / or terms in the mutual contracts to enhance good business relationship, beneficial to all parties.

**Community and Public:** On the regular basis, the Company joins and sponsors socially constructive projects and activities as exemplified by financial and material donations to several foundations and organizations.

**Environment :** The Company recognizes the importance of environment and is concerned about the impact of pollutions on communities. However, the Company's nature of business does not jeopardize the environment.

The Company will conduct its business to be in line with the law and other related regulations to assure the shareholders of the best protection of their rights.

## 4. Disclosure and Transparency

The Company's Board of Directors takes as its obligation the disclosure of the Company's financial and other Company-related information to be complete, accurate, and transparent in compliant with the regulations of the SEC and the SET. Additionally, it discloses other significant information which may affect the price of the Company's securities which in turn impacts on the decision of the Company's investors and stakeholders. Such information is accessible to the Company's shareholders, investors and the public via the channels and media of the SET as well as the Company's website.

For Investor Relations, the Company has an IR Team to represent the Company in communicating with institutional investors, shareholders, analysts and relevant state organizations; whereas, the Corporate Secretary Administration Section is accountable for corporate reports.

The Company's Board of Directors is responsible for the consolidated financial statements of the Company and its subsidiary as well as any financial-related information presented in the Company's Annual Report. Such financial statements are prudently prepared pursuant to the accounting principles generally accepted country-wide based on the appropriate accounting policy to which the Company regularly conforms. The Audit Committee is obliged to verify the quality of the Company's financial reports and internal control system, including the adequacy of the disclosure of important information in notes to the financial statements prior to submitting all to the Board of Directors' and the Shareholders' meetings, respectively.

## 5. Responsibilities of the Board of Directors

### 1. Structure of the Board of Directors

The Board of Directors of the Company is made up of individuals recognized for their knowledge and capabilities. It plays the vital role in setting up the corporate policy and image besides independently overseeing, auditing, and assessing the Company's performance to be in accordance with the Business Plan.

The Board of Directors totally comprises 7 directors, 3 of whom are independent directors. The appointment of the independent directors in such adequate and proper proportion enables the balance of power in the Board of Directors. The Company's administration is finally examined by the Audit Committee which consists of 3 accredited independent members.

### Term of Office of the Board of Directors

According to the Company's Articles of Association, at every Shareholders' Annual General Meeting, one-third of the directors who have the longest terms shall retire. Nevertheless, provided that the number of the directors is not a multiple of three, then the number nearest to one-third shall retire from office. The retirement of the directors in the first and the second year after the listing of the Company on the SET based on the method of lot-drawing. As for the later years, the directors who serve the longest terms shall retire. The Company's Articles of Association also prescribes that the retired directors are eligible for the re-election. Furthermore, whether a director or a committee member can continuously remain in office without break for the longest period will be determined by the Company by taking into account his / her individual qualifications and appropriateness.

The Board of Directors has approved to embrace the disclosure of the number of other companies in which each director has his / her position as a significant criterion for the Board of Directors election. The Company; thus, discloses the information of all the directors who also are directors of other companies in details. At present, 2 directors of the Company's Board of Directors are holding the positions of director in other companies. However, since those directors have sufficiently devoted their time carrying out the Company's tasks with all their efforts, the holding of their positions in other companies does not affect their performance at all ; moreover, they regularly join the Board of Directors' meetings of the Company and always provide practical opinions for the Company therein.

### Board Member Orientation

A newly appointed director will be briefed on businesses of the Company. The Company also sends him/her a set of document on regulations for the Board of Directors and the Board of Directors' responsibilities to notify them of good practice as a director of the Company.

## 2. Sub-committee

To bring about efficiency in corporate governance, the Company established 3 sets of sub-committee, namely the Audit Committee, the Executive Committee and the Remuneration Committee. It has also set up distinct scopes of authority, duty and responsibility for the members of such committees.

## 3. Role, Duty, and Responsibility of the Board of Directors

The Company's Board of Directors is made up of individuals who are knowledgeable, proficient, expert and well equipped with beneficial experiences in various fields apart from distinguished leadership. They collectively set visions, missions, strategies and business directions in addition to providing efficacious oversight of the Company's operation to fully comply with all the relevant laws and to correspond to the objectives and regulations of the Company as well as the resolutions of the shareholders' meeting. They also set up committees to monitor and supervise the Company's operation. The Company supports every director for his/her interest in taking any training course that provides essential knowledge that helps enhance him/her more professionalism as a director and that can be applied for the endless development of the quality of directors' performances.

In regard to top management succession planning, the Board of Directors set up criteria and procedures for the selection of qualified candidates for top management positions. It is required that such plan be annually reviewed.

### Corporate Governance Policy

The Company is entitled to set up the policy of good corporate governance in writing. Such policy, approved by the Board of Directors' meeting, is regularly reviewed, at least once a year, in terms of content and compliance.

### Business Ethics

The Company has the business ethics as an essential guideline for the Board of Directors, the management and employees of all levels to adhere so as to conduct their missions and serve all the groups of stakeholders fairly and honestly. Besides, the Company has announced such business ethics including punishment, and acknowledged them to the employees for strict compliance.

### Conflict of Interest

The Company's Board of Directors has set up the policy on conflicts of interest based on the principle that any decision on business conduct must be made with respect to the highest interests of the Company only. Any action which might lead to conflicts of interest must be avoided. It is specified that any person relevant or related to the subject to be considered is obliged to acknowledge the Company of his / her relationship or relevance to the matter. He / She is not permitted to join the party which judges the case and does not have the power to authorize that particular case and others. No conditions or regulations are specially set for such case. It is also stipulated that the Office of Internal Audit and the Audit Committee are responsible for taking care of and solving the conflicts of interest. However, to date, the Company has not experienced the problem related to the conflict of interest.

The Audit Committee will report the carefully considered related party transaction and the matter containing a conflict of interest to the Board of Directors in compliance with the regulations of the SET. Such information is disclosed in the Company's Annual Report and the Updated Registration Statement (56-1 Form).

Whenever changes in the securities holding of the Board of Directors and the management of the Company, including their spouses and minors occur, they must be informed to the Company and reported to the SEC, respectively according to Section 59 of the Securities and Exchange Act of B.E.2535 within 3 working days after the date of purchase, sale or transfer. Besides, to prevent the improper usage of the Company's inside information, the directors, executives and departments having an access to the Company's inside information are forbidden from disclosing such information to the outside parties and anyone who does not involve in the Company's securities trading a month prior to the disclosure of the Company's financial statements.

### Internal Control System

Realizing the importance of the efficient internal control system of both the management and the operation levels, the Company has specified the scopes of the duty and the authority for its executives and employees clearly in writing. It also conducts the control of assets usage. In addition, the duties of the staff and those of the monitoring and assessment officers are segregated from each other. The Audit Committee has been set up by the Company to oversee and monitor such control system to be appropriate and efficient.

## Risks Management

The Company evaluates the adequacy of its existing internal control system on a yearly basis. Its Risk Management Working Group also forecasts internal and external risk factors, analyzes them and follows up the outcome besides finding measures to mitigate risks within the organization and properly improve the task operation for more effectiveness.

## Report of the Board of Directors

Audit Committee is accountable for the review of the financial report. Quarterly, such report will be presented to the Board of Directors by the Accounting and Finance Department. The joint meeting between the relevant staff and the management of the Accounting and Finance Department and the Company's auditors is scheduled at least once a year. The Board of Directors is responsible for the consolidated financial statements of the Company and its subsidiaries as well as the financial information (the report on the Board of Directors' responsibilities for financial matters) presented in the Annual Report. Such financial statements are prepared in accordance with the accounting principles certified and verified with prudence by the Company's auditors. The disclosure of significant financial-related or non-financial related information is completely and regularly done on the factual basis.

## 4. Board of Directors' Meeting

The Company's Board of Directors' meeting is scheduled to be convened once every 3 months. However, a special meeting can be called if it is deemed necessary. The agenda items for each meeting are clear and specific. Documents concerned are sent to the directors prior to the meeting date in order to provide them with sufficient time of study, except for the emergency case. The meeting is recorded in writing. The minutes as well as other certified documents are kept for references and all must be examinable in the following meeting. The Chairman and the President of the Company jointly consider the issues to be included in the meeting agenda. To this regard, each director can also suggest issues for the Chairman and the President to consider for agenda preparation.

During the meeting, the Company's Chairman, as the Chairman of the Board of Directors' meeting, will provide opportunities for the directors to independently express their opinions. Sometimes, the Company's senior executives are invited to join the meeting for the provision of additional useful information for some particular agendas. On this occasion also that they can be directly acknowledged of the policy and put it into practice accordingly and efficiently. Decisions are based on a majority vote of the Board members attending the meeting; one director is eligible for one vote. However, a director who has some interests in the matter under consideration shall not join the meeting and / or abstain from voting for it. In case of tie, the Chairman has the casting vote.

In a Board of Directors' meeting, the President shall be the Secretary to the Board of Directors and shall take the minutes. The minutes shall be proposed to the chairman of the meeting to be considered and signed for certification and shall be submitted for verification as the first agenda in the following meeting of the Board of Directors.

The meeting documents and minutes are kept with respect to the related law by the Corporate Secretary Section, Administration Department.

## 5 Board of Directors' Self Assessment

The Company's Board of Directors has the policy to evaluate the results of their own performances, taking the results of the Company's business operation, the degree of compliance to the established policies, and the overall economic and social situations as significant criteria. The self assessment outcome will be useful for self improvement in working of each individual director.

### Anti-corruption Policy

The Company places importance on conducting business in a transparent manner with integrity in accordance with good corporate governance principles, adhering to its responsibility to the society and the nation as a whole. Realizing that corruption is a serious problem that hinders the development of the country; the Company has established an anti-corruption policy for itself and the subsidiary (Both the Company and its subsidiary shall be referred to herein as "the company.") to apply as a guideline for business operation, with confidence that it would enable effective development to a sustainability organization, which, in a way, is a support to national development.

### Definition of "Corruption"

"Corruption" refers to any form of bribery whether it be an offer, a proposal to provide, a pledge or a promise to give, a request for or an acceptance of benefits such as money, assets and other undue advantage to/ from a government officer, the government sector, the private sector, or any responsible person either in direct or indirect manner in order to acquire or retain a business as well as to recommend specific business to the entity and to protect any inappropriate interest for the company's business; except for the case enabled by law, regulation, announcement, rule, local tradition, or trade usage.

### Anti-corruption Policy and Guideline

1. The directors, the executives and the employees of the company are prohibited from engaging in or accepting corruption of all types. The Anti-corruption Policy shall be applied to several company activities; for instances, personnel recruitment/nomination; promotion; procurement; sale; business-relation creation with both the government and the private sectors, and so on.

2. Every employee is obliged to notify his/her supervisor or the responsible person of any act of corruption or any intention that is within the scope of corruption. Furthermore, he/she must be cooperative in investigation procedure.

3. The company shall provide fairness and protection for every employee who denies corruption or informs the company of any corruption case.

4. A person who commits corruption shall receive disciplinary punishment as stipulated by the Article of Association of the Company. Conviction on law may be applied in case such act violates the law.

5. The anti-corruption policy and guideline shall be regularly revised to suit the changing business, rules, regulations, and all the applicable laws.

### Whistle Blowing and Notice of Complaint

A person who finds corrupt practices or corruption-related cases, directly or indirectly, can notice the whistle blowing or make the complaint to the company through the following communication channels:-

1. E-mail : [vasita.c@jasmine.com](mailto:vasita.c@jasmine.com)
2. The Company's website : [www.jts.co.th/Contact Us/whistle blowing](http://www.jts.co.th/Contact%20Us/whistle%20blowing)
3. Telephone Number : 02 100 8234

### Preventive and Confidential Measure

Any person assigned by the Company to be responsible for the task of complaints and whistle blowing has a duty keep all personal information of every complainant and informant such as his/her name, address, subject of complaint and all the relevant documents, in confidentiality. Such information shall not be disclosed to anyone who is not a concerned person unless the disclosure is required by law.

### Promotion of Anti-corruption Policy

To ensure that the Anti-corruption Policy is completely and thoroughly communicated to all personnel of the organization, the company shall

1. Announce the Policy to acknowledge its personnel for the right compliance
2. Promote the Policy through the Company's communication channels such as emails, website, Annual Registration Statement (Form 56-1) and Annual Report (Form 56-2)
3. Compile and disseminate the laws against bribery and corruption support
4. Regularly review the Anti-corruption Policy

Furthermore, the Company joined the Collective Action Coalition with private sector of Thailand, in the anti-corruption campaign on 2<sup>nd</sup> March 2015.

## 2. The Sub-committees

The Company consists of three sets of sub-committees which are the Executive Committee, the Audit Committee and the Remuneration Committee. Details are as follows:

### Executive Committee

#### Scopes of Authority and Duties of the Executive Committee

The scopes of authority and duties of the Executive Committee were approved and authorized by the Board of Director as the followings.

1. Determine the Company's business policies and strategy, and propose this to the Board of Directors for its consideration and approval
2. Determine the Company's business plan, delegate management authority and prepare an annual expenditure budget and annual business investment budget, and propose these to the Board of Directors of the Company for its consideration and approval

3. Determine the organisation structure and management system, which shall be suitable for the current business environment to ensure that the Company's business operations are efficient
4. Determine the salary and wage structure, and prepare regulations in regard to remuneration on a cash and non-cash basis and a regulation concerning increases in salary and bonuses which are suitable for the Company's situation each year
5. Evaluate, appoint, remove and relieve the Company's employees who have a position lower than President down to Assistant Vice President
6. Audit the Company's operating results to ensure they comply with the business plan approved by the Company's Board of Directors
7. Approve expenditures, purchasing, procurements, rent and leasing related to the Company's normal business operations and investments within a credit limit of Baht 200 million or an equivalent amount the Company's Board of Directors assigned for each transaction
8. Approve loans and credit lines for the Company's normal business operations within a credit limit of Baht 200 million or an equivalent or any amount that the Company's Board of Directors assigned for each transaction
9. Approve the opening of bank accounts for all types of accounts and determine the Company's signing conditions for bank account payments
10. Perform other duties which are assigned by the Company's Board of Directors in each time period
11. Approve expenditures, purchasing, procurements, rent and leasing related to the Company's business operations and investments which are not normal within a credit limit of Baht 50 million or an equivalent amount for each transaction. In case the credit limit is exceeded, the Executive Committee is required to propose this to the Board of Directors of the Company for its consideration.
12. Approve the bidding for projects and/or a consortium with a partner within a project value limit of Baht 500 million or an equivalent amount for each project. In case the credit limit is exceeded, the Executive Committee is required to propose this to the Board of Directors of the Company for its consideration.

#### Authorized Financial Operating Duties of the Chairman of the Executive Committee

The Chairman of the Executive Committee shall approve expenditures, purchases, procurements, rentals and leasing related to the Company's normal business operations and investments within a credit limit of Baht 30 million or equivalent or an amount the Company's Board of Directors assigned for each transaction. Also, the Chairman of the Executive Committee shall approve bidding for projects and/or a consortium with a partner within a project value limit of Baht 200 million or an equivalent amount for each project.

The authority of the Executive Committee and the Chairman of the Executive Committee shall not include empowering and/or delegating authority for the approval of transactions which may cause a conflict of interest with the Company according to the SET's regulations. The approval of said transactions is required to be proposed to the Board of Directors and/or Shareholders of the Company for their consideration and approval in accordance with



the Company's Articles of Association or relevant laws, except for the approval of transactions in the normal course of business which is already covered by existing guidelines approved by the Board.

The selection of the new executive committees is under consideration. During the selection, the executive committee's jurisdiction is exercised by the Board of Directors.

## Audit Committee

- |    |                       |              |                                 |
|----|-----------------------|--------------|---------------------------------|
| 1. | Mr. Raks              | Unahabhokha  | Chairman of the Audit Committee |
| 2. | Mr. Annop             | Suthakavatin | Audit Committee                 |
| 3. | Major General Sunanta | Sirisumpan*  | Audit Committee                 |

Remarks \* Major General Sunanta Sirisumpan was appointed to directorship on May 8, 2014.

### Scopes of Authority and Duties of the Audit Committee

The scopes of authority and duties of the Audit Committee were approved and authorized by the Board of Director as the followings.

- 1 To verify the Company's financial statements for accuracy and adequacy
- 2 To oversee both the Company's internal control system and internal audit system to ensure their appropriateness and efficiency aside from considering independence of the internal audit department, approving the appointment, the transfer, and the dismissal of the head of the internal audit department as well as the heads of any other departments responsible for internal auditing
- 3 To oversee and ensure the Company's conformity to the law regarding securities and stock exchange in addition to the regulations of the SET and the laws relevant to the Company's business
- 4 To consider, select and appoint persons who are independent to be the Company's external auditors and propose their remuneration in addition to having a meeting with such auditors at least once a year without the presence of the management
- 5 To consider the related transactions as well as the transactions which may cause conflicts of interest and make sure that such transactions are reasonable and in compliant with the related law and the regulations of the SET for the maximum benefit of the Company
- 6 To prepare the Audit Committee report which is disclosed in the Annual Report of the Company ; the report must be certified by the signature of the Chairman of the Audit Committee and must include at least the following information :
  - 6.1 The opinion on accuracy, completion, and creditability of the Company's financial report
  - 6.2 The opinion on adequacy of the Company's internal control system
  - 6.3 The opinion on compliance with the law regarding securities and stock exchange in addition to the regulations of the SET and the laws relevant to the Company's business
  - 6.4 The opinion on appropriateness of the external auditors
  - 6.5 The opinion on the transactions which may have conflicts of interest
  - 6.6 The number of Audit committee meetings and the attendance of each Audit Committee member

6.7 The opinion or overall remarks the Audit Committee obtains during performing duties in line with the charter

6.8 Other information deemed appropriate for the acknowledgement of the shareholders and investors under the scope of duties and responsibilities authorized by the Board of Directors

7 To oversee the Company's risk management to ensure their appropriateness and efficiency

8 Any other tasks assigned by the Board of Directors with the consent of the Audit Committee

The Audit Committee has a 3-year term in office. In case of vacancy for any reason other than at the expiry of his term, the Board of Directors shall, to fulfill the Audit Committee as stipulated, elect and appoint a qualified person to fill in the vacancy. Such new member of the Audit committee shall retain his office only for the remaining term of the office of the Audit Committee member whom he replaces.

## Remuneration Committee

- |    |              |              |                                        |
|----|--------------|--------------|----------------------------------------|
| 1. | Mr. Pleumjai | Sinarkorn    | Chairman of the Remuneration Committee |
| 2. | Mr. Raks     | Unahabhokha  | Remuneration Committee                 |
| 3. | Mr. Annop    | Suthakavatin | Remuneration Committee                 |

### Scopes of Authority and Duties of the Remuneration Committee

The scopes of authority and duties of the Remuneration Committee were approved and authorized by the Board of Director as the followings.

- 1 Determine the remuneration policy for the Board of Directors, President, and any committees appointed by the Board of Directors
- 2 Determine the annual remuneration and other benefits for the Board of Directors and any committees appointed by the Board of Directors
- 3 Evaluate the performance and determine the annual remuneration and other benefits for the President
- 4 Consider the allocation of the Employee Securities Option Plan adhere to regulations and conditions relating to the issuance of related securities

The Remuneration Committee is directly responsible to the Board of Directors. In addition, the Chairman and members of the Remuneration Committee have a term of three years. However, the Chairman and members of the Remuneration Committee may be re-appointed to their positions after the expiration of their terms.

The authority of the Remuneration Committee shall not include the authority to approve transactions which may cause a conflict of interest with the Company or any transaction in which members of the Remuneration Committee or their connected persons have an interest or benefit that causes a conflict of interest according to the SET's regulations. The approval of the said transactions is required to be proposed to the Board of Directors and/or Shareholders of the Company for their consideration and approval in accordance with the Company's Articles of Association or relevant laws, except for the approval of transactions in the normal course of business which are already covered by existing guidelines approved by the Board.

### 3. Selection of Directors and Executives

The Company has not appointed the Nominating Committee; therefore, the Board of Directors is responsible for selecting persons with proper qualifications, experiences and sufficient time to contribute their roles to the Company. The selected persons shall be proposed to the shareholders' meeting for election which shall be supported by no less than 50% of the total shareholders present and eligible for the voting. Each shareholder shall exercise all of his votes to elect either one or several persons as a director or directors. The persons who receive the highest number of votes in their respective order of the votes in a number not exceeding the number of directors to be elected at the meeting shall be elected as the director(s). At an annual general meeting of shareholders, one-third of the directors must retire from the office by rotation.

For the executives at the assistant vice president level to the level lower than the President, the Executive Committee is responsible for.

## Corporate Social Responsibility

From the beginning, the Company has operated its business with respect to business ethics, in order to promote business integrity. Therefore, the Company's directors, executives, and employees perform their duties with honesty and prudence in compliance with applicable laws and regulations. The Company takes into consideration the responsibility it has to all the stakeholders, and shall not do anything that may cause damage to both the Company and its business partners, to enhance fair competition.

For the 2014 corporate social activities, the Company supported the student stationeries to Wat Yai Sawang Arom School, the elementary school under Nonthaburi provincial local government, located in Tambon Omkret, Amphoe Pakkret, Nonthaburi. The Company believes in the importance of basic education as the foundation of national development and shall keep on supporting activities for corporate social responsibilities.

# Internal Control and Risk Management

## Opinion of the Board of Directors

The Board of Directors and the executives continuously place importance on internal control system and risk management as required by the good corporate governance principles; thus, they support and push forward the Company's compliance with laws, rules and regulations applicable to the Company's business and accordingly assign the Audit Committee and the Office of Internal Audit to verify and follow up the compliance, on a regular basis, to enhance the most effective management.

At the Board of Directors' Meeting No.1/2015, convened on 2 March 2015, the Audit Committee reported the assessment results of the internal control to the Board of Directors. The assessment form was prepared based on the requirements of the SEC. The assessment results are summarized as follows:-

### 1. Control Environment

The Company's business goal has been set up to be transparent and assessable. The organizational structure, as well as the lines of command, is clear and appropriate. The scope of authority, practices and manuals for key operation units are provided in writing and are regularly revised to be in line with the most updated principles.

### 2. Risk Assessment

The Company entrusts the Risk Management Working Group with the task of assessing risk factors, both internal and external, which may impact its business operation. The assessment results are analyzed for the categorization of significant levels of risk opportunities and impacts that are found in each business process; these are essential not only to risk management planning to minimize such risk opportunities and impacts to an acceptable level, but also to maintain the internal control measures to be always of good quality and effective, suiting with any changing risk.

### 3. Control Activities

The Company's work policy, work instructions and authorization of the executives according to their positions, are clearly defined in writing. Responsibilities and duties assigned to the personnel are clear and specific. The control activities for important IT systems are appropriate. The Company has also set up a transparent policy on transaction conduct with major shareholders, directors, executives, and relevant persons, in compliance with the SEC rules and regulations and the applicable laws in order to prevent conflicts of interest.

### 4. Information and Communication

The Company has provided appropriate IT system and communication channels, both within and outside the organization, to enable all the relevant parties to receive the information that is accurate and complete in due course and at the same time to facilitate the executives in getting useful information for their decision making.

## 5. Monitoring Activities

The Company focuses on the importance of performance monitoring in which the comparison between the work progress and its objectives is done. The Office of Internal Audit is granted independence to examine and evaluate the existing monitoring activities. The annual audit plan requires that a system being audited be closely monitored and the monitoring results be directly reported to the Audit Committee for proper improvement so that no fault occurs to significantly affect the work procedure, fame and financial position of the Company; and confidence is given to corporate governance as well as business ethics that are transparent and truly yield the optimum benefit to the shareholders.

The Committee opines that the Company's internal control system is adequate and appropriate due to the Company's man power support that is enough to enable the internal control to continue effectively in accordance with the established internal control system.

## Opinion of the Audit Committee

### Audit Committee Report

The Audit Committee of Jasmine Telecom Systems Public Company Limited (the "Company") consists of three independent directors who possess the qualifications as required by the Securities and Exchange Commission (the "SEC") and the Stock Exchange of Thailand (the "SET"), namely:

- |                                     |                                 |
|-------------------------------------|---------------------------------|
| 1. Dr.Rak Unahabhokha               | Chairman of the Audit Committee |
| 2. Mr.Annop Suthakavatin            | Member of the Audit Committee   |
| 3. Major General Sunanta Sirisumpan | Member of the Audit Committee   |

The Committee performs the duties assigned by the Board of Directors (the "BOD") within the BOD-approved scope of responsibility.

In 2014, the Company organized 6 Audit Committee meetings. The resolutions of every meeting were reported further to the BOD Meeting. The tasks accomplished in 2014 by the Committee are summarized as follows:-

1. The verification of the accuracy, the completeness, and the reliability of the quarterly and the annual financial statements of the Company and the consolidated financial statements for the year 2014 that had been prudently audited by the Company's external auditor to ensure that they were prepared correctly in conformity with the generally accepted accounting principles and adequately disclosed

2. The verification of the adequacy, the evaluation on the effectiveness of the internal audit system, and the compliance with the laws applicable to the business of the Company. In completing the task, the Company's executives and officers from the Office of Internal Audit were invited to join every Audit Committee Meeting to provide recommendations, beneficial to the Company management.

3. The verification of the compliance with the codes and corporate governance principles of the Company and the lending of support to encourage employees at all levels to develop moral conscience and to be always aware of the importance of ethics. The Committee was of the opinion that the Company's BOD and employees complied well with the codes and corporate governance principles at all times.

4. The verification of the risk management policy and the risk management strategies along with the monitoring of the progress of the risk management working group to ensure the Company's effective and appropriate risk management, capable of curtailing the risks to an acceptable degree

5. The verification of the Company's operation to be in compliance with the Securities and Exchange Act, the rules and the regulations of the SEC and the SET and other laws applicable to the business of the Company

6. The verification of the related party transactions or the transactions that may involve conflicts of interest to ensure the Company's compliance with normal business practice conditions and the reasonableness of the Company's operation with respect to the Company's optimum benefit as well as the verification of material information to be adequate in accordance with the SEC regulations

7. The selection and the nomination for appointment of the Company's auditor, including the consideration on the remuneration thereof for the year 2015, based on the previous year's performance, knowledge, proficiency, independence of the auditor and the appropriateness of the proposed audit fees. The Audit Committee was of the opinion that it was appropriate to propose the appointment of the auditor from EY Office Limited to be the Company's auditor for the year 2015 along with the reasonable audit fee amount for the BOD to consider and further submit for the shareholders' approval at the Annual General Meeting of Shareholders.

The Audit Committee had the opinion that the Company's financial statements were properly prepared in accordance with the generally accepted accounting principles; the disclosure of the related party transactions was adequate; and the business operation of the Company was in compliance with the Securities and Exchange Act, the rules and the regulations of the SEC and the SET and other laws applicable to the business of the Company. The internal audit system, the internal control system and the risk management that suited the Company's business ensured the completeness, the accuracy, the reliability, and the adequate disclosure of the financial information.



Dr. Rak Unahabhokha  
(Chairman of the Audit Committee)

## Head of Internal Audit

<b>Name</b>	Mrs. Somnuk Waradee Position : Assistant Vice President, Office of Internal Audit
<b>Education</b>	<ul style="list-style-type: none"> <li>• Master of Social Development and Environment Management, National Institute of Development Administration</li> <li>• Bachelor of Accounting, Chiang Mai University</li> <li>• Federation of Accounting Professions</li> <li>• Technology Learning Center(TLC.)</li> </ul>
<b>Experiences</b>	<p>2012 - Present Assistant Vice President, Office of Internal Audit, Jasmine Telecom Systems Public Company Limited</p> <p>2000 - 2012 Assistant Vice President, Accounting Department, Jasmine Internet Co., Ltd</p> <p>1993 - 2000 Senior Manager, Accounting Department, T.J.P. Engineering Co., Ltd</p>
<b>The Audit committee's opinion</b>	In view of her qualifications, knowledge and experience, Head of Internal Audit is acknowledged by the Audit Committee.
<b>Appointment, removal and transfer of Head of Internal Audit</b>	Appointment, removal and transfer of Head of Internal Audit are required to comply with the Company's regulation in relation to officers' appointment and transfer, and acknowledged by the Audit Committee, Head of Internal Audit supervises the Internal Audit in order to obtain its effective and proper performance.



## Connected Transactions

The Company has entered the Related Parties Transactions defined in the Notification of the SEC. For the year 2014, the transactions were in compliance with the terms and conditions in the contracts made between the Company and its subsidiary on normal business practice (as referred to in Clause 6 of Notes to the Financial Statements for the Year 2014). The Company has reasonably and accordingly carried out the transactions for its own optimum benefits. To this regard, the Audit Committee had reviewed the prices or ratio of such transactions with the concerned personnel and internal auditor and finally agreed that they were appropriate and accurately disclosed in the Company's financial statements. The approval procedure of related party transactions was as the same criteria as the general procurement procedure. The Company's management and the shareholders have neither interest in nor approval authority on related transactions matter. Details are as follows:-

1. In 2014, the Company and its subsidiary executed the following transactions of product sale, service offering, and others with the following connected person:-

Connected Person	Relationship	Type of Related Party Transaction	Amount (Million Baht) as at 31 December 2014
1 JAS Group	1) JAS is a major shareholder of the Company at 32.80% holding in shares	• ACU rental public telephone and maintenance test equipment in contract	0.07
1) ACU			
2) TTTBB	2) Having the same director as JAS, namely	• The Company provided the supplies and services with respect to the Universal Service Obligation or USO ruled by NBTC to TTTBB	10.22
3) JasTel	1 Mr. Pleumjai Sinarkorn	• The Company provided the supplies and services with respect to the Universal Service Obligation or USO ruled by NBTC to JasTel Network	1.97
2 Its Subsidiary	1) The Company is a major shareholder of CCS at 97.87% holding in shares	• Its subsidiary provided the Infrastructure-as-a-Service to JAS	0.55
1) CCS	2) Having the same directors as JTS, namely	• Its subsidiary provided the Infrastructure-as-a-Service to Acumen	3.68
	1 Mr. Pleumjai Sinarkorn	• Its subsidiary sold equipment and developed Broadband Customer System (BCS) and provided Infrastructure-as-a-Service to TTTBB	30.64
	2 Mr. Kriengsak Chalermtiragool		
	3 Mrs. Nonglug Pongsrihadulchai		
	4 Mrs. Nitt Visesphan		

Connected Person	Relationship	Type of Related Party Transaction	Amount (Million Baht) as at 31 December 2014
		<ul style="list-style-type: none"> <li>Its subsidiary provided the maintenance service of radius system and the Cloud Infrastructure Service to TTTI</li> </ul>	2.36
		<ul style="list-style-type: none"> <li>Its subsidiary provided the Infrastructure-as-a-Service to JiNet</li> </ul>	0.18

2. In 2014, the Company and its subsidiary transacted the product and equipment procurement, including payment for leases and serviced from related parties as follows :-

Connected Person	Relationship	Type of Related Party Transaction	Amount (Million Baht) as at 31 December 2014
1 JAS Group	1) JAS is a major shareholder of the	• The Company entered into	6.03
1) ACU	Company at 32.80% holding in	rental and service contact	
2) Premium	shares	with JAS and other expense	
Asset Co., Ltd.	2) Having the same director as	such as training expense,	
("PA")	JAS, namely	service expense, advertising	
3) TTTBB	1 Mr. Pleumjai Sinarkorn	expense etc.	
4) TTTI		• The Company rent	3.31
5) JasTel		warehouse space on G floor	
6) JiNet		with PA including cleaning	
		service and security contract	
		• The Company appointed	1.25
		ACU to provide service of IP	
		Star	
		• The Company appointed	2.45
		TTTBB to provide voice	
		telephone and provide	
		maintenance service of	
		CCTV	
		• TTTI provided Internet	0.31

Connected Person	Relationship	Type of Related Party Transaction	Amount (Million Baht) as at 31 December 2014
2 Its Subsidiary 1) CCS	1) The Company is a major shareholder of CCS at 97.87% holding in shares	• Its subsidiary entered into rental and service contract with JAS, and other expense such as training expense, service expense, advertising expense etc. and	2.09
	2) Having the same directors as JTS, namely	management contract	1.64
	1 Mr. Pleumjai Sinarkorn	• Its subsidiary entered into security service and cleaning service contract with PA including utilities expense and other expenses	
	2 Mr.Kriengsak Chalermtiragool		
	3 Mrs.Nonglug Pongsrihadulchai		
	4 Mrs.Nitt Visesphan		
		• TTTBB to provide call center system	0.90
		• TTTI to provide internet service	1.14
		• Jastel to provide internet Service	0.66
		• JiNet to provide SMS gateway	0.01

# Financial Highlight

## Jasmine Telecom Systems Public Company Limited

Statements of financial positions  
As at 31 December 2012 to 2014

(Unit: Thousand baht)

	Separate financial statements						Consolidated financial statements					
	2012		2013		2014		2012		2013		2014	
	AMOUNT	%	AMOUNT	%	AMOUNT	%	AMOUNT	%	AMOUNT	%	AMOUNT	%
<b>ASSETS</b>												
<b>CURRENT ASSETS</b>												
Cash and cash equivalents	307,694	11.32	228,855	11.15	176,107	10.56	317,294	11.70	241,621	12.13	185,167	10.58
Current investments-bank deposits	140,152	5.16	81,575	3.97	542,082	32.51	140,303	5.18	81,799	4.11	542,229	30.98
Trade and other receivables	1,242,271	45.71	1,250,900	60.94	794,909	47.67	1,255,903	46.33	1,261,144	63.34	810,424	46.30
Unbilled receivables unrelated parties	93	0.00	75	0.00	78	0.00	114	0.00	105	0.01	109	0.01
Unbilled receivables related parties	611,866	22.52	61,622	3.00	38,922	2.33	622,198	22.95	67,551	3.39	42,523	2.43
Short-term loans to related party	69,347	2.55	69,347	3.38	0	-	0	-	0	-	0	-
Inventories	38,789	1.43	33,135	1.61	17,043	1.02	45,408	1.68	33,152	1.66	17,139	0.98
Accounts receivable under troubled debt restructuring	0	-	0	-	18,834	1.13	0	-	0	-	0	-
Assets held for sale	88,885	3.27	0	-	0	-	88,885	3.28	0	-	47,415	2.71
Prepaid project costs	566	0.02	21,980	1.07	110	0.01	6,363	0.23	22,485	1.13	133	0.01
Other current assets	29,328	1.08	37,393	1.82	27,546	1.65	37,737	1.39	47,945	2.41	38,367	2.19
Total current assets	2,528,990	93.07	1,784,881	86.95	1,615,631	96.88	2,514,205	92.75	1,755,801	88.18	1,683,506	96.18
Non-current assets held for sale	0	-	64,434	3.14	0	-	0	-	64,434	3.24	0	-
	2,528,990	93.07	1,849,316	90.09	1,615,631	96.88	2,514,205	92.75	1,820,235	91.41	1,683,506	96.18
<b>NON-CURRENT ASSETS</b>												
Restricted bank deposits	60,241	2.22	71,466	3.48	29,753	1.78	64,246	2.37	74,739	3.75	32,388	1.85
Accounts receivable under troubled debt restructuring	20,301	0.75	18,834	0.92	0	-	94,456	3.48	47,415	2.38	0	-
Investment in subsidiary	83,899	3.09	83,899	4.09	0	-	0	-	0	-	0	-
Property, plant and equipment	9,168	0.34	12,605	0.61	20,270	1.22	22,054	0.81	31,288	1.57	31,680	1.81
Deferred tax asset	11,756	0.43	14,674	0.71	0	-	11,756	0.43	14,674	0.74	0	-
Deposits	3,087	0.11	1,896	0.09	1,926	0.12	4,128	0.15	2,840	0.14	2,844	0.16
TOTAL NON- CURRENT ASSETS	188,452	6.93	203,375	9.91	51,949	3.12	196,640	7.25	170,956	8.59	66,912	3.82
TOTAL ASSETS	2,717,442	100.00	2,052,691	100.00	1,667,580	100.00	2,710,845	100.00	1,991,191	100.00	1,750,418	100.00

# Financial Highlight

## Jasmine Telecom Systems Public Company limited

### Statements of financial positions (Continued)

As at 31 December 2012 to 2014

(Unit: Thousand baht)

	Separate financial statements				Consolidated financial statements			
	2012		2013		2012		2013	
	AMOUNT	%	AMOUNT	%	AMOUNT	%	AMOUNT	%
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>								
<b>CURRENT LIABILITIES</b>								
Trust receipts	86,765	3.19	25,160	1.23	-	-	86,765	3.20
Trade and other payable	540,233	19.88	176,054	8.58	233,161	13.98	574,633	21.20
Accrued project cost	245,956	9.05	124,406	6.06	20,725	1.24	392,780	14.49
Current portion of long-term loans	0	-	0	-	0	-	14,484	0.53
Income tax payable	6,287	0.23	0	-	0	-	6,287	0.23
Advance received for goods and services	82,709	3.04	1,585	0.08	2,300	0.14	82,709	3.05
Other current liabilities	29,934	1.10	30,265	1.47	17,417	1.04	39,649	1.46
<b>TOTAL CURRENT LIABILITIES</b>	<b>991,884</b>	<b>36.50</b>	<b>357,470</b>	<b>17.41</b>	<b>273,603</b>	<b>16.41</b>	<b>1,197,307</b>	<b>44.17</b>
<b>NON CURRENT LIABILITIES</b>								
Long-term loans- net of current portion	0	-	0	-	0	-	231,740	8.55
Provision for long-term employee benefits	18,410	0.68	17,876	0.87	16,655	1.00	19,134	0.71
<b>TOTAL NON CURRENT LIABILITIES</b>	<b>18,410</b>	<b>0.68</b>	<b>17,876</b>	<b>0.87</b>	<b>16,655</b>	<b>1.00</b>	<b>250,874</b>	<b>9.25</b>
<b>TOTAL LIABILITIES</b>	<b>1,010,294</b>	<b>37.18</b>	<b>375,346</b>	<b>18.29</b>	<b>290,258</b>	<b>17.41</b>	<b>1,448,181</b>	<b>53.42</b>
<b>SHAREHOLDERS' EQUITY</b>								
Share capital								
Registered: 1.00 Baht per share	706,457		706,457		706,457		706,457	
Issued and fully paid-up	706,457	26.00	706,457	34.42	706,457	42.36	706,457	35.48
Share premium	420,269	15.47	420,269	20.47	420,269	25.20	420,269	21.11
Retained earnings								
Appropriated-statutory reserve	64,910	2.39	65,186	3.18	65,186	3.91	64,910	2.39
Unappropriated	515,512	18.97	485,432	23.65	185,410	11.12	70,551	2.60
Other components of shareholders' equity	0	-	0	-	0	-	8,158	0.30
<b>EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY</b>	<b>1,707,148</b>	<b>62.82</b>	<b>1,677,345</b>	<b>81.71</b>	<b>1,377,322</b>	<b>82.59</b>	<b>1,270,345</b>	<b>46.86</b>
Non-controlling interests of the subsidiary	-	-	-	-	-	-	(7,680)	(0.28)
<b>TOTAL SHAREHOLDERS' EQUITY</b>	<b>1,707,148</b>	<b>62.82</b>	<b>1,677,345</b>	<b>81.71</b>	<b>1,377,322</b>	<b>82.59</b>	<b>1,262,665</b>	<b>46.58</b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>	<b>2,717,442</b>	<b>100.00</b>	<b>2,052,691</b>	<b>100.00</b>	<b>1,667,580</b>	<b>100.00</b>	<b>2,710,845</b>	<b>100.00</b>

	2014	2014	2014	2014	2014	2014	2014	2014
	AMOUNT	%	AMOUNT	%	AMOUNT	%	AMOUNT	%
	0	-	264,958	15.14	165,258	9.44	28,968	1.65
	0	-	0	-	0	-	0	-
	2,346	0.13	26,719	1.53	488,248	27.89	138,800	7.93
	17,627	1.01	156,427	8.94	644,675	36.83	706,457	40.36
	420,269	24.01	65,186	3.72	8,158	0.47	706,457	40.36
	1,113,110	63.59	(7,368)	(0.42)	1,105,743	63.17	420,269	24.01
	1,750,418	100.00	1,750,418	100.00	1,750,418	100.00	1,750,418	100.00

# Financial Highlight

## Jasmine Telecom Systems Public Company limited

Statements of comprehensive income  
As at 31 December 2012 to 2014

(Unit : Thousand baht)

	Separate financial statements				Consolidated financial statements			
	2012	2013		2014	2012	2013		2014
	AMOUNT	%	AMOUNT	%	AMOUNT	%	AMOUNT	%
<b>PROFIT OR LOSS</b>								
<b>REVENUES</b>								
Sales and service income	1,116,478	95.70	241,003	86.67	47,915	68.46	1,179,134	96.20
Exchange gains	12,258	1.05	24,307	8.74	0	-	12,879	1.05
Other income	37,964	3.25	12,771	4.59	22,079	31.54	33,729	2.75
<b>TOTAL REVENUES</b>	<b>1,166,700</b>	<b>100.00</b>	<b>278,081</b>	<b>100.00</b>	<b>69,994</b>	<b>100.00</b>	<b>1,225,742</b>	<b>100.00</b>
<b>EXPENSES</b>								
Cost of sales and services	885,681	75.91	136,935	49.24	32,914	47.02	923,328	75.33
Selling and Servicing expenses	20,801	1.78	13,879	4.99	9,537	13.63	25,008	2.04
Administrative expenses	94,857	8.13	102,245	36.77	100,750	143.94	112,781	9.20
Exchange losses	0	-	0	-	15,915	22.74	0	-
Other expenses								
Potential losses on debt restructuring	1,658	0.14	0	-	0	-	32,747	2.67
Doubtful Debt	24,681	2.12	0	-	74,314	106.17	191,707	15.64
Loss on impairment of investment	10,614	0.91	0	-	83,899	119.87	10,921	0.89
Loss on impairment of asset	22,577	1.94	15,125	5.44	37,496	53.57	22,577	1.84
<b>TOTAL EXPENSES</b>	<b>1,060,871</b>	<b>90.93</b>	<b>268,184</b>	<b>96.44</b>	<b>354,825</b>	<b>506.93</b>	<b>1,319,069</b>	<b>107.61</b>
<b>PROFIT (LOSS) BEFORE FINANCE COST AND INCOME TAX EXPENSES</b>	<b>105,829</b>	<b>9.07</b>	<b>9,897</b>	<b>3.56</b>	<b>(284,830)</b>	<b>(406.93)</b>	<b>(93,327)</b>	<b>(7.61)</b>
Finance Cost	(41,867)	(3.59)	(1,664)	(0.60)	(518)	(0.74)	(60,087)	(4.90)
<b>PROFIT (LOSS) BEFORE INCOME TAX EXPENSES</b>	<b>63,962</b>	<b>5.48</b>	<b>8,233</b>	<b>2.96</b>	<b>(285,348)</b>	<b>(407.67)</b>	<b>(153,414)</b>	<b>(12.52)</b>
Income tax expense	(24,683)	(2.12)	(2,715)	(0.98)	(14,674)	(20.96)	(24,683)	(2.01)
<b>PROFIT (LOSS) FOR THIS YEAR</b>	<b>39,279</b>	<b>3.37</b>	<b>5,518</b>	<b>1.98</b>	<b>(300,022)</b>	<b>(428.64)</b>	<b>(178,097)</b>	<b>(14.53)</b>
Non-controlling interests of the subsidiary	0	-	0	-	0	-	(4,548)	(0.37)
<b>NET PROFIT (LOSS) FOR THIS YEAR</b>	<b>39,279</b>	<b>3.37</b>	<b>5,518</b>	<b>1.98</b>	<b>(300,022)</b>	<b>(428.64)</b>	<b>(173,549)</b>	<b>(14.16)</b>
Basic earning per share (at par Baht 1)	0.06		0.01		(0.42)		(0.25)	
Other comprehensive income for the year								
Total comprehensive income for the year	39,279	3.37	5,518	1.98	(300,022)	(428.64)	(178,097)	(14.53)
Actuarial gain (loss)	(3,570)	(0.31)	0	0.00	0	0.00	274	0.02
Income tax effect	714	0.06	0	0.00	0	0.00	714	0.06
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>	<b>36,423</b>	<b>3.12</b>	<b>5,518</b>	<b>1.98</b>	<b>(300,022)</b>	<b>(428.64)</b>	<b>(177,109)</b>	<b>(14.45)</b>
							12,151	3.48
							(133,751)	(104.82)
							0	0.00
							0	0.00
							(133,751)	(104.82)

## Jasmine Telecom Systems Public Company limited

Cash flow statement  
As at 31 December 2012 to 2014

(Unit: Thousands Baht)

	Separate financial statements			Consolidated financial statements		
	2012	2013	2014	2012	2013	2014
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>						
Profit (Loss) before tax	63,962	8,233	(285,348)	(153,414)	14,865	(119,077)
Adjustments to reconcile profit (loss) before tax to net cash provided by (paid from) operating activities						
Depreciation	6,154	7,269	10,364	9,689	12,846	18,748
Bad Debt	0	0	9,262	0	0	9,262
Doubtful debt	24,681		74,314	191,707	0	0
Loss on impairment of investment	10,614	0	83,899	10,921	0	0
Potential losses on debt restructuring	1,658	0	0	32,747	0	0
loss on impairment of asset	22,577	15,125	37,496	22,577	15,125	37,496
Loss (gain) on disposal of equipment	0	0	(107)	(149)	4	(106)
Provision for long- term employee benefits (reversal)	1,464	1,546	(1,221)	2,212	1,668	(1,095)
Unrealised exchange (gain) Losses	27	108	(37)	(594)	1,388	99
Interest income	(37,396)	(12,142)	(18,760)	(32,963)	(13,032)	(14,710)
Interest expenses	38,806	1,510	58	57,025	16,702	12,034
Profit(loss) from operating activities before changes in operating assets and liabilities	132,548	21,649	(90,082)	139,758	49,566	(57,350)
Operating assets (Increase) decrease						
Trade and other receivables	1,257,310	(5,898)	441,777	1,253,964	(4,441)	441,472
Unbilled receivables	5,347	550,262	22,697	6,546	554,656	25,023
Short -term loans to related parties	(24,242)	0	0	0	0	0
Inventories	22,471	6,968	24,806	22,471	7,762	24,726
Prepaid project costs	82,923	(21,413)	21,869	82,249	(16,122)	22,352
Other current assets	6,579	(7,274)	21,989	6,290	(7,268)	21,964
Account receivable under troubled debt restructuring	11,171	1,467	0	11,339	47,041	0
Other assets	178	1,191	(30)	76	(3,760)	(5)
Operating liabilities increase (decrease)						
Trade and other payable	(1,154,097)	(364,556)	57,131	(1,151,033)	(366,754)	56,725
Accrued project costs	44,891	(121,550)	(103,681)	47,160	(116,845)	(110,677)
Advance received for goods and services	(73,626)	(81,124)	716	(73,910)	(81,104)	741
Other current liabilities	6,255	332	(12,850)	7,113	(1,708)	(13,155)
Other non-current liabilities	0	(2,080)	0	(2,000)	(2,080)	0
<b>Cash from (used in) operating activities</b>	<b>317,709</b>	<b>(22,028)</b>	<b>384,341</b>	<b>350,022</b>	<b>58,943</b>	<b>411,817</b>
Cash paid for interest expenses	(14,564)	(688)	(57)	(32,788)	(15,892)	(12,037)

## Jasmine Telecom Systems Public Company limited

## Cash flow statement (Continued)

As at 31 December 2012 to 2014

(Unit: Thousands Baht)

	Separate financial statements			Consolidated financial statements		
	2012	2013	2014	2012	2013	2014
Cash paid for income tax	30,224	(12,926)	(9,396)	35,431	(13,621)	(8,866)
<b>Net cash from (used in ) operationg activities</b>	<b>333,370</b>	<b>(35,642)</b>	<b>374,889</b>	<b>352,665</b>	<b>29,430</b>	<b>390,914</b>
<b>Cash flows from investing activities</b>						
Decrease(Increase) in current investment bank deposits	(99,283)	58,576	(460,507)	(97,546)	58,504	(460,429)
Decrease(Increase) in restricted bank deposits	17,684	(11,225)	41,713	17,259	(10,493)	42,351
Interest income	9,257	8,712	16,014	6,914	10,612	11,191
Acquisition of equipment	(3,521)	(2,335)	(22)	(4,026)	(2,854)	(1,135)
Proceeds from sales of equipment	0	0	326	179	0	326
<b>Net cash from (used in ) investing activities</b>	<b>(75,863)</b>	<b>53,728</b>	<b>(402,476)</b>	<b>(77,221)</b>	<b>55,768</b>	<b>(407,697)</b>
<b>Cash flows from financing activities</b>						
Decrease in Short-term bank loans	(4,827)	0	0	(4,827)	0	0
Decrease in trust receipts	(151,132)	(61,605)	(25,160)	(151,132)	(61,605)	(25,160)
Repayment of long-term loans	(60,862)	0	0	(75,346)	(63,946)	(14,510)
Dividend paid	(35,322)	(35,322)	0	(35,322)	(35,322)	0
<b>Net cash used in financing activities</b>	<b>(252,143)</b>	<b>(96,926)</b>	<b>(25,160)</b>	<b>(266,627)</b>	<b>(160,872)</b>	<b>(39,671)</b>
Net increase (decrease) in cash and cash equivalents	5,363	(78,840)	(52,748)	8,817	(75,674)	(56,454)
Cash and cash equivalents at begginning of year	302,331	307,694	228,855	308,477	317,294	241,620
<b>Cash and cash equivalents at the end of year</b>	<b>307,694</b>	<b>228,855</b>	<b>176,107</b>	<b>317,294</b>	<b>241,620</b>	<b>185,166</b>



## Jasmine Telecom Systems Public Company limited

## Financial Ratios

As at 31 December 2012 to 2014

	Separate financial statements			Consolidated financial statements		
	2012	2013	2014	2012	2013	2014
<u>Liquidity ratio</u>						
Current ratio (times)	2.55	4.99	5.91	2.10	3.11	3.45
Quick ratio (times)	2.32	4.54	5.67	1.95	2.92	3.24
Cash ratio (times)	0.20	-0.05	1.19	0.19	0.03	0.74
Receivables turn over (times)	0.45	0.15	0.04	0.46	0.19	0.10
Collection period (days)	801	2,365	8,064	791	1,855	3,585
Inventory turnover (times)	18.02	3.81	1.31	16.55	4.37	2.17
Inventory turnover period (days)	20	95	274	22	82	166
Account payable turnover (times)	0.80	0.38	0.16	0.81	0.44	0.23
Payment period (days)	449	942	2,238	444	822	1,560
Cash Cycle (days)	371	1,518	6,100	369	1,116	2,191
<u>Profitability ratio</u>						
Gross profit margin (%)	20.67	43.18	31.31	21.69	44.90	50.16
Cash to net profit ratio (%)	217.74	-4,989.14	-512.10	232.41	123.55	-744.53
Net profit margin(%)	3.37	1.98	-428.64	-14.16	3.44	-104.95
Return on equity (%)	2.31	0.33	-19.64	-12.71	0.96	-11.42
<u>Efficiency ratio</u>						
Return on assets (%)	1.16	0.23	-16.13	-4.96	0.51	-7.16
Return on fixed assets (%)	374.38	50.69	-1825.23	-769.57	45.03	-425.37
Asset turnover (times)	0.34	0.12	0.04	0.35	0.15	0.07
<u>Financial policy ratio</u>						
Debt of equity (times)	0.59	0.22	0.21	1.15	0.61	0.58
Interest coverage (times)	22.89	-51.78	6,626.05	10.76	1.85	32.47
Debt service coverage ratio (cash basis ) (times)	-3.42	1.08	17,166.02	-3.16	-0.31	-29.23
<u>Data per share</u>						
Par value (Baht)	1.00	1.00	1.00	1.00	1.00	1.00
Book value per share (Baht)	2.42	2.37	1.95	1.79	1.75	1.57
Book value per share (Baht)- par value of Baht 1	0.06	0.01	-0.42	-0.25	0.02	-0.19
<u>Growth rate</u>						
Total assets (%)	-33.22	-24.46	-18.76	-36.82	-26.55	13.76
Total liabilities(%)	-57.36	-62.85	-22.67	-48.68	-48.09	-14.24
Sales and service income (%)	-10.68	-78.41	-80.12	-10.65	-73.61	-64.80
Cost of sales and services (%)	-12.35	-84.54	-75.96	-13.12	-81.43	-68.15
Selling servicing and administrative expenses	-13.86	0.40	-5.03	-13.37	-5.29	-3.83
Net profit (%)	30.43	-85.95	-5,536.88	157.05	-106.92	-1,215.14

# Management Discussion and Analysis (MD&A)

## Overall Operating Results for the year 2014

In 2014, the Company and its subsidiary had the total revenue of Baht 127.61 million, decreasing by Baht 221.22 million or 63.42%, compared to the year 2013. The net loss was Baht 133.92 million, increasing by Baht 145.93 million or 1,215.07%, compared to the year 2013. The decrease was mainly due to the decline in Telecom Systems Integration business, which for year 2014, generated the income of Baht 38.36 million, declining by Baht 157.84 million or 80.45%. The decrease was also due to the decline in Telecom Service business, which for the year 2014, generated Baht 9.19 million, declining by Baht 34.98 million or 79.19%.

## Revenue Structure and Operating Results

(Unit : Million Baht)

Type of Business	Consolidated		Changed	% Changed
	Y 2014	Y 2013		
Telecom Systems Integration	38.36	196.20	(157.84)	(80.45)
Telecom Service Business	9.19	44.17	(34.98)	(79.19)
Computer Systems Integration	62.01	70.83	(8.82)	(12.45)
<b>Total Sales and Services Income</b>	<b>109.56</b>	<b>311.20</b>	<b>(201.65)</b>	<b>(64.80)</b>
Other Income	18.05	37.62	(19.57)	(52.02)
<b>Total Revenue</b>	<b>127.61</b>	<b>348.82</b>	<b>(221.22)</b>	<b>(63.42)</b>
Cost of sales and services	54.60	171.47	(116.86)	(68.15)
Gross Profit **	54.95	139.73	(84.78)	(60.67)
<b>Net profit (loss) after tax</b>	<b>(133.92)</b>	<b>12.01</b>	<b>(145.93)</b>	<b>(1,215.07)</b>
weighted average number of ordinary shares (million shares)	706.46	706.46	0.00	0.00
<b>Earning per Share (Baht / Share)</b>	<b>(0.19)</b>	<b>0.02</b>	<b>(0.21)</b>	<b>(1,050.00)</b>

Remarks:\*\*Gross Profit is a result of sales and service income deducted by sales and service cost.

## Revenue Structure

In 2014, the Company and its subsidiary had the total revenue of Baht 127.61 million, declining by Baht 221.22 million or 63.42%, from the year 2013. The total revenue comprised :

- The revenue obtained from Telecom Systems Integration business of Baht 38.35 million or 30.05%
- The revenue obtained from Telecom Service business of Baht 9.19 million or 7.21% in which including the revenue from public payphone rental contract and the revenue from the Universal Service Obligation (USO) projects
- The revenue obtained from Computer Systems Integration business and Cloud Computing business of Baht 62.01 million or 48.60%
- Other revenue of Baht 18.05 million or 14.14%, most of which was from interest income, amounting Baht 14.71 million.

## Operating Results

In 2014, the Company and its subsidiary had net loss of Baht 133.92 million. The net loss increased, from the year 2013, by Baht 145.93 million or 1,215.07%. The Company had net loss of Baht 141.81 million, increasing by Baht 147.33 million. However, the subsidiary generated net profit of Baht 8.06 million. The net profit of the subsidiary increased by Baht 1.43 million, from the year 2013.

## Expenses

(Unit : Million Baht)

Item	Consolidated		Changed	% Changed
	Y 2014	Y 2013		
Cost of sales and services	54.60	171.47	(116.87)	(68.16)
Selling and servicing expenses	11.29	15.40	(4.11)	(26.68)
Administrative expenses	114.22	115.11	(0.89)	(0.77)
Loss from exchange rate	16.58	0.00	16.58	100.00
Loss on impairment of assets	37.50	15.13	22.37	147.85
<b>Total expenses</b>	<b>234.19</b>	<b>317.10</b>	<b>(82.91)</b>	<b>(26.15)</b>

## Cost of Sales and Services

In 2014, the Company and its subsidiary had cost of sales and services amounting Baht 54.60 million, decreasing, from the year 2013, by Baht 116.86 million or 68.15% due to the decrease in the sales and services income.

## Selling and Servicing Expenses and Administrative Expenses

In 2014, the Company and its subsidiary had selling and servicing expenses and administrative expenses amounting Baht 125.51 million, decreasing from the year 2013, by Baht 5 million or 3.83% due to the decrease in selling and servicing expenses and administrative expenses of Baht 19.66 million. Nevertheless, bad debt and amortization of spare parts and equipment increased by Baht 9.26 million and Baht 5.73 million, respectively.

## Finance Cost

In 2014, the Company and its subsidiary had financial expense of Baht 12.50 million, decreasing from the year 2013, by Baht 4.36 million or 25.88%. The financial expense consisted of bank charge and interest expense. Interest expense decreased due to the repayment of the long term loan.

## Gain and Loss of Exchange Rate

In 2014, the Company and its subsidiary had loss of exchange rate due to Forward Contract and foreign exchange rate of Baht 16.58 million.

## Financial Position

### Assets

(Unit : Million Baht)

Item	Consolidated		Changed	% Changed
	31/12/2014	31/12/2013		
<b>Current Assets</b>	<b>1,683.51</b>	<b>1,820.24</b>	<b>(136.73)</b>	<b>(7.51)</b>
<b>Non—Current Assets</b>	<b>66.91</b>	<b>170.96</b>	<b>(104.05)</b>	<b>(60.86)</b>
Deferred tax asset	0.00	14.67	(14.67)	(100.00)
Property, plant and equipment - net	31.68	31.29	0.39	1.25
Accounts receivable under troubled debt restructuring	0.00	47.42	(47.42)	(100.00)
Other non - current assets	35.23	77.58	(42.35)	(54.59)
<b>Total Assets</b>	<b>1,750.42</b>	<b>1,991.19</b>	<b>(240.77)</b>	<b>(12.09)</b>

As at 31 December 2014, the Company and its subsidiary had total assets of Baht 1,750.42 million, decreasing by Baht 240.77 million or 12.09%. Detail is as follows:

- Current assets decreased due to the increase in cash and current investments by Baht 403.98 million; the decrease in trade and other receivables by Baht 450.72 million and the decrease in other current assets which included unbilled receivables, inventories and prepaid project by Baht 89.99 million.
- Non-Current assets decreased due to the decrease in the deferred tax asset by Baht 14.67 million; the increase in property, plant and equipment by Baht 0.39 million ; the decrease in account receivables under troubled debt restructuring by Baht 47.42 million; and the decrease in restricted bank deposit by Baht 42.35 million due to the completion of the project warranty period.

### Liabilities

(Unit : Million Baht)

Item	Consolidated		Changed	% Changed
	31/12/2014	31/12/2013		
<b>Current Liabilities</b>	<b>488.25</b>	<b>565.18</b>	<b>(76.93)</b>	<b>(13.61)</b>
<b>Non-Current Liabilities</b>	<b>156.43</b>	<b>186.51</b>	<b>(30.09)</b>	<b>(16.13)</b>
Long Term Loans	138.80	167.79	(28.99)	(17.28)
Provision for long - term employee benefits	17.63	18.72	(1.09)	(5.85)
<b>Total Liabilities</b>	<b>644.68</b>	<b>751.70</b>	<b>(107.02)</b>	<b>(14.24)</b>

As at 31 December 2014, the Company and its subsidiary had total liabilities, amounting Baht 644.68 million, decreasing by Baht 107.02 million or 14.24%. Detail is as follows :

- Current liabilities decreased by Baht 76.93 million or 13.61% due to the decrease in Trust receipts by Baht 25.16 million, the increase in trade and other payables by Baht 56.70 million, the decrease in accrued project cost by Baht 110.68 million, and the decrease in other current liabilities by Baht 2.21 million.
- Non-current liabilities decreased by Baht 30.09 million or 16.13% as the long-term loans decreased by Baht 28.99 million due to the reclassification of loan that was due in one year into current liabilities and the decrease in provision for long-term employee benefits by Baht 1.09 million.

## Shareholders' Equity

As at 31 December 2014, shareholders' equity of the Company and its subsidiary was Baht 1,105.74 million, decreasing by Baht 133.75 million or 10.79%. This was mainly due to net loss, amounting Baht 133.75 million.

## Capital Structure

As at 31 December 2014, the Company and its subsidiary had total liabilities of Baht 644.67 million, equivalent to 36.83 %; while the total shareholders' equity was of Baht 1,105.74 million or 63.17%; and debt to equity ratio was at 0.58 time.

## Liquidity

As at 31 December 2014, the Company and its subsidiary had cash and cash equivalent of Baht 185.17 million, decreasing by Baht 56.45 million from the year 2013. The summary of net cash generated and used is as follows: -

- Net cash generated from operating activities	:	Baht	390.91	million
- Net cash used for investing activities	:	Baht	(407.70)	million
- Net cash used for financing activities	:	Baht	(39.67)	million

## Report of the Board of Directors with Responsibility for the Financial Statement

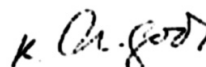
The Board of Directors is responsible for ensuring that the financial statements of Jasmine Telecom Systems Public Company Limited and the consolidated financial statement of the Company and its subsidiary are made in accordance with the generally accepted accounting principles. The accounting policies chosen are suitable and adhered consistently. The information is sufficiently disclosed in the notes attached to the financial statements for the benefit of the shareholders and the investors.

The consolidated financial statements and the Company's financial statements are prepared in accordance with the principles of generally accepted accounting principles and they are reviewed, audited and given financial opinion by the Audit Committee and independent auditor. The Company's internal control has been evaluated to ensure the sufficiency and to determine whether any fraud or irregularities occurred by the Audit Committee.

The Board of Director is convinced that the consolidated financial statements and the Company's financial statements for the year 2014 present the Company's financial situation and operation results in a reliable and accurate manner.



(Mr. Pleumjai Sinarkorn)  
Director



(Mr. Kriengsak Chalermtiragool)  
Director

# Independent Auditor's Report

To the Shareholders of Jasmine Telecom Systems Public Company Limited

I have audited the accompanying consolidated financial statements of Jasmine Telecom Systems Public Company Limited and its subsidiary, which comprise the consolidated statement of financial position as at 31 December 2014, and the related consolidated statements of comprehensive income, changes in shareholders' equity and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information, and have also audited the separate financial statements of Jasmine Telecom Systems Public Company Limited for the same period.

## Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Thai Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

## Auditor's Responsibility

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with Thai Standards on Auditing. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified audit opinion.

## Basis for Qualified Opinion

- a) As described in Note 21 to the financial statements, the Company has disclosed its financial information by operating segment in accordance with Financial Reporting Standard No. 8 “Operating Segments”, except for its operating results, which the Company is unable to disclose by operating segment for the reasons described in that note.
- b) As described in Note 24.3 to the 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.

During 2014, counterparties of the agreements submitted letters to the Company to terminate the sale and purchase agreements and asked the Company to pay a penalty totaling Baht 148 million. However, the Company submitted letters to these counterparties objecting the imposition of the penalty. The management of the Company clarified that the delayed in shipment was due to force majeure and the Company did not breach the agreements. However, in November 2014, a counterparty filed a lawsuit against the Company with the Administrative Court, requesting the Company pay a penalty in amount of Baht 190 million, the outcome has not been known. As a result, the Company is unable to conclude if and to what extent penalties and damages will be incurred. Therefore, the Company does not record provision for such penalties and damages in the accounts. I was unable to perform audit procedures to satisfy myself as to the penalties and damages that may be incurred as a result of the above, and this constitutes a limitation imposed by circumstance.

## Qualified Opinion

In my opinion, except for non-disclosure of information relating to the operating results by operating segment as described in a) in the Basis for Qualified Opinion paragraph and except for the possible effects of the matter as described in b) in the Basis for Qualified Opinion paragraph, the financial statements referred to above present fairly, in all material respects, the financial position of Jasmine Telecom Systems Public Company Limited and its subsidiary and of Jasmine Telecom Systems Public Company Limited as at 31 December 2014, their financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards.



## Emphasis of matters

I draw attention to the following matters:

1. The balance receivable from an unrelated company under a troubled debt restructuring agreement, of approximately Baht 47 million (the Company only: Baht 19 million), as described in Note 9 to the financial statements
2. Disputes described in Note 24.2 to the financial statements

My opinion is not qualified in respect of the above matters.

## Other matter

The consolidated financial statements of Jasmine Telecom Systems Public Company Limited and its subsidiary, and the separate financial statements of Jasmine Telecom Systems Public Company Limited as at 31 December 2013 and for the year then ended, were audited by another auditor of our firm who expressed a qualified opinion on those statements with respect to non-disclosure of information of the operating results by operating segment, similar to the matter in a), and the limitation imposed by circumstance related to a matter similar to that in b), as stated in the above Basis for Qualified Opinion paragraph and drew attention to the matters similar to 1) and 2) as stated in the above Emphasis of Matters paragraph, under his report dated 11 February 2014.



Supachai Phanyawattano

Certified Public Accountant (Thailand) No. 3930

EY Office Limited

Bangkok: 2 March 2015

# Statement of financial position

Jasmine Telecom Systems Public Company Limited and its subsidiary

As at 31 December 2014

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2014	2013	2014	2013
<b>Assets</b>					
<b>Current assets</b>					
Cash and cash equivalents		185,166,742	241,620,727	176,106,832	228,854,757
Current investments - bank deposits		542,228,742	81,799,307	542,082,326	81,575,134
Trade and other receivables	7	810,424,233	1,261,143,649	794,908,857	1,250,900,412
Unbilled receivables					
Related parties	6	108,984	104,678	77,520	74,640
Unrelated parties		42,523,005	67,550,803	38,922,293	61,622,197
Short-term loans to related party	6	-	-	-	69,347,000
Inventories	8	17,139,240	33,151,552	17,042,503	33,134,627
Account receivable under troubled debt restructuring	9	47,414,702	-	18,833,738	-
Prepaid project costs		133,165	22,485,173	110,461	21,979,630
Other current assets		38,367,026	47,944,998	27,546,336	37,393,061
<b>Total current assets</b>		<b>1,683,505,839</b>	<b>1,755,800,887</b>	<b>1,615,630,866</b>	<b>1,784,881,458</b>
Non-current assets held for sale	10	-	64,434,424	-	64,434,424
		<b>1,683,505,839</b>	<b>1,820,235,311</b>	<b>1,615,630,866</b>	<b>1,849,315,882</b>
<b>Non-current assets</b>					
Restricted bank deposits		32,387,673	74,739,060	29,752,967	71,466,279
Account receivable under troubled debt restructuring	9	-	47,414,702	-	18,833,738
Investment in subsidiary	11	-	-	-	83,899,210
Property, plant and equipment	12	31,680,115	31,288,238	20,269,739	12,605,215
Deferred tax asset	19	-	14,674,073	-	14,674,073
Deposits		2,844,067	2,839,536	1,926,393	1,896,433
<b>Total non-current assets</b>		<b>66,911,855</b>	<b>170,955,609</b>	<b>51,949,099</b>	<b>203,374,948</b>
<b>Total assets</b>		<b>1,750,417,694</b>	<b>1,991,190,920</b>	<b>1,667,579,965</b>	<b>2,052,690,830</b>

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

## Statement of financial position (continued)

Jasmine Telecom Systems Public Company Limited and its subsidiary

As at 31 December 2014

(Unit: Baht)

		Consolidated financial statements		Separate financial statements	
	Note	2014	2013	2014	2013
Liabilities and shareholders' equity					
Current liabilities					
Trust receipts	13	-	25,160,418	-	25,160,418
Trade and other payables	14	264,957,540	208,255,625	233,160,824	176,053,772
Accrued project cost		165,257,587	275,934,171	20,724,864	124,405,847
Current portion of long-term loans	15	28,968,000	14,484,000	-	-
Advances received for goods and services		2,345,650	1,604,760	2,300,467	1,584,860
Other current liabilities		26,719,268	39,741,727	17,417,119	30,265,428
Total current liabilities		488,248,045	565,180,701	273,603,274	357,470,325
Non-current liabilities					
Long-term loans - net of current portion	15	138,799,876	167,794,373	-	-
Provision for long-term employee benefits	16	17,627,111	18,722,052	16,654,525	17,875,976
Total non-current liabilities		156,426,987	186,516,425	16,654,525	17,875,976
Total liabilities		644,675,032	751,697,126	290,257,799	375,346,301

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

## Statement of financial position (continued)

Jasmine Telecom Systems Public Company Limited and its subsidiary

As at 31 December 2014

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2014	2013	2014	2013
<b>Shareholders' equity</b>					
Share capital					
Registered					
706,457,300 ordinary shares of Baht 1 each		706,457,300	706,457,300	706,457,300	706,457,300
Issued and fully paid-up					
706,457,300 ordinary shares of Baht 1 each		706,457,300	706,457,300	706,457,300	706,457,300
Share premium		420,269,078	420,269,078	420,269,078	420,269,078
Retained earnings					
Appropriated-statutory reserve	17	65,185,714	65,185,714	65,185,714	65,185,714
Unappropriated		(86,959,540)	46,963,233	185,410,074	485,432,437
Other components of shareholders' equity	2.2	8,157,637	8,157,637	-	-
Equity attributable to owners of the Company		1,113,110,189	1,247,032,962	1,377,322,166	1,677,344,529
Non-controlling interests of the subsidiary		(7,367,527)	(7,539,168)	-	-
<b>Total shareholders' equity</b>		<b>1,105,742,662</b>	<b>1,239,493,794</b>	<b>1,377,322,166</b>	<b>1,677,344,529</b>
<b>Total liabilities and shareholders' equity</b>		<b>1,750,417,694</b>	<b>1,991,190,920</b>	<b>1,667,579,965</b>	<b>2,052,690,830</b>

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

# Statement of comprehensive income

Jasmine Telecom Systems Public Company Limited and its subsidiary

For the year ended 31 December 2014

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2014	2013	2014	2013
<b>Profit or loss:</b>					
<b>Revenues</b>					
Sales and service income		109,553,503	311,203,595	47,915,247	241,002,559
Exchange gains		-	23,026,884	-	24,307,387
Other income		18,052,235	14,592,073	22,079,124	12,770,618
<b>Total revenues</b>		<b>127,605,738</b>	<b>348,822,552</b>	<b>69,994,371</b>	<b>278,080,564</b>
<b>Expenses</b>					
Cost of sales and services		54,604,414	171,469,172	32,914,229	136,934,567
Selling and servicing expenses		11,289,502	15,398,387	9,537,201	13,878,825
Administrative expenses		114,216,380	115,108,310	100,749,730	102,245,401
Exchange losses		16,582,488	-	15,914,871	-
Other expenses					
Doubtful debt	6	-	-	74,313,750	-
Loss on impairment of investment	11	-	-	83,899,210	-
Loss on impairment of asset	10	37,495,799	15,125,000	37,495,799	15,125,000
<b>Total expenses</b>		<b>234,188,583</b>	<b>317,100,869</b>	<b>354,824,790</b>	<b>268,183,793</b>
Profit (loss) before finance cost and income tax expenses		(106,582,845)	31,721,683	(284,830,419)	9,896,771
Finance cost		(12,494,214)	(16,856,393)	(517,871)	(1,663,936)
<b>Profit (loss) before income tax expenses</b>		<b>(119,077,059)</b>	<b>14,865,290</b>	<b>(285,348,290)</b>	<b>8,232,835</b>
Income tax expenses	19	(14,674,073)	(2,714,556)	(14,674,073)	(2,714,556)
<b>Profit (loss) for the year</b>		<b>(133,751,132)</b>	<b>12,150,734</b>	<b>(300,022,363)</b>	<b>5,518,279</b>
<b>Other comprehensive income for the year</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total comprehensive income for the year</b>		<b>(133,751,132)</b>	<b>12,150,734</b>	<b>(300,022,363)</b>	<b>5,518,279</b>

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

# Statement of comprehensive income (continued)

Jasmine Telecom Systems Public Company Limited and its subsidiary

For the year ended 31 December 2014

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2014	2013	2014	2013
<b>Profit (loss) attributable to:</b>					
Equity holders of the Company		(133,922,773)	12,009,463	(300,022,363)	5,518,279
Non-controlling interests of the subsidiary		171,641	141,271		
		(133,751,132)	12,150,734		
<b>Total comprehensive income attributable to:</b>					
Equity holders of the Company		(133,922,773)	12,009,463	(300,022,363)	5,518,279
Non-controlling interests of the subsidiary		171,641	141,271		
		(133,751,132)	12,150,734		
<b>Earnings per share</b>	20				
Basic earnings per share					
Profit (loss) attributable to equity holders of the Company		(0.19)	0.02	(0.42)	0.01

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

# Statement of changes in shareholders' equity

Jasmine Telecom Systems Public Company Limited and its subsidiary

For the year ended 31 December 2014

(Unit: Baht)

Consolidated financial statements									
	Equity attributable to the parent's shareholders					Other component of equity			
	Issued and fully paid-up share capital	Share premium	Retained earnings		Difference between the purchase price of investment in subsidiary under common control and its net book value	Total other components of shareholders' equity	Total equity attributable to owners of the Company	Equity attributable to non-controlling interests of the subsidiary	Total shareholders' equity
			Appropriated	Unappropriated (deficit)					
<b>Balance as at 1 January 2013</b>	706,457,300	420,269,078	64,909,800	70,551,184	8,157,637	8,157,637	1,270,344,999	(7,680,439)	1,262,664,560
Dividend paid (Note 23)	-	-	-	(35,321,500)	-	-	(35,321,500)	-	(35,321,500)
Total comprehensive income for the year	-	-	-	12,009,463	-	-	12,009,463	141,271	12,150,734
Transferred to statutory reserve (Note 17)	-	-	275,914	(275,914)	-	-	-	-	-
<b>Balance as at 31 December 2013</b>	706,457,300	420,269,078	65,185,714	46,963,233	8,157,637	8,157,637	1,247,032,962	(7,539,168)	1,239,493,794
<b>Balance as at 1 January 2014</b>	706,457,300	420,269,078	65,185,714	46,963,233	8,157,637	8,157,637	1,247,032,962	(7,539,168)	1,239,493,794
Total comprehensive income for the year	-	-	-	(133,922,773)	-	-	(133,922,773)	171,641	(133,751,132)
<b>Balance as at 31 December 2014</b>	706,457,300	420,269,078	65,185,714	(86,959,540)	8,157,637	8,157,637	1,113,110,189	(7,367,527)	1,105,742,662

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

# Statement of changes in shareholders' equity (continued)

Jasmine Telecom Systems Public Company Limited and its subsidiary

For the year ended 31 December 2014

(Unit: Baht)

	Separate financial statements				
	Issued and fully paid-up share capital	Share premium	Retained earnings	Unappropriated	Total shareholders' equity
			Appropriated		
<b>Balance as at 1 January 2013</b>	706,457,300	420,269,078	64,909,800	515,511,572	1,707,147,750
Dividend paid (Note 23)	-	-	-	(35,321,500)	(35,321,500)
Total comprehensive income for the year	-	-	-	5,518,279	5,518,279
Transferred to statutory reserve (Note 17)	-	-	275,914	(275,914)	-
<b>Balance as at 31 December 2013</b>	706,457,300	420,269,078	65,185,714	485,432,437	1,677,344,529
<b>Balance as at 1 January 2014</b>	706,457,300	420,269,078	65,185,714	485,432,437	1,677,344,529
Total comprehensive income for the year	-	-	-	(300,022,363)	(300,022,363)
<b>Balance as at 31 December 2014</b>	706,457,300	420,269,078	65,185,714	185,410,074	1,377,322,166

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



# Cash flow statement

Jasmine Telecom Systems Public Company Limited and its subsidiary

For the year ended 31 December 2014

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
<b>Cash flows from operating activities</b>				
Profit (loss) before tax	(119,077,059)	14,865,290	(285,348,290)	8,232,835
Adjustments to reconcile profit (loss) before tax to net cash provided by (paid from) operating activities				
Depreciation	18,747,773	12,845,511	10,363,503	7,268,933
Bad debt	9,261,781	-	9,261,781	-
Doubtful debt	-	-	74,313,750	-
Loss on impairment of investment	-	-	83,899,210	-
Loss on impairment of asset	37,495,799	15,125,000	37,495,799	15,125,000
Loss (gain) on disposal of equipment	(105,503)	4,086	(107,157)	-
Provision for long-term employee benefits (reversal)	(1,094,941)	1,668,239	(1,221,451)	1,546,304
Unrealised exchange (gains) losses	99,274	1,388,280	(37,345)	107,777
Interest income	(14,710,384)	(13,032,341)	(18,760,414)	(12,141,944)
Interest expenses	12,033,714	16,702,261	58,232	1,509,805
Profit (loss) from operating activities before changes in operating assets and liabilities	(57,349,546)	49,566,326	(90,082,382)	21,648,710
Operating assets (increase) decrease				
Trade and other receivables	441,471,524	(4,440,899)	441,776,913	(5,897,745)
Unbilled receivables	25,023,492	554,656,199	22,697,024	550,261,512
Inventories	24,726,032	7,762,069	24,805,844	6,968,277
Prepaid project costs	22,352,008	(16,122,346)	21,869,169	(21,413,425)
Other current assets	21,964,067	(7,267,816)	21,989,051	(7,273,792)
Account receivable under troubled debt restructuring	-	47,041,455	-	1,466,886
Other assets	(4,531)	(3,760,472)	(29,960)	1,190,553
Operating liabilities increase (decrease)				
Trade and other payables	56,725,371	(366,753,677)	57,130,508	(364,555,916)
Accrued project costs	(110,676,584)	(116,845,379)	(103,680,983)	(121,550,173)
Advances received for goods and services	740,890	(81,104,407)	715,607	(81,124,307)
Other current liabilities	(13,155,313)	(1,708,191)	(12,849,963)	331,768
Other non-current liabilities	-	(2,079,920)	-	(2,079,920)
Cash from (used in) operating activities	411,817,410	58,942,942	384,340,828	(22,027,572)
Cash paid for interest expenses	(12,037,479)	(15,891,568)	(56,578)	(688,335)
Cash paid for income tax	(8,866,221)	(13,621,034)	(9,395,647)	(12,925,739)
<b>Net cash from (used in) operating activities</b>	<b>390,913,710</b>	<b>29,430,340</b>	<b>374,888,603</b>	<b>(35,641,646)</b>

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

## Cash flow statement (continued)

Jasmine Telecom Systems Public Company Limited and its subsidiary

For the year ended 31 December 2014

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
<b>Cash flows from investing activities</b>				
Decrease (increase) in current investments - bank deposits	(460,429,435)	58,503,939	(460,507,192)	58,576,378
Decrease (increase) in restricted bank deposits	42,351,387	(10,492,921)	41,713,312	(11,225,115)
Interest income	11,190,510	10,611,739	16,013,735	8,711,925
Acquisition of equipment	(1,135,116)	(2,854,491)	(21,839)	(2,334,763)
Proceeds from sales of equipment	325,874	-	325,874	-
<b>Net cash from (used in) investing activities</b>	<b>(407,696,780)</b>	<b>55,768,266</b>	<b>(402,476,110)</b>	<b>53,728,425</b>
<b>Cash flows from financing activities</b>				
Decrease in trust receipts	(25,160,418)	(61,604,888)	(25,160,418)	(61,604,888)
Repayment of long-term loans	(14,510,497)	(63,945,832)	-	-
Dividend paid	-	(35,321,500)	-	(35,321,500)
<b>Net cash used in financing activities</b>	<b>(39,670,915)</b>	<b>(160,872,220)</b>	<b>(25,160,418)</b>	<b>(96,926,388)</b>
<b>Net decrease in cash and cash equivalents</b>	<b>(56,453,985)</b>	<b>(75,673,614)</b>	<b>(52,747,925)</b>	<b>(78,839,609)</b>
Cash and cash equivalents at beginning of year	241,620,727	317,294,341	228,854,757	307,694,366
<b>Cash and cash equivalents at end of year</b>	<b>185,166,742</b>	<b>241,620,727</b>	<b>176,106,832</b>	<b>228,854,757</b>
<b>Supplemental cash flow information</b>				
Non-cash transactions				
Transfer prepaid project costs to equipment	-	5,048,800	-	-
Transfer inventories to equipment	18,224,905	6,560,318	18,224,905	-
Transfer assets held for sale to equipment	17,182,644	-	17,182,644	-

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

# Notes to consolidated financial statements

Jasmine Telecom Systems Public Company Limited and its subsidiary

*For the year ended 31 December 2014*

## 1. Corporate information

Jasmine Telecom Systems Public Company Limited (“the Company”) is a public company incorporated and domiciled in Thailand. Its parent company is Jasmine International Public Company Limited, which is incorporated in Thailand. The Company is principally engaged in the design and installation of telecommunication systems, telecom service business, and other businesses. The registered office of the Company is at 200 Moo 4, 9th Floor, Jasmine International Tower, Chaengwatana Road, Pakkred, Nonthaburi.

## 2. Basis of preparation

- 2.1 The financial statements have been prepared in accordance with Thai Financial Reporting Standards enunciated under the Accounting Professions Act B.E. 2547 and their presentation has been made in compliance with the stipulations of the Notification of the Department of Business Development dated 28 September 2011, issued under the Accounting Act B.E. 2543.

The financial statements in Thai language are the official statutory financial statements of the Company. The financial statements in English language have been translated from the Thai language financial statements.

The financial statements have been prepared on a historical cost basis except where otherwise disclosed in the accounting policies.

### 2.2 Basis of consolidation

- a) The consolidated financial statements include the financial statements of Jasmine Telecom Systems Public Company Limited (“the Company”) and a subsidiary company, Cloud Computing Solutions Company Limited (“the subsidiary”), which is incorporated in Thailand. The subsidiary company is principally engaged in the computer system and software development and design services, and sales of computer products. The Company’s investment in the ordinary shares of the subsidiary represented about 97.87 percent of the subsidiary’s registered share capital.
- b) Subsidiary is fully consolidated, being the date on which the Company obtains control, and continue to be consolidated until the date when such control ceases.
- c) The financial statements of the subsidiary are prepared using the same significant accounting policies as the Company.
- d) Material balances and transactions between the Company and its subsidiary company have been eliminated from the consolidated financial statements.
- e) Non-controlling interests represent the portion of profit or loss and net assets of the subsidiary that are not held by the Company and are presented separately in the consolidated profit or loss and within equity in the consolidated statement of financial position.

The Company purchased investment in the subsidiary company at a price of approximately Baht 8 million lower than the attributable net asset value of the subsidiary company. The Company recorded this difference under the caption of “Other components of shareholders’ equity” in shareholders’ equity in the consolidated statement of financial position.

- 2.3. The separate financial statements, which present investment in subsidiary under the cost method, have been prepared solely for the benefit of the public.

### 3. New financial reporting standards

Below is a summary of financial reporting standards that became effective in the current accounting year and those that will become effective in the future.

**(a) Financial reporting standards that became effective in the current accounting year**

Conceptual Framework for Financial Reporting (revised 2014)

Accounting Standards:

TAS 1 (revised 2012)	Presentation of Financial Statements
TAS 7 (revised 2012)	Statement of Cash Flows
TAS 12 (revised 2012)	Income Taxes
TAS 17 (revised 2012)	Leases
TAS 18 (revised 2012)	Revenue
TAS 19 (revised 2012)	Employee Benefits
TAS 21 (revised 2012)	The Effects of Changes in Foreign Exchange Rates
TAS 24 (revised 2012)	Related Party Disclosures
TAS 28 (revised 2012)	Investments in Associates
TAS 31 (revised 2012)	Interests in Joint Ventures
TAS 34 (revised 2012)	Interim Financial Reporting
TAS 36 (revised 2012)	Impairment of Assets
TAS 38 (revised 2012)	Intangible Assets

Financial Reporting Standards:

TFRS 2 (revised 2012)	Share-based Payment
TFRS 3 (revised 2012)	Business Combinations
TFRS 5 (revised 2012)	Non-current Assets Held for Sale and Discontinued Operations
TFRS 8 (revised 2012)	Operating Segments

Accounting Standard Interpretations:

TSIC 15	Operating Leases — Incentives
TSIC 27	Evaluating the Substance of Transactions Involving the Legal Form of a Lease
TSIC 29	Service Concession Arrangements: Disclosures
TSIC 32	Intangible Assets — Web Site Costs

Financial Reporting Standard Interpretations:

TFRIC 1	Changes in Existing Decommissioning, Restoration and Similar Liabilities
TFRIC 4	Determining whether an Arrangement contains a Lease
TFRIC 5	Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds
TFRIC 7	Applying the Restatement Approach under TAS 29 Financial Reporting in Hyperinflationary Economies
TFRIC 10	Interim Financial Reporting and Impairment
TFRIC 12	Service Concession Arrangements
TFRIC 13	Customer Loyalty Programmes
TFRIC 17	Distributions of Non-cash Assets to Owners
TFRIC 18	Transfers of Assets from Customers
Accounting Treatment Guidance for Stock Dividend	

These financial reporting standards were amended primarily to align their content with the corresponding International Financial Reporting Standards. Most of the changes were directed towards revision of wording and terminology, and provision of interpretations and accounting guidance to users of the accounting standards. These financial reporting standards do not have any significant impact on the financial statements.

**(b) Financial reporting standards that will become effective in the future**

The Federation of Accounting Professions has issued a number of revised and new financial reporting standards that become effective for fiscal years beginning on or after 1 January 2015. 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 accounting standards. The management of the Company and its subsidiary believe that in most cases they have not resulted in changes in key principles. However, some of these financial reporting standards involve changes to key principles, as follows:

Accounting Standard:

TAS 19 (revised 2014)	Employee Benefits
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Financial Reporting Standards:

TFRS 10	Consolidated Financial Statements
TFRS 11	Joint Arrangements
TFRS 12	Disclosure of Interests in Other Entities
TFRS 13	Fair Value Measurement

Based on the preliminary analysis, the management of the Company and its subsidiary believe that the accounting standard and financial reporting standards will not have any significant impact on the financial statements of the Company and its subsidiary.

## 4. Significant accounting policies

### 4.1 Revenue recognition

#### *Sales of goods*

Sales of goods are recognised when the significant risks and rewards of ownership of the goods have passed to the buyer. Sales are the invoiced value, excluding value added tax, of goods supplied after deducting discounts and allowances.

#### *Revenue from design and installation of telecommunication systems*

Revenue from design and installation of telecommunication systems including supply of related equipment is recognised by reference to the stage of completion as assessed by the Company's engineers/project managers.

#### *Revenue from computer system and software development and design services*

Revenue from computer system and software development and design services is recognised by reference to the stage of completion, as assessed by the subsidiary's engineers/project managers.

#### *Rendering of maintenance services*

Maintenance service revenue is recognised when service is rendered.

#### *Public telephone rental income*

Public telephone rental income is recognised based on the rental period and, at the rate stipulated in the rental contract.

#### *Interest income*

Interest income is recognised on an accrual basis based on the effective interest rate.

### 4.2 Cash and cash equivalents

Cash and cash equivalents consist of cash in hand and at banks, and all highly liquid investments with an original maturity of three months or less and not subject to withdrawal restrictions.

### 4.3 Trade and other receivables

Trade and other receivables are stated at the net realisable value. Allowance for doubtful accounts is provided for the estimated losses that may be incurred in collection of receivables. The allowance is generally based on collection experience and analysis of debt aging.

### 4.4 Inventories

Inventories are valued at the lower of cost and net realisable value. Cost is determined on the specific identification method.

### 4.5 Non-current assets held for sale

Non-current asset is classified as non-current asset held for sales if its carrying amount will be recovered principally through a sales transaction rather than through continuing use, the asset is available for immediate

distribution in its present condition and a sale is considered highly probable. A non-current asset held for sales is not depreciated while it is classified as held for sale. Moreover, it is stated at the lower of the carrying amount and fair value less cost to sell.

#### 4.6 Investments

- a) Investments in non-marketable equity securities, which the Company classifies as other investments, are stated at cost net of allowance for impairment loss (if any).
- b) Investment in subsidiary is accounted for in the separated financial statements using the cost method net of allowance for impairment loss (if any).

The weighted average method is used for computation the cost of investments.

On disposal of an investment, the difference between net disposal proceeds and the carrying amount of the investment is recognised in profit or loss.

#### 4.7 Property, plant and equipment / Depreciation

Land is stated at cost. Buildings and equipment are stated at cost less accumulated depreciation and allowance for loss on impairment of assets (if any).

Depreciation of plant and equipment is calculated by reference to their costs, on the straight-line basis over the following estimated useful lives:

Buildings	-	20 years
Public telephones and related equipment	-	3 - 5 years
Buildings and leasehold improvements	-	5 years
Furniture, fixtures and office equipment	-	3 - 10 years
Motor vehicles	-	5 years

Depreciation is included in profit or loss.

No depreciation is provided on land.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on disposal of an asset is included in profit or loss when the asset is derecognised.

#### 4.8 Related party transactions

Related parties comprise enterprises and individuals that control, or are controlled by, the Company and its subsidiary, whether directly or indirectly, or which are under common control with the Company and its subsidiary.

They also include associates and individuals which directly or indirectly own a voting interest in the Company and its subsidiary that give them significant influence over the Company and its subsidiary, key management personnel, directors and officers with authority in the planning and direction of the operations of the Company and its subsidiary.

#### 4.9 Foreign currencies

The consolidated and separate financial statements are presented in Baht, which is also the functional currency of the Company and its subsidiary.

Transactions in foreign currencies are translated into Baht at the exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated into Baht at the exchange rate ruling at the end of reporting period.

Gains and losses on exchange are included in determining income.

#### 4.10 Impairment of assets

At the end of each reporting period, the Company and its subsidiary perform impairment reviews in respect of the property, plant and equipment and investments whenever events or changes in circumstances indicate that an asset may be impaired. An impairment loss is recognised when the recoverable amount of an asset, which is the higher of the asset's fair value less costs to sell and its value in use, is less than the carrying amount.

An impairment loss is recognised in profit or loss.

#### 4.11 Employee benefits

##### *Short-term employee benefits*

Salaries, wages, bonuses and contributions to the social security fund are recognised as expenses when incurred.

##### *Post-employment benefits*

##### *Defined contribution plans*

The Company, its subsidiary and their employees have jointly established a provident fund. The fund is monthly contributed by employees and by the Company and its subsidiary. The fund's assets are held in a separate trust fund and the contributions of the Company and its subsidiary are recognised as expenses when incurred.

##### *Defined benefit plans*

The Company and its subsidiary have obligations in respect of the severance payments they must make to employees upon retirement under labor law. The Company and its subsidiary treat these severance payment obligations as a defined benefit plan.

The obligation under the defined benefit plan is determined by a professionally qualified independent actuary based on actuarial techniques, using the projected unit credit method.

Actuarial gains and losses arising from post-employment benefits are recognised immediately in other comprehensive income.



#### 4.12 Provisions

Provisions are recognised when the Company and its subsidiary have a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

#### 4.13 Income tax

Income tax expense represents the sum of corporate income tax currently payable and deferred tax.

##### Current tax

Current income tax is provided in the accounts at the amount expected to be paid to the taxation authorities, based on taxable profits determined in accordance with tax legislation.

##### Deferred tax

Deferred income tax is provided on temporary differences between the tax bases of assets and liabilities and their carrying amounts at the end of each reporting period, using the tax rates enacted at the end of the reporting period.

The Company and its subsidiary recognise deferred tax liabilities for all taxable temporary differences while they recognise deferred tax assets for all deductible temporary differences and tax losses carried forward to the extent that it is probable that future taxable profit will be available against which such deductible temporary differences and tax losses carried forward can be utilised.

At each reporting date, the Company and its subsidiary review and reduce the carrying amount of deferred tax assets to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised.

The Company and its subsidiary record deferred tax directly to shareholders' equity if the tax relates to items that are recorded directly to shareholders' equity.

#### 4.14 Derivatives

##### Forward exchange contracts

Receivables and payables arising from forward exchange contracts are translated into Baht at the rates of exchange ruling at the end of reporting period. Unrecognised gains and losses from the translation are included in determining income. Premiums or discounts on forward exchange contracts are amortised on a straight-line basis over the contract periods.

## 5. Significant accounting judgments and estimates

The preparation of financial statements in conformity with financial reporting standards at times requires management to make subjective judgments and estimates regarding matters that are inherently uncertain. These judgements and estimates affect reported amounts and disclosures; and actual results could differ from these estimates. Significant judgments and estimates are as follows:

**Allowance for doubtful accounts**

In determining an allowance for doubtful accounts, the management needs to make judgement and estimates based upon, among other things, past collection history, aging profile of outstanding debts and the prevailing economic condition.

**Allowance for impairment on non-current assets held for sale**

The Company considers allowance for impairment of non-current assets held for sale when net realisable value is below book value. The management uses judgement to estimate impairment loss, taking into consideration the fair values, the types and the characteristics of the assets.

**Property plant and equipment/Depreciation**

In determining depreciation of plant and equipment, the management is required to make estimates of the useful lives and residual values of the plant and equipment and to review estimate useful lives and residual values when there are any changes.

In addition, the management is required to review property, plant and equipment for impairment on a periodical basis and record impairment losses in the period when it is determined that their recoverable amount is lower than the carrying amount. This requires judgements regarding forecast of future revenues and expenses relating to the assets subject to the review.

**Deferred tax assets**

Deferred tax assets are recognised for deductible temporary differences and unused tax losses to the extent that it is probable that taxable profit will be available against which the temporary differences and losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of estimate future taxable profits.

**Post-employment benefits under defined benefit plans**

The obligation under the defined benefit plan is determined based on actuarial techniques. Such determination is made based on various assumptions, including discount rate, future salary increase rate, mortality rate and staff turnover rate.

**Litigation**

The Company and its subsidiary have contingent liabilities as a result of litigation. The management of the Company and its subsidiary have used judgement to assess of the results of the litigation and believe that no loss will result. Therefore no contingent liabilities are recorded as at the end of reporting period.

## 6. Related party transactions

The following are relationships with companies and individuals that control, or are controlled by, the Company and its subsidiary, whether directly or indirectly, or which are under common control with the Company and its subsidiary.

Name of entities	Nature of relationship
Parent company	A major shareholder of the Company
Subsidiary	More than 50% shareholding by the Company
Jasmine Group	Common shareholders and directors

During the years, the Company and its subsidiary had significant business transactions with related parties. Such transactions, which are summarized below, arose in the ordinary course of businesses and were concluded on commercial terms and based agreed upon between the Company and its subsidiary and those related parties.

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements		Transfer Pricing Policy
	2014	2013	2014	2013	
<b><u>Transactions with parent company</u></b>					
Office rental and service expenses	8	8	6	6	Contract price or at prices normally charged to other customers
<b><u>Transactions with subsidiary</u></b>					
(eliminated from the consolidated financial statements)					
Interest income	-	-	5	5	The rates referenced to MLR
<b><u>Transactions with related companies</u></b>					
Sales and service income	49	85	13	54	Contract price or at prices normally charged to other customers or cost plus margin
Cost of sales and services	4	3	4	3	Contract price or at prices normally charged to other customers
Other expenses	8	8	4	5	Contract price or at prices normally charged to other customers

The balances of the accounts as at 31 December 2014 and 2013 between the Company and its subsidiary and those related companies are as follows:

(Unit: Thousand Baht)				
	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
<b><u>Trade accounts receivable - related parties (Note 7)</u></b>				
Related companies				
Jasmine Group	748,790	744,982	736,649	734,052
<b>Total trade accounts receivable - related parties</b>	<b>748,790</b>	<b>744,982</b>	<b>736,649</b>	<b>734,052</b>
<b><u>Other receivables - related parties (Note 7)</u></b>				
Subsidiary	-	-	4,967	4,967
(eliminated from the consolidated financial statements)				
Less: Allowance for doubtful account	-	-	(4,967)	-
Subsidiary - net	-	-	-	4,967
Related companies				
Triple T Broadband Plc.	-	120	-	120
<b>Total other receivables - related parties - net</b>	<b>-</b>	<b>120</b>	<b>-</b>	<b>5,087</b>
<b><u>Unbilled receivable from related parties</u></b>				
Related companies				
Jasmine Group	109	105	78	75
<b>Total unbilled receivable from related parties</b>	<b>109</b>	<b>105</b>	<b>78</b>	<b>75</b>
<b><u>Short-term loans to related party</u></b>				
Subsidiary	-	-	69,347	69,347
(eliminated from the consolidated financial statements)				
Less: Allowance for doubtful account	-	-	(69,347)	-
<b>Total short-term loans to related party - net</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>69,347</b>
<b><u>Trade accounts payable - related parties (Note 14)</u></b>				
Related companies				
Jasmine Group	52	246	37	187
<b>Total trade accounts payable - related parties</b>	<b>52</b>	<b>246</b>	<b>37</b>	<b>187</b>
<b><u>Other payables - related parties (Note 14)</u></b>				
Parent company	20,290	19,589	-	117
Related companies				
Jasmine Group	6,920	6,712	154	366
<b>Total other payables - related parties</b>	<b>27,210</b>	<b>26,301</b>	<b>154</b>	<b>483</b>
<b><u>Advance received from related parties</u></b>				
Related companies				
Jasmine Group	26	18	-	-
<b>Total advance received from related parties</b>	<b>26</b>	<b>18</b>	<b>-</b>	<b>-</b>



#### Short-term loans to related party

During 2014, there is no movement of short-term loans to the subsidiary from the balance as of 31 December 2013.

#### Directors and management's benefits

During the years ended 31 December 2014 and 2013, the Company and its subsidiary had employee benefit expenses payable to their directors and management as below.

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
Short-term employee benefits	19	16	16	15
Post-employment benefits	2	2	1	1
Total	21	18	17	16

#### Guarantee obligations with the subsidiary

The Company has outstanding guarantee obligations with its subsidiary, as described in Note 24.5 to the financial statements.

## 7. Trade and other receivables

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
Trade receivables - related parties (Note 6)	748,790	744,982	736,649	734,052
Trade receivables - unrelated parties	202,734	565,191	32,466	393,985
Other receivables - related parties (Note 6)	-	120	4,967	5,087
Other receivables - unrelated parties	50,607	142,604	50,476	142,504
Total	1,002,131	1,452,897	824,558	1,275,628
Less: Allowance for doubtful debts	(191,707)	(191,753)	(29,649)	(24,728)
Trade and other receivables - net	810,424	1,261,144	794,909	1,250,900

The outstanding balances of trade accounts receivable as at 31 December 2014 and 2013, aged on the basis of due dates, are summarised below.

(Unit: Thousand Baht)				
	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
<u>Trade receivables - related parties</u>				
Aged on the basis of due dates				
Not yet due	3,431	5,353	3,023	4,387
Past due				
Up to 3 months	8,563	15,680	833	9,687
3 - 6 months	3,343	6,911	2,344	3,005
6 - 12 months	9,124	22,838	6,120	22,773
Over 12 months	724,329	694,200	724,329	694,200
Total trade receivables - related parties (Note 6)	748,790	744,982	736,649	734,052
<u>Trade receivables - unrelated parties</u>				
Aged on the basis of due dates				
Not yet due	3,214	345,610	3,006	344,733
Past due				
Up to 3 months	1,964	924	778	-
3 - 6 months	9,666	19,703	9,666	19,703
6 - 12 months	969	6,927	969	6,928
Over 12 months	186,921	192,027	18,047	22,621
Total	202,734	565,191	32,466	393,985
Less: Allowance for doubtful debts	(179,394)	(179,440)	(12,369)	(12,415)
Total trade receivables - unrelated parties, net	23,340	385,751	20,097	381,570
Total trade receivables - net	772,130	1,130,733	756,746	1,115,622
<u>Other receivables - unrelated parties</u>				
Retention receivable as per contract	-	129,315	-	129,315
Accrued interest income	12,313	12,313	12,313	12,313
Others	38,294	976	38,163	876
Total	50,607	142,604	50,476	142,504
Less: Allowance for doubtful debts	(12,313)	(12,313)	(12,313)	(12,313)
Total other receivables - unrelated parties, net	38,294	130,291	38,163	130,191

Included in trade receivables from unrelated parties as at 31 December 2014 and 2013, were amounts receivable from the companies majority-owned by the government as follows:

(Thousand Baht)

Age of receivables	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
Not yet due	2,505	345,442	2,303	344,568
Past due				
Up to 3 months	1,847	923	660	-
3 - 6 months	-	19,696	-	19,696
6 - 12 months	969	32	969	32
Over 12 months	32	8,966	32	8,966
Total	5,353	375,059	3,964	373,262

The Company has assigned its rights to receive payments from certain accounts receivable to banks, to secure credit facilities obtained from those banks.

## 8. Inventories

(Unit: Thousand Baht)

	Consolidated financial statements					
	Cost		Reduce cost to net realisable value		Inventories-net	
	2014	2013	2014	2013	2014	2013
Finished goods	17,139	35,362	-	(2,210)	17,139	33,152

(Unit: Thousand Baht)

	Separate financial statements					
	Cost		Reduce cost to net realisable value		Inventories-net	
	2014	2013	2014	2013	2014	2013
Finished goods	17,043	33,135	-	-	17,043	33,135

## 9. Account receivable under troubled debt restructuring

As at 31 December 2014, the Company and its subsidiary had an outstanding balance totaling Baht 47 million (2013: Baht 47 million) (the Company only: Baht 19 million (2013: Baht 19 million) that were receivable from TT&T Public Company Limited (TT&T) under the rehabilitation plan of TT&T, and which was to be settled in cash over 4 years from the year 2011 to the first quarter of the year 2014. However, during the year 2013 to 2014, the Company and its subsidiary have not yet received the repayment from TT&T for four installments which was the cause of default under the rehabilitation plan. On 26 March 2014, PCL Planner Company Limited, the rehabilitation plan's administrator of TT&T, submitted a proposal to the Official

Receiver to amend the existing rehabilitation plan of TT&T in order to resolve the event of aforementioned default. Under the proposal, the outstanding balance will be repaid in full, in cash in a single payment on the last working day of the first quarter of 2015. On 20 May 2014, the creditors' meeting passed an extraordinary resolution approving the proposal to amend the rehabilitation plan, and on 21 August 2014, the Central Bankruptcy Court approved the proposed amendment. The Company and its subsidiary considered that this proposal will not significantly impact on the recoverable amount of the outstanding balance receivable from TT&T as recorded in the accounts. In addition, the outstanding balance receivable from TT&T includes outstanding claim for which is being disputed and being considered by the Central Bankruptcy Court, amounting to Baht 28 million (2013: Baht 28 million). The management of the Company and its subsidiary believe that the claim approved by the Court will not materially differ from the balance of claim recorded in the Company and its subsidiary's accounts.

The Company and its subsidiary filed an appeal against the approval of the business rehabilitation plan of TT&T to the Supreme Court. At present, the case is being considered by the Supreme Court.

## 10. Non-current assets held for sale

(Unit: Thousand Baht)	
	Uninstalled public telephones
Cost	119,928
Less: Allowance for impairment of assets	(55,494)
<b>Net book value as at 1 January 2014</b>	64,434
Transfer out	(9,755)
Transfer to equipment	(17,183)
<b>Record allowance for impairment of assets during the year</b>	(37,496)
Net book value as at 31 December 2014	-

As at 31 December 2014, the Company had 3,046 public telephones that have yet to be installed, amounting to Baht 37 million. However, since the telephones that the Company has not yet been able to sell have now been outstanding for a long time, for prudent reasons the management of the Company recorded full amount of loss on impairment of these public telephones in profit or loss in the current year.

## 11. Investment in subsidiary

This represents an investment in the ordinary shares of Cloud Computing Solutions Co., Ltd. (the subsidiary) in which the Company holds a 97.87 percent interest, with a cost of approximately Baht 84 million. However, since the subsidiary has had a substantial capital deficit for a sustained period of time, for conservative reasons the management of the Company recorded loss on impairment for the full amount of this investment in subsidiary in profit or loss of the separate financial statements for the current year.

The Company has pledged the share certificates of the investment in 288,199 ordinary shares of the subsidiary, which represents 52.40 percent of total ordinary shares of the subsidiary, as a security for long-term debt under former rehabilitation plan of the parent company.





## 12. Property, plant and equipment

(Unit: Thousand Baht)

### Consolidated financial statements

	Land	Buildings	Public telephones and related equipment	Buildings and leasehold improvement	Furniture, fixtures and office equipment	Motor vehicles	Total
<b>Cost</b>							
1 January 2013	2,000	1,239	7,567	16,019	84,728	8,362	119,915
Additions	-	-	-	-	1,617	1,238	2,855
Transfers in	-	-	7,968	-	12,007	-	19,975
Disposals	-	-	-	-	(7,551)	-	(7,551)
31 December 2013	2,000	1,239	15,535	16,019	90,801	9,600	135,194
Additions	-	-	-	-	1,135	-	1,135
Transfers in	-	-	17,183	-	979	-	18,162
Disposals	-	-	(6,567)	-	(13,544)	(2,952)	(23,063)
31 December 2014	2,000	1,239	26,151	16,019	79,371	6,648	131,428
<b>Accumulated depreciation</b>							
1 January 2013	-	1,190	6,100	15,580	66,629	8,362	97,861
Depreciation for the year	-	47	4,484	204	8,048	63	12,846
Transfers in	-	-	-	-	745	-	745
Depreciation on disposals	-	-	-	-	(7,546)	-	(7,546)
31 December 2013	-	1,237	10,584	15,784	67,876	8,425	103,906
Depreciation for the year	-	-	7,419	93	10,988	247	18,747
Depreciation on disposals	-	-	(6,475)	-	(13,479)	(2,951)	(22,905)
31 December 2014	-	1,237	11,528	15,877	65,385	5,721	99,748
<b>Net book value</b>							
31 December 2013	2,000	2	4,951	235	22,925	1,175	31,288
31 December 2014	2,000	2	14,623	142	13,986	927	31,680
<b>Depreciation for the year</b>							
2013 (Baht 7 million included in cost of sales and services, and the balance in selling, servicing and administrative expenses)							12,846
2014 (Baht 5 million included in cost of sales and services, and the balance in selling, servicing and administrative expenses)							18,747

(Unit: Thousand Baht)

## Separate financial statements

	Public telephones and related equipment	Leasehold improvement	Furniture, fixtures and office equipment	Motor vehicles	Total
<b>Cost</b>					
1 January 2013	7,567	12,130	51,699	7,866	79,262
Additions	-	-	1,098	1,237	2,335
Transfers in	7,968	-	397	-	8,365
31 December 2013	15,535	12,130	53,194	9,103	89,962
Additions	-	-	22	-	22
Transfers in	17,183	-	979	-	18,162
Disposals	(6,567)	-	(7,191)	(2,951)	(16,709)
31 December 2014	26,151	12,130	47,004	6,152	91,437
<b>Accumulated depreciation</b>					
1 January 2013	6,100	12,025	44,103	7,866	70,094
Depreciation for the year	4,484	105	2,618	62	7,269
Depreciation on disposals	-	-	(6)	-	(6)
31 December 2013	10,584	12,130	46,715	7,928	77,357
Depreciation for the year	7,418	-	2,698	248	10,364
Depreciation on disposals	(6,475)	-	(7,128)	(2,951)	(16,554)
31 December 2014	11,527	12,130	42,285	5,225	71,167
<b>Net book value</b>					
31 December 2013	4,951	-	6,479	1,175	12,605
31 December 2014	14,624	-	4,719	927	20,270
<b>Depreciation for the year</b>					
2013 (Baht 4 million included in cost of sales and services, and the balance in selling, servicing and administrative expenses)					7,269
2014 (Baht 2 million included in cost of sales and services, and the balance in selling, servicing and administrative expenses)					10,364

As at 31 December 2014, certain items of plant and equipment of the Company and its subsidiary had been fully depreciated but were still in use. The gross carrying amount before deducting accumulated depreciation of those assets amounted to approximately Baht 70 million (2013: Baht 76 million) (The Company only: Baht 51 million (2013: Baht 60 million)).

### 13. Trust receipts

The balances are secured by the pledge of bank deposits and the assignment of rights to receive payments from accounts receivable as described in Note 7 to the financial statements.

### 14. Trade and other payables

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
Trade payables - related parties (Note 6)	52	246	37	187
Trade payables - unrelated parties	193,959	175,331	189,711	170,078
Other payables - related parties (Note 6)	27,210	26,301	154	483
Other payables - unrelated parties	43,736	6,378	43,259	5,306
Total trade and other payables	264,957	208,256	233,161	176,054

### 15. Long-term loans

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
Long-term loans	167,768	182,278	-	-
Less: Current portion	(28,968)	(14,484)	-	-
Long-term loans - net of current portion	138,800	167,794	-	-

The subsidiary's long-term loan carries interest at the rate referenced to MLR and is repayable in 2011 in 3 installments, which are in August, September and December 2011, and in 28 quarterly installments from March 2012 to December 2018. The loan is guaranteed by the Company. The loan agreement contains an additional condition relating to repayment, whereby, if the subsidiary receives settlements from TT&T and/or cash receipts from sales of TT&T shares received under TT&T's rehabilitation plan, the subsidiary agrees to pay the bank all funds received to settle the loan interest first, with any remaining amount to be used to settle the loan principal. If the amount received is more than the interest and principal of any installment, the subsidiary agrees to use the excess to settle the principal of the next installment due.

## 16. Provision for long-term employee benefits

Provision for long-term employee benefits, which is compensations on employees' retirement, was as follows:

(Unit: Thousand Baht)				
	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
Provision for long-term employee benefits at beginning of year	18,722	19,134	17,876	18,410
Current service cost	1,112	1,072	1,014	977
Interest cost	745	596	716	569
Reversal during the year	(2,952)	-	(2,952)	-
Benefits paid during the year	-	(2,080)	-	(2,080)
Provision for long-term employee benefits at end of year	17,627	18,722	16,654	17,876

Long-term employee benefit expenses included in the profit or loss was as follows:

(Unit: Thousand Baht)				
	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
Current service cost	1,112	1,072	1,014	977
Interest cost	745	596	716	569
Reversal during the year	(2,952)	-	(2,952)	-
Total expense recognised in profit or loss as administrative expenses	(1,095)	1,668	(1,222)	1,546

As at 31 December 2014, cumulative actuarial gains, which were recognised in other comprehensive income of the Company and its subsidiary, amounted to Baht 0.3 million (2013: Baht 0.3 million) (The Company only: cumulative actuarial loss of Baht 3.6 million and 2013: cumulative actuarial loss of Baht 3.6 million).

Key actuarial assumptions used for the valuation date were as follows:

	Consolidated / Separate financial statements	
	2014	2013
	(% per annum)	(% per annum)
Discount rate	3.75%	3.75%
Future salary increase rate	5%	5%

The amounts of defined benefit obligation and experience adjustments for the current year and the past four years are as follows:

(Unit: Thousand Baht)

	Defined benefit obligation		Experience adjustments arising on the plan liabilities	
	Consolidated financial statements	Separate financial statements	Consolidated financial statements	Separate financial statements
Year 2014	17,627	16,654	-	-
Year 2013	18,722	17,876	-	-
Year 2012	19,134	18,410	(1,360)	2,548
Year 2011	19,196	13,376	-	-
Year 2010	17,226	12,107	-	-

## 17. Statutory reserve

Pursuant to Section 116 of the Public Limited Companies Act B.E. 2535, the Company is required to set aside to a statutory reserve at least 5 percent of its net profit after deducting accumulated deficit brought forward (if any), until the reserve reaches 10 percent of the registered capital. The statutory reserve is not available for dividend distribution.

## 18. Expenses by nature

Significant expenses classified by nature are as follows:

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
Subcontracting expenses	25	62	7	29
Salary and wages and other employee benefits	75	89	68	83
Inventories used	16	90	8	86
Depreciation	19	13	10	7
Rental expenses from operating lease agreements	8	8	6	6
Bad debt	9	-	9	-
Doubtful debt	-	-	74	-
Loss on impairment of investment	-	-	84	-
Loss on impairment of asset	37	15	37	15

## 19. Income tax

Income tax expenses for the years ended 31 December 2014 and 2013 are made up as follows:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
<b>Current income tax:</b>				
Current income tax charge	-	5,633	-	5,633
<b>Deferred tax:</b>				
Relating to origination and reversal of temporary differences	14,674	(2,918)	14,674	(2,918)
<b>Income tax expense reported in the statement of comprehensive income</b>	<b>14,674</b>	<b>2,715</b>	<b>14,674</b>	<b>2,715</b>

The reconciliation between accounting profit (loss) and income tax expenses is shown below.

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
Accounting profit (loss) before tax	(119,077)	14,865	(285,348)	8,233
Applicable tax rate:	20%	20%	20%	20%
Accounting profit (loss) before tax multiplied by income tax rate	(23,815)	2,973	(57,070)	1,647
Tax effect of reversal of temporary differences recognised in the past	14,674	-	14,674	-
Effects of:				
Non-deductible expenses	10,282	1,078	41,925	1,078
Additional expense deductions allowed	(4)	(10)	(4)	(10)
Tax loss	15,149	-	15,149	-
Others	(1,612)	(1,326)	-	-
Total	23,815	(258)	57,070	1,068
<b>Income tax expenses reported in the statement of comprehensive income</b>	<b>14,674</b>	<b>2,715</b>	<b>14,674</b>	<b>2,715</b>



The components of deferred tax assets are as follows:

(Unit: Thousand Baht)

	Consolidated statements of financial position/ Separate statements of financial position	
	As at	
	31 December 2014	31 December 2013
<b>Deferred tax assets</b>		
Allowance for asset impairment	-	11,099
Provision for long-term employee benefits	-	3,575
<b>Deferred tax assets - net</b>	-	14,674

As at 31 December 2014, the Company and its subsidiary have deductible temporary differences and unused tax losses totaling Baht 661 million (2013: Baht 554 million) and the Company only: Baht 386 million (2013: Baht 118 million). No deferred tax assets have been recognised on these amounts as the Company and its subsidiary believe future taxable profits may not be sufficient to allow utilisation of the temporary differences and unused tax losses.

## 20. Earnings per share

Basic earnings per share is calculated by dividing profit (loss) for the year attributable to equity holders of the Company (excluding other comprehensive income) by the weighted average number of ordinary shares in issue during the year.

## 21. Segment information

Operating segment information is reported in a manner consistent with the internal reports that are regularly reviewed by the chief operating decision maker in order to make decisions about the allocation of resources to the segment and assess its performance.

For management purposes, the Company and its subsidiary are organised into business units based on their products and services and have three reportable segments as follows:

- 1) Design and installation of telecommunication systems segment
- 2) Telecom service business segment
- 3) Other segments

The chief operating decision maker monitors the operating results of the business units separately for the purpose of making decisions about resource allocation and assessing performance. Segment performance is measured based on operating profit or loss and on a basis consistent with that used to measure operating profit or loss in the financial statements.

Business operations of the Company and its subsidiary are mainly carried on in Thailand. Below is the consolidated financial information for the years ended 31 December 2014 and 2013 of the Company and its subsidiary by segment.

	For the year ended 31 December						(Unit: Million Baht)
	Design and installation of telecommunication systems segment		Telecom service business segment		Other segments		Consolidation
	2014	2013	2014	2013	2014	2013	2013
Revenue from external customers	53	222	9	44	48	45	311
Unallocated income and expenses:							
Exchange gains (losses)					(17)	23	
Other income					18	15	
Cost of sales and services					(55)	(172)	
Selling and servicing expenses					(11)	(15)	
Administrative expenses					(114)	(115)	
Loss on impairment of asset					(37)	(15)	
Finance cost					(13)	(17)	
Income tax expenses					(15)	(3)	
Profit (loss) for the year					(134)	12	

Transfer prices between business segments are described in Note 6 to the financial statements.

The Company and its subsidiary disclosed their financial information by operating segment in accordance with Financial Reporting Standard 8: "Operating Segments", except for the operating results which the Company and its subsidiary are unable to disclose by operating segment since the management believes that such disclosure would unfavorably affect the management and operation of the businesses of the Company and its subsidiary.



## 22. Provident fund

The Company, its subsidiary and their employees have jointly established a provident fund in accordance with the Provident Fund Act B.E. 2530. The Company, its subsidiary and their employees contribute to the fund monthly at the rate of 3 - 8 percent of basic salary. The fund, which is managed by BBL Asset Management Co., Ltd., will be paid to employees upon termination in accordance with the fund rules. During the year 2014, the Company and its subsidiary contributed Baht 4 million, and the Company only contributed Baht 3 million, to the fund (2013: Baht 4 million and Baht 4 million, respectively).

## 23. Dividends

On 26 April 2013, the Annual General Meeting of shareholders for the year 2013 of the Company passed a resolution approving the payment of dividend of Baht 0.10 per share from the 2012 retained earnings. However, during 2012 the Company had already paid an interim dividend of Baht 0.05 per share to its shareholders. Hence, the balance of the dividend to be paid to the shareholders amounted to Baht 0.05 per share, a total of approximately Baht 35 million. The Company paid this amount of dividend in May 2013.

## 24. Commitments and contingent liabilities

### 24.1 Operating lease commitments

The Company and its subsidiary have entered into lease agreements in respect of the lease of office building space and related services. The terms of the agreements are generally between 1 and 5 years and non-cancellable.

As at 31 December 2014, future minimum lease payments required under these non-cancellable operating leases contracts were as follows.

	(Unit: Million Baht)	
	Consolidated financial statements	Separate financial statements
Payable:		
In up to 1 year	8	6
In over 1 and up to 5 years	5	3

### 24.2 Disputes with TT&T

The subsidiary has an outstanding balance receivable from TT&T pursuant to the contract for the supply of the Customer Care and Billing system amounting to approximately USD 5 million (as at 31 December 2014 equivalent to approximately Baht 168 million (2013: Baht 168 million)). This balance is being disputed with TT&T. In 2011, TT&T submitted a dispute proposal to the Thai Arbitration Institute alleging that the subsidiary breach the said contract and asking the subsidiary to pay a total of Baht 1,780 million, together with interest at the rate of 7.5% per annum from the date of the submission of the dispute until the subsidiary effects whole performance. However, the management of the subsidiary believes that the subsidiary did not breach the contract and will not have to pay such amount to TT&T. In February 2012, the subsidiary filed an

objection against the aforementioned dispute proposal of TT&T with the Thai Arbitration Institute, seeking to revoke the dispute proposal of TT&T and asking the Thai Arbitration Institute to order TT&T to pay a total of Baht 528 million, together with interest at the rate of 7.5% per annum from the next date after the submission of the objection until TT&T effects whole performance. Subsequently, in July 2012, TT&T filed an answer to the subsidiary's objection with the Thai Arbitration Institute, asking the Thai Arbitration Institute to reject the subsidiary's objection that proposed TT&T be ordered to pay a total of Baht 528 million, together with interest. Currently, the disputes are in process of consideration by the arbitrators.

### 24.3 Contingent liability

In September and December 2013, the Company entered into agreements with two government agencies to sell 357,024 and 12,246 tablet personal computers in Zone 4 (Northern and Northeastern regions) with total contract values of Baht 749 million (excluding value added tax). Under a condition in the agreements, the Company had to deliver all of the tablets to these government agencies within December 2013 and March 2014, respectively. However, the Company was unable to deliver the tablets as scheduled in the agreements as a result of a massive fire in September 2013 at a production facility in China where a part of the tablets was produced. The Company submitted letters to the government agencies, the counterparties to the agreements, to inform them of the cause of the delay and request extensions of the shipment schedules. The agreements stipulate that the Company is obliged to pay a penalty for delayed shipment at a daily rate of 0.2 percent of the price of the unshipped tablets. During 2014, these counterparties to the agreements submitted letters to the Company to terminate the sale and purchase of tablet agreements with the Company. These counterparties considered the Company to be unable to perform its obligations under the agreements and asked 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 asked 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 these 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, the first counterparty (357,024 tablets sale agreement) filed a lawsuit with the Administrative Court requesting the Company to pay a penalty for its inability to deliver tablet as stipulated in the agreement and to pay the amount of the performance guarantee in the bank guarantee, together with interest at a rate of 7.5 percent per annum, or a total amount of Baht 190 million. The Company is in the process of preparing a plea statement in response to the lawsuit for the Administrative Court. As a result of the above, the Company is unable to conclude whether and to what extent penalties and damages will be incurred. Therefore, the Company does not record provision for such penalties and damages in the accounts.

Moreover, in the event that the Company is required to pay penalties and damages, the Company can claim all damages from a company which is selling the tablets to the Company, in accordance with a condition stipulated in the sale and purchase agreement made between the Company and another local company. During 2014, the Company submitted a notice of breach of the agreement to this company 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 asked 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 the Company collected this amount and recorded the amount collected under the caption of trade and other payables in the statement of financial position as at 31 December 2014. Moreover, as at 31 December 2014, the Company had an outstanding balance of deposit paid to this company for the purchase of tablets and other prepaid expenses for which this company is to be responsible for a total of Baht 28 million which was recorded under the caption of trade and other receivables in the statement of financial position, and the Company is in the process of claiming this amount back from this company.

#### **24.4 Litigations and other disputes**

1. The Company is involved in a dispute with Metropolitan Electricity Authority (MEA) as a result of the Company not joining the bidding process for the procurement and installation of equipment for MEA. MEA called for the bank who issued a letter of guarantee as the Company's bid bond to pay approximately Baht 8 million under this letter of guarantee. However, the Company's legal advisor and the Company's management are of the opinion that bidding process conducted by MEA was illegal and was unfair to the Company, and that the Company is therefore not obliged to make payment under the letter of guarantee provided to MEA. The Company has filed a lawsuit with the Administrative Court, petitioning the Court to reject the MEA's order for the Company to make payment under the bank guarantee and asking MEA to return the original of the bid bond and to pay the bid bond premium on behalf of the Company. Currently, MEA is in the process of preparing a plea statement in response to the lawsuit, to submit with the Administrative Court.
2. The subsidiary has been sued for a totaling of approximately Baht 3 million in respect of breach of employment contracts. The cases are under consideration by the courts. However, the legal advisor and the management of the Company and its subsidiary believe the subsidiary will not suffer any losses as a result of these cases.

#### **24.5 Guarantees**

- (a) The Company had obligations in respect of its guarantee of the long-term loan facility obtained from a local bank of its subsidiary, as described in Note 6 to the financial statements.
- (b) As at 31 December 2014, there were outstanding bank guarantees of Baht 303 million (2013: Baht 716 million) issued by banks on behalf of the Company and its subsidiary, with Baht 277 million (2013: Baht 683 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.

## 24.6 Letters of credit

As at 31 December 2013, the Company had outstanding commitments under letters of credit with overseas suppliers amounting to approximately USD 22 million.

## 25. Financial instruments

### 25.1 Financial risk management

Financial instruments of the Company and its subsidiary, as defined under Thai Accounting Standard No. 107 “Financial Instruments: Disclosure and Presentations”, principally comprise cash and cash equivalents, trade and other receivables, loan providing, investments, trust receipts, trade and other payables, and long-term loans. The financial risks associated with these financial instruments and how they are managed is described below.

#### *Credit risk*

The Company and its subsidiary are exposed to credit risk primarily with respect to trade and other receivables and loans. The Company and its subsidiary manage the risk by adopting appropriate credit control policies and procedures and therefore do not expect to incur material financial losses. However, since the majority of sales and services are supplied to credit worthy customers. The maximum exposure to credit risk is limited to the carrying amounts of trade account receivable, other accounts receivable and loans as stated in the statement of financial position.

#### *Interest rate risk*

The exposure of Company and its subsidiary to interest rate risk relates primarily to its deposits with financial institutions, trust receipts and long-term loans. However, since most of the financial assets and liabilities of the Company and its subsidiary bear floating interest rates or fixed interest rates which are close to the market rate, the interest rate risk is expected to be minimal.

#### *Foreign currency risk*

The exposure of the Company and its subsidiary to foreign currency risk arise mainly from trading and services transactions that are denominated in foreign currencies. The Company and its subsidiary seek to reduce this risk by entering into forward exchange contracts when they considers appropriate. Generally, the forward contracts mature within one year.

The balances of financial assets and liabilities of the Company and its subsidiary denominated in foreign currencies are summarised below.

Foreign currency	Consolidated financial statements					
	Financial assets		Financial liabilities		Average exchange rate	
	as at 31 December		as at 31 December		as at 31 December	
	2014	2013	2014	2013	2014	2013
	(Million)	(Million)	(Million)	(Million)	(Baht per 1 foreign currency unit)	
US dollar	0.3	0.4	0.9	0.9	32.96	32.81
Singapore Dollar	-	-	-	0.1	-	25.88

Foreign currency	Separate financial statements					
	Financial assets		Financial liabilities		Average exchange rate	
	as at 31 December		as at 31 December		as at 31 December	
	2014	2013	2014	2013	2014	2013
	(Million)	(Million)	(Million)	(Million)	(Baht per 1 foreign currency unit)	
US dollar	0.1	0.1	0.1	0.1	32.96	32.81
Singapore Dollar	-	-	-	0.1	-	25.88

The Company's forward exchange contracts outstanding is summarised below.

As at 31 December 2013			
Foreign currency	Bought amount	Contractual exchange rate	Contractual maturity date
		Bought	
	(Million)	(Baht per 1 foreign currency unit)	
US dollar	12	31.28	17 January 2014

## 25.2 Fair values of financial instruments

Since the majority of financial instruments of the Company and its subsidiary are short-term in nature, loans providing and loans borrowing carry interest at rates close to market rates, their fair value is not expected to be materially different from the amounts presented in the statements of financial position.

A fair value is the amount for which an asset can be exchanged or a liability settled between knowledgeable, willing parties in an arm's length transaction. The fair value is determined by reference to the market price of the financial instrument or by using an appropriate valuation technique, depending on the nature of the instrument.

## 26. Capital management

The primary objective of the capital management of the Company and its subsidiary is to ensure that it has an appropriate financial structure and preserves the ability to continue their business as a going concern.

As at 31 December 2014, the Group's debt to equity ratio was 0.58:1 (2013: 0.61:1) and the Company was 0.20:1 (2013: 0.22:1).

## 27. Approval of financial statements

These financial statements were authorised for issue by the Company's Board of Directors on 2 March 2015.



# JTS

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