

Annual Report

2020

Jasmine Telecom Systems PCL.

JTS

www.jts.co.th

200 Moo 4, 9th Floor, Jasmine International Tower, Chaengwatana Road, Tambon Pakkret,
Amphoe Pakkret, Nonthaburi 11120 Tel : (66) 0 2100 8300 Fax : (66) 0 2962 2523

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Financial Summary

Operating Results (Million Baht)

	2018	2019	2020
Sales and Services Income	130.64	103.51	260.03
Total Revenue	142.76	110.99	260.74
Cost of Sales and Services and Selling, Servicing and Administrative	122.80	107.76	261.15
Gross Profit*	53.80	41.06	55.74
Operating Profit	14.97	8.94	44.11
Net Profit (Loss)	15.15	6.14	44.16
Total Assets	1,259.81	1,274.28	1,401.40
Total Liabilities	294.88	305.49	395.72
Shareholders' Equity	964.93	968.79	1,005.68

Financial Ratio

	2018	2019	2020
Current Ratio (times)	4.39	4.38	2.12
Debt to Equity (times)	0.31	0.32	0.39
Return on Assets (%)	1.21	0.48	3.30
Return on Equity (%)	1.58	0.64	4.47

Per Share Data (Baht)

	2018	2019	2020
Earnings (Loss) per share	0.02	0.01	0.06
Weighted Average Number of Ordinary Shares (shares)	706,457,300	706,457,300	706,457,300
Book Value	1.37	1.37	1.42
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

Detailed of Company

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

Total Amount and Type of issued share at December 31, 2020

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

Detailed 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 equal to investment of 83.90 million baht 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	: Mrs.Chonlaros Suntiasvaraporn, Certified Public Accountant (Thailand) No. 4523 or Mr.Vatcharin Pasarapongkul, Certified Public Accountant (Thailand) No. 6660 or Mr.Supachai Phanyawattano, Certified Public Accountant (Thailand) No. 3930 EY Office Limited 193/136-137, 33 rd Floor, Lake Rajada Office Complex, Rajadapisek Road, Klongtoey, Bangkok 10110 Tel. 0 2264 9090 Fax 0 2264 0789-90 www.ey.com
Legal Advisor	: Legal Department, Jasmine International Group No.200, Moo 4 Chaengwatana Road, Tambon Pakkret, Amphoe Pakkret, Nonthaburi, 11120 Tel. 02 100 2370

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. or www.jts.co.th

Message from the Board of Directors

To Our Shareholders,

In 2020, the Thai economy was overall recessive due to the impact of the Coronavirus Disease 2019 (COVID-19) pandemic. A number of companies were forced to limit their investments. Nevertheless, with the transformation to more working online, the Company's key customers invested in equipment and high-priced computer systems. The continuity of computer network service provision and wireless communications with one-stop services for petrol service stations have resulted in significant growth of the Company. The Company firmly believes that the business plans and directions for the development of the operation of the Company and its subsidiary will be able to differentiate our competitive capacity in the market and respond to the rapid technological changes, placing importance on the maximum satisfactions of the customers.

The Company has prepared to expand the scope of its business operation by signing the "Strategic Collaboration Agreement" with KT Corporation ("KT"), an ally from South Korea, for a Hyperscale Data Center and Cloud Service, which will be a foundation for adding business value to Jasmine International PCL. Group. To this regard, KT will act as strategic partner in business development and collaboration with world-class cloud service providers that includes bringing technology in Data Center and other related solutions for further development with the Company.

On behalf of the Company's Board of Directors, I would like to take this opportunity to thank all of our shareholders, trading partners and customers for their constant trust and support for the Company's business operations. We will remain steadfast in our commitment to performing our duties to the best of our ability for the Company's sustainable advancement.



(Mr. Pleumjai Sinarkorn)

Chairman of the Board

BOARD OF DIRECTORS



Mr. Pleumjai Sinarkorn
Chairman of the Board of Directors



Mr. Raks Unahabhokha
Independent Director



Acting Second Lieutenant
Annop Suthakavatin
Independent Director



Ms. Chaovana Viwatpanachati
Independent Director



Mrs. Nonglug Pongsrihadulchai
Director



Mrs. Nitt Visesphan
Director



Mr. Somboon Patcharasopak
Director, Acting President

BOARD OF DIRECTORS

Mr. Pleumjai Sinarkorn

Chairman of the Board of Directors, Chairman of the Remuneration Committee and Authorized Director

Age : 87 years

Date of being Appointed Director : 19 February 2004

Securities Holding Ratio : JTS 0.007%

Family Relationship with Directors and Executives : -None-

Academic Degree :

- Ph.D. (Innovative Management),
Suan Sunandha Rajabhat University
- Master of Business Administration,
Suan Sunandha Rajabhat University

Training for Director Course :

Thai Institute of Directors Association (IOD)

- DCP Refresher Course
- Role of the Compensation Committee (RCC)
- Directors Certification Program - DCP No. 41/2004

5 Years' Working Experience :

Position in Jasmine Telecom Systems Public Company Limited

2016-Present	Chairman of the Board of Directors
2014-Present	Chairman of Remuneration Committee
2004-Present	Director

Position in Other Listed Companies

2011-Present	Member of Remuneration and Nomination Committee, Jasmine International PCL.
2008-Present	Director, Jasmine International PCL.

Position in Other Companies (Non-listed Companies)

2010-Present	Director, Cloud Computing Solutions Co., Ltd.
2009-Present	Advisor, JasTel Network Co., Ltd.

Mr. Raks Unahabhokha

Independent Director, Chairman of Audit Committee and Member of Remuneration Committee

Age : 81 years

Date of being Appointed Director : 16 July 2013

Securities Holding Ratio : -None-

Family Relationship with Directors and Executives : -None-

Academic Degree :

- Ph.D. (Chemical Engineering), University College London, U.K.
- Bachelor of Engineering (Honours) in Industrial Engineering, Chulalongkorn University

Training for Director Course :

Thai Institute of Directors Association (IOD)

- Chartered Director Class, (R-CDC 2/2007)
- Effective Audit Committee
- Directors Accreditation Program (DAP)
- Directors Certification Program (DCP)

The Institute of Internal Auditors Thailand

- Risk Management

5 Years' Working Experience :

Position in Jasmine Telecom Systems Public Company Limited

2014-Present	Chairman of Audit Committee and Member of Remuneration Committee
2013-Present	Independent Director and Member of Audit Committee

Position in Other Listed Companies

-None-

Position in Other Companies (Non-listed Companies)

2016-Present	Advisor, Assumption College Alumni
2015-Present	Advisor, Assumption College Parents and Teachers Association

Acting Second Lieutenant Annop Suthakavatin

Independent Director, Member of Audit Committee and Member of Remuneration Committee

Age : 78 years

Date of being Appointed Director : 19 February 2004

Securities Holding Ratio : -None-

Family Relationship with Directors and Executives : -None-

Academic Degree :

- Bachelor of Accounting, Thammasat University

Training for Director Course :

Thai Institute of Directors Association (IOD)

- Audit Committee Program – ACP No. 7/2005
- MFR, MIR and MIA
- Director Certification Program – DCP No. 51/2004
- Directors Accreditation Program -DAP No. 1/2003

The National Defence College

- National Defence Collage (Government and Private Sector 388)

5 Years' Working Experience :

Position in Jasmine Telecom Systems Public Company Limited

2010-Present Member of Remuneration Committee

2004-Present Independent Director and Member of Audit Committee

Position in Other Listed Companies

2001-2019 Independent Director and Member of Audit Committee, Royal Orchid Hotel (Thailand) PCL.

Position in Other Companies (Non-listed Companies)

-None-

Ms. Chaovana Viwatpanachati

Independent Director and Member of Audit Committee

Age : 59 years

Date of being Appointed Director : 28 November 2019

Securities Holding Ratio : -None-

Family Relationship with Directors and Executives : -None-

Academic Degree :

- Certified Public Accountant ASEAN CPA
- Master of Accounting, Chulalongkorn University
- Master of Management, University of Wollongong, NSW, Australia
- Diploma in Auditing, Thammasat University
- Bachelor of Accounting, Chulalongkorn University

Training for Director Course :

Thai Institute of Directors Association (IOD)

- Ethical Leadership Program (ELP)
- Corruption Risk and Control Technical Update Program – CRC No. 2/2019
- IT Governance & Cyber Resilience Program (ITG)
- Risk Management Program for Corporate Leaders – RCL No. 4/2016
- Audit Committee Program – ACP
- Directors Certification Program – DCP No. 58/2005

5 Years' Working Experience :

Position in Jasmine Telecom Systems Public Company Limited

2019-Present Independent Director and Member of Audit Committee

Position in Other Listed Companies

2017-Present Chairman of Audit Committee, Food and Drinks PCL.

2014-Present Member of Audit Committee, SCI Electric PCL.

2002-Present Independent Director, Food and Drinks PCL.

Position in Other Companies (Non-listed Companies)

2019-Present Member of Audit Committee, Compensation Fund, Social Security Office

1999-Present Executive Director, Moor DIA Sevi Ltd.

1994-Present Managing Director, Office of Pitisevi Co., Ltd.

Mrs. Nonglug Pongsrihadulchai

Director, Authorized Director and Corporate Secretary

Age : 65 years

Date of being Appointed Director : 27 July 2010

Securities Holding Ratio : -None-

Family Relationship with Directors and Executives : -None-

Academic Degree :

- Master of Agricultural Economics, Kasetsart University
- Master of Environmental Management, Mahidol University

Training for Director Course :

Thai Institute of Directors Association (IOD)

- Directors Certification Program – DCP No. 147/2011

5 Years' Working Experience :

Position in Jasmine Telecom Systems Public Company Limited

2010-Present Director

Position in Other Listed Companies

-None-

Position in Other Companies (Non-listed Companies)

2010-Present Director, Cloud Computing Solutions Co., Ltd.

General Manager, Acumen Co., Ltd.

2009-Present Director, Triple T Broadband PCL.

2007-Present Director, Triple T Internet Co., Ltd.

Mrs. Nitt Visesphan

Director and Authorized Signatory Director

Age : 60 years

Date of being Appointed Director : 27 July 2010

Securities Holding Ratio : -None-

Family Relationship with Directors and Executives : -None-

Academic Degree :

- Master Business Administration (MBA) (Public Management),
Burapha University

- Bachelor of Arts, Chiang Mai University

5 Years' Working Experience :

Position in Jasmine Telecom Systems Public Company Limited

2010-Present Director

Position in Other Listed Companies

2008-Present Vice President, Financial and Strategic
Department, Jasmine International PCL.

Position in Other Companies (Non-listed Companies)

2012-Present Director, In Cloud Co., Ltd.

2010-Present Director, Cloud Computing Solutions Co., Ltd.

Mr. Somboon Patcharasopak

Director, Acting President and Authorized Director

Age : 61 years

Date of being Appointed Director : 8 May 2010

Securities Holding Ratio : JTS 0.00006%

Family Relationship with Directors and Executives : -None-

Academic Degree :

- Ph.D. (Science and Technology), Rajamongala University of Technology Phara Nakhon
- Master of MBA, Kasetsart University

Training for Director Course :

Thai Institute of Directors Association (IOD)

- Directors Certification Program – DCP No. 35/2003
- Directors Certification Program – DAP

5 Years' Working Experience :

Position in Jasmine Telecom Systems Public Company Limited

2020-Present	Director and Acting President
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Position in Other Listed Companies

2020-Present	Director, Jasmine International PCL.
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2019-Present	Executive Committee, Jasmine International PCL.
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2012-February 2021	Chairman of the Risk Management Committee, Jasmine International PCL.
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2008-Present	Member of Remuneration and Nomination Committee, Jasmine International PCL.
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2004-Present	Member of Risk Management Committee, Jasmine International PCL.
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Position in Other Companies (Non-listed Companies)

2020-Present	Director, Cloud Computing Solutions Co., Ltd.
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1984-Present	Director, Jasmine International PCL. Group (20 companies)
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Business Policy and Overview

Jasmine Telecom Systems Public Company Limited (JTS or the Company) is a company in Jasmine International PCL. Group (“JAS Grpuop”), engaged in System Integration business. The Company is proficient in equipment sourcing, system design and ICT system implementation, providing such services as computer systems, data network systems, firewall and data security systems, smart building management systems and cloud infrastructure as as service : laas system, etc.

The Company has a strategic plan to expand its business and become a leader in Hyperscale Data Center business, being capable of joining forces with world-class cloud service providers and opening up the total cloud solutions markets in Thailand and ASEAN to enhance more opportunities to continually generate profit for its sustainable growth.

1. Vision, Objective, Goal or Strategy for Business Operation

The Company and its subsidiary are committed to becoming a leader in the total system integration business due to their expertise and experience in total ICT solutions. The connection that they have with reputable and world-renowned business allies as well as leading national network service providers enables them to have strong competitiveness in winning more clients both in the private and the government sectors.

The Company's subsidiary has technological goods and services that suit the needs of the customers of the Digital Era. Its cloud computing technology, both of the Infrastructure-as-a-Service (IaaS) and the Software-as-a-Service (SaaS) types are provided via the internet networks. This can help reduce the customers' cost of investment and maintenance of the computer equipment and related systems.

The Company and its subsidiary are confident that their business plans and directions for the development of the operation will be able to differentiate their competitiveness from other total ICT solutions providers in the market and at the same time responding to both the rapid technological changes and the satisfaction of the customers.

Vision : To become a leader in the one-stop system integrator business and the hyperscale data center business.

Mission :

1. To continually develop solutions to meet the customers' needs in the Era of Digital Transformation;
2. To develop good cooperation with business allies to sustainably increase strategic advantages and competitiveness;
3. To develop the personnel to be expert in modern technology so that they can help drive the organization to progress with innovation, creativity and the best and efficient performances;
4. To develop and maintain close relationships with the customers not only to maximize their satisfaction, but also have more opportunities to work in partnership with them.

2. Significant Changes and Development

Significant changes and development of the company are summarized as follows:-

2020

Changes in Control Power of the Company

On May 8, 2020, JTS Board of Directors at the meeting No. 4/2020 resolved to acknowledge the resignation of Mr. Parinya Sahaphatsombut from the positions of Director and President. In addition, the meeting also resolved to appoint Mr. Somboon Patcharasopak Director and Acting President in place of Mr. Parinya Sahaphatsombut.

Other Significant Events

On September 23, 2020, the Company signed a Strategic Collaboration Agreement with KT Corporation ("KT"), a partner from South Korea, to operate the Hyperscale Data Center and Cloud Service business, which will be a foundation to add value to network business of JAS Group in the future.

To this regard, KT will act as a strategic partner in business development and collaboration with world-class cloud service providers that includes bringing technology in data center and other related solutions to further develop with the Company.

Currently, KT is number one telecommunication operator in South Korea, specialized in Internet Data Center ("IDC") in South Korea for over 10 years while the Company is experienced in providing telecommunication services to corporate customers and Cloud Infrastructure-as-a-Service ("IaaS"). The joining of forces between the Company and KT will bring together world-class cloud service partners, resulting in the opening up of the cloud solutions market in Thailand which will further enhance the expansion of other services in the future, including Data Center, Cloud Infrastructure as a Services and International Private Leased Circuit ("IPLC") of JAS Group.

2021

Changes in Shareholding Structure and Management

Acquisition and Disposal of Assets

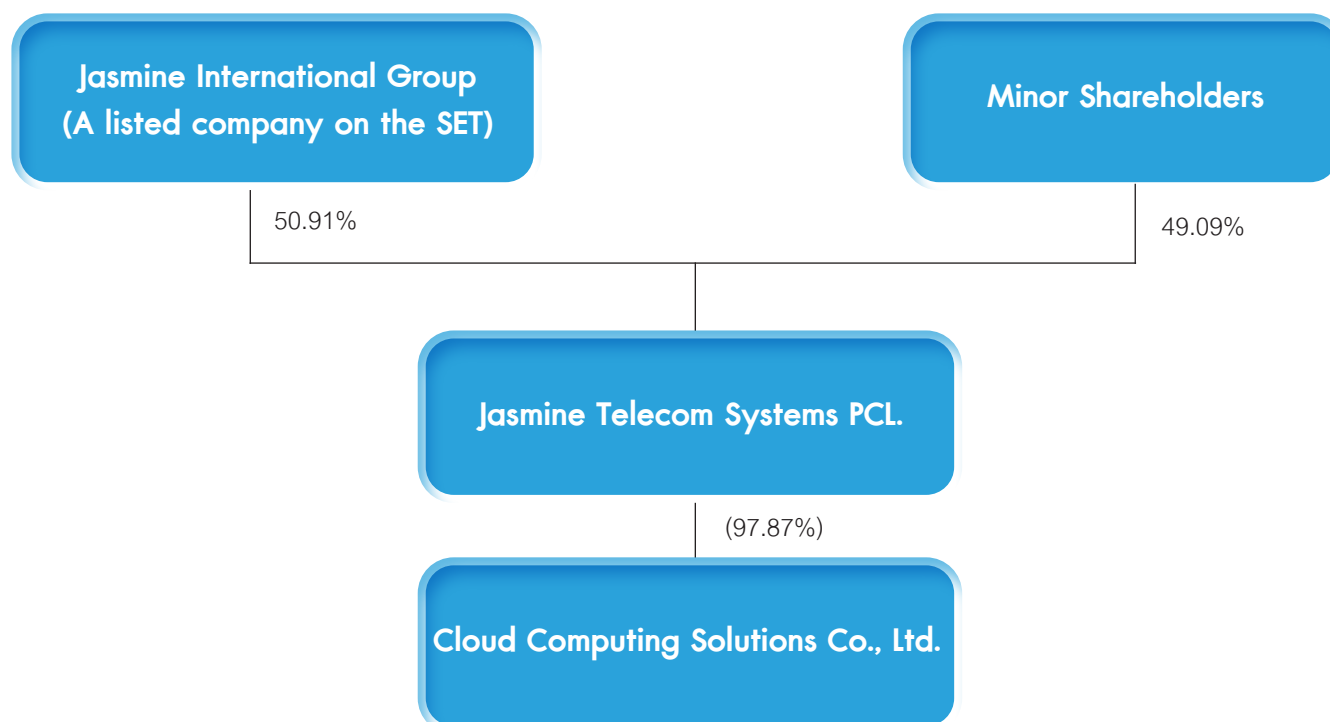
On March 1, 2021, JTS Board of Directors at the meeting No. 2/2021 resolved to approve to propose to the Extraordinary General Meeting of Shareholders No.2/2021, to be held on May 17, 2021 to consider and approve the purchase of all the shares of JasTel Network Co.,Ltd. ("JASTEL") from Jasmine Submarine Telecommunications Co., Ltd. ("JSTC"), amounting to 5,199,993 shares, at the par value of Baht 100 per share, representing 99.99 percent of the total issued and paid up shares of JASTEL which is equivalent to Baht 415,000,000, at the aggregate of Baht 231 per share, totaling Baht 1,201,198,383.

On March 18, 2021, JTS Audit Committee at the meeting No. 3/2021 resolved to approve the Company to purchase JASTEL shares. This transaction is considered an acquisition of assets and a connected transaction combined; it is of a total value of Baht 1,201,198,383. The Audit Committee has considered this matter based on the opinion provided by the Independent Financial Advisor that principally took into account the reasonableness and the benefits of this transaction with prudence and deemed it appropriate to propose the entering into this transaction to the Extraordinary General Meeting of Shareholders No.2/2021 further for the shareholders' consideration and approval.

3. Shareholding Structure of the Company Group

The Company has a subsidiary, named Cloud Computing Solutions Co., Ltd. (“CCS” or the “subsidiary”), which is engaged in computer systems integration, software development and distribution of 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 percent of the entire 550,000 shares of CCS. The Company’s shareholding structure is illustrated below:

The Company’s Shareholding Structure as at March 15, 2021



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 “Related Party 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.

Business of the Company and Subsidiary

The Company and subsidiary are both engaged total ICT solutions business. Our businesses comprise the followings:-

- Server and client computer systems
- Data networks
- Firewall and data security systems
- Backup solutions for preventing ransomware.
- Smart building management systems
- Cloud infrastructure as a Service (IaaS) systems
- Cloud Software-as-a-Service (SaaS)
- Fiber optic and LAN networks
- Other systems (such as smart closed-circuit camera systems, hyper-converged infrastructure systems)

Currently, the businesses operated by the Company and its subsidiary are divided into the following two categories:-

1. Systems Integration Business

1.1 Characteristics of Products or Services

The Company has a variety of products and services in addition to allies among vendors who are preferred and accepted by domestic and foreign customers including allies who are distributors and other trade allies to present solutions meeting the needs of each customer in the areas of techniques, work durations and budgets suitable to customers.

Computer/Server Computer Products

Computer products such as personal computers (PCs), notebook computers and server computers are basic factors necessary to each customer with likelihood of repeat orders every 3-5 years due to obsolete products and/or warranty expiration. Therefore, the Company always has opportunities to present products and solutions to customers. The Company is allied with several of the world's leading companies such as DellEMC, HPE, Lenovo, Acer and Supermicro, enabling the Company to provide more choices for customers.

In 2021, DellEMC, a major manufacturer of computer/server computer products in the world, upgraded the Company's level of alliance from Gold to Platinum because the Company's sales met annual assessment criteria.

Computer Network and Data Security System Products

The Company is an expert in designing computer network solutions for every level of the network (Core Network – Access Network) such as SDWAN, firewall equipment, routers, core switches, access switches and Wi-Fi equipment, etc. The Company is allied with many major manufacturers such as Cisco/Meraki, Aruba, Fortinet, D-Link, Zyxel, Engenius, Trend Micro, etc.

Data Backup Products for Ransomware Prevention

Threats from cyber criminals created severe impacts on every business group. If customers have been attacked and important data is encrypted, customers would need to negotiate to pay ransoms to cyber criminals or accept the loss of important data.

The Company has data backup solutions for preventing ransomware from Veritas, a leading company in data backup appliances tested for hardening against system intruders. Customers who backup important data in Veritas backup appliances will be able to prevent damage from ransomware because system caretakers will be able to restore data quickly and completely from backup appliances when the customer's main data storage equipment have been attacked.

Smart Building Solution Products

Modern building management has a greater emphasis on energy conservation and attention to the environment (green buildings). The Company presents solutions to help with modern building management by combining AI technology with IOT (Internet of Things) technological capabilities to detect data and control functions of systems such as air conditioning systems, lighting systems, electricity systems, closed-circuit cameras, door control systems and analyze data to display digital twin image, making management in buildings more effective.

- Smart Access Management System

Building service users can access areas in the building with face recognition technology for checking authorized persons and face counting for controlling the amount of people in the area in order to maintain social distancing in compliance with COVID-19 prevention measures.

- Smart Parking Guidance System

Service users can automatically seek parking spaces and positions. The system detects license plates and searches for license plates to identify vehicle positions along with searching for vacant parking spaces and guiding users to suitable parking spaces.

- Smart Building Management System

System custodians can use building management/automation systems to manage buildings more effectively by controlling building systems such as air conditioning systems, lighting systems, electricity systems, water systems, fire alarm systems, etc., through IOT sensors and controllers.

- Smart AI CCTV Systems

The Company is allied with Hikvision, a leader in smart CCTV systems capable of face recognition, license plate recognition, people/face counting, behavior analysis and locating people by using faces, etc.

Cloud Infrastructure (IaaS) and Software-as-a-Service (SaaS)

Current customers are increasingly using cloud infrastructure (IaaS) services and Software-as-a-Service in leaps and bounds because cloud technology is stable. Customers do not have to invest and costly systems and pay system maintenance expenses.

1.2 Markets and Competition

Concerning competition in the corporate customer group, although customers were affected by COVID-19 and economic conditions have worsened, corporate customers remain likely to invest in systems at all times to answer business questions such as reduce costs, work steps and create more income, etc.

In 2021, data security needs are expected to increase due to attacks by cyber criminals (ransomware) and enforcement of the Personal Data Protection Act (PDPA) with imprisonment and/or fines for the organization's top executive and persons involved in storing personal data, causing many customers to be aware and search for solutions.

Needs related to cloud technology are expected to grow to the point of becoming a basic need for every customer group in the area of infrastructure as a service (IaaS) and software as a service (SaaS).

Distribution Channels and Customers

The Company uses distribution channels through sales employee teams by focusing on old customer bases that use services of the Company's group and communicates with target customers via digital marketing through the Company's website and organized events.

Customer Characteristics and Target Customers

Customers want to enhance business capacity by using technology and solutions to reduce costs, work steps and generate more income.

The Company's main strategy is to synergize between every company in the JAS group to present and sell every type of solution and service to meet customers' total ICT solution needs.

Customer groups are divided by customer business characteristics as follows:

- Retail businesses.
- Schools/universities (education businesses).
- Office building leasing businesses.
- Factory businesses.
- Banking/insurance businesses.
- Hospital businesses.
- Hotel and travel businesses.

Competition Strategies

The Company aims to create sustainable competitive advantage by specifying the following business strategies and policies:

1. The Company's reliability and work background are important factors for work success. The Company has a policy to use personnel with work knowledge and capabilities by focusing on work quality and delivering work on schedule.
2. The Company recognizes the important of ground work with customers and allies to effectively meet customer needs.
3. The Company focuses on building good long term relationships with the Company's old customer base and new customer bases by focusing on building relationships with customers at every level involved in the decision-making process to increase opportunities in expanding scopes of services and new solutions.
4. The Company maintains good relationships with domestic and foreign manufacturing and distribution companies. This is a major factor of sales success. The Company receives support regarding new technologies and products along with special discounts which influenced ability to specify prices and costs of products where the Company is able to compete with other entrepreneurs.
5. The Company places importance on seeking new products and solutions that meet customer needs.

1.3 Product Procurement and Service Provision

The telecommunication system and information technology procurement, design and planning business requires special expertise including ability to manage projects to succeed according to needs and specified plans in the areas of quality and delivery time with appropriate project costs. Therefore, the Company recruited personnel based on knowledge, ability and experience to be appropriate for work.

The Company selects and procures products and services that meet standards and are suitable for customers under a specified budget. In cases with direct equipment procurement from overseas, the Company has exchange rate risk prevention policies divided into the following two models: 1) the Company makes forward contracts immediately based on the value of goods or equipment that must be procured from overseas; and 2) the Company makes contracts with customers in foreign currency by setting back-to-back exchange rates, meaning using the same exchange rate between the Company and the manufacturer and the Company and customers to prevent the aforementioned risks.

1.4 Undelivered Work

As of 31 December 2020, the value of undelivered projects in the Systems Integration business is 105.72 million baht.

2. Computer System Integration Business and Cloud Computing Business

The computer system integration business is provision of computer system design and planning services including application software development, maintenance service provision and distribution of computer equipment and related accessories. CCS uses application software developed by various producers as components in planning customer computer systems by making modifications and developing additional programs to meet specific customer needs in each organization quickly. This is a channel and an advantage for CCS business operations from the ability to provide services in this sector.

The cloud computing business places software applications at the central server before allowing users to log into the system in order to use software via the internet. Cloud computing is technology that helps businesses with information technology system needs to have options in renting systems for use rather than investing in purchasing systems. Cloud computing is highly suitable for small and medium enterprises with potential budget limits.

Furthermore, cloud computing helps entrepreneurs who never had an information technology system to decide to use information technology systems within a short time because of low expenses, no burdens from system maintenance costs and constant system upgrades.

2.1 Characteristics of Products or Services

Computer System Integration Business

In planning computer systems, the Company needs to study customer needs and present suitable goods or solutions to customers. The process of delivering the aforementioned solutions consist of procuring solutions in the form of completed application software developed by the Company which needs modifications and additions to fit the needs of specific customers and procuring computer equipment and accessories including system installation and testing along with post-sale services such as training and maintenance, etc.

Currently, CCS has expertise in presenting application software solutions for the telecommunication industry group and public utilities. Solutions can be categorized by systems consisting of:

The Enterprise Resource Planning for Government System supports back office system operations to create maximum efficiency in revenue collection systems, income-expense financial systems, budget systems, procurement systems and asset systems, etc.

Cloud Computing Business

The cloud computing business uses computer hardware and software readiness including good internet quality and effectiveness to provide leasing services for customers as appropriate. Cloud computing services are divided into the following two types:

1. Infrastructure-as-a-Service

Infrastructure-as-a-service includes provision of hardware resource leasing services such as CPUs, memory, storage including other additional services such as cloud mail, cloud hosting and Microsoft license for cloud, etc. In addition, the Company has backup site services for support in cases where the main site has problems in order to prevent customer businesses from coming to a stop. This service is currently used by many customers.

2. Software-as-a-Service

Software-as-a-Service is provision of application software services for software such as public service call center systems, mobile application software (Smart Service) for reporting complaints, searching information on tourist attractions, lodgings, restaurants and live traffic image signal services via the Internet.

2.2 Market and Competition

Computer System Integration Business

Currently, information technology systems in the country are growing continually as a result of government policies and private sector growth for effective work meeting standards equal to international standards. Moreover, advances in information technology have increased computer system and software development planning needs. Furthermore, higher numbers of entrepreneurs have caused competition to increase in intensity.

With regard to the aforementioned competition, the Company is confident in the Company's advantage in the areas of good project management, having personnel with special knowledge and expertise including good work backgrounds and relationships with the company's customers. Customers recognize the importance of the aforementioned capabilities.

Cloud Computing Business

The cloud computing business is able to easily meet customers' business needs and save expenses without much infrastructure investment. In addition, customers can use services to fit specific needs, causing more interest and acceptance to be shown to the cloud computing service market. The Company has personnel with software development expertise and the Company's group has broadband internet service providers and provides internet services accepted by customers, enabling the Company to provide all services.

The cloud computing business market and competition has increased expansion and growth of cloud services due to the business sector's entry into the era of digital transformation including IOT technology (Internet of Things) and the 5G Mobility era.

Distribution Channels and Customer Groups

CCS distribution channels are divided into the following three characteristics:

1. Bidding on Projects

The Company considers participation in biddings according to scope of work, expertise and ability to deliver that work. The Company studies techniques, returns and sources of capital for work before tendering a bid.

2. Presenting Solutions Directly to Target Customers

Overall work steps are as follows:

1. The Company studies business characteristics, customer needs or problems including potential impact from environmental changes. The Company's teams study technical and equipment feasibility including work guidelines and duration.

2. Products are designed by computer engineer teams and the Company considers procurement of appropriate goods or software capable of meeting the needs of each customer by selecting expert manufacturing companies.

3. Project management is focused on working within the specified duration in agreements/contracts made with customers.

4. The Company has warranty periods. The Company's service teams offer support to solve problems and answer questions (help desks) for customers to help customers have confidence in goods and services. The aforementioned service provision was a major factor helping customers to decide to make contracts and hire the Company to provide maintenance services after warranty is expired.

3. Presenting Through Online Media

The Company presents and advertises products through channels such as websites and social media to enable customer target groups to receive news and information as a mass.

Customer Characteristics and Target Customers

The Company's main customers are government agencies, state enterprises, private companies converted from state enterprises, private SMEs and large private companies.

Competition Strategies

Competition strategies of the Cloud Computing Business have the same characteristics as the Systems Integration Business in Item 1.2 on Competition Strategies.

Cloud computing business competition strategy emphasizes service provision, support in the areas of providing consultation and post-sale services for customers including service fees that help customers make decisions easily and be satisfied.

2.3 Product Procurement and Service Provision

Managing projects to have success in the areas of quality and returns per project is a major goal in the Company's operations. Important factors for project management are divided into the following two categories:

1. Personnel with knowledge and capabilities such as computer engineers, business analysts, system analysts, programmers, system engineers and technicians. Therefore, to effectively manage human resources, the Company organizes personnel by branch of knowledge, capabilities and work experience at each level of ability for appropriate work responsibilities.
2. Procurement of software, computer equipment and accessories for appropriate work and consistency with customer needs at appropriate costs is an important factor for project success.

In the area of purchase order policies, the Company does not order product purchases in advance. The Company makes purchase orders according to work details of each project.

2.4 Undelivered Work

As of 31 December 2020, the Company has ongoing computer system maintenance service contracts and cloud infrastructure service contracts with an unpaid service income of 27.05 million baht.

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					
		2018		2019		2020	
		Million Baht	%	Million Baht	%	Million Baht	%
Systems Integration Business	Company	68.71	51.06	51.02	45.97	215.15	82.52
Computer Systems Integration Business and Cloud Computing Business	Subsidiary	61.93	46.03	52.49	47.29	44.88	17.21
Total Sales & Services Revenue		130.64	97.09	103.51	93.26	260.03	99.73
Interest Received	Company	0.18	0.13	1.77	1.59	0.05	0.02
Other Income	Company	3.74	2.78	5.71	5.15	0.66	0.25
Total Revenue		134.56	100.00	110.99	100.00	260.74	100.00

Risk factors

The Company focus the risk factors that may affect the Company's business operations. The Company realizes the risk management is a significant tool in managing to achieve its goals efficiently, effectively and enhancing competitiveness. It is also an important factor of good corporate governance. The company has implemented a systematic risk management i.e. risk identification, risk assessment from internal and external factors. These are both general risk and company special risk by reducing, transferring, acceptance. Risk factors can be classified as follows: -

Business Operational risks

1. Revenue

The main revenue of the company come from provide, design and setup communication system and telecommuting service and provide, design and set up computer system and Cloud computing business.

The company maintains the existing customer base and looking to the new customers. Expand the installation service area. Including looking for the new income channel that are continuous and sustainable by focusing on projects with future expansion. And projects have to maintenance continuous.

2. Marketing and Competition

Company's business Need to rely on a commercial partner, Distributors and Manufacturing companies to enhance opportunity for sale and the power of negotiate business.

The company sets the criteria for the selection of a commercial partners. Distributors and Manufacturing companies in accordance with the company's policy and strategy to increase marketing channels and competitive opportunity

3. Technology changes

Company's business Requires an information technology system to operate the company is therefore faced with cyber threats. Both internal and external, such as cyber attacks, Business information leakage and personal information This may result in business interruption.

The company requires the installation of the system and equipment for preventing threats (Firewall) and monitoring threat behavior. Including a framework for continuous monitoring of the system by staffs supervise the work and solve any problems that may arise at any time

4. Finance

Company's business has Working capital management and maintain the liquidity of the company to continue business operations.

The company required to financial plan to control and monitor spending and follow up the debt before maturity to maintain the liquidity of the company.

5. Personnel

Company's business Must have information technology systems and personnel have knowledge and Special skills to running a business

The company has specified a policy for human resource development. And encourage personnel to attend training to develop knowledge, keep going to the technology change continuity. Including providing equipment and the business continuity plan to support in case of being unable to perform normal operations So as not to affect business operations

Risks that have effects on the Rights or Investment of Security Holders

Shareholding structure of the Company comprises Jasmine international Group, holding 50.91 percent and minor shareholders, holding 49.09 percent. Jasmine International Group's shareholding proportion enables it to control almost all the resolutions of a shareholders' meeting, be it on an appointment of directors or any other matter that requires a majority vote of the shareholders' meeting; however, exceptions are such matters as approving a removal of a director before the expiration of his/her period of office; selling or transferring the whole or an essential part of the Company's business to other persons; purchasing or accepting a transfer of business of any other private company or public company; executing, amending or terminating a contract in relation to the leasing of the whole or an essential part of the Company's business, the assignment to any other person to manage the Company's business or the consolidation of the Company's business with other persons for the purpose of profit and loss sharing; amending the Memorandum of Association or the Articles of Association; increasing or decreasing registered capital; winding up the Company; merging with another company; entering into a connected transaction as well as an acquisition or disposal of assets of which the transaction size is 50 percent and over as the resolutions of these matters require the votes of not less than $\frac{3}{4}$ of the total votes of shareholders who are present and entitled to vote at a shareholders' meeting. The checks and balances for a matter proposed by the major shareholder can be done provided that a lot of shareholders attend the shareholders' meeting. Regarding compliance, the Company has complied with Corporate Governance Policy. Moreover, with its 3 independent directors who are also the audit committees, the financial reports as well as the compliance with the Securities and Exchange Act and other laws applicable to the business of the Company have been supervised to be accurate, complete and reliable.

Shareholders

List of top 10 major shareholders and shareholding structure as at March 15, 2021

Name of Shareholders	As at March 15, 2021	
	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. Kirkkrai Tribanyatkul	67,461,900	9.55
3. Mr. Phuwaphit Suphamitchotima	35,772,200	5.06
4. Mr. Chalit Amphansaeng	35,000,000	4.95
5. Mrs. Lalana Tharasuk	34,850,300	4.93
6. Mrs. Saowanit Thanomsuwan	34,790,000	4.92
7. Ms. Promsiri Sahaboontham	28,506,500	4.04
8. Mr. Navamin Prasopnet	24,826,800	3.51
9. Ms. Kornchanat Patcharasirakul	13,905,600	1.97
10. Mr. Veerayuth Eiamsudthiwat	8,250,000	1.17

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

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

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

Dividend Policy

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

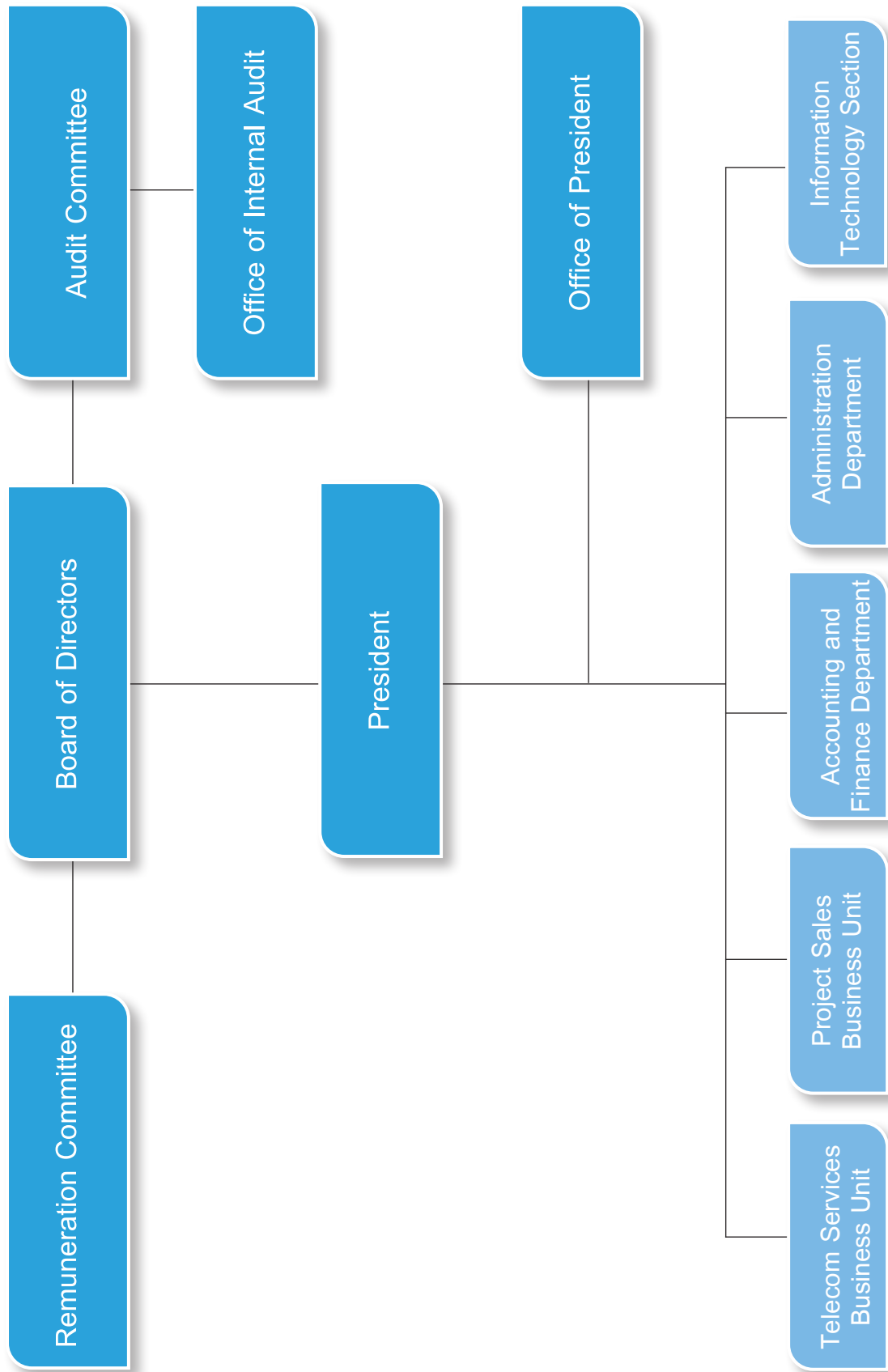
According to the dividend payment policy of the subsidiary, dividend payment is considered based on its operating results and liquidity at that time.

The Company's Dividend Payment from 2018-2020

	2018	2019	2020
1. Net profit (loss) for the year (Baht)	-4,705,024	-10,456,890	32,825,255
2. Number of Shares (Share)	706,457,300	706,457,300	706,457,300
3 Dividend paid/share (Baht/Share)			
3.1 Interim dividend	-	-	-
3.2 Annual dividend	Not paid	Not paid	Not paid*
4. Total interim dividend payment (Baht)	-	-	-
5. Dividend Payment Ratio	-	-	-
6. Interim dividend payment date	-	-	-

Remark * Dividend payment for 2020 (paid / not-paid) must be approved by the Annual General Meeting of Shareholders for 2021

Management Structure



Management

The Board of Directors

Names of the Board of Directors, members of the subcommittees and authorized persons; number of the Board of Directors' meetings and number of meeting attendance of each individual Board of Director in the previous year

In 2020, 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. Pleumjai Sinarkorn ¹	Chairman of the Board of Directors and Chairman of the Remuneration Committee	7
2. Mr. Raks Unahabhokha	Independent Director, Chairman of the Audit Committee and Member of Remuneration Committee	7
3. Acting Second Lieutenant Annop Suthakavatin	Independent Director, Member of Audit Committee and Member of Remuneration Committee	7
4. Ms. Chaovana Viwatpanachati	Independent Director and Member of Audit Committee	7
5. Mrs.Nonglug Pongsrihadulchai ¹	Director and Corporate Secretary	7
6. Mrs.Nitt Visesphan ¹	Director	7
7. Mr. Somboon Patcharasopak ^{1,2}	Director	3

Remarks : 1. Authorized Director

2. Mr. Somboon Patcharasopak was appointed to replace Mr. Parinya Sahaphatsombut on May 8, 2020. After the appointment, he attended the last 3 Board of Directors' meeting of the year 2020.

Authorized Directors

The Company's authorized directors are Mr. Pleumjai Sinarkorn Mr.Somboon Patcharasopak, 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.
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.

Authority and Duties of Chairman of the Board of Directors

Chairman of the Board of Directors is appointed by the Board of Directors as the chief of the Board; he is required to perform the following duties :-

1. To preside over the Board of Directors' Meeting and conduct the Meeting according to the agenda sequence, in compliance with the Company's Articles of Association and applicable laws; in addition to encouraging the Board members to independently discuss, express opinions, and exchange ideas with concern for all the stakeholders and with due circumspection for the optimum benefit of the Company; also, the Chairman of the Board of Directors has the duty to clearly sum up the meeting resolutions for further actions.
2. To preside over a shareholders' meeting and act as chairman of the meeting, conducting the meeting according to the agenda sequence, in compliance with the Company's Articles of Association and applicable laws by appropriately allocating time for each agenda, providing the shareholders with opportunities to express their opinions equitably and ensuring that their questions are properly responded to.
3. To perform any duty specified by law as the duty to be performed by the Chairman of the Board of Directors

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 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, 2020, the Company had 6 executives as follows:-

- | | | |
|----|------------------------------|---|
| 1. | Mr. Somboon Patcharasopak | Acting President |
| 2. | Mr. Wicha 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. | Mr. Pichit Kaewrayabsang | Assistant Vice President – Telecom Services Business Unit |
| 6. | Mr. Chayapong Apiromrat | Assistant Vice President – Project Sales Business Unit |

Remarks : Mr. Somboon Patcharasopak was appointed to replace Mr. Parinya ahaphatsombut on May 8, 2020.

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

The person supervising accounting (Chief Accountant)

Ms. Thitima Tungchroensuk

Chief Accountant

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 2020, 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 2020
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
Other benefits	None

Remuneration of Directors and the Subcommittees Disclosed Individually

Director's Name		Remuneration Year 2020 (Baht)	Remuneration Details
1.	Mr. Pleumjai Sinarkorn	485,000.00	Salary and Meeting Fee
2.	Mr. Raks Unahabhokha	485,000.00	Salary and Meeting Fee
3.	Acting Second Lieutenant Annop Suthakavatin	425,000.00	Salary and Meeting Fee
4.	Ms. Chaovana Viwatpanachati	420,000.00	Salary
5.	Mrs.Nonglug Pongsrihadulchai	120,000.00	Salary
6.	Mrs.Nitt Visesphan	120,000.00	Salary
7.	Mr. Somboon Patcharasopak*	77,741.94	Salary
8.	Mr. Parinya Sahaphatsombut	42,258.06	Salary

Remarks : *Mr. Somboon Patcharasopak was appointed to replace Mr. Parinya Sahaphatsombut on May 8, 2020, therefore the remuneration is calculated according to the proportion of position

Cash Remuneration for the Executives

Remuneration for Executives	2020
Number of Executives (person)	8
Total Remuneration for Executives (Baht)	13,842,325
Type of Remuneration	Salary and Bonus

Remarks : The Remuneration for Executives for the year 2020 includes executives who have resigned during the year, namely Mr. Parinya Sahaphatsombut and Mrs. Somnuk Waradee.

Other Forms of Remuneration for Directors

- None -

Other Forms of Remuneration for Executives

In 2020, the Company contributed Baht 1,086,647.61 for the provident fund of the Executives.

Personnel

As at December 31, 2020, the Company and its subsidiary had 58 employees as detailed below:-

Department	Number of Personnel as at December 31, 2020 (persons)
Office of President and Office of Internal Audit	4
Information Technology Section	25
Accounting and Finance Department	8
Administration Department	5
Project Sales Business Unit and Telecom Services Business Unit	16
Total	58

Total Remuneration of the Personnel of the Company and the Subsidiary

Type of Remuneration for the Year 2020	(Million Baht)
Salary and Bonus	35.70
Contribution for Provident Fund	2.51

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.

Corporate Governance

1 Corporate Governance Policy

The Office of the Securities and Exchange Commission (the “SEC”) has issued Corporate Governance Code for Listed Companies 2017, comprising 8 major principles, effective March, 2017. To this regard, in 2018, the Company continued complying well with its Corporate Governance Code (CG Code), that comprises 5 major principles in alignment with the guideline of the CG Code of the SEC, as detailed below.

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 for the resolutions on the Company's significant matters; for instances, the dividend payment, the appointment or removal 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 to the Memorandum of Association or Articles of Association and so on.

In addition to the above mentioned fundamental rights, the Company manages to support and facilitate the shareholders' right exercise 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 letter together with the meeting agendas and related documents with adequate fact(s), reason(s) and opinion(s) of the Board of Directors will be distributed for the shareholders' consideration 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 download 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. Significant question-and-answer issues and opinions are recorded in the minutes of meeting to facilitate the shareholders' scrutiny.

4 After the meeting is cloud, the Company shall arrange the minutes that present the complete and accurate information for the shareholders' scrutiny.

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 sequence of the agenda items 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 download 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 connected 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 the regulators of the listed companies.

The Company has business ethics for the employees, stipulating the importance of keeping the information of both the Company and its subsidiary 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 SEC. 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 comply with Section 59 of the Securities and Exchange Act of B.E.2535 within the period required by the SEC so that it is further disclosed to the public.

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

3. The Role of Stakeholders

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

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

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

Shareholders :	With the aim to bring about the highest satisfaction to its shareholders, the Company intends to be their ever efficient and trustworthy business representative, taking into account the long term growth of its value and the emphasis on transparent and honest information disclosure.
Employees :	The Company regards employees as its precious resources. So, it focuses on supporting human resources development which consequently leads to its maximum benefit. Besides, it encourages the employees to play a part in creating a good organization culture, strong teamwork and safe and pleasant working atmosphere. In addition, it provides the employees with welfares and good environment; meanwhile, implanting in them the awareness of working with loyalty, taking into the minds all the possible impacts on both the organization and outside people in general.
Competitors :	The Company commercially contends with other trade competitors on the fair and ethical competition basis.
Customers :	The Company is committed to responding and providing quality services for the highest satisfaction and confidence of the customers.
Trade Counterparts and Creditors :	The Company has the policy to treat both the counterparts and the creditors fairly in compliance with trading conditions and / or terms in the mutual contracts to enhance good business relationship, beneficial to all parties.
Community and Public:	On the regular basis, the Company joins and sponsors socially constructive projects and activities as exemplified by financial and material donations to several schools, foundations and organizations.
Environment :	The Company recognizes the importance of environment and is concerned about the impact of pollutions on communities. However, the Company's nature of business does not jeopardize the environment.

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

4. Disclosure and Transparency

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

Anti-corruption Policy

Objectives

The Company and subsidiary are committed to conducting its business by adhering to good business ethics and responsibility to society and every group of stakeholders in accordance with the principles of good corporate governance.

In 2015, the Company joined "Thailand's Private Sector Collective Action Coalition Against Corruption" to declare its intention and commitment to all forms of anti-corruption practices to ensure that the Company has in place a policy that outlines the scope of responsibilities, guidelines and recommended actions that are appropriate in order to prevent corruption in all forms of business activities of the Company and ensure that any decision and business activity that may be subject to the risks associated with corrupt practices, are thoroughly considered and carried out.

In view of the above, the Company, therefore, has formulated the "Anti-Corruption Policy" in writing to establish clear guidelines for its business operations and develop the organization's sustainability.

Definition in the Anti-Corruption Policy

"Corruption" means bribery in any form whether by means of offering, promising to give, providing, undertaking to give, demanding, or accepting of money, assets, or other inappropriate benefits to or from government officers, either directly or indirectly, so that such person will undertake any act or omission which constitutes the acquisition or retaining of business or with a view to acquiring or retaining any other improper benefits in business transactions, with the exception being in the case that such practice is permissible under any relevant law, regulation, notification, rule, local customary or commercial practice.

Anti-Corruption Policy

The directors, executives, and staff members of the Company are prohibited from being involved in or accepting benefits from any corrupt practices of any form, directly or indirectly. This policy applies to every business in every country and every relevant agency. The compliance with the Anti-Corruption Policy, as well as the guidelines and the recommended actions shall be reviewed on a regular basis to ensure that they are in line with on-going changes in the business, and changes in any relevant regulations, rules, and legislation.

Duties and Responsibilities:

1. The board of directors has the duty to put in place the policy and supervise the formulation of an effective anti-corruption mechanism in order to ensure that the management is aware and give priority to the anti-corruption practice and the anti-corruption practice has been cultivated as part of the Company's corporate culture.
2. The audit committee has the duty to review the financial and accounting reporting system, the internal control system, the internal audit system, and the risk management system to ensure that those systems are in line with international standards and are well-defined, appropriate, up-to-date, and efficient.
3. The President has the duty to put in place the system and to promote and support the communication of the Anti-Corruption Policy to the staff members and every group of relevant persons as well as the duty to review the appropriateness of the mechanism and measures in accordance with on-going changes in the business, and changes in any relevant regulation, rules, and legislation.
4. The head of the internal audit has the duty to inspect and review the business operations to ensure that they are carried out correctly and in line with the Anti-Corruption Policy, the guidelines, the authority, and the relevant laws and regulations and that the control system in place is appropriate and sufficient to cover the potential risks and report the results of the inspection and review to the Audit Committee.

Guidelines

1. The directors, executives, and staff members at every level must comply with the Anti-Corruption Policy and shall refrain from being involved in any corruption, directly or indirectly.
2. The staff members of the Company shall not ignore or fail to act when witnessing any act that may be considered a corrupt act involving the Company, shall inform the relevant superior or the responsible persons, and shall cooperate with the Company in its investigation of facts. In the case of any question or query, the staff members shall refer to the relevant superior.
3. The Company shall give fair treatment to and provide protection to any staff member who refuses to be involved in any corrupt activity or informs the Company of any corrupt activity that involves the Company.
4. A person who is engaged in any corrupt activity shall be subject to disciplinary procedures in accordance with the Company's work rules. In addition, if such person has committed an offense under the law, he or she may be subject to punishment as prescribed by law.
5. The Company is aware of the importance of disseminating knowledge and establishing understanding with other persons who are required to perform duties in relation to the Company or of any matter that may affect the Company in complying with the Anti-Corruption Policy.
6. The Company is committed to cultivating and maintaining a corporate culture that adheres to the principle that any corrupt practice shall not be tolerated.

Recommended Actions

For the purpose of clarity in carrying out matters at high risk of corrupt activities, the directors, executives, and staff members at all levels shall exercise caution in the following matters:

1. Gifts, entertainment, and expenses

Giving, providing, or accepting gifts or entertainment shall only occur on special occasions as appropriate or reasonable in accordance with the guidelines set out in the business code of conduct. In this regard, organizing entertainment, providing meals, or giving or accepting gifts on special occasions shall be permissible in the following circumstances:

- (1) Gifts, entertainment, and meals that are not for the purpose of inducement of other persons to undertake any act or omission or given with a view to influence other persons in making business decisions, or with a view to causing other persons to receive unfair benefits.
- (2) Gifts, entertainment, and meals that do not constitute any violation of this policy, the business code of conduct of the Company, or any relevant law.
- (3) Gifts, entertainment, and meals that are given on appropriate occasions and as customary practice, for example, exchange of gifts in a New Year party.
- (4) Gifts that are exchanged in an open manner.
- (5) Entertainment that is organized as it is deemed necessary and the expense is reasonable. Entertainment should not be lavishly organized or excessively frequent.

2. No director, executive, and staff member of the Company and its subsidiaries are permitted to accept any benefit, whether it be money, properties, articles or any other benefits from any government officer, public agency, or private agency, supplier, or persons related to the business of the Company and its subsidiaries in his or her own personal capacity, with the exception of gifts given during the new year season or in accordance with the generally-acceptance customary practice, provided that the value of a gift should not exceed THB 3,000.

3. Political contributions

Political contributions means the provision of financial assistance or otherwise to a political party or a politician, including provision of loans, donation of money or properties, and provision of services.

(1) It is the Company's policy to be politically neutral and not support any political activities or undertake any act to favor of any political party.

(2) The directors, executives, and employees of the Company are entitled to the liberties and freedom under the Constitution to take part in political activities, such as voting in elections, referendums, etc. Nevertheless, the directors, executives, and employees of the Company shall not use any properties or resources of the Company in any political activity. In addition, they shall not take part in any political activity during the business hours of the Company or provide any service in the name of the Company or use the name of the Company to support any political activity or undertake any act which may lead to the misunderstanding that the Company supports or is involved in a political party

4. Charitable donations or contributions Giving or accepting charitable donations or contributions shall be transparent and in compliance with the law and it shall be ensured that charitable donations or contributions are not used as excuse for bribery.

5. Business relationship with and procurement from the public sector Not giving or accepting any bribes in any business activity. The operations of the Company and any contact with the public sector shall be carried out in a transparent manner and with integrity and in compliance with the relevant 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 to the Chairman of Audit Committee : drraks999@gmail.com
2. The Company's website : www.jts.co.th/Contact Us/whistle blowing
3. Telephone Number : 02 100 2139

Preventive and Confidential Measure

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

Promotion of Anti-corruption Policy

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

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

5. Responsibilities of the Board of Directors

1. Structure of the Board of Directors

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

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

Term of Office of the Board of Directors

According to the Company's Articles of Association, at every Shareholders' Annual General Meeting, one-third of the directors who have the longest terms shall retire. Nevertheless, provided that the number of the directors is not a multiple of three, then the number nearest to one-third shall retire from office. The retirement of the directors in the first and the second year after the listing of the Company on the 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, 3 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 attend 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 subcommittee, 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 subcommittees.

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.

With 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. 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 connected transaction and the matter containing a conflict of interest to the Board of Directors to be 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 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 effective.

Risks Management

The Company evaluates the adequacy of its existing internal control system on a yearly basis. Its Risk Management teamwork also forecasts internal and external risk factors, analyzes them and follows up the outcome besides finding measures to mitigate risks within the organization to propose to the Board of Directors to consider improving the task operation properly 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 subsidiary 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 auditor. 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 of the Board of Directors 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 of the Board of Directors and the President to consider for agenda preparation.

During the meeting, the Company's Chairman of the Board of Directors, as chairman of the 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 attend the meeting and / or abstain from voting for it. In case of tie, the chairman of the meeting 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 certification 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.

The Chief Executive Officer's (the President) performance is considered by the Board of Directors, based on the evaluation results of the President Performance Evaluation Form and the Company's operation results.

Report on Compliance with Corporate Governance Policy

In 2020, the Company completely conformed to the Good Corporate Governance Policy, stipulated by the Board of Directors as detailed below:-

1) and 2) Regarding the Rights of Shareholders and the Equitable Treatment of Shareholders

1. The Company completely and accurately reported its operation results to the shareholders and also arranged the shareholders' meeting to report and request for the approval of issues which are significant or require resolutions from the meeting according to the law.

2. The Company organized the 2020 Annual General Meeting of Shareholders (the 2020 AGM) on June 23, 2020; all the Company's directors attended the meeting.

3. The shareholders' meetings were held at the Company which is located on the area, reachable by enough public transportation; thus, the shareholders could travel to attend the meetings conveniently.

4. The Company provided the shareholders with adequate time to study detailed information of the documents for the 2020 AGM beforehand by:

- posting the invitation letter to the 2020 AGM on its website (www.jts.co.th) 25 days prior to the meeting date. It also posted the Minutes of the 2020 AGM on the website 14 days after the date of the meeting.

5. The Company has not yet provided the shareholders a chance to submit their opinions, recommendations, inquiries, additional agenda items or names of candidates for the position of director to the Company since, for the time being, the Company is considering an appropriate guideline and a policy related to the matters.

6. The records of proxy in which the shareholders specified their intention to assign the Company's directors to attend the meetings and vote on their behalves at the shareholders' meetings in 2020 are as follows:-

- At the 2020 AGM, 23 shareholders assigned the Company's Independent Directors, namely, Mr. Raks Unahabhokha, Acting Second Lieutenant Annop Suthakavatin and Major General Sunanta Sirisumpan to vote on their behalves.

7. At both shareholders' meetings, all the shareholders were equitably allowed to express their opinions and raise questions to any of the management who attended the meetings. Voting was in compliance with the following regulations:

- 1) In normal cases, the resolution shall be adopted by the majority votes of the shareholders who are present and vote in the meeting, of which one share will be counted as one vote. In case of equality of votes, the chairman of the meeting shall have a second or casting vote.
- 2) In the following cases, the resolution shall be adopted by the votes of not less than three-fourth of the total votes of shareholders who are present and entitled to vote.
 - Sale or transfer of the whole or an essential part of the Company's business to other person
 - Purchase or acceptance of transfer of business of any other private company or public company
 - Execution, amendment or termination of a contract in relation to the leasing of the whole or an essential part of the Company's business, the assignment to any other person to manage the Company's business or the consolidation of the Company's business with other persons for the purpose of profit and loss sharing
 - Amendment to the Memorandum of Association or the Articles of Association
 - Increase or decrease of registered capital
 - Wind up the Company
 - Merge with another company

The shares held by the Company shall have no vote.

8. The Company complied with the policy on the prevention of the inside information usage. Details of this policy are disclosed in Form 56-1, Subsection 9.5: Control of Inside Information, Topic: Control Activities and Annual Report, Corporate Governance Subject, Subsection 4: Control of Inside Information Usage. In 2020, the Company's executives and other relevant persons strictly conformed to such policy. None ignored or violated it.

3) Regarding the Role of Stakeholders

Provided that there is a case in which a stakeholder's right is violated by the Company, the Company shall take actions as required by law. A shareholder can submit a complaint or inform the Company of a trace of such matter at www.jts.co.th/contact-us/Whistle-blowing. However, in the previous year, no case of violation of the shareholders' right occurred nor did the conflict between the Company and the stakeholders. Furthermore, the Company joined the Collective Action Coalition with private sector of Thailand, in the anti-corruption campaign on December 1, 2017.

4) Regarding Disclosure and Transparency

The Company's disclosure of the financial and the non-financial information was correct, complete, timely, transparent, and fair to all parties in conformity with the regulations stipulated by the SEC and the SET. The information that was already disclosed to the SET was also posted on the Company's website (www.jts.co.th) under "Investor Relations/ News to SET" menu.

The remuneration of the Company's directors and executives is disclosed in Subsection 8.4 of the Updated Registration Statement (56-1 Form) and herein in Subsection: 'Directors and Executives Remuneration'. Initially, the remuneration had passed prudent consideration of the Remuneration Committee. Then, it was considered and approved by the Board of Directors' meeting. Both the Remuneration Committee and the Board of Directors took into account remuneration information of other companies of the same line of industry, the Company's own business expansion and growth of profits as references. The remuneration of the Company's directors was finally approved by the shareholders' meeting.

As for salary, bonus and other benefits for the executives and the employees, each was considered mainly based on the Company's operating results. Besides cash remuneration, the Company provided its executives and employees with welfares other than those required by law such as provident fund and annual health checkup.

The Company fairly treated every group of investors, be it individual or institution. Investor Relations Unit of the Company is responsible for giving information to the investors directly; thus, interested investors could contact the Company conveniently via telephone and e-mail address. The task of Investor Relations is trusted to the Accounting and Finance Department.

- The contact person is Ms. Saengdao Dechaduangsakul, telephone: 0 2100 7358, email address: saengdao.d@jasmine.com

Meanwhile, the disclosure of significant data of the Company is assigned to the Corporate Secretary Administration Section, Administration Department.

- The contact person is Ms. Vasita Chotipruk, telephone: 0 2100 8234, email address: vasita.c@jasmine.com.

5) Regarding Responsibilities of the Board of Directors

1. Of the total 7 directors who constitute the Company's structure of the Board of Directors, 3 of whom are independent directors whose qualifications meet the Company's definition of Independent Directors which is equivalent to the standard of the SEC.

The number of the Company's independent directors is not less than one-third of the entire Board of the directors. The 3 directors are also the Company's Audit Committees whose qualifications meet the requirements of the SET; all possess independence in audit administration. Two independent directors are members of the Remuneration Committee.

The Company has clearly delineated the roles and responsibilities of the Board of Directors and the management. The organization structure is practical in which the management power is delegated to the employees of different levels, enabling them to participate in the Company's operations and dexterously perform their duties. The scopes of authorities and budgetary approval for each management level are clearly explicated in writing.

The Company has clearly segregated authorities and roles between Chairman of the Board of Directors and the President so as to prevent unlimited authority. Chairman of the Board of Directors is a director who is elected and appointed by the Board of Directors. The President is also appointed by the Board of Directors. (as detailed in 56-1 Form, Subsection 8.1 and 8.2 and herein in Section Management : the Board of Directors and Executives)

2. Regarding the Board of Directors' Meeting, it is required by the Company's Article of Association that at a Board of Directors' meeting, not less than $\frac{1}{2}$ of the total number of the entire directors constitutes a quorum. In case that at any meeting, the Chairman of the Board of Directors is not present or cannot perform his duty, it is required that the Vice Chairman of the Board of Directors be the Chairman of the Meeting. However, if the Company does not have a Vice Chairman of the Board of Directors or if the Vice Chairman cannot perform his duty on the meeting date, the directors who are present may elect one of their members to be Chairman of the Meeting. In summoning a Board of Directors' Meeting, the Chairman of the Board of Directors or a person assigned must dispatch notice of summoning to all the directors not less than 7 days prior to the meeting date, except for an urgent case that the meeting is allowed to be called quicker and by other means in order to preserve the rights or the benefits of the Company.

In 2020, the Company completely complied with the regulation on this matter. Throughout the year, 7 Board of Directors' meetings were held. The record of each Director's meeting attendance is shown in 56-1 Form, Subsection 8.1 and herein in Section Management: the Board of Directors.

3. The Company has set up Audit Committee to consider and verify details of the related work prior to the submission to the Board of Directors. The Audit Committee is scheduled for a meeting once a quarter. (See details of roles and responsibilities of Audit Committee in 56-1 Form, Subsection 9.2 and herein in Section Corporate Governance: Subsection 2: the Subcommittee).

During the year 2020, the Company's subcommittees arranged their meetings as summarized below:-

- The Audit Committee held 4 meetings. All the committee members completed their attendance in 4 meetings.
- The Remuneration Committee held 1 meeting. All the committee members completed their attendance in 1 meeting.

4. The Company has established the Office the Internal Audit in accordance with the regulations of the SET to ensure that the operations of the Company and its subsidiary are in alignment with the Company's rules and regulations in addition to encouraging employees of all levels to perform their jobs efficiently and effectively with environmental and ethical awareness. An internal auditor is responsible for proving analysis, assessment, suggestions, consultation and information, which are beneficial to all workers and that enhance, as well as leverage the efficiency of the internal audit system with the cost-effective budget.

The task of internal audit also includes testing and assessment of adequacy and efficiency of the internal control system as well as the quality of the work within the organization.

With regard to risk management, please see 56-1 Form, Section 11 and herein in Section Internal Control and Risk Management.

5. In 2020, the Board of Directors and the Audit Committee of the Company evaluated their own performances both as a party and an individual; the Board of Directors also evaluated the performance of the President, using the assessment form prepared based on the guideline of the Corporate Governance Center of the SET.

The result of the performance evaluation of the Audit Committee was reported to the Board of Directors in their meeting in order to comply with the requirement of the Thai Institute of Directors Association (IOD) on Corporate Governance of the listed companies.

Evaluation criteria and average performance evaluation results of the Board of Directors, the Audit Committee and the Acting President are as detailed below:-

Grading Criteria

0	=	No action has been taken.	1	=	A little action has been taken.
2	=	The action has been taken to a certain degree.	3	=	The action has been well taken.
4	=	The action has been excellently taken.	N/A	=	There is no information or the information cannot be used.

Evaluation criteria and average performance evaluation results

Type of Committee	Evaluation Criteria	Percentage of Average of Good and Excellent Performance Evaluation Result
Board of Directors - As a party	<ol style="list-style-type: none"> 1. Structure and Qualifications of the Committee 2. Roles and Responsibilities of the Committee 3. The Committee Meetings 4. Fulfillment of Duties of the Committee 5. Relationship with the Management Support Team 6. Self-development of the Committee and the Development of the Executives 	97.48
- As an Individual	<ol style="list-style-type: none"> 1. Structure and Qualifications of the Committee 2. The Committee Meetings 3. Roles and Responsibilities of the Committee 	100
Acting President	<ol style="list-style-type: none"> 1. Leadership 2. Strategic Planning 3. Compliance to Strategic Planning 4. Financial Planning and Compliance 5. Relationship with the Board of Directors 6. Relationship with Outside Party 7. Management and Relationship with Personnel 8. Succession 9. Knowledge on Products and Services 10. Personal Qualifications 	96.06
Audit Committee - As a party	<ol style="list-style-type: none"> 1. Structure and Qualifications of the Committee 2. The Committee Meetings 3. Roles and Responsibilities of the Committee 	96.74
- As a party	<ol style="list-style-type: none"> 1. Structure and Qualifications of the Committee 2. The Committee Meetings 3. Roles and Responsibilities of the Committee 	97.78

6. In 2020, the Board of Directors' meeting reviewed the Company's Corporate Governance Policy and report on compliance with the principles of Good Corporate Governance in context of its business, Also amendment to the Company's Corporate Governance policy on anti-corruption policy and set the policy on the use of insider information.

2. The Subcommittees

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

2.1 Audit Committee

As at December 31, 2020, the Company's Audit Committee comprises 3 directors as follows:-

- | | |
|--|---------------------------------|
| 1. Mr. Raks Unahabhokha | Chairman of the Audit Committee |
| 2. Acting Second Lieutenant Annop Suthakavatin | Audit Committee |
| 3. Ms. Chaovana Viwatpanachati | Audit Committee |

In which Acting Second Lieutenant Annop Suthakavatin and Ms. Chaovana Viwatpanachati are Audit Committee with knowledge and experience in auditing financial statements of the Company.

Scopes of Authority and Duties of the Audit Committee

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 effectiveness aside from considering independence of the internal audit office, approving the appointment, the transfer, and the dismissal of the head of the Office of Internal Audit as well as the heads of any other departments responsible for internal auditing
3. To oversee and ensure the Company's conformity to the law regarding securities and stock exchange in addition to the regulations of the SET and the laws relevant to the Company's business
4. To consider, select and appoint persons who are independent to be the Company's external auditors and propose their remuneration in addition to having a meeting with such auditors at least once a year without the presence of the management
5. To consider the connected 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 SET for the maximum benefit of the Company
6. To prepare the Audit Committee's 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 SET and the laws relevant to the Company's business
 - 6.4 The opinion on appropriateness of the external auditors
 - 6.5 The opinion on the transactions which may have conflicts of interest
 - 6.6 The number of Audit Committee meetings and the attendance of each Audit Committee member
 - 6.7 The opinion or overall remarks the Audit Committee obtains during performing duties in line with the charter
 - 6.8 Other information deemed appropriate for the acknowledgement of the shareholders and investors under the scope of duties and responsibilities authorized by the Board of Directors
7. To oversee the Company's risk management to ensure their appropriateness and efficiency
8. Any other tasks assigned by the Board of Directors with the consent of the Audit Committee

The Audit Committee has a 3-year term in the 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.

2.2 Remuneration Committee

As at December 31, 2020, the Company's Remuneration Committee comprises 3 directors as follows:-

- | | | |
|----|---|--|
| 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

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

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

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

3. Selection of Directors and Executives

The Company has not appointed the Nomination Committee; therefore, the Board of Directors is responsible for selecting a person with proper qualifications as specified by law, experiences and sufficient time to contribute their roles to the Company to propose to the shareholders' meeting for approval. The appointment must be supported by no less than $\frac{1}{2}$ of the total number of shares of the shareholders, attending the meeting and eligible to vote. 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 ordinary shareholders' meeting, one-third of the directors must retire from the office by rotation; the director who has the longest term in office shall firstly retire.

As for the appointment of executives from the Assistant Vice President level to the level lower than the President, it is the responsibility of the Board of Directors.

4. Control of Inside Information Usage

The Board of Directors places great emphasis on preventing the use of corporate inside information for personal benefits; thus, formulating a policy on inside information usage, requiring that corporate inside information that has not yet been allowed for public disclosure be kept confidential and that only persons relevant to such piece of information be permitted to acknowledge it.

The Company has informed its directors and executives of their duty to report their own holding of the Company's shares, including changes in its number, and of their spouses and minor children to the SEC, to comply with Section 59 and Section 275 (Penalties) of the Securities and Exchange Act, B.E. 2535.

Furthermore, the Company has also informed them of the prohibition which states that the directors and the executives, including their spouses and minor children are not allowed to use corporate inside information that has not yet been disclosed to the public, especially financial information, for their own interests which also include the trade and the transfer of the Company's securities. Additionally, it is prohibited that the Company's executives as well as the employees who have been acknowledged of corporate inside information trade or transfer the Company's securities 1 month prior to May 15, August 15, November 15 and February 28 of every year because such are the dates on which the Company is required to disclose its financial statements to the public.

To this regard, the Company's directors and executives, including their spouses and minor children who have traded or transferred the Company's securities are required to report their transactions to the SEC. within the period prescribed by SEC.

For the control of corporate inside information usage, the Company announced the policy on Inside Information Usage, dated November 11, 2019 for the directors, executives, employees and staff of the Company and its subsidiary to strictly comply as detailed herein below.

The Policy on the Use of Insider Information

Objectives

The Company and subsidiary operate their business in a transparent manner and recognize the importance of the use of insider information in compliance with the Securities and Exchange Act B.E. 2535 (including any amendment thereto) (the "SEC Act"), as well as other relevant rules and regulations. In this regard, the Policy on the Use of Insider Information of the Company is detailed as follows:

Scope of the Policy

1. The term the "Company" under this policy shall mean Jasmine Telecom Systems Public Company Limited.
2. No directors, executives, staff members, and employees of the Company (and of its subsidiaries), who know or possess "insider information", or who are in the position or part of the work unit responsible for "insider information", or who are able to access "insider information" shall:
 - (1) purchase or sell the securities of the Company, or commit themselves under future contracts with respect to the securities of the Company, whether for their own interests or others; or

(2) disclose, by any means, “insider information” to any other person, whether directly or indirectly, knowing that the recipient may use such information to purchase or sell securities, or commit themselves under future contracts with respect to the securities, whether for their own interests or others.

The term “insider information” means information that has not been disclosed to the general public which is deemed material to any change in price or value of the securities of the Company, i.e., information of the Company which is likely to be material to the change of price or value of the securities, or investment decision-making. Such information includes information relating to the Company, major shareholders, controlling persons, or key executives of the Company, and information that is reasonably detailed to the extent that general investors may use the same for their investment decision-making.

3. The directors, executives, staff members, and employees of the Company (and its subsidiaries) working in the finance and accounting department shall:

(1) restrain from purchasing or selling of the securities of the Company, whether for their own interests or others; and

(2) not disclose financial information to any other person, whether directly or indirectly, in the period before the disclosure of financial reports for the year or for the quarter, at least 30 days before the Company discloses such the information to the SET and it is advisable to wait for at least 24 hours after disclosure of such information before purchasing or selling of the securities of the Company.

4. In the case that a supplier of the Company and its subsidiaries is a listed company on the SET, and that the entering into a transaction with that supplier may be deemed to be “insider information” of the supplier, the directors, executives, staff members, and employees of the Company (and its subsidiaries) shall have the duties with respect to “insider information” of that supplier as if it is the “insider information” of the Company under Clause 2 above.

5. In the case that the Company has “insider information” which cannot be disclosed at the time, for the reason that such information cannot be concluded or is highly uncertain, the relevant directors, executives, staff members, and employees of the Company (and its subsidiaries) shall have the duty to monitor, and keep such information confidential, in order to prevent any person from wrongfully seeking benefits from or disclosing such information. It is advisable that the relevant persons should comply with the “Handling Confidential, Market-Sensitive Information: Principles of Good Practice” prepared by the SEC.

In addition, in the case that it is necessary to disclose “insider information” to a relevant person who has the duty to perform necessary works for the Company, for example, the legal advisor who has the duty to provide advice on the entering into transactions, or credit rating agency (CRA) and etc., the relevant directors, executives, staff members, and employees of the Company (and its subsidiaries) shall ensure that such receiving persons are aware of their duties. In addition, a system is put in place for maintaining confidentiality to prevent any use of such information or disclosing such information to any other person.

In this regard, the “Handling Confidential, Market-Sensitive Information: Principles of Good Practice” prepared by the Office of the Securities and Exchange Commission shall apply.

The Company shall provide training on the Policy on the Use of Insider Information to the relevant directors, executives, staff members, and employees of the Company (and its subsidiaries) on an annual basis, in order to ensure they have the right understanding and act in compliance with the SEC Act.

6. If the Company found that any relevant director, executive, staff member, and employee of the Company (and its subsidiaries) have violated this Policy on the Use of Insider Information, the Company shall deem that such violation constitutes a severe disciplinary offence, resulting in that person being removed from their position of director, executive, staff member, or employee of the Company (and its subsidiaries), i.e., termination of employment, removal, dismissal, etc.

Corporate Social Responsibility

The Company always realizes the importance of its responsibility to the society; thus, it operates the business with respect to business ethics, adhering 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 2020, 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 kongsumran School, Mueang Mukdahan District, Mukdahan Province
2. Ban nong-ake School, Mueang Mukdahan District, Mukdahan 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

JASMINE TELECOM SYSTEMS PCL



Internal Control and Risk Management

Opinion of the Board of Directors

The Board of Directors and the Management of the Company place great emphasis on a good internal control system; thus, establishing “Anti-corruption Policy” and the “Policy on the Use of Insider Information” as a part of good corporate governance of the organization, based on the principle of transparency whereby all the transactions must be auditable and in compliance with applicable laws and relevant regulations. For its sound internal control, the Company, on a yearly basis, reviews 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 are defined based on the internal control guidelines of the Committee of Sponsoring Organizations of the Treadway Commission (COSO) that comprises 5 major compositions with 17 principles. For the year 2020, the internal control adequacy evaluation of the Company is reported as follows.

1. Control Environment

The Company has an organizational structure and the environment that supports the operation has an adequate internal control system. The company has clear segregation of authority and responsibility. Determined the policies and regulations to put into practice properly and continuously monitor the performance

2. Risk Assessment

The Company focus on risk management. Therefore, provides a risk management team. Consisting of executives of each department to supervise risk management throughout the organization. Evaluate from the opportunity and the potential impact of internal and external factors including setting guidelines for risk management to be at an acceptable level

3. Control Activities

The Company sets policies and procedures in writing. There is a segregation of duties and responsibilities. And the approval hierarchy of executives at each level is clearly specified. To balance the power or have a mechanism that can be traced back properly. And no transactions that may have conflicts of interest and comply with the conditions and rules of the SEC and related laws

4. Information & Communication

The Company has an information system and communication both internal and external is efficient for all related departments to receive correct, complete, and timely information. There has a communication channel for outsiders to be able to receive information equally. Including channels to receive notification of information related to corruption (Whistle Blowing) through various channels specified by the company.

5. Monitoring Activities

The Company has a process to monitoring the performance to achieve the goals. And assess the adequacy of internal control by the Audit Office review adequacy and appropriate of assessment. And giving advice on determining solutions If found defects in internal control. And report the results to the management And the Audit Committee Including a follow-up process to ensure that it has been resolved within the time limit.

The Company has monitored the operation result for the Audit Committee to assess the sufficiency of the internal control system of all 5 components together with the audit report of the Audit Office. And the report of the relevant auditors, there is an opinion that the company has an appropriate internal control system for business operations. And there are enough personnel to operate the system 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 consists of 3 qualified members with knowledge and management experience as follows:

- | | |
|--|---------------------------------|
| 1. Mr. Raks Unahabhokha | Chairman of the Audit Committee |
| 2. Acting Second Lieutenant Annop Suthakavatin | Audit committee Member |
| 3. Miss Chaovana Viwatpanachati | Audit Committee Member |

In 2020, the Audit Committee organized 4 meetings in total with the Management, internal auditors and external auditors. All the Audit Committee completed their attendance in every Audit Committee meeting. In summary, the tasks accomplished by the Audit Committee in 2020 are as follows:-

1. Reviewing the quarterly and the annual financial statements of the Company and its subsidiary. The Audit Committee regularly held the meetings with the Company's auditors to be acknowledged of and to discuss with them about the opinions that they provided, particularly, the ones that were considered material issues. The Committee is of the view that the accounting and the financial reports of the Company have shown financial status and performance as required by law, accounting standards and financial reporting standards and that the information disclosed in the Auditor's Report was adequate and appropriate. In 2020, the Audit Committee had 1 meeting with the auditors, in which no Management were invited to attend, to discuss about the auditors' independence in performing duties and expressing opinions. To this regard, the Committee is of the view that, in 2020, the auditors performed their duties independently; no significant audit findings as well as suspicious circumstances were reported; thus, the Company's separated and consolidated financial statements were reliable, transparent and in alignment with the relevant standards.
2. Reviewing and providing comments on related transactions or items that may have conflicts of interest of the Company, on a quarterly basis, principally taking into consideration, the reasonableness and adequate information disclosure with respect to normal business practice. To this regard, the Committee is of the view that, such transactions were for the best interest of the Company; in addition, they were also reasonable, transparent and accurately disclosed in due time.
3. Reviewing the sufficiency of the internal control system, the internal audit and the risk management by taking into account, the internal audit report and the results of the continual monitoring of the corrective actions that are to be in accordance with the recommendations stated in the reports prepared by the internal and the external auditors plus the results obtained from the assessment form for the adequacy of the internal control system of the Securities and Exchange Commission (the "SEC") and the risk management tables. To this regard, the Committee is of the view that the internal control system, the internal audit and the risk management of the Company were adequate and appropriate. The Audit Committee approved the 2020 Internal Audit Plan based on the risk management.
4. Reviewing the efficiency and the effectiveness of good corporate governance. To this regard, the Audit Committee is of the view that the Board of Directors, the management team and the employees strictly adhered to the Company's established policies, with the Board of Directors and the management as the roles models. Besides, the Company encouraged the executives and the employees to place an importance on moral conscience and ethics.
5. Reviewing the Company's compliance with the Securities and Exchange Act, the rules and the regulations stipulated by the Stock Exchange of Thailand and the relevant laws, on a regular basis. To this regard, the Audit Committee is of the view that the Company adequately complied with the Securities and Exchange Act, the rules and the regulations stipulated by the Stock Exchange of Thailand and the applicable laws.

6. Considering selecting and nominating external auditors for the Company by principally taking into account audit performance in the previous year, plus audit knowledge, expertise, experience and independence. Apart from such criteria, the Committee also considered the appropriateness of the audit fee. They finally resolved to propose to the Board of Directors to approve proposing for the Annual General Meeting of Shareholders' consideration to approve appointing the auditors from EY Office Company Limited as the Company's external auditors for the year 2020 along with the fixing of the audit fee thereof.
7. Evaluating the Audit Committee's own performance, both as a party and as an individual, in compliance with the CG Code, as required by the Stock Exchange of Thailand, to ensure that the Audit Committee carried out their work efficiently, achieving the targets as planned. The assessment results have proved that the structure and the qualifications of the Audit Committee were appropriate, enabling their execution of duties to be complete efficiently and adequately as required by the Audit Committee Charter.

The Audit Committee is of the opinion that the Company's financial reports were prepared accurately and disclosed appropriately in compliance with both the generally accepted financial reporting standards and accounting principles; the entering into the connected transactions was reasonable and for the optimum benefit of the Company; the internal control system and the risk management were adequate. Furthermore, the Company's operations were in compliance with the applicable laws, the CG Code and relevant regulations. No significant shortcomings were found.



(Mr. Raks Unahabhokha)
Chairman of the Audit Committee

Head of Internal Audit

Name	Ms. Punpitcha Dhammarattananon	
	Position : Senior Manager, Internal Audit	
Education	<ul style="list-style-type: none"> • Master of Corporate Governance, Chulalongkorn University • Bachelor of Accounting, Dhurakij Dundit University 	
Training	2018	Anti- Corruption the Practical Guide (ACPG), Thai Institute of Directors (IOD)
	2017	Working Paper for Collective Action Coalition Against Corruption, Federation of Accounting Professions
Experiences	2020-Present	Senior Manager, Internal Audit, Jasmine Telecom Systems PCL.
	2018-2019	Manager, Internal Audit, Seafresh Industry PCL.
	2017-2018	Manager, Internal Audit, Thantawan Industry PCL.
	2016-2017	Manager, Internal Audit, Stone One PLC.
The Audit committee's opinion	In view of her qualifications, knowledge and experience, Head of Internal Audit is acknowledged by the Audit Committee.	
Appointment, removal and transfer of Head of Internal Audit	The appointment, discharge or transfer of the head of internal audit must be approved by the Audit Committee in compliance with the Company's regulations on appointment and transfer of employees.	

Related Party Transaction

The Company has the related party transactions as defined in the Notification of the SEC. The business transactions in the year 2020 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 Item 6 of Notes to the Financial Statements for the year 2020). The Company already carried out each transaction according to its procedures 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 had its own approval procedures for related party transactions which were similar to the procedures of 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 2020, 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, 2020
1. JAS Group, comprising 1.) 3BBTV 2.) TTTBB 3.) TTTI 4.) Ji-NET 5.) JasTel 6.) PA 7.) ACU	1.) JAS is a major shareholder of JAS Group.	<ul style="list-style-type: none"> - 3BBTV purchased equipment and installed the server and cloud service. - TTTBB executed contracts for the installation and/or the expansion of the fiber optic cables (OFC), the in – building OFC wiring, and other services. - TTTBB purchase equipment, and cloud with maintenance service. - TTTI purchased equipment and installed broadband internet, authenticated WiFi service and stored the Log. - TTTI purchased Radius system maintenance service and cloud service. - JAS purchased equipment and cloud service. - Ji-NET purchased equipment and provided maintenance service for network, offered services for signal cable and wireless equipment. - Ji-NET purchased cloud service. - JasTel purchased equipment and equipment maintenance service and cloud service. - PA purchased equipment and cloud service. - ACU purchased cloud service. 	<ul style="list-style-type: none"> 125.01 7.48 20.90 5.20 10.46 6.80 0.51 4.42 0.94 0.38 0.01

Connected Person	Relationship	Nature of Related Party Transaction	Amount Million Baht) as at December 31, 2020
2. MONO Group, comprising 1.) Mono Broadcast Co.,Ltd. 2.) Mono Film Co.,Ltd.	1.) Mr.Pete Bodharamik is a major shareholder of MONO Group. 2.) Mr.Pete Bodharamik is a major shareholder of JAS.	- Mono Group purchased equipment	0.27

2. In 2020, 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 Transactions	Amount (Million Baht) as at December 31, 2020
1. JAS Group, comprising 1.) TTTBB 2.) TTTI 3.) Ji-NET 4.) PA 5.) JasTel	1.) JAS is a major shareholder of JAS Group.	- Ji-NET entered into the Leased Line Internet service contracts and Link-VPN service. - JAS entered into office space rental service contract and other expenses. - TTTBB entered into the contracts for telephone system service, the CCTV system maintenance service and Call Center system service and Leased Line Internet service. - TTTBB purchased vehicle - JasTel entered into the contracts for server space rental service and circuit lease. - PA entered into the contracts for cleaning and utilities service. - TTTI executed the high-speed internet service contract.	14.25 3.44 0.98 1.29 2.62 1.43 0.52

Necessity and Reasonableness of the Transactions

The businesses of Jasmine International Group comprise broadband business, telecom network & service provider business and other related businesses. Nature of businesses; products and services of the Group that support and complement one another are considered as strength in cost management and business operation of the Group. The product sales and service offerings that the Company entered into with the connected persons as stated above are; therefore, regarded as normal business practice based on the prices being agreed upon in accordance with commercial conditions. In addition, approval authority in connection with connected transactions is defined by the Board of Directors, taking into consideration the amount and the class of the transaction in order to enhance transparency and the prevention of conflicts of interest, for the optimum benefit of the Company.

3. Policy and Trend of Future Related Party Transaction

Significant business transactions that the Company will enter into in the future, either with a person or any related party, will be in accordance with the policy of respecting commercial terms and conditions in a based agreement, which is considered a normal business practice. The Audit Committee is responsible for considering and verifying the appropriateness of prices, the reasonableness of each transaction and the disclosure of the information in connection with connected transactions, to be in compliance with the Securities and Exchange Act, rules, regulations, notifications and orders of the SET and the SEC.

Financial Highlight

Audit Report Summary

The auditor whose appointment was approved by the Company was Mrs. Chonlaros Suntiasvaraporn, Certified Public Accountant (Thailand) No.4523, or Mr. Vatcharin Pasaraongkul, Certified Public Accountant (Thailand) No.6660 or Mr.Supachai Phanyawattano, Certified Public Accountant (Thailand) No.3930 of EY Office Limited, located at 193/136-137, 33rd Floor, Lake Rajada Office Complex, New Rajadapisek Road, Bangkok 10110 Tel. (66) 0 2264 0777 and (66) 0 2661 9190 Fax (66) 0 2664 0789-90 and (66) 0 2661 9192.

Opinion : I have audited the accompanying consolidated financial statements of Jasmine Telecom Systems Public Company Limited and its subsidiary (the Group), which comprise the consolidated statement of financial position as at 31 December 2020, and the related consolidated statements of comprehensive income, changes in shareholders' equity and cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies, and have also audited the separate financial statements of Jasmine Telecom Systems Public Company Limited for the same period.

In my opinion, 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 2020, their financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards.

Statements of financial positions

As at December 31, 2018 to 2020

(Unit: Thousand baht)

	Separate financial statements						Consolidated financial statements					
	2018		2019		2020		2018		2019		2020	
	AMOUNT	%	AMOUNT	%	AMOUNT	%	AMOUNT	%	AMOUNT	%	AMOUNT	%
ASSETS												
CURRENT ASSETS												
Cash and cash equivalents	397,266	30.41	58,781	4.49	46,038	3.23	401,213	31.85	69,867	5.48	52,414	3.74
Current investments - bank deposits	4,744	0.36	93	0.01	-	-	4,750	0.38	190	0.01	-	-
Current portion of trade and other receivables	790,833	60.54	817,766	62.50	336,147	23.58	810,685	64.35	826,992	64.90	343,196	24.49
Current portion of receivables under finance lease agreements related party	-	-	1,742	0.13	1,843	0.13	-	-	1,742	0.14	1,843	0.13
Current portion of receivables under finance lease agreements unrelated party	1,314	0.10	1,175	0.09	-	-	1,314	0.10	1,175	0.09	-	-
Unbilled receivables related parties	2,861	0.22	4,208	0.32	2,248	0.16	15	0.00	3,347	0.26	2,106	0.15
Unbilled receivables unrelated parties	8,131	0.62	2,671	0.20	211	0.01	11,144	0.88	4,518	0.35	3,233	0.23
Short-term loans to related parties	-	-	327,500	25.03	327,500	22.98	-	-	327,500	25.70	327,500	23.37
Current portion of long-term loans to subsidiary	16,000	1.22	16,000	1.22	16,500	1.16	-	-	-	-	-	-
Inventories	3,110	0.24	557	0.04	3,048	0.21	3,221	0.26	686	0.05	3,132	0.22
Accounts receivable under troubled debt restructuring	-	-	-	-	-	-	-	-	-	-	-	-
Prepaid project costs	483	0.04	416	0.03	3,827	0.27	819	0.07	702	0.06	4,876	0.35
Accounts receivable under troubled debt restructuring	-	-	-	-	-	-	-	-	-	-	-	-
Other current assets	-	-	-	-	93	0.01	-	-	-	-	229	0.02
Other current financial assets	991	0.08	1,070	0.08	1,684	0.12	2,968	0.24	3,807	0.30	4,358	0.31
Total current assets	1,225,733	93.83	1,231,978	94.15	739,138	51.85	1,236,128	98.12	1,240,527	97.35	742,889	53.01
NON-CURRENT ASSETS												
Restricted bank deposits	6,799	0.52	6,799	0.52	6,959	0.49	9,381	0.74	9,099	0.71	9,257	0.66
Trade and other receivables - net of current portion	-	-	-	-	602,128	42.24	-	-	-	-	602,128	42.97
Lease receivables - net of current portion Related party	-	-	2,642	0.20	799	0.06	-	-	2,642	0.21	799	0.06
Receivables under finance lease agreements net of current portion unrelated party	816	0.06	-	-	-	-	816	0.06	-	-	-	-
Long-term loans to subsidiary	69,000	5.28	53,000	4.05	36,500	2.56	-	-	-	-	-	-
Investment in subsidiary	-	-	-	-	-	-	-	-	-	-	-	-
Property , plant and equipment	431	0.03	11,564	0.88	11,821	0.83	9,721	0.77	19,429	1.52	17,797	1.27
Right-of-use assets	-	-	-	-	24,285	1.70	-	-	-	-	24,617	1.76
Withholding tax deducted at source	2,589	0.20	1,739	0.13	3,044	0.21	2,589	0.21	1,739	0.14	3,044	0.22
Deposits	1,015	0.08	736	0.06	750	0.05	1,178	0.09	844	0.07	865	0.06
TOTAL NON- CURRENT ASSETS	80,650	6.17	76,480	5.85	686,286	48.15	23,686	1.88	33,752	2.65	658,507	46.99
TOTAL ASSETS	1,306,383	100.00	1,308,458	100.00	1,425,425	100.00	1,259,814	100.00	1,274,279	100.00	1,401,395	100.00

Statements of financial positions (Continued)

As at December 31, 2018 to 2020

(Unit: Thousand baht)

	Separate financial statements						Consolidated financial statements					
	2018		2019		2020		2018		2019		2020	
	AMOUNT	%	AMOUNT	%	AMOUNT	%	AMOUNT	%	AMOUNT	%	AMOUNT	%
LIABILITIES AND SHAREHOLDERS' EQUITY												
CURRENT LIABILITIES												
Trade and other payables	84,334	6.46	77,117	5.89	113,051	7.93	114,689	9.10	104,157	8.17	140,713	10.04
Accrued project cost	3,217	0.25	8,380	0.64	10,666	0.75	135,774	10.78	138,818	10.89	139,006	9.92
Income tax payable	-	-	-	-	-	-	1,371	0.11	1,208	0.09	686	0.05
Current portion of advances received for goods and services	477	0.04	8,504	0.65	22,132	1.55	1,600	0.13	9,670	0.76	23,212	1.66
Current portion of lease liabilities	-	-	-	-	16,799	1.18	-	-	-	-	17,186	1.23
Other current liabilities	17,692	1.35	18,579	1.42	19,397	1.36	27,936	2.22	29,216	2.29	30,019	2.14
TOTAL CURRENT LIABILITIES	105,721	8.09	112,581	8.60	182,044	12.77	281,370	22.33	283,069	22.21	350,822	25.03
NON CURRENT LIABILITIES												
Advances received for goods and services, net of current portion	-	-	-	-	15,892	1.11	-	-	-	-	15,945	1.14
Lease liabilities, net of current portion	-	-	-	-	471	0.03	-	-	-	-	600	0.04
Provision for long-term employee benefits	13,507	1.03	21,446	1.64	24,518	1.72	13,507	1.07	22,417	1.76	28,352	2.02
TOTAL NON CURRENT LIABILITIES	13,507	1.03	21,446	1.64	40,881	2.87	13,507	1.07	22,417	1.76	44,898	3.20
TOTAL LIABILITIES	119,228	9.13	134,028	10.24	222,926	15.64	294,877	23.41	305,486	23.97	395,720	28.24
SHAREHOLDERS' EQUITY												
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	54.08	706,457	53.99	706,457	49.56	706,457	56.08	706,457	55.44	706,457	50.41
Share premium	420,269	32.17	420,269	32.12	420,269	29.48	420,269	33.36	420,269	32.98	420,269	29.99
Retained earnings												
Appropriated-statutory reserve	70,646	5.41	70,646	5.40	70,646	4.96	70,646	5.61	70,646	5.54	70,646	5.04
deficit	(10,218)	(0.78)	(22,941)	(1.75)	5,127	0.36	(234,074)	(18.58)	(230,579)	(18.09)	(193,943)	(13.84)
Other components of shareholders' equity	-	-	-	-	-	-	8,158	0.65	8,158	0.64	8,158	0.58
EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY	1,187,154	90.87	1,174,431	89.76	1,202,499	84.36	971,455	77.11	974,951	76.51	1,011,586	72.18
Non-controlling interests of the subsidiary	-	-	-	-	-	-	(6,519)	(0.52)	(6,157)	(0.48)	(5,910)	(0.42)
TOTAL SHAREHOLDERS' EQUITY	1,187,154	90.87	1,174,431	89.76	1,202,499	84.36	964,937	76.59	968,794	76.03	1,005,676	71.76
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	1,306,383	100.00	1,308,458	100.00	1,425,425	100.00	1,259,814	100.00	1,274,279	100.00	1,401,395	100.00

Statements of comprehensive income

For the year ended 31, 2018 to 2020

(Unit: Thousand baht)

	Separate financial statements						Consolidated financial statements					
	2018		2019		2020		2018		2019		2020	
	AMOUNT	%	AMOUNT	%	AMOUNT	%	AMOUNT	%	AMOUNT	%	AMOUNT	%
PROFIT OR LOSS												
REVENUES												
Sales and services income	84,351	93.80	65,370	88.39	218,291	98.64	130,642	97.09	103,510	93.26	260,028	99.73
Gain on exchange	-	-	-	-	5	0.00	180	0.13	1,775	1.60	49	0.02
Other income	5,574	6.20	8,589	11.61	3,014	1.36	3,742	2.78	5,709	5.14	667	0.26
TOTAL REVENUES	89,925	100.00	73,959	100.00	221,311	100.00	134,565	100.00	110,994	100.00	260,744	100.00
EXPENSES												
Cost of sales and services	64,342	71.55	50,279	67.98	190,228	85.96	76,844	57.11	62,447	56.26	204,295	78.35
Selling and Servicing expenses	-	-	-	-	-	-	-	-	1,187	1.07	1,192	0.46
Administrative expenses	39,958	44.43	42,494	57.46	46,611	21.06	45,958	34.15	44,122	39.75	55,668	21.35
Losses on exchange	14	0.02	129	0.17	-	-	-	-	-	-	-	-
TOTAL EXPENSES	104,314	116.00	92,902	125.61	236,839	107.02	122,801	91.26	107,756	97.08	261,155	100.16
OPERATING PROFIT (LOSS)	(14,389)	(16.00)	(18,944)	(25.61)	(15,528)	(7.02)	11,763	8.74	3,238	2.92	(411)	(0.16)
Finance income	9,684	10.77	8,487	11.47	50,261	22.71	8,199	6.09	7,229	6.51	49,246	18.89
Finance cost	-	-	-	-	(1,908)	(0.86)	-	-	-	-	(1,927)	(0.74)
PROFIT (LOSS) BEFORE INCOME TAX EXPENSES	(4,705)	(5.23)	(10,457)	(14.14)	32,825	14.83	19,962	14.83	10,467	9.43	46,908	17.99
Income tax expenses	-	-	-	-	-	-	(4,382)	(3.26)	(3,963)	(3.57)	(2,495)	(0.96)
PROFIT (LOSS) FOR THE YEAR	(4,705)	(5.23)	(10,457)	(14.14)	32,825	14.83	15,580	11.58	6,505	5.86	44,413	17.03
Non-controlling interests of the subsidiary	-	-	-	-	-	-	432	0.32	361	0.33	247	0.09
PROFIT (LOSS) FOR THE YEAR	(4,705)	(5.23)	(10,457)	(14.14)	32,825	14.83	15,580	11.58	6,505	5.86	44,413	17.03
Basic earning (loss) per share (at par Baht 1)	(0.01)		(0.01)		0.05		0.02		0.01		0.06	
Other comprehensive income for the year												
Total comprehensive income for the year	(4,705)	(5.23)	(10,457)	(14.14)	32,825	14.83	15,580	11.58	6,505	5.86	44,413	17.03
Actuarial Loss-Net of income tax	(1,405)	(1.56)	(2,267)	(3.06)	(4,757)	(2.15)	(1,405)	(1.04)	(2,648)	(2.39)	(7,530)	(2.89)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	(6,110)	(6.79)	(12,723)	(17.20)	28,068	12.68	14,176	10.53	3,857	3.47	36,882	14.15

Jasmine Telecom Systems Public Company Limited

Cash flow statement

For the year ended 31, 2018 to 2020

(Unit: Thousand baht)

	Separate financial statements			Consolidated financial statements		
	2018	2019	2020	2018	2019	2020
CASH FLOW FROM OPERATING ACTIVITIES						
Profit (loss) before tax	(4,705)	(10,457)	32,825	19,962	10,467	46,908
Adjustments to reconcile Profit (loss) before tax to net cash provided by (paid from) operating activities						
Depreciation	556	1,108	15,269	4,751	4,588	18,622
Reduction of inventory to net relisable value	-	2,090	-	-	2,090	-
Gain on disposal of equipment	(911)	(3,085)	(426)	(911)	(3,085)	(543)
Provision for compensation from litigation	-	-	-	4,674	-	-
Provision for long- term employee benefits	821	5,672	920	821	6,261	1,010
Unrealised loss (gain) on exchange	10	89	3	(184)	(1,815)	(40)
Finance income	(9,684)	(8,487)	(50,261)	(8,199)	(7,229)	(49,246)
Finance cost	-	-	1,908	-	-	1,927
Profit (loss) from operating activities before changes in operating assets and liabilities	(13,913)	(13,070)	238	20,914	11,276	18,638
Operating assets (increase) decrease						
Trade and other receivables	(62,674)	(25,166)	(117,169)	(81,148)	(14,540)	(114,996)
Lease receivables	(2,130)	(3,429)	2,917	(2,130)	(3,429)	2,917
Unbilled receivables	(4,341)	4,113	4,421	(2,743)	3,294	2,526
Inventories	(75)	463	(2,504)	(58)	(3,125)	(2,474)
Prepaid project costs	(184)	68	(3,411)	(374)	117	(4,174)
Other current assets	(565)	(79)	1,522	(974)	(839)	1,585
Other assets	2	279	(14)	36	696	(21)

Jasmine Telecom Systems Public Company Limited

Cash flow statement (Continued)

For the year ended 31, 2018 to 2020

(Unit: Thousand baht)

	Separate financial statements			Consolidated financial statements		
	2018	2019	2020	2018	2019	2020
Operating liabilities increase (decrease)						
Trade and other payables	7,598	(7,084)	34,271	2,880	(10,400)	34,893
Accrued project costs	(1,669)	5,163	8,095	(2,364)	4,948	6,041
Advance received for goods and services	(98)	8,027	29,520	(1,456)	8,071	29,487
Other current liabilities	(404)	887	817	350	1,280	804
Cash paid for long-term employee benefits	-	-	(2,605)	-	-	(2,605)
Cash used in operating activities	(78,454)	(29,829)	(43,903)	(67,067)	(2,652)	(27,380)
Cash paid for income tax	(483)	(1,256)	(1,788)	(5,177)	(5,742)	(4,806)
Refundable withholding tax	684	2,106	483	1,948	2,106	483
Net cash used in operating activities	(78,252)	(28,979)	(45,208)	(70,295)	(6,288)	(31,703)
Cash flows from investing activities						
Interest income	9,829	8,554	46,911	8,345	7,297	45,899
Decrease in current investments - bank deposits	15,947	4,652	93	16,067	4,559	190
Increase in other current financial assets	-	-	(93)	-	-	(229)
Decrease (increase) in restricted bank deposits	16,210	-	(161)	16,251	282	(158)
Short-term loans to related parties	340,000	(327,500)	-	340,000	(327,500)	-
Cash received from repayment of long-term loans made to subsidiary	16,000	16,000	16,000	-	-	-
Acquisition of equipment	(264)	(12,277)	(7,429)	(6,707)	(10,761)	(8,714)
Proceeds from sales of equipment	912	1,065	426	912	1,065	543
Net cash from (used in) investing activities	398,634	(309,506)	55,748	374,868	(325,058)	37,531
Cash flows from financing activities						
Interest paid	-	-	(1,887)	-	-	(1,887)
Payment of lease liabilities	-	-	(21,395)	-	-	(21,395)
Net cash flows used in financing activities	-	-	(23,282)	-	-	(23,282)
Net increase (decrease) in cash and cash equivalents	320,382	(338,485)	(12,743)	304,572	(331,346)	(17,453)
Cash and cash equivalents at beginning of year	76,885	397,266	58,781	96,641	401,213	69,867
Cash and cash equivalents at the end of year	397,266	58,781	46,038	401,213	69,867	52,414

Jasmine Telecom Systems Public Company Limited

Financial Ratio

As at December 31, 2018 to 2020

	Separate financial statement			Consolidated financial statement		
	2018	2019	2020	2018	2019	2020
Liquidity ratio						
Current ratio (times)	11.59	10.94	4.06	4.39	4.38	2.12
Quick ratio (times)	11.40	7.87	2.12	4.37	3.21	1.15
Cash ratio (times)	(0.76)	(0.27)	(0.31)	(0.23)	(0.02)	(0.10)
Receivables turn over (times)	0.11	0.08	0.37	0.17	0.12	0.44
Collection period (days)	3,282	4,490	963	2,151	2,888	822
Inventory turnover (times)	20.94	27.43	105.54	24.08	31.97	107.01
Inventory turnover period (days)	17	13	3	15	11	3
Account payable turnover (times)	0.80	0.62	2.00	0.69	0.57	1.67
Payment period (days)	451	578	180	520	631	216
Cash Cycle (days)	2,849	3,925	787	1,647	2,269	610
Profitability ratio						
Gross profit margin (%)	23.72	23.09	12.86	41.18	39.67	21.43
Operating profit margin (%)	(5.56)	(15.80)	15.03	11.46	4.22	16.97
Cash to net profit ratio (%)	1,668.04	280.59	(137.75)	(469.64)	(143.96)	(71.86)
Net profit margin(%)	(4.72)	(12.68)	12.09	10.61	5.20	14.25
Return on equity (%)	(0.40)	(0.89)	2.76	1.58	0.64	4.47
Efficiency ratio						
Return on assets (%)	(0.36)	(0.80)	2.40	1.21	0.48	3.30
Return on fixed assets (%)	(718.74)	(155.87)	411.31	227.59	73.63	337.33
Asset turnover (times)	0.07	0.06	0.16	0.11	0.09	0.19
Financial policy ratio						
Debt of equity (times)	0.10	0.11	0.19	0.31	0.32	0.39
Interest coverage (times)	-	-	-	-	-	-
Debt service coverage ratio (cash basis) (times)	(296.92)	(2.36)	(6.09)	(10.48)	(0.58)	(3.64)
Data per share						
Par value (Baht)	1.00	1.00	1.00	1.00	1.00	1.00
Book value per share (Baht)	1.68	1.66	1.70	1.37	1.37	1.42
Basic earning per share (Baht)	(0.01)	(0.01)	0.05	0.02	0.01	0.06
Growth rate						
Total assets (%)	0.12	0.16	8.94	1.59	1.15	9.98
Total liabilities(%)	6.85	12.41	66.33	1.93	3.60	29.54
Sales and service income (%)	281.51	(22.50)	233.93	68.13	(20.77)	151.21
Cost of sales and services (%)	347.85	(21.86)	278.35	104.91	(18.73)	227.15
Selling servicing and administrative expenses	(4.50)	6.35	9.69	0.87	(1.41)	25.49
Net profit (%)	(76.66)	122.25	(413.91)	20.99	(59.44)	618.91

Management Discussion and Analysis (MD&A)

Overview

Although the Coronavirus Disease 2019 (COVID-19) pandemic had caused the overall economy of Thailand in 2020 to encounter recession, the Company's operating performance still showed a significant growth. That was because the Company had key customers to whom it continuously delivered equipment and computer system installation coupled with full range of service on computer network and wireless communication provided at petrol stations.

Operating Performance

In 2020, the Company and its subsidiary generated the operating profit of Baht 44.11 mil., compared to that of Baht 8.94 mil. in 2019, increasing by Baht 35.17 mil. This amount, when included by the FX gain of Baht 0.05 mil. resulted in the 2020 record of the net profit of the Company and its subsidiary of Baht 44.16 mil., increasing by Baht 38.02 mil. or 619.22%, compared to net profit in 2019.

(Unit : Million Baht)

Item	Consolidated		Changed	% Changed
	Y2019	Y2020		
Operating profit	8.94	44.11	35.17	393.40
FX gain	1.77	0.05	(1.72)	(97.18)
Long-term Employee Benefits	4.57	-	(4.57)	(100.00)
Net profit (loss)	6.14	44.16	38.02	619.22

Revenue

In 2020, the Company and its subsidiary generated total revenue of Baht 260.74 mil., compared to that of Baht 110.99 mil. in 2019, increasing by Baht 149.75 mil. or 134.92%. The total revenue comprised the followings:-

- The revenue obtained from Telecom Systems Integration and Telecom Service business of Baht 215.15 mil. or 82.52%
- The revenue obtained from Computer Systems Integration business and cloud computing business of Baht 44.88 mil. or 17.21%
- Other income of Baht 0.66 mil. or 0.25%
- FX gain of Baht 0.05 mil. or 0.02%

The increase in the revenue of Telecom Systems Integration and Telecom Service business, amounting Baht 164.13 mil. was due to the increase in the revenue obtained from sale of server and computer equipment of Baht 127.91 mil. and the design and the implementation of computer networks of Baht 34.44 mil. Nevertheless, the revenue from cloud computing business increased by Baht 1.78 mil.

Detailed comparison of total revenue, obtained from each business is shown in Section : Business of the Company and Subsidiary, Topic : Revenue Structure.

(Unit : Million Baht)

Type of business	Consolidated		Changed	% Changed
	Y2019	Y2020		
Telecom Systems Integration and Telecom Service	51.02	215.15	164.13	321.70
Computer Systems Integration	52.49	44.88	(7.61)	(14.50)
Total sales and service income	103.51	260.03	156.52	151.21
FX gain	1.77	0.05	(1.72)	(97.18)
Other income	5.71	0.66	(5.05)	(88.44)
Total revenue	110.99	260.74	149.75	134.92

Expenses

In 2020, the operating expenses of the Company and its subsidiary were Baht 261.15 mil., compared to Baht 107.76 mil. in 2019, increasing by Baht 153.39 mil. or 142.34%.

(Unit : Million Baht)

Item	Consolidated		Changed	% Changed
	Y2019	Y2020		
Operating Expenses :				
- Cost of sales and services	62.45	204.29	141.84	227.13
- Selling and servicing expenses	1.19	1.19		
- Administrative expenses	44.12	55.67	11.55	26.18
Total Expenses	107.76	261.15	153.39	142.34

- In 2020, the cost of sales and services was Baht 204.29 mil., compared to that of Baht 62.45 mil. in 2019, increasing by Baht 141.84 mil. or 227.13%. Such increase was in line with increasing revenue obtained from sale of Telecom Systems Integration and Telecom Service and Computer Systems Integration businesses. The gross margin for the year 2020 was at 21%, decreasing, when compared to the year 2019 in which it was at 40%.

- In 2020, the selling and servicing expenses and administrative expenses were of Baht 56.86 mil., increasing by Baht 11.55 mil. or 25.49%, compared to Baht 45.31 mil. in 2019. Such increase was due to an increase in the number of employees of the subsidiary in 2020 which further resulted in the Company's record of an increase in employee expenses of Baht 8.79 mil. and an increase in employee benefits of Baht 1.89 mil. In addition, the increase in the selling and servicing expenses and administrative expenses was also due to the increase in the depreciation of of Baht 6.27 mil. However, the expense on financial advisory services for the year 2020 decreased by Baht 0.94 mil.

Financial Income

In 2020, the Company and its subsidiary had financial income of Baht 49.25 mil., compared to that of Baht 7.23 mil. in 2019, increasing by Baht 42.02 mil. or 581.19% mainly due to interest income from outstanding of account receivables of Baht 42.78 mil.

Financial Cost

In 2020, the Company and its subsidiary had financial cost of Baht 1.93 mil, a result of the effectiveness of the TFRS 16 Leases which requires that the right-of-use assets and lease liabilities be recorded according to the lease agreement throughout the lease term. Thus, the interest was booked in line with the lease agreement.

Net Profit

In 2020, the Company and its subsidiary recorded the net profit of Baht 44.16 mil., increasing by Baht 38.02 mil. or 619.22%, compared to the that of Baht 6.14 mil. in 2019.

Financial Position

Assets

(Unit : Million Baht)

Item	Consolidated		Changed	%Changed
	31/12/2019	31/12/2020		
Current assets	1,240.53	742.89	(497.64)	(40.12)
Non-current assets	33.75	658.51	624.76	1,851.14
Restricted bank deposits	9.10	9.26	0.16	1.76
Trade and other receivables - net of current portion	-	602.13	602.13	100.00
Lease Receivables -net of current portion Related Party	2.64	0.80	(1.84)	(69.70)
Property, plant and equipment-net	19.43	17.80	(1.63)	(8.39)
Right-of-use assets	-	24.62	24.62	100.00
Withholding tax deducted at source	1.74	3.04	1.30	74.71
Deposits	0.84	0.86	0.02	2.38
Total Assets	1,274.28	1,401.40	127.12	9.98

As at December 31, 2020, the Company and its subsidiary had total assets of Baht 1,401.40 mil., compared to that of Baht 1,274.28 mil. in 2019, increasing by Baht 127.12 mil. or 9.98%. Details are as follows:

- Current assets decreased by Baht 497.64 mil. because :
 - Cash and current investments decreased by Baht 17.64 mil. mainly due to net cash used in operating activities of Baht 31.70 mil., net cash used in financing activities of Baht 23.28 mil. as a result of the repayment specified in the lease agreement of Baht 21.39 mil. and interest payment of Baht 1.89 mil. and net cash from (used in) investment activities of Baht 37.53 mil. caused by cash received from account receivable and financial institution's interest payment of Baht 45.90 mil., cash from equipment sales of Baht 0.54 mil., non-restricted current investments of Baht 0.19 mil. cash paid for equipment purchase of Baht 8.71 mil., and an increase in restricted bank deposits of Baht 0.39 mil.
 - Trade and other receivables decreased by Baht 483.80 mil. due to the classification of trade and other receivables

with due date over 1 year as shown under non-current assets.

- Receivables under finance lease agreement decreased by Baht 1.07 mil.
- Unbilled receivables decreased by Baht 2.53 mil.
- Inventories increased by Baht 2.45 mil. as equipment installation will be delivered in 2021.
- Prepaid project costs increased by Baht 4.18 mil. as the task will be delivered on service period in the agreement.
- Other current financial assets increased by Baht 0.23 mil.
- Other current assets increased by Baht 0.55 mil. due to the increase in the suspense input vat of Baht 0.58 mil, the decrease in deposit for service and prepaid expenses of Baht 0.01 mil. and Baht 0.02 mil. respectively.
- Non-current assets increased by Baht 624.76 mil. because :
 - Restricted bank deposits increased by Baht 0.16 mil. due to the request for letter of bank guarantee.
 - Trade and other receivables - net of current portion increased by Baht 602.13 mil.
 - Receivables under financial lease agreement net of current portion decreased of Baht 1.84 mil.
 - Property, plant and equipment : in 2020, the Company and its subsidiary brought network equipment of Baht 2.93 mil., office supply of Baht 0.76 mil. and vehicles of Baht 1.29 mil., with the depreciation of Baht 6.61 mil. being recorded. Thus, (Net) property, plant and equipment decreased by Baht 1.63 mil. in 2020.
 - Right-of-use assets increased by Baht 24.62 mil. as result of the compliance with the Thai Financial Reporting Standard 16 ("TFRS 16") lease in 2020. The right-of-use assets comprised the net investment on network of Baht 23.05 mil. and the use of right according to the lease agreement of Baht 1.57 mil.
 - Withholding tax deducted at source increased by Baht 1.31 mil. due to the withholding tax of the year 2020 of Baht 1.79 mil. and refundable withholding tax of Baht 0.48 mil.
 - Deposits increased by Baht 0.02 mil.

Liabilities

(Unit : Million Baht)

Item	Consolidated		Changed	% Changed
	31/12/2019	31/12/2020		
Current liabilities	283.07	350.82	67.75	23.93
Non-current liabilities	22.42	44.90	22.48	100.27
Advances received for goods and services, net of current portion	-	15.95	15.95	100.00
Lease liabilities, net of current portion	-	0.60	0.60	100.00
Provision for long-term employee benefits	22.42	28.35	5.93	26.45
Total Liabilities	305.49	395.72	90.23	29.54

As at December 31, 2020, the Company and its subsidiary had total liabilities of Baht 395.72 mil., compared to Baht 305.49 mil. in 2019, increasing by Baht 90.23 mil. or 29.54% . That was because:

- Current liabilities increased by Baht 67.75 mil. due to the increase in trade and other payables of Baht 36.56 mil., the increase in accrued projects cost of Baht 0.19 mil., the increase in advances received for goods and services of Baht 13.54 mil., the increase in current portion of lease liabilities of Baht 17.19 mil., the increase in other current liabilities of Baht 0.80 mil. and the decrease in accrued income tax of Baht 0.52 mil.

- Non-current liabilities increased by Baht 22.48 mil. due to the increase in advances received for goods and services-net of current portion of Baht 15.95 mil, the increase in provision for long-term employee benefits of Baht 5.94 mil. and the increase in lease liabilities-net of current portion of Baht 0.60 mil.

In addition to liabilities as shown in the statements of financial position, commitments and contingent liabilities of the Company and its subsidiary were disclosed in Notes to the Financial Statements, Item 25.

Shareholders' Equity

(Unit : Million Baht)

Item	Consolidated		Changed	% Changed
	31/12/2019	31/12/2020		
Paid up share capital	706.46	706.46	-	-
Share premium	420.27	420.27	-	-
Retained earnings	(159.94)	(123.30)	36.64	22.91
Appropriated-statutory reserve	70.64	70.64	-	-
Unappropriated	(230.58)	(193.94)	36.64	15.89
Other components of shareholders' equity	8.16	8.16	-	-
Non-controlling interests of the subsidiary	(6.16)	(5.91)	0.25	4.06
Total Shareholders' Equity	968.79	1,005.68	36.89	3.81
Book value	1.37	1.42	0.05	3.65

As at December 31, 2020, the Company and its subsidiary had total shareholders' equity of Baht 1,005.68 mil., compared to that of Baht 968.79 mil. in 2019, increasing by Baht 36.89 mil. or 3.81%. The retained earnings increased by Baht 36.64 mil. due to an increase in the net profit of the Company and its subsidiary of Baht 44.16 mil. and actuarial loss of Baht 7.53 mil.

Return on equity for the year 2020 was 4.47%, compared to that of 0.64% in 2019; that was due to the increase in net profit of Baht 36.64 mil.

Capital Structure

As at December 31, 2020, the Company and its subsidiary had total liabilities of Baht 395.72 mil. and total shareholders' equity of Baht 1,005.68 mil. Debt to equity ratio was 0.39 times, increasing by 0.07 times from 2019, mainly because of the increase in trade and other payables and the increase in accrued project cost.

The increase in debt to equity ratio in 2020 had no impact on finance and the ability to make debt repayment of the Company and the subsidiary.

Cash flow

As at December 31, 2020, the Company and its subsidiary had cash and cash equivalent of Baht 52.41 mil., decreasing by Baht 17.45 mil. from the year 2019. The summary of net cash received and paid is as follows:-

Net cash paid in operating activities	Baht	(31.70)	mil.
Net cash from investing activities	Baht	37.53	mil.
Net cash from financing activities	Baht	(23.28)	mil.

Details about cash, received and paid, are shown in Statement of Cash Flows.

Liquidity

As at December 31, 2020, the Company and its subsidiary had current ratio of 2.12 times, compared to 4.38 times in 2019, decreasing by 2.26 times. This was due to trade and other receivables decreased by Baht 483.80 mil.

As at December 31, 2020, the Company and its subsidiary had quick ratio (only for cash and liquid current assets) of 1.15 times, compared to 3.21 times in 2019, decreasing by 2.06 times mainly due to the decrease in trade and other receivables of Baht 483.80 mil., the increase in current liabilities of Baht 67.75 mil. a result of an increase of trade and other payables of Baht 36.57 mil., the increase in advances received for goods and services, net of current portion of Baht 13.54 mil. and the increase in lease liabilities, net of current portion of Baht 17.19 mil.

Commitments and off-balance sheet transactions

Operating lease and service contract commitments

As at December 31, 2020, the Company and its subsidiary had the commitment under the agreements of office building space lease and related services, amounting Baht 4 mil. The term of these agreements was 3 years and non-cancellable.

In addition, the Company and its subsidiary had commitments which may affect their financial statements and operating results as described in Notes to Consolidated Financial Statements Item 25, "Commitments and contingent liabilities."

Factors which may impact upon business operation in the future

The Company has adjusted its business structure by way of investing in Jastel Network Company Limited, a provider of international internet gateway, International Private Leased Circuit, international telecommunication service and data center service to support the cloud computing business operated by its subsidiary. In addition, the Company has entered into the Strategic Collaboration Agreement with KT Corporation from South Korea for the offering of full service of cloud solution in Thailand and abroad, with a business expansion to Hyperscale Data Center that will support its total integrated ICT solution service, broadening the business size and enabling the rise of new businesses.

Report on the Responsibility of the Board of Directors for Financial Report

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 2020 present the Company's financial situation and operation results in a reliable and accurate manner.



(Mr. Pleumjai Sinarkorn)

Chairman of the Board of Directors

Independent Auditor's Report

To the Shareholders of Jasmine Telecom Systems Public Company Limited

Opinion

I have audited the accompanying consolidated financial statements of Jasmine Telecom Systems Public Company Limited and its subsidiary (the Group), which comprise the consolidated statement of financial position as at 31 December 2020, and the related consolidated statements of comprehensive income, changes in shareholders' equity and cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies, and have also audited the separate financial statements of Jasmine Telecom Systems Public Company Limited for the same period.

In my opinion, 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 2020, their financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards.

Basis for Opinion

I conducted my audit in accordance with Thai Standards on Auditing. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I am independent of the Group in accordance with the Code of Ethics for Professional Accountants as issued by the Federation of Accounting Professions as relevant to my audit of the financial statements, and I have fulfilled my other ethical responsibilities in accordance with the Code. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Emphasis of Matters

I draw attention to Note 25.3 of the consolidated financial statements, which describes the litigation claim between the Company and two government agencies, who demanded the Company to pay penalties amounting to Baht 195 million for its failure to deliver tablets according to the agreements. In 2018, the Central Administrative Court issued judgements ordering the Company to pay penalties totaling approximately Baht 10 million. However, the Company and the two government agencies filed appeals to the Supreme Administrative Court. At present, the cases are under consideration by the Courts. In addition, I draw attention to Note 25.4 1) of the consolidated financial statements, which describes disputes between the subsidiary and an unrelated company. At present, the unrelated company is in the process of the following legal procedures with respect to bankruptcy law implemented by the official receiver. My opinion is not modified in respect of these matters.

Key Audit Matters

Key audit matters are those matters that, in my professional judgement, were of most significance in my audit of the financial statements of the current period. These matters were addressed in the context of my audit of the financial statements as a whole, and in forming my opinion thereon, and I do not provide a separate opinion on these matters.

I have fulfilled the responsibilities described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report, including in relation to these matters. Accordingly, my audit included the performance of procedures designed to respond to my assessment of the risks of material misstatement of the financial statements. The results of my audit procedures, including the procedures performed to address the matters below, provide the basis for my audit opinion on the accompanying financial statements as a whole.

Key audit matters and how audit procedures respond to each matter are described below.

Net realisable value of trade receivables from a related party

As discussed in Note 8 to the consolidated financial statements, as at 31 December 2020, the Group has balances of trade receivables from two related companies amounting to Baht 878 million which account for 63% of total assets and the Company's amounting to Baht 864 million which account for 61% of total assets. The balances are long outstanding. As most of these receivables are more than 1 year past due and the balances are material to the financial statements, therefore I focused on the net realisable value of this account.

I assessed the method and gaining an understanding of the basis applied in determination of the allowance for doubtful accounts. I also assessed the key information, assumptions and methods used by management in considering the allowance for doubtful accounts and determining the debtor's ability to repay by reviewing debt collection history, and analysing current financial information, data on the economic situation and the business of the debtor and its group companies, including analysing subsequent receipts of payment after the reporting period.

Contingent liabilities arising from litigation and commercial disputes

As discussed in the Emphasis of Matters section which described the significant litigation and commercial disputes and as discussed in Note 25.3 and Note 25.4 to the consolidated financial statements, as at 31 December 2020 the Group had litigation claims and commercial disputes with unrelated parties, and business partners. As the cases are not yet finalised, the management needs to exercise significant judgment and take into account related laws and regulations in assessing the effects of the litigation and disputes, in order to determine the corresponding contingent liabilities. However, the actual outcomes of the litigation and disputes may differ from the estimates. There are therefore risks with respect to the recognition of provision or disclosure of contingent liabilities with respect to the litigation and disputes.

I inquired with the management and legal department of the Group regarding the procedures relevant to the collection, monitoring and assessment of litigation and commercial disputes filed and pending as at the date of the financial statements, reviewed legal consultation fees to check the completeness of the litigation notified by the Group, inquired about the details and progress of cases and the methods applied by the management in estimating liabilities from litigation, and assessed the judgment exercised by the management in evaluating the legal cases and disputes. To carry out these procedures, I performed the followings.

- a) Reviewed relevant conditions and provisions of agreements, together with the claims and objections submitted by the Group and counterparties to the courts for the purpose of providing background into the disputes.
- b) Reviewed relevant supporting documentation used by management and prepared by external experts, and sent confirmation letters to the external legal consultant whose services were used by the Group requesting written reports on case details and status, and legal opinions on the possible effects of the litigation on the Group. I also assessed the legal consultant's competence, experiences, independence and objectivity in accordance with relevant auditing standards, and I considered whether the legal principles and regulations and leading cases referred to by the legal consultant were relevant to the Group's litigation and commercial disputes.
- c) Reviewed information, progress and the legal opinion on the litigation claims and commercial disputes which responsible by the Group's internal legal consultant.
- d) Reviewed the disclosure of information relating to litigation and commercial disputes in the notes to the consolidated financial statements.

Other Information

Management is responsible for the other information. The other information comprise the information included in annual report of the Group, but does not include the financial statements and my auditor's report thereon. The annual report of the Group is expected to be made available to me after the date of this auditor's report.

My opinion on the financial statements does not cover the other information and I do not express any form of assurance conclusion thereon.

In connection with my audit of the financial statements, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated.

When I read the annual report of the Group, if I conclude that there is a material misstatement therein, I am required to communicate the matter to those charged with governance for correction of the misstatement.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the 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.

In preparing the financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Thai Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Thai Standards on Auditing, I exercise professional judgement and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit 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 Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. I am responsible for the direction, supervision and performance of the group audit. I remain solely responsible for my audit opinion.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

I also provide those charged with governance with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, I determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. I describe these matters in my auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, I determine that a matter should not be communicated in my report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

I am responsible for the audit resulting in this independent auditor's report.



Vatcharin Pasarapongkul

Certified Public Accountant (Thailand) No. 6660

EY Office Limited

Bangkok: 1 March 2021

Jasmine Telecom Systems Public Company Limited and its subsidiary

Statement of financial position

As at 31 December 2020

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2020	2019	2020	2019
Assets					
Current assets					
Cash and cash equivalents	7	52,413,518	69,866,985	46,038,496	58,781,122
Current investments - bank deposits		-	190,493	-	92,506
Current portion of trade and other receivables	8	343,196,251	826,992,413	336,146,582	817,765,857
Current portion of lease receivables					
Related party	6, 9	1,843,153	1,741,778	1,843,153	1,741,778
Unrelated party	9	-	1,175,032	-	1,175,032
Unbilled receivables					
Related parties	6	2,105,713	3,346,548	2,247,865	4,208,185
Unrelated parties		3,233,438	4,518,392	210,891	2,671,398
Short-term loans to related parties	6	327,500,000	327,500,000	327,500,000	327,500,000
Current portion of long-term loans to subsidiary	6	-	-	16,500,000	16,000,000
Inventories	10	3,132,267	685,886	3,048,229	556,633
Account receivable under troubled debt restructuring	11	-	-	-	-
Prepaid project costs		4,876,404	702,172	3,826,695	415,553
Other current financial assets		229,496	-	92,506	-
Other current assets		4,358,474	3,807,160	1,683,914	1,070,268
Total current assets		742,888,714	1,240,526,859	739,138,331	1,231,978,332
Non-current assets					
Restricted bank deposits		9,256,706	9,098,612	6,959,345	6,798,736
Trade and other receivables - net of current portion	8	602,127,607	-	602,127,607	-
Lease receivables - net of current portion Related party	6, 9	799,201	2,642,355	799,201	2,642,355
Long-term loans to subsidiary	6	-	-	36,500,000	53,000,000
Investment in subsidiary	12	-	-	-	-
Property, plant and equipment	13	17,797,459	19,429,010	11,821,076	11,564,410
Right-of-use assets	15	24,617,168	-	24,285,424	-
Withholding tax deducted at source		3,043,951	1,738,966	3,043,951	1,738,966
Deposits		864,600	843,537	749,675	735,563
Total non-current assets		658,506,692	33,752,480	686,286,279	76,480,030
Total assets		1,401,395,406	1,274,279,339	1,425,424,610	1,308,458,362

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 2020

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2020	2019	2020	2019
Liabilities and shareholders' equity					
Current liabilities					
Trade and other payables	14	140,712,626	104,156,931	113,050,983	77,117,458
Accrued project cost		139,006,165	138,817,532	10,666,019	8,380,117
Income tax payable		685,750	1,208,377	-	-
Current portion of advances received for goods and services	6	23,211,809	9,670,468	22,131,790	8,504,386
Current portion of lease liabilities	15	17,186,187	-	16,798,899	-
Other current liabilities		30,019,369	29,215,657	19,396,572	18,579,269
Total current liabilities		350,821,906	283,068,965	182,044,263	112,581,230
Non-current liabilities					
Advances received for goods and services, net of current portion	6	15,945,346	-	15,892,365	-
Lease liabilities, net of current portion	15	600,312	-	471,213	-
Provision for long-term employee benefits	16	28,351,987	22,416,827	24,517,792	21,446,452
Total non-current liabilities		44,897,645	22,416,827	40,881,370	21,446,452
Total liabilities		395,719,551	305,485,792	222,925,633	134,027,682
Shareholders' equity					
Share capital					
Registered					
706,457,300 ordinary shares of Baht 1 each		706,457,300	706,457,300	706,457,300	706,457,300
Issued and fully paid-up					
706,457,300 ordinary shares of Baht 1 each		706,457,300	706,457,300	706,457,300	706,457,300
Share premium		420,269,078	420,269,078	420,269,078	420,269,078
Retained earnings					
Appropriated - statutory reserve	17	70,645,730	70,645,730	70,645,730	70,645,730
Deficit		(193,943,423)	(230,578,743)	5,126,869	(22,941,428)
Other components of shareholders' equity	2.2	8,157,637	8,157,637	-	-
Equity attributable to owners of the Company		1,011,586,322	974,951,002	1,202,498,977	1,174,430,680
Non-controlling interests of the subsidiary		(5,910,467)	(6,157,455)	-	-
Total shareholders' equity		1,005,675,855	968,793,547	1,202,498,977	1,174,430,680
Total liabilities and shareholders' equity		1,401,395,406	1,274,279,339	1,425,424,610	1,308,458,362

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 2020

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2020	2019	2020	2019
Profit or loss:					
Revenues					
Sales and services income	18	260,027,614	103,509,768	218,291,256	65,370,035
Gains on exchange		48,798	1,775,482	5,444	-
Other income		667,184	5,708,798	3,014,209	8,588,549
Total revenues		260,743,596	110,994,048	221,310,909	73,958,584
Expenses					
Cost of sales and services		204,294,724	62,447,169	190,228,372	50,278,874
Selling and servicing expenses		1,191,598	1,187,447	-	-
Administrative expenses	16	55,668,330	44,121,512	46,610,579	42,494,245
Losses on exchange		-	-	-	129,099
Total expenses		261,154,652	107,756,128	236,838,951	92,902,218
Operating profit (loss)		(411,056)	3,237,920	(15,528,042)	(18,943,634)
Finance income		49,245,923	7,229,291	50,260,957	8,486,744
Finance cost		(1,927,044)	-	(1,907,660)	-
Profit (loss) before income tax expenses		46,907,823	10,467,211	32,825,255	(10,456,890)
Income tax expenses	21	(2,495,317)	(3,962,515)	-	-
Profit (loss) for the year		44,412,506	6,504,696	32,825,255	(10,456,890)
Other comprehensive income:					
<i>Other comprehensive income not to be reclassified to profit or loss in subsequent periods:</i>					
Actuarial loss - net of income tax	16	(7,530,198)	(2,647,885)	(4,756,958)	(2,266,587)
Other comprehensive income for the year		(7,530,198)	(2,647,885)	(4,756,958)	(2,266,587)
Total comprehensive income for the year		36,882,308	3,856,811	28,068,297	(12,723,477)
Profit (loss) attributable to:					
Equity holders of the Company		44,165,518	6,143,414	32,825,255	(10,456,890)
Non-controlling interests of the subsidiary		246,988	361,282		
		44,412,506	6,504,696		
Total comprehensive income attributable to:					
Equity holders of the Company		36,635,320	3,495,529	28,068,297	(12,723,477)
Non-controlling interests of the subsidiary		246,988	361,282		
		36,882,308	3,856,811		
Basic earnings (loss) per share	22				
Profit (loss) attributable to equity holders of the Company		0.06	0.01	0.05	(0.01)

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 2020

(Unit: Baht)

	Consolidated financial statements						
	Equity attributable to owners of the Company						
	Issued and fully paid-up share capital	Premium on ordinary shares	Retained earnings		Other component of shareholders' 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	
Balance as at 1 January 2019	706,457,300	420,269,078	70,645,730	(234,074,272)	8,157,637	8,157,637	964,936,736
Profit for the year	-	-	-	6,143,414	-	-	6,504,696
Other comprehensive income for the year	-	-	-	(2,647,885)	-	-	(2,647,885)
Total comprehensive income for the year	-	-	-	3,495,529	-	-	3,856,811
Balance as at 31 December 2019	706,457,300	420,269,078	70,645,730	(230,578,743)	8,157,637	8,157,637	968,793,547
Balance as at 1 January 2020	706,457,300	420,269,078	70,645,730	(230,578,743)	8,157,637	8,157,637	968,793,547
Profit for the year	-	-	-	44,165,518	-	-	44,412,506
Other comprehensive income for the year	-	-	-	(7,530,198)	-	-	(7,530,198)
Total comprehensive income for the year	-	-	-	36,635,320	-	-	36,882,308
Balance as at 31 December 2020	706,457,300	420,269,078	70,645,730	(193,943,423)	8,157,637	8,157,637	1,005,675,855

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 2020

(Unit: Baht)

	Separate financial statements				
	Issued and fully paid-up share capital	Premium on ordinary shares	Retained earnings		Total shareholders' equity
			Appropriated	Unappropriated (deficit)	
Balance as at 1 January 2019	706,457,300	420,269,078	70,645,730	(10,217,951)	1,187,154,157
Loss for the year	-	-	-	(10,456,890)	(10,456,890)
Other comprehensive income for the year	-	-	-	(2,266,587)	(2,266,587)
Total comprehensive income for the year	-	-	-	(12,723,477)	(12,723,477)
Balance as at 31 December 2019	706,457,300	420,269,078	70,645,730	(22,941,428)	1,174,430,680
Balance as at 1 January 2020	706,457,300	420,269,078	70,645,730	(22,941,428)	1,174,430,680
Profit for the year	-	-	-	32,825,255	32,825,255
Other comprehensive income for the year	-	-	-	(4,756,958)	(4,756,958)
Total comprehensive income for the year	-	-	-	28,068,297	28,068,297
Balance as at 31 December 2020	706,457,300	420,269,078	70,645,730	5,126,869	1,202,498,977

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

Jasmine Telecom Systems Public Company Limited and its subsidiary

Statement of cash flows

For the year ended 31 December 2020

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Cash flows from operating activities				
Profit (loss) before tax	46,907,823	10,467,211	32,825,255	(10,456,890)
Adjustments to reconcile profit (loss) before tax to net cash provided by (paid from) operating activities				
Depreciation	18,621,908	4,587,714	15,268,549	1,108,318
Reduction of inventory to net realisable value	-	2,089,619	-	2,089,619
Gains on disposal of equipment	(542,927)	(3,085,428)	(425,789)	(3,085,428)
Provision for long-term employee benefits	1,010,315	6,261,489	919,736	5,672,412
Unrealised loss (gain) on exchange	(39,952)	(1,815,434)	3,403	89,148
Finance income	(49,245,923)	(7,229,291)	(50,260,957)	(8,486,744)
Finance cost	1,927,044	-	1,907,660	-
Profit (loss) from operating activities before changes in operating assets and liabilities				
Operating assets (increase) decrease	18,638,288	11,275,880	237,857	(13,069,565)
Trade and other receivables	(114,995,527)	(14,540,338)	(117,169,095)	(25,166,294)
Lease receivables	2,916,811	(3,429,495)	2,916,811	(3,429,495)
Unbilled receivables	2,525,789	3,294,298	4,420,827	4,112,825
Inventories	(2,473,962)	(3,124,759)	(2,504,417)	463,401
Prepaid project costs	(4,174,232)	116,810	(3,411,142)	67,655
Other current assets	1,584,748	(839,388)	1,522,416	(79,445)
Other assets	(21,063)	696,021	(14,112)	279,075
Operating liabilities increase (decrease)				
Trade and other payables	34,892,914	(10,399,968)	34,270,748	(7,084,245)
Accrued project costs	6,041,419	4,948,422	8,095,333	5,163,133
Advances received for goods and services	29,486,687	8,070,938	29,519,769	8,026,906
Other current liabilities	803,712	1,279,754	817,303	886,932
Cash paid for long-term employee benefits	(2,605,353)	-	(2,605,354)	-
Cash used in operating activities	(27,379,769)	(2,651,825)	(43,903,056)	(29,829,117)
Cash paid for income tax	(4,806,155)	(5,742,456)	(1,788,211)	(1,256,003)
Refundable withholding tax	483,227	2,106,371	483,226	2,106,371
Net cash used in operating activities	(31,702,697)	(6,287,910)	(45,208,041)	(28,978,749)

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

Jasmine Telecom Systems Public Company Limited and its subsidiary

Statement of cash flows

For the year ended 31 December 2020

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Cash flows from investing activities				
Interest received	45,899,381	7,296,913	46,911,096	8,554,427
Decrease in current investments - bank deposits	190,493	4,559,039	92,506	4,651,729
Increase in other current financial assets	(229,496)	-	(92,506)	-
Decrease (increase) in restricted bank deposits	(158,094)	282,375	(160,609)	-
Short-term loans to related parties	-	(327,500,000)	-	(327,500,000)
Cash received from repayment of long-term loans to subsidiary	-	-	16,000,000	16,000,000
Acquisition of equipment	(8,713,827)	(10,761,436)	(7,428,686)	(12,277,273)
Proceeds from sales of equipment	543,000	1,064,805	425,841	1,064,805
Net cash from (used in) investing activities	37,531,457	(325,058,304)	55,747,642	(309,506,312)
Cash flows from financing activities				
Interest paid	(1,887,313)	-	(1,887,313)	-
Payment of lease liabilities	(21,394,914)	-	(21,394,914)	-
Net cash flows used in financing activities	(23,282,227)	-	(23,282,227)	-
Net decrease in cash and cash equivalents	(17,453,467)	(331,346,214)	(12,742,626)	(338,485,061)
Cash and cash equivalents at beginning of year	69,866,985	401,213,199	58,781,122	397,266,183
Cash and cash equivalents at end of year	52,413,518	69,866,985	46,038,496	58,781,122
Supplemental cash flow information				
Non-cash transaction:				
Sales of equipment for which no cash have been received	-	2,056,075	-	2,056,075
Transfers inventories to equipment	27,581	3,569,800	12,821	-
Purchases of equipment for which no cash have been paid	1,670,000	-	1,670,000	-
Transfers equipment to right-of-use assets	5,225,923	-	5,225,923	-
Purchases of right-of-use assets for which no cash have been paid	28,987,690	-	28,564,788	-
Adjustments of right-of-use assets due to termination of lease agreements	125,123	-	125,123	-

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 2020

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 11 October 2016, 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 the Company and Cloud Computing Solutions Company Limited, a subsidiary, (collectively as “the Group”). The subsidiary is incorporated in Thailand and principally engaged in the computer system and software development and design services, sales of computer products and cloud computing services. 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 Group 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.

In 2005, the Company purchased investment in the subsidiary at a price of approximately Baht 8 million lower than the attributable net asset value of the subsidiary. 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 the subsidiary under the cost method net of allowance for impairment loss.

3. New financial reporting standards

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

During the year, the Group has adopted the revised (revised 2019) and new financial reporting standards and interpretations which are effective for fiscal years beginning on or after 1 January 2020. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards clarifying accounting treatment and providing accounting guidance for users of the standards. The adoption of these financial reporting standards does not have any significant impact on the Group's financial statements. However, the new standard involves changes to key principles, which are summarised below:

Financial reporting standards related to financial instruments

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

Financial reporting standards:

TFRS 7

Financial Instruments: Disclosures

TFRS 9

Financial Instruments

Accounting standard:

TAS 32

Financial Instruments: Presentation

Financial Reporting Standard Interpretations:

TFRIC 16

Hedges of a Net Investment in a Foreign Operation

TFRIC 19

Extinguishing Financial Liabilities with Equity Instruments

These TFRSs related to financial instruments make stipulations relating to the classification of financial instruments and their measurement at fair value or amortised cost (taking into account the type of instrument, the characteristics of the contractual cash flows and the Company's business model), calculation of impairment using the expected credit loss method, and hedge accounting. They also include stipulations regarding the presentation and disclosure of financial instruments.

These standards do not have any significant impact on the Group's financial statements.

TFRS 16 Leases

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

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

This standard does not have any significant impact on the Group's financial statements.

b) Financial reporting standards that will become effective for fiscal years beginning on or after 1 January 2021

The Federation of Accounting Professions issued a number of revised financial reporting standards and interpretations, which are effective for fiscal years beginning on or after 1 January 2021. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards clarifying accounting treatment and providing accounting guidance for users of the standards.

The management of the Group has evaluated that these standards do not have any significant impact on the Group's financial statements in the year when they are adopted.

4. Significant accounting policies

4.1 Revenue recognition

Sales of goods

Revenue from sale of goods is recognised at the point in time when control of the asset is transferred to the customer, generally on delivery of the goods. Revenue is measured at the amount of the consideration received or receivable, excluding value added tax, of goods supplied after deducting returns, discounts and allowances.

Rendering of services

Revenue from design, installation of telecommunication systems and computer systems including supply of related equipment is recognised over time when services have been rendered taking into account the stage of completion provided by the Group's engineers or project managers.

Maintenance service revenue is recognised when service is rendered.

Interest income

Interest income is calculated using the effective interest method and recognised on an accrual basis. The effective interest rate is applied to the gross carrying amount of a financial asset, unless the financial assets subsequently become credit-impaired when it is applied to the net carrying amount of the financial asset (net of the expected credit loss allowance).

Finance cost

Interest expense from financial liabilities at amortised cost is calculated using the effective interest method and recognised on an accrual basis.

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 Inventories

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

4.4 Investments in subsidiary

Investment in subsidiary is accounted for in the separated financial statements using the cost method net of allowance for impairment loss.

4.5 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
Network equipment	- 3 - 5 years

Depreciation is included in determining income.

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.

4.6 Leases

At inception of contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

4.6.1 The Group as a lessee

Accounting policies adopted since 1 January 2020

The Group applied a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. At the commencement date of the lease (i.e. the date the underlying asset is available for use), the Group recognises right-of-use assets representing the right to use underlying assets and lease liabilities based on lease payments.

Right-of-use assets

Right-of-use assets are measured at cost, less accumulated depreciation, any accumulated impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities initially recognised, initial direct costs incurred, and lease payments made at or before the commencement date of the lease less any lease incentives received.

Depreciation of right-of-use assets are calculated by reference to their costs on the straight-line basis over the shorter of their estimated useful lives and the lease term.

Office building space	- 2 - 3 years
Equipment	- 2 years

If ownership of the leased asset is transferred to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

Lease liabilities

Lease liabilities are measured at the present value of the lease payments to be made over the lease term. The lease payments include fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be payable under residual value guarantees. Moreover, the lease payments include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising an option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses in the period in which the event or condition that triggers the payment occurs.

The Group discounted the present value of the lease payments by the interest rate implicit in the lease or the Group's incremental borrowing rate. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a change in the lease term, a change in the lease payments or a change in the assessment of an option to purchase the underlying asset.

Short-term leases and leases of low-value assets

A lease that has a lease term less than or equal to 12 months from commencement date or a lease of low-value assets is recognised as expenses on a straight-line basis over the lease term.

Accounting policies adopted before 1 January 2020

Leases of property, plant or equipment which transfer substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the lower of the fair value of the leased assets and the present value of the minimum lease payments. The outstanding rental obligations, net of finance charges, are included in long-term payables, while the interest element is charged to profit or loss over the lease period. The assets acquired under finance leases is depreciated over the shorter of the useful life of the asset and the lease period.

Leases of property, plant or equipment which do not transfer substantially all the risks and rewards of ownership are classified as operating leases. Operating lease payments are recognised as an expense in profit or loss on a straight-line basis over the lease term.

4.6.2 The Group as a lessor

A lease that transfers substantially all the risks and rewards incidental to ownership of an underlying asset to a lessee is classified as finance leases. As at the commencement date, an asset held under a finance lease is recognised as a receivable at an amount equal to the net investment in the lease or the present value of the lease payments receivable and any unguaranteed residual value. Subsequently, finance income is recognised over the lease term to reflect a constant periodic rate of return on the net investment in the lease.

4.7 Related party transactions

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

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

4.8 Foreign currencies

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

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 non-financial assets

At the end of each reporting period, the Group performs impairment reviews in respect of the property, plant and equipment right-of-use assets 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 plan

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

Defined benefit plans

The Group has obligations in respect of the severance payments. The Group must make to employees upon retirement under labor law. The Group treats this severance payment obligation 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 defined benefit plans are recognised immediately in other comprehensive income.

Past service costs are recognised in profit or loss on the earlier of the date of the plan amendment or curtailment and the date that the Group recognises restructuring-related costs.

4.11 Provisions

Provisions are recognised when the Group has 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 Group recognises 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 Group reviews and reduces 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 Group records deferred tax directly to shareholders' equity if the tax relates to items that are recorded directly to shareholders' equity.

4.13 Financial instruments

Accounting policies adopted since 1 January 2020

The Group initially measures financial assets at its fair value plus, in the case of financial assets that are not measured at fair value through profit or loss, transaction costs. However, trade and other receivables, that do not contain a significant financing component are measured at the transaction price as disclosed in the accounting policy relating to revenue recognition.

Classification and measurement of financial assets

Financial assets are classified, at initial recognition, as to be subsequently measured at amortised cost. The classification of financial assets at initial recognition is driven by the Group's business model for managing the financial assets and the contractual cash flows characteristics of the financial assets.

Financial assets at amortised cost

The Group measures financial assets at amortised cost if the financial asset is held in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortised cost are subsequently measured using the effective interest rate (“EIR”) method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

Classification and measurement of financial liabilities

At initial recognition the Group’s financial liabilities are recognised at fair value net of transaction costs and classified as liabilities to be subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process. In determining amortised cost, the Group takes into account any discounts or premiums on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance costs in profit or loss.

Derecognition of financial instruments

A financial asset is primarily derecognised when the rights to receive cash flows from the asset have expired or have been transferred and either the Group has transferred substantially all the risks and rewards of the asset, or the Group has neither transferred nor retained substantially all the risks and rewards of the asset but has transferred control of the asset.

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in profit or loss.

Impairment of financial assets

The Group recognises an allowance for expected credit losses (“ECLs”) for all debt instruments not held at FVTPL. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate.

For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure (a lifetime ECL).

The Group considers a significant increase in credit risk to have occurred when contractual payments are more than 30 days past due and considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Group may also consider a financial asset to have a significant increase in credit risk and to be in default using other internal or external information, such as credit rating of issuers.

For trade receivables, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. It is based on its historical credit loss experience and adjusted for forward-looking factors specific to the debtors and the economic environment.

A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

Offsetting of financial instruments

Financial assets and financial liabilities are offset, and the net amount is reported in the statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

Accounting policies adopted before 1 January 2020

Trade accounts receivable

Trade accounts receivable 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.

4.14 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 Group applies 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 Group measures 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 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 Group determines 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 judgements and estimates

The preparation of financial statements in conformity with financial reporting standards at times requires management to make subjective judgements 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 judgements and estimates are as follows:

Allowance for expected credit losses of trade receivables

An impairment analysis is performed at each reporting date to measure expected credit losses. The provision rates are based on days past due for groupings of various customer segments with similar credit risks.

In determining an allowance for expected credit losses of trade receivables, the management needs to make judgement and estimates based upon, among other things, past collection history, aging profile of outstanding debts and the forecast economic condition for groupings of various customer segments with similar credit risks. The Group's historical credit loss experience and forecast economic conditions may also not be representative of whether a customer will actually default in the future.

Litigation and commercial disputes

The Group has contingent liabilities as a result of litigation and commercial disputes. The management of the Group was required to exercise judgement to assess the outcome of the litigation and estimate the liabilities that might be incurred as at the end of the reporting period.

6. Related party transactions

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

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
Mono Group	Common major shareholders of the parent company

During the years, the Group 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 Group and those related parties.

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements		Pricing policy
	2020	2019	2020	2019	
Transactions with parent company					
Sales and services income	6,796	5,435	10	75	Contract price or at prices normally charged to other customers
Interest income	5,834	5,853	5,834	5,853	The rate reference to the average weighted of 12-month fixed deposits interest rate quoted by three commercial banks plus 1.00 percent per annum and 1.72 - 2.08 percent per annum
Office rental and service expenses	3,359	2,936	2,771	2,836	Contract price or at prices normally charged to other customers
Other expenses	71	20	66	20	Contract price or at prices normally charged to other customers

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements		Pricing policy
	2020	2019	2020	2019	
<u>Transactions with subsidiary</u> (eliminated from the consolidated financial statements)					
Sales and services income	-	-	3,142	14,349	Contract price or at prices normally charged to other customers
Interest income	-	-	1,042	1,307	The rate referenced to fixed deposits interest rate plus 0.5 percent per annum
Management income	-	-	2,464	3,011	Contract price
Cost of sales and services	-	-	656	918	Contract price or at prices normally charged to other customers
Other expenses	-	-	1	-	Contract price or at prices normally charged to other customers
Purchases of equipment	-	-	-	2,136	At prices normally charged to other customers
<u>Transactions with related companies</u>					
Sales and services income	175,556	60,604	155,930	31,878	Contract price or at prices normally charged to other customers
Interest income	42,979	155	42,979	155	The interest rate under the hire purchase contract or the rates referenced to minimum loan rates less 0.25 percent per annum
Cost of sales and services	16,053	2,640	15,065	1,351	Contract price or at prices normally charged to other customers
Office rental and services expenses	140	63	140	63	Contract price or at prices normally charged to other customers
Other expenses	3,595	4,281	1,422	1,888	Contract price or at prices normally charged to other customers
Purchases of equipment	1,289	-	1,289	-	Contract price or at prices normally charged to other customers

The balances of the accounts between the Group and those related companies are as follows:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
<u>Trade receivables - related parties</u> (Note 8)				
Parent company	489	29	-	20
Subsidiary	-	-	20,360	23,244
(eliminated from the consolidated financial statements)				
Related companies				
Jasmine Group	906,315	807,555	876,470	775,374
Total trade receivables - related parties	906,804	807,584	896,830	798,638

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
<u>Other receivables - related parties (Note 8)</u>				
Parent company	1,425	-	1,425	-
Subsidiary	-	-	7,746	6,437
(eliminated from the consolidated financial statements)				
Related companies				
Jasmine Group	3,837	395	3,837	395
Total	5,262	395	13,008	6,832
Less: Allowance for expected credit losses (2019: Allowance for doubtful accounts)	-	-	(3,480)	(3,480)
Total other receivables - related parties - net	5,262	395	9,528	3,352
<u>Lease receivables - related party</u>				
Related company				
Jasmine Group	2,642	4,384	2,642	4,384
Total lease receivables - related party	2,642	4,384	2,642	4,384
<u>Unbilled receivables - related parties</u>				
Subsidiary	-	-	270	877
(eliminated from the consolidated financial statements)				
Related companies				
Jasmine Group	2,106	3,347	1,978	3,331
Total unbilled receivables - related parties	2,106	3,347	2,248	4,208
<u>Short-term loans to related parties</u>				
Parent company	327,500	327,500	327,500	327,500
Subsidiary	-	-	80,347	80,347
(eliminated from the consolidated financial statements)				
Total	327,500	327,500	407,847	407,847
Less: Allowance for expected credit losses (2019: Allowance for doubtful accounts)	-	-	(80,347)	(80,347)
Total short-term loans to related parties - net	327,500	327,500	327,500	327,500
<u>Long-term loans to subsidiary</u>				
Subsidiary	-	-	53,000	69,000
(eliminated from the consolidated financial statements)				
Less: Current portion of long-term loans	-	-	(16,500)	(16,000)
Total long-term loans to subsidiary - net of current portion	-	-	36,500	53,000

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Trade payables - related parties (Note 14)				
Related companies				
Jasmine Group	7,269	2,055	4,063	34
Total trade payables - related parties	7,269	2,055	4,063	34
Other payables - related parties (Note 14)				
Parent company	18,278	18,300	538	-
Related companies				
Jasmine Group	5,757	6,029	319	77
Total other payables - related parties	24,035	24,329	857	77
Advances received for goods and services - related parties				
Parent company	31	131	17	-
Related companies				
Jasmine Group	841	858	461	240
Total advances received for goods and services - related parties	872	989	478	240
Lease liabilities - related parties				
Parent company	1,963	-	1,447	-
Related companies				
Jasmine Group	69	-	69	-
Total lease liabilities - related parties	2,032	-	1,516	-

Loans to related parties

The balances of loans between the Group and those related companies and the movement in loans are as follows:

(Unit: Thousand Baht)

	Consolidated/Separate financial statements		
	Balance as at 31 December 2019	During the year	Balance as at 31 December 2020
Short-term loans to parent company	(Audited) 327,500	-	327,500

On 28 December 2018, and 26 February 2019, Board of Directors' meeting of the Company and an Extraordinary General Meeting of the Company's shareholders passed resolutions approving the offer of financial assistance to the parent company in form of short-term loans in amount of Baht 27.5 million and Baht 300 million, respectively, totaling in Baht 327.5 million. Short-term loans to parent company carry interest at the rate of 2.08 percent per annum. Interest is repayable at each quarter-end, with the term of loan for 12 months with an extension right for another 12 months. On 5 February 2020, a Board of Directors' meeting of the Company passed a resolution approving the extension of short-term loans for 12 months. Short-term loans to parent company carry interest at the rate of 1.72 - 1.85 percent per annum. Interest is repayable at each quarter-end.

(Unit: Thousand Baht)

	Separate financial statements		
	Balance as at 31 December 2019	Decrease during the year	Balance as at 31 December 2020
Short-term loans to the subsidiary	80,437	-	80,437
Long-term loans to the subsidiary	69,000	(16,000)	53,000

Short-term loans to the subsidiary is subject to interest at the rate referenced to the 12-month fixed deposits interest rate plus 0.5 percent per annum and due for repayment at call.

Long-term loans to the subsidiary carry interest at a rate equal to the 12-month fixed deposits interest rate of a commercial bank plus 0.5 percent per annum. Interest is repayable at every month-end, and principal is repayable at each quarter-end, at rates of Baht 4 million per quarter from 2017 to 2020, Baht 4.125 million per quarter from 2021 to 2023 and Baht 3.25 million per quarter in 2024.

Directors and management's benefits

During the year, the Group had employee benefit expenses payable to their directors and management as below.

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Short-term employee benefits	18,971	12,921	16,014	11,234
Post-employment benefits	19,578	1,241	17,212	1,053
Termination benefits	529	-	529	-
Total	39,078	14,162	33,755	12,287

7. Cash and cash equivalents

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Cash	112	112	102	102
Bank deposits	33,302	19,719	26,936	8,643
Bills of exchange	19,000	50,036	19,000	50,036
Total	52,414	69,867	46,038	58,781

As at 31 December 2020, bank deposits in saving accounts, fixed deposits and bills of exchange of the Group carried interests between 0.05 and 0.30 percent per annum (2019: between 0.22 and 1.20 percent per annum) and the Company only carried interests between 0.05 and 0.30 percent per annum (2019: between 0.22 and 1.20 percent per annum).

8. Trade and other receivables

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Trade receivables - related parties (Note 6)	906,804	807,584	896,830	798,638
Trade receivables - unrelated parties	212,627	198,262	44,261	28,005
Other receivables - related parties (Note 6)	5,262	395	13,008	6,832
Other receivables - unrelated parties	40,322	42,617	40,321	42,612
Total	1,165,015	1,048,858	994,420	876,087
<u>Less:</u> Allowance for expected credit losses (2019: Allowance for doubtful accounts)	(219,691)	(221,866)	(56,146)	(58,321)
Trade and other receivables - net	945,324	826,992	938,274	817,766

The outstanding balances of trade receivables, aged on the basis of due dates, are summarised below.

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
<u>Trade receivables - related parties</u>				
Aged on the basis of due dates				
Not yet due	12,717	11,222	11,341	12,204
Past due				
Up to 3 months	29,762	9,662	28,138	7,937
Longer than 3 - 6 months	115,639	6,990	113,620	4,961
Longer than 6 - 12 months	34,950	26,223	28,383	21,131
Longer than 12 months	713,736	753,487	715,348	752,405
Total trade receivables - related parties (Note 6)	906,804	807,584	896,830	798,638
<u>Trade receivables - unrelated parties</u>				
Aged on the basis of due dates				
Not yet due	22,622	15,020	22,464	12,930
Past due				
Up to 3 months	10,575	1,597	9,392	455
Longer than 3 - 6 months	35	77	35	77
Longer than 6 - 12 months	2	-	2	-
Longer than 12 months	179,393	181,568	12,368	14,543
Total	212,627	198,262	44,261	28,005
<u>Less:</u> Allowance for expected credit losses (2019: Allowance for doubtful accounts)	(179,393)	(181,568)	(12,368)	(14,543)
Total trade receivables - unrelated parties - net	33,234	16,694	31,893	13,462
Total trade receivables - net	940,038	824,278	928,723	812,100

The Company has a policy to charge an interest for long-outstanding trade receivables - related parties at the minimum loan rate less 0.25 in the current year and at the minimum loan rate from 1 January 2021 onwards.

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
<u>Other receivables - related parties</u>				
Accrued interest income	4,867	-	8,346	6,437
Others	395	395	4,622	395
Total	5,262	395	13,008	6,832
<u>Less:</u> Allowance for expected credit losses (2019: Allowance for doubtful accounts)	-	-	(3,480)	(3,480)
Total other receivables - related parties - net (Note 6)	5,262	395	9,528	3,352
<u>Other receivables - unrelated parties</u>				
Accrued interest income	12,337	12,432	12,336	12,427
Others	27,985	30,185	27,985	30,185
Total	40,322	42,617	40,321	42,612
<u>Less :</u> Allowance for expected credit losses (2019: Allowance for doubtful accounts)	(40,298)	(40,298)	(40,298)	(40,298)
Total other receivables - unrelated parties - net	24	2,319	23	2,314

Set out below is the movement in the allowance for expected credit losses of trade and other receivables.

(Unit: Thousand Baht)

	Consolidated financial statements	Separate financial statements
As at 1 January 2020	221,866	58,321
Amount written off	(2,175)	(2,175)
As at 31 December 2020	219,691	56,146

9. Lease receivables

(Unit: Thousand Baht)

	Consolidated/Separate financial statements	
	2020	2019
Lease receivables	2,756	5,901
Less: Deferred interest income	(114)	(342)
Total	2,642	5,559
Less: Current portion	(1,843)	(2,917)
Lease receivables - net of current portion	799	2,642

10. Inventories

(Unit: Thousand Baht)

	Consolidated financial statements					
	Cost		Reduce cost to net realisable value		Inventories - net	
	2020	2019	2020	2019	2020	2019
Finished goods	5,699	5,251	(2,567)	(4,565)	3,132	686

	Separate financial statements					
	Cost		Reduce cost to net realisable value		Inventories - net	
	2020	2019	2020	2019	2020	2019
Finished goods	5,615	5,122	(2,567)	(4,565)	3,048	557

During the current year, the Group reversed the write-down of cost of inventories by Baht 2 million and the Company only by Baht 2 million and reduced the amount of inventories recognised as expenses during the year. During the year 2019, the Group reduced cost of inventories by Baht 2 million and the Company only by Baht 2 million, to reflect the net realisable value. This was included in cost of sales and services.

11. Account receivable under troubled debt restructuring

The Group had an outstanding balance totaling Baht 47 million and the Company's Baht 19 million that was receivable from TT&T Public Company Limited ("TT&T") under the rehabilitation plan of TT&T, and which was to be repaid in full, in cash in a single payment on the last working day of the first quarter of 2015. However, on 15 March 2016, the Central Bankruptcy Court issued an absolute receivership order against TT&T. For prudent reasons, the Group therefore recorded full allowance for doubtful accounts for the remaining balances of accounts receivable from TT&T in the year 2016.

12. Investment in subsidiary

(Unit: Thousand Baht)

Company's name	Paid-up capital		Cost	
	2020	2019	2020	2019
Could Computing Solution Company Limited	55,000	55,000	83,899	83,899
Less: Allowance for loss on investment			(83,899)	(83,899)
Total investment in subsidiary - net			-	-

13. Property, plant and equipment

(Unit: Thousand Baht)

	Consolidated financial statements					
	Land, buildings, buildings and leasehold improvement	Public telephones and related equipment	Tool, Furniture and equipment	Network equipment	Motor vehicles	Total
Cost						
1 January 2019	19,267	18,708	48,014	28,940	3,843	118,772
Additions	-	-	277	10,484	-	10,761
Transfer in	-	-	-	3,570	-	3,570
Disposals	-	(17,183)	(1,725)	-	-	(18,908)
31 December 2019	19,267	1,525	46,566	42,994	3,843	114,195
Additions	41	-	719	8,334	1,289	10,383
Transfer in	-	-	13	15	-	28
Transfer out	-	-	-	(5,429)	-	(5,429)
Disposals	(983)	-	(382)	-	(2,337)	(3,702)
31 December 2020	18,325	1,525	46,916	45,914	2,795	115,475
Accumulated depreciation						
1 January 2019	17,262	18,708	47,460	21,778	3,843	109,051
Depreciation for the year	2	-	213	4,373	-	4,588
Depreciation on disposals	-	(17,183)	(1,690)	-	-	(18,873)
31 December 2019	17,264	1,525	45,983	26,151	3,843	94,766
Depreciation for the year	3	-	327	6,383	104	6,817
Depreciation on Transfer out	-	-	-	(203)	-	(203)
Depreciation on disposals	(983)	-	(382)	-	(2,337)	(3,702)
31 December 2020	16,284	1,525	45,928	32,331	1,610	97,678
Net book value						
31 December 2019	2,003	-	583	16,843	-	19,429
31 December 2020	2,041	-	988	13,583	1,185	17,797
Depreciation for the year						
2019 (Baht 4 million included in cost of sales and services, and the balance in administrative expenses)						4,588
2020 (Baht 4 million included in cost of sales and services, and the balance in administrative expenses)						6,817

(Unit: Thousand Baht)

	Separate financial statements					
	buildings, buildings and leasehold improvement	Public telephones and related equipment	Tool, Furniture and equipment	Network equipment	Motor vehicles	Total
Cost						
1 January 2019	12,129	18,708	27,576	-	3,347	61,760
Additions	-	-	277	12,000	-	12,277
Disposals	-	(17,183)	(1,725)	-	-	(18,908)
31 December 2019	12,129	1,525	26,128	12,000	3,347	55,129
Additions	41	-	698	7,071	1,289	9,099
Transfer in	-	-	13	-	-	13
Transfer out	-	-	-	(5,429)	-	(5,429)
Disposals	(983)	-	(336)	-	(1,841)	(3,160)
31 December 2020	11,187	1,525	26,503	13,642	2,795	55,652
Accumulated depreciation						
1 January 2019	12,129	18,708	27,145	-	3,347	61,329
Depreciation for the year	-	-	165	944	-	1,109
Depreciation on disposals	-	(17,183)	(1,690)	-	-	(18,873)
31 December 2019	12,129	1,525	25,620	944	3,347	43,565
Depreciation for the year	1	-	282	3,242	104	3,629
Depreciation on Transfer out	-	-	-	(203)	-	(203)
Depreciation on disposals	(983)	-	(336)	-	(1,841)	(3,160)
31 December 2020	11,147	1,525	25,566	3,983	1,610	43,831
Net book value						
31 December 2019	-	-	508	11,056	-	11,564
31 December 2020	40	-	937	9,659	1,185	11,821
Depreciation for the year						
2019 (Baht 1 million included in cost of sales and services, and the balance in administrative expenses)						1,109
2020 (Baht 1 million included in cost of sales and services, and the balance in administrative expenses)						3,629

As at 31 December 2020, certain items of plant and equipment of the Group had been fully depreciated but were still in use. The gross carrying amount before deducting accumulated depreciation of those assets amounted to approximately Baht 81 million (2019: Baht 84 million) and the Company's Baht 39 million (2019: Baht 42 million).

14. Trade and other payables

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Trade payables - related parties (Note 6)	7,269	2,055	4,063	34
Trade payables - unrelated parties	68,121	38,353	67,766	37,829
Other payables - related parties (Note 6)	24,035	24,329	857	77
Other payables - unrelated parties	41,288	39,420	40,365	39,177
Total trade and other payables	140,713	104,157	113,051	77,117

15. Leases

The Group as a lessee has lease contracts for office buildings and equipments used in its operations. Leases generally have lease terms between 1 - 3 years.

a) Right-of-use assets

Movement of right-of-use assets for the year ended 31 December 2020 are summarised below:

(Unit: Thousand Baht)

	Consolidated financial statements		
	Office Building Space	Network Equipment	Total
1 January 2020	-	-	-
Adjustments of right-of-use assets due to TFRS 16 adoption	2,334	-	2,334
Additions during the year	423	28,565	28,988
Transfer in during the year - net book value at transfer date	-	5,226	5,226
Terminations during the year - net book value at termination date	(125)	-	(125)
Depreciation for the year	(1,063)	(10,742)	(11,805)
31 December 2020	1,569	23,049	24,618

(Unit: Thousand Baht)

	Separate financial statements		
	Office Building Space	Network Equipment	Total
1 January 2020	-	-	-
Adjustments of right-of-use assets due to TFRS 16 adoption	2,259	-	2,259
Additions during the year	-	28,565	28,565
Transfer in during the year - net book value at transfer date	-	5,226	5,226
Terminations during the year - net book value at termination date	(125)	-	(125)
Depreciation for the year	(898)	(10,742)	(11,640)
31 December 2020	1,236	23,049	24,285

b) Lease liabilities

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Lease payments	18,411	-	17,880	-
Less: Deferred interest expenses	(625)	-	(610)	-
Total	17,786	-	17,270	-
Less: Portion due within one year	(17,186)	-	(16,799)	-
Lease liabilities - net of current portion	600	-	471	-

c) Expenses relating to leases that are recognised in profit or loss

(Unit: Thousand Baht)

	For the year ended 31 December 2020	
	Consolidated financial statements	Separate financial statements
Depreciation expense of right-of-use assets	11,805	11,640
Interest expense on lease liabilities	1,517	1,498
Expense relating to leases of low-value assets	140	78

d) Others

The Group had total cash outflows for leases for the year ended 31 December 2020 of Baht 23 million and the Company only is Baht 23 million, including the cash outflow related to short-term lease and leases of low-value assets.

16. Provision for long-term employee benefits

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Provision for long-term employee benefits at beginning of year	22,417	13,507	21,446	13,507
Included in profit or loss:				
Current service cost	775	750	699	708
Past service cost	-	4,973	-	4,444
Interest cost	235	539	221	521
Included in other comprehensive income:				
Actuarial loss (gain) arising from				
Demographic assumptions changes	(194)	-	(141)	-
Financial assumptions changes	634	2,648	680	2,266
Experience adjustments	7,090	-	4,218	-
Benefits paid during the year	(2,605)	-	(2,605)	-
Provision for long-term employee benefits at end of year	28,352	22,417	24,518	21,446

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

The Company expects to pay Baht 12 million of long-term employee benefits during the next year (2019: Baht 7 million).

As at 31 December 2020, the weighted average duration of the liabilities for long-term employee benefits of the Group is approximately 7 - 16 years (2019: 10 years) and the Company only is approximately 7 years (2019: 10 years).

Significant actuarial assumptions are summarised below:

(Unit: percent per annum)

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Discount rate	0.92 - 1.60	1.50	0.92	1.50
Salary increase rate	5.00	5.00	5.00	5.00

The result of sensitivity analysis for significant assumptions that affect the present value of the long-term employee benefit obligations as at 31 December 2020 and 2019 are summarised below:

(Unit: Thousand Baht)

	Consolidated financial statements	
	2020	2019
Discount rate		
Increase 50 basis points (1.42 - 2.10 percent (2019: 2.00 percent))	(795)	(679)
Decrease 50 basis points (0.42 - 1.10 percent (2019: 1.00 percent))	850	723
Salary increase rate		
Increase 100 basis points (6.00 percent (2019: 6.00 percent))	1,673	1,864
Decrease 100 basis points (4.00 percent (2019: 4.00 percent))	(1,499)	(1,670)

(Unit: Thousand Baht)

	Separate financial statements	
	2020	2019
Discount rate		
Increase 50 basis points (1.42 - 2.10 percent (2019: 2.00 percent))	(582)	(679)
Decrease 50 basis points (0.42 - 1.10 percent (2019: 1.00 percent))	617	723
Salary increase rate		
Increase 100 basis points (6.00 percent (2019: 6.00 percent))	1,209	1,864
Decrease 100 basis points (4.00 percent (2019: 4.00 percent))	(1,099)	(1,670)

17. Statutory reserve

Pursuant to Section 116 of the Public Limited Companies Act B.E. 2535, the Company is required to set aside 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. At present, the statutory reserve has fully been set aside.

18. Revenue from contracts with customers

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Timing of revenue recognition:				
Revenue recognised at a point in time	159,090	19,915	159,090	23,235
Revenue recognised over time	100,938	83,594	59,201	42,135
Total revenue from contracts with customers	260,028	103,510	218,291	65,370

19. Expenses by nature

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Inventories used	149,726	25,544	149,726	25,366
Salary and wages and other employee benefits	46,684	37,383	33,234	34,264
Subcontracting expenses	26,274	21,435	21,846	15,055
Depreciation	18,457	4,588	15,269	1,108
Rental expenses from lease and service agreements	2,465	2,999	1,991	2,899
Reduction of inventories to net realisable value	-	2,090	-	2,090

20. Service income under the license

During the year 2020, the Company had service income under the license, granted by the National Telecommunications Commission ("NBTC"), for telecommunication service Type I amounting to Baht 2.67 million (2019: Baht 0.60 million).

In addition, the Company had expenses payable to other licensees, concessionaires or foreign telecommunication service providers for the year 2020 amounting to Baht 0.87 million (2019: Baht 0.36 million) that can be used to deduct income in accordance with the notification of the NBTC Re: Criteria and Procedures on Revenue Collection for Universal Service Obligation, dated 30 May 2017.

21. Income tax

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Accounting profit (loss) before tax	46,908	10,467	32,825	(10,457)
Applicable tax rate	20%	20%	20%	20%
Accounting profit (loss) before tax multiplied by income tax rate	9,382	2,093	6,565	(2,091)
Non-deductible expense	14	6	14	5
Additional expense deductions allowed	(82)	(22,851)	(7)	(22,777)
Unrecognised deferred tax asset:				
Allowance for diminution in value of inventories	(400)	418	(400)	418
Allowance for expected credit losses (2019: Allowance for doubtful accounts)	(435)	(6)	(435)	(6)
Provision for long-term employee benefits	(319)	1,253	(337)	1,134
Tax loss of current year	-	23,050	-	23,050
Tax loss of brought forward which utilised in the current year	(5,675)	-	(5,675)	-
Others	10	-	275	267
Income tax reported in the statement of comprehensive income	2,495	3,963	-	-

As at 31 December 2020, the Group has deductible temporary differences and unused tax losses totaling Baht 768 million (2019: Baht 800million) and the Company only of Baht 494 million (2019: Baht 528 million), on which deferred tax assets have not been recognised as the Group believe future taxable profits may not be sufficient to allow utilisation of the temporary differences and unused tax losses.

The unused tax losses of the Company amounting to Baht 134 million will gradually expire between 2022 - 2024 (2019: Baht 167 million will gradually expire between 2020 - 2024).

22. Basic earnings (loss) per share

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

23. 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.

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.

The basis of accounting for any transactions between reportable segments is consistent with that for third party transactions.

Inter-segment revenues are eliminated on consolidation.

Business operations of the Group are mainly carried on in Thailand. Below is the consolidated financial information for the years of the Group by segment.

(Unit: Million Baht)

	Design and installation of telecommunication systems segment		Computer systems integration business segment		Cloud computing business segment		Elimination of inter-segment transactions		Consolidation	
	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
Sales and services income										
Revenue from external customers	215	51	16	28	29	25	-	-	260	104
Inter-segment revenues	3	14	-	-	1	1	(4)	(15)	-	-
Total revenues	218	65	16	28	30	26	(4)	(15)	260	104
Segment operating profit	24	2	11	24	19	15			54	41
Unallocated income and expenses:										
Gains on exchange									-	2
Other income									2	6
Selling and servicing expenses									(1)	(1)
Administrative expenses									(56)	(44)
Finance income									49	7
Finance cost									(2)	-
Income tax									(2)	(4)
Profit for the year									44	7

Major customers

For the year 2020, the Group has revenue from three major customers in amount of Baht 201 million (2019: three major customers in amount of Baht 66 million) and the Company only from three customers in amount of Baht 195 million (2019: four customers in amount of Baht 57 million).

24. Provident fund

The Group and its employees have jointly established a provident fund in accordance with the Provident Fund Act B.E. 2530. The Group and its 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 2020, the Group contributed Baht 2 million (2019: Baht 2 million) and the Company only of Baht 2 million (2019: Baht 2 million), to the fund.

25. Commitments and contingent liabilities

25.1 Lease and service agreements commitments

The Group has 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.

The Group had future minimum payments required under these non-cancellable operating leases and service agreements which have not recorded under liability in the financial statements as follows.

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Payable:				
In up to 1 year	3	3	2	3
In over 1 and up to 3 years	1	4	1	4

25.2 Guarantees

As at 31 December 2020, there were outstanding bank guarantees of Baht 73 million (2019: Baht 72 million) issued by banks on behalf of the Group, and the Company only of Baht 50 million (2019: Baht 50 million), in respect of certain bid bonds and performance bonds.

25.3 Contingent liability arising from the sale and purchase of tablet agreements

In September and December 2013, the Company entered into agreements with two government agencies to sell 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 the contracting government agencies within December 2013 and March 2014, respectively. In 2014, the counterparties under the agreements submitted letters to the Company to request the termination of the sale and purchase of tablet agreements with the Company as they considered that the Company was unable to deliver the tablets as scheduled under the agreements and requested the Company to pay the penalty at the daily rate of 0.2 percent of the price of the unshipped tablets from the dates of delivery stipulated in the agreements to the date of termination of the agreements, or a total of Baht 5 million and Baht 142 million, respectively. In November 2014 and March 2015, the two counterparties filed lawsuits with the Central Administrative Court, requesting the Company to pay a penalty for its inability to deliver tablet as stipulated in the agreements and to make payment under the performance bonds, together with interest at the rate of %7.5 per annum, totaling approximately Baht 5 million and Baht 190 million, respectively. In addition, the Company submitted a notice of breach of the agreement to a local 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. The Company requested the bank who issued a bank guarantee on behalf of this company in the form a performance bond for the sale of tablets to pay Baht 38 million to the Company under the performance bond. The Company received the payment and retained the legal right to seize this amount as compensation for losses caused by this company or incurred as a result of a breach of agreement by this company and recorded this amount as a liability under the caption of trade and other payables in the statements of financial position since 31 December 2014 and treated it as a provision for any penalties and losses that might be incurred. Moreover, in the event that the Company is required to pay penalties and compensation to the government agencies, the Company can reclaim all losses from this local company who is the seller of the tablets to the Company, in accordance with a condition stipulated in the sale and purchase of tablet agreements. However, on 22 February 2018, the Central Administrative Court issued

a judgement on the case between the Company and the government agency who filed the lawsuit, requesting the Company to pay penalties totaling approximately Baht 5 million for its inability to deliver tablets as stipulated in the agreement. The Central Administrative Court issued a judgement ordering the Company to pay penalties totaling approximately Baht 2.6 million. On 8 June 2018, a bank which issued a bank guarantee submitted a letter to the Company notifying that on 5 April 2018 it paid the penalties totaling approximately Baht 1.4 million in accordance with the judgement rendered to the bank. Therefore, the outstanding balance of penalties is amounting to approximately Baht 1.2 million. In addition, on 4 May 2018, the Central Administrative Court issued a judgement on the case between the Company and another government agency that filed the lawsuit, requesting the Company to pay penalties and make payment under the letter of performance bond guarantee, together with interest totaling approximately Baht 190 million. The Central Administrative Court issued a judgement ordering the Company to pay penalties totaling approximately Baht 7 million, together with interest at the rate of %7.5 per annum, starting from the date following the filing of the case until the full payment is made. A provision for penalties and compensation that might be incurred that the Company has recorded in the past are sufficient to the amount of the penalties according to the judgement of the Central Administrative Court. However, the Company and the two government agencies filed appeals to the Supreme Administrative Court and the Company filed requests to suspend execution to the Central Administrative Court. At present, the cases are under consideration by the Courts. Therefore, the ultimate outcome of these lawsuits and disputes that are not finalised cannot be determined at this time. However, the Company's management and legal advisor are confident that no significant losses will be incurred as a result of these lawsuits and disputes, and the provision for penalties and compensation which have recorded in the past are sufficient according to the judgement of the Central Administrative Court.

25.4 Litigation and other disputes

- 1.) 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 2020 equivalent to approximately Baht 170 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 the full payment is made. 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. On 15 March 2016, the Central Bankruptcy Court issued an absolute receivership order on TT&T. As a result of this order, the Official Receiver is legally required to become involved in any civil case being considered by the courts that relates to the assets of the debtor under the absolute receivership order. Furthermore, when petitioned by the Official Receiver the court has authority to suspend such civil case or to issue any orders considered appropriate. Therefore, with respect to civil cases related to the assets of TT&T, the courts may decide to confer with Official Receiver on how to proceed with the cases, and take this into account in reaching their decisions in each case.

On 7 November 2016, the Official Receiver submitted a petition to the Civil Court to withdraw the case in connection with TT&T's petition to reverse the Thai Arbitration Institute's order for TT&T to pay debts of the subsidiary amounting to Baht 204 million. The Civil Court has approved the withdrawal of the case and removed it from its case list. Moreover, with respect to the Central Bankruptcy Court's absolute receivership order against TT&T on 15 March 2016, the subsidiary has submitted an application for repayment of debt, together with interest, to the Official Receiver. The settlement of this debt will therefore be made in accordance with the process prescribed by bankruptcy law. However, TT&T is in the process of following legal procedures with respect to bankruptcy law implemented by the Official Receiver.

- 2.) In 2014, the Company was 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 any payment under the letter of guarantee provided to MEA. The Company 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, in 2015, MEA filed a lawsuit with the Central Administrative Court, requesting the Company to pay the amount of Baht 8 million under the letter of guarantee. On 28 September 2018, the Central Administrative Court dismissed the case and ordered MEA to return the letter of guarantee and pay guarantee fee to the Company. MEA filed an appeal to the Supreme Court. Subsequently on 6 February 2019, the Supreme Administrative Court ordered the Company to file an amendment of the appeal to the Court. On 8 March 2019, the Company filed the amendment of the appeal to the Court. Currently, the case is under consideration by the Court.
- 3.) On 13 May 2020, Metropolitan Electricity Authority ("MEA") filed a suit against the Company with the Central Administrative Court, requesting the Company to pay the compensation of Baht 2.3 million with an interest rate of 7.5 percent per annum for additional cost arising from MEA exercising the right to cancel the Sale Agreement of wireless communication systems in underground electrical cable tunnels. Currently, the case is under consideration by the Court.

The ultimate outcomes of these lawsuits and disputes that are not finalised and cannot be determined at this time. The management of the Company is confident that no significant losses will be incurred as a result of these lawsuits and disputes and therefore no provision for contingent liabilities have been recorded in the accounts.

26. Financial instruments

26.1 Financial risk management objectives and policies

The Group's financial instruments principally comprise cash and cash equivalents, restricted bank deposits, current investments, trade and other receivables, lease receivables, loans, trade and other payables and lease liabilities. The financial risks associated with these financial instruments and how they are managed is described below

Credit risk

The Group is exposed to credit risk primarily with respect to trade and other receivables, lease receivables, loans and deposits with banks and financial institutions. The maximum exposure to credit risk is limited to the carrying amounts as stated in the statement of financial position. The Group's maximum exposure is noted in the liquidity risk topic.

Trade and other receivables, lease receivables and loans

The Group manages the risk by adopting appropriate credit control policies and procedures and therefore does not expect to incur material financial losses. Outstanding trade and other receivables, lease receivables and loans are regularly monitored. In addition, the Group's majority of sales and services are supplied to credit worthy customers.

An impairment analysis is performed at each reporting date to measure expected credit losses. The provision rates are based on days past due for groupings of various customer segments with similar credit risks. The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions.

Cash deposits

The Group manages the credit risk from balances with banks by making investments only with approved counterparties.

The credit risk on cash deposits is limited because the counterparties are banks with high credit-ratings.

Foreign currency risk

The Group's exposure to the foreign currency risk relates primarily to its trading transaction that are denominated in foreign currencies. The Group denominated in foreign currencies.

As at 31 December 2020 and 2019, the balances of financial assets and liabilities of the Group denominated in foreign currencies which were unhedged are summarised below.

Foreign currency	Consolidated financial statements				Average exchange rate as at 31 December	
	Financial assets		Financial liabilities			
	2020	2019	2020	2019	2020	2019
	(Million)	(Million)	(Million)	(Million)	(Baht per 1 foreign currency unit)	
US dollar	0.1	0.1	0.9	0.9	30.0371	30.1540

Foreign currency	Seperate financial statements				Average exchange rate as at 31 December	
	Financial assets		Financial liabilities			
	2020	2019	2020	2019	2020	2019
	(Million)	(Million)	(Million)	(Million)	(Baht per 1 foreign currency unit)	
US dollar	0.1	0.1	0.1	0.1	30.0371	30.1540

Interest rate risk

The Group's exposure to interest rate risk relates primarily to its cash at banks, trade and other accounts receivable, loans and lease liabilities. Most of the Group's financial assets and liabilities bear floating interest rates or fixed interest rates which are close to the market rate, the interest rate risk of the Group is expected to be minimal. Details of bank deposits, trade and other receivables, loans and lease liabilities were presented in the related notes to the financial statements.

As at 31 December 2020, the sensitivity of the Group's profit before tax to a possible change in floating interest rates of a financial asset is not material.

Liquidity risk

The Group monitors the risk of a shortage of liquidity and as at 31 December 2020, the Group had current assets higher than current liabilities which are significant amount. The Group also has access to a sufficient variety of sources of funding. The Group has assessed the liquidity risk and concluded it to be low.

26.2 Fair values of financial instruments

Since the majority of the Group's financial instruments are short-term in nature or lease receivables, loans and lease liabilities carrying interest at rates close to the market interest rates, their fair value is not expected to be materially different from the amounts presented in the statement of financial position.

27. Capital management

The primary objective of the capital management of the Group is to ensure that it has an appropriate capital structure in order to support its business and maximise shareholder value. As at 31 December 2020, the Group's debt to equity ratio was 0.39:1 (2019: 0.32:1) and the Company was 0.19:1 (2019: 0.11:1).

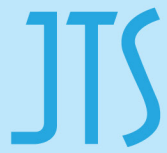
28. Events after the reporting period

On 24 February 2021, an Extraordinary General Meeting of the Company's shareholders passed a resolution approving the offer of financial assistance to the parent company in form of short-term loans in amount of Baht 325 million. Short-term loans to parent company carry interest at the rate referenced to minimum loan rates of Bangkok Bank Public Company Limited. Interest is repayable at each quarter-end, with the term of loan for 12 months with an extension right for another 12 months.

On 1 March 2021, Board of Directors' meeting No. 2021/2 passed a resolution approving the Company's purchase of 5,199,993 ordinary shares with a par value of Baht 100 per share of Jastel Network Company Limited ("Jastel"), a related company, from Jasmine Submarine Telecommunications Company Limited ("JSTC"), a related company. This represents 99.99 percent of the issued shares. The transaction must be approved by an Extraordinary General Meeting of the Company's shareholders and the final purchase price will be mutually agreed by the Company and JSTC.

29. Approval of financial statements

These financial statements were authorised for issue by the Company's Board of Directors on 1 March 2021.



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