

Annual Report  
**2015**



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**Operating Results (Million Baht)**

	2013	2014	2015
Sales and Services Income	311.20	109.55	70.58
Total Revenue	348.82	127.61	90.75
Cost of Sales and Services	301.98	180.11	32.39
and Selling, Servicing and Administrative			
Gross Profit*	139.73	54.95	38.19
Operating Profit	1.19	-65.17	-48.20
Net Profit (Loss)	12.01	-133.92	-43.57
Total Assets	1,991.19	1,750.42	1,638.32
Total Liabilities	751.70	644.68	572.34
Shareholders' Equity	1,239.49	1,105.74	1,065.99

**Financial Ratio**

	2013	2014	2015
Current Ratio (times)	3.22	3.45	3.51
Debt to Equity (times)	0.61	0.58	0.54
Return on Assets (%)	0.51%	-7.16%	-2.57%
Return on Equity (%)	0.96%	-11.42%	-4.01%

**Per Share Data (Baht)**

	2013	2014	2015
Earnings (Loss) per share	0.02	-0.19	-0.06
Weighted Average Number of Ordinary Shares (shares)	706,457,300	706,457,300	706,457,300
Book Value	1.75	1.57	1.51
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 services income minus sales and services cost.



## General and other Important Information

### General Information

#### Details of Company

Company name	: Jasmine Telecom Systems PCL.
Registration	: 0107547000109
Head office Address	: 200 Moo 4, 9 <sup>th</sup> Fl. Jasmine International Tower, Chaengwattana Road, Tambon Pakkret, Amphoe Pakkret, Nonthaburi, 11120 Tel. (66) 0 2100 8300 Fax. (66) 0 2962 2523 Home Page : <a href="http://www.jts.co.th">http://www.jts.co.th</a>
Nature of Business	: Information & Communication Technology

#### Total Amount and Type of Issued Share as at December 31, 2015

Registered ordinary share	: 706,457,300 Shares
Paid up ordinary share	: 706,457,300 Shares
Par Value	: 1 Baht
Total	: 706,457,300 Baht

#### Details of Subsidiary

Company name	: Cloud Computing Solutions Co., Ltd.
Registration	: 010552701289
Head office Address	: 200 Moo 4, Chaengwattana Road, Tambon Pakkret, Amphoe Pakkret, Nonthaburi, 11120 Tel. (66) 0 2100 3500 Fax. (66) 0 2502 3511
Shareholding in Subsidiary	: The Company holds 538,264 ordinary shares, equivalent to the investment of Baht 83.90 million or 97.87 percent of total shares.

## Reference Persons

Registrar	: Thailand Securities Depository Co., Ltd. 93, Ratchadapisek Road, Dindaeng, Dindaeng, Bangkok 10400 Tel. 0 2009 9000 Fax. 0 2009 9476 www.set.or.th/tsd
Auditor	: <b>Mr.Supachai Phanyawattano</b> , Certified Public Accountant (Thailand) No. 3930 or <b>Mrs.Chonlaros Suntiasvaraporn</b> , Certified Public Accountant (Thailand) No. 4523 or <b>Miss Supanee Triyanantakul</b> , 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 www.ey.com
Legal Advisor	: <b>Vasu Prasannate Law office</b> No.12/76, Soi Chaengwatana 4, Khwaeng Anosaowaree, Khet Bang Khen, Bangkok 10200 Tel. 086-004-3417

## 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,

Due to economic slowdown and bidding competitions in the government and the private sectors that significantly affected the operating results of Jasmine Telecom Systems Public Company Limited (the “Company”), the Board of Directors and the executives of the Company have managed with full efforts to handle such changes by adjusting the Company’s organizational structure and strategies, taking into consideration all the essential factors, to enable the Company to well overcome the obstacles it encountered.

The Company still places importance on mitigating risks that may arise and impact the Company’s operating results and also has a plan to get into new businesses that the Company can reap regular income, although it may take some time. We are aware that the Board of Directors, the executives and all the employees must work with dedication and best efforts for the benefits of every group of stakeholders. On behalf of Jasmine Telecom Systems Public Company Limited, we hereby thank all the shareholders, customers and business partners for the unceasing trust and support.

(Mr. Pleumjai Sinarkorn)  
Director

(Mrs. Nonglug Pongsrihadulchai)  
Director



**Mr. Raks Unahabhokha**  
Independent Director



**Acting Second Lieutenant  
Annop Suthakavatin**  
Independent Director



**Major General  
Sunanta Sirisumpan**  
Independent Director



**Mr. Pleumjai Sinarkorn**  
Director



**Mrs. Nonglug Pongsrihadulchai**  
Director



**Mrs. Nitt Visesphan**  
Director

No.	Name Position	Age (years)	Education	% of Holding No. of shares	Relationship	Working Experience		Company
						Period	Position	
1.	Mr. Raks Unahabhokha (Independent Director, Chairman of Audit Committee and Remuneration Committee)	76 years	<ul style="list-style-type: none"> <li>- Ph.D. (Chemical Engineering), University College London, U.K.</li> <li>- Bachelor of Engineering (Honours) in Industrial Engineering, Chulalongkorn University -</li> <li>- Director Certification Program (DCP) Thai Institute of Directors Association (IOD)</li> <li>- Audit Committee Program (ACP) , Thai Institute of Directors Association (IOD)</li> <li>- Effective Audit Committee, Thai Institute of Directors Association (IOD)</li> <li>- Chartered Director Class, Thai Institute of Directors Association (IOD)</li> </ul>	-	-	2014-present	Chairman of Audit Committee and Remuneration Committee	JTS
						2015-present	Advisor	Assumption College Parents and Teachers Association
						2013-present	Independent Director and Audit Committee	JTS
						2002-present	Vice Chairman	Assumption College Alumni
						2002-2009	Independent Director and Chairman of the Audit Committee	TT&T Pcl.
						2002-2003	Board Member of the Trade Competition Commission	Ministry of Commerce
						2001-2002	Director	Thai Maritime Navigation Co., Ltd.
						2000-2008	Advisor	British-Thai Synthetic Textile Co., Ltd.
						1999-2002	Head of the consulting team advising SME	Ministry of Industry
						1992-2015	Board Member	Assumption College Parents and Teachers Association
						1988-1999	Managing Director	Rubia Industries Ltd.
						1984-1987	Deputy Managing Director	Betagro Group
						1978-1983	Director of Operation	Johnson and Johnson (Thailand) Ltd.





No.	Name Position	Age (years)	Education	% of Holding No. of shares	Relationship	Working Experience		Company
						Period	Position	
2.	Acting Second Lieutenant Annop Suthakavatin (Independent Director, Member of Audit Committee and Remuneration Committee)	73 years	<ul style="list-style-type: none"><li>- Bachelor of Accounting, Thammasat University</li><li>- Directors Accreditation Program (DAP) Class No. 1/2003 and Director Certification Program (DCP) Class No. 51/2004, Thai Institute of Directors Association (IOD)</li><li>- Audit Committee Program (ACP) Class No. 7/2005, MFR, MIR and MIA, Thai Institute of Directors Association (IOD)</li><li>- National Defence Collage (Government and Private Sector 388)</li></ul>	-	-	2010-present	Remuneration Committee	JTS
						2004-Present	Independent Director and Audit Committee	JTS
							Independent Director and Chairman of Audit Committee	Chao Praya Insurance Pcl.
						2003-2010	Independent Director and Chairman of Audit Committee	Professional West Technology (1999) Pcl.
						2003-present	Director	Rent A-V Co., Ltd.
						2001-Present	Independent Director and Audit Committee	Royal Orchid Hotel (Thailand) Pcl.
						2000-Present	Advisor	Krung Thai Tractor Co., Ltd.
						1998	Acting for Managing Director	Bangkok Asian Finance Ltd.
						1997	Vice President, Audit and Analysis Department	Bangkok Motor Works Co, Ltd.
						1993-1997	Director and Deputy Managing Director	Bangkok Asian Finance Ltd.
						1971-1993	Auditor C.P.A. (Thailand), Shareholders, Director	Bancheekij Auditing Co,Ltd.
						1971-present	Auditor C.P.A. (Thailand)	Freelance
3.	Major General Sunanta Sirisumpan (Independent Director and Member of Audit Committee)	65 Years	- Bachelor of Arts (Political Science), Chiang Mai University	-	-	2014-present	Independent Director and Audit Committee	JTS
						2007	Secretary	Royal Thai Army Radio and Television Station Channel 5



No.	Name Position	Age (years)	Education	% of Holding No. of shares	Relationship	Working Experience		Company
						Period	Position	
4.	Mr. Pleumjai Sinarkorn (Director and Chairman of Remuneration Committee)	82 years	<ul style="list-style-type: none"><li>- Ph.D. (Innovative Management), Suan Sunandha Rajabhat University</li><li>- Bachelor and Master of Business Administration, Suan Sunandha Rajabhat University</li><li>- MMP Chulalongkorn University</li><li>- Bachelor of Electrical Engineering, Rajamongkol University</li><li>- Directors Certification Program (DCP) Class No. 41/2004, Thai Institutions of Directors Association (IOD)</li><li>- Role of The Compensation Committee (RCC), Thai Institutions of Directors Association (IOD)</li><li>- DCP Refresher Course, Thai Institutions of Directors Association (IOD)</li></ul>	50,000	-	2014-Present	Chairman of Remuneration Committee	JTS
						2011-Present	Remuneration and Nomination Committee	Jasmine International Pcl.
						2010-present	Director	Cloud Computing Solutions Co., Ltd.
						2009-Present	Advisor	Jastel Network Co., Ltd.
						2008-Present	Director	Jasmine International Pcl.
						2007-2009	Advisor	Thai Long Distance Telecommunications Co., Ltd
						2004-Present	Director, Executive Committee, Remuneration Committee	JTS
						1998-2006	Advisor to Executive Committee	Jasmine International Pcl.
						1994-Present	Director	TT& T Pcl.

No.	Name Position	Age (years)	Education	% of Holding No. of shares	Relationship	Working Experience		Company
						Period	Position	
5.	Mrs. Nonglug Pongsrihadulchai (Director and Corporate Secretary)	60 Years	<ul style="list-style-type: none"> <li>- Master of Agricultural Economics, Kasetsart University</li> <li>- Master of Environmental Management, Mahidol University</li> <li>- Bachelor of Education, Chulalongkorn University</li> <li>- Directors Certification Program (DCP) Class No.147/2011, Thai Institutions of Directors Association (IOD)</li> </ul>	-	-	2010-Present	Director	JTS
							Director	Cloud Computing Solutions Co., Ltd.
							General Manager	Acumen Co., Ltd.
						2009-Present	Director	Triple T Broadband Pcl.
						2008-2009	Assistant Vice President, Administration Department	Acumen Co., Ltd.
						2007-Present	Director	Triple T Internet Co., Ltd.
						2004-2007	Senior Manager, Administration Department	Acumen Co., Ltd.
						1996-2004	Manager and Senior Manager	Jasmine International Pcl.
						1994-1996	Assistant Manager and Manager, Administration Department	Acumen Co., Ltd.
						1992-1994	Executive Secretary	Postal Training Centre of Asia and Pacific
6.	Mrs. Nitt Visesphan (Director)	55 Years	<ul style="list-style-type: none"> <li>- Master Business Administration (MBA) (Public Management), Burapha University</li> <li>- Bachelor of Arts, Chiang Mai University</li> </ul>	-	-	2010-Present	Director	JTS
						2012-Present	Director	In Cloud Co., Ltd.
						2010-Present	Director	Cloud Computing Solutions Co., Ltd.
						1994-Present	Vice President, Finance Department	Jasmine International Pcl.
						1993-1994	Vice President, Administration Department	Ban Chang Group
						1987-1993	Assistant Manager, Patent Department	Tilleke and Gibbins Law Firm
						1982-1987	Teacher	Assumption Commercial College

Name of Directors	JTS	CCS	1	2	3	4	5	6
1. Mr. Raks Unahabhokha	/							
2. Acting Second Lieutenant Annop Suthakavatin	/							
3. Major General Sunanta Sirisumpan	/							
4. Mr. Pleumjai Sinarkorn	/	/	/		/			
5. Mrs. Nonglug Pongsrihadulchai	/	/		//		/	/	
6. Mrs. Nitt Visesphan	/	/	//					/

## 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

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

### 2. Significant Changes and Development

Jasmine Telecom Systems Public Company Limited was established on April 21, 1995, with the registered capital and paid-up capital of Baht 100,000,000 which was divided into 1,000,000 ordinary shares at a par value of Baht 100 per

share. The Company was listed on the Stock Exchange of Thailand (the "SET") on September 18, 2006 with the registered capital and paid-up capital of Baht 700,000,000 which was divided into 700,000,000 ordinary shares at a par value of Baht 1 per share.

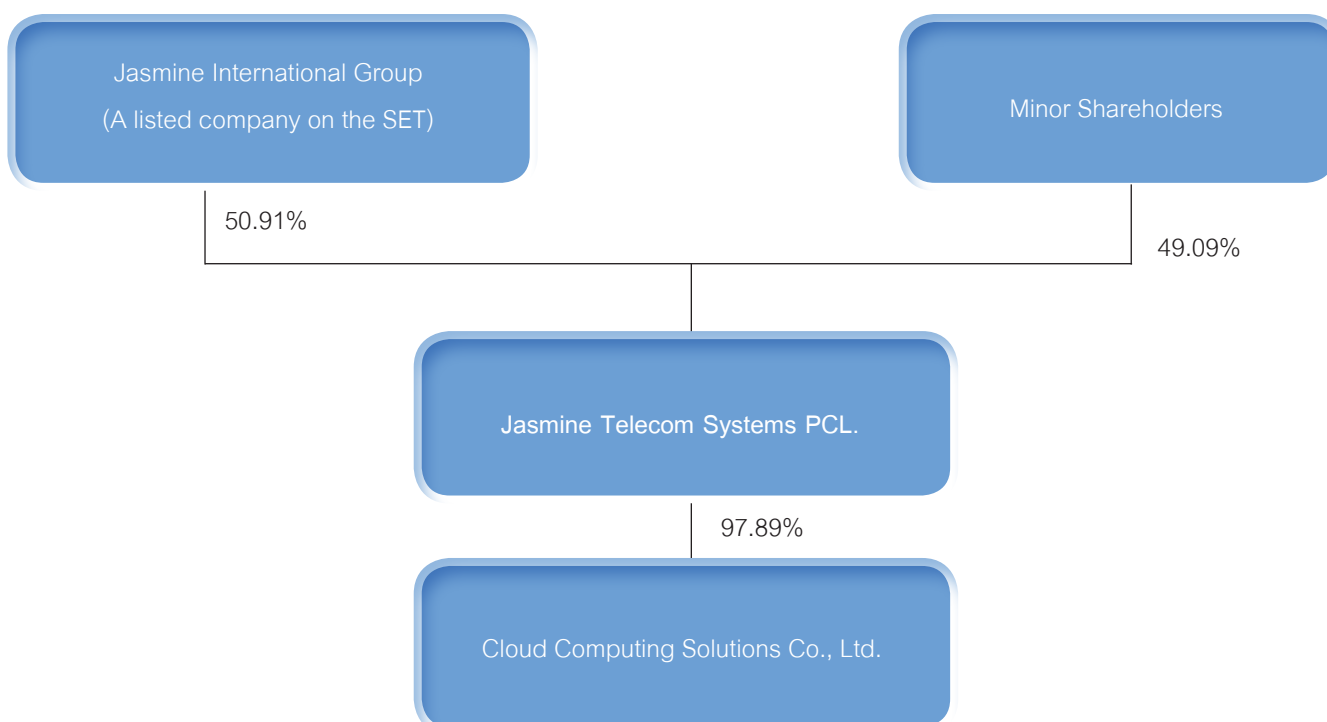
The Company completed the sale of its 5,000,000 newly issued shares on April 28, 2011. Later on, 1,457,300 warrants for buying the Company's ordinary shares were offered to the Company's directors and employees. On October 27, 2011, which was the completion date, 1,457,300 warrants were exercised; thus, the Company had 706,457,300 registered capital shares in total.

As at December 30, 2015, the Company had 706,457,300 ordinary shares, at the par value of Baht 1 per share and its paid-up capital was Baht 706,457,300.

### 3. The Company Structure

The Company has a subsidiary, 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 below:

#### The Company's Shareholding Structure as at November 25, 2015



### 4. Relationship with Business Group of Major Shareholder

The Company and its subsidiary have business transactions with the companies in JAS Group such as JasTel Network Co., Ltd. ("JasTel"), Triple T Broadband PCL. ("TTTBB") and others, as detailed in "Connected Transaction" and "Notes to Consolidated Financial Statements" of this Annual Report. As for business structure of the major shareholder, it is illustrated in the Annual Registration Statement (Form 56-1) of JAS.

The Company and its subsidiary, as system integrators, provide ICT system integration service and other services that are related to ICT system integration. The Company also offers telecom services and engages in providing telecom and social services across the country for the project known as Universal Services Obligation (“USO”); meanwhile, expanding into the business of rented contact center system on Hosted Contact Center in the name “EasyConnect”; computer system integration business and cloud computing business.

### **Business of the Company and its subsidiary is classified into 3 segments as follows:-**

#### **1. Telecom Systems Integration**

The Company’s telecom systems integration business involves the sourcing of telecommunications equipment and the provision of other related services such as the design, the installation, and the testing services for both the government and the private sectors. Our clients are, for instances, 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 and JasTel. At present, the Company engages in an outsourcing project of Advanced Info Service PCL (“AIS”) to improve AIS In-Building Antenna Systems. The Company also provides the products that support its turnkey security system business such as CCTV system, access control system, intrusion prevention system and fire alarm system, etc.

#### **2. Telecom Service Business**

Telecom service business involves total solution provision of various telecom services that help support corporate customers in their non-core business. These services include system design, equipment sourcing, system installation and system/equipment maintenance both of the preventive and corrective types. From 2010 to 2015, the Company has provided telecom service with respect to the Universal Service Obligation (“USO”) projects of TTTBB and JasTel. Categorized under this business segment also is the business for rented contact center system on Hosted Contact Center, in the service name “EasyConnect”, of which the targets 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; another advantage is the hi-speed Internet that accommodates the connectivity to the center hosted system (Hosted) that assures the customers with a quick and efficient service.

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

Computer Systems Integration and cloud computing businesses are operated by the Company’s subsidiary, a provider of total solution cloud service who also provides consulting service, system design and installation of computer and ICT systems. The service range also entails the development of software applications and the maintenance service for computer hardware and other peripheral equipment for the customers in the government and private sectors.

Cloud computing business involves the service of computer hardware and software leasing which is an option suitable for the small and medium sized corporates that do not have adequate budget for cloud computing investment. Cloud computing business offers 2 types of service as follows:-

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 Segment	Operated by	Consolidated Statement of Revenue					
		2013		2014		2015	
		Million Baht	%	Million Baht	%	Million Baht	%
Telecom Systems Integration Business	Company	196.19	56.24	38.35	30.05	8.74	9.63
Telecom Service Business	Company	44.18	12.67	9.19	7.21	2.24	2.47
Computer Systems Integration Business and Cloud Computing Business	Subsidiary	70.83	20.31	62.01	48.60	59.60	65.67
<b>Total Sales &amp; Services Revenue</b>		<b>311.20</b>	<b>89.22</b>	<b>109.55</b>	<b>85.85</b>	<b>70.58</b>	<b>77.77</b>
Gain on Exchange Rate	Company	-	-	-	-	6.80	7.50
Other Income	Company	37.62	10.78	18.05	14.15	13.37	14.73
<b>Total Income</b>		<b>348.82</b>	<b>100.00</b>	<b>127.61</b>	<b>100.00</b>	<b>90.76</b>	<b>100.00</b>



The Company places importance on risk factors that may impact the Company's business operation; therefore, it has drawn up appropriate strategies to mitigate, transfer, and curb risks to an acceptable degree, both in the organizational and departmental levels, in alignment with the Company's policies and business strategies, to ensure efficient risk management. Significant risk factors of the Company are classified as follows:-

### **1. Revenue Risk**

Since economic slowdown and competitions in bidding for projects from both the government and the private sectors affect the Company's revenue, the Company has managed to create new revenue streams to mitigate the risks that may arise from these two factors. To this regard, the Company has started a new business that emphasizes working with the mobile phone operators in the projects that need its expertise in network such as network expansion and renovation of the in-building mobile base stations. In addition, new income can also be generated from the Company's subsidiary's business of cloud computing that offers the lease of both the computer hardware and software.

### **2. Personnel Risk**

Since the Company's business significantly relies upon personnel who have both expertise and experience in telecommunications and computer systems integration, the Company's policy on human resources development emphasizes the importance of training and development, to properly increase the capability of the personnel, accordingly. The Company's performance appraisal is taken every year, the results of which are used for further consideration on reasonable compensation for the personnel. Besides, the Company supports its personnel in their career paths, fairly based on their knowledge and performances.

### **3. Project Delivery Risk**

It is important to deliver a project on time and as complete as specified in its contract in all respects. The Company; thus, has drawn up strategies that specifically suit with each project, taking into account both internal and external risk factors. Apart from those strategies, the Company has the monitoring system and the system of project progress report that help control the projects to be delivered on time in accordance with the contracts, hence satisfying the customers.

### **4. Technological Change Risk**

The fast and continuous changes of ICT technology always give rise to new forms of business. The Company; therefore, has to keep track of technological advancement at all times so as to adapt itself properly with technological changes and to be capable of appropriately providing cutting-edge technologies that serve the need 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. It keeps observing changes of the exchange rates. The information gained through such observation will be analyzed and used as the basis for the consideration on entering a risk hedging contract each time. For safety, the Company will consider entering into a forward contract only when the timing is appropriate and the USD reserve account is properly managed.

List of top 10 major shareholders and shareholding structure as at November 25, 2015

Name of Shareholders	As at November 25, 2015	
	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	22,000,000	3.11
3. Mr. Kiet Srichomkwan	18,000,000	2.55
4. Mr. Kirkkrai Tribanyatkul	8,444,800	1.20
5. Mr. Veerayuth Eiamsudthiwat	8,050,000	1.14
6. Thai NVDR Co., Ltd	5,802,700	0.82
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.

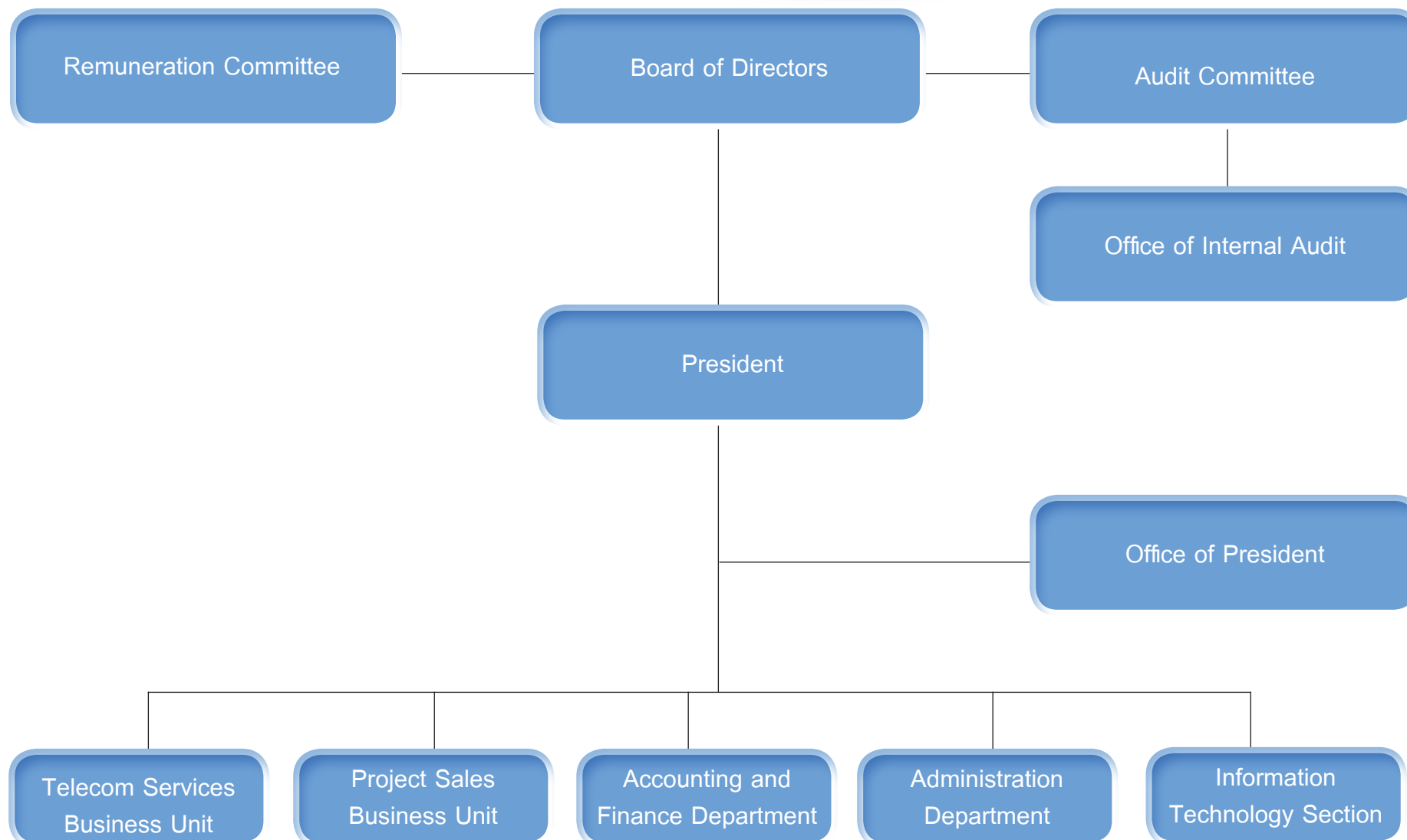
\*\* T.J.P. Engineering Co., Ltd. ("TJP") is a subsidiary of JAS. TJP is 80% held by JAS and 20% held by Acumen Co., Ltd. which is one of JAS' subsidiaries.

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

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.

# JTS Management Structure



## Management

### The Board of Directors

As at December 31, 2015, the Company's Board of Directors comprised the following 6 directors:-

- |  |                      |
|--|----------------------|
| 1. Mr. Raks Unahabhokha                        | Independent Director |
| 2. Acting Second Lieutenant Annop Suthakavatin | Independent Director |
| 3. Major General Sunanta Sirisumpan            | Independent Director |
| 4. Mr. Pleumjai Sinarkorn                      | Director             |
| 5. Mrs.Nonglug Pongsrihadulchai                | Director             |
| 6. Mrs.Nitt Visesphan                          | Director             |

**Remarks :** On July 29, 2015, Mr. Kriengsak Chalermtiragool resigned from directorship. The Company is now finding a qualified person to fill in this vacant director position.

In 2015, the Company had 7 Board of Directors' meetings. The record of each Director's meeting attendance is as follows:-

Director's Name	Position	Number of Meeting Attendance
1. Mr. Raks Unahabhokha	Independent Director	7
2. Acting Second Lieutenant Annop Suthakavatin	Independent Director	7
3. Major General Sunanta Sirisumpan	Independent Director	7
4. Mr. Pleumjai Sinarkorn	Director	7
5. Mrs.Nonglug Pongsrihadulchai	Director	7
6. Mrs.Nitt Visesphan	Director	7
7. Mr. Kriengsak Chalermtiragool *	Director and President	4

**Remarks :** \*Resigned on July 29, 2015

### Authorized Directors

The Company's authorized directors are Mr. Pleumjai Sinarkorn, Mrs. Nonglug Pongsrihadulchai and Mrs. Nitt Visesphan. Two of them affix their signatures together with the Company seal to represent the Company in a transaction.

### 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 shareholders 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 to propose the shareholders' meeting for 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 SEC and 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 to be in accordance 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 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**

As at December 31, 2015, the Company had 6 executives as follows:-

- |                                 |  |
|---------------------------------|--|
| 1. Mr. Dusit Srisangaoran       | President  |
| 2. Mr. Wichai Tanjariyaporn     | Vice President, Project Sales Business Unit              |
| 3. Ms. Saengdao Dechaduangsakul | Vice President, Accounting and Finance Department        |
| 4. Mr. Thawatchai Bodharamik    | Assistant Vice President, Office of President            |
| 5. Mrs. Somnuk Waradee          | Assistant Vice President, Office of Internal Audit       |
| 6. Mr. Pichit Kaewrayabsang     | Assistant Vice President, Telecom Services Business Unit |

### **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 which have a position lower than the 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 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 the 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 Director then to the shareholders for approval. A remuneration for an executive shall be considered based on the Company's operation results and accountability of that particular executive, including his/her qualifications, knowledge, experience and his/her contribution.



For the year 2015, the Board of Directors and the executives received cash remuneration and other remuneration as follows.

#### Cash Remuneration for Directors

Director's Position	The Remuneration per Month (Baht)
	Year 2015
Chairman of the Board of Directors	40,000
Vice Chairman of the Board of Directors	20,000
Independent Director	30,000
Non Executive Directors	30,000
Executive Director	10,000
Chairman of the Audit Committee	10,000
Audit Committee Member	5,000
The Remuneration per Meeting (Baht)	
Chairman of the Remuneration Committee	5,000
Remuneration Committee Member	5,000
Gratuity	Yes

#### Cash Remuneration for the Executives

Remuneration for Executives	2015
Number of Executives (person)	6
Total Remuneration for Executives (Baht)	7,521,918
Type of Remuneration	Salary and Bonus

#### Other Forms of Remuneration for Directors

- None -

#### Other Forms of Remuneration for Executives

In 2015, the Company contributed Baht 542,853.12 for the provident fund of the Executives.

## Personnel

As at December 31, 2015, the Company and its subsidiary had 45 employees as detailed below:-

Department	Number of Personnel as at December 31, 2015 (Persons)
Office of President and Office of Internal Audit	5
Information Technology Section	2
Software Development Department	6
Accounting and Finance Department	9
Administration Department	8
Telecom Services Business Unit	2
Project Sales Business Unit	13
<b>Total</b>	<b>45</b>

### Total Remuneration of the Personnel of the Company and the Subsidiary

Type of Remuneration for the Year 2015	(Million Baht)
Salary and Bonus	55.22
Contribution for Provident Fund	2.49

## Policy of Personnel Training and Development

Personnel who are well equipped with good knowledge, skills and expertise in consulting, project planning, administration and project control constitute potential workforce which is considered a key factor of success for the ICT business. The Company and its subsidiary; therefore, have set up a policy to continuously develop the efficiency of their personnel. Personnel of all levels have been trained since the first workday as an orientation is organized to introduce them the Company overview, structure, nature of business and all the related work systems. Furthermore, specific trainings are held to pave the ground for them on the procedures of the work they are in charge of. In-house seminars are also organized, on a regular basis, to accordingly increase proficiency and skills of both the executives and the employees. Moreover, the Company has a policy to train its personnel to be capable of working in place of one another, in case of necessity.

## 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 Stock Exchange of Thailand, 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 instances, 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 they are 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 Stock Exchange of Thailand. 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 Office of Securities and Exchange Commission 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.

<b>Shareholders :</b>	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.
<b>Employees</b>	: 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.
<b>Competitors</b>	: The Company commercially contends with other trade competitors on the fair and ethical competition basis.
<b>Customers</b>	: The Company is committed to responding and providing quality services for the highest satisfaction and confidence of the customers.
<b>Trade Counterparts and Creditors</b>	: 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.

<b>Community and Public</b>	: 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.
<b>Environment</b>	: 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 Office of Securities and Exchange Commission and the Stock Exchange of Thailand. 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 Stock Exchange of Thailand 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 subsidiaries 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 6 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 Stock Exchange of Thailand is 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. Committee**

To bring about efficiency in corporate governance, the Company established 2 sets of committee, namely the Audit 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 Stock Exchange of Thailand. 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 Office of Securities and Exchange Commission, 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.

## **Risk Management**

The Company evaluates the adequacy of its existing internal control system on a yearly basis. Its Risk Management team 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.

At the 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 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 Administration Section.

#### **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**

Jasmine Telecom Systems Public Company Limited ("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 subsidiaries (Both the Company and its subsidiaries 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 : 0 2100 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 to 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 2nd March 2015.

### Gift Policy

The directors, the executives and/or the employees of the Company and its subsidiary are prohibited from receiving any benefit from government officers, government sector, private agencies, business partners, or people with whom the Company and its subsidiary do business, be it in the form of money, assets or others for their own; except for the case of the International New Year or other generally accepted local customary or traditional practices. The gifts that the directors, the executives and/or the employees of the Company and its subsidiary may receive on those occasions should not be exceeding 3,000 Baht in value. In addition, the directors, the executives and/or the employees of the Company and its subsidiary are not permitted, in any case, to accept immoderate or inappropriate hospitality and reception.

## 2. The Subcommittee

The Company Consists of two sets of subcommittees which are the Audit Committee and the Remuneration Committee. Details are as follows:

### Audit Committee

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

### 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 Stock Exchange of Thailand 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 Stock Exchange of Thailand 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 Stock Exchange of Thailand 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. Acting Second Lieutenant 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 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 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 Board of Directors is responsible for.

The Company always realizes the importance of its responsibility to the society; thus, it operates the business with respect to business ethics; and at the same time, adheres to righteousness and appropriate actions. The Company's directors, executives and employees are committed to performing their duties honestly in compliance with the applicable laws and their own scopes of duty and responsibility. In addition, in order to enhance fair business competition, they are required to work, make business decisions; treat relevant parties with due care and refrain from any action that may cause damage to both the Company and its partners in the business chain. All these are clearly defined and conformed to across the organization.

For the year 2015, the Company organized a project titled “JTS Education Support to Develop the Youths to Excellence”, with an awareness that education is the foundation of national development, to give academic scholarships to students of the following schools :-

1. Ban Kao Yai School, Khuan Niang District, Songkhla Province
2. Ban Thung Pattana School, Khuan Don, Satun Province
3. Wat Khuan Thop School, Amphoe Mueang Patthalung, Patthalung Province
4. Wat Bang Khanun School, Bang Kruai District, Nonthaburi Province
5. Ban Klong Khwang Bon School, Lat Lum Kaeo District, Pathum Thani Province
6. Wat Khotaram School, Bang Bo District, Samut Prakan Province

The Company takes it as a responsibility to keep on supporting activities for corporate social responsibilities in the years ahead.

## JTS Education Support to Develop the Youths to Excellence





## Opinion of the Board of Directors

The Company and its executives place importance on both the internal control systems, and the risk management. They also manage to ensure the compliance with all the laws and the regulations applicable to the Company's business in addition to overseeing the conflicts of interest, the related party transactions, and the stewardship and the use of assets to prevent corruption and misconduct, employing the check and balance mechanisms. The Office of Internal Audit, which is an independent work unit of the Company, is responsible for the tasks of internal control system auditing and assessment to ensure the efficiency and the adequacy of the internal control systems of every department of the Company and its subsidiary.

The Company has reviewed the Adequacy Assessment Form for the Internal Control System, prepared based on the guidelines of the Office of the Securities and Exchange Commission (the "SEC") which in turn were prepared based on the internal control guidelines of the Committee of Sponsoring Organizations of the Treadway Commission (COSO) which devises the internal controls into 5 major positions with 17 principles, on a regular basis. The assessment of the internal control systems is annually conducted. For the year 2015, the Office of Internal Audit has reported the results of the internal control adequacy as detailed below:-

### 1. Control Environment

The Company's Good Governance Policy and the written operation manuals of all the work systems, that emphasize the importance of one's duties, integrity and internal control systems, were used as the work guidelines for all the personnel to follow; thus, ensuring the continuity of both the efficiency and the effectiveness of business operation.

### 2. Risk Assessment

Realizing that risk management is a significant basic factor of business operation, the risk management measures of the Company have been drawn up by taking into account , the issues of internal and external risk factors, the risk analysis, the risk control and the mitigation of possible chances and impacts of risks to be at an acceptable level. To achieve the goals of its business operation, the Company also took the efficient internal control measures that were suitable for handling the changing risks.

### 3. Control Activities

For the optimum benefits of the Company and to comply with the regulations of the SEC and the applicable laws, the Company took the control measures that emphasize preventive methods to manage risks that might be found in each activity. Thus, the measures clearly stated the issues of the segregation of duties and the approval authority in order to prevent corruption or the transactions that might have conflicts of interests.

#### 4. Information and Communication

Due to its adequate information and communication systems, the Company's personnel of all levels, were provided with the information that was necessary for their decision making adequately in due time; thus, enhancing efficiency in the Company's operation as a whole. Besides, the policies, rules and regulations that required the compliance of the personnel were clearly communicated. The Company also provided appropriate channels for the communication with its external stakeholders.

#### 5. Monitoring Activities

Based on the Company's monitoring and the assessment systems, each of the Company's activities was appropriately monitored to achieve its goal and the Company's operating results were also evaluated on a regular basis. The Office of Internal Audit was responsible for auditing all the work systems of the Company, taking into account, possible risk factors. The internal auditors in charge followed up the improvements of the work systems to be in accordance with their audit recommendations for the success of the overall operation of the Company.

In view of the Board of Directors, the internal control systems and the risk management of the Company are adequate and proper; the Company has provided enough manpower to implement them efficiently.

### **Opinion of the Audit Committee on the Company's Internal Control Systems**

#### **Audit Committee Report**

The Audit Committee of Jasmine Telecom Systems Public Company Limited (the "Company") consists of three qualified independent directors, chaired by Dr.Raks Unahabhokha with Acting Second Lieutenant Annop Suthakavatin and Major General Sunanta Sirisumpan as its members. Each of the independent directors in the Audit Committee possesses the qualifications as required by the Securities and Exchange Commission (the "SEC") and the Stock Exchange of Thailand (the "SET").

The Audit Committee performs the duties assigned by the Board of Directors (the "BOD") under the BOD-approved scope of responsibilities.

In 2015, the Company organized 4 Audit Committee meetings. The resolutions of every meeting were reported further to the BOD Meeting. The tasks accomplished in 2015 by the Audit 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 2015 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 of and the evaluation on the effectiveness of the internal control system as well as 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 risk management progress 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 adequate material information disclosure in accordance with the SET regulations
7. The selection and the nomination of the Company's auditors to propose for appointment, including the consideration on the remuneration thereof for the year 2016, based on the previous year's performance, knowledge, proficiency, independence of the auditors and the appropriateness of the proposed audit fees. The Audit Committee deemed it appropriate to propose the appointment of the auditors from EY Office Limited to be the Company's auditors for the year 2016 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.

In view of the Audit Committee, 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.

Chairman of the Audit Committee



(Dr. Raks Unahabhokha)

## Head of Internal Audit

Name	Mrs. Somnuk Waradee	
	Position : Assistant Vice President, Office of Internal Audit	
Education	<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>	
Experiences	2012-Present	Assistant Vice President, Office of Internal Audit, Jasmine Telecom Systems Public Company Limited
	2000-2012	Assistant Vice President, Accounting Department, Jasmine Internet Co., Ltd
	1993-2000	Senior Manager, Accounting Department, T.J.P. Engineering Co., Ltd
Audit committee's opinion	The Audit Committee considered approving the appointment of the Head of Internal Audit as it was of the opinion that the qualifications, education background, knowledge and experience of the appointee were appropriate and adequate for the position.	
Appointment, removal and transfer of Head of Internal Audit	Appointment, removal and transfer of Head of Internal Audit is in compliance 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 effective and proper performance.	

The Company has the related party transactions as defined in the Notification of the SEC. The business transactions in the year 2015 were all in compliance with the terms and the conditions in the contracts entered into between the Company, its subsidiary and associated companies for normal business practice (as referred to in Clause 6 of Notes to the Financial Statements for the year 2015). The Company already carried out each transaction according to its procedure for the reasonableness of that particular transaction itself and also for the optimum benefits of the Company. The Audit Committee had reviewed the prices or the ratios of those transactions with the Company's officers and the internal auditors and was of the opinion that those prices were reasonable and accurately disclosed in the financial statements. The Company has its own approval procedures for related party transactions which were of the similar processes of the general procurement of the Company. To this regard, the Company's executives and the shareholders had neither interest in nor approval authority on related transaction matter. Details are as follows:-

1. In 2015, the Company and its subsidiary executed the following transactions of product sale, service offering, and other services with the following connected persons:-

Connected Person	Relationship	Nature of Related Party Transaction	Amount (Million Baht) as at December 31, 2015
1. JAS Group 1.) ACU 2.) TTTBB 3.) JasTel	1.) JAS is a major shareholder of the Company, holding 32.80% 2.) Having the same director as JAS, namely 1. Mr. Pleumjai Sinarkorn	- The Company provided public telephone rental service for ACU.	0.02
		- The Company provided the supplies, installation and maintenance services of public phones with respect to the Universal Service Obligation ("USO") project for TTTBB.	1.81
		- The Company provided the supplies, installation and maintenance services of public phones with respect to the Universal Service Obligation ("USO") project for JasTel.	0.41
2. The Subsidiary 1.) CCS	1.) The Company is a major shareholder of CCS, holding 97.87% 2.) Having the same directors as JTS, namely 1. Mr. Pleumjai Sinarkorn 2. Mrs.Nonglug Pongsrihadulchai 3. Mrs.Nitt Visesphan	- The subsidiary provided the Infrastructure-as-a-Service for JAS.	0.70
		- The subsidiary provided the infrastructure-as-a-Service for ACU.	3.07
		- The subsidiary sold equipment and developed Broadband Customer System (BCS) and provided infrastructure-as-a-Service for TTTBB.	32.03
		- The subsidiary provided the maintenance service for the Radius system and provided Infrastructure-as-a-Service for Triple T Internet Co., Ltd ("TTTI").	2.42
		- The subsidiary provided the Infrastructure-as-a-Service for Ji-NET.	0.50
		- The subsidiary provided the Infrastructure-as-a-Service for Premium Asset Co., Ltd. ("PA").	0.07

2. In 2015, the Company and its subsidiary transacted the product and equipment procurement, including payment for leases and services from connected persons as follows :-

Connected Person	Relationship	Nature of Related Party Transaction	Amount (Million Baht) as at December 31, 2015
1. JAS Group 1.) PA 2.) TTTBB 3.) TTTI 4.) JasTel 5.) Ji-NET 6.) ACU	1.) JAS is a major shareholder of the Company, holding 32.80% 2.) Having the same director as JAS, namely 1. Mr. Pleumjai Sinarkorn	- The Company entered into office space rental and service contract with JAS, including other expenses. - The Company entered into Security, Cleaning and Utilities service contract with PA. - The Company entered into the telephone system service contract and the CCTV maintenance service contract with TTTBB. - The Company executed the high-speed internet service contract with TTTI. - The Company used ACU's custom service. - The Company used JasTel's repair service for DWDM Link	3.72  2.21 4.57  1.06 0.01 0.02
2. The Subsidiary 1.) CCS	1.) The Company is a major shareholder of CCS, holding 97.87% 2.) Having the same directors as JTS, namely 1. Mr. Pleumjai Sinarkorn 2. Mrs.Nonglug Pongsrihadulchai 3. Mrs.Nitt Visesphan	- The subsidiary entered into office space rental and service contract with JAS, including other expenses. - The subsidiary entered into Security, Cleaning and Utilities service contract with PA. - The Subsidiary entered into the call center service contract with TTTBB - The subsidiary executed the high-speed internet service contract with TTTI. - The subsidiary entered into the contracts for space rental service for server and circuit rental service with JasTel. - The subsidiary entered into the SMS Gateway service contract with Ji-Net.	2.09  1.50 0.83 1.05 0.87 0.01

## Jasmine Telecom Systems Public Company Limited

## Statement of Financial Positions

As at 31 December 2013 to 2015

(Unit: Thousand baht)

	Separate financial statements						Consolidated financial statements					
	2013		2014		2015		2013		2014		2015	
	AMOUNT	%	AMOUNT	%	AMOUNT	%	AMOUNT	%	AMOUNT	%	AMOUNT	%
<b>ASSETS</b>												
<b>CURRENT ASSETS</b>												
Cash and cash equivalents	228,855	11.15	176,107	10.56	170,279	10.85	241,621	12.13	185,167	10.58	179,229	10.94
Current investments-bank deposits	81,575	3.97	542,082	32.51	525,709	33.50	81,799	4.11	542,229	30.98	525,864	32.10
Trade and other receivables	1,250,900	60.94	794,909	47.67	773,821	49.32	1,261,144	63.34	810,424	46.30	778,872	47.54
Unbilled receivables unrelated parties	75	-	78	-	-	-	105	0.01	109	0.01	23	0.00
Unbilled receivables related parties	61,622	3.00	38,922	2.33	11,727	0.75	67,551	3.39	42,523	2.43	15,606	0.95
Short-term loans to related party	69,347	3.38	-	-	-	-	-	-	-	-	-	-
Inventories	33,135	1.61	17,043	1.02	10,409	0.66	33,152	1.66	17,139	0.98	10,522	0.64
Accounts receivable under troubled debt restructuring	-	-	18,834	1.13	18,834	1.20	-	-	47,415	2.71	47,415	2.89
Prepaid project costs	21,980	1.07	110	0.01	91	0.01	22,485	1.13	133	0.01	438	0.03
other current assets	37,393	1.82	27,546	1.65	17,774	1.13	47,945	2.41	38,367	2.19	25,492	1.56
<b>Total current assets</b>	<b>1,784,881</b>	<b>86.95</b>	<b>1,615,631</b>	<b>96.88</b>	<b>1,528,643</b>	<b>97.42</b>	<b>1,755,801</b>	<b>88.18</b>	<b>1,683,506</b>	<b>96.18</b>	<b>1,583,461</b>	<b>96.65</b>
Non-current assets held for sale	64,434	3.14	-	-	-	-	64,434	3.24	-	-	-	-
	1,849,316	90.09	1,615,631	96.88	1,528,643	97.42	1,820,235	91.41	1,683,506	96.18	1,583,461	96.65
<b>NON-CURRENT ASSETS</b>												
Restricted bank deposits	71,466	3.48	29,753	1.78	28,444	1.81	74,739	3.75	32,388	1.85	31,067	1.90
Accounts receivable under troubled debt restructuring	18,834	0.92	-	-	-	-	47,415	2.38	-	-	-	-
Investment in subsidiary	83,899	4.09	-	-	-	-	-	-	-	-	-	-
Property, plant and equipment	12,605	0.61	20,270	1.22	10,946	0.70	31,288	1.57	31,680	1.81	21,782	1.33
Deferred tax asset	14,674	0.71	-	-	-	-	14,674	0.74	-	-	-	-
Deposits	1,896	0.09	1,926	0.12	1,072	0.07	2,840	0.14	2,844	0.16	2,013	0.12
<b>TOTAL NON- CURRENT ASSETS</b>	<b>203,375</b>	<b>9.91</b>	<b>51,949</b>	<b>3.12</b>	<b>40,462</b>	<b>2.58</b>	<b>170,956</b>	<b>8.59</b>	<b>66,912</b>	<b>3.82</b>	<b>54,862</b>	<b>3.35</b>
<b>TOTAL ASSETS</b>	<b>2,052,691</b>	<b>100.00</b>	<b>1,667,580</b>	<b>100.00</b>	<b>1,569,105</b>	<b>100.00</b>	<b>1,991,191</b>	<b>100.00</b>	<b>1,750,418</b>	<b>100.00</b>	<b>1,638,323</b>	<b>100.00</b>

Jasmine Telecom Systems Public Company Limited  
**Statement of Financial Positions (Continued)**

As at 31 December 2013 to 2015

(Unit : Thousand baht)

	Separate financial statements						Consolidated financial statements					
	2013		2014		2015		2013		2014		2015	
	AMOUNT	%	AMOUNT	%	AMOUNT	%	AMOUNT	%	AMOUNT	%	AMOUNT	%
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>												
<b><u>CURRENT LIABILITIES</u></b>												
Trust receipts	25,160	1.23	-	-	-	-	25,160	1.26	-	-	-	-
Trade and other payable	176,054	8.58	233,161	13.98	188,100	11.99	208,256	10.46	264,958	15.14	231,716	14.14
Accrued project cost	124,406	6.06	20,725	1.24	14,512	0.92	275,934	13.86	165,258	9.44	163,468	9.98
Current portion of long-term loans	-	-	-	-	-	-	14,484	0.73	28,968	1.65	28,968	1.77
Advance received for goods and services	1,585	0.08	2,300	0.14	906	0.06	1,605	0.08	2,346	0.13	1,627	0.10
other current liabilities	30,265	1.47	17,417	1.04	16,839	1.07	39,742	2.00	26,719	1.53	25,569	1.56
<b>TOTAL CURRENT LIABILITIES</b>	<b>357,470</b>	<b>17.41</b>	<b>273,603</b>	<b>16.41</b>	<b>220,356</b>	<b>14.04</b>	<b>565,181</b>	<b>28.38</b>	<b>488,248</b>	<b>27.89</b>	<b>451,348</b>	<b>27.55</b>
<b><u>NON CURRENT LIABILITIES</u></b>												
Long-term loans- net of current portion	-	-	-	-	-	-	167,794	8.43	138,800	7.93	109,803	6.70
Provision for long-term employee benefits	17,876	0.87	16,655	1.00	9,720	0.62	18,722	0.94	17,627	1.01	11,190	0.68
<b>TOTAL NON CURRENT LIABILITIES</b>	<b>17,876</b>	<b>0.87</b>	<b>16,655</b>	<b>1.00</b>	<b>9,720</b>	<b>0.62</b>	<b>186,516</b>	<b>9.37</b>	<b>156,427</b>	<b>8.94</b>	<b>120,993</b>	<b>7.39</b>
<b>TOTAL LIABILITIES</b>	<b>375,346</b>	<b>18.29</b>	<b>290,258</b>	<b>17.41</b>	<b>230,075</b>	<b>14.66</b>	<b>751,697</b>	<b>37.75</b>	<b>644,675</b>	<b>36.83</b>	<b>572,341</b>	<b>34.93</b>
<b><u>SHAREHOLDERS' EQUITY</u></b>												
Share capital												
Registered: 1.00 Baht per share	706,457		706,457		706,457		706,457		706,457		706,457	
Issued and fully paid-up	706,457	34.42	706,457	42.36	706,457	45.02	706,457	35.48	706,457	40.36	706,457	43.12
Share premium	420,269	20.47	420,269	25.20	420,269	26.78	420,269	21.11	420,269	24.01	420,269	25.65
Retained earnings												
Appropriated-statutory reserve	65,186	3.18	65,186	3.91	65,186	4.15	65,186	3.27	65,186	3.72	65,186	3.98
Unappropriated	485,432	23.65	185,410	11.12	147,117	9.38	46,963	2.36	(86,960)	(4.97)	(126,794)	(7.74)
Other components of shareholders' equity	-	-	-	-	-	-	8,158	0.41	8,158	0.47	8,158	0.50
<b>EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY</b>	<b>1,677,345</b>	<b>81.71</b>	<b>1,377,322</b>	<b>82.59</b>	<b>1,339,029</b>	<b>85.34</b>	<b>1,247,033</b>	<b>62.63</b>	<b>1,113,110</b>	<b>63.59</b>	<b>1,073,275</b>	<b>65.51</b>
Non-controlling interests of the subsidiary	-	-	-	-	-	-	(7,539)	(0.38)	(7,368)	(0.42)	(7,293)	(0.45)
<b>TOTAL SHAREHOLDERS' EQUITY</b>	<b>1,677,345</b>	<b>81.71</b>	<b>1,377,322</b>	<b>82.59</b>	<b>1,339,029</b>	<b>85.34</b>	<b>1,239,494</b>	<b>62.25</b>	<b>1,105,743</b>	<b>63.17</b>	<b>1,065,982</b>	<b>65.07</b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>	<b>2,052,691</b>	<b>100.00</b>	<b>1,667,580</b>	<b>100.00</b>	<b>1,569,105</b>	<b>100.00</b>	<b>1,991,191</b>	<b>100.00</b>	<b>1,750,418</b>	<b>100.00</b>	<b>1,638,323</b>	<b>100.00</b>

Jasmine Telecom Systems Public Company Limited  
**Statements of comprehensive income**  
As at 31 December 2013 to 2015

(Unit : Thousand baht)

	Separate financial statements						Consolidated financial statements					
	2013		2014		2015		2013		2014		2015	
	AMOUNT	%	AMOUNT	%	AMOUNT	%	AMOUNT	%	AMOUNT	%	AMOUNT	%
PROFIT OR LOSS												
<b>REVENUES</b>												
Sales and service income	241,003	86.67	47,915	68.46	11,308	27.67	311,204	89.22	109,554	85.85	70,581	77.77
Exchange gains	24,307	8.74	-	-	9,423	23.05	23,027	6.60	-	-	6,804	7.50
Other income	12,771	4.59	22,079	31.54	20,143	49.28	14,592	4.18	18,052	14.15	13,374	14.74
<b>รวมรายได้</b>	<b>278,081</b>	<b>100.00</b>	<b>69,994</b>	<b>100.00</b>	<b>40,875</b>	<b>100.00</b>	<b>348,823</b>	<b>100.00</b>	<b>127,606</b>	<b>100.00</b>	<b>90,759</b>	<b>100.00</b>
<b>EXPENSES</b>												
Cost of sales and services	136,935	49.24	32,914	47.02	8,040	19.67	171,469	49.16	54,604	42.79	32,388	35.69
Selling and Servicing expenses	13,879	4.99	9,537	13.63	1,403	3.43	15,398	4.41	11,290	8.85	3,042	3.35
Administrative expenses	102,245	36.77	100,750	143.94	70,868	173.38	115,108	33.00	114,216	89.51	85,921	94.67
Exchange losses	-	-	15,915	22.74	-	-	-	-	16,582	13.00	-	-
Other expenses												
Doubtful Debt	-	-	74,314	106.17	2,175	5.32	-	-	-	-	2,175	2.40
Loss on impairment of investment	-	-	83,899	119.87	-	-	-	-	-	-	-	-
Loss on impairment of asset	15,125	5.44	37,496	53.57	-	-	15,125	4.34	37,496	29.38	-	-
<b>TOTAL EXPENSES</b>	<b>268,184</b>	<b>96.44</b>	<b>354,825</b>	<b>506.93</b>	<b>82,486</b>	<b>201.80</b>	<b>317,101</b>	<b>90.91</b>	<b>234,189</b>	<b>183.53</b>	<b>123,525</b>	<b>136.10</b>
PROFIT (LOSS) BEFORE FINANCE COST AND INCOME TAX EXPENSES	9,897	3.56	(284,830)	(406.93)	(41,611)	(101.80)	31,722	9.09	(106,583)	(83.53)	(32,766)	(36.10)
Finance Cost	(1,664)	(0.60)	(518)	(0.74)	(413)	(1.01)	(16,856)	(4.83)	(12,494)	(9.79)	(10,726)	(11.82)
<b>PROFIT (LOSS) BEFORE INCOME TAX EXPENSES</b>	<b>8,233</b>	<b>2.96</b>	<b>(285,348)</b>	<b>(407.67)</b>	<b>(42,024)</b>	<b>(102.81)</b>	<b>14,865</b>	<b>4.26</b>	<b>(119,077)</b>	<b>(93.32)</b>	<b>(43,492)</b>	<b>(47.92)</b>
Income tax expense	(2,715)	(0.98)	(14,674)	(20.96)	-	-	(2,715)	(0.78)	(14,674)	(11.50)	-	-
<b>PROFIT (LOSS) FOR THIS YEAR</b>	<b>5,518</b>	<b>1.98</b>	<b>(300,022)</b>	<b>(428.64)</b>	<b>(42,024)</b>	<b>(102.81)</b>	<b>12,151</b>	<b>3.48</b>	<b>(133,751)</b>	<b>(104.82)</b>	<b>(43,492)</b>	<b>(47.92)</b>
Non-controlling interests of the subsidiary	-	-	0	-	-	-	141	0.04	172	0.13	75	0.08
<b>NET PROFIT (LOSS) FOR THIS YEAR</b>	<b>5,518</b>	<b>1.98</b>	<b>(300,022)</b>	<b>(428.64)</b>	<b>(42,024)</b>	<b>(102.81)</b>	<b>12,009</b>	<b>3.44</b>	<b>(133,923)</b>	<b>(104.95)</b>	<b>(43,566)</b>	<b>(48.00)</b>
Basic earning per share (at par Baht 1)	0.01		(0.42)		(0.06)		0.02		(0.19)		(0.06)	
Other comprehensive income for the year												
Total comprehensive income for the year	5,518	1.98	(300,022)	(428.64)	(42,024)	(102.81)	12,151	3.48	(133,751)	(104.82)	(43,492)	(47.92)
Actuarial gain (loss)	-	-	-	-	3,731	9.13	-	-	-	-	3,731	4.11
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>	<b>5,518</b>	<b>1.98</b>	<b>(300,022)</b>	<b>(428.64)</b>	<b>(38,293)</b>	<b>(93.68)</b>	<b>12,151</b>	<b>3.48</b>	<b>(133,751)</b>	<b>(104.82)</b>	<b>(39,760)</b>	<b>(43.81)</b>

**Cash flow statement**

For year ended 31 December 2013 to 2015

(Unit : Thousand baht)

	Separate financial statements			Consolidated financial statements		
	2013	2014	2015	2013	2014	2015
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>						
Profit (Loss) before tax	8,233	(285,348)	(42,024)	14,865	(119,077)	(43,492)
Adjustments to reconcile profit (loss) before tax to net cash provided by (paid from) operating activities						
Depreciation	7,269	10,364	9,640	12,846	18,748	16,241
Bad Debt	-	9,262	-	-	9,262	-
Doubtful debt	-	74,314	2,175	-	-	2,175
Reduction of inventory to net reliable value	-	-	4,014	-	-	4,014
Loss on impairment of investment	-	83,899	-	-	-	-
Loss on impairment of asset	15,125	37,496	-	15,125	37,496	-
Loss (gain) on disposal of equipment	-	(107)	(58)	4	(106)	(54)
Provision for long- term employee benefits (reversal)	1,546	(1,221)	1,741	1,668	(1,095)	1,879
Unrealised exchange (gain) Losses	108	(37)	(110)	1,388	99	2,509
Interest income	(12,142)	(18,760)	(14,681)	(13,032)	(14,710)	(12,879)
Interest expenses	1,510	58	409	16,702	12,034	10,722
Profit(loss) from operating activities before changes in operating assets and liabilities	21,649	(90,082)	(38,896)	49,566	(57,350)	(18,885)
Operating assets (Increase) decrease						
Trade and other receivables	(5,898)	441,777	21,906	(4,441)	441,472	29,676
Unbilled receivables	550,262	22,697	27,273	554,656	25,023	27,003
Inventories	6,968	24,806	2,288	7,762	24,726	2,272
Prepaid project costs	(21,413)	21,869	19	(16,122)	22,352	(305)
Other current assets	(7,274)	21,989	2,474	(7,268)	21,964	2,252
Account receivable under troubled debt restructuring	1,467	-	-	47,041	-	-
Other assets	1,191	(30)	854	(3,760)	(5)	831
Operating liabilities increase (decrease)						
Trade and other payable	(364,556)	57,131	(45,249)	(366,754)	56,725	(33,430)
Accrued project costs	(121,550)	(103,681)	(6,213)	(116,845)	(110,677)	(1,790)
Advance received for goods and services	(81,124)	716	(1,395)	(81,104)	741	(718)
Other current liabilities	332	(12,850)	(577)	(1,708)	(13,155)	(3,406)
Provision for long- term employee benefits	-	-	(4,944)	-	-	(4,940)
Other non-current liabilities	(2,080)	-	-	(2,080)	-	-
<b>Cash from (used in) operating activities</b>	<b>(22,028)</b>	<b>384,341</b>	<b>(42,459)</b>	<b>58,943</b>	<b>411,817</b>	<b>(1,443)</b>
Cash paid for interest expenses	(688)	(57)	(411)	(15,892)	(12,037)	(10,729)
Cash paid for income tax	(12,926)	(9,396)	(1,196)	(13,621)	(8,866)	(2,513)
Withholding tax refund	-	-	8,471	-	-	13,889
<b>Net cash from (used in ) operating activities</b>	<b>(35,642)</b>	<b>374,889</b>	<b>(35,595)</b>	<b>29,430</b>	<b>390,914</b>	<b>(797)</b>
<b>Cash flows from investing activities</b>						
Decrease(Increase) in current investment bank deposits	58,576	(460,507)	16,373	58,504	(460,429)	16,365
Decrease(Increase) in restricted bank deposits	(11,225)	41,713	1,309	(10,493)	42,351	1,321
Interest income	8,712	16,014	12,011	10,612	11,191	12,127
Acquisition of equipment	(2,335)	(22)	0	(2,854)	(1,135)	(6,031)
Proceeds from sales of equipment	-	326	74	-	326	74
<b>Net cash from (used in ) investing activities</b>	<b>53,728</b>	<b>(402,476)</b>	<b>29,767</b>	<b>55,768</b>	<b>(407,697)</b>	<b>23,856</b>
<b>Cash flows from financing activities</b>						
Decrease in trust receipts	(61,605)	(25,160)	-	(61,605)	(25,160)	-
Repayment of long-term loans	-	-	-	(63,946)	(14,510)	(28,997)
Dividend paid	(35,322)	-	-	(35,322)	-	-
<b>Net cash used in financing activities</b>	<b>(96,926)</b>	<b>(25,160)</b>	<b>-</b>	<b>(160,872)</b>	<b>(39,671)</b>	<b>(28,997)</b>
Net increase (decrease) in cash and cash equivalents	(78,840)	(52,748)	(5,828)	(75,674)	(56,454)	(5,938)
Cash and cash equivalents at beginning of year	307,694	228,855	176,107	317,294	241,620	185,166
<b>Cash and cash equivalents at the end of year</b>	<b>228,855</b>	<b>176,107</b>	<b>170,279</b>	<b>241,620</b>	<b>185,166</b>	<b>179,228</b>



**Financial Ratio**

For the year ended 31 December 2013 to 2015

	Separate financial statements			Consolidated financial statements		
	2013	2014	2015	2013	2014	2015
<b><u>Liquidity ratio</u></b>						
Current ratio (times)	4.99	5.91	6.94	3.11	3.45	3.51
Quick ratio (times)	4.54	5.67	6.72	2.92	3.24	3.32
Cash ratio (times)	(0.05)	1.19	(0.14)	0.03	0.74	(0.00)
Receivables turn over (times)	0.15	0.04	0.01	0.19	0.10	0.09
Collection period (days)	2,365	8,064	25,778	1,855	3,585	4,202
Inventory turnover (times)	3.81	1.31	0.59	4.37	2.17	2.34
Inventory turnover period (days)	95	274	615	82	166	154
Account payable turnover (times)	0.38	0.16	0.04	0.44	0.23	0.13
Payment period (days)	942	2,238	9,431	822	1,560	2,760
Cash Cycle (days)	1,518	6,100	16,962	1,116	2,191	1,595
<b><u>Profitability ratio</u></b>						
Gross profit margin (%)	43.18	31.31	28.90	44.90	50.16	54.11
Operating profit margin (%)	0.28	(104.59)	(155.35)	7.31	(41.15)	(44.54)
Cash to net profit ratio (%)	(4,989.14)	(512.10)	72.85	123.55	(744.53)	2.13
Net profit margin(%)	1.98	(428.64)	(102.81)	3.44	(104.95)	(48.00)
Return on equity (%)	0.33	(19.64)	(3.09)	0.96	(11.42)	(4.01)
<b><u>Efficiency ratio</u></b>						
Return on assets (%)	0.23	(16.13)	(2.60)	0.51	(7.16)	(2.57)
Return on fixed assets (%)	50.69	(1,825.23)	(269.25)	45.03	(425.37)	(162.98)
Asset turnover (times)	0.12	0.04	0.03	0.15	0.07	0.05
<b><u>Financial policy ratio</u></b>						
Debt of equity (times)	0.22	0.21	0.17	0.61	0.58	0.54
Interest coverage (times)	(51.78)	6,626.05	(107.33)	1.85	32.47	(1.37)
Debt service coverage ratio (cash basis ) (times)	(0.36)	14.89	N/A	0.18	9.58	(0.02)
<b><u>Data per share</u></b>						
Par value (Baht)	1.00	1.00	1.00	1.00	1.00	1.00
Book value per share (Baht)	2.37	1.95	1.90	1.75	1.57	1.51
Book value per share (Baht)- par value of Baht 1	0.01	(0.42)	(0.06)	0.02	(0.19)	(0.06)
<b><u>Growth rate</u></b>						
Total assets (%)	(24.46)	(18.76)	(5.91)	(26.55)	(12.09)	(6.40)
Total liabilities(%)	(62.85)	(22.67)	(20.73)	(48.09)	(14.24)	(11.22)
Sales and service income (%)	(78.41)	(80.12)	(76.40)	(73.61)	(64.80)	(35.57)
Cost of sales and services (%)	(84.54)	(75.96)	(75.57)	(81.43)	(68.15)	(40.69)
Selling servicing and administrative expenses	0.40	(5.03)	(34.47)	(5.29)	(3.83)	(29.12)
Net profit (%)	(85.95)	(5,536.88)	(85.99)	(106.92)	(1,215.14)	(67.47)

## Overall Operating Results for the year 2015

In 2015, the Company and its subsidiary had the total revenue of Baht 90.75 million, decreasing by Baht 36.86 million or 28.88%, compared to the year 2014. The net loss was Baht 43.57 million, decreasing by Baht 90.35 million or 67.47%, compared to the year 2014. The decrease was mainly due to the decline in the revenue of Telecom Systems Integration business, which for the year 2015 was of Baht 8.74 million, declining by Baht 29.62 million or 77.22%. The decrease was also due to the decline in the revenue of Telecom Service business, which for the year 2015 was of Baht 2.24 million, declining by Baht 6.95 million or 75.63%.

## Revenue Structure and Operating Results

(Unit : Million Baht)

Type of Business	Consolidated		Changed	% Changed
	Y 2014	Y2015		
Telecom Systems Integration	38.36	8.74	(29.62)	(77.22)
Telecom Service Business	9.19	2.24	(6.95)	(75.63)
Computer Systems Integration	62.01	59.60	(2.41)	(3.89)
<b>Total Sales and Services Income</b>	<b>109.56</b>	<b>70.58</b>	<b>(38.98)</b>	<b>(35.58)</b>
Exchange Gains	0.00	6.80	6.80	100.00
Other Income	18.05	13.37	(4.68)	(25.93)
<b>Total Revenue</b>	<b>127.61</b>	<b>90.75</b>	<b>(36.86)</b>	<b>(28.88)</b>
Cost of sales and services	54.60	32.39	(22.21)	(40.68)
Gross Profit **	54.95	38.19	(16.76)	(30.50)
<b>Net profit (loss) after tax</b>	<b>(133.92)</b>	<b>(43.57)</b>	<b>90.35</b>	<b>67.47</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>(0.06)</b>	<b>(0.13)</b>	<b>(67.48)</b>

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

## Revenue Structure

In 2015, the Company and its subsidiary had the total revenue of Baht 90.75 million, declining from the year 2014 by Baht 36.86 million or 28.88%. The total revenue comprised:

- The revenue obtained from Telecom Systems Integration business of Baht 8.74 million or 9.63%
- The revenue obtained from Telecom Service business of Baht 2.24 million or 2.47% 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 59.60 million or 65.67%
- Other income of Baht 13.37 million or 14.73%, most of which was from interest income, amounting Baht 12.88 million
- Exchange gains of Baht 6.80 million or 7.50%

## Operating Results

In 2015, the Company and its subsidiary had net loss of Baht 43.57 million. The net loss decreased from the year 2014 by Baht 90.35 million or 67.47%.

## Expenses

(Unit : Million Baht)

Item	Consolidated		Changed	% Changed
	Y2014	Y2015		
Cost of sales and services	54.60	32.39	(22.21)	(40.68)
Selling and servicing expenses	11.29	3.04	(8.25)	(73.07)
Administrative expenses	114.22	85.92	(28.30)	(24.78)
Exchange losses	16.58	0.00	(16.58)	(100.00)
Doubtful debt	0.00	2.17	2.17	100.00
Loss on impairment of assets	37.50	0.00	(37.50)	(100.00)
Total expenses	234.19	123.52	(110.67)	(47.26)

## Cost of Sales and Services

In 2015, the Company and its subsidiary had cost of sales and services of Baht 32.39 million, decreasing from the year 2014 by Baht 22.21 million or 40.68% due to the decrease in the sales and services income.

## Selling and Servicing Expenses and Administrative Expenses

In 2015, the Company and its subsidiary had selling and servicing expenses and the administrative expenses of Baht 88.96 million, decreasing from the year 2014 by Baht 36.55 million or 29.12% due to the decrease in the selling and servicing expenses of Baht 8.25 million or 73.07% and the decrease in the administrative expenses of Baht 28.30 million or 24.78%.

## Finance Cost

In 2015, the Company and its subsidiary had financial expense of Baht 10.73 million, decreasing from the year 2014 by Baht 1.76 million or 14.09%. The financial expense consisted of the bank charge and the interest expense. Interest expense decreased due to the repayment of the long term loan.

## Financial Position

### Assets

(Unit : Million Baht)

Item	Consolidated		Changed	% Changed
	31/12/2014	31/12/2015		
Current Assets	1,683.51	1,583.46	(100.05)	(5.94)
Non-Current Assets	66.91	54.86	(12.05)	(18.01)
Property, plant and equipment – net	31.68	21.78	(9.90)	(31.25)
Other non-current assets	35.23	33.08	(2.15)	(6.10)
<b>Total Assets</b>	<b>1,750.42</b>	<b>1,638.32</b>	<b>(112.10)</b>	<b>(6.40)</b>

As at 31 December 2015, the Company and its subsidiary had total assets of Baht 1,638.32 million, decreasing by Baht 112.10 million or 6.40%. Detail is as follows:

- Current assets decreased due to the decrease in cash and current investments by Baht 22.31 million or 3.07%; the decrease in trade and other receivables by Baht 31.55 million or 3.89% and the decrease in other current assets which included unbilled receivables, inventories and prepaid project costs by Baht 46.19 million or 31.71%
- Non-Current assets decreased due to the decrease in property, plant and equipment (net) by Baht 9.90 million or 31.25% mainly because of depreciation of public payphone.

### Liabilities

(Unit : Million Baht)

Item	Consolidated		Changed	% Changed
	31/12/2014	31/12/2015		
Current Liabilities	488.25	451.35	(36.90)	(7.56)
Non-Current Liabilities	156.43	120.99	(35.44)	(22.66)
Long Term Loans	138.80	109.80	(29.00)	(20.89)
Provision for long - term employee benefits	17.63	11.19	(6.44)	(36.53)
<b>Total Liabilities</b>	<b>644.68</b>	<b>572.34</b>	<b>(72.34)</b>	<b>(11.22)</b>

As at 31 December 2015, the Company and its subsidiary had total liabilities of Baht 572.34 million, decreasing by Baht 72.34 million or 11.22%. Detail is as follows:

- Current liabilities decreased by Baht 36.90 million or 7.56% due to the decrease in trade and other payables by Baht 33.24 million and the decrease in accrued project cost by Baht 1.79 million.
- Non-current liabilities decreased by Baht 35.44 million or 22.66% as the long-term loans decreased by Baht 29.00 million or 20.89% 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 6.44 million or 36.53% due to actuarial assumptions change that affects the present value of the long-term employee benefits obligation.

## Shareholders' Equity

(Unit : Million Baht)

Item	Consolidated		Changed	% Changed
	31/12/2014	31/12/2015		
Paid up Share Capital	706.46	706.46	0.00	0.00
Share Premium	420.27	420.27	0.00	0.00
Retained Earnings	(21.78)	(61.61)	(39.83)	(182.87)
Appropriated-statutory reserve	65.18	65.18	0.00	0.00
Unappropriated	(86.96)	(126.79)	(39.83)	(45.80)
Other components of shareholders' equity	8.16	8.16	0.00	0.00
Non-controlling interests of the subsidiary	(7.37)	(7.29)	0.08	1.09
Total Shareholders' Equity	1,105.74	1,065.99	(39.75)	(3.59)
Book Value	1.57	1.51	(0.06)	(3.82)

As at 31 December 2015, the Company and its subsidiary had total shareholders' equity of Baht 1,065.99 million, decreasing by Baht 39.75 million or 3.59%. This was mainly due to net operating loss of Baht 43.57 million and Actuarial gains by Baht 3.73 million.

## Liquidity

### Cash flow

As at December 31, 2015, the Company and its subsidiary had cash and cash equivalents of Baht 179.23 million, decreasing by Baht 5.94 million from the year 2014. The summary of net cash generated and used is as follows:-

- Net cash from (used in) operating activities Baht (0.80) million
- Net cash from (used in) investing activities Baht 23.86 million
- Net cash used in financing activities Baht (29.00) million

## Liquidity Ratio and Capital Structure

Item	31/12/2014	31/12/2015
<b>Liquidity Ratio</b>		
Current Ratio (times)	3.45	3.51
Quick Ratio (times)	3.24	3.32
<b>Capital Structure</b>		
Debt to Equity Ratio (times)	0.58	0.54

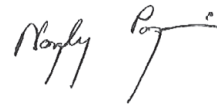
The Board of Directors is responsible for ensuring that the financial statements of Jasmine Telecom Systems Public Company Limited and the consolidated financial statement of the Company and its subsidiary are made in accordance with the generally accepted accounting principles. The accounting policies 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 statement 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 trustworthy 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 statement for the year 2015 present the Company's financial situation and operation results in a reliable and accurate manner.



(Mr. Pleumjai Sinarkorn)  
Director



(Mrs. Nonglug Pongsrihadulchai)  
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 2015, 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 18 to the financial statements, the Company and its subsidiary have 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 and its subsidiary are unable to disclose by operating segment for the reasons described in that note.
- b) As described in Note 20.3 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. Subsequently, these counterparties filed lawsuits against the Company, petitioning the court to order the Company to pay penalties totaling approximately Baht 196 million. The outcomes are currently unknown. 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 2015, 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 20.2 to the financial statements

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

## Other Matter

I have audited 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 2014 and for the year then ended, and expressed a qualified opinion on those statements with respect to non-disclosure of information related to 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 my report dated 2 March 2015.



Supachai Phanyawattano

Certified Public Accountant (Thailand) No. 3930

EY Office Limited

Bangkok: 25 January 2016



**Jasmine Telecom Systems Public Company Limited and its subsidiary**  
**Statement of financial position**  
**As at 31 December 2015**

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2015	2014	2015	2014
<b>Assets</b>					
<b>Current assets</b>					
Cash and cash equivalents		179,228,839	185,166,742	170,278,875	176,106,832
Current investments - bank deposits		525,863,761	542,228,742	525,708,930	542,082,326
Trade and other receivables	7	778,872,061	810,424,233	773,820,802	794,908,857
Unbilled receivables					
Related parties	6	23,377	108,984	-	77,520
Unrelated parties		15,606,080	42,523,005	11,726,518	38,922,293
Inventories	8	10,522,116	17,139,240	10,409,030	17,042,503
Account receivable under troubled debt restructuring	9	47,414,702	47,414,702	18,833,738	18,833,738
Prepaid project costs		438,180	133,165	91,100	110,461
Other current assets		25,491,557	38,367,026	17,774,054	27,546,336
<b>Total current assets</b>		<b>1,583,460,673</b>	<b>1,683,505,839</b>	<b>1,528,643,047</b>	<b>1,615,630,866</b>
<b>Non-current assets</b>					
Restricted bank deposits		31,066,699	32,387,673	28,443,802	29,752,967
Property, plant and equipment	10	21,782,214	31,680,115	10,945,843	20,269,739
Deposits		2,013,474	2,844,067	1,071,900	1,926,393
<b>Total non-current assets</b>		<b>54,862,387</b>	<b>66,911,855</b>	<b>40,461,545</b>	<b>51,949,099</b>
<b>Total assets</b>		<b>1,638,323,060</b>	<b>1,750,417,694</b>	<b>1,569,104,592</b>	<b>1,667,579,965</b>

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

**Jasmine Telecom Systems Public Company Limited and its subsidiary**  
**Statement of financial position (continued)**  
**As at 31 December 2015**

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2015	2014	2015	2014
<b>Liabilities and shareholders' equity</b>					
<b>Current liabilities</b>					
Trade and other payables	11	231,715,731	264,957,540	188,099,663	233,160,824
Accrued project cost		163,467,934	165,257,587	14,511,855	20,724,864
Current portion of long-term loans	12	28,968,000	28,968,000	-	-
Advances received for goods and services		1,627,400	2,345,650	905,607	2,300,467
Other current liabilities		25,568,885	26,719,268	16,838,577	17,417,119
<b>Total current liabilities</b>		<b>451,347,950</b>	<b>488,248,045</b>	<b>220,355,702</b>	<b>273,603,274</b>
<b>Non-current liabilities</b>					
Long-term loans - net of current portion	12	109,802,955	138,799,876	-	-
Provision for long-term employee benefits	13	11,189,883	17,627,111	9,719,597	16,654,525
<b>Total non-current liabilities</b>		<b>120,992,838</b>	<b>156,426,987</b>	<b>9,719,597</b>	<b>16,654,525</b>
<b>Total liabilities</b>		<b>572,340,788</b>	<b>644,675,032</b>	<b>230,075,299</b>	<b>290,257,799</b>

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

**Jasmine Telecom Systems Public Company Limited and its subsidiary**  
**Statement of financial position (continued)**  
**As at 31 December 2015**

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2015	2014	2015	2014
<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	14	65,185,714	65,185,714	65,185,714	65,185,714
Unappropriated (deficit)		(126,794,464)	(86,959,540)	147,117,201	185,410,074
Other components of shareholders' equity	2.2	8,157,637	8,157,637	-	-
Equity attributable to owners of the Company		1,073,275,265	1,113,110,189	1,339,029,293	1,377,322,166
Non-controlling interests of the subsidiary		(7,292,993)	(7,367,527)	-	-
<b>Total shareholders' equity</b>		<b>1,065,982,272</b>	<b>1,105,742,662</b>	<b>1,339,029,293</b>	<b>1,377,322,166</b>
<b>Total liabilities and shareholders' equity</b>		<b>1,638,323,060</b>	<b>1,750,417,694</b>	<b>1,569,104,592</b>	<b>1,667,579,965</b>

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

**Jasmine Telecom Systems Public Company Limited and its subsidiary**  
**Statement of comprehensive income**  
**For the year ended 31 December 2015**

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2015	2014	2015	2014
<b>Profit or loss:</b>					
<b>Revenues</b>					
Sales and service income		70,581,049	109,553,503	11,308,143	47,915,247
Exchange gains		6,803,805	-	9,423,261	-
Other income		13,374,463	18,052,235	20,143,381	22,079,124
<b>Total revenues</b>		<b>90,759,317</b>	<b>127,605,738</b>	<b>40,874,785</b>	<b>69,994,371</b>
<b>Expenses</b>					
Cost of sales and services		32,388,134	54,604,414	8,040,060	32,914,229
Selling and servicing expenses		3,041,687	11,289,502	1,402,607	9,537,201
Administrative expenses		85,920,616	114,216,380	70,868,352	100,749,730
Exchange losses		-	16,582,488	-	15,914,871
Other expenses					
Doubtful debt		2,174,607	-	2,174,607	74,313,750
Loss on impairment of investment		-	-	-	83,899,210
Loss on impairment of asset		-	37,495,799	-	37,495,799
<b>Total expenses</b>		<b>123,525,044</b>	<b>234,188,583</b>	<b>82,485,626</b>	<b>354,824,790</b>
<b>Loss before finance cost and income tax expenses</b>		<b>(32,765,727)</b>	<b>(106,582,845)</b>	<b>(41,610,841)</b>	<b>(284,830,419)</b>
Finance cost		(10,726,128)	(12,494,214)	(413,497)	(517,871)
<b>Loss before income tax expenses</b>		<b>(43,491,855)</b>	<b>(119,077,059)</b>	<b>(42,024,338)</b>	<b>(285,348,290)</b>
Income tax expenses	16	-	(14,674,073)	-	(14,674,073)
<b>Loss for the year</b>		<b>(43,491,855)</b>	<b>(133,751,132)</b>	<b>(42,024,338)</b>	<b>(300,022,363)</b>
<b>Other comprehensive income :</b>					
<i>Other comprehensive income not to be reclassified to profit or loss in subsequent periods</i>					
Actuarial gains		3,731,465	-	3,731,465	-
<b>Other comprehensive income for the year</b>		<b>3,731,465</b>	<b>-</b>	<b>3,731,465</b>	<b>-</b>
<b>Total comprehensive income for the year</b>		<b>(39,760,390)</b>	<b>(133,751,132)</b>	<b>(38,292,873)</b>	<b>(300,022,363)</b>

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

**Jasmine Telecom Systems Public Company Limited and its subsidiary**  
**Statement of comprehensive income (continued)**  
**For the year ended 31 December 2015**

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2015	2014	2015	2014
<b>Profit (loss) attributable to:</b>					
Equity holders of the Company		(43,566,389)	(133,922,773)	(42,024,338)	(300,022,363)
Non-controlling interests of the subsidiary		74,534	171,641		
		(43,491,855)	(133,751,132)		
<b>Total comprehensive income attributable to:</b>					
Equity holders of the Company		(39,834,924)	(133,922,773)	(38,292,873)	(300,022,363)
Non-controlling interests of the subsidiary		74,534	171,641		
		(39,760,390)	(133,751,132)		
<b>Loss per share</b>	17				
Basic loss per share					
Loss attributable to equity holders of the Company		(0.06)	(0.19)	(0.06)	(0.42)

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

# Jasmine Telecom Systems Public Company Limited and its subsidiary

## Statement of changes in shareholders' equity

### For the year ended 31 December 2015

(Unit: Baht)

Consolidated financial statements									
	Equity attributable to owners of the Company								
	Issued and fully paid-up share capital	Share premium	Retained earnings		Other component of equity			Equity attributable to non-controlling interests of the subsidiary	
			Appropriated	Unappropriated (deficit)	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		
Balance as at 1 January 2014	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)
Balance as at 31 December 2014	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
Balance as at 1 January 2015	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
Profit (loss) for the year	-	-	-	(43,566,389)	-	-	(43,566,389)	74,534	(43,491,855)
Other comprehensive income for the year	-	-	-	3,731,465	-	-	3,731,465	-	3,731,465
Total comprehensive income for the year	-	-	-	(39,834,924)	-	-	(39,834,924)	74,534	(39,760,390)
Balance as at 31 December 2015	706,457,300	420,269,078	65,185,714	(126,794,464)	8,157,637	8,157,637	1,073,275,265	(7,292,993)	1,065,982,272

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

# Jasmine Telecom Systems Public Company Limited and its subsidiary

## Statement of changes in shareholders' equity (continued)

### For the year ended 31 December 2015

(Unit: Baht)

	Separate financial statements				
	Issued and fully paid-up share capital	Share premium	Retained earnings		Total shareholders' equity
			Appropriated	Unappropriated	
Balance as at 1 January 2014	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)
Balance as at 31 December 2014	706,457,300	420,269,078	65,185,714	185,410,074	1,377,322,166
Balance as at 1 January 2015	706,457,300	420,269,078	65,185,714	185,410,074	1,377,322,166
Loss for the year	-	-	-	(42,024,338)	(42,024,338)
Other comprehensive income for the year	-	-	-	3,731,465	3,731,465
Total comprehensive income for the year	-	-	-	(38,292,873)	(38,292,873)
Balance as at 31 December 2015	706,457,300	420,269,078	65,185,714	147,117,201	1,339,029,293

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

**Jasmine Telecom Systems Public Company Limited and its subsidiary**  
**Cash flow statement**  
**For the year ended 31 December 2015**

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
<b>Cash flows from operating activities</b>				
Loss before tax	(43,491,855)	(119,077,059)	(42,024,338)	(285,348,290)
Adjustments to reconcile loss before tax to net cash provided by (paid from) operating activities				
Depreciation	16,241,250	18,747,773	9,640,205	10,363,503
Bad debt	-	9,261,781	-	9,261,781
Doubtful debt	2,174,607	-	2,174,607	74,313,750
Reduction of inventory to net realisable value	4,013,987	-	4,013,987	-
Loss on impairment of investment	-	-	-	83,899,210
Loss on impairment of asset	-	37,495,799	-	37,495,799
Gain on disposal of equipment	(54,409)	(105,503)	(58,415)	(107,157)
Provision for long-term employee benefits	1,879,134	1,856,897	1,740,507	1,730,387
Unrealised exchange (gains) losses	2,509,072	99,274	(110,384)	(37,345)
Interest income	(12,878,721)	(14,710,384)	(14,681,106)	(18,760,414)
Interest expenses	10,721,517	12,033,714	408,886	58,232
Loss from operating activities before changes in operating assets and liabilities	(18,885,418)	(54,397,708)	(38,896,051)	(87,130,544)
Operating assets (increase) decrease				
Trade and other receivables	29,675,852	441,471,524	21,905,881	441,776,913
Unbilled receivables	27,002,532	25,023,492	27,273,295	22,697,024
Inventories	2,271,551	24,726,032	2,287,900	24,805,844
Prepaid project costs	(305,015)	22,352,008	19,361	21,869,169
Other current assets	2,251,669	21,964,067	2,473,916	21,989,051
Other assets	830,593	(4,531)	854,493	(29,960)
Operating liabilities increase (decrease)				
Trade and other payables	(33,429,712)	56,725,371	(45,249,064)	57,130,508
Accrued project costs	(1,789,653)	(110,676,584)	(6,213,009)	(103,680,983)
Advances received for goods and services	(718,250)	740,890	(1,394,860)	715,607
Other current liabilities	(3,406,352)	(13,155,313)	(576,888)	(12,849,963)
Provision for long-term employee benefits	(4,940,418)	(2,951,838)	(4,943,970)	(2,951,838)
Cash from (used in) operating activities	(1,442,621)	411,817,410	(42,458,996)	384,340,828
Cash paid for interest expenses	(10,729,483)	(12,037,479)	(410,540)	(56,578)
Cash paid for income tax	(2,513,391)	(10,681,305)	(1,195,698)	(9,395,647)
Withholding tax refund	13,888,760	1,815,084	8,470,510	-
<b>Net cash from (used in) operating activities</b>	<b>(796,735)</b>	<b>390,913,710</b>	<b>(35,594,724)</b>	<b>374,888,603</b>

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



**Jasmine Telecom Systems Public Company Limited and its subsidiary**  
**Cash flow statement (continued)**  
**For the year ended 31 December 2015**

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
<b>Cash flows from investing activities</b>				
Decrease (increase) in current investments - bank deposits	16,364,981	(460,429,435)	16,373,396	(460,507,192)
Decrease in restricted bank deposits	1,320,974	42,351,387	1,309,165	41,713,312
Interest income	12,127,152	11,190,510	12,010,514	16,013,735
Acquisition of equipment	(6,031,046)	(1,135,116)	-	(21,839)
Proceeds from sales of equipment	73,692	325,874	73,692	325,874
<b>Net cash from (used in) investing activities</b>	<b>23,855,753</b>	<b>(407,696,780)</b>	<b>29,766,767</b>	<b>(402,476,110)</b>
<b>Cash flows from financing activities</b>				
Decrease in trust receipts	-	(25,160,418)	-	(25,160,418)
Repayment of long-term loans	(28,996,921)	(14,510,497)	-	-
<b>Net cash used in financing activities</b>	<b>(28,996,921)</b>	<b>(39,670,915)</b>	<b>-</b>	<b>(25,160,418)</b>
<b>Net decrease in cash and cash equivalents</b>	<b>(5,937,903)</b>	<b>(56,453,985)</b>	<b>(5,827,957)</b>	<b>(52,747,925)</b>
Cash and cash equivalents at beginning of year	185,166,742	241,620,727	176,106,832	228,854,757
<b>Cash and cash equivalents at end of year</b>	<b>179,228,839</b>	<b>185,166,742</b>	<b>170,278,875</b>	<b>176,106,832</b>
<b>Supplemental cash flow information</b>				
<b>Non-cash transactions</b>				
Transfer inventories to equipment	331,586	18,224,905	331,586	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.

# Jasmine Telecom Systems Public Company Limited and its subsidiary

## Notes to consolidated financial statements

### For the year ended 31 December 2015

#### 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) The Company is deemed to have control over an investee or subsidiary if it has rights, or is exposed, to variable returns from its involvement with the investee, and it has the ability to direct the activities that affect the amount of its returns.
- c) 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.
- d) The financial statements of the subsidiary are prepared using the same significant accounting policies as the Company.
- e) Material balances and transactions between the Company and its subsidiary company have been eliminated from the consolidated financial statements.

- f) 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 present investment in subsidiary under the cost method.

### 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 year**

The Company and its subsidiary have adopted the revised (revised 2014) and new financial reporting standards issued by the Federation of Accounting Professions which 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 standards. The adoption of these financial reporting standards does not have any significant impact on the financial statements of the Company and its subsidiary. However, some of these standards involve changes to key principles, which are summarised below:

Accounting Standard:

TAS 19 (revised 2014)	Employee Benefits
-----------------------	-------------------

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

The above accounting standard and financial reporting standards do not have any significant impact on the financial statements of the Company and its subsidiary.

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

During the current year, the Federation of Accounting Professions issued a number of the revised (revised 2015) and new financial reporting standards and accounting treatment guidance which is effective for fiscal years beginning on or after 1 January 2016. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards. The management of the Company and its subsidiary believe that the revised and new financial reporting standards and accounting treatment guidance will not have any significant impact on the financial statements when they are initially applied.

## 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 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.

#### 4.6 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.

#### 4.7 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 associated companies 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.

#### 4.8 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.

#### 4.9 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.

#### 4.10 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.

#### 4.11 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.

#### 4.12 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.

### 4.13 Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between buyer and seller (market participants) at the measurement date. The Company and its subsidiary apply a quoted market price in an active market to measure their assets and liabilities that are required to be measured at fair value by relevant financial reporting standards. Except in case of no active market of an identical asset or liability or when a quoted market price is not available, the Company and its subsidiary measure fair value using valuation technique that are appropriate in the circumstances and maximises the use of relevant observable inputs related to assets and liabilities that are required to be measured at fair value.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy into three levels based on categorise of input to be used in fair value measurement as follows:

- Level 1      Use of quoted market prices in an observable active market for such assets or liabilities
- Level 2      Use of other observable inputs for such assets or liabilities, whether directly or indirectly
- Level 3      Use of unobservable inputs such as estimates of future cash flows

At the end of each reporting period, the Company and its subsidiary determine whether transfers have occurred between levels within the fair value hierarchy for assets and liabilities held at the end of the reporting period that are measured at fair value on a recurring basis.

## 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.

#### 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	The subsidiary company that the Company has power to set financial and operating policies in order to generate benefits from the subsidiary's activities.
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 summarised below, arose in the ordinary course of business 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
	2015	2014	2015	2014	
<b>Transactions with parent company</b>					
Sales and service income	1	-	-	-	Contract price or at prices normally charged to other customers or cost plus margin
Office rental and service expenses	6	8	4	6	Contract price or at prices normally charged to other customers
<b>Transactions with subsidiary</b> (eliminated from the consolidated financial statements)					
Interest income	-	-	3	5	The rates referenced to fixed deposits interest rates (2014: The rates referenced to MLR)
<b>Transactions with related companies</b>					
Sales and service income	40	49	3	13	Contract price or at prices normally charged to other customers or cost plus margin
Cost of sales and services	5	4	5	4	Contract price or at prices normally charged to other customers
Other expenses	7	8	3	4	Contract price or at prices normally charged to other customers

The balances of the accounts as at 31 December 2015 and 2014 between the Company and its subsidiary and those related companies are as follows:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
<b>Trade accounts receivable - related parties (Note 7)</b>				
Parent company	27	-	-	-
Related companies				
Jasmine Group	737,886	748,790	732,633	736,649
<b>Total trade accounts receivable - related parties</b>	<b>737,913</b>	<b>748,790</b>	<b>732,633</b>	<b>736,649</b>
<b>Other receivables - related party (Note 7)</b>				
Subsidiary	-	-	2,694	4,967
(eliminated from the consolidated financial statements)				
Less: Allowance for doubtful account	-	-	-	(4,967)
<b>Total other receivables - related party - net</b>	<b>-</b>	<b>-</b>	<b>2,694</b>	<b>-</b>

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
<b>Unbilled receivable from related parties</b>				
Related companies				
Jasmine Group	23	109	-	78
<b>Total unbilled receivable from related parties</b>	<b>23</b>	<b>109</b>	<b>-</b>	<b>78</b>
<b>Short-term loans to related party</b>				
Subsidiary	-	-	69,347	69,347
(eliminated from the consolidated financial statements)				
Less: Allowance for doubtful account	-	-	(69,347)	(69,347)
<b>Total short-term loans to related party - net</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Trade accounts payable - related parties (Note 11)</b>				
Related companies				
Jasmine Group	336	52	26	37
<b>Total trade accounts payable - related parties</b>	<b>336</b>	<b>52</b>	<b>26</b>	<b>37</b>
<b>Other payables - related parties (Note 11)</b>				
Parent company	21,530	20,290	-	-
Related companies				
Jasmine Group	7,346	6,920	2	154
<b>Total other payables - related parties</b>	<b>28,876</b>	<b>27,210</b>	<b>2</b>	<b>154</b>
<b>Advance received from related parties</b>				
Related companies				
Jasmine Group	663	26	-	-
<b>Total advance received from related parties</b>	<b>663</b>	<b>26</b>	<b>-</b>	<b>-</b>

Short-term loans to related party

During 2015, there is no movement of short-term loans to the subsidiary from the balance as of 31 December 2014.

Directors and management's benefits

During the years ended 31 December 2015 and 2014, 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	
	2015	2014	2015	2014
Short-term employee benefits	17	19	14	16
Post-employment benefits	1	2	1	1
<b>Total</b>	<b>18</b>	<b>21</b>	<b>15</b>	<b>17</b>

## Guarantee obligations with the subsidiary

The Company has outstanding guarantee obligations with its subsidiary, as described in Note 20.5 to the financial statements.

## 7. Trade and other receivables

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
Trade receivables - related parties (Note 6)	737,913	748,790	732,633	736,649
Trade receivables - unrelated parties	190,284	202,734	20,887	32,466
Other receivables - related parties (Note 6)	-	-	2,694	4,967
Other receivables - unrelated parties	44,556	50,607	44,463	50,476
Total	972,753	1,002,131	800,677	824,558
Less: Allowance for doubtful debts	(193,881)	(191,707)	(26,856)	(29,649)
Trade and other receivables - net	778,872	810,424	773,821	794,909

The outstanding balances of trade accounts receivable as at 31 December 2015 and 2014, aged on the basis of due dates, are summarised below.

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
<u>Trade receivables - related parties</u>				
Aged on the basis of due dates				
Not yet due	8,195	3,431	3,053	3,023
Past due				
Up to 3 months	621	8,563	483	833
3 - 6 months	489	3,343	489	2,344
6 - 12 months	1,169	9,124	1,169	6,120
Over 12 months	727,439	724,329	727,439	724,329
Total trade receivables - related parties (Note 6)	737,913	748,790	732,633	736,649
<u>Trade receivables - unrelated parties</u>				
Aged on the basis of due dates				
Not yet due	1,882	3,214	1,851	3,006
Past due				
Up to 3 months	512	1,964	20	778
3 - 6 months	-	9,666	-	9,666
6 - 12 months	-	969	-	969
Over 12 months	187,890	186,921	19,016	18,047
Total	190,284	202,734	20,887	32,466
Less: Allowance for doubtful debts	(181,568)	(179,394)	(14,543)	(12,369)
Total trade receivables - unrelated parties, net	8,716	23,340	6,344	20,097
Total trade receivables - net	746,629	772,130	738,977	756,746

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
<u>Other receivables - unrelated parties</u>				
Accrued interest income	12,313	12,313	12,313	12,313
Others	32,243	38,294	32,150	38,163
Total	44,556	50,607	44,463	50,476
Less: Allowance for doubtful debts	(12,313)	(12,313)	(12,313)	(12,313)
Total other receivables - unrelated parties, net	32,243	38,294	32,150	38,163

Included in trade receivables from unrelated parties as at 31 December 2015 and 2014, were amounts receivable from the companies majority-owned by the government as follows:

(Unit: Thousand Baht)

Age of receivables	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
Not yet due	636	2,505	636	2,303
Past due				
Up to 3 months	473	1,847	-	660
3 - 6 months	-	-	-	-
6 - 12 months	-	969	-	969
Over 12 months	1,001	32	1,001	32
Total	2,110	5,353	1,637	3,964

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	
	2015	2014	2015	2014	2015	2014
Finished goods	14,536	17,139	(4,014)	-	10,522	17,139

(Unit: Thousand Baht)

	Separate financial statements					
	Cost		Reduce cost to net realisable value		Inventories-net	
	2015	2014	2015	2014	2015	2014
Finished goods	14,423	17,043	(4,014)	-	10,409	17,043

During the current year, the Company reduced cost of inventories by Baht 4 million to reflect the net realisable value. This was included in administrative expenses.

## **9. Account receivable under troubled debt restructuring**

As at 31 December 2015, the Company and its subsidiary had an outstanding balance totaling Baht 47 million (the Company only: Baht 19 million) that was receivable from TT&T Public Company Limited (TT&T) under the rehabilitation plan of TT&T, and which was to be repaid in full, in cash in a single payment on the last working day of the first quarter of 2015. However, the Company and its subsidiary have not yet received payment of the outstanding amount from TT&T. On 21 October 2015 and 20 November 2015, the rehabilitation plan administrator of TT&T submitted a proposal to revise the rehabilitation plan. On 23 December 2015, the creditors meeting approved the revised rehabilitation plan, and then the Official Receiver will propose the revised plan to the Central Bankruptcy Court for approval on 26 January 2016. The management of the Company and its subsidiary believe they will receive settlement of the full amount. 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. 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. 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 2014	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
Additions	-	-	-	-	6,031	-	6,031
Transfers in	-	-	-	-	337	-	337
Transfers out	-	-	-	-	(6)	-	(6)
Disposals	-	-	-	-	(18,567)	-	(18,567)
31 December 2015	2,000	1,239	26,151	16,019	67,166	6,648	119,223
<b>Accumulated depreciation</b>							
1 January 2014	-	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
Depreciation for the year	-	-	7,304	83	8,607	247	16,241
Depreciation on disposals	-	-	-	-	(18,548)	-	(18,548)
31 December 2015	-	1,237	18,832	15,960	55,444	5,968	97,441
<b>Net book value</b>							
31 December 2014	2,000	2	14,623	142	13,986	927	31,680
31 December 2015	2,000	2	7,319	59	11,722	680	21,782
<b>Depreciation for the year</b>							
2014 (Baht 5 million included in cost of sales and services, and the balance in selling, servicing and administrative expenses)							18,747
2015 (Baht 2 million included in cost of sales and services, and the balance in selling, servicing and administrative expenses)							16,241

(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 2014	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
Additions	-	-	-	-	-
Transfers in	-	-	337	-	337
Transfers out	-	-	(6)	-	(6)
Disposals	-	-	(18,215)	-	(18,215)
31 December 2015	26,151	12,130	29,120	6,152	73,553
<b>Accumulated depreciation</b>					
1 January 2014	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
Depreciation for the year	7,304	-	2,089	247	9,640
Depreciation on disposals	-	-	(18,200)	-	(18,200)
31 December 2015	18,831	12,130	26,174	5,472	62,607
<b>Net book value</b>					
31 December 2014	14,624	-	4,719	927	20,270
31 December 2015	7,320	-	2,946	680	10,946
<b>Depreciation for the year</b>					
2014 (Baht 2 million included in cost of sales and services, and the balance in selling, servicing and administrative expenses)					10,364
2015 (Baht 1 million included in cost of sales and services, and the balance in selling, servicing and administrative expenses)					9,640

As at 31 December 2015, 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 56 million (2014: Baht 70 million) (The Company only: Baht 38 million (2014: Baht 51 million)).

## 11. Trade and other payables

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
Trade payables - related parties (Note 6)	336	52	26	37
Trade payables - unrelated parties	160,741	193,959	147,432	189,711
Other payables - related parties (Note 6)	28,876	27,210	2	154
Other payables - unrelated parties	41,763	43,737	40,640	43,259
Total trade and other payables	231,716	264,958	188,100	233,161

## 12. Long-term loans

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
Long-term loans	138,771	167,768	-	-
Less: Current portion	(28,968)	(28,968)	-	-
Long-term loans - net of current portion	109,803	138,800	-	-

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.



### 13. Provision for long-term employee benefits

Provision for long-term employee benefits, which represents compensation payable to employees after they retire, was as follows:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
Provision for long-term employee benefits at beginning of year	17,627	18,722	16,654	17,876
Included in profit or loss: (Include in administrative expenses)				
Current service cost	1,154	1,112	1,052	1,014
Interest cost	725	659	688	627
Included in other comprehensive income:				
Actuarial loss (gains) arising from				
Financial assumptions changes	1,049	-	852	-
Experience adjustments	(4,425)	-	(4,584)	-
Benefits paid during the year	(4,940)	(2,866)	(4,943)	(2,863)
Provision for long-term employee benefits at end of year	11,190	17,627	9,719	16,654

As at 31 December 2015, the weighted average duration of the liabilities for long-term employee benefit is 12 years (Separate financial statements: 12 years) (2014: 13 years, separate financial statements: 13 years).

Principal actuarial assumptions at the valuation date were as follows:

	Consolidated / Separate financial statements	
	2015	2014
	(% per annum)	(% per annum)
Discount rate	2.75%	3.75%
Future salary increase rate	5%	5%

The result of sensitivity analysis for significant assumptions that affect the present value of the long-term employee benefit obligation as at 31 December 2015 are summarised below:

(Unit: Thousand Baht)

	Consolidated financial statements	Separate financial statements
Discount rate		
Increase 50 basis points (3.25%)	(612)	(473)
Decrease 50 basis points (2.25%)	683	522
Salary increase rate		
Increase 100 basis points (6.00%)	734	559
Decrease 100 basis points (4.00%)	(570)	(442)

## 14. 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.

## 15. Expenses by nature

Significant expenses classified by nature are as follows:

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
Subcontracting expenses	5	25	3	7
Salary and wages and other employee benefits	57	75	49	68
Inventories used	9	16	-	8
Depreciation	16	19	10	10
Rental expenses from operating lease agreements	6	8	4	6
Bad debt	-	9	-	9
Doubtful debt	2	-	2	74
Loss on impairment of investment	-	-	-	84
Loss on impairment of asset	-	37	-	37
Reduction of inventories to net realisable value	4	-	4	-

## 16. Income tax

Income tax expenses for the years ended 31 December 2015 and 2014 are made up as follows:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
Current income tax:				
Current income tax charge	-	-	-	-
Deferred tax:				
Relating to origination and reversal of temporary differences	-	14,674	-	14,674
Income tax expense reported in the statement of comprehensive income	-	14,674	-	14,674

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

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
Accounting loss before tax	(43,492)	(119,077)	(42,024)	(285,348)
Applicable tax rate	20%	20%	20%	20%
Accounting loss before tax multiplied by income tax rate	(8,698)	(23,815)	(8,405)	(57,070)
Tax effect of reversal of temporary differences recognised in the past	-	14,674	-	14,674
Effects of:				
Non-deductible expenses	-	10,282	-	41,925
Additional expense deductions allowed	-	(4)	-	(4)
Tax losses	9,786	15,149	8,793	15,149
Others	(1,088)	(1,612)	(388)	-
Total	8,698	23,815	8,405	57,070
Income tax expenses reported in the statement of comprehensive income	-	14,674	-	14,674

As at 31 December 2015, the Company and its subsidiary have deductible temporary differences and unused tax losses totaling Baht 774 million (2014: Baht 737 million) (the Company only: Baht 503 million (2014: Baht 461 million)), on which deferred tax assets have not been recognised 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.

Tax loss amount Baht 154 million (the Company only: Baht 118 million). This gradual expiration of their benefits in 2016 - 2020 (the Company only: in 2019 - 2020).

## 17. Loss per share

Basic loss per share is calculated by dividing 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.

## 18. 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 2015 and 2014 of the Company and its subsidiary by segment.

(Unit: Million Baht)

	For the year ended 31 December							
	Design and installation of telecommunication systems segment		Telecom service business segment		Other segments		Consolidation	
	2015	2014	2015	2014	2015	2014	2015	2014
Revenue from external customers	27	53	2	9	42	48	71	110
Unallocated income and expenses:								
Exchange gains (losses)							7	(17)
Other income							13	18
Cost of sales and services							(32)	(55)
Selling and servicing expenses							(3)	(11)
Administrative expenses							(86)	(114)
Doubtful debts							(2)	-
Loss on impairment of asset							-	(37)
Finance cost							(11)	(13)
Income tax expenses							-	(15)
Loss for the year							(43)	(134)

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.

## 19. 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 2015, the Company and its subsidiary contributed Baht 2 million, and the Company only contributed Baht 2 million, to the fund (2014: Baht 4 million and Baht 3 million, respectively).

## 20. Commitments and contingent liabilities

### 20.1 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 3 years and non-cancellable.

As at 31 December 2015, 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	3	2

### 20.2 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 2015 equivalent to approximately 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. In June 2015, an arbitration award was made by the arbitration tribunal revoking TT&T's dispute proposal and ordering TT&T to pay the outstanding balance of installments due together with interest to the subsidiary, a total of approximately Baht 204 million. On 25 September 2015, TT&T filed a petition with the Civil Court seeking to reverse the Thai Arbitration Institute's order. At present, the case is being considered by the Civil Court.

### 20.3 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 and March 2015, these counterparties filed lawsuits with the court requesting the Company to pay a penalty for its inability to deliver tablet as stipulated in the agreement for a total amount of approximately Baht 196 million. The cases are currently being considered by the court. As a result, 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 the 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 consolidated statement of financial position as at 31 December 2015. Moreover, as at 31 December 2015, 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 consolidated statement of financial position, and the Company is in the process of claiming this amount back from this company.

#### 20.4 Litigations and other disputes

1. The Company has been sued by former employees who were laid off, claiming compensation totaling approximately Baht 77 million for unfair termination. The cases are under consideration of the court. The Company's legal advisor and the Company's management believe the Company will not suffer any losses as a result of these cases because the Company had made full severance payment in accordance with the law.
2. 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. Subsequently, MEA filed a lawsuit with the Administrative Court, requesting the Company to pay the amount of Baht 8 million under the letter of guarantee. Currently, these cases are being considered by the Administrative Court.

3. 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.

## 20.5 Guarantees

- (1) The Company had obligations in respect of its guarantee of a long-term loan facility obtained from a local bank of its subsidiary, as described in Note 6 to the financial statements.
- (2) As at 31 December 2015, there were outstanding bank guarantees of Baht 292 million (2014: Baht 303 million) issued by banks on behalf of the Company and its subsidiary, with Baht 266 million (2014: Baht 277 million) attributed to the Company, in respect of certain bid bonds and performance bonds.

## 21. Financial instruments

### 21.1 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, 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. 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 and other receivables 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 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 which were unhedged are summarised below.

Foreign currency	Consolidated financial statements				Average exchange rate as at 31 December	
	Financial assets as at 31 December		Financial liabilities as at 31 December			
	2015	2014	2015	2014	2015	2014
	(Million)	(Million)	(Million)	(Million)	(Baht per 1 foreign currency unit)	
US dollar	0.1	0.3	0.9	0.9	36.09	32.96

Foreign currency	Separate financial statements				Average exchange rate as at 31 December	
	Financial assets as at 31 December		Financial liabilities as at 31 December			
	2015	2014	2015	2014	2015	2014
	(Million)	(Million)	(Million)	(Million)	(Baht per 1 foreign currency unit)	
US dollar	0.1	0.1	0.1	0.1	36.09	32.96

### 21.2 Fair values of financial instruments

Since the majority of financial instruments of the Company and its subsidiary are short-term in nature, 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.

## 22. 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 2015, the Group's debt to equity ratio was 0.54:1 (2014: 0.58:1) and the Company was 0.17:1 (2014: 0.20:1).

## 23. Approval of financial statements

These financial statements were authorised for issue by the Company's Board of Directors on 25 January 2016.



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