

[ TRANSLATION ]

Our Ref. JTS/CS-037/2559

November 4, 2016

- Subject** : Submission of the Opinion of the Independent Financial Advisor on the Tender Offer for the Securities of Jasmine Telecom Systems Public Company Limited by Mr. Pete Bodharamik (First Amendment)
- Attention** : President of the Stock Exchange of Thailand
- Enclosure** : A copy of the Opinion of the Independent Financial Advisor on the Tender Offer (First Amendment)

Jasmine Telecom Systems Public Company Limited (the “Company”) hereby submits a copy of the first amendment on the Opinion of the Independent Financial Advisor on the Tender Offer for the Securities of the Company by Mr. Pete Bodharamik, having the details set out in the Enclosure.

Please be informed accordingly.

Sincerely yours,

Jasmine Telecom Systems Public Company Limited

*[Pleumjai Sinarkorn]*

(Mr. Pleumjai Sinarkorn)

Chairman of the Board of Directors

(Translation)

4 November, 2016

Subject: Amendment to the report entitled Opinion of the Independent Financial Advisor on the Tender Offer for Securities of Jasmine Telecom Systems Public Company Limited

Attention: The Secretary General of the Office of Securities and Exchange Commission  
The President of the Stock Exchange of Thailand  
Directors and shareholders of Jasmine Telecom Systems Public Company Limited

OptAsia Capital Company Limited, the independent financial advisor (IFA), had prepared a report entitled Opinion of the Independent Financial Advisor on the Tender Offer for Securities of Jasmine Telecom Systems Public Company Limited on 18 October, 2016. Due to amendments to the Tender Offer Form 247-4 and additional amendments to the report, the IFA would like to submit the amended report (First Round) as in the attachment.

For your information

Yours Sincerely

OptAsia Capital Company Limited

**Mr. Jarin Saksirisilp**

(Mr. Jarin Saksirisilp)

Director

**Ms. Jariya Poonyavanich**

(Ms. Jariya Poonyavanich)

Director

## Amendments to the Opinion of the Independent Financial Advisor on the Tender Offer for Securities of Jasmine Telecom Systems Public Company Limited

Note: Additional information and explanation are underlined whereas amendments to the original are crossed out.

### 1. Additional information in page 3 of the Opinion

#### Original

On the date of September 23<sup>rd</sup>, 2016, the company has received the Tender Offer Announcement (Form 247-3) for all of JTS's shares from Mr. Pete Bodharamik (the "tender offeror"). Pursuant to the additional acquisition of Jasmine International Public Company Limited ("JAS") ordinary shares on September 19<sup>th</sup>, 2016, resulting in the offeror shareholding exceeds the trigger point (50% of the JAS total voting rights). On September 19<sup>th</sup>, 2016, JAS, a major shareholder of Jasmine Telecom Systems Public Company Limited (the "Company" or "JTS"), hold 32.8% of the Company's total issued and paid up shares. In addition, person in connection with JAS pursuant to Section 258 of the Securities and Exchange Act B.E.2535 that are ACeS Regional Service Co., Ltd. and T.J.P. Engineering Co., Ltd. also hold 9.06% and 9.05% of the Company's total issued and paid up shares, respectively. Such that, the tender offeror is considered acquiring a significant degree control of JTS (Chain Principle) and is required to make a tender offer for the entire securities of JTS in accordance with the notification of the Capital Market Supervisory Board No. Tor. Chor. 12/2554 Re: Rules, Conditions and Procedures for the Acquisition of Securities for Business Takeovers dated 13 May 2011(as amended).

As the Form 247-3 and 247-4, JAS is a major shareholder of the Company which hold directly and indirectly as pursuant to Section 258. The tender offeror is considered acquiring a significant degree control of JTS after the additional acquisition of JAS ordinary shares.

Therefore, the tender offeror is required to make a tender offer for all remaining securities of the Company (Mandatory Tender Offer), comprising of 706,457,300 ordinary shares (equivalent to 100.00% of the Company's total issued and paid up shares)

#### Amendment

On 23 September, 2016, the company received the Tender Offer Announcement (Form 247-3) for all of JTS's shares from Mr. Pete Bodharamik (the tender offeror). On 19 September, 2016, the tender offeror had acquired additional shares of Jasmine International Public Company Limited (JAS) resulting in the offeror holding more than 50 percent of JAS's total issued and paid-up shares. As of 19 September, 2016, JAS was a major shareholder of Jasmine Telecom Systems Public Company Limited (JTS) holding 32.80 percent of the

company's total issued and paid up shares and total voting rights. In addition, individuals connected to JAS, according to Section 258 of the Securities and Exchange Act B.E.2535, are ACeS Regional Service Company Limited and T.J.P. Engineering Company Limited, also held 9.06 percent and 9.05 percent of the Company's total issued and paid up shares and total voting rights, respectively. Thus, the tender offeror is considered to gain a significant degree of control of JTS (Chain Principle) and is required to make a tender offer for the entire securities of JTS in accordance with the notification of the Capital Market Supervisory Board No. Tor. Chor. 12/2554 Re: Rules, Conditions and Procedures for the Acquisition of Securities for Business Takeovers dated 13 May 2011(as amended).

From the Form 247-3 and 247-4, JAS is a major shareholder of the company, holding its shares both directly and indirectly (per Section 258). After acquiring shares of JAS, the tender offeror is considered to have a significant degree of control in JTS. Therefore, the tender offeror is required to make a mandatory tender offer for all remaining securities of the Company, comprising of 706,457,300 ordinary shares, equivalent to 100.00 percent of the company's total issued and paid up shares and total voting rights.

Nonetheless, on 20 September, 2016, the tender offeror had acquired additional securities of JAS on the Stock Exchange of Thailand. Specifically, he had purchased a) 380,000,000 common shares of JAS (equivalent to 6.40 percent of total issued and paid-up shares and total voting rights) at the maximum price of 7.25 Baht per share and b) 464,046,500 units of warrants (equivalent to 14.12 percent of total unexercised warrants and 8.61 percent of total voting rights) at the maximum price of 3.68 Baht per unit.

## 2. Additional information in page 6 topic 2: Adjusted book value approach

### Original

The remaining assets are furniture, office equipment and vehicles. When considering the value of land, buildings and equipment, these value should not change significantly. Also, the lawsuits which the company has disclosed in the notes of the financial statement has been set aside by the progress of the trial, and there are no any other liabilities to adjust. So, IFA can value this stock by this approach as follow:

Unit: Million Baht

Total shareholder's equity	1,009.53
Add: Adjustments from asset appraisal	-
Shareholder's equity after adjustment	1,009.53
Number of issued shares	706,457,300
<b>Adjusted book value of shares (Baht)</b>	<b>1.43</b>

The adjusted book value approach reflects the financial status of the company as of 30 June, 2016 and adjustments made to assets. This valuation method does not take into consideration the future profitability of the company or its competitiveness. It does not take into account possible changes in the economic environment and industry. However, this approach can reflect the fair value and share price is 1.43 Baht per share. This is lower than the tender offer price of 1.50 Baht per share by 0.07 Baht or 4.67 percent.

#### Amendment

The remaining assets are furniture, office equipment and vehicles. The value of land, buildings, and equipment should not change significantly and therefore, should have no impact on the valuation of shares. In addition, the company has made provisions for the lawsuits disclosed in the notes to the financial statements and adjustments have been made as the cases have progressed in court. There are no other liabilities occurring that would require adjustment.

On 28 October, 2016, the Board of Directors of the company approved the payment of an interim dividend from the company's retained earnings, as of 30 September, 2016. Dividend of 0.10 Baht per share will be paid to common shareholders, whose names appear on the company's book on the record date which is 11 November, 2016. Dividends of 70.65 million Baht will be paid out on 25 November, 2016. The IFA, therefore, calculated the share value using the adjusted book value approach under two scenarios, as shown in the table below.

Unit: Million Baht

Items	Original scenario	<u>Scenario with dividend payment</u>
Total shareholder's equity	1,009.53	<u>1,009.53</u>
Add: Adjustments from asset appraisal	-	-
<u>Less: Dividend paid</u>	-	<u>(70.65)</u>
Shareholder's equity after adjustment	1,009.53	<u>938.88</u>
Number of issued shares	706,457,300	<u>706,457,300</u>
<b>Adjusted book value of shares (Baht)</b>	<b>1.43</b>	<b><u>1.33</u></b>

The adjusted book value approach reflects the financial status of the company as of 30 June, 2016 and adjustments made to assets. This valuation method does not take into consideration the future profitability of the company or its competitiveness. It does not take into account possible changes in the economic environment and industry. However, this approach can reflect the fair value and the share price determined is 1.43 Baht per share, which is lower than the tender offer price of 1.50 Baht per share by 0.07 Baht or 4.67 percent.

In the case where dividend is paid, the adjusted book value approach to valuation will yield a share price of 1.33 Baht per share, which is equal to the share price of the book value approach. This price is lower than the offered price of 1.50 baht per share by 0.17 baht per share or 11.33 percent.

### 3. Additional information in page 10 topic 6: Discounted cash flow approach

#### Original

This valuation approach will consider the future operation of the Company by projecting Free Cash Flow (FCF) using the appropriate discount rate. The IFA calculated Weighted Average Cost of Capital (WACC) in order to calculate present value of FCF of the Company for the projection period of 5 years (2016 - 2021) under the assumption that JAS and its group is still operated on a going concern basis under the current economy and situation.

#### Amendment

This valuation approach considers the future operation of the Company by projecting its free cash flow (FCF) using the appropriate discount rate. The IFA calculated the weighted average cost of capital (WACC) to calculate the present value of FCF to the Company for the projection period of five years, from 2016 to 2021. This period is appropriate for the projection and can reflect results of operational changes. Furthermore, the projection is done under the assumption that JTS and its subsidiaries are a going concern and operates under the current economic environment.

From interviews with the management, starting in 2016, the company has plans to focus on the cloud computing business to gradually replace the company's traditional sources of income, which are design and installation of telecommunications and communications technology systems and telecommunications service businesses. The new business plan should improve the company's operational performance in the next five years. The cloud computing will emphasize infrastructure as a service (IaaS). Target customers of this service are old customers of JAS, for whom this service will supplement other services, and new customers such as hotels, hospitals, factories, and small and medium sized schools. This group of industrial customers are believed to possess potential for growth. Therefore, in projecting income from the cloud computing business, growth in income will be observed from the year 2017 onwards.

#### 4. Additional information and amendment on page 11 subtopic 6.1: Service revenue

##### Original

In the past, key revenues came from the telecom systems integration business that involves the distribution of telecommunications equipment and the provision of other related services. The businesses have been decreasing due to economic contraction and high competition. Thus, JTS has aimed to focus on cloud computing business which is expected to grow significantly in the future and this technology will help business have more alternatives to apply IT usages. To lease the IT system would be more preferable to investment by each business. With this new concept, start-up and SMEs could reduce their burden on expenses such as system investment, repair and maintenance, and the upgrade of the system. The services will cover the areas of consultation, design, the set up of computer and IT network, MIS and application software in both private and public sector. The IFA has made projection by type of businesses as follows:

1) Business of Telecom Systems Integration and Telecom Service Business

The business will be in the area of procurement, setup and sell of equipment in security such as the set up of CCTV, the sale of equipment for fire alarm system. These revenues would contribute around 44.90 percent of service revenues in 2016 and would be decreasing in line with contracting number of agreements to 2.44 percent in 2019. Finally, there would be no revenue in 2020 onwards.

2) Business of procurement and design in Computer Systems Integration, Maintenance and Cloud Computing

The revenues can be divided into 2 types as follows:

(1) Basic cloud computing and program from existing customers

Most of the are regular customers both companies in JAS group and other companies. The term of agreement is around 1-3 years with an option to renew. The services are cloud computing and data storage of voices and images or design of program for special purpose including services after sales. The revenues generate around 48.53 percent in 2016 and expect to remain constant throughout the projection period. Thus, this revenues would have decreasing proportion of revenues. The IFA applies assumptions based on past agreement that JTS could keep contracts active with existing customers. And 2017 onwards, there would be the job of repair and maintenance of network and applied program.

(2) Business of cloud computing with new customers

This is a new policy to expand services of cloud computing and enlarge customer base. The service will focus mainly on Infrastructure as a Service or IaaS, which is the service as a third party provider of hardware, software, servers, storage and other infrastructures in the form of virtual machine (VM). Key customers are the group of Hospitality, Hospital, Factories and

Educational institutions such as schools, universities. This service would play a major role of revenues with increasing proportion of revenues from 48.52 percent in 2017 (the first year of service) to 86.61 percent in 2021.

Key assumptions are as follows:

- Lease of VM at basic rate of 3,500 Baht per month and keep this rate constant through the projection period.
- Total VM for service will start at 2,250 VM in 2017 with gradual increase to 9,750 VM in 2021. Utilization rate starts at 53 percent in 2560 and increase to 71 percent in 2021.

### Amendment

In the past, key revenue of the company came from the telecom systems integration business that involves the distribution of telecommunications equipment and the provision of other related services. However, the revenue from this business segment have been decreasing because of economic contraction and high competition. Thus, JTS has decided to focus on the cloud computing business which allows businesses to use computer systems through the company's network such as data analysis systems, data storage systems, and programs and software; all of which are leased. In the future, this business segment is expected to grow dramatically, as many businesses may prefer to lease the infrastructure for their IT systems rather than invest in one.

An important group of customers will be start-up companies and medium enterprises, that can reduce the expense of investing in an IT system, repair and maintenance, and system upgrades. The cloud computing service will cover the areas of consultation, design, and set up of the computer and IT network, management of the information system, and the development of application software. The IFA has done the projection by considering each type of business as follows.

#### 1) Revenue from the telecom systems integration and telecom service businesses

The telecom system integration and telecom service businesses involve the procurement, setup and sale of basic telecommunications equipment as well as sale and set up of security systems such as CCTV and the fire alarm system. Currently, the company has a contract with one customer that will end in 2019. The revenue from this contract follows the amount specified in the contract. When calculated as a percentage of total revenues, the revenue from this agreement is equal to 44.90 percent in 2016 and it will gradually decrease to 2.44 1.39 percent in 2019. After 2020, there will be no revenue from this business segment.

#### 2) Revenue from computer systems, integration, maintenance, and cloud computing business that includes both hardware and software. There are two sources as follows:



(1) Basic cloud computing and program

Most of the revenue is from regular customers that include both subsidiaries of JAS group and other companies. The term of the leasing contract is around 1-3 years with an option to renew every year. The services are basic cloud computing and data storage of voice and images, design of program for specific use, and after sales service. The revenue generated from this segment is around 48.53 percent in 2016 and is expected to remain constant from 2017 onwards. Thereafter, only the system improvement, network maintenance, and applied programming lines of business will remain. Thus, proportion of revenue from this business to total revenue will decrease as there is only one contract with a customer remaining.

The IFA assumes, based on past contracts, that JTS can renew contracts with existing customers in the projection and this assumption is used throughout the projection period.

(2) Revenue from the cloud computing with new customers

The company's new business plan is to expand cloud computing services, which is the storage of data electronically and enlarge the customer base. The service will focus mainly on Infrastructure as a Service or IaaS, which is the leasing of hardware, software, servers, storage and other infrastructures in the form of virtualization, which customers can access through their computers immediately. Target customers are in the hotel, hospital, factories and education sectors. This service would play a major role in increasing the proportion of revenue from this business segment from 48.52 percent in 2017 (the first year of service) to 86.61 percent in 2021.

Key assumptions are as follows:

- Each unit of cloud space leased to customers will be called a virtual machine (VM), which means service specification such as CPU, RAM, hard disk size, the number of IP addresses given to customers, and so on. Basic rental cost is 3,500 Baht per VM per month and this is fixed throughout the projection period. This rental rate was determined by the company after comparing with competitors. The IFA believes this rate is appropriate and is competitive.
- The number of VMs is assumed to be 2,250 units in 2017. The VM utilization rate is 53 percent in the beginning and is allowed to gradually increase each year until there are 9,750 units in 2021. By 2021, the utilization rate will also increase to be 71 percent, in line with the company's investment plan mentioned in subtopic 6.4 on capital expenditures.

## 5. Additional information and amendment on page 12 subtopic 6.2: Cost of sales and service

### Original

Most of costs are equipment, in telecommunication, leased circuit, lease of rack server, cost of connecting signal, depreciation, repair and maintenance and specific cost of each project.

Cost of services and cost of sales classified by type of revenues are as follows:

1) Cost of Telecom Systems Integration and Telecom Service Business

These cost depend on each project subject to scope of work and equipment used in each project for example repair & maintenance of CCTV and procurement & installment of circuit system have different costs These cost will have averaged cost of 65 percent to revenue based on past record and the amount will decrease in line with it revenue.

2) Cost of basic cloud and IT program

These cost will vary by scope of work of each project as well such as computer software, applied software program, maintenance of data network and cloud Storage. They will be in the range of 57.33 – 68.60 of their revenues.

3) Cost of cloud computing from new business

Key costs are as follows:

- Repair and maintenance cost will occur after 3-year guarantee period and will be around 10 percent of investment amount in equipment each year.
- Marketing expenses and commission expenses in reselling services will be as percentage of revenues at averaged rate of 20 percent of service revenue.
- Depreciation will be in line with the aging of equipment at 5 years.

### Amendment

Most of the costs are equipment costs and telecommunication service costs such as leased circuit, lease of rack server, cost of connecting signal, depreciation, repair and maintenance and specific costs of each project.

Cost of sales and service are classified by revenue structure as follows:

1) Cost of Telecom Systems Integration and Telecom Service Business

These costs depend the scope of work of each project and equipment used in each project. For example, repair and maintenance of CCTV and procurement & installment of circuit system have different costs. These cost will have averaged cost of 65 percent to revenue based on past record and the amount will decrease in line with it revenue. Currently, the company has a contract with one customer ending in 2019. Between the years 2013 to 2015, the cost was 65 percent of revenue. The IFA has therefore assigned the same proportion of cost in the projected period, from the years 2016 to 2019.

## 2) Cost of basic cloud services, data storage, and programming

This cost will vary with the scope of work of each project such as the sale of computer software, applied software program development, maintenance of data network and cloud storage. These cost will have averaged cost of 65 percent to revenue based on past record and the amount will decrease in line with it revenue. The cost in this category is calculated separately for each project and in the projection, ranges from 57.33 percent to 68.60 percent of revenue. This was determined from projects that were completed and those that are still active in each year and historical data from the years 2013 to 2015. The average proportion to revenue was 41.41 percent to 49.64 percent based on each project with different characteristics.

## 3) Cost of cloud computing from the company's new business plan

Assumptions are made as follows:

- Repair and maintenance cost will occur after 3-year guarantee period and will be around 10 percent of investment in equipment each year.
- Marketing expenses and commission expenses in reselling services will be a percentage of revenues; on average, the rate will be 20 percent of revenue.
- Cost of signal connection will be fixed each month and will increase by five percent each year.
- Cost of rent to set up equipment will be fixed each month and will increase by five percent each year.
- Depreciation expense occurs from investment in equipment and the useful life of equipment is assumed to be five years.

## 6. Additional information and amendment on page 13 subtopics 6.3: Selling and administrative expenses and

### 6.4: Capital expenditures

#### Original

### 6.3 Selling and administrative expenses

Selling and administrative expenses comprise of salary and employee benefit, travelling expenses, communication expenses, office expenses, professional fees and other expenses. During the past few years, JTS has adjusted its policy and reduce expenses relating telecommunication expenses but maintaining the business of selling CCTV equipment. Structure of expenses has been changed accordingly and past record are not suitable to be used as a reference for projection. Thus, the forecasted expenses would be in line with new business of cloud computing as a service. Key expenses would be relating to staff expenses and benefit, which will be accounting for 80-90 percent of total selling and administrative expenses.

(Unit: Million Baht)

	2016F	2017F	2018F	2019F	2020F	2021F
Selling and administrative expenses	68.14	53.97	58.67	66.58	72.62	80.85
% to sales revenues	56.80%	52.78%	41.66%	37.08%	29.28%	24.16%

#### 6.4 Capital Expenditure

The company has a plan to invest in equipment of cloud computing business as follows:

(unit: Million Baht)

	2017F	2018F	2019F	2020F	2021F
Amount of investment	45	30	30	45	45

Most of investment will be in hardware of cloud computing in terms of Virtual Machine (VM)

#### Amendment

#### 6.3 Selling and administrative expenses

Selling and administrative expenses comprise of salary and employee benefits, travelling expenses, communication expenses, office expenses, professional fees and other expenses. During the past few years, JTS has adjusted its policy and reduced expenses relating telecommunication expenses but maintains the business of selling CCTV equipment. Structure of expenses has been changed accordingly and past records are not suitable for use in the projection. Thus, the forecasted expenses would be in line with new business of cloud computing as a service. The company expects 30 new staff to be hired in 2016 and will gradually increase to 55 persons in 2021. Expenses relating to staff expenses and benefit to incentivize staff, which accounts for 80-90 percent of total selling and administrative expenses, will increase by 10 percent per year to attract talent.

(Unit: Million Baht)

	2016F	2017F	2018F	2019F	2020F	2021F
Selling and administrative expenses	68.14	53.97	58.67	66.58	72.62	80.85
% to sales revenues	56.80%	52.78%	41.66%	37.08%	29.28%	24.16%

#### 6.4 Capital Expenditure

The company has plans to invest in equipment for the cloud computing business as follows:

(unit: Million Baht)

	2017F	2018F	2019F	2020F	2021F
Amount of investment	45	30	30	45	45

Most of the investment will be in hardware for cloud computing in terms of Virtual Machine (VM), which follows the business plan of the company and the company will use the internal funds for the investment. The company has adequate cash to make the investment over the next five years.

## 7. Additional information and amendment on page 15 subtopic 6.8

### Original

From the information, the required rate of return ( $R_e$ ) is 13.79% p.a. While, the Company cost of debt ( $K_d$ ) is 6.25% p.a., resulting in the WACC between 12.82% p.a. throughout the projection period. The summary table of free cash flow is as follows:

Free Cash Flow is summarized as follows:

Unit: Million Baht	2016F	2017F	2018F	2019F	2020F	2021F
Free cash flow	(254.32)	(44.83)	(7.50)	11.22	32.11	78.49
Present value of free cash flow	(61.69)	(38.56)	(5.72)	7.58	19.23	366.80

(Unit: Million Baht)

Present value of free cash flow	(37.48)
Present Value of Terminal Value	325.13
<b>Total present value of free cash flow</b>	<b>287.65</b>
Plus: Cash and short term investment as of 30 June 2016	148.35
Plus: Cash received from JAS in September 2016 (other receivable) *	530.00
Less: Interest bearing debt as of 30 June 2016	(124.28)
Less: Interest bearing debt as of 30 June 2016	<b>881.72</b>
Total number of shares	<b>706.46</b>
Net present value per share (Baht)	<b>1.19</b>

\*JTS gave money to JAS as an advance amount during first half of 2016 and received that amount back in September 2016.

## Amendment

From the information, the required rate of return on equity ( $R_e$ ) may be calculated and is 13.79 percent per annum. The average cost of debt ( $K_d$ ), which was calculated from the average interest rate as of 30 June, 2016, was found to be 6.25 percent per annum. The debt to equity ratio (D/E) is 11% : 89% as of 30 June, 2016. Therefore, WACC is 12.82 percent throughout the projection period.

In addition, the IFA has done sensitivity analysis by adjusting the discount rate or WACC, which reflects the cost of debt and the cost of equity of the company. The discount rate was increased and decreased by 0.50 percent per year, to account for changes in various factors. This should be adequate for the determination of the value of shares of the company.

Free Cash Flow is summarized as follows:

Unit: Million Baht	2016F	2017F	2018F	2019F	2020F	2021F
Free cash flow	(254.32)	(44.83)	(7.50)	11.22	32.11	78.49
Present value of free cash flow	(61.69)	(38.56)	(5.72)	7.58	19.23	366.80

(Unit: Million Baht)

Calculation of net present value of free cash flow	Original scenario	Scenario with dividend payment
Present value of free cash flow	(37.48)	(37.48)
Present Value of Terminal Value	325.13	325.13
<b>Total present value of free cash flow</b>	<b>287.65</b>	<b>287.65</b>
Plus: Cash and short term investment as of 30 June 2016	148.35	148.35
Plus: Cash received from JAS in September 2016 (other receivable) *	530.00	530.00
Less: Interest bearing debt as of 30 June 2016	(124.28)	(124.28)
Less: Interim dividend payment	-	(70.65)
<b>Net present value of free cash flow</b>	<b>841.72</b>	<b>771.06</b>
Total number of shares	706.46	706.46
<b>Net present value per share (Baht)</b>	<b>1.19</b>	<b>1.09</b>

\*JTS gave money to JAS as an advance amount during first half of 2016 and received that amount back in September 2016.

The effect of the interim dividend payment according to the resolution of the Board of Directors, is the decrease in cash by 70.65 million Baht, and reduction in share price in this valuation method to 1.09 Baht per share. The share price determined in the valuation is lower than the offered price of 1.50 Baht per share.

#### 8. Additional information in page 17 section II: Summary of the appropriateness of the offered price of JTS

##### Original

None

##### Amendment

On 30 September, 2016, the Board of Directors approved the payment of an interim dividend from the company's retained earnings. The IFA is of the opinion that the current dividend payment occurs under the circumstance of operation loss (according to the consolidated financial statement), which has been the case since 2014. Even though, the company made a profit of 21.39 million Baht in the third quarter of 2016, the operational results over the past nine months indicated a new loss of (42.98) million Baht.

Another method of share valuation is the dividend discount model. However, this method is unsuitable because the company has suffered a net loss in the past and therefore, has not been able to pay dividends. In addition, it is expected that the company will suffer a net loss until the year 2017. Thus, there is uncertainty surrounding future payments of dividend and the IFA views this method of valuation to be inappropriate for valuing the company's shares.

#### 9. Additional information in page 19 subtopic: Source of funds of the tender offeror

##### Original

According to the tender offer statement (Form-247-4), the tender offeror signed a loan agreement with Siam Commercial Bank Public Company Limited (SCB) for the loan facility of 1,060 million Baht. The IFA has considered all documents from SCB related to the loan is of the opinion that the tender offeror has adequate source of funds to complete the transaction.

## Amendment

According to the tender offer statement (Form-247-4), the tender offeror signed a loan agreement with Siam Commercial Bank Public Company Limited (SCB, the lender) for the loan facility of 1,060 million Baht. The lender is willing to provide this loan for the purchase of all shares of the company. The financial support is given under the contractual agreements and conditions that the tender offeror has agreed upon with the lender. The contract is dated 16 September, 2016 and amendments were made on 29 September, 2016. Important contractual obligations and conditions are as follows:

- The tender offeror agrees to not sell shares of the business to anyone except if the offeror intends to use proceeds from the sale of shares to pay back the loan.
- The tender offeror agrees to pledge all shares obtained in the tender offer to the lender as collateral for the loan. The collateral will be unpledged when the tender offeror pays back the full amount of the loan, under the conditions of the loan.

The IFA has considered all documents from SCB related to the loan is of the opinion that the tender offeror has adequate source of funds to complete the transaction.

### 10. Additional information in page 21 topic 3: Factors to consider

#### Original

None

#### Amendment

### 6. Benefits from receiving dividends

The Board of Directors approved the payment of dividends of 0.10 Baht per share. The record date is 11 November, 2016 while the tender offer period is between 6 October, 2016 and 10 November, 2016.

If shareholders agree to sell their shares in the tender offer, they will not have rights to receive dividends. On the other hand, if they do not sell their shares in the tender offer, they will be eligible to receive dividends.



## 11. Additional information in page 22 topic on related party transactions

### Original

Currently, the company has specified policies and procedures regarding related party transactions to comply with the rules and regulations of the SET and the SEC in order to prevent any conflict of interests between the company, its subsidiaries, and/or any potential conflict persons. Future related party transactions of the offeror and the company shall be complied with the rules and regulations of the SET and the SEC, Articles of Association, Capital Market Supervisory Board's regulations, and other rules regarding connected transaction.

### Prior to the Tender Offer

Detail of related party transactions between the offeror, related parties of the offeror, the company, its subsidiaries, and/ or related company in 2015 and in the first six months of 2016 as of June 30, 2016 (the detail are shown in the following table).

The List of Product, Service and Other Services that the company and its subsidiaries sell to JAS and JAS Group as at 31 December 2015 and in the first six months of 2016 ending of June 30, 2016

Connected Person	Relationship	Nature of Related Party Transaction	Amount (Million Baht) as at December 31, 2015	Amount (Million Baht) as at June 30, 2016
1. JAS Group	1) JAS is a major shareholder of the Company, holding 32.80%	<ul style="list-style-type: none"> <li>The Company provided public telephone rental service for ACU</li> </ul>	0.02	0.01
1.) ACU		<ul style="list-style-type: none"> <li>The Company provided the supplies, installation and maintenance services of public phones with respect to the Universal Service Obligation ("USO") project for TTTBB</li> </ul>	1.81	2.03
2.) TTTBB	2) Having the same director as JAS, namely	<ul style="list-style-type: none"> <li>The Company provided the supplies, installation and maintenance services of public phones with respect to the Universal Service Obligation ("USO") project for JasTel</li> </ul>	0.41	0.10
3.) JasTel	1. Mr. Pleumjai Sinarkorn	<ul style="list-style-type: none"> <li>The subsidiary sold equipment to TTTI</li> </ul>	0.00	0.07
4.) TTTI				

Connected Person	Relationship	Nature of Related Party Transaction	Amount (Million Baht) as at December 31, 2015	Amount (Million Baht) as at June 30, 2016
2. The Subsidiary 1.) CCS	1) The Company is a major shareholder of CCS, holding 97.87% 2) Having the same directors as JTS, namely 1. Mr. Pleumjai Sinarkorn 2. Mrs.Nonglug Pongsrihadulchai 3. Mrs.Nitt Visesphan	<ul style="list-style-type: none"> <li>● The subsidiary provided the Infrastructure-as-a-Service for JAS</li> <li>● The subsidiary provided the Infrastructure-as-a-Service for ACU</li> <li>● The subsidiary sold equipment and developed Broadband Customer System (BCS) and provided the Infrastructure-as-a-Service for TTTBB</li> <li>● The subsidiary provided the maintenance service for the Radius system and provided Infrastructure-as- a-Service for Triple T Internet Co., Ltd. ("TTTI")</li> <li>● The subsidiary provided the Infrastructure-as-a-Service for Ji-NET</li> <li>● The subsidiary provided the Infrastructure-as-a-Service for Premium Asset Co., Ltd. ("PA")</li> </ul>	0.70 3.07 32.03 2.42 0.50 0.07	0.52 0.04 15.95 2.76 0.64 0.10

The List of Product and Equipment including rental fee and other services that the company and its subsidiaries receive from JAS and JAS Group as at 31 December 2015 and in the first six months of 2016 ending of June 30,2016

Connected Person	Relationship	Nature of Related Party Transaction	Amount (Million Baht) as at December 31, 2015	Amount (Million Baht) as at June 30, 2016
1. JAS Group 1) ACU 2) TTTBB 3) JasTel 4) TTTI 5) PA	1) JAS is a major shareholder of the Company, holding 32.80% 2) Having the same director as JAS, namely 1. Mr. Pleumjai Sinarkorn	<ul style="list-style-type: none"> <li>● The Company entered into office space rental and service contract with JAS, including other expenses</li> <li>● The Company entered into Security, Cleaning and Utilities service contract with PA</li> </ul>	3.72 2.21 4.57	1.49 0.98 1.33

Connected Person	Relationship	Nature of Related Party Transaction	Amount (Million Baht) as at December 31, 2015	Amount (Million Baht) as at June 30, 2016
		<ul style="list-style-type: none"> <li>● The Company entered into the telephone system service contract and the CCTV maintenance service contract with TTTBB</li> <li>● The Company executed the high- speed internet service contract with TTTI</li> <li>● The Company used ACU's custom service</li> <li>● The Company used JasTel's repair service for DWDM Link</li> </ul>	1.06	0.35
2. The subsidiary 1.) CCS	<p>1) The Company is a major shareholder of CCS, holding 97.87%</p> <p>2) Having the same directors as JTS, namely</p> <p>1. Mr. Pleumjai Sinarkorn</p> <p>2. Mrs.Nonglug Pongsrihadulchai</p> <p>3. Mrs.Nitt Visesphan</p>	<ul style="list-style-type: none"> <li>● The subsidiary entered into office space rental and service contract with JAS, including other expenses</li> <li>● The subsidiary entered into Security, Cleaning and Utilities service contract with PA</li> <li>● The Subsidiary entered into the call center service contract with TTTBB</li> <li>● The subsidiary executed the high-speed internet service contract with TTTI</li> <li>● The subsidiary entered into the contracts for space rental service for server and circuit rental service with JasTel</li> <li>● The subsidiary entered into the SMS Gateway service contract with Ji-Net.</li> </ul>	2.09	1.05
			1.50	0.69
			0.83	-
			1.05	0.45
			0.87	0.44
			0.01	-

The List of Product related party transaction with MONO and MONO Group as at 31 December 2015 and in the first six months of 2016 ending of June 30, 2016 are as follow.

-No significant transaction-

The business transactions with JAS and JAS Group, and MONO and MONO Group in the year 2015 and the first six months of 2016 ending 30 June 2016 were all in compliance with the terms and the conditions for normal business practice in the contracts entered into between the Company and its third parties as the arm's length basis parties. The Company already carried out each transaction according to the SEC rules and under the inspection by the Audit Committee.

#### After the Tender Offer

Within 12 months of the end of offering period, the offeror or any person in connection with the offeror, has no plan to materially change on type and size of the existing related party transaction under current policy on the related party transaction of the business. However, the offeror shall carefully consider to ensure that the related party transactions, existing transactions and future transactions will be transactions on the arm's length basis. There would not be any special terms or preference among the company, its related companies, associate companies and shareholders. These procedures are consistent with rules and regulations of the SET and seek to ensure that all related party transactions are conducted at arm's length basis.

#### Amendment

Currently, the company has specified policies and procedures regarding related party transactions to comply with the rules and regulations of the SET and the SEC in order to prevent any conflict of interests between the company, its subsidiaries, and/or any potential conflict persons. Future related party transactions of the offeror and the company shall comply with the rules and regulations of the SET and the SEC, Articles of Association, Capital Market Supervisory Board's regulations, and other rules regarding connected transaction.

#### Prior to the Tender Offer

~~Detail of related party transactions between the offeror, related parties of the offeror, the company, its subsidiaries, and/or related company in 2015 and in the first six months of 2016 as of June 30, 2016 (the detail are shown in the following table):~~

~~In the year 2015 and in the first six months of 2016, ending 30 June, 2016, the tender offeror had no sales or service transactions with the company. However, there were transactions with JAS and the companies in the JAS Group and the company. Details are given below.~~

~~List of products, services, and other services that the company and its subsidiaries sell to JAS and JAS Group as at 31 December 2015 and in the first six months of 2016 ending 30 June, 2016~~

Connected Person	Relationship	Nature of Related Party Transaction	Amount (Million Baht) as at December 31, 2015	Amount (Million Baht) as at June 30, 2016
<p>1. <u>Related party transactions between the company and JAS Group, JAS and other companies in JAS Group:</u></p> <p>1) <u>Acumen Company Limited (ACU)</u></p> <p>2) <u>Triple T Broadband Public Company Limited (TTTBB)</u></p> <p>3) <u>JasTel Network Company Limited (JasTel)</u></p> <p>4) <u>Triple T Internet Company Limited (TTTI)</u></p>	<p>1) JAS is a major shareholder of the Company, holding 32.80%</p> <p>2) The company has the same director as JAS namely</p> <p>1. Mr. Pluemjai Sinarkorn</p>	<ul style="list-style-type: none"> <li>● The Company provided public telephone rental service to ACU</li> <li>● The Company provided the supplies, installation and maintenance services of public phones with respect to the <u>Universal Service Obligation</u> (“USO”) project for TTTBB</li> <li>● The Company provided the supplies, installation and maintenance services of public phones with respect to the <u>Universal Service Obligation</u> (“USO”) project for JasTel</li> <li>● The company sold equipment to TTTI</li> </ul>	<p>0.02</p> <p>1.81</p> <p>0.41</p> <p>0.00</p>	<p>0.01</p> <p>2.03</p> <p>0.10</p> <p>0.07</p>

Connected Person	Relationship	Nature of Related Party Transaction	Amount (Million Baht) as at December 31, 2015	Amount (Million Baht) as at June 30, 2016
<p>2. <u>Related party transactions of JAS's subsidiary and JAS Group:</u></p> <p>1) Transaction between <u>Cloud Computing Solutions Company Limited (CCS)</u> and JAS Group, JAS and other companies in the JAS Group.</p>	<p>1) The Company is a major shareholder of CCS, holding 97.87%</p> <p>2) The company has the same director as CCS namely</p> <p>1. Mr. Pluemjai Sinarkorn</p> <p>2. Mrs. Nonglug Pongsrihadulchai</p> <p>3. Mrs Nitt Visesphan</p>	<ul style="list-style-type: none"> <li>● <u>CCS</u> provided the Infrastructure-as-a-Service for JAS</li> </ul>	0.70	0.52
		<ul style="list-style-type: none"> <li>● <u>CCS</u> provided the Infrastructure-as-a-Service for ACU</li> </ul>	3.07	0.04
		<ul style="list-style-type: none"> <li>● <u>CCS</u> sold equipment and developed Broadband Customer System (BCS) and provided the Infrastructure-as-a-Service for TTTBB</li> </ul>	32.03	15.95
		<ul style="list-style-type: none"> <li>● <u>CCS</u> provided the maintenance service for the Radius system and provided Infrastructure-as-a-Service for TTTI.</li> </ul>	2.42	2.76
		<ul style="list-style-type: none"> <li>● <u>CCS</u> provided the Infrastructure-as-a-Service for Jasmine Internet Company Limited (JiNET)</li> </ul>	0.50	0.64
		<ul style="list-style-type: none"> <li>● <u>CCS</u> provided the Infrastructure-as-a-Service for Premium Asset Co., Ltd. ("PA")</li> </ul>	0.07	0.10

List of product and equipment including rental fee and other services that the company and its subsidiaries receive from JAS and JAS Group as at 31 December 2015 and in the first six months of 2016 ending 30 June, 2016

Connected Person	Relationship	Nature of Related Party Transaction	Amount (Million Baht) as at December 31, 2015	Amount (Million Baht) as at June 30, 2016
1. Related party transaction between the company and JAS	1) JAS is a major	<ul style="list-style-type: none"> <li>● The Company entered into office space rental and service</li> </ul>	3.72	1.49



List of Product related party transaction with MONO and MONO Group as at 31 December 2015 and in the first six months of 2016 ending of 30 June, 2016.

-No significant transaction-

The business related transactions with JAS and JAS Group, and MONO and MONO Group in the year 2015 and the first six months of 2016 ending 30 June 2016 were all in compliance with the terms and the conditions for normal business practice in the contracts entered into between the Company and its third parties as the arm's length basis parties. The Company already carried out each transaction according to the SEC rules and under the inspection by the Audit Committee.

#### After the Tender Offer

Within 12 months of the end of offering period, the offeror or any person in connection with the offeror, has no plan to materially change on type and size of the existing related party transaction under current policy on the related party transaction of the business. However, the offeror shall carefully consider to ensure that the related party transactions, existing transactions and future transactions will be transactions on the arm's length basis. There would not be any special terms or preference among the company, its related companies, associate companies and shareholders. These procedures are consistent with rules and regulations of the SET and seek to ensure that all related party transactions are conducted at arm's length basis.

#### 12. Additional information in page 25 section V: Opinion of the IFA on the policies and business plans of the tender offeror

##### Original

From the policies and plans proposed by the tender offeror, the IFA opines that the investment will have the following impact on JTS.

Policy and Business Plan of the tender offeror	Opinion of the IFA
<p><b>Status of the Business</b></p> <p>As mentioned in the tender offer announcement (Form 247-4), after the tender offer period, the tender offeror has no plans to delist the company from the SET.</p>	<p>As stated in the tender offer announcement, the tender offeror has no intention to delist the company's shares from the SET. The IFA believes the offeror's policy is clear on maintaining its listed status and its shares can be traded as usual. Therefore,</p>



	shareholders will not be affected by the tender offer in this regard.
<p><b>Business operation and management policies</b></p> <p>For the 12 months after the end of the Tender Offer Period, the offeror has no plans to significantly change the business direction of the company and the subsidiaries.</p>	<p>The IFA is of the opinion that the tender offeror is the major shareholder of JAS and has controlling power from share's holding to JTS before the tender offer. Thus, the company's policies and plans should remain intact. In addition, its organization structure and business management should not materially change after the tender offer.</p>
<p><b>Dividend Payout Policy</b></p> <p>The tender offeror intends to maintain the dividend payout policy at no less than 40 percent of the net profit (after tax deduction) specified in the company's separate financial statement each year.</p>	<p>The IFA opines that the tender offer will continue with the company's dividend policy, as mentioned in Form 56-1.</p>

### Amendment

From the policies and plans proposed by the tender offeror, the IFA opines that the investment will have the following impact on JTS.

Policy and Business Plan of the tender offeror	Opinion of the IFA
<p><b>Status of the Business</b></p> <p>As mentioned in the tender offer announcement (Form 247-4), after the tender offer period, the tender offeror has no plans to delist the company from the SET.</p>	<p>As stated in the tender offer announcement, the tender offeror has no intention to delist the company's shares from the SET. The IFA believes the offeror's policy is clear on maintaining its listed status and its shares can be traded as usual. Therefore, shareholders will not be affected by the tender offer in this regard <u>and the tender offer is appropriate.</u></p>
<p><b>Business operation and management policies</b></p> <p>For the 12 months after the end of the Tender Offer Period, the offeror has no plans to <del>significantly</del> change the business</p>	

<p>direction of the company and the subsidiaries. <u>The offeror will maintain the organizational structure, management policies, and employment policies as before. He has plans to further develop the company to increase the customer base, market share, and competitiveness of the company.</u></p>	<p>The IFA is of the opinion that the tender offeror is the major shareholder of JAS and has controlling power from share's holding to JTS before the tender offer. <u>The tender offeror has extensive experiences in the company's business and has plan to expand business growth in the long run.</u> Thus, the company's policies and plans should remain intact. In addition, its organization structure and business management should not materially change after the tender offer. <u>Therefore, the policies and business plans are appropriate.</u></p>
<p><b>Dividend Payout Policy</b></p> <p>The tender offeror intends to maintain the dividend payout policy at no less than 40 percent of the net profit (after tax deduction) specified in the company's separate financial statement each year.</p> <p><u>The tender offeror may propose the payment of dividends from retained earnings depending on the company's liquidity needs and investment plans.</u></p>	<p>The IFA opines that the tender offer will continue with the company's dividend policy, as mentioned in Form 56-1. <u>The consideration to pay dividend will be in line with its dividend policy. As such, the dividend payout policy is appropriate.</u></p>

### 13. Additional information in page 26 section VII: Summary of the Opinion of the IFA

#### Original

After considering all documents and information, the IFA is of the opinion that shareholders of JTS should accept the tender offer because the offered price of 1.50 Baht per share is appropriate and it is higher than the valuated price by market approach and discounted cash flow approach. Even though the market price after the announcement of the tender offer (Form 247-3) on 23 September 2016 went higher than the offering price but not in the level of significance. By the way, the market price is currently traded close to the offering price.

Apart from this, regarding shareholders who have rejected the tender offer and not sold their shares on the market, the IFA has the following opinion. In the case above, shareholders should be aware of the possibility that the share price will drop to a lower level than the offered price. If shareholders accept the tender offer in large numbers, and the tender offeror is able to purchase all the offered shares or more than 75 percent

of total issued and paid up shares, he will have control of the company and the power to approve any agenda at the shareholder's meeting.

#### **Amendment**

After considering all documents and information, the IFA is of the opinion that shareholders of JTS should accept the tender offer because the offered price of 1.50 Baht per share is appropriate and it is higher than the valuated price by market approach and discounted cash flow approach. Even though the market price after the announcement of the tender offer (Form 247-3) on 23 September 2016 went higher than the offering price but not significantly. Currently, the market price is close to the offered price. As such, if the market price is higher than the offered price, shareholders should consider selling their shares on the stock exchange because of higher returns. On the other hand, if the market price is lower than the offered price, shareholders should accept the tender offer.

Apart from this, regarding shareholders who have rejected the tender offer and not sold their shares on the market, the IFA has the following opinion. In the case above, shareholders should be aware of the possibility that the share price will drop to a lower level than the offered price. If shareholders accept the tender offer in large numbers, and the tender offeror is able to purchase all the offered shares or more than 75 percent of total issued and paid up shares, he will have control of the company and the power to approve any agenda at the shareholder's meeting.

Note: The IFA is awaiting the company's clarification on dividend payment, while the largest shareholder of the company is making the tender offer and the company is still suffering a loss. The IFA will make further corrections to their report when the information is available.