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Abbreviation used in 2010 Annual Report

ACT	=	ACeS (Thailand) Company Limited	TJP	=	T.J.P. Engineering Company Limited
ACU	=	Acumen Company Limited	TKSC	=	Telecom KSC Company Limited
ADSL	=	Asymmetric Digital Subscriber Line	TLDT	=	Thai Long Distance Telecommunications Company Limited
AIL	=	ACeS International Company Limited	TT&T	=	TT&T Public Company Limited
ARS	=	ACeS Regional Services Company Limited	TTTBB	=	Triple T Broadband Public Company Limited
Broadband Internet	=	High-speed Internet	TTTI	=	Triple T Internet Company Limited
CCS	=	Cloud Computing Solutions Company Limited	TT&T SS	=	TT&T Subscriber Services Company Limited
CP	=	Chaengwatana Planner Company Limited	VOIP	=	Voice Over Internet Protocol
CPN	=	Compunet Corporation Company Limited	VPN	=	Virtual Private Network
CRM	=	Customer Relation Management	WiFi	=	Wireless Fidelity
DDN	=	Digital Data Network	WiMAX	=	Worldwide Interoperability for Microwave Access
DWDM	=	Dense Wavelength Division Multiplexing			
EDI	=	Electronic Data Interchange			
HDTV	=	High Definition Television			
IIG	=	International Internet Gateway			
IKSC	=	Internet Knowledge Service Center Company Limited			
IPTV	=	Internet Protocol Television			
ISP	=	Internet Service Provider			
JAS	=	Jasmine International Public Company Limited			
Ji-NET	=	Jasmine Internet Company Limited			
JIOC	=	Jasmine International Overseas Company Limited			
JSS	=	Jasmine Smart Shop Company Limited			
JSTC	=	Jasmine Submarine Telecommunications Company Limited			
JTS	=	Jasmine Telecom Systems Public Company Limited			
JasTel	=	JasTel Network Company Limited			
MCS	=	Mobile Communication Services Company Limited			
MPLS	=	Multi Protocol Label Switching			
NTU	=	NTU (Thailand) Company Limited			
PA	=	Premium Assets Company Limited			
PP	=	Pakkred Planner Company Limited			
PRE	=	Premium Real Estate Company Limited			
SHW	=	Smart Highway Company Limited			
NTC	=	The National Telecommunications Commission			
CAT	=	CAT Telecom Public Company Limited			
Three BB	=	Three BB Company Limited			
TOT	=	TOT Public Company Limited			
Rehabilitation Plan	=	Rehabilitation plan of Jasmine International Overseas Company Limited, as the case may be			
Plan Administrator	=	Chaengwatana Planner Company Limited as the plan administrator of Jasmine International Public Company Limited or Pakkred Planner Company Limited as the plan administrator of Jasmine International Overseas Company Limited, as the case may be			

General Information

1. General Information

1.1 Company Details

Company Name	: Jasmine International Public Company Limited
Address of Head Office	: 200, 29 th -30 th Fl., Moo 4, Chaengwatana Road, Pakkred Sub-district, Pakkred District Nonthaburi 11120
Sector Name	: Information and Communication Technology
Registration Number	: 0107537000106
Telephone	: (66) 0 2100 3000
Fax	: (66) 0 2100 3150-2
Home Page	: www.jasmine.com

Number and Type of Total Paid-up Shares

1. Registered capital	3,699,745,689	Baht
Consisting of ordinary share	7,399,491,378	Shares
2. Each with the par value of	0.50	Baht
3. Total paid-up capital	3,699,745,689	Baht
4. Total number of paid-up ordinary shares	7,399,491,378	Shares

1.2 Juristic Persons in which the Company's Shareholding Proportion is of 10% up each

<i>Company name and Head office Address</i>	<i>Nature of Business</i>	<i>Total Number of Paid-up Shares</i>	<i>Number and Proportion of Common Shareholding of JAS and/or the Subsidiary</i>
1. Broadband Business Triple T Broadband PCL. 200, Moo 4, Chaengwatana Rd., Pakkred Sub-district, Pakkred District, Nonthaburi 11120 Tel: 0-2100-2100 Fax: 0-2100-2121	Engages in Broadband Internet service, digital data network service, fixed-line telephone service and public payphone service	1,250,000,000	ACU 1,239,992,570 shares = 99.20%
Triple T Internet Co.,Ltd. 200, Moo 4, Chaengwatana Rd., Pakkred Sub-district, Pakkred District, Nonthaburi 11120 Tel : 0-2100-2100 Fax : 0-2100-2121	Engages in providing Internet service and Internet applications to residential clients and corporate clients	1,000,000	TTTBB 999,300 shares = 99.93%
2. Telecom Network & Service Provider Business Jasmine Submarine Telecommunications Co., Ltd. 200, Moo 4, 7 th Fl., Chaengwatana Rd., Pakkred Sub-district, Pakkred District, Nonthaburi 11120 Tel : 0-2100-3183 Fax : 0-2100-3184	Engages in submarine optical fiber cable network service on the east coast	15,500,000	JAS 15,499,994 shares = 100.00%
Thai Long Distance Telecommunications Co., Ltd. 200, Moo 4, Chaengwatana Rd., Pakkred Sub-district, Pakkred District, Nonthaburi 11120 Tel : 0-2100-3183 Fax : 0-2100-3184	Engages in submarine optical fiber cable network service on the west coast	30,900,000	JSTC 27,809,993 shares = 90.00%
JasTel Network Co., Ltd. 200, Moo 4, 7 th Fl., Chaengwatana Rd., Pakkred Sub-district, Pakkred District, Nonthaburi 11120 Tel : 0-2100-3183 Fax : 0-2100-3184	Engages in circuit leasing service and local as well as international data communications service	5,200,000	JSTC 5,199,993 shares = 100.00%
Jasmine Internet Co., Ltd. 200, Moo 4, Chaengwata Rd., Pakkred Sub-district, Pakkred District, Nonthaburi 11120 Tel : 0-2100-3700 Fax : 0-2100-3793	Engages in a variety of Internet services	1,500,000	JAS 1,473,100 shares = 98.21%
Acumen Co., Ltd. 200, Moo 4, 7 th Fl., Chaengwatana Rd., Pakkred Sub-district, Pakkred District, Nonthaburi 11120 Tel : 0-2100-3000 Fax : 0-2100-3222	Engages in wireless Communication service via satellite network	7,600,000	JAS 7,599,994 shares = 100.00%
ACeS Regional Services Co., Ltd. 200, Moo 4, Chaengwatana Rd., Pakkred Sub-district, Pakkred District, Nonthaburi 11120 Tel : 0-2100-3000 Fax : 0-2100-3416	Engages in satellite mobile phone service both in Thailand and several Asian countries and the distribution of IP-Phones	102,000,000	ACT 99,999,993 shares = 98.04%

1.2 Juristic Persons in which the Company's Shareholding Proportion is of 10% up each (Continued)

<i>Company name and Head office Address</i>	<i>Nature of Business</i>	<i>Total Number of Paid-up Shares</i>	<i>Number and Proportion of Common Shareholding of JAS and/or the Subsidiary</i>
Smart Highway Co., Ltd. 200, Moo 4, Chaengwatana Rd., Pakkred Sub-district, Pakkred District, Nonthaburi 11120 Tel : 0-2100-3000 Fax : 0-2100-3222	Engages in high-speed data communications service via leased line	1,550,000	ACU 1,044,693 shares = 67.40%
3. System Integration Jasmine Telecom Systems PCL. 200, Moo 4 , 9 th Fl., Jasmine International Tower, Chaengwatana Rd., Pakkred Sub-district, Pakkred District, Nonthaburi 11120 Tel : 0-2100-8300 Fax : 0-2502-3363	Engages in providing turnkey telecommunications services ranging from system design, supply, to equipment testing, in addition to being a distribution agent for telecommunications test devices	702,990,000 (As at 5 January 2011)	- JAS 399,997,200 shares = 56.90% - ARS 64,027,700 shares = 9.11% - TJP 60,000,000 shares = 8.54%
Cloud Computing Solutions Co., Ltd. 200, Moo 4, Chaengwatana Rd., Pakkred Sub-district, Pakkred District, Nonthaburi 11120 Tel : 0-2100-3000 Fax : 0-2100-3501	Engages in distributing computer hardware and other peripheral equipment, providing consulting services, the design and installation of computers as well as IT network, and the development of application software	550,000	JTS 538,264 shares = 97.87%
4. Other Businesses Premium Assets Co., Ltd. 200, Moo 4, Chaengwatana Rd., Pakkred Sub-district, Pakkred District, Nonthaburi 11120 Tel : 0-2100-3000 Fax : 0-2100-3575	Engages in space rental management and related services for Jasmine International Tower	130,000,000	- ACU 69,999,993 shares = 53.85% - JSTC 60,000,000 shares = 46.15%
Chaengwatana Planner Co., Ltd 200, 29 th -30 th Fl., Moo 4, Chaengwatana Rd., Pakkred Sub-district, Pakkred District, Nonthaburi 11120 Tel : 0-2100-3000 Fax : 0-2100-3150-1	The Rehabilitation Plan Administrator of JAS	10,000	JAS 9,993 shares = 100.00%
Jasmine International Overseas Co., Ltd. 200, Moo 4, Chaengwatana Rd., Pakkred Sub-district, Pakkred District, Nonthaburi 11120 Tel : 0-2100-3000 Fax : 0-2100-3152	Engages in local and overseas investment	11,538,463	- JAS 4,594,134 shares = 39.82% - ACT 3,994,325 shares = 34.18% - ARS 3,000,000 shares = 26.00%
Internet Knowledge Service Center Co., Ltd. 2/4, 10 th Fl., Siam Commercial Samaggi Insurance Tower, Vibhavadi Rungsit Rd., Thungsonghong Sub-district, Laksi District, Bangkok 10210 Tel: 0-2955-0099 Fax: 0-2955-0300	Engages in providing and maintaining Internet network system	12,000,000	JAS 4,500,000 shares = 37.50%
ACeS (Thailand) Co., Ltd. 200, Moo 4, Chaengwatana Rd., Pakkred Sub-district, Pakkred District, Nonthaburi 11120 Tel : 0-2100-3000 Fax : 0-2100-3152	Engages in investment business	195,000,000	JIOC 114,742,696 shares = 58.84%

<i>Company name and Head office Address</i>	<i>Nature of Business</i>	<i>Total Number of Paid-up Shares</i>	<i>Number and Proportion of Common Shareholding of JAS and/or the Subsidiary</i>
Pakkred Planer Co., Ltd. 200, 29 th -30 th Fl., Moo 4, Chaengwatana Rd., Pakkred Sub-district, Pakkred District, Nonthaburi 11120 Tel : 0-2100-3000 Fax : 0-2100-3150-1	Rehabilitation Plan Administrator of JIOC	10,000	JIOC 9,993 shares = 100.00%
Dormant Company T.J.P. Engineering Co., Ltd. 200, Moo 4, Chaengwatana Rd., Pakkred Sub-district, Pakkred District, Nonthaburi 11120 Tel : 0-2100-3000 Fax : 0-2100-3152	Engages in the survey, design, and construction of the outside plant and civil work for telecommunica- tions projects	2,000,000	- JAS 1,600,000 shares = 80.00% - ACU 399,995 shares = 20.00%
Jasmine Smart Shop Co., Ltd. 200, Moo 4, Chaengwatana Rd., Pakkred Sub-district, Pakkred District, Nonthaburi 11120 Tel : 0-2100-3000 Fax : 0-2100-3152	Engages in retailing telecom equipment	1,100,000	JAS 1,099,993 shares = 100.00%
Mobile Communication Services Co., Ltd. 200, Moo 4, Chaengwatana Rd., Pakkred Sub-district, Pakkred District, Nonthaburi 11120 Tel : 0-2100-3038 Fax : 0-2100-3152	Engages in the NMT 470 MHz. Cellular Mobile Telephone business	10,000,000	JAS 6,999,993 shares = 70.00%
Three BB Co., Ltd. 200, Moo 4, Chaengwatana Rd., Pakkred Sub-district, Pakkred District, Nonthaburi 11120 Tel : 0-2100-3678 Fax : 0-2100-3679	Engages in Internet and e-commerce businesses	5,200,000	JAS 5,199,993 shares = 100.00%
Compunet Corporation Co., Ltd. 200, Moo 4, Chaengwatana Rd., Pakkred Sub-district, Pakkred District, Nonthaburi 11120 Tel : 0-2100-3800 Fax : 0-2100-3810	Engages in the local trans- mission of data, pictures and voices via satellite	2,600,000	JAS 2,599,994 shares = 100.00%
Telecom KSC Co., Ltd 2/4 10 th Fl., Siam Commercial Samaggi Insurance Tower, Vibhavadi Rungsit Rd., Thungsonghong Sub-district, Laksi District, Bangkok 10210 Tel : 0-2955-0099 Fax : 0-2955-0300	Engages in the distribution of computer, telecommu- nications equipment and software	100,000	JAS 40,000 shares = 40.00%
Premium Real Estate Co., Ltd. 200, Moo 4, Chaengwatana Rd., Pakkred Sub-district, Pakkred District, Nonthaburi 11120 Tel : 0-2100-3000 Fax : 0-2100-3575	Engages in the real estate business	8,200,000	JAS 4,018,000 shares = 49.00%

1.2 Juristic Persons in which the Company's Shareholding Proportion is of 10% up each (Continued)

<i>Company name and Head office Address</i>	<i>Nature of Business</i>	<i>Total Number of Paid-up Shares</i>	<i>Number and Proportion of Common Shareholding of JAS and/or the Subsidiary</i>
Khunka Palang Thai Co., Ltd. 2034/132-161 New Petchburi Rd., Bangkapi Sub-district, Huaykwang District, Bangkok 10310 Tel : 0-2716-1600-700 Fax : 0-2716-1418	Engages in power plant business	10,000	JAS 2,308 shares = 23.08%
Palit Palangnang Co., Ltd. 2034/132-161 New Petchburi Rd., Bangkapi Sub-district , Huaykwang District, Bangkok 10310 Tel : 0-2716-1600-700 Fax : 0-2716-1418	Engages in power plant business	10,000	JAS 1,500 shares = 15.00%

1.3 Reference Persons

- Registrar : Thailand Securities Depository Co., Ltd.
 2/7 Moo 4, Capital Market Academy Building, the Stock Exchange of Thailand,
 2nd Floor (North Park Project), Tung Song Hong Sub-district, Laksi District,
 Bangkok 10210
 Tel. (66) 0 2596 9000 and (66) 0 2596 9302-11 Fax (66) 0 2832-4994-6
- Auditor : Ernst & Young Office Limited
 193/136-137, Lake Rajada Office Complex, 33rd Floor, New Rajadapisek Road,
 Bangkok 10110
 Tel. (66) 0 2264 0777 and (66) 0 2661 9190
 Fax (66) 0 2264 0789-90 and (66) 0 2661 9192
- Legal Advisor : Hunton & Williams (Thailand) Limited.
 1, Q House Lumpini Building, 34th Floor, South Sathorn Road, Thungmahamek
 Sub-district, Sathorn District, Bangkok 10120
 Tel. (66) 0 2645 8800 Fax (66) 0 2645 8880

Message from CEO



Dear Shareholders,

During the year 2010, Jasmine International Public Company Limited and its subsidiaries posted a healthy growth in businesses as a result of its business strategy and clear direction that were consistent with the changing environment and technology.

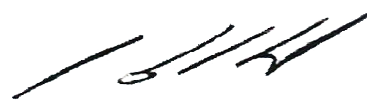
The Company and its subsidiaries have a wide range of expertise in ICT businesses which is the advantage to make a policy to combine the strength and experience of each company together, creating efficiency and unified management and making a fully integration business environment.

During the past year, the management team had formulated a strategy to develop its existing business further as well as to create new businesses based on this policy. It combined and took advantage of the strong workforce and technical know-how of the various businesses such as international private leased-circuit (IPLC) business, the broadband Internet business whose network covered the entire nation, including the high-speed WiFi Internet business. The Company also emphasized software business development by highly qualified team with experience in developing solutions and IT network that provided efficient platforms for many businesses. This strength not only generated growth in revenue, but also reduced costs significantly for each business operation. Such policy synergized work operation, understanding, and relationships among personals in various companies to the extent that businesses could be conducted in completeness, could be managed and controlled over quality and efficiency to meet customers' requirements. The Company and its subsidiaries already connected various countries citizens. Our network is part of the global connectivity.

Today, due to fast-paced technological development and continuous innovation; therefore, the Company has to expand and invest in new businesses that yield quick return. Must constantly evaluates business performance in order to ensure its position standing, aiming at high market share.

The drive of the Company and its subsidiaries is the result of the ability and cooperation of all employees who are the most important part which makes a good business performance, continuing profitability and healthy cash position. They were making the active and lively organizations in Jasmine Group. One of the Company policies is to continue upgrading and enhancing knowledge to employees by providing continuously training all levels of employees both general and technical trainings. Quite a few numbers of practical experienced employees are knowledgeable to become internal trainers for others which prove very successful in spreading out the knowledge and know-how throughout the Jasmine Group. This method has yielded very good results this year and will help drive performance and sustainable growth in the years to come.

Throughout the year 2010, good performance and success of the Company and its subsidiaries were due to cooperation and diligence in performing duties of the Board of Directors, management, and all employees. Moreover, the Company also received many useful advices from our shareholders, who kindly and closely monitored the Company's business, and to whom I wish to convey my sincere gratitude. Thanks are also due to our customers, partners, suppliers and financial institutes for their continuing support and trust given to us.



Pete Bodharamik
Chief Executive Officer

Financial Summary

2. Financial Summary

Summary of Balance Sheets, Income Statements and Cash Flow Statements for the past 3 years are as follows:

Item	Consolidated Financial Statements					
	2010		2009		2008	
	Bt mn	%	Bt mn	%	Bt mn	%
Balance Sheets						
Cash and cash equivalents	1,920.01	9.95	1,569.43	9.84	2,364.82	19.18
Trade accounts receivable - net	3,732.61	19.34	4,027.94	25.26	2,529.15	20.51
Inventories - net	291.84	1.51	225.42	1.41	119.22	0.97
Total current assets	7,925.01	41.06	7,466.58	46.83	6,244.27	50.65
Investments and loan	593.65	3.08	949.00	5.95	845.60	6.86
Property, plant and equipment - net	10,443.81	54.11	6,830.60	42.84	4,182.94	33.93
Total other non-current assets	339.28	1.76	698.49	4.38	1,055.80	8.56
Total assets	19,301.75	100.00	15,944.67	100.00	12,328.61	100.00
Bank overdrafts and short-term loans from banks	617.91	3.20	1,283.40	8.05	439.93	3.57
Total trade accounts payable	3,018.42	15.64	2,373.55	14.89	1,773.41	14.38
Total current liabilities	7,832.41	40.58	6,570.51	41.21	5,081.90	41.22
Long-term loans	4,075.14	21.11	2,701.55	16.94	1,283.74	10.41
Total liabilities	11,919.51	61.75	9,285.03	58.23	6,377.47	51.73
Share capital : Issued and fully paid-up	3,699.75	19.17	4,715.81	29.58	4,161.33	33.75
Retained earnings -Appropriated	738.61	3.83	1,325.30	8.31	687.77	5.58
Retained earnings - Unappropriated	2,165.89	11.22	1,046.36	6.56	1,480.37	12.01
Total shareholders' equity	7,382.24	38.25	6,659.63	41.77	5,951.13	48.27
Income Statements						
Sales and service income	9,625.95	100.00	8,370.54	100.00	5,350.21	100.00
Exchange gains	103.13	1.07	53.83	0.64	9.67	0.18
Total revenues	9,826.61	102.08	8,587.58	102.59	5,574.18	104.19
Cost of sales and services	5,695.73	59.17	5,583.68	66.71	3,383.95	63.25
Selling servicing and administrative expenses	2,289.82	40.20	1,566.56	18.72	784.21	14.66
Potential losses on debt restructuring	243.62	2.53	0.00	0.00	0.00	0.00
Loss on sales of investments in available-for-sale securities	90.14	0.94	2.79	0.03	206.54	3.86
Doubtful accounts	67.27	0.70	14.81	0.18	18.26	0.34
Loss on impairment of assets	64.77	1.37	611.57	7.48	1,847.71	34.54
Finance cost	393.17	4.08	246.93	2.95	297.53	5.56
Net income (loss) for the year	663.29	6.89	203.52	2.43	(1,244.92)	(23.27)
Cash flow Statements						
Net cash flows from operating activities	3,105.57		1,047.84		1,509.98	
Net cash flows from (used in) investing activities	(2,198.84)		(1,591.93)		(843.01)	
Net cash flows used in financing activities	(556.16)		(251.30)		(1,720.18)	
Net increase (decrease) in cash and cash equivalents	350.58		(795.39)		(1,053.21)	

Significant financial ratio that reflects financial status and operation of main businesses of the Company and its subsidiaries :

<i>Item</i>		<i>Consolidated Financial Statements</i>		
		<i>2010</i>	<i>2009</i>	<i>2008</i>
Liquidity Ratio				
Current Ratio	(Time)	1.01	1.14	1.23
Quick Ratio	(Time)	0.75	0.85	1.00
Cash Ratio	(Time)	0.43	0.18	0.36
Receivable Turnover	(Time)	2.39	2.47	2.34
Average Collection Period	(Day)	151	146	154
Inventory Turnover	(Time)	22.02	32.40	34.03
Average Inventory Turnover Period	(Day)	16	11	11
Account Payable Turnover	(Time)	2.11	2.69	2.19
Average Payment Period	(Day)	170	134	164
Cash Cycle	(Day)	(4)	23	0
Profitability Ratio				
Gross Profit Margin	%	40.83	33.29	36.75
Operating Profit Margin	%	12.96	11.63	16.53
Other Profits Margin	%	2.04	2.53	4.02
Cash to Profitability Ratio	%	249.00	107.66	170.71
Net Profit Margin	%	6.75	2.37	(22.33)
Return on Equity	%	9.45	3.23	(16.84)
Efficiency Ratio				
Return on Total Assets	(Time)	3.76	1.44	(9.12)
Return on Fix Assets	(Time)	23.79	22.31	(11.89)
Asset Turnover	(Time)	0.56	0.61	0.41
Financial Policy Ratio				
Debt to Equity Ratio	(Time)	1.61	1.39	1.07
Interest Coverage Ratio	(Time)	10.26	6.76	6.90
Cash flow Coverage Ratio (Cash Basis)	(Time)	0.91	0.92	1.01
% Growth Ratio				
Total Assets	%	21.05	29.33	(17.70)
Total Liabilities	%	28.37	45.58	3.83
Sales and Services Income	%	15.00	56.45	23.54
Operating Expenses	%	46.17	99.78	11.30
Net Profit (Loss)	%	225.90	116.35	(2,905.15)

Nature of Business

3. Nature of Business

3.1 Summary of Jasmine Group Businesses

Today Jasmine International PCL., has adjusted its role to be an investment or holding company, with the objective of investing in communications and information technology businesses. The company invests in businesses whose products and services support and compliment one another in order to synergize and fully utilize their human capital, telecom networks and other core assets. The businesses today are grouped into 4 categories, namely:

1. **Broadband Business:** Provides high-speed linkage, digital data network, fixed lines, Internet services and applications, as well as nationwide WiFi service.

2. **Telecom Network & Service Provider Business:** Provides services on optical fiber networks on both coast-lines, leased-circuits for domestic and international data communications, international gateway, and satellite communications.

3. **System Integration Business:** Provides equipment sourcing, design, and installation of telecommunication and IT systems, as well as distribution of sophisticated test equipment and security-related systems.

4. **Other Businesses.** Includes property and office rental and related services for Jasmine International Tower.

Companies in the 4 Business Groups

1. Broadband Business consists of

- **Triple T Broadband Public Company Limited**, provides high-speed linkage for broadband Internet service.

- **Triple T Internet Company Limited** is an Internet service provider (ISP) that provides Internet services and applications to individual and corporate customers.

2. Telecom Network & Service Provider Business consists of

- **Jasmine Submarine Telecommunications Company Limited**, an operator and service provider of telecommunication via submarine optical fiber cable network on Thailand's east coast (Gulf of Thailand). JSTC also operates a marine service business.

- **Thai Long Distance Telecommunication Company Limited**, operates and provides telecommunication service on its submarine optical fiber cable network on the southern part of east coast next Malaysia, and on the west coast of Thailand.

- **JasTel Network Company Limited ("Jastel")**, provides international private leased-circuit (IPLC) for high-speed data communications, IP-VPN and managed network services via networks of optic fiber and copper cable to operators / service providers and enterprise clients.

- **Jasmine Internet Company Limited**, provides service to both individual and corporate clients. Its products include broadband Internet (ADSL), data center, BranchConnex via ADSL and GPRS, WiFi, VoIP, EDI,

and international calling card. Besides, Ji-NET also provides consultancy, design and sourcing for IP solutions to its customers.

- **Acumen Company Limited**, provides wireless communication services such as satellite communications (VSAT), high-speed Internet service via iPstar (Star Connex), high-speed Internet access through WiFi. Acumen has received Type 1 license (ISP) and Type 2 license (IIG) from the National Telecommunications Commission (NTC) which enable it to provide Internet access and related services to individual and corporate customers in both public and private sectors.

- **ACeS Regional Services Company Limited**, provides satellite phone service under "Asia Cellular Satellite (ACeS)" project. The service area covers Thailand and several Asian countries. Users can use either a mobile or fixed handset, and pay by either a post-paid or pre-paid method. A mobile handset is small and has dual mode of operations, either a satellite mode or a GSM900 mode with roaming service with the GSM900 operator in Thailand. A fixed handset or "ACeS Contax" is for users who want to use the service from a fixed indoor location in a remote area inaccessible to other communications services.

3. System Integration Business consists of:

- **Jasmine Telecom Systems Public Company Limited**, is a system integrator for large scale information and communications technology projects. The business includes system design, equipment sourcing, installation and commissioning. The company also offers outsourcing service to companies that are holders of telecom licenses or concessions, or companies that bid for public and private sector contracts. In addition to the SI and service outsourcing, the company is also a distributor of telecommunication test and measurement equipment, as well as security – related equipment and systems. The company is registered and listed on SET and began trading its stocks on September 18, 2006, in the ICT group under the name "JTS".

- **Cloud Computing Solutions Company Limited**, is engaged in consultancy, design, and installation of computer and IT systems, including software development for both public and private sector customers. CCS also sells computers and network equipment.

4. Other Businesses consist of

- **Premium Assets Company Limited**, is engaged in space rental and related services for Jasmine International Tower.

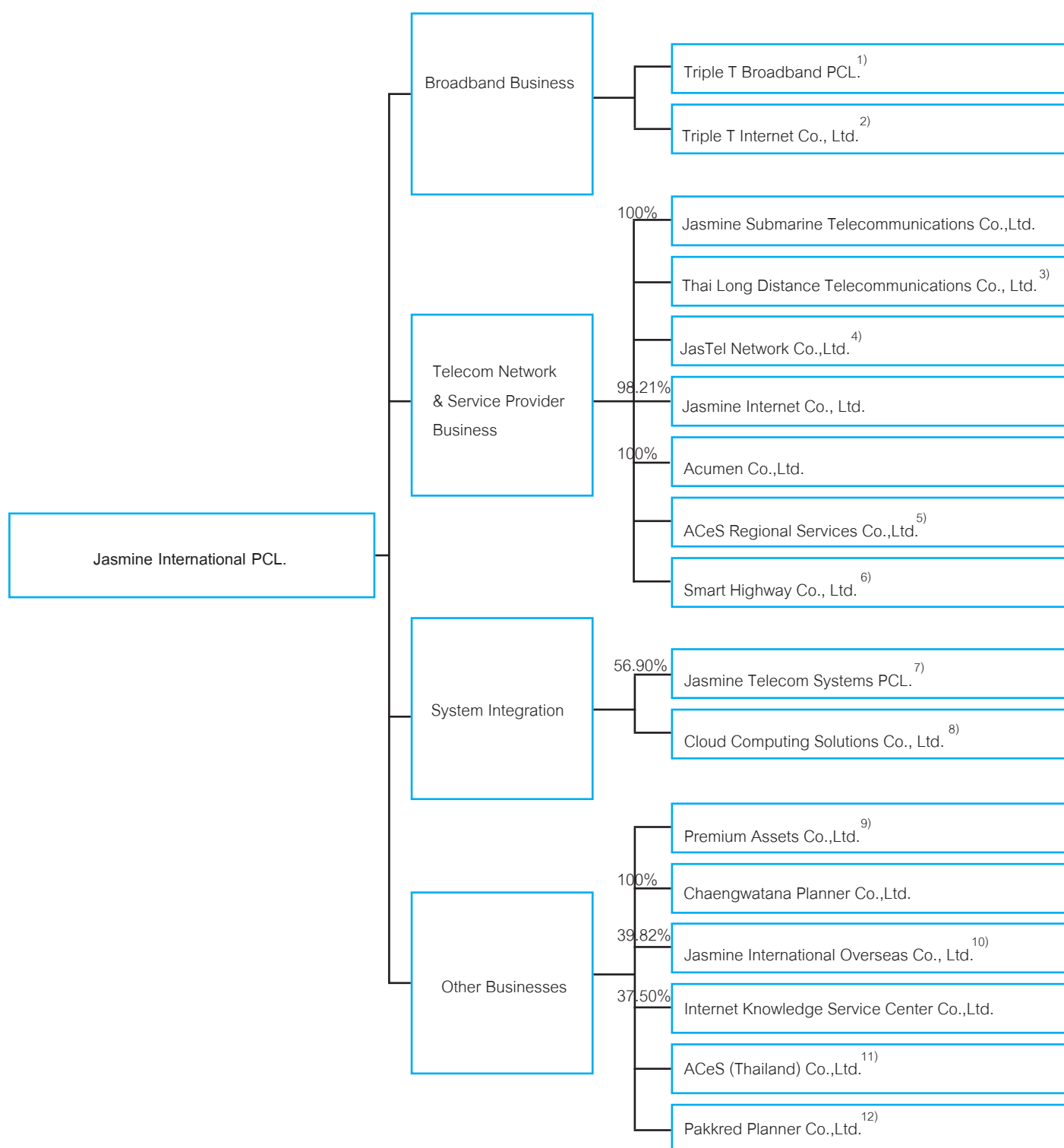
- **Chaengwattana Planner Company Limited**, is the rehabilitation plan administrator of Jasmine International PCL.

- **Jasmine International Overseas Company Limited**, is a holding company, investing in overseas businesses. (On July 26, 2007, the Central Bankruptcy Court ordered the termination of its rehabilitation proceedings.)

- **Internet Knowledge Service Center Company Limited**, is a holding company. The company and CAT Telecoms are co-shareholders of KSC Commercial Internet Co., Ltd.

- ACeS (Thailand) Company Limited, is a holding company.
- Pakkred Planner Company Limited, is the rehabilitation plan administrator of Jasmine International Overseas Co., Ltd.

Business Group Structure



Remarks : 1)	=	99.20% held by ACU
2)	=	99.93% held by TTTBB
3)	=	90% held by JSTC
4)	=	100% held by JSTC
5)	=	98.04% held by ACT (ACT is 58.84% held by JIOC and JIOC is 39.82% held by JAS)
6)	=	67.40% held by ACU
7)	=	56.90% held by JAS, 9.11% held by ARS and 8.54% held by TJP, making the total of 74.55%
8)	=	97.87% held by JTS
9)	=	53.85% held by ACU and 46.15% held by JSTC
10)	=	39.82% held by JAS, 34.18% held by ACT, and 26% held by ARS
11)	=	58.84% held by JIOC
12)	=	100% held by JIOC

3.2 Revenue Structure of the Company, Subsidiaries and Associated Companies

Unit : Million Baht

Product line/Business Group	Operated by	% of Shares Held by JAS	2010		2009		2008	
			Revenue	%	Revenue	%	Revenue	%
The Company and Subsidiaries								
Broadband Business	TTTBB	99.20% held by ACU	164.1	1.67	1,097.5	12.79	1,726.1	30.97
	TTTI	99.93% held by TTTBB	4,849.5	49.35	2,264.5	26.36	11.3	0.20
Total			5,013.6	51.02	3,362.0	39.15	1,737.4	31.17
Telecom Network & Service	JSTC	100.00	764.4	7.78	855.0	9.96	983.2	17.64
Provider Business	TLDT	90.00% held by JSTC	80.5	0.82	113.2	1.32	225.8	4.05
	JasTel	100.00% held by JSTC	391.4	3.98	456.3	5.31	362.5	6.50
	Ji-NET	98.21	524.3	5.34	542.8	6.32	502.3	9.01
	ACU	100.00	154.1	1.56	141.5	1.65	162.9	2.92
	ARS	98.04% held by ACT	135.0	1.37	141.9	1.65	186.0	3.34
	SHW	67.40% held by ACU	5.2	0.05	9.3	0.1	22.2	0.40
Total			2,054.9	20.91	2,260.0	26.31	2,444.9	43.86
System Integration	JTS	56.90% held by JAS,	2,522.4	25.67	2,580.9	30.05	990.3	17.77
		9.11% held by ARS and 8.54% held by TJP						
	CCS	97.87% held by JTS	83.5	0.85	164.2	1.91	161.6	2.90
Total			2,605.9	26.52	2,525.9	29.41	1,151.9	20.67
Other Businesses	JAS	-	18.9	0.19	18.3	0.21	(5.5)	(0.10)
	PA	53.85% held by ACU	124.9	1.27	137.6	1.61	159.0	2.85
		and 46.15% held by JSTC						
	TJP	80% held by JAS and 20% held by ACU	0.3	-	17.6	0.21	5.9	0.11
	MCS	70.00	0.6	-	0.1	0.01	1.9	0.03
	Others ¹⁾	-	7.4	0.07	266.1	3.10	78.5	1.41
Total			152.1	1.55	439.7	5.13	239.8	4.3
Grand Total			9,826.5	100.00	8,587.6	100.00	5,574.0	100.00
Associated Companies								
Other Businesses	IKSC ²⁾	37.50	26.1	100.00	101.5	100.00	11.9	100.00
	TKSC ²⁾	40.00	-	-	-	-	-	-
	PRE	49.00	-	-	-	-	-	-
Grand Total			26.1	100.00	101.5	100.00	11.9	100.00

Remarks : ¹⁾ Comprising Jasmine International Overseas Co., Ltd., Compunet Corporation Co., Ltd., Three BB Co., Ltd., ACeS (Thailand) Co., Ltd

²⁾ In 2009, the data was prepared by the management of this company itself

The Company and its subsidiaries have had no comparative proportion between the local and overseas distribution during 2008-2010.

Significant Changes in 2010 and Business Trends of Jasmine International Group in 2011

3.3 Significant Changes and Development in 2010

For the year 2010, businesses in Jasmine Group are still classified into four categories, with slight changes, to be in line with new business environment. The four new categories are: Broadband Business ; Telecom Network & Service Provider Business ; System Integration Business; and Other Businesses. The rationale behind the change is to speed up new products development in response to rapid change in technology. During the past year, there were significant developments in business as follows:

- TTTBB together with TTTL, which provide Broadband Internet service under the brand name “3BB”, has increased its speed to 6 Mbps nationwide at the same price. The company also has a product with speed up to 20 Mbps. In addition, it offers value-added services such as Internet Protocols TV-High Definition (IPTV-HD) with a play back capability, wireless Internet Access through WiFi hotspots, online storage, uploading and file-sharing with various storage capacities, all of which help promote Internet usage and add revenue to the company.
- JasTel received a 15-year Type 3 license, with leased and own network, from NBTC. The company provides international leased-circuit service, data communications service, IP-VPN, and managed network service via submarine optical fiber cable and copper cable networks for corporate customers.
- JasTel has expanded its high-speed leased-circuit network to Laos, Cambodia, and Myanmar to serve a jump in demands. It also expanded its international POP to Singapore to facilitate and better service the needs of its customers and business partners.
- Ji-NET added Internet security systems which included email security, firewall, intrusion protection system (IPS), and Internet logging system to its existing products.
- ACU, a shareholder of TTTBB, has injected another 250 million Baht to TTTBB to increase its registered capital to 1,250 million Baht. The capital was used to expand and improve stability of TTTBB's network to provide better service to its customers nationwide. ACU also increased the WiFi access points for TTTBB to 15,000 and will further increase the number to 50,000. ACU and TTTBB partnership in WiFi business benefits incomes of both companies. For ACU, its revenue from WiFi has risen significantly during the past year, and will be its main source of revenue in the future.

Business Trends of Jasmine International Group in 2011

Since business result of the past year has been good, the Company intends to expand on that for the Year 2011 by focusing on Broadband Internet business, high-speed wireless Internet, and high-speed international leased-circuit business. The Company aims to provide better, more convenient and faster customer service, increase its mass and corporate markets to more than 1,000,000 customers. For WiFi service, the Company will increase the number of access points to reach 50,000 in Bangkok and upcountry, which will raise the number of 3BB-WiFi users to up to 300,000 – 500,000 by year-end.

For high-speed international leased-circuit business, the Company will expand its international routes to link the northern part of Thailand to south of China, on top of its existing routes via Malaysia and Singapore. It will also build an eastern route to Vietnam in order to link up with other networks. The expansion will make the Company the hub for high-volume traffic from southern China via us to all Asian countries, with a 3-5 fold increase in traffic. The result will be a lower cost per link and high income for the companies involved. 3BB will also benefit from the lower cost of bandwidth.

Another important business of Jasmine Group is system integration, which provides turn-key solutions on both telecom networks and software to both government and private sectors. In the Year 2011, the Company will focus more on the private sector and move software development to the direction of cloud computing solutions, so that software service can be procured or rented to users. The more market for this type of service already exists, only that it is still new to the customers in Thai market.

Since customers are those who generate revenue for the company; therefore, during the past year, the Company worked hard to bring customer satisfaction to a good level. For this year, the Company will make an even greater effort to respond more quickly and provide more value added services to our customers. We will add more customers and retain them much longer.

The above-mentioned business trends in 2011 will increase revenues for both existing and new businesses of Jasmine Group.



"CSR" or Corporate Social Responsibility is a way through which a company integrates social and environmental concerns in their business operations and interactions with its stakeholders. It is one of the company's policies that Jasmine Group significantly places its concern upon, including the propelling development of the company's core businesses which have been growing expeditiously in the past years. By encouraging our employees to participate in a number of both internal and external CSR activities including a contribution to the charity organizations and social welfare activities (i.e. children and youth development program, religious fund-raising, public welfare activity, financial aid for the minority, environmental friendly projects, etc.); we strongly believe it will lead to a more sustainable development of the organization as well as creating greater social benefits to Thai society. Throughout the year 2010, Jasmine Group had an opportunity to help developing the social well-being through CSR activities in various fields as follows:

Social Development

Contribution to the "Love Actually" Sharing Little Project, a project that helps out the society by organizing a celebrity photo auction and selling postcards to raise funds for the following 4 foundations:

- **Chalerm Ratchagumari Foster Home** – home for the elders who are abandoned and handicapped
- **Baan Par Sum Ruay Foundation** – home for stray cats and dogs, where food and shelter are provided
- **Baan Kru Hor Mok Foundation** – home for orphans and children who are impoverished and abandoned, where shelter and education are provided
- **Sueb Nakasatien Foundation** – foundation that addresses on raising public awareness over the conservation of Thailand's natural resources and wildlife

During 2010, many provinces in Thailand were hit by widespread flooding that affected hundreds of thousands of people. Jasmine Group did not hesitate to extend its helping hand to the flood victims via the company's representatives in each regional branch.

Environment

In order to help raise public awareness over the environmental conservation as well as developing a mutual understanding and appreciation in the importance of conserving the environment for the society and nations, Jasmine Group has contributed to the environmental conservation through the following CSR activities:

- Construction of 17 embankments at Khao Yai Tar, Rayong province by employees of 3BB, a brand name of TripleT Broadband Public Company Limited, which help slow down the river flow and store water for the dry season.
- Construction of the embankment at Sangkhla Buri, Karnchanaburi province by Jasmine Group's employees, to help block water from flowing rapidly from the creek upstream, which in turn helps store the water and keep the plants survive. During the flooding season, the embankment also helps slow down the water flow and block the water sediment from falling into the river basin. This is one of the most effective ways to conserve water and soil.

Social Activities and Contribution



Education

Representatives of Jasmine Group organized a charity event for the society to receive donation of clothes, stationery and sport equipment and distributed those items to suffering children in many poverty-stricken areas of the country. These included students at Baan Ao Prao and Baan Khlong Chao schools in Koh Kood district, Trad province; Baan Non Ta Bhoon Foster Home for handicapped children; Nontaburi Foster Care for homeless people; and Baan Pak Kred Boys Foster Home.

For internal CSR activities, fully aware that its people is the most important of all resources, the company encourages, supports, and provides opportunity for its employees to develop and grow. Each year Jasmine Group offers a comprehensive program for training and seminar for its employees, both internally and off-sites. The program contains wide ranging topics, from technical to managerial and soft skills, to help develop and upgrade its employees to be equipped with modern knowledge and skill sets necessary to stay ahead of the field.

The company is determined to create and contribute to the well-being and prosperity of the society in a sustainable way in order to form a solid foundation of our nation.



Risk Factors

4. Risk Factors

The Risks Management Committee of Jasmine International PCL. has set up a policy and framework for an integrated risk management by emphasizing effective reinforcement and support risks management corporate wide. The Committee has evaluated, analyzed and followed up on internal and external risk factors, and has drawn measures to imitigate risk for the organization. Risk are classified into 5 main categories as follows:

4.1 Revenue

The ever-increasing demand for the Internet has prompted people from all walks of life to adapt and catch up with changes in the communications, which seems to shrink the world and transforms it into online social networks that enable exchanges of data, voice, pictures, videos, and opinions among individuals.

In light of that Jasmine Group has adjusted its business to keep pace with the changing environment and maintain good business results, by focusing on the following businesses.

- Broadband Business by TTTBB and TTTI. High-speed Internet network has been built to serve needs of customers nation wide.
- Telecom Network & Service Provider Business by
 - JSTC and TLDT, concession holders that built and provide submarine optical fiber cable network service to TOT. The two companies are allowed to generate extra revenue from the excess capacity on the cables.
 - Acumen, whose engineers have long experiences on satellite communications, Acumen also won many turn-key projects to provide mobile satellite communications systems to the Royal Thai Navy and The Royal Thai Armed Force Headquarters. Moreover, Acumen has partners with AIS, the largest mobile phone operator in Thailand, to provide WiFi service to its customers.
 - System Integration Business by JTS, whose expertise is in providing turn-key solutions for large projects. JTS is also a distributor of sophisticated communications test and measurement equipment, and security systems and solutions, whose customers are in both public and private sectors.
 - Other Businesses by PA, which is engaged in space rental and related service for Jasmine International Tower. PA will focus on improving the service and developing new products to attract new clientele.

4.2 Finance

Rising inflation, movement of funds by foreign investors, and global fund managers are factors that affect risk on foreign exchange, and interest rate as follows:

- Risk from fluctuation of foreign exchange rate, since the Company's revenue is in Thai Baht, but costs of equipment are paid in foreign currencies. The Company thus has a policy to manage risk by: closely monitoring factors that affect foreign currence exchange rates; using proper financial instruments; timing the purchase of forward contracts carefully; and maintaining an appropriate level of USD reserve to pay for foreign debts.

- Risk from fluctuation of interest rate which is on the uprise trend inline with the economy, which results in the increasing costs of capital. Therefore Jasmine Group manages this risk by: reserving enough cash to service interest according to the schedule; prudent financial management; and restructuring their funds by sourcing from both within Jasmine Group and from financial institutes.

4.3 Human Resources

Jasmine Group has always placed much importance to the development of its human resources by training them to have knowledge, skills, and right behaviors to perform their duties diligently, and to stay abreast of the rapidly changing world. The Company has a man-power plan that is in-line with needs from various projects. This plan includes movement of its workforce to create balance between people and workload, and the use of temporary contracted workers for short-term projects. The company has a comprehensive human resource development plan to upgrade knowledge, skills, and behaviors of its workforce to be inline with the business direction and needs of business units. The Company promotes their employees fairly on the basis of their performance and behaviors, rewards them on the basis of their duties and responsibilities, and provides compensation and benefits that are competitive with the industry.

4.4 Market and Competition

Competition in high-speed Internet business is still very strong thanks to NBCT's policy of issuing various types of licenses to promote competition and increase Internet users. In addition to that, the Ministry of Information and Communications Technology (ICT) has initiated a "National Broadband Policy" in 2553 which may have impact on market share. In response, the Company has built and expanded its high-speed Internet network to cover and serve customers needs for the entire nation. It also maintains its equipment and networks to be in good working conditions which helps it to maintain and gain market share. At the same time, the Company also forms business alliances with CAT, TOT, UIH and EGAT to utilize their networks to improve the quality, speed, and efficiency of its service.

4.5 Operations and Maintenance

To be the leader in providing Internet service, maintaing stability of it network is of utmost importance, since service failure will adversely affect confidence of users. To this end the Company has put in place a contingency plan to deal with emergency and problems on the network. It has set up a unit to constantly monitor and maintain network equipment on a regular basis, to repair any faults quickly, to ensure that there are no major or long disruptions to the service. The Company also maintains an appropriate number of spare parts, and prepare a back-up routes to the network to guarantee service continuity.

Shareholding Structure and Management

5. Shareholding Structure and Management

5.1 Shareholders

The ten largest shareholder of the Company as at the latest closing date for the Company's share register book (2 December 2010) are as follows (The total of 7,399,491,378 shares deducted by 155,240,000 treasury stocks has become 7,244,251,378 shares used for calculation):

Group of Shareholder*	Number of Shares	% of Total Shares
1. Bodharamik Group	1,844,696,870	25.46
2. Quam Securities Company Limited A/C Client	598,101,800	8.26
3. Mr. Bamrung Sri-ngan	230,095,000	3.18
4. Nomura Singapore Limited-Customer Segregated Account	203,083,200	2.80
5. Mr.Pracha Damrongsutthipong	125,769,400	1.74
6. Bangkok Bank PCL.	115,611,377	1.60
7. Mr.Jeeradej Jonwattanasilkul	111,990,000	1.55
8. Mr.Pramote Pasawong	102,872,800	1.42
9. Mr.Nais Jirawongprapa	88,000,000	1.21
10.Thai NVDR Co., Ltd.	70,221,470	0.97

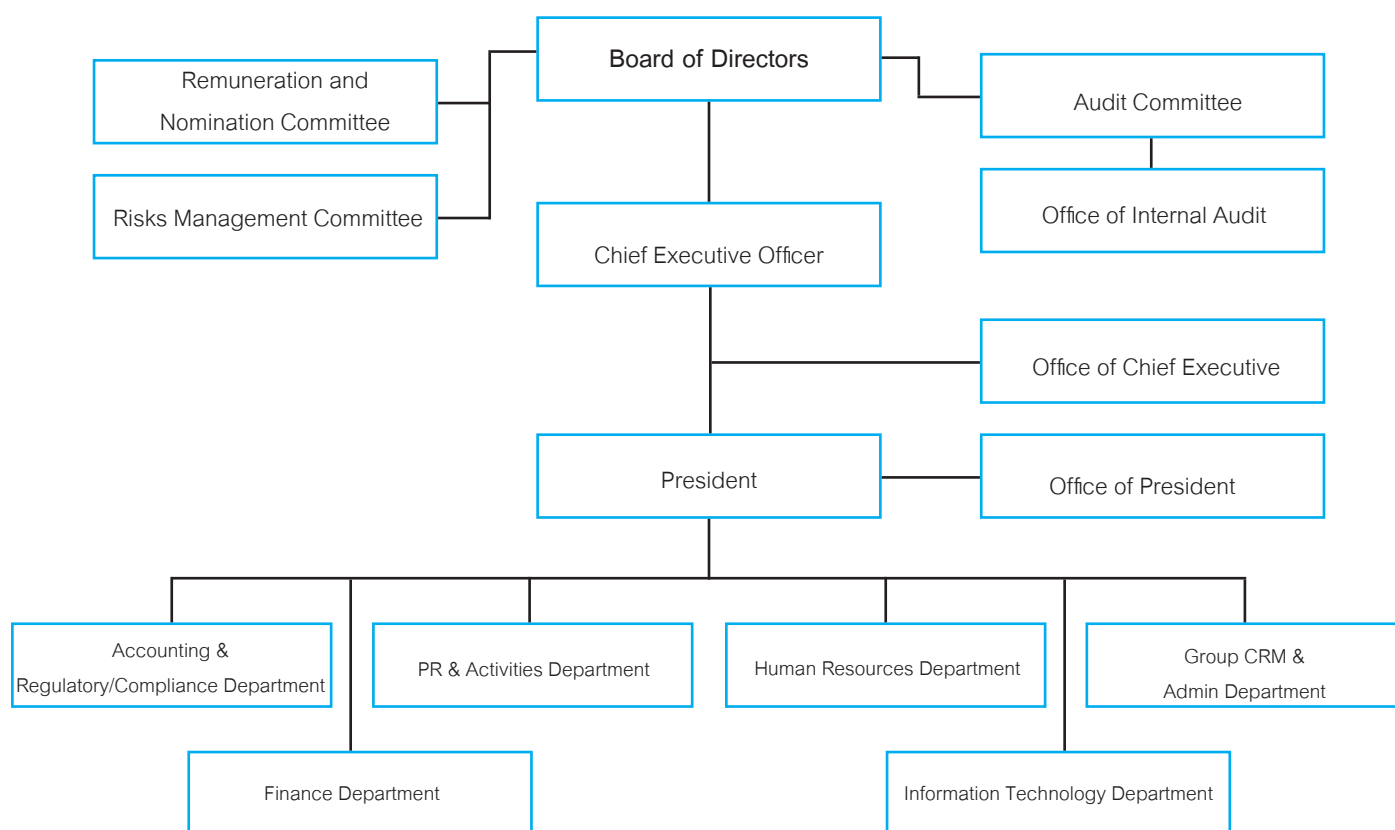
Remarks : * Information of major shareholders as group of persons and juristic persons

Bodharamik Group - Individual	% of Shareholding
- Mr. Pete Bodharamik	25.46
- Mr. Anupong Bodharamik	0.01

5.2 Management

(1) Management

JAS Organization chart as at 31 December 2010



Board of Directors of the Company



Dr. Vichit Yamboonruang

Independent Director and
Chairman of Audit Committee



Dr. Vorapol Socatiyanurak

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



Mr. Sudhitham Chirathivat

Independent Director and Chairman



Dr. Yodhin Anavil

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



Mr. Pete Bodharamik

Director, Chief Executive Officer
and President



Mr. Somboon Patcharasopak

Director, Member of Risks Management
Committee, and Member of Remuneration
and Nomination Committee



Mr. Subhoj Sunyabhisithkul

Director and Member of Risks Management
Committee



Mr. Terasak Jerauswapong

Director, Member of Risks Management
Committee



Mr. Pleumjai Sinarkorn

Director



Ms. Saijai Kitsin

Director, Executive Vice President,
Accounting & Regulatory/Compliance
Department, Secretary to the Board
of Directors and Corporate Secretary

Information of the Company's Directors, Executives or Authorized persons

Name	Position	Age (Years)	Education	Family Relationship With other Executives	JAS* Shareholding Ratio (%)	Work Experiences
1) Mr.Sudhitham Chirathivat	- Independent Director - Chairman	63	- MBA Operations Research Iona University, New York, U.S.A. - Thai Institute of Directors Association (IOD): Director Certification Program (DCP)	None	-	2010-Present - Chairman, Jasmine International PCL. 2006-Present - Vice Chairman and Executive Director, Robinson Department Store PCL. 2002-Present - Director and Executive Chairman, Central Group Co., Ltd. - Director and Executive Director, Central Plaza Hotel PCL, Central Pattana PCL., The Vintage Club Co., Ltd. - Executive Chairman, Earth Care Co., Ltd.
2) Dr.Vichit Yamboonruang	- Independent Director - Chairman of Audit Committee	69	- Ph.D. Public & International Affairs, University of Pittsburgh, Pennsylvania, U.S.A. - Thai Institute of Directors Association (IOD): Chartered Director Class (CDC) Audit Committee Program (ACP) The Role of Chairman Program (RCP) Director Certification Program (DCP) Director Accreditation Program (DAP)	None	0.001	2008-Present - Chairman and CEO, Thai Premier League Co., Ltd. 2006-Present - Independent Director and Member of Audit Committee, Wiik & Hoeglund PCL. 2004-Present - Independent Director and Chairman of Audit Committee, Rayong Purifier PCL. 2000-Present - Chairman, Global Bond Industrial Co., Ltd. 1999-Present - Independent Director and Chairman of Audit Committee, Jasmine International PCL.

Remarks: * JAS = Ordinary share. The total number of JAS used for calculation = 7,244,251,378 shares (Such number of shares was derived from the total of 7,399,491,378 shares deducted by 155,240,000 treasury stocks)

Name	Position	Age (Years)	Education	Family Relationship With other Executives	JAS* Shareholding Ratio (%)	Work Experiences
3) Dr. Vorapol Socratyanurak	- Independent Director - Member of Audit Committee - Chairman of Remuneration and Nomination Committee	55	- Ph.D. (Finance) The Wharton School, University of Pennsylvania, U.S.A. - Thai Institute of Directors Association (IOD) : - Monitoring the Quality of Financial Reporting Program (MFR) - Role of the Compensation Committee Program (RCC) - Chartered Director Class (CDC) - Audit Committee Program (ACP) - The Role of Chairman Program (RCP) - Director Certification Program (DCP) - Director Accreditation Program (DAP)	None	-	2008-Present - Chairman of Remuneration and Nomination Committee, Jasmine International PCL. - Independent Director and Member of Audit Committee, United Securities PCL. 2005 Present - Vice Chairman, National Economic and Social Advisory Council 2004-Present - Chairman of the Council of Trustees Bangkok Community College , Ministry of Education - Independent Director, United Securities PCL. 2001-Present - Chairman of Investment Advisory Board, Thai Red Cross Society 1999-Present - Independent Director and Member of Audit Committee, Jasmine International PCL. 2007-2008 - Chairman, C.I. Group PCL. 2004-2008 - Chairman, Audit Committee, C.I. Group PCL. 2004-2007 - Director, National Science and Technology Development Board
4) Dr. Yodhin Anavil	- Independent Director - Member of Audit Committee - Member of Remuneration and Nomination Committee	61	- Ph.D. Electric Engineer, University of Cincinnati, Ohio, U.S.A. - Thai Institute of Directors Association (IOD) : - Financial Statement Demystified for Directors (FDD) - Role of the Compensation Committee Program (RCC) - Chartered Director Class (CDC) - Audit Committee Program (ACP) - Director Certification Program (DCP) - Director Accreditation Program (DAP)	None	-	2009-Present - Expert of the Committee on Constitutional Organs Affairs and Following up the Budget Administration 2008-Present - Member of Remuneration and Nomination Committee, Jasmine International PCL. - Advisor and Vice Chairman, POP Network Co., Ltd. 2006-Present - Independent Director and Member of Audit Committee, Jasmine International PCL. 2006-2008 - Member of the National Legislative Assembly 2001-2007 - Executive Director, POP Network Co., Ltd. 2000-2006 - Director of Board, Department of Intellectual Property, Ministry of Commerce 1998-2006 - Executive Director, Chackawat Holding Co., Ltd. 1992-Present - Executive Director, The Vintage Club Co., Ltd.

Remarks: * JAS = Ordinary share. The total number of JAS used for calculation = 7,244,251,378 shares (Such number of shares was derived from the total of 7,399,491,378 shares deducted by 155,240,000 treasury stocks)

Information of the Company's Directors, Executives or Authorized persons

Name	Position	Age (Years)	Education	Family Relationship With other Executives	JAS* Shareholding Ratio (%)	Work Experiences
5) Mr. Pete Bodharamik	- Director** - Chief Executive Officer - President	38	- Bachelor in Science, Management, Science London School of Economics, England	None	25.46	2008-Present - Director, Chief Executive Officer and President, Jasmine International PCL. - Director, Jasmine International Group 2008-2010 - Director and Chairman, Jasmine Telecom Systems PCL. 2007-Present - Director, Triple T Internet Co., Ltd. 2006-Present - Director, Triple T Broadband PCL. 2001-Present - Director, TT&T PCL. 1998-2005 - Executive Director, Acumen Co., Ltd. 1997-Present - Chairman, Mono Generation Group
6) Mr. Somboon Patcharasopak	- Director** - Member of Remuneration and Nomination Committee - Member of Risks Management Committee	50	- M.B.A., Kasetsart University - Thai Institute of Directors Association (IOD) : Director Certification Program (DCP) Director Accreditation Program (DAP)	None	0.26	2008-Present - Member of Remuneration and Nomination Committee, Jasmine International PCL. - Executive, TT&T Group 2004-Present - Member of Risks Management Committee, Jasmine International PCL. 2002-Present - Director, Chaengwatana Planner Co., Ltd. 1982-Present - Executive, Jasmine International Group
7) Mr. Subhoj Sunyabhisithkul	- Director** - Member of Risks Management Committee	42	- Bachelor of Electrical Engineering, Chulalongkorn University - Thai Institute of Directors Association (IOD) : Director Certification Program (DCP)	None	-	2004-Present - Member of Risks Management Committee, Jasmine International PCL. 1988-Present - Executive, Jasmine International Group
8) Mr. Terasak Jerauswong	- Director** - Member of Risks Management Committee	49	- Bachelor of Electrical Engineering (Telecommunications), King Mongkut's Institute of Technology, Ladkrabang - Thai Institute of Directors Association (IOD) : Director Certification Program (DCP) Director Accreditation Program (DAP)	None	0.08	2004-Present - Member of Risks Management Committee, Jasmine International PCL. 1988-Present - Executive, Jasmine International Group

Remarks * JAS = Ordinary share. The total number of JAS used for calculation = 7,244,251,378 shares (Such number of shares was derived from the total of 7,399,491,378 shares deducted by 155,240,000 treasury stocks)

** Authorized Director

Name	Position	Age (Years)	Education	Family Relationship With other Executives	JAS* Shareholding Ratio (%)	Work Experiences
9) Ms. Saijai Klisin	- Director - Executive Vice President, Accounting & Regulatory/ Compliance Department - Secretary to the Board of Directors - Corporate Secretary	48	- MS. (Accounting), Chulalongkorn University - Thai Institute of Directors Association (IOD): Finance for Non-Finance Director (FND) Audit Committee Program (ACP) Director Certification Program (DCP) Director Accreditation Program (DAP)	None	0.03	2009 - Director, Triple T Global Net Co., Ltd. 2008-Present - Director, Executive Vice President, Corporate Secretary, Jasmine International PCL. 1992-Present - Executive, Jasmine International Group
10) Mr. Pleumjai Snarkorn	Director	77	- Bachelor of Science in Engineering, Rajmongkol Institute of Technology - Thai Institute of Directors Association (IOD) : Director Certification Program (DCP) Role of the Compensation Committee Program (RCC) DCP Refresher Course	None	-	2008-Present - Director, Jasmine International PCL. 2006-Present - Advisor, Thai Long Distance Telecommunications Co., Ltd. 2004-Present - Director, Executive Director, Jasmine Telecom Systems PCL. 1998-2006 - Advisor to Executive Committee, Jasmine International PCL. 1994-Present - Executive, TT&T Group
11) Ms. Nitt Visesphan	Vice President Finance Department	50	Bachelor of Arts, Chiangmai University	None	-	1994-Present - Executive, Jasmine International Group
12) Dr. Kamolrut Visithyothin	Vice President, Group CRM & Admin Department	49	Ph.D Biotechnology, University of Bath, United Kingdom	None	-	1995-Present - Executive, Jasmine International Group
13) Mr. Amnuay Pongsajaru	Vice President, IT Department	45	Master Degree, Computer Engineering, Kasetsart University	None	0.0002	1996-Present - Executive, Jasmine International Group
14) Ms. Sinenart Jongpakpaisal	Vice President, Accounting & Regulatory/Compliance Department	48	Master of Science Accounting, Thammasat University	None	-	1992-Present - Executive, Jasmine International Group
15) Ms. Uraiporn Charoenchit	Vice President, Accounting & Regulatory/Compliance Department	46	Bachelor of Arts, Thammasat University	None	-	1992-Present - Executive, Jasmine International Group

Remarks * JAS = Ordinary share. The total number of JAS used for calculation = 7,244,251,378 shares (Such number of shares was derived from the total of 7,399,491,378 shares deducted by 155,240,000 treasury stocks)

Shareholding of Directors and Executives

Name-Surname			Change in Number of Shares in 2010 Increase (Decrease)			Remaining Number of Shares at the end of 2010		
			Ordinary Share (Share)	Class 2 Warrant (Unit)		Ordinary Share (Share)	Class 2 Warrant (Unit)	
				Issue No. 9*	Issue No. 10*		Issue No. 9*	Issue No. 10*
1	Mr.Sudhitam	Chirathivat	-	-	-	-	-	-
2	Dr.Vichit	Yamboonnang	(1,143,300)	-	-	50,000	-	-
3	Dr.Vorapol	Socatiyanurak	-	-	-	-	-	-
4	Dr.Yodhin	Anavil	-	-	-	-	-	-
5	Mr.Pete	Bodharamik	362,190,400	-	-	1,844,046,870	-	-
6	Mr.Somboon	Patcharasopak	-	-	-	18,589,270	-	-
7	Mr.Subhoj	Sunyabhisithkul	-	(1,767,240)	(1,325,430)	-	-	-
8	Mr.Terasak	Jerauswapong	-	(718,390)	(538,790)	5,585,080	-	-
9	Ms.Saijai	Kitsin	-	-	-	2,074,790	-	-
10	Mr.Pleumjai	Sinarkorn	-	-	-	-	-	-
11	Ms.Nitt	Visesphan	-	-	-	-	-	-
12	Dr. Kamolrut	Visithyothin	-	-	-	-	-	-
13	Mr. Amnuay	Pongsajaru	(16,700)	-	-	13,300	-	-
14	Ms.Sinenart	Jongpakpaisal	-	-	-	-	-	-
15	Ms.Uraiporn	Charoenchit	-	-	-	-	-	-

Remarks : * Class 2 Warrant No.9 and No.10 expired on 10 April 2010.

2. Directors, Executives, and Authorized Persons of the Company who are also Directors, Executives, and Authorized Persons in Subsidiaries and Associates

Name of Executive	JAS	Subsidiary																Associates
		TTTBB	TTTI	JSTC	TLDT	JasTel	Ji-NET	ACU	ARS	SHW	JTS	CCS	PA	CP	JIOC	ACT	PP	
1. Mr.Sudhitham Chirathivat	C,I																	IKSC
2. Dr.Vichit Yamboonruang	CA,I																	
3. Dr.Vorapol Socratyanurak	AC,I,CRN																	
4. Dr.Yodhin Anavil	AC,I,RN																	
5. Mr.Soomboon Patcharasopak	A,RM,RN			A	A	A	A	A,P	A	D			A	A	A			A
6. Mr. Subhoj Sunyabhisithkul	A,RM	A,P	A	A	A	A	A	A	A					A	A			
7. Mr.Terasak Jerauswapong	A,RM			A,P	A	A		A	A	A			A	A	A	A		A
8. Mr.Pete Bodharamik	A,P,CEO	A	A	A	A	A,P	A	A	A	A			A					
9. Mr. Saijai Kitsin	D,EVP	A	A	A	A	A												
10. Mr. Pleumjai Sinakorn	D										A,E	A						
11. Mr.Pisit Tantirodjanakitjakarn	RM	E	E				D											

Remarks :

A = Authorized Director

CA = Chairman of Audit Committee

D = Director

I = Independent Director

RM = Risks Management Committee

AC

= Member of Audit Committee

CE = Chairman of Executive Committee

E = Executive Director

P = President

RN = Remuneration and Nomination Committee

C

= Chairman

CEO = Chief Executive Officer

EVP = Executive Vice President

VC = Vice Chairman

CRN = Chairman of Remuneration and Nomination Committee

Details of Directors in the Subsidiaries and Associate / Affiliate

Name of Executive	Subsidiary															Associate/Affiliate	
	TTTTBB	TTTTI	JSTC	TLDT	JasTel	Ji-NET	ACU	ARS	SHW	JTS	CCS	PA	CP	JIOC	ACT		PP
1. Ms. Nonglug Pongsrihadulchai	A	A								A	A						IKSC
2. Ms. Chongrak Rojanavipat	A																
3. Mr. Vasu Prasannate	A																
4. Mr.Anupong Bodharamik	A																
5. Mr.Prayoon Ampapun				D													
6. Mr.Kittipong Mekvichitsaeng									A								
7. Mr.Varin Chayanun									A								
8. Mr. Arporn Kengpol										D,CA,I							
9. Mr. Monton Sudprasert										D,AC,I							
10. Mr. Annop Suthakavatin										D,AC,I							
11. Dr. Kriengsak Chalermtiragool										A, P	A						
12. Ms.Nitt Visesphan										A	A						
13. Ms.Pindao Rojanakul											A		A				
14. Ms.Busakorn Jongsaksawat										E							
15. Ms.Oranuch Chandhasin													A				
16. Ms.Saowanit Thanomsuwan																A	
17. Ms.Lalana Tharasuk																A	
18. Ms.Surparsorn Rungrojwutikul																	A
19. Mr. Taj Bussadeegarn																	A
20. Mr.Aroon Tatsanachantatane																	A
21. Mr. Paisit Vatanapaqorn																	A

Remarks :

A = Authorized Director
 CE = Chairman of Executive Committee
 EVP = Executive Vice President
 RM = Risks Management Committee
 AC = Member of Audit Committee
 CEO = Chief Executive Officer
 I = Independent Director
 RN = Remuneration and Nomination Committee
 C = Chairman
 D = Director
 P = President
 CRN = Chairman of Remuneration and Nomination Committee
 CA = Chairman of Audit Committee
 E = Executive Director
 VC = Vice Chairman

Board of Directors' Shareholding in the Subsidiary and Associated Companies

Name of Company	Name of Director		Type of Share	Number of Shares as at 31 December 2010
Jasmine Submarine Telecommunications Co., Ltd.	Mr. Somboon	Patcharasopak	Ordinary	1
	Ms. Saijai	Kitsin	Ordinary	1
Thai Long Distance Telecommunications Co., Ltd.	Mr. Somboon	Patcharasopak	Ordinary	1
	Mr. Terasak	Jerauswapong	Ordinary	1
	Ms. Saijai	Kitsin	Ordinary	1
JasTel Network Co., Ltd.	Mr. Somboon	Patcharasopak	Ordinary	1
	Mr. Subhoj	Sunyabhisithkul	Ordinary	1
	Mr. Terasak	Jerauswapong	Ordinary	3
	Ms. Saijai	Kitsin	Ordinary	1
Acumen Co., Ltd.	Mr. Somboon	Patcharasopak	Ordinary	1
	Ms. Saijai	Kitsin	Ordinary	2
ACeS Regional Services Co., Ltd.	Mr. Somboon	Patcharasopak	Ordinary	1
Smart Highway Co., Ltd.	Mr. Somboon	Patcharasopak	Ordinary	1
	Mr. Subhoj	Sunyabhisithkul	Ordinary	1
	Mr. Terasak	Jerauswapong	Ordinary	3
Jasmine Telecom Systems PCL.*	Mr. Somboon	Patcharasopak	Ordinary	150,400
	Mr. Subhoj	Sunyabhisithkul	Ordinary	100
	Mr. Terasak	Jerauswapong	Ordinary	150,000
	Ms. Saijai	Kitsin	Ordinary	400
	Mr. Pleumjai	Sinarkorn	Ordinary	150,000
			ESOP Warrant	600,000
Cloud Computing Solutions Co., Ltd.	Ms. Saijai	Kitsin	Ordinary	3
Premium Assets Co., Ltd.	Mr. Terasak	Jerauswapong	Ordinary	3
ACeS (Thailand) Co., Ltd.	Mr. Somboon	Patcharasopak	Ordinary	1
T.J.P. Engineering Co., Ltd.	Mr. Somboon	Patcharasopak	Ordinary	1
	Mr. Subhoj	Sunyabhisithkul	Ordinary	1
	Mr. Terasak	Jerauswapong	Ordinary	2
Jasmine Smart Shop Co., Ltd.	Mr. Somboon	Patcharasopak	Ordinary	1
Mobile Communication Services Co., Ltd.	Mr. Somboon	Patcharasopak	Ordinary	1
	Mr. Subhoj	Sunyabhisithkul	Ordinary	1
	Mr. Terasak	Jerauswapong	Ordinary	3
3BB Co., Ltd.	Mr. Somboon	Patcharasopak	Ordinary	1
	Mr. Subhoj	Sunyabhisithkul	Ordinary	1
	Mr. Terasak	Jerauswapong	Ordinary	2
Compunet Corporation Co., Ltd.	Mr. Somboon	Patcharasopak	Ordinary	1
	Ms. Saijai	Kitsin	Ordinary	2

Remarks : * Shareholding as at 1 November 2010 -- the closing date of share register book

(1.1) The Company's director structure comprises 4 sets of committee, namely the Board of Directors, the Audit Committee, the Remuneration and Nomination Committee, and the Risks Management Committee.

(1.2) The names and the scope of authority and duties of each committee are as follows:

1) **Board of Directors**

The Company's Board of Directors as at 31 December 2010 consists of the following 10 directors:

- | | | | |
|-----|---------------|-----------------|---|
| 1. | Mr. Sudhitham | Chirathivat | Independent Director and Chairman of the Company * |
| 2. | Dr. Vichit | Yamboonruang | Independent Director |
| 3. | Dr. Vorapol | Socatiyanurak | Independent Director |
| 4. | Dr.Yodhin | Anavil | Independent Director |
| 5. | Mr. Pete | Bodharamik | Director ** |
| 6. | Mr. Somboon | Patcharasopak | Director ** |
| 7. | Mr. Subhoj | Sunyabhisithkul | Director ** |
| 8. | Mr. Terasak | Jerauswapong | Director ** |
| 9. | Mr. Pleumjai | Sinarkorn | Director |
| 10. | Ms. Saijai | Kitsin | Director , Secretary to the Board of Directors, and Corporate Secretary |

Remarks : * Being Company Director on 3 February 2010

**Authorized director

Authority and Duties of the Board of Directors

1. All directors shall perform their duties in compliance with the laws, Objectives and Articles of Association of the Company as well as resolutions of the Company's shareholders' meetings.
2. All directors are prohibited from engaging in any business, being a partner, or director in any entity which is in a similar business and in competition with the business of the Company, unless such directors receive a prior consent from the Board of Directors in a Board of Director's meeting.
3. All directors shall inform the Company without delay of their interests in any contract which the Company has entered or is about to enter into, or when their shares or debentures in the Company or its affiliates increase or decrease.
4. A Board of Directors' meeting shall be held at least once every 3 months.
5. The directors who are authorized to bind the Company in any transaction are either the chairperson or other two directors together, who would sign and affix thereto with the Company's seal.
6. The Board of Directors is empowered to designate the director(s) to bind the Company by signing his/her (their) name(s) and affixing the Company's seal.

2) **Audit Committee**

The Company's Audit Committee as at 31 December 2010 consists of the following 3 members:

- | | | | |
|----|-------------|---------------|--|
| 1. | Dr. Vichit | Yamboonruang | Chairman of Audit Committee |
| 2. | Dr. Vorapol | Socatiyanurak | Member of Audit Committee (Well-versed and experienced in auditing financial statements) |
| 3. | Dr.Yodhin | Anavil | Member of Audit Committee |

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

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

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

The Audit Committee has a 3-year term in office. In case of vacancy for any reason other than at the expiry of his/her 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/her office only for the remaining term of the office of the Audit Committee member whom he/she replaces.

3) Remuneration and Nomination Committee

The Company's Remuneration and Nomination Committee as at 31 December 2010 consists of the following 3 directors:

- | | | | |
|----|-------------|---------------|---|
| 1. | Dr. Vorapol | Socatiyanurak | Chairman of Remuneration and Nomination Committee |
| 2. | Dr. Yodhin | Anavil | Member of Remuneration and Nomination Committee |
| 3. | Mr. Somboon | Patcharasopak | Member and Secretary of Remuneration and Nomination Committee |

Scope of Duties and Responsibilities of Remuneration and Nomination Committee

Remuneration

1. To set up remuneration policy for the Board of Directors and other committees of the Company, including Chief Executive Officer and President appointed by the Board of Directors
2. To determine remuneration and other benefits for the Board of Directors and other committees of the Company, including Chief Executive Officer and President appointed by the Board of Directors and propose the remuneration and other benefits to the Board of Directors for further consideration
3. To allocate securities offered by the Company in any securities offering project to the Company's directors and staff with respect to terms and conditions related to such securities offering (if any).

Nomination

1. To set up the selection criteria and qualifications of a person who shall assume the position of director, member of other committees, Chief Executive Officer and President of the Company
2. To select, consider, and nominate a person who possesses the qualifications suitable for assuming the position of director, member of other committees, Chief Executive Officer and President of the Company and propose to the Board of Directors for further consideration

The Remuneration and Nomination Committee shall directly report to the Board of Directors. The Chairman and each member of the Remuneration and Nomination Committee have a 3-year term in office. The Chairman and each member of the Remuneration and Nomination Committee who retire by rotation are eligible for re-election.

Whereby, the approval for the authority of the Remuneration and Nomination Committee does not include the power to approve any transaction in which the Remuneration and Nomination Committee or any person, who are related to them, have an interest or conflict of interest in any other way with the Company as per the regulations set forth by the Stock Exchange of Thailand. However, provided that such a case occurs, it must be proposed to the Board of Directors' meeting and / or the shareholders' meeting for approval, according to the Company Articles of Association.

4) Risks Management Committee

The Company's Risks Management Committee as at 31 December 2010 consists of the following 5 directors:

- | | | | |
|----|-------------|-----------------------|--|
| 1. | Mr. Somboon | Patcharasopak | Member of Risks Management Committee |
| 2. | Mr. Subhoj | Sunyabhisithkul | Member of Risks Management Committee |
| 3. | Mr. Terasak | Jerauswapon | Member of Risks Management Committee |
| 4. | Mr. Pisit | Tantirodjanakitjakarn | Member of Risks Management Committee |
| 5. | Mr. Thana | Khaosaard | Member and Secretary of Risks Management Committee |

Authority and duties of Risks Management Committee

1. To set up risk management framework and policy
2. To draw up risk management strategies, execute the risk management and promote it to success in the entire organization with emphasis on risk awareness increase
3. To verify, follow up and evaluate the risk management plan to mitigate risks to an appropriate level
4. To regularly report the Board of Directors of the Company any matter that needs improvement to be in compliance with the set forth rules and regulations

Chief Executive Officer - Mr. Pete Bodharamik

Management: The Company's management as at 31 December 2010 consists of the following 6 executives:

- | | | | |
|----|--------------|---------------|---|
| 1. | Ms. Saijai | Kitsin | Executive Vice President, Accounting & Regulatory/Compliance Department |
| 2. | Ms. Nitt | Visesphan | Vice President, Finance Department |
| 3. | Ms. Sinenart | Jongpakpaisal | Vice President, Accounting & Regulatory / Compliance Department |
| 4. | Dr. Kamolrut | Visithyothin | Vice President, Group CRM & Admin Department |
| 5. | Mr. Amnuay | Pongsajaru | Vice President, IT Department |
| 6. | Ms. Uraiporn | Charoenchit | Vice President, Accounting & Regulatory / Compliance Department |

Authority and Duties of Chief Executive Officer

Chief Executive Officer controls, supervises, follows up the operations of the President and the Management team, and concurs and adjusts the Company business plan in compliance with the existent business status. Chief Executive Officer is authorized to approve the normal business transaction of not exceeding Baht 30 million value for the interests of the business management and operations of the Company so as to ensure that the objectives of the policies and business plan determined by the Board of Directors shall be accomplished.

Whereby, the approval for such business transaction does not include the transaction in which Chief Executive Officer or any person, who may have conflict of interest as per definition set forth in the Notifications of the Securities and Exchange Commission and/or the Stock Exchange of Thailand, has an interest in any other way with the Company or its subsidiaries.

Authority and Duties of President

President manages, administers, and implements the normal functions of the Company in such a way as to further the interests of the Company. The President's scope of authority and duties are determined by the Board of Directors, as follows:

1. President is to supervise, administer, and implement the normal functions of the Company in such a way as to further his interests in accordance with the Company's Objectives and Articles of Association as well as the rules, resolutions, policies, plans, and budgets authorized by the Board of Directors under all relevant laws, and the scope of authority determined by the Board of Directors.
2. President has the authority to approve the transactions in which the Company is borrowing, lending, guaranteeing, purchasing, providing or hiring services, or performing other normal activities of the Company involving sums of not more than Baht 10 million. To this purpose, President may assign or delegate his authority to any individual as his attorney or substitute to act or perform any specific transactions in accordance with the designated authority.

The above-mentioned authority does not include the transaction in which the President or any persons who may have conflict of interest, as per definition set forth in the Notifications of the Securities and Exchange Commission and/or the Stock Exchange of Thailand, have an interest or conflict of interest in any other way with the Company or its subsidiaries.

(1.3) Definition of Independent Director

Independent director is a non-executive director who does not involve in the day-to-day management. Nor is he a major shareholder of the Company. Each Independent Director must possess the following qualifications:

1. Holding no more than 1% of all the shares having the right to vote in the company, holding company, subsidiary, associated company, a major shareholder or any person having controlling authority¹⁾ in the company, including the shares held by the persons who are related to him
2. Not assuming, both at present and in the past of at least 2 years prior to the appointment date, the position of executive director, employee, staff or advisor receiving regular salary or having controlling authority in the company, holding company, subsidiary, associated company, subsidiary of the same level or a major shareholder or any person having controlling authority in the company; this condition does not include an Independent Director who used to be a government officer or advisor to any official sector²⁾ who is a major shareholder or a person having the controlling authority in the company
3. Not having the relationship by blood line or legal registration as parents, spouses, brothers, sisters, children, including as spouses of children, executives, major shareholders, authorized persons or persons nominated as executives or authorized persons of the company or the subsidiary
4. Not having, both at present and in the past of at least 2 years prior to the appointment date, any business relationship with the company, holding company, subsidiary, associated company, a major shareholder or any person having controlling authority in the company in the manner that may hinder his own freedom of judgment in addition to not being both in the past and at present, a significant shareholder, or a person with controlling authority of any person having business relationship with the company, holding company, subsidiary, associated company, a major shareholder or any person having controlling authority in the company

The above mentioned business relationship includes normal business transaction, rental or lease of immovable property, the transaction relating to assets or services as well as the offer or the receipt of financial aids by way of borrowing or loan, guarantee, collateral loan and other transactions of similar manner which may cause debt burden between the company and the party to agreement from the amount of 3 per cent of net tangible assets of the company or Baht 20,000,000 up, whichever is lower.

Mutatis mutandis, in calculating such debt, the method of calculating the value of related transactions stated in the announcement of Capital Market Supervisory Board regulations on the execution of related transaction should be applied. Any debt burden occurring during the period of one year prior to the date of the business relationship with the same person must be included when considering such debt burden.

5. Not being, both at present and in the past of at least 2 years prior to the appointment date, an auditor of the company, holding company, subsidiary, associated company, a major shareholder or a person having controlling authority in the company as well as not being a significant shareholder and a person having controlling authority, or a partner of the audit firm in which the auditors of the company, holding company, subsidiary, associated company, a major shareholder or a person having controlling authority are working for
6. Not being, both at present and in the past of at least 2 years prior to the appointment date, a provider of any occupational services inclusive of legal and financial advising service offering, obtaining the service charge of over Baht 2,000,000 per annum from the company, holding company, subsidiary, associated company, a major shareholder or a person having controlling authority in the company in addition to not being a significant shareholder, a person with controlling authority or a partner of any occupational service provider.
7. Not being a director appointed to be the representative of the company's directors, major shareholders or shareholders who are related to the major shareholders
8. Not operating any business that is of the same nature as or that significantly competes with the business of the company or subsidiary as well as not being a significant partner in a limited company, an executive director, employee, staff, advisor receiving regular salary or a person holding over 1% of the total number of shares with voting rights of other companies which operate the same type of business and which significantly competes with the company's and the subsidiary's business operation
9. Possessing no other traits which impede the ability to independently give opinions on the Company's operation

Remarks : ¹⁾A person having controlling authority refers to a shareholder or any person who by action is significantly influential to management policy set-up or business operation of the company whether or not such influence is derived due to his / her status as a shareholder or as a representative by contract or by other transactions; such a person having controlling authority is, in particular, a person who falls into one of the following criteria :
(A) Holding over 25% of shares, (B) Having the mandate to control the appointment / removal of directors,
(C) Having the mandate to control a person in charge of policy set-up (D) Having power / responsibility for business operation as an executive

²⁾Official sector refers to a central official unit, according to the Law on Administration of State Affairs

Procedure of Selecting an Independent Director

The selection of an independent director ,whose qualifications have been set up by the Company as stated above, like the selection of a Company's director and a member of any other committee, begins with the Board of Directors assigning the Remuneration and Nomination Committee to consider experts whose qualifications meet the criteria of the Company and who possess knowledge, basics and expertise from various professions, in addition to having leadership, morals, ethics and an ability to freely express his/her opinions. Then, the best of such experts is selected and nominated to the Board of Directors which shall consider this matter with the Remuneration and Nomination Committee for further selecting that person for the position of independent director, director, or member of a committee of the Company.

(1.4) In 2010, 8 Board of Directors' meetings were held and the detail of each Director's attention to all the meetings is as follows:

Director's Name		Number of Attention / Total Number of the Meetings
1. Mr.Sudhitham	Chirathivat	7/8
2. Dr. Vichit	Yamboonruang	8/8
3. Dr. Vorapol	Socatiyanurak	8/8
4. Dr. Yodhin	Anavil	8/8
5. Mr. Pete	Bodharamik	8/8
6. Mr. Somboon	Patcharasopak	8/8
7. Mr. Subhoj	Sunyabhisithkul	7/8
8. Mr. Terasak	Jerauswapong	8/8
9. Ms. Saijai	Kitsin	8/8
10. Mr. Pleumjai	Sinarkorn	7/8

Remarks : * Being Company Director on 3 February 2010

(2) Recruitment of Directors and Executives

The selection of a person to the position of the Company's director must initially pass the consideration of the Remuneration and Nomination Committee. Then, the Company's Board of Directors shall consider this matter prior to proposing it to the shareholders' meeting for approval. The constitution of the Board of Directors, including the appointment, removal or vacation from the office of the directors have been set forth in the Articles of Association of the Company as summarized below :

1. The Company shall have a Board of Directors comprising at least 5 individuals and not less than half of the total number of directors must have their residence in the Kingdom of Thailand.
2. The shareholders shall appoint the directors, at the shareholders' meeting, in accordance with the following rules and procedures:
 - 1) Each shareholder shall have one vote per share.
 - 2) Each shareholder may cast his/her vote(s) as per calculated in 1) for one or any number of the candidates, one by one. However, the vote(s) shall not be distributed or divided among the candidates.
 - 3) The candidates receiving the highest number of votes in the respective order of the votes shall be elected at such time. In the event that a number of candidates receiving an equal number of votes for the last directorship exceeds the number of directors the Company required or to be elected at such time, the Chairman of the meeting shall have a second or casting vote.
3. A director who wishes to resign from office shall submit his/her resignation letter to the Company. The resignation shall be effective from the date the resignation letter reaches the Company.
4. If a directorship becomes vacant for any reason other than by rotation, the Board of Directors shall elect a person, who is qualified and has no prohibited characteristics according to Section 68 of the Public Limited Company Act B.E.2535, as director to fill the vacancy at the subsequent Board of Directors' meeting, unless the remaining term of the director is less than 2 months. The director who fills the vacancy shall retain his/her office only for the remaining term of the office of the director whom he replaces.

The resolution of the Board of Directors under the first paragraph shall consist of not less than three-fourth of the votes of the remaining directors.

5. At every annual general meeting, one-third of the directors who has the longest term in office shall retire. If the number of directors is not a multiple of three, then the number nearest to one-third shall retire from office. The retired director shall be eligible for re-election.
6. The shareholders' meeting may adopt a resolution to remove any director from office prior to the end of his term by a vote of not less than three-fourth of the number of the shareholders who attend the meeting and have the right to vote and by an aggregate of not less than half of the number of shares which are held by the shareholders who attend the meeting and have the right to vote.

(3) Remuneration for Management

(3.1) Cash Remuneration

1) Remuneration for Board of Directors of the Company and Major Subsidiaries

1.1) Jasmine International PCL.

- Chairman	received the remuneration of	Baht 60,000 per month
- Each Independent Director	received the remuneration of	Baht 40,000 per month.
- Chairman of Audit Committee	received the remuneration of	Baht 10,000 per month.
- Audit Committee	received the remuneration of	Baht 20,000 per month.
- Chairman of Remuneration and Nomination Committee	received the remuneration of	Baht 10,000 per month.
- Each member of Remuneration and Nomination Committee	received the remuneration of	Baht 5,000 per month.
- Each Executive Director	received the remuneration of	Baht 20,000 per month.*
- Five Board of Directors, each	received the incentive fee of	Baht 200,000*
- Four Board of Directors, each	received the incentive fee of	Baht 350,000*

Remarks : Mr. Pete Bodharamik shall not receive any remuneration and incentive fee as a director.

1.2) Jasmine Submarine Telecommunications Co., Ltd.

- Executive Directors did not receive the remuneration.

1.3) Acumen Co., Ltd.

- Executive Directors did not receive the remuneration.

2) Remuneration for Executive Directors and Management of the Company and its Major Subsidiaries

The Company and Subsidiary	Persons	Year 2010 (Baht)	Remuneration Details
1. Jasmine International PCL.	7	11,838,673	Salary and bonus
2. Jasmine Submarine Telecommunications Co., Ltd.	7	13,663,341	Salary and bonus
3. Acumen Co., Ltd.	6	11,318,821	Salary and bonus
Total	20	36,820,835	

The details of remuneration paid in cash to the Company's Plan Administrator and Audit Committee during the year 2010 is as follows:

- The total remuneration of the 3 Audit Committee members in 2010 was Baht 840,000. This is shown in the Subsection (3) Clause 1.1

(3.2) Other Forms of Remuneration

1) The Company had issued Rights Warrants for the subscription of common shares of the Company and offered to the Directors and employees of the Company and subsidiaries (ESOP). The total amount of 18,375,706 units, classified as the following:

-Class 1 Warrants (ESOP)	total	11,749,574	Units
Exercise Price*		10.00	Baht
Final Exercise Date		15 March 2008	
-Class 2 Warrants (ESOP)	total	5,426,132	Units
Exercise Price*		15.00 - 29.28	Baht
Final Exercise Date		15 March 2010	
-Class 3 Warrants (ESOP)	total	1,200,000	Units
Exercise Price*		15.00	Baht
Final Exercise Date		15 March 2007	

Remarks: * The ESOP exercise prices were adjusted as per details in the Remarks of 7.1 Clause 3), Warrants in the 56-1 Form.

As at 10 April 2007, the un-subscribed ESOP of 29,396,238 units expired as detailed below:

- Class 1 ESOP, Issue No. 2:	12,985,008	units
- Class 2 ESOP, Issue No. 3:	4,994,620	units
- Class 2 ESOP, Issue No. 4:	6,926,660	units
- Class 3 ESOP, Issue No. 2:	4,489,950	units

As at 10 April 2008, the un-subscribed ESOP of 35,051,510 units expired as detailed below:

- Class 1 ESOP, Issue No. 3:	18,965,130	units
- Class 2 ESOP, Issue No. 5:	9,159,720	units
- Class 2 ESOP, Issue No. 6:	6,926,660	units

As at 10 April 2009, the un-subscribed ESOP of 16,086,380 units expired as detailed below:

- Class 2 ESOP, Issue No. 7:	9,159,720	units
- Class 2 ESOP, Issue No. 8:	6,926,660	units

As at 10 April 2010, the un-subscribed ESOP of 16,242,060 units expired as detailed below:

- Class 2 ESOP, Issue No. 9:	9,315,370	units
- Class 2 ESOP, Issue No. 10:	6,926,690	units

Since various types of ESOP as mentioned above already expired and no ESOP holders exercised their conversion right, the shareholders' meeting has passed a resolution to decrease the registered capital by writing off the ordinary shares issued as a reserve for the conversion right exercise of ESOP. The Company has completed registering the amendment to paid-up capital at the Department of Business Development, Ministry of Commerce Thailand, on 12 May 2010.

2) The Company established a provident fund to serve as a welfare and security for its employees upon employment termination, physical deformity, retirement, death or resignation from the fund. The fund, namely Registered Provident Fund of Jasmine Group, consists of the employees contribution amounting to 3% of their basic salary (or higher as designated by each employee, but not exceeding the Company contribution rate) and the Company contribution based on each employee's year of service.

3) The Company applied for 2 types of Rajapruek Club membership for the directors, namely the Sports Ordinary Membership (15 years) and the Corporate Ordinary Term Membership (for golf course of 5-year period).

(4) Corporate Governance Policy

The Company's Board of Directors is entitled to set up Corporate Governance Policy which encompasses 5 major principles to be in line with the guideline of the Stock Exchange of Thailand, the details of which are as follows:

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 purchase or transfer the securities they hold, the right to receive the Company's sharing profits, the right to adequately access the Company's information, the right to attend the shareholders' meeting wherein they can express their opinions and vote on resolutions on the Company's significant matters ;for instances, dividend payment, appointment or dismissal of a director, appointment of the external auditors, approval of any crucial transaction which might affect the directions of the Company's operation, the amendment on Memo of Association or Articles of Association and so on.

Moreover, to support and facilitate the shareholders in exercising their rights, the Company manages to arrange the Shareholders' Annual General Meeting within the first 4 months of the Company's fiscal year. As for the so called "Extraordinary Shareholders' Meeting", each will be called for only when it is deemed appropriate.

Invitation letters together with the meeting agenda and related documents with adequate fact(s), reason(s) and opinion(s) of the Board of Directors will be distributed for the shareholders to consider 7 or 14 days prior to the meeting date, depending on the subjects. The Company also advertises the Meeting notice in the press 3 days consecutively before the date of meeting.

Provided that a shareholder is unable to attend the meeting in person, the Company allows him/her to assign an independent director or any person to attend and vote on his/her behalf. To this regard, the shareholder as the Proxy Grantor must inform the Company in writing by filling in one of the proxy forms attached with the meeting invitation letter or downloaded from the Company's website.

During the meeting, the Company provides equal opportunities for the shareholders to make enquiries or to express their views. Therein, all the Company's directors and relevant management are present to be acknowledged of the shareholders' opinions as well as to answer the questions raised. Every question-and-answer issue and all the significant opinions are recorded in the minutes of meeting to facilitate the shareholders' scrutiny.

Such minutes, written after the meeting date, presents the complete and accurate information which is examinable.

2. The Equitable Treatment of Shareholders

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

Voting process is transparent with regard to the order of agenda items. During the meeting, the shareholders are entitled to cast the vote to express their agreement or disagreement or even to abstain from voting on such issues as related transactions, acquisition or disposition 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 set up a measure to prevent the improper "Insider Trading" by relevant persons who are directors, executives, and staff working in the department related to the inside information (including their spouses and minors). According to the measure, such relevant persons are not allowed to trade the Company's securities a month before the disclosure of the quarterly and annual financial statements. The Company has informed its directors and executives not only of their duty to report their holding of the Company's securities but also the penalty according to the Securities and Exchange Act of B.E.2535 and the regulations of the Stock Exchange of Thailand. In case that the directors or executives trade the Company's securities which they hold, they are obliged to report changes in the possession of their own securities, spouses and minors to the Office of Securities Exchange Commission to comply with Section 59 of the Securities and Exchange Act of B.E.2535 within 3 weekdays 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. It also realizes that the support and suggestions from every group of its stakeholders are valuable and beneficial to both the operation and business development. Therefore, it 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. Moreover, for the Company's stability, the cooperation between the Company and all the groups of stakeholders are strongly supported. With respect to this, 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 tries its best to be their ever efficient and trustworthy business representatives, taking into account the long term growth of its value and the emphasis on transparent and honest information disclosure.
- Employees** : The Company regards employees as its precious resources. So, it focuses on supporting human resources development which consequently leads to its maximum benefit. Besides, it encourages the employees to play a part in creating a good organization culture, strong teamwork and safe and pleasant working atmosphere.
- Competitors** : The Company commercially contends with other trade competitors on the fair and ethical competition basis.
- Customers** : The Company is committed to 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 mutual contracts to enhance good business relationship, beneficial to all parties.
- Community and Public** : On the regular basis, the Company joins and sponsors socially constructive projects and activities as exemplified by financial and material donations to several foundations and organizations.
- Environment** : The Company recognizes the importance of environment and simultaneously is concerned about the impact of pollutions on communities. 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, Finance Department is assigned to represent the Company in communicating with institutional investors, shareholders, analysts and relevant state organizations; whereas, the Administration Department is accountable for corporate reports.

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

5. Responsibilities of the Board of Directors

1. Structure of the Board of Directors

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

The Board of Directors totally comprises 10 directors, 4 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.

According to the Company's Articles of Association, at every Shareholders' Annual General Meeting, one-third of the directors who have the longest terms in office 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 in 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, 6 directors of the Company's Board are holding the positions of director in other listed companies. However, since those directors have sufficiently devoted their time carrying out the Company's tasks with all their efforts, the holding of their positions in other companies does not affect their performance at all ; moreover, they regularly join the Board of Directors' meetings of the Company and always provide practical opinions for the Company therein.

2. Committee

For efficient corporate governance, the Company established 3 sets of committee, namely Audit Committee, Risks Management Committee and Remuneration and Nomination Committee and also set up distinct scopes of authority, duty and responsibility for each of them.

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 other committees to monitor and supervise the Company's operation.

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 practice.

Business Ethics

The Company has set up and put in writing the Code of Business Ethics as an essential guideline for the Board of Directors, the management and employees of all levels to adhere so as to conduct the Company's business and serve all the groups of stakeholders, society and the public fairly and honestly. Besides, it has announced such Code of Business Ethics and acknowledged them to its employees for strict compliance. For effectiveness, a system of follow up the practice of the Business Code of Ethics is set up and regularly applied.

Conflict of Interest

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

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

Whenever changes in the securities holding of the Board of Directors and the management of the Company, including their spouses and minors occur, they must be informed to the Company and reported to the Office of Securities Exchange Commission, respectively according to Section 59 of the Securities and Exchange Act of B.E.2535 within 3 weekdays 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 efficient internal control system of both the management and the operation levels, the Company has specified the scopes of the duty and the authority for its executives and employees clearly in writing. It also conducts the control of assets usage. In addition, the duties of the staff and those of the monitoring and assessment officers are segregated from each other. The Audit Committee has been set up by the Company to oversee and monitor such control system to be appropriate and efficient.

Risks Management

The Company evaluates the adequacy of its internal control system on a yearly basis in order to find the way to properly improve the task operation to be increasingly effective.

Report of the Board of Directors

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

4. Board of Directors' Meeting

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

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

The Board of Directors' minutes of meeting, taken by the Secretary to the Board of Directors who takes part in every meeting, is presented to the Chairman of the meeting to consider and sign for certification prior to being proposed as the first agenda item in the following meeting for the Board of Directors' approval. After the approval, the Secretary will store all the information and documents related to the meetings to facilitate data references and searches.

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.

Report on Compliance to Corporate Governance Policy

In 2010, the Company completely conformed to the Good Corporate Governance Policy stipulated by the Board of Directors. However, there are still some significant additional matters to be reported 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. On 28 April 2010, the Company organized the Annual General Meeting of Shareholders. All the Company's directors attended this meeting.

3. The Company posted the invitation letter to the Annual General Meeting of Shareholders on its website (www.jasmine.com) 33 days prior to the meeting date. It also posted the Minutes of Annual General Meeting of Shareholders on the website 14 days after the dates of the aforementioned meetings.
4. The Company had not yet allowed the shareholders to submit their opinions, recommendations, inquiries, additional agenda items or names of candidates for the position of director to the Company since it is, for the time being, considering the appropriate guidelines and the setting up of the policy related to the matters.
5. At the Annual General Meeting of Shareholders, 170 shareholders assigned Dr. Vichit Yamboonruang and Dr. Yodhin Anavil — the Company's independent directors — to vote on their behalves. In the like manner, 9 shareholders assigned Mr. Pete Bodharamik, Mr. Somboon Patcharasopak — the Company's directors — to vote on their behalves.
6. In the shareholder's meeting, all the shareholders were equitably allowed to express their opinions and raise questions to any of the management attending the meeting. Voting portion for any agenda resolution was compliant to the following regulations:
 - 1) In a normal case, the resolution is subject to the majority vote of the eligible shareholders who attend the meeting. One share is entitled to one vote. However, the chairman of the meeting has the casting vote in case of tie.
 - 2) In the following cases, at least three-fourth of the total votes of the eligible shareholders attending the meeting are required subject to one share for one vote:
 - The total or partial sales or transfer of the Company's significant business operation to any third party.
 - The purchase or undertaking of any companies or private sectors, and
 - The execution, amendment, or cancellation of the partial or total lease of the Company's business to any third party, or business merger with any third party aiming for mutual profit and loss sharing.
7. In 2010, the Company complied with the policy on the protection of the inside information usage. Details of such policy is shown in the section of Management, Subsection 5 (5) : Control of Inside Information Usage and Subsection 5 (6) : Internal Auditing, Part 3 : Control of Management Operation. In 2010, the Company's executives and other related 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 do everything in compliance with the law. Besides, a shareholder can submit a complaint or inform the Company of a trace of such matter at www.jasmine.com, "Contact Us" menu. However, in the previous year, no case of violation of the shareholders' right occurred nor did the conflict between the Company and the stakeholders.

4) Regarding the Disclosure and Transparency

The Company's disclosure of the financial and the non-financial information was complete, correct, transparent and timely in conformity with the regulations stipulated by the Securities and Exchange Commission and the Stock Exchange of Thailand. Therefore, the Company was not penalized by both the Securities and Exchange Commission and the Stock Exchange of Thailand for the incapability to complete their regulations. The information disclosure to the Stock Exchange of Thailand was posted on the Company's website (www.jasmine.com) of the "Investor Relation/news to SET" menu.

The remuneration for management is herein disclosed in the section of Management, Subsection 8.3 and 5.2(3) : Remuneration for Management. Initially, such remuneration has passed the prudent consideration of the Remuneration and Nomination Committee before it was considered and approved by the Board of Directors' meeting. Both the Remuneration and Nomination Committee and the Board of Directors took into account remuneration information of other companies of the same line of industry as references as well as the Company's own business expansion and growth of profits. It has finally been approved by the shareholders' meeting. As for salary, bonus and other rewards for the management and the employees, each is considered mainly based on the Company's operating results.

The task of Investor Relations has been trusted to the Finance Department.

- The contact person is Ms. Churnkamol Treesuttacheep, telephone: 0-2100-3085, email address: churnkamolt@jasmine.com. Meanwhile, the disclosure of significant data of the Company is assigned to the Accounting & Regulatory/Compliance Department.
- The contact person is Mrs. Uraiporn Charoenchit, telephone: 0-2100-3118, email address: curaiporn@jasmine.com.

5) Regarding Responsibilities of the Board of Directors

1. Of the total 10 directors who constitute the Company's structure of the Board of Directors, 4 of whom are independent directors whose qualifications meet both the Company's definition and the standard of the Securities and Exchange Commission; 2 of these 4 independent directors belong to the Remuneration and Nomination Committee.

The 4 independent directors are of not less than one-third of the total number of the directors in the Board. Three of the independent directors who are qualified according to the requirements of the Stock Exchange of Thailand are also positioned in the Company's Audit Committee, having independent power in the audit administration.

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

The Company has clearly segregated authority and roles between Chairman and President so as to prevent the unlimited authority. The Chairman of the Company is a director who is elected and appointed by the Board of Directors; whereas, the President is recruited, selected and appointed by the Executive Committee (as per details in the Section of Management, Subsection : Management Structure).

2. The Company discloses its Corporate Governance Policy via the website (www.jasmine.com) at the Investor Relations/Corporate Governance menu for the acknowledgement of the directors, employees and investors in general.
3. The Company has set up and put in writing the business operation policy and procedures, which are prudent and malfeasance-preventive in terms of payment requisition, procurement, personnel management and general administration. In addition, the Company has established the Code of Business Ethics as a vital guideline in business operation for the Board of Directors, the management and the employees of all levels as detailed below :
 - 1) To adhere to fine virtues and morals.
 - 2) To be self-disciplined, to be well aware of their own duties, to respect the rights of their own and others', and to realize that discipline upkeep is a kind of behavior improvement not punishment
 - 3) To perform any legal duties assigned with fidelity and ethical judgment ; and to keep the Company's image unblemished
 - 4) Not to directly or indirectly have a deliberate intention to harm, destroy or erode other persons' reputation, progress or business
 - 5) To implement the leadership skill in business operation by utilizing the employees' proficiency as a tool to achieve the organization's success, not for personal interests.
 - 6) Should there be a personal interest, the fact of such interest is to be immediately reported to the Company, and the employees ought not to get involved in other business activities that may lead to a conflict of interest or deteriorate their work efficiency.
 - 7) To create the work atmosphere that encourages opinion exchanges, creativity, innovative ideas, suggestions as well as sensible, righteous and impartial decision making
 - 8) Not to disclose confidential information obtained by authority for own benefits, or to implement the same in the manner that may damage the Company's reputation
 - 9) To always realize that, in business operation, one does not commit only to his own duties or the business owner, but also to the purchasers, suppliers, shareholders, customers and employees; therefore, mutual benefits of these groups become the major guideline of the business operation as a whole
 - 10) To be responsible for the performances of oneself and subordinates
 - 11) To seek, improve and increase the personal capability and perform duties with knowledge, proficiency, and appropriate standard as being set for the position with attentiveness and responsibility for one's and the Company's progress.
 - 12) To plan, set up and analyze work objectives to achieve the Company's goal while heeding the moral and professional ethics as well as the culture of relevant parties in the organization.
 - 13) To maintain and be attentive to the health, security, bio-hygiene and environment of the whole organization, and to keep the work place in a tidy, exquisite and healthful condition
 - 14) To maximize the effective and efficient deployment of the Company's resources
4. In 2010, 8 Board of Directors' meetings were held and the detail of each Director's attention to all the meetings in the Section of Management, Subsection 5.2(1) : Management Structure, Item 1.4
5. 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. In the year 2010, there were 4 meetings in which all the Audit Committee members attended. (See details of duties and responsibilities of Audit Committee in the Section of Management, Subsection 5.2 (1): Management Structure, Item 1.2

The Company has also set up the Risks Management Committee and Remuneration and Nomination Committee whose authority and duties are explained in details in the Section of Management, Subsection 5.2(1): Management Structure, Item 1.2

6. The Company has established the Office the Internal Audit in accordance with the regulations of the Stock Exchange of Thailand to ensure that the Company's and its subsidiaries' operations comply with the Company's rules and regulations. It also encourages employees of

all levels to perform their jobs efficiently and effectively with environmental and ethical consciousness. An internal auditor is responsible for the analysis, assessment, suggestions, consultation and information provision, which serve as working tools, as well as leverage the efficiency of the internal audit system with the cost-effective budget.

The proceeding of internal audit includes testing and assessment of the efficiency of the internal audit system as well as the quality of the internal work performance, hence, the responsibilities of the internal auditors are as follows:

- 1) To verify and report the reliability, completeness, operations, judgment standard, and examination
- 2) To ensure that the work system, which has significant impacts on the operations and reports, conforms to the Company's policies, operation plans, regulations, as well as related laws
- 3) To verify appropriateness of the Company's assets upkeep, exploitation, and existence inspection
- 4) To assess the exploitation of the Company's resources, aiming for the most efficient, effective and worthwhile results
- 5) To verify the business operation or business plan so as to ensure its compliance with the Company's objectives and targets, and the success of the work plan at the Company's supreme target
- 6) To suggest comments to the Audit Committee for proper improvement of the internal auditing system aiming for appropriateness and conciseness
- 7) To perform any other tasks assigned by the Audit Committee

With regard to the Risks Management, please see more details in the Section of Management, Subsection 5.2 (6): Internal Audit, Part 2: Risks Management.

7. In 2010, the Board of Directors evaluated its own performance based on the self assessment of the directors' form prepared by the Corporate Governance Center of the Stock Exchange of Thailand and sent to the Company for appropriate adaptation. It also reviewed the business operation policy and improved the business plan on a regular basis to increase efficiency of the management and the internal control system.

(5) Control of Inside Information Usage

The Company informed the directors and management to comply with all the rules and regulations of the Office of Securities Exchange Commission and the Stock Exchange of Thailand, especially for the report on changes in the Company's shares or securities holding in order to monitor and prevent them from using the inside information on their own interest. The Company's shares and securities held by directors and management, as well as any changes occurred shall be examined and reported at each Board of Directors' meeting. The Company; however, has not stipulated any extra controlling procedures other than those specified by the Securities and Exchange Commission and the Stock Exchange of Thailand, for this purpose.

(6) Internet Auditing

The Company has caused the Audit Committee, as its duty, to conduct examination and verification to ensure that the Company's internal audit system is suitable and effective. During the past year, the Audit Committee had found no significant irregularities that would affect the company's operations.

The certified public accountant has conducted an audit and verification of the Company and its subsidiaries' financial statements as at 31 December 2010, and found nothing to indicate that the said statements were materially incorrect in any way according to the generally accepted accounting principles.

Furthermore, the Company's Board of Directors meeting No. 1/2011 on 23 February 2011, has evaluated and opined on the self-assessment questionnaires on the adequacy and appropriateness of the Company and its subsidiaries' internal audit system, and concluded that:

1. The Organization and Its Environment

The Company's internal structure and external environment are sound and consistent with its business plan, enabling the internal auditing system to be implemented efficiently and effectively. The Board of Directors has instituted clear and reasonable business objectives, strategy, budget, and performance measurement. A code of conduct has been put into writing and made part of the companies' policies and practice. Rules and procedures are in place to govern the general conduct of the Company's affairs, prevent malfeasance, and ensure fair treatment of those engaged in transactions with the company for long-term benefits.

2. Risks Management

The Company has a Risk Management Committee whose responsibility is to issue a policy guideline and oversee its risk management practice. It also assesses external and internal risk factors that may affect the Company, identifies opportunities, closely monitors events and environmental changes to ensure that risk are maintained at manageable level. In summary, the Risks Management Committee assesses, analyzes, monitors, and recommends preventive measures to the Board of Directors on all risk factors.

3. Control of Management Operations

The Company has clearly specified the scope of authority, procedures, and amount of funds disposable by directors and those in various levels of management. These rules have been compiled as a set of standard and disclosed to concerned officers. Staff's duties and responsibilities are designed in such a way as to maintain a proper check-and-balance and good internal control.

The Company has set standards, procedures, and rules regarding transactions involving major shareholders, directors, management and those associated with them, to protect itself from being taken advantage of for personal interests. It strictly adhered to the rules and regulations set forth by the Stock Exchange of Thailand which stipulate that all transactions be treated equally just like an outside party, putting the Company's interest above all else. Moreover, approvals of such transactions are to be made only by authorized persons who have no personal stakes, the process administered by the Accounting & Regulatory / Compliance department to ensure that rules are being followed. In case where the Company has invested in a subsidiary or related company, the Company will follow its investment closely under the set policy direction. To date, there has been no illegal undertaking of the investment.

4. Information and Communication Systems

The Company attaches much importance to the information and communication system that can provide its directors, management and concerned officers with quality, accurate, and timely information necessary for decision making. The system also includes proper book-keeping of accounting documents. When submitting a matter to the Board of Directors for consideration, the Company will ensure that all relevant documents be sent to the Board members prior to the meeting in accordance with the law. Minutes of all meeting are recorded and kept for easy retrieval.

Additionally, the Company has a security system to safe-guard its data and allows classified access to authorized personnels only. All departments must have a contingency plan to deal with loss of data due to unforeseen circumstances.

5. Monitoring System

The Board of Directors constantly monitors the Company's performance against its business goals. It also mandates the management to file an immediate report to the Board in case of malfeasance or illegal activity that may have an adverse impact on the Company's reputation and financial standing, in order to issue a corrective measure and prepare a progress report promptly.

The Office of Internal Audit is an important mechanism that conducts an internal control efficiently and effectively, and helps contribute to the operational success of the company in 2010. The Office of Internal Audit has carried out its duty according to plan and reported its findings to the Audit Committee. To date, the Audit Committee has found no significant discrepancies that may affect the Company's reputation.

5.3 Dividend Payment Policy

The Board of Directors has the policy to submit for the Shareholders' Meeting's consideration the dividend payment to general shareholders in the ratio of not less than 50% of the net profit after tax deduction each year as shown in the Company's financial statement. Regarding the dividend payment policy of the subsidiaries, JTS has a policy to pay the dividend in the ratio of not less than 40% of the net profit after corporate tax each year as shown in JTS financial statement and such dividend payment must not significantly affect JTS general operation. However, provided that it is of necessity for JTS to use an amount of its net profit for further business expansion, JTS dividend may be paid in the ratio lower than stated above. As for TTTBB, it has a policy to pay the dividend in the ratio of not less than 40% of its annual net profit from TTTBB's financial statement after corporate tax and legal reserves. The payment will be after TTTBB's compliance to the laws and terms and conditions in loan contracts and other related burdens of TTTBB each year. With regard to this matter, TTTBB's Board of Directors has the power to consider and approve occasional exemption or change of such policy; however, such exemption or change must be solely for the optimum benefits of the company. For other subsidiaries, their dividend payment depends on annual liquidity of cash flow.

Related Party Transactions

6. Related Party Transactions

The Company has entered the Related Party Transactions defined in the Notification of the Office of the Security and Exchange Commission. For the year 2010, the transactions were compliant with the terms and conditions in the contracts made between the Company and its subsidiaries on normal business practice (as referred to in Clause 8 of Notes to Financial Statements for the year 2010). The Company has reasonably and accordingly carried out the transactions for its own optimum benefits. To this regard, the Audit Committee has reviewed the prices or ratio of such transactions with the Company's officers and internal auditors and finally agreed that they were appropriate and accurately disclosed in the Company's financial statements. The approval procedure of related party transactions was of the same criteria as the general procurement procedure. The Company's management and the shareholders have neither interest in nor approval authority on related transaction matter. Details are as follows:

(6.1) In 2010, the Company and its subsidiaries executed the following transactions of products, services, and others with related parties:

<i>Related Party</i>	<i>Relationship</i>	<i>Types of Transaction</i>	<i>Amount (Million Baht) As at 31 December 2010</i>
Mono Group, comprising - Mono Film Co., Ltd. - Mono Generation Co., Ltd. - Mono Technology Co., Ltd. - Mono Planet Co., Ltd. (Formerly known as Mono 2 U Co., Ltd.)	1.) Mr. Pete Bodharamik is the director and major shareholder of Mono Group 2.) Mr. Pete Bodharamik is the major shareholder of JAS, holding 25.46%	- PA executed contracts for leasing office space at Jasmine International Tower, billboard, and other facility services.	19
		- TTTI executed a High-speed Internet Service contract wherein stated that the service charge was subject to the circuit speed.	9
		- ACU offered high speed Internet protocol transmission services	4

(6.2) In 2010, the Company and its subsidiaries transacted the products and equipment procurement, including payment for leases and services from related parties as follows:

<i>Related Party</i>	<i>Relationship</i>	<i>Types of Transaction</i>	<i>Amount (Million Baht) As at 31 December 2010</i>
Mono Group, comprising - Mono Film Co., Ltd. - Mono Generation Co., Ltd. - Mono Technology Co., Ltd. - Mono Planet Co., Ltd. (Formerly known as Mono 2 U Co., Ltd.)	1.) Mr. Pete Bodharamik is the director and major shareholder of Mono Group 2.) Mr. Pete Bodharamik is the major shareholder of JAS, holding 25.46%	- TTTI bought its program license, utilized advertising service and media.	6

Management Explanation and Operation Results Analysis

7. Management Explanation and Operation Results Analysis

7.1 Operating Performance

Sales and services income of the Company and its subsidiaries for the year 2010 was Bt 9,626 mn, increasing 15% from Bt 8,371 mn in 2009. Of this amount, 51% was the contribution from Internet Broadband business, 21% was from Telecom Network business, 27% was from System Integration business and 1% was from other business.

In 2010, operating expenses was Bt 7,986 mn, increasing 12% from Bt 7,150 mn in 2009. This was mainly due to employee related expenses and marketing expenses. The Company and its subsidiaries' financial expenses in 2010 was Bt 393 mn, increasing by Bt 146 mn or 59% from 2009. This was not only due to interest rate increase, but also the increase in subsidiary's loan used for its investment.

The Company and its subsidiaries generated the operating profit of Bt 1,016 mn compared to Bt 776 mn in 2009, increasing by Bt 240 mn or 31%. Including the exchange gains of Bt 103 mn and profit sharing from its investment in associates of Bt 10 mn, the Company's total profit was Bt 1,129 mn. When deducted by the loss from sales of investment in TT&T of Bt 90 mn, the provision for impairment loss in TT&T of Bt 23 mn, potential losses on TT&T debt restructuring of Bt 244 mn, allowance for assets impairment of Bt 41 mn and provision for doubtful debts and other expenses of Bt 67 mn, the Company and its subsidiaries' net profit for the year 2010 was Bt 663 mn compared to that of Bt 204 mn in the year 2009, increasing Bt 459 mn or 226%.

Unit : Bt mn

<i>Item</i>	<i>2010</i>	<i>2009</i>	<i>% change</i>
Operating profit	1,016	776	31
FX gains	103	54	91
Profit sharing from associate	10	3	239
Potential losses on debt restructuring	(244)	0	100
Loss on impairment of investments	(23)	(516)	(95)
Loss on impairment of assets	(41)	(95)	(57)
Doubtful accounts and other expenses	(67)	(15)	351
Loss from sales of investment	(90)	(3)	3,117
Net profit (loss)	663	204	226
EPS (Bt per share)	0.097	0.033	194

Performance Breakdown by business unit

Performance breakdown by business unit in 2010 and 2009 is as follows:

Unit : Bt mn

<i>Business Group</i>	<i>2010</i>	<i>2009</i>	<i>% change</i>
Internet Broadband Business	4,904	3,241	51
Telecom Network Business	2,010	2,230	(10)
System Integration Business	2,580	2,565	1
Other Business	132	335	(61)
<i>Total</i>	<i>9,626</i>	<i>8,371</i>	<i>15</i>

Sales and services income from Internet Broadband business in 2010 was Bt 4,904 mn, increasing from Bt 3,241 mn in 2009, or 51% growth. This was primarily due to an increasing number of broadband subscribers.

Sales and services income from Telecom Network business was Bt 2,010 mn in 2010, declining 10% from Bt 2,230 mn in 2009. Such decline was partially a result of lower revenue sharing according to the concession agreement of JSTC and TLDT (revenue sharing for the east coast declined from 16% in 2009 to 14% in 2010 and for the west coast, the decline was from 15.5% in 2009 to 13.5% in 2010)

Sales and services income from System Integration business was Bt 2,580 mn in 2010, increasing from Bt 2,565 mn in 2009, or 0.58% growth. For other business, the sales and services income was Bt 132 mn in 2010, declining 61% from Bt 335 mn last year.

Net profit (loss)

In 2010, the Company and its subsidiaries had the net profit of Bt 663 mn, a growth of 226%, when compared to that of Bt 204 mn in 2009.

Details of net profit (loss) breakdown by business unit are as follows :

Unit : Bt mn

<i>Business Group</i>	<i>Net profit (loss)</i>		
	<i>2010</i>	<i>2009</i>	<i>% change</i>
Internet Broadband Business	1,234	967	27
Telecom Network Business	(123)	132	(194)
System Integration Business	(146)	(155)	6
Other Business	(302)	(740)	59
<i>Net Profit</i>	<i>663</i>	<i>204</i>	<i>226</i>

Remarks : Net profit in 2010 and 2009 included a potential losses on debt restructuring and loss on impairment of investments and assets amounted Bt 308 mn and Bt 611 mn, respectively.

7.2 Financial Position

Assets

As at 31 December 2010, the Company and its subsidiaries had the total assets of Bt 19,302 mn, increasing by Bt 3,357 mn or 21% from the year 2009. The increase was due to cash and cash at bank derived from operation and assets sales; and an increase in PP&E from the network expansion. However, other non current assets declined because of the amortization of deferred project cost. Total assets comprise the following:

<i>Item</i>	<i>31 December 2010</i>		<i>31 December 2009</i>	
	<i>Bt mn</i>	<i>% of Total Asset</i>	<i>Bt mn</i>	<i>% of Total Asset</i>
Current assets	7,925	41	7,467	47
PP&E, net	10,444	54	6,831	43
Other non current assets	933	5	1,647	10

Liabilities

As at 31 December 2010, the Company and its subsidiaries had total liabilities of Bt 11,920 mn, increasing by Bt 2,635 mn from the year 2009 because of the long term loan, payable of equipment and liability under the financial lease agreement of assets. Detail of total liabilities are as follows:

<i>Item</i>	<i>31 December 2010</i>		<i>31 December 2009</i>	
	<i>Bt mn</i>	<i>% of total liabilities</i>	<i>Bt mn</i>	<i>% of total liabilities</i>
Current liabilities (excluding current portion of long term liabilities)	5,847	49	5,167	56
Long term liabilities	6,073	51	4,118	44

Shareholders' Equity

At the end of 2010, the consolidated shareholders' equity was Bt 7,382 mn, increasing by Bt 723 mn, or 11% from the year 2009. The consolidated net profit was Bt 663 mn in 2010. The Company recorded a premium on Treasury Stock of Bt 112 mn due to the written off of the first and second Treasury Stock Programs and the capital gain from sale of JAS shares held by PA and ARS. The Company has reserved the retained earning of Bt 300 mn for the third Treasury Stock Program.

Capital Structure

As at 31 December 2010, the Company and its subsidiaries' total liabilities was Bt 11,920 mn, or 62% of total assets and the shareholders' equity was Bt 7,382 mn, or 38% of total assets. Debt to equity ratio was at 1.61 times.

7.3 Liquidity

As at 31 December 2010, the Company and its subsidiaries' cash and cash equivalent was Bt 1,920 mn, increasing by Bt 351 mn from the year before. The summary of cash generated and used is as follows:

- Net cash generated from operating activities Bt 3,106 mn
- Net cash used for investing activities Bt (2,199) mn
- Net cash used for financing activities Bt (556) mn

7.4 Treasury Stock Program for financial management

During the year 2010, the Company reduced the 2,032,127,200 paid-up shares by writing off the first Treasury Stock Program of 634,400,000 shares and the second Program of 1,397,727,200 shares

On 2 November 2010, the Board of Directors' Meeting of JAS No.6/2553 passed the resolution to approve the third Treasury Stock Program for financial management. At the end of 2010, JAS had 155,240,000 treasury shares.

8. Financial Statements

8.1 Audit Fee

8.1.1 The Company and its subsidiaries paid the audit fee to Ernst & Young Office Limited in the previous fiscal year, totaling Bt. 9,689,000.

8.1.2 Non-Audit Fee

- None -

Independent Auditor Report

To the Shareholders of Jasmine International Public Company Limited

I have audited the accompanying consolidated balance sheets of Jasmine International Public Company Limited and its subsidiaries as at 31 December 2010 and 2009, the related consolidated statements of income, changes in shareholders' equity and cash flows for the years then ended, and the separate financial statements of Jasmine International Public Company Limited for the same periods. These financial statements are the responsibility of the management of the Company and its subsidiaries as to their correctness and the completeness of the presentation. My responsibility is to express an opinion on these financial statements based on my audits..

Except for the matters discussed in paragraphs A) and B), I conducted my audits in accordance with generally accepted auditing standards. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. I believe that my audits provide a reasonable basis for my opinion.

A) As described in Note 9.2 to the financial statements, as at 31 December 2009, the subsidiaries had outstanding balances receivable from an associated company over which the Company and its subsidiaries no longer have significant influence amounting to approximately Baht 752 million (In 2010, they were classified as unrelated party transactions). The balances are recorded under the captions of "Trade accounts receivable - related parties", "Amounts due from related parties", "Unbilled receivable - related parties", and "Other accounts receivable" in the consolidated balance sheet. The balances are long outstanding. This company filed a petition for business rehabilitation with the Central Bankruptcy Court, and in 2009 the Central Bankruptcy Court ordered the appointment of the rehabilitation plan preparer.

The rehabilitation plan is still required to be approved by the creditors and the Court. Because the business rehabilitation plan may significantly impact on the allowance for doubtful accounts for the outstanding balances, in 2009 I therefore was unable to audit to satisfy myself as to the adequacy of the allowance for doubtful accounts, and this constitutes a limitation imposed by circumstance.

In 2010, the plan preparer submitted the rehabilitation plan to the Central Bankruptcy Court but the subsidiaries submitted objections to the plan to the Central Bankruptcy Court. However, on 28 December 2010, the Central Bankruptcy Court issued an order approving the rehabilitation plan of this company. Currently, the subsidiaries are appealing to the Supreme Court against the approval of the rehabilitation plan.

Under the rehabilitation plan, outstanding claims filed by the subsidiaries as at 29 October 2009 are considered for restructuring totaling Baht 601 million (Principal of Baht 566 million and interest receivable of Baht 35 million). This balance included the balance of rights over collection that a subsidiary has assigned to a local bank to secure a short-term loan from the bank amounting to Baht 314 million (Principal of Baht 299 million and interest receivable of Baht 15 million). The bank filed a claim for that balance directly with this company under the rehabilitation plan, as described in Note 22 to the financial statements, and such balance is classified in the same creditor group as that of this subsidiary in the plan.

According to the rehabilitation plan, 25% of the principal will be settled in cash and the other 75% of the principal and all interest receivable will be settled by conversion to ordinary shares of this company. The subsidiaries recorded potential losses on debt restructuring in the income statements for the year ended 31 December 2010 totaling Baht 244 million, using this rehabilitation plan and the fair value of ordinary share of this company as at 30 December 2010 as a basis for recording the transaction, calculated from outstanding claims filed by the subsidiaries as at 29 October 2009 mentioned above. However, the outstanding claims mentioned above consist of claims of certain subsidiaries approved by the Court amounting to Baht 35 million and claims of certain subsidiaries not yet approved by the Court amounting to Baht 566 million. The subsidiaries which their claims not yet approved by the Court therefore have not received any debt settlement under the rehabilitation plan and the claims approved by the Court may differ from the outstanding claims used in the calculation of the potential losses from debt restructuring. As at 31 December 2010, the subsidiaries presented the outstanding balance net of potential losses on debt restructuring under the caption of "Accounts receivable under troubled debt restructuring". In addition, outstanding receivables from this Company of certain subsidiaries filed under the rehabilitation plan of Baht 179 million were the debt occurred after the date which the Court ordered this company to enter into the rehabilitation process (7 November 2008); they therefore were not considered to be settled under the rehabilitation plan of this company. However, this balance is the debt arisen in the ordinary course of business, the subsidiaries' management believe that the subsidiaries will be settled in full, therefore do not record the allowance for doubtful account for this balance in their accounts.

B) As described in Note 9.1 to the financial statements, a concession provider has ceased making payment to a subsidiary for service under the co-investor agreement made between the subsidiary and the concession provider since September 2008, as the revenue sharing rates are still under negotiation with the subsidiary. Up to the reporting date, a conclusion to the revenue sharing rate negotiation has not yet been reached. The conclusion of such negotiation may significantly impact on the amount of service income recorded for years ended 31 December 2010 and 2009, amounting to Baht 747 million and Baht 841 million, respectively, the balances of such trade receivable as at 31 December 2010 and 2009, amounting to Baht 2,015 million and Baht 1,216 million, respectively, the value in use of the deferred cost of submarine optical fibre cable network used for providing such service, of which the net book value as at 31 December 2010 and 2009 was Baht

192 million and Baht 449 million, respectively, and the value of the investment and goodwill from investing in the subsidiary as at 31 December 2010, amounting to Baht 1,946 million and Baht 16 million, respectively, and as at 31 December 2009 amounting to Baht 1,946 million and Baht 37 million, respectively. I was unable to audit to satisfy myself as to the amount of service income, the balances of such trade receivable, the value of the deferred cost of submarine optical fibre cable network and the value of the investment and goodwill in the subsidiary, and this constitutes a limitation imposed by circumstance.

In my opinion, except for any adjustments that might be required to the financial statements for the year 2010 as a result of the matter discussed in the paragraph B) and any adjustments that might be required to the financial statements for the year 2009 as a result of the matters discussed in the paragraphs A) and B), the financial statements referred to above present fairly, in all material respects, the financial position of Jasmine International Public Company Limited and its subsidiaries and of Jasmine International Public Company Limited as at 31 December 2010 and 2009, and the results of their operations, and cash flows for the years then ended in accordance with generally accepted accounting principles.

Without further qualifying my opinion on the above financial statements, for the year 2010 I draw attention to the matters discussed in the Note 9.2 to the financial statements, regarding the outstanding balance of a debtor that is being rehabilitated, and for the year 2009 and 2010 draw attention to the following matters.

1. As described in Note 1 to the financial statements, regarding the Company's rehabilitation plan.
2. As described in Note 9.2 to the financial statements, regarding the settlement of outstanding balances and leased line service agreements between a subsidiary company and an unrelated company.
3. As described in Note 38.7 to the financial statements, regarding the delay in the delivery of work of a subsidiary.



Supachai Phanyawattano
Certified Public Accountant (Thailand) No. 3930

Ernst & Young Office Limited
Bangkok: 23 February 2011

8.2 Financial Statements

Jasmine International Public Company Limited and its subsidiaries

Balance sheets

As at 31 December 2010 and 2009

(Unit: Baht)

		Consolidated financial statements		Separate financial statements	
	Note	2010	2009	2010	2009
Assets					
Current assets					
Cash and cash equivalents	6	1,920,012,455	1,569,434,340	177,150,265	382,234,462
Current investments - deposits with financial institutions	7	190,755,318	20,176,220	11,134,330	4,922,994
Trade accounts receivable					
Related parties	8,9	137,291,091	885,556,333	-	-
Unrelated parties	9	3,769,447,970	3,256,729,278	50,282,988	55,669,511
Total trade accounts receivable		3,906,739,061	4,142,285,611	50,282,988	55,669,511
Less: Allowance for doubtful accounts	9	(174,126,391)	(114,342,543)	(50,282,988)	(55,669,511)
Trade accounts receivable - net		3,732,612,670	4,027,943,068	-	-
Short-term loans to and amounts due from related parties - net	8	3,560,482	21,554,626	813,842,430	724,219,021
Inventories - net	10	291,837,348	225,421,553	-	-
Investments in available-for-sale securities - net	16	91,246,937	-	91,246,937	-
Assets held for sale - net	11	156,485,851	227,732,913	-	-
Other current assets					
Unbilled receivable - related party	8	-	2,280,420	-	-
Unbilled receivable - unrelated parties		635,621,891	344,256,929	-	-
Dividend receivable from subsidiary	8	-	-	1,460,000,000	1,482,306,830
Prepaid project costs		157,911,771	136,012,745	-	-
Other accounts receivable	12	147,002,416	400,459,358	78,420,292	116,428
Input tax pending payments		271,344,196	232,212,170	108,050	189,356
Withholding tax		102,274,549	70,994,542	7,652,761	6,825,055
Advance payments for goods and services		47,635,794	72,573,918	-	-
Vat refundable		90,719,313	37,015,055	40,135	-
Others		85,989,530	78,511,641	7,096,417	3,957,618
Total other current assets		1,538,499,460	1,374,316,778	1,553,317,655	1,493,395,287
Total current assets		7,925,010,521	7,466,579,498	2,646,691,617	2,604,771,764

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

Jasmine International Public Company Limited and its subsidiaries

Balance sheets (Continued)

As at 31 December 2010 and 2009

(Unit: Baht)					
		<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>Note</u>	<u>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>
Non-current assets					
Restricted deposits with financial institutions	13	233,395,173	235,059,558	6,947,450	6,974,450
Accounts receivable under troubled debt restructuring	9.2	337,264,186	-	-	-
Investments in subsidiaries - net	14	-	-	2,984,194,918	2,983,965,208
Investments in associates - net	15	22,988,511	13,216,656	16,481,967	16,481,967
Investments in available-for-sale securities - net	16	-	700,721,285	-	437,545,339
Property, plant and equipment - net	17	10,357,816,767	6,776,238,555	25,308,287	24,957,628
Intangible asset					
Computer software - net	18	85,990,433	54,366,100	-	-
Prepaid rent - net	19	-	-	243,285,582	257,104,749
Other non-current assets					
Deferred project costs - net	20	264,824,234	617,922,270	-	-
Goodwill - net	21	16,920,453	40,562,296	-	-
Advance payments for investment projects to related parties - net	8	4,801,863	9,609,392	4,801,863	9,609,392
Others		52,735,237	30,391,527	6,190,486	5,294,068
Total other non-current assets		<u>339,281,787</u>	<u>698,485,485</u>	<u>10,992,349</u>	<u>14,903,460</u>
Total non-current assets		<u>11,376,736,857</u>	<u>8,478,087,639</u>	<u>3,287,210,553</u>	<u>3,741,932,801</u>
Total assets		<u>19,301,747,378</u>	<u>15,944,667,137</u>	<u>5,933,902,170</u>	<u>6,346,704,565</u>

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

Jasmine International Public Company Limited and its subsidiaries

Balance sheets (Continued)

As at 31 December 2010 and 2009

(Unit: Baht)

		Consolidated financial statements		Separate financial statements	
	Note	2010	2009	2010	2009
Liabilities and shareholders' equity					
Current liabilities					
Bank overdrafts and short-term loans from banks	22	617,907,188	1,283,397,372	-	-
Trade accounts payable					
Related parties	8	257,202,068	815,444,129	-	-
Unrelated parties		2,761,217,795	1,558,101,161	-	-
Total trade accounts payable		3,018,419,863	2,373,545,290	-	-
Current portion of accounts payable for equipment	23	815,519,577	19,689,776	-	-
Current portion of liabilities under finance lease agreements	24	67,687,094	32,249,191	-	-
Current portion of long-term loans	25	1,021,085,575	1,340,405,576	-	-
Current portion of long-term debts under rehabilitation plan					
Related parties	8	-	-	142,116,968	164,733,095
Unrelated parties	26	81,305,558	10,371,221	81,305,558	10,371,221
Total current portion of long-term debts under rehabilitation plan		81,305,558	10,371,221	223,422,526	175,104,316
Amounts due to related parties	8	17,852,404	95,579,183	12,838,197	21,025,552
Other current liabilities					
Accrued project costs		685,906,134	304,894,975	-	-
Advances received for goods and services		433,008,927	357,629,510	-	-
Corporate income tax payable		167,502,327	147,328,711	-	-
Undue output tax		321,510,452	239,003,390	20,135,176	13,008,122
Accrued expenses		46,010,844	53,371,786	4,016,226	3,977,871
Withholding tax payable		35,074,711	37,598,452	1,750,023	1,279,207
Retention payable		95,646,781	53,580,981	534,237	259,237
Other accounts payable		208,135,339	122,207,680	2,045,601	2,541,718
Forward contracts payable		154,191,416	864,119	-	-
Others		45,647,303	98,791,510	1,381,589	1,658,965
Total other current liabilities		2,192,634,234	1,415,271,114	29,862,852	22,725,120
Total current liabilities		7,832,411,493	6,570,508,723	266,123,575	218,854,988

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

Jasmine International Public Company Limited and its subsidiaries

Balance sheets (Continued)

As at 31 December 2010 and 2009

(Unit: Baht)

		<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>Note</u>	<u>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>
Non-current liabilities					
Accounts payable for equipment - net of current portion	23	2,054,307,602	1,387,525,205	-	-
Liabilities under finance lease agreements - net of current portion	24	131,528,785	90,563,287	-	-
Long-term loans - net of current portion	25	910,861,922	169,367,497	-	-
Long-term debts under rehabilitation plan - net of current portion					
Related parties	8	-	-	635,522,656	659,055,161
Unrelated parties	26	978,439,780	1,054,094,150	978,439,780	1,054,094,150
Total long-term debts under rehabilitation plan - net of current portion		978,439,780	1,054,094,150	1,613,962,436	1,713,149,311
Other non-current liabilities		11,958,548	12,974,894	8,613,690	8,908,575
Total non-current liabilities		<u>4,087,096,637</u>	<u>2,714,525,033</u>	<u>1,622,576,126</u>	<u>1,722,057,886</u>
Total liabilities		<u>11,919,508,130</u>	<u>9,285,033,756</u>	<u>1,888,699,701</u>	<u>1,940,912,874</u>

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

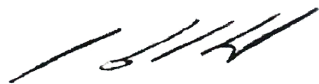
Jasmine International Public Company Limited and its subsidiaries

Balance sheets (Continued)

As at 31 December 2010 and 2009

		(Unit: Baht)			
		Consolidated financial statements		Separate financial statements	
	Note	2010	2009	2010	2009
Shareholders' equity					
Share capital					
Registered	27				
7,399,491,378 ordinary shares of Baht 0.5 each					
(2009: 15,485,673,420 ordinary shares					
of Baht 0.5 each)		3,699,745,689	7,742,836,710	3,699,745,689	7,742,836,710
Preferred shares, non-cumulative dividend 2.5%					
200,000,000 shares of Baht 0.5 each		-	100,000,000	-	100,000,000
		<u>3,699,745,689</u>	<u>7,842,836,710</u>	<u>3,699,745,689</u>	<u>7,842,836,710</u>
Issued and fully paid-up					
7,399,491,378 ordinary shares of Baht 0.5 each					
(2009: 9,431,618,578 ordinary shares of Baht 0.5 each)	27	3,699,745,689	4,715,809,289	3,699,745,689	4,715,809,289
Share subscription received in advance		80,000	-	-	-
Discount on ordinary shares	28.1	(224,549,619)	(224,549,619)	(224,549,619)	(224,549,619)
Premium on ordinary shares from expired warrants		25,169,527	25,169,527	25,169,527	25,169,527
Premium on capital reduction		200,781,377	200,781,377	200,781,377	200,781,377
Premium on treasury shares	27,29	114,395,581	2,001,013	100,318,008	-
Unrealised gain					
Surplus on investments in subsidiaries arising					
as a result of acquisitions of additional shares at					
a price less than the net book value at the acquisition date		85,141,834	84,309,490	-	-
Capital surplus from share premium of subsidiary		49,665,575	49,665,575	-	-
Capital surplus from change in shareholding in subsidiary	14.3	13,272,788	13,272,788	-	-
The Company's shares held by subsidiaries	29	-	(514,948,884)	-	-
Retained earnings					
Appropriated					
Statutory reserve - the Company	30	87,443,281	83,076,226	87,443,281	83,076,226
- subsidiaries	30	351,194,316	326,477,579	-	-
Treasury share reserve	27	299,969,582	915,745,592	299,969,582	915,745,592
Unappropriated (Deficit)		<u>2,165,894,612</u>	<u>1,046,362,913</u>	<u>156,294,206</u>	<u>(394,495,109)</u>
Equity attributable to the Company's shareholders		6,868,204,543	6,723,172,866	4,345,172,051	5,321,537,283
Less: Treasury shares	27	<u>(299,969,582)</u>	<u>(915,745,592)</u>	<u>(299,969,582)</u>	<u>(915,745,592)</u>
Equity attributable to the Company's shareholders - net		6,568,234,961	5,807,427,274	4,045,202,469	4,405,791,691
Minority interests - equity attributable to minority		<u>814,004,287</u>	<u>852,206,107</u>	-	-
shareholders of subsidiaries					
Total shareholders' equity		<u>7,382,239,248</u>	<u>6,659,633,381</u>	<u>4,045,202,469</u>	<u>4,405,791,691</u>
Total liabilities and shareholders' equity		<u>19,301,747,378</u>	<u>15,944,667,137</u>	<u>5,933,902,170</u>	<u>6,346,704,565</u>
		-	-	-	-

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




Directors

Jasmine International Public Company Limited and its subsidiaries

Income statements

For the years ended 31 December 2010 and 2009

(Unit: Baht)

		Consolidated financial statements		Separate financial statements	
	Note	2010	2009	2010	2009
Revenues					
Sales and service income		9,625,947,776	8,370,544,747	-	-
Other income					
Revenue from reversal of liabilities	31	-	67,800,315	-	-
Management fee income	8	-	360,000	145,200,000	145,560,000
Interest income		34,718,328	36,484,583	21,626,125	28,250,472
Exchange gains		103,127,532	53,830,778	-	-
Dividend income from subsidiaries	14	-	-	63,797,832	584,524,790
Others		62,734,935	58,561,429	25,566,759	23,156,521
Total other income		<u>200,580,795</u>	<u>217,037,105</u>	<u>256,190,716</u>	<u>781,491,783</u>
Total revenues		<u>9,826,528,571</u>	<u>8,587,581,852</u>	<u>256,190,716</u>	<u>781,491,783</u>
Expenses					
Cost of sales and services		5,695,728,636	5,583,680,337	-	-
Selling and servicing expenses		713,944,383	355,339,712	-	-
Administrative expenses		1,417,791,358	1,078,178,468	67,543,596	79,801,704
Management benefit expenses	8	158,087,467	133,046,510	19,154,157	19,314,305
Potential losses on debt restructuring	9	243,615,488	-	-	-
Loss on impairment of investments	14, 16	23,342,240	516,311,755	23,342,240	437,339,956
Loss on impairment of assets	11, 21	41,434,234	95,260,630	-	-
Loss on sales of investments in available-for-sale securities	16	90,140,850	2,791,103	2,999,447	-
Doubtful accounts		<u>67,265,084</u>	<u>14,808,532</u>	<u>-</u>	<u>-</u>
Total expenses		<u>8,451,349,740</u>	<u>7,779,417,047</u>	<u>113,039,440</u>	<u>536,455,965</u>
Income before share of income from investments					
in associates, finance cost and corporate income tax		1,375,178,831	808,164,805	143,151,276	245,035,818
Share of income from investments in associates	15	<u>9,771,855</u>	<u>2,929,047</u>	<u>-</u>	<u>-</u>
Income before finance cost and corporate income tax		1,384,950,686	811,093,852	143,151,276	245,035,818
Finance cost		<u>(393,170,597)</u>	<u>(246,933,269)</u>	<u>(55,810,168)</u>	<u>(60,879,853)</u>
Income before corporate income tax		991,780,089	564,160,583	87,341,108	184,155,965
Corporate income tax	33	<u>(402,771,630)</u>	<u>(337,726,294)</u>	<u>-</u>	<u>-</u>
Net income for the year		<u>589,008,459</u>	<u>226,434,289</u>	<u>87,341,108</u>	<u>184,155,965</u>
Net income attributable to:					
Equity holders of the parent		663,289,852	203,522,545	<u>87,341,108</u>	<u>184,155,965</u>
Minority interests of subsidiaries		<u>(74,281,393)</u>	<u>22,911,744</u>		
		<u>589,008,459</u>	<u>226,434,289</u>		
Earnings per share					
34					
Basic earnings per share					
Net income attributable to equity holders of the parent		<u>0.097</u>	<u>0.033</u>	<u>0.012</u>	<u>0.024</u>
Diluted earnings per share					
Net income attributable to equity holders of the parent		<u>0.097</u>	<u>0.032</u>	<u>0.012</u>	<u>0.023</u>

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

Jasmine International Public Company Limited and its subsidiaries

Cash flow statements

For the years ended 31 December 2010 and 2009

(Unit: Baht)

		<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>Note</u>	<u>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>
Cash flows from operating activities					
Net income before corporate income tax		991,780,089	564,160,583	87,341,108	184,155,965
Adjustments to reconcile net income before tax to net cash provided by (paid from) operating activities					
Depreciation and amortisation		1,391,317,571	1,025,117,296	20,729,366	18,602,054
Record of allowance for doubtful accounts		67,265,084	14,808,532	-	-
Record of allowance for impairment of investments	14, 16	23,342,240	516,311,755	23,342,240	437,339,956
Record of allowance for impairment of assets	11, 21	41,434,234	95,260,630	-	-
Reversal of diminution in value of inventories		(3,057,131)	-	-	-
Reversal of allowance for impairment loss of assets		(24,072,108)	-	-	-
Potential losses on debt restructuring	9.2	243,615,488	-	-	-
Loss on sales of investments in available-for-sale securities	16	90,140,850	2,791,103	2,999,447	-
Loss (gain) on sales of equipment		2,494,938	3,198,385	(8,582)	45,667
Gain on sales of assets held for sale	11	-	(25,291,591)	-	-
Dividend received from investments in subsidiaries	14	-	-	(63,797,832)	(584,524,790)
Share of income from investments in associates	15	(9,771,855)	(2,929,047)	-	-
Realised exchange loss (gain) from accounts payable for equipment		(900,162)	6,946,663	-	-
Unrealised exchange gains		(113,149,173)	(54,347,554)	-	-
Net income from sales of equipment of subsidiaries attributable to minority interests		48,579,073	85,411,607	-	-
Revenue from reversal of liabilities	31	-	(67,800,315)	-	-
Interest income		(34,718,328)	(36,484,583)	(21,626,125)	(28,250,472)
Interest expenses		<u>378,699,196</u>	<u>240,550,844</u>	<u>55,810,168</u>	<u>60,879,853</u>
Income from operating activities before changes in operating assets and liabilities		3,093,000,006	2,367,704,308	104,789,790	88,248,233
Operating assets decrease (increase)					
Trade accounts receivable		(265,322,561)	(2,389,629,674)	-	634,340
Amounts due from related parties		17,994,144	(311,797)	(74,768,536)	(311,958,084)
Inventories		(62,615,689)	(324,666,646)	-	-
Unbilled receivable		(21,899,026)	(118,421,054)	-	-
Prepaid project costs		(289,084,542)	197,929,015	-	-
Other current assets		174,769,543	(434,105,741)	21,301,818	5,437,787
Other non-current assets		(17,536,181)	(20,033,157)	3,911,111	(2,068,388)
Operating liabilities increase (decrease)					
Trade accounts payable		352,467,714	1,566,588,204	-	(8,236,837)
Amounts due to related parties		(77,726,779)	23,472,600	(1,293,304)	(2,317,550)
Accrued project costs		384,239,882	56,474,206	-	-
Advanced received for goods and services		75,379,417	175,826,840	-	-
Accrued expenses		(7,136,994)	9,038,427	38,355	-
Other current liabilities		163,938,018	264,634,352	6,935,164	(34,423,351)
Other non-current liabilities		<u>(1,016,346)</u>	<u>1,137,710</u>	<u>(294,885)</u>	<u>(659,000)</u>
Cash flows from (used in) operating activities		3,519,450,606	1,375,637,593	60,619,513	(265,342,850)
Cash paid for corporate income tax		<u>(413,877,622)</u>	<u>(327,794,341)</u>	<u>(2,915,230)</u>	<u>(4,737,480)</u>
Net cash flows from (used in) operating activities		<u>3,105,572,984</u>	<u>1,047,843,252</u>	<u>57,704,283</u>	<u>(270,080,330)</u>

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

Jasmine International Public Company Limited and its subsidiaries

Cash flow statements (Continued)

For the years ended 31 December 2010 and 2009

(Unit: Baht)

		Consolidated financial statements		Separate financial statements	
	Note	2010	2009	2010	2009
Cash flows from investing activities					
Decrease (increase) in current investments		(170,579,098)	160,227,616	(6,211,336)	20,014,652
Decrease in restricted deposits with financial institutions		1,664,385	213,634,313	27,000	853,716
Dividend received from investments in subsidiaries		-	-	63,797,832	502,212,855
Cash paid for investments in subsidiaries	14	(229,710)	(5,803,200)	(229,710)	(5,803,200)
Cash paid for investments in available-for-sale securities	16	-	(238,219,160)	-	-
Cash received from sales of investments in available-for-sale securities	16	417,690,279	14,630,184	241,655,736	-
Proceeds from sales of equipment		28,337,544	5,380,037	8,601	15,888
Proceeds from sales of assets held for sale	11	53,454,671	78,873,109	-	-
Interest income		27,075,307	35,898,790	6,763,275	4,890,264
Acquisitions of plant and equipment		(2,498,967,728)	(1,812,614,328)	(7,260,877)	(8,044,942)
Acquisitions of computer software		<u>(57,283,748)</u>	<u>(43,942,155)</u>	<u>-</u>	<u>-</u>
Net cash flows from (used in) investing activities		<u>(2,198,838,098)</u>	<u>(1,591,934,794)</u>	<u>298,550,521</u>	<u>514,139,233</u>
Cash flows from financing activities					
Interest expenses		(236,420,785)	(229,651,304)	(62,540,006)	(63,412,446)
Increase (decrease) in bank overdrafts and short-term loans from banks		(665,490,184)	843,464,093	-	-
Repayment for accounts payable for equipment		(105,408,987)	(354,687,887)	-	-
Cash received from long-term loans from banks		850,000,000	202,873,072	-	-
Repayment of long-term loans from banks		(427,825,576)	(513,350,971)	-	-
Repayment of long-term debts under rehabilitation plan		(4,720,033)	(20,807,041)	(50,868,665)	(20,807,041)
Dividend paid to the Company's shareholders	35	(130,450,371)	-	(147,960,748)	-
Dividend paid to minority interests of subsidiaries		(11,437,446)	(51,157,502)	-	-
Repayment of liabilities under finance lease agreements		(52,011,263)	-	-	-
Cash received from sales of the Company's shares held by subsidiaries	29	527,497,456	158,107,326	-	-
Cash received from warrant exercises	28	80,000	328,912,327	-	328,912,327
Cash paid to purchase treasury shares	27	<u>(299,969,582)</u>	<u>(614,999,968)</u>	<u>(299,969,582)</u>	<u>(614,999,968)</u>
Net cash flows used in financing activities		<u>(556,156,771)</u>	<u>(251,297,855)</u>	<u>(561,339,001)</u>	<u>(370,307,128)</u>
Net increase (decrease) in cash and cash equivalents		350,578,115	(795,389,397)	(205,084,197)	(126,248,225)
Cash and cash equivalents at beginning of year		<u>1,569,434,340</u>	<u>2,364,823,737</u>	<u>382,234,462</u>	<u>508,482,687</u>
Cash and cash equivalents at end of year		<u>1,920,012,455</u>	<u>1,569,434,340</u>	<u>177,150,265</u>	<u>382,234,462</u>
		-	-	-	-
Supplement cash flows information					
Non-cash transactions					
Purchase of equipment for which no cash has been paid		2,102,673,953	1,551,982,938	-	-
The settlement of outstanding balances between a subsidiary and the associated companies over which influence have been lost by promissory notes and transferring its claim over outstanding receivables	8	-	898,063,475	-	-

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

Jasmine International Public Company Limited and its subsidiaries

Statements of changes in shareholders' equity

For the years ended 31 December 2010 and 2009

	Consolidated financial statements													(Unit: Baht)					
	Equity attributable to the parent's shareholders																		
	Issued and fully paid-up share capital	Share subscription received in advance	Discount on ordinary shares	Warrants	Premium on ordinary shares from expired warrants	Premium on treasury shares	Capital surplus from acquisition date of subsidiary	Capital surplus from shareholding available-for-sale securities in subsidiary	Revaluation deficit on changes in value of investments in The Company's subsidiaries held by subsidiaries	Retained earnings - Treasury share reserve	Unappropriated Treasury shares	Total equity attributable to minority shareholders of subsidiaries	Minority interests - equity attributable to minority shareholders of subsidiaries	Total					
Balance as at 31 December 2008	4,161,333,582	667,110	(530,750)	877,401	25,169,527	200,781,377	-	64,034,826	49,665,575	-	(629,630,120)	(620,919,884)	387,021,025	300,745,624	1,480,373,116	(300,745,624)	5,118,842,785	832,290,626	5,951,133,411
Income recognised directly in equity:																			
Investments in available-for-sale securities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Gain recognised in shareholders' equity	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transferred to allowance for impairment of Investments (Note 16)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transferred to loss due to disposals	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Increase in surplus on investments in subsidiaries arising as a result of acquisitions of additional shares at a price less than the net book value at the acquisition date (Note 14.5)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Increase in capital surplus from change in shareholding in subsidiary (Note 14.3)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Net income recognised directly in equity	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Net income for the year	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total income for the year	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Unappropriated retained earnings transferred to statutory reserve	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Increase in ordinary shares (Note 28.1)	554,475,707	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Decrease in share subscription received in advance	-	(667,110)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Increase in discount on ordinary shares (Note 28.1)	-	-	(224,018,869)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Decrease in warrants (Note 28.1)	-	-	-	(877,401)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Decrease in the Company's shares held by subsidiaries (Note 29)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Unappropriated retained earnings transferred to treasury share reserve (Note 27)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Treasury shares purchased during the year (Note 27)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Dividend paid to minority interests in subsidiary	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Minority interests of newly acquired subsidiary	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Net income from sales of equipment of subsidiary attributable to minority interests	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Balance as at 31 December 2009	4,715,809,289	-	(224,549,619)	-	25,169,527	200,781,377	2,001,013	84,309,490	49,665,575	13,272,788	-	(514,948,884)	409,553,805	915,745,592	1,046,362,913	(915,745,592)	5,807,427,274	852,206,107	6,659,633,381

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

(Unit: Baht)

Consolidated financial statements													
	Equity attributable to the parent's shareholders												
	Surplus on investments in subsidiaries arising as a result of acquisitions of additional shares at a price less than the net book value at the acquisition date	Capital surplus from share premium of subsidiary	Capital surplus from change in shareholding in subsidiary	Revaluation deficit on changes in investments in securities available-for-sale	The Company's shares held by subsidiaries	Retained earnings			Treasury shares	Total equity attributable to the parent's shareholders	Minority interests - equity attributable to minority shareholders of subsidiaries	Total	
	Premium on treasury shares	Premium on capital reduction	Premium on ordinary shares from expired warrants			Statutory reserve	Treasury share reserve	Unappropriated reserve					
Balance as at 31 December 2009	2,001,013	200,781,377	25,169,527	-	(514,948,884)	409,553,805	915,745,592	1,046,362,913	(915,745,592)	5,807,427,274	852,206,107	6,659,633,381	
Income (expense) recognised directly in equity:													
Investments in available-for-sale securities	-	-	-	-	-	-	-	-	-	-	-	-	
Loss recognised in shareholders' equity	-	-	-	(23,342,240)	-	-	-	-	-	(23,342,240)	-	(23,342,240)	
Transferred to allowance for impairment of investments (Note 16)	-	-	-	23,342,240	-	-	-	-	-	23,342,240	-	23,342,240	
Increase in surplus on investments in subsidiaries arising as a result of acquisitions of additional shares at a price less than the net book value at the acquisition date	-	-	-	-	-	-	-	-	-	-	-	-	
Net income (expense) recognised directly in equity	-	-	-	832,344	-	-	-	-	-	832,344	-	832,344	
Net income for the year	-	-	-	832,344	-	-	-	-	-	832,344	-	832,344	
Total income (expense) for the year	-	-	-	832,344	-	-	-	663,289,852	-	663,289,852	(74,281,393)	589,008,459	
Share subscription received in advance	80,000	-	-	-	-	-	-	663,289,852	-	664,122,196	(74,281,393)	589,840,803	
Unappropriated retained earnings transferred to statutory reserve	-	-	-	-	-	-	-	-	-	80,000	-	80,000	
Dividend paid to the Company's shareholders (Note 35)	-	-	-	-	-	29,083,792	-	(29,083,792)	-	-	-	-	
Reduce paid-up share capital by writing off treasury shares (Note 27)	-	-	-	-	-	-	-	-	-	(130,450,371)	-	(130,450,371)	
Reversal of appropriated retained earnings for treasury shares (Note 27)	(1,016,063,600)	-	-	-	-	-	-	-	915,745,592	-	-	-	
Reversal of appropriated retained earnings for treasury shares (Note 27)	-	-	-	-	-	-	-	-	-	-	-	-	
Decrease in the Company's shares held by subsidiaries (Note 29)	-	-	-	-	514,948,884	-	-	-	-	-	-	-	
Unappropriated retained earnings transferred to treasury share reserve (Note 27)	-	-	-	-	-	-	-	-	-	527,025,444	-	527,025,444	
Treasury shares purchased during the year (Note 27)	-	-	-	-	-	-	-	299,969,582	(299,969,582)	-	-	-	
Dividend paid to minority interests in subsidiaries	-	-	-	-	-	-	-	-	(299,969,582)	(299,969,582)	-	(299,969,582)	
Minority interests of newly acquired subsidiary	-	-	-	-	-	-	-	-	-	(11,437,446)	(11,437,446)	(299,969,582)	
Net income from sales of equipment of subsidiary attributable to minority interests	-	-	-	-	-	-	-	-	-	-	(1,062,054)	(1,062,054)	
Balance as at 31 December 2010	3,699,745,689	80,000	(224,549,619)	25,169,527	200,781,377	114,395,581	85,141,834	49,665,575	2,165,894,612	6,568,234,961	814,004,287	7,382,239,248	

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

Jasmine International Public Company Limited and its subsidiaries
Statements of changes in shareholders' equity (continued)
For the years ended 31 December 2010 and 2009

(Unit: Baht)

	Separate financial statements										
	Issued and fully paid-up share capital	Share subscription received in advance	Discount on ordinary shares	Warrants	Premium on ordinary shares from expired warrants	Premium on capital reduction	Revaluation deficit on changes in value of investments in available-for-sale securities	Retained earnings			Total
								Statutory reserve	Treasury share reserve	Unappropriated (deficit)	
Balance as at 31 December 2008	4,161,333,582	667,110	(530,750)	877,401	25,169,527	200,781,377	(559,085,711)	83,076,226	300,745,624	36,348,894	3,948,637,656
Income recognised directly in equity:											
Investments in available-for-sale securities	-	-	-	-	-	-	137,745,755	-	-	-	137,745,755
Gain recognised in shareholders' equity	-	-	-	-	-	-	421,339,956	-	-	-	421,339,956
Transferred to allowance for impairment of investments (Note 16)	-	-	-	-	-	-	559,085,711	-	-	-	559,085,711
Net income recognised directly in equity	-	-	-	-	-	-	-	-	-	184,155,965	184,155,965
Net income for the year	-	-	-	-	-	-	559,085,711	-	-	184,155,965	743,241,676
Total income for the year	554,475,707	-	-	-	-	-	-	-	-	-	554,475,707
Increase in ordinary shares (Note 28.1)	-	(667,110)	-	-	-	-	-	-	-	-	(667,110)
Decrease in share subscription received in advance	-	-	-	-	-	-	-	-	-	-	-
Increase in discount on ordinary shares (Note 28.1)	-	-	(224,018,869)	-	-	-	-	-	-	-	(224,018,869)
Decrease in warrants (Note 28.1)	-	-	-	(877,401)	-	-	-	-	-	-	(877,401)
Unappropriated retained earnings transferred to treasury share reserve (Note 27)	-	-	-	-	-	-	-	-	614,999,968	(614,999,968)	-
Treasury shares purchased during the year (Note 27)	-	-	-	-	-	-	-	-	-	-	-
Balance as at 31 December 2009	4,715,809,289	-	(224,549,619)	-	25,169,527	200,781,377	-	83,076,226	915,745,592	(394,495,109)	4,405,791,691

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

(Unit: Baht)

Separate financial statements

	Issued and fully paid-up share capital	Discount on ordinary shares	Premium on ordinary shares from expired warrants	Premium on capital reduction	Premium on treasury shares	Revaluation deficit on changes in value of investments in					Treasury shares	Total
						available-for-sale securities	Statutory reserve	Retained earnings		Unappropriated (deficit)		
								Treasury share reserve				
Balance as at 31 December 2009	4,715,809,289	(224,549,619)	25,169,527	200,781,377	-	83,076,226	915,745,592	(394,495,109)	(915,745,592)	4,405,791,691		
Expense recognised directly in equity:												
Investments in available-for-sale securities	-	-	-	-	-	(23,342,240)	-	-	-	(23,342,240)		
Loss recognised in shareholders' equity	-	-	-	-	-	-	-	-	-	-		
Transferred to allowance for impairment of investments (Note 16)	-	-	-	-	-	23,342,240	-	-	-	23,342,240		
Net expense recognised directly in equity	-	-	-	-	-	-	-	-	-	-		
Net income for the year	-	-	-	-	-	-	-	87,341,108	-	87,341,108		
Total income (expense) for the year	-	-	-	-	-	-	-	87,341,108	-	87,341,108		
Unappropriated retained earnings transferred to statutory reserve	-	-	-	-	-	-	4,367,055	(4,367,055)	-	-		
Dividend paid to the Company's shareholders (Note 35)	-	-	-	-	-	-	-	(147,960,748)	-	(147,960,748)		
Reduce paid-up share capital by writing off treasury shares (Note 27)	(1,016,063,600)	-	-	-	100,318,008	-	-	-	915,745,592	-		
Reversal of appropriated retained earnings for treasury shares (Note 27)	-	-	-	-	-	-	(915,745,592)	915,745,592	-	-		
Unappropriated retained earnings transferred to treasury share reserve (Note 27)	-	-	-	-	-	-	299,969,582	(299,969,582)	-	-		
Treasury shares purchased during the year (Note 27)	-	-	-	-	-	-	-	-	(299,969,582)	(299,969,582)		
Balance as at 31 December 2010	3,699,745,689	(224,549,619)	25,169,527	200,781,377	100,318,008	-	87,443,281	299,969,582	156,294,206	4,045,202,469		

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

Jasmine International Public Company Limited and its subsidiaries

Notes to consolidated financial statements

For the years ended 31 December 2010 and 2009

1. General information

Corporate information

Jasmine International Public Company Limited ("the Company") is a public company incorporated and domiciled in Thailand. The Company is principally engaged in the investments in the companies involved in the telecommunications business and its registered address is 200, 29th - 30th Floor, Moo 4, Chaengwatana Road, Pakkred, Nonthaburi.

The Central Bankruptcy Court approved the business rehabilitation plan of the Company on 7 August 2003 and appointed Chaengwatana Planner Co., Ltd. as the plan administrator. Subsequently, on 14 September 2006, the Court issued an order to terminate the business rehabilitation plan of the Company. However, certain creditors of the Company lodged objections to certain issues with the Supreme Court, and the issues are being considered by the Supreme Court. The Company believes that these issues will not have any impact on the financial statements of the Company.

2. Basis of preparation

2.1 The financial statements have been prepared in accordance with accounting 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 30 January 2009, issued under the Accounting Act B.E. 2543.

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

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

2.2 Basis of consolidation

a) The consolidated financial statements include the financial statements of Jasmine International Public Company Limited ("the Company") and the following subsidiaries ("the subsidiaries")

Company's name	Nature of business	Country of incorporation	Percentage of shareholding		Assets as a percentage to the consolidated total assets as at 31 December		Revenues as a percentage to the consolidated total revenues for the year ended 31 December	
			2010 Percent	2009 Percent	2010 Percent	2009 Percent	2010 Percent	2009 Percent
<u>Held by the Company</u>								
Jasmine Submarine Telecommunications Co., Ltd.	Operator of submarine optical fibre cable network	Thailand	100	100	12	11	8	10
Acumen Co., Ltd.	Satellite telecommunications service provider	Thailand	100	100	2	2	2	2
Jasmine Telecom Systems Plc. (Another 9% held by T.J.P. Engineering Co., Ltd. and another 9% held by ACeS Regional Services Co., Ltd.)	Design, installation and testing of telecommunication systems	Thailand	57	57	16	24	25	30
Jasmine Internet Co., Ltd.	Internet service provider and international calling card services	Thailand	98	97	1	2	6	6
T.J.P. Engineering Co., Ltd. (Another 20% held by Acumen Co., Ltd.)	Survey, design and construction for civil work of telecommunication projects	Thailand	80	80	1	2	-	-
Jasmine International Overseas Co., Ltd. (Another 34% held by ACeS (Thailand) Co., Ltd. and another 26% held by ACeS Regional Services Co., Ltd.)	Investment holding	Thailand	40	40	-	-	-	-
Chaengwatana Planner Co., Ltd.	Rehabilitation plan administrator	Thailand	100	100	-	-	-	-
Three BB Co., Ltd.	Ceased operation	Thailand	100	100	-	-	-	-
Jasmine Smart Shop Co., Ltd.	Ceased operation	Thailand	100	100	-	-	-	-
Mobile Communication Services Co., Ltd.	Not yet operation	Thailand	70	70	-	-	-	-
Compunet Corporation Limited	Ceased operation	Thailand	100	100	-	-	-	-

Company's name	Nature of business	Country of incorporation	Percentage of shareholding		Assets as a percentage to the consolidated total assets as at 31 December		Revenues as a percentage to the consolidated total revenues for the year ended 31 December	
			2010 Percent	2009 Percent	2010 Percent	2009 Percent	2010 Percent	2009 Percent
<u>Held by subsidiaries</u> Siam Teltech Computer Co., Ltd. (98% held by Jasmine Telecom Systems Plc.)	Design and provision of computer system integration services, software development and sale of computer products	Thailand	-	-	3	3	1	2
Smart Highway Co., Ltd. (67% held by Acumen Co., Ltd.)	Domestic high speed data communication service provider	Thailand	-	-	-	1	-	-
Triple T Broadband Plc. (99% held by Acumen Co., Ltd.)	Service provider in telecom services, fixed-line services and data communication network services	Thailand	-	-	45	28	1	13
Triple T Internet Co., Ltd. (100% held by Triple T Broadband Plc.)	Internet service provider	Thailand	-	-	6	5	50	27
ACeS (Thailand) Co., Ltd. (59% held by Jasmine International Overseas Co., Ltd.)	Investment holding	Thailand	-	-	-	-	-	-
ACeS Regional Services Co., Ltd. (98% held by ACeS (Thailand) Co., Ltd.)	Marketing and distribution of equipment and providing services to satellite-based cellular phone users	Thailand	-	-	2	2	1	2
Pakkret Planner Co., Ltd. (100% held by Jasmine International Overseas Co., Ltd.)	Rehabilitation plan administrator	Thailand	-	-	-	-	-	-
Clippership Investments (BV) Limited (100% held by Jasmine International Overseas Co., Ltd.)	Ceased operation	British Virgin Island	-	-	-	-	-	-
Thai Long Distance Telecommunications Co., Ltd. (90% held by Jasmine Submarine Telecommunications Co., Ltd.)	Operator of submarine optical fibre cable network	Thailand	-	-	1	2	1	1

Company's name	Nature of business	Country of incorporation	Percentage of shareholding		Assets as a percentage to the consolidated total assets as at 31 December		Revenues as a percentage to the consolidated total revenues for the year ended 31 December	
			<u>2010</u> Percent	<u>2009</u> Percent	<u>2010</u> Percent	<u>2009</u> Percent	<u>2010</u> Percent	<u>2009</u> Percent
Jastel Network Co., Ltd. (100% held by Jasmine Submarine Telecommunications Co., Ltd.)	Circuit leasing service and local and international data communication services	Thailand	-	-	4	4	4	5
Premium Assets Co., Ltd. (54% held by Acumen Co., Ltd. and 46% held by Jasmine Submarine Telecommunications Co., Ltd.)	Office rental	Thailand	-	-	6	9	1	2

- b) Subsidiaries are fully consolidated as from the date on which the Company obtains control, and continue to be consolidated until the date when such control ceases.
- c) The financial statements of the subsidiaries are prepared using the same significant accounting policies as the Company.
- d) Material balances and transactions between the Company and its subsidiaries have been eliminated from the consolidated financial statements.
- e) Minority interests represent the portion of net income or loss and net assets of the subsidiaries that are not held by the Company and are presented separately in the consolidated income statement and within equity in the consolidated balance sheet.

2.3 The separate financial statements, which present investments in subsidiaries and associates under the cost method, have been prepared solely for the benefit of the public.

3. Adoption of new accounting standards

During the current year, the Federation of Accounting Professions issued a number of revised and new accounting standards as listed below.

a) Accounting standards that are effective for fiscal years beginning on or after 1 January 2011 (except Framework for the Preparation and Presentation of Financial Statements, which is immediately effective) :

Framework for the Preparation and Presentation of Financial Statements (revised 2009)

TAS 1 (revised 2009)	Presentation of Financial Statements
TAS 2 (revised 2009)	Inventories
TAS 7 (revised 2009)	Statement of Cash Flows
TAS 8 (revised 2009)	Accounting Policies, Changes in Accounting Estimates and Errors
TAS 10 (revised 2009)	Events after the Reporting Period
TAS 11 (revised 2009)	Construction Contracts
TAS 16 (revised 2009)	Property, Plant and Equipment
TAS 17 (revised 2009)	Leases
TAS 18 (revised 2009)	Revenue
TAS 19	Employee Benefits
TAS 23 (revised 2009)	Borrowing Costs
TAS 24 (revised 2009)	Related Party Disclosures
TAS 26	Accounting and Reporting by Retirement Benefit Plans
TAS 27 (revised 2009)	Consolidated and Separate Financial Statements
TAS 28 (revised 2009)	Investments in Associates
TAS 29	Financial Reporting in Hyperinflationary Economies
TAS 31 (revised 2009)	Interests in Joint Ventures
TAS 33 (revised 2009)	Earnings per Share
TAS 34 (revised 2009)	Interim Financial Reporting
TAS 36 (revised 2009)	Impairment of Assets
TAS 37 (revised 2009)	Provisions, Contingent Liabilities and Contingent Assets
TAS 38 (revised 2009)	Intangible Assets
TAS 40 (revised 2009)	Investment Property
TFRS 2	Share-Based Payment
TFRS 3 (revised 2009)	Business Combinations
TFRS 5 (revised 2009)	Non-current Assets Held for Sale and Discontinued Operations
TFRS 6	Exploration for and Evaluation of Mineral Resources
TFRIC 15	Agreements for the Construction of Real Estate

b) Accounting standards that are effective for fiscal years beginning on or after 1 January 2013 :

TAS 12	Income Taxes
TAS 20 (revised 2009)	Accounting for Government Grants and Disclosure of Government Assistance
TAS 21 (revised 2009)	The Effects of Changes in Foreign Exchange Rates

The Company's management believes that these accounting standards will not have any significant impact on the financial statements for the year when they are initially applied, except for the following accounting standards which management expects the impact on the financial statements in the year when they are adopted.

TAS 19 Employee Benefits

This accounting standard requires employee benefits to be recognised as expense in the period in which the service is performed by the employee. In particular, an entity has to evaluate and make a provision for post-employment benefits using actuarial techniques. Currently, the Company accounts for such employee benefits when they are incurred.

At present, the management is evaluating the impact on the financial statements in the year when this standard is adopted.

TAS 12 Income Taxes

This accounting standard requires an entity to identify temporary differences, which are differences between the carrying amount of an asset or liability in the accounting records and its tax base, and to recognise deferred tax assets and liabilities under the stipulated guidelines.

At present, the management is evaluating the impact on the financial statements in the year when this standard is adopted.

4. Significant accounting policies

4.1 Revenue recognition

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

Service revenue from the concession contracts, excluded value added tax, is recognised in accordance with the revenue sharing percentage as stipulated in the agreement which is based on the number of circuits installed and in service.

Revenues from providing telecom network services, internet services and other business related to the internet business, and management services are recognised when services have been rendered.

Revenue from design and installation of telecommunication systems including provision of related equipment is recognised when services have been rendered taking into account the stage of completion.

Revenue from public telephone rental is recognised based on rental period, at the rate stipulated in the rental contract.

Sales of international calling cards are recognised when the service has been rendered. The prepaid value in such cards is recorded as deferred service income in current liabilities.

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

Dividends are recognised when the right to receive the dividends is established.

4.2 Cash and cash equivalents

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

4.3 Trade 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.

4.4 Inventories

Inventories are valued at the lower of weighted average cost (specific cost for computer) and net realisable value.

4.5 Assets held for sale

Assets held for sale are valued at the lower of carrying amount and fair value less costs to sell. The management judges that there will be a completed sales of such assets within one year from the date of classification to the assets held for sale.

4.6 Investments

a) Investments in available-for-sale securities are stated at fair value. Changes in the fair value of these securities are recorded as a separate item in shareholders' equity, and will be recorded as gains or losses in the income statement when the securities are sold. In addition, the Company and its subsidiaries treat available-for-sale investments as impaired when the management judges that there has been a significant or prolonged decline in fair value below their cost or when other objective evidence of impairment exists.

b) Investments in associates are accounted for in the consolidated financial statements using the equity method.

c) Investments in subsidiaries and associates are accounted for in the separate financial statements using the cost method net of allowance for loss on impairment.

The fair value of marketable securities is based on the latest bid price of the last working day of the year.

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

On disposal of an investment, the difference between net disposal proceeds and the carrying amount of the investment is recognised as income or expenses in the income statement.

4.7 Property, plant and equipment/Depreciation

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

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 and 24 years
Building improvements	-	5 - 12 years
Leasehold improvements	-	5 years
Equipment for telecom network services	-	5 - 15 years
Satellite transmission equipment	-	5 years
Tools and equipment	-	3 and 5 years
Furniture, fixtures and office equipment	-	3 and 5 years
Motor vehicles	-	5 years

Depreciation is included in determining income.

No depreciation is provided on land and assets under installation.

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 the income statement when the asset is derecognised.

4.8 Computer software

Computer software is initially recognised at cost. Following the initial recognition, computer software is carried at cost less any accumulated amortisation and any accumulated impairment losses (if any).

Computer software with finite lives is amortised on a straight-line basis over the economic useful lives of 3 and 10 years and tested for impairment whenever there is an indication that the software may be impaired. The amortisation period and the amortisation method of such software are reviewed at least at each financial year end. The amortisation expense is charged to the income statement.

4.9 Prepaid rent and amortisation

Prepaid rent is stated at cost less accumulated amortisation. Amortisation is calculated on the straight-line basis over the lease period of 30 years. Amortisation is included in determining income.

4.10 Deferred project costs and amortisation

Deferred project costs are stated at cost less accumulated amortisation and allowance for loss on impairment of assets (if any). Amortisation is calculated by reference to their costs as follows:

- a) Costs of the submarine optical fibre cable networks are amortised by reference to the proportion of the number of circuits available for service in each year against the total numbers of circuits available throughout the concession periods.
- b) Costs of equipment for domestic high-speed data communication rental service are amortised on a straight-line basis over the concession periods.

The amortisation is included in determining income.

4.11 Goodwill

Goodwill is initially recorded at cost, which equals to the excess of cost of business combination over the fair value of the net assets acquired. If the fair value of the net assets acquired exceeds the cost of business combination, the excess is immediately recognised as gain in the income statement.

Goodwill is carried at cost less any accumulated impairment losses. Goodwill is tested for impairment annually and when circumstances indicate that the carrying value may be impaired.

For the purpose of impairment testing, goodwill acquired in a business combination is allocated to each of cash generating units of the Company and its subsidiaries that are expected to benefit from the synergies of the combination. The Company and its subsidiaries estimate the recoverable amount of each cash-generating unit to which the goodwill relates. Where the recoverable amount of the cash-generating unit is less than the carrying amount, an impairment loss is recognised. Impairment losses relating to goodwill cannot be reversed in future periods.

4.12 Related party transactions

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

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

4.13 Long-term installment agreements

Subsidiaries record long-term installment agreements for equipment which transfer substantially all the risks and rewards of ownership to the subsidiaries as capital expenditures at the present value of the installment payment. The outstanding obligations less the financial expense are recorded as long-term debt, while the interest element is charged to the income statements over the period of the installment agreements.

4.14 Long-term leases

Leases of 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 other long-term payables, while the interest element is charged to the income statements over the lease period. The property, plant or equipment acquired under finance leases is depreciated over the useful life of the asset.

Operating lease payments are recognised as an expense in the income statement on a straight line basis over the lease term.

4.15 Foreign currencies

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 balance sheet date.

Gains and losses on exchange are included in determining income.

4.16 Impairment of assets

At each reporting date, the Company and its subsidiaries perform impairment reviews in respect of the property, plant and equipment, investments and other intangible assets whenever there is an indication that an asset may be impaired. The Company and its subsidiaries also carry out annual impairment reviews in respect of goodwill. 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 the income statement.

4.17 Employee benefits

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

4.18 Provisions

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

4.19 Treasury shares

Treasury shares are stated at cost and presented as a deduction from shareholders' equity. If the selling price of treasury shares is greater than the purchase price of treasury shares, the Company recognises the difference under the caption of "Premium on treasury shares". If the selling price of treasury shares is less than the purchase price of treasury shares, the difference is initially deducted from premium on treasury shares, with the remainder deducted against retained earnings.

4.20 Income tax

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.

4.21 Derivatives

Forward exchange contracts

Payables arising from forward exchange contracts are translated into Baht at the rates of exchange ruling at the balance sheet date. Unrealised gains and losses from the translation are included in determining income. Premiums or discounts on forward exchange contracts are amortised on a straight-line basis over the contract periods.

4.22 Debt restructuring

Potential losses on debt restructuring

When receivables of subsidiaries are settled through the transfer of assets and the receipt of shares of the debtor, the excess of the extinguished debt over the fair value of the assets and shares expected to be received is recognised as a potential loss on debt restructuring in the income statement.

5. Significant accounting judgments and estimates

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

Leases

In determining whether a lease is to be classified as an operating lease or finance lease, the management is required to use judgement regarding whether significant risk and rewards of ownership of the leased asset has been transferred, taking into consideration terms and conditions of the arrangement.

Allowance for doubtful accounts

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

Allowance for impairment on assets held for sale

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

Impairment of available-for-sale investments

The Company and its subsidiaries treat available-for-sale investments as impaired when the management judges that there has been a significant or prolonged decline in the fair value below their cost or when other objective evidence of impairment exists. The determination of what is "significant" or "prolonged" requires judgment.

Property plant and equipment/Depreciation

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

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

Goodwill and intangible assets

The initial recognition and measurement of goodwill and other intangible assets, and subsequent impairment testing, require management to make estimates of cash flows to be generated by the asset or the cash generating units and to choose a suitable discount rate in order to calculate the present value of those cash flows.

Litigation

Subsidiaries have contingent liabilities as a result of litigations. The subsidiaries' management has used judgment to assess of the results of the litigation and believes that no loss will result. Therefore no contingent liabilities are recorded as at the balance sheet date.

6. Cash and cash equivalents

	Consolidated		(Unit: Million Baht)	
	financial statements		Separate	
	2010	2009	2010	2009
Cash	13	15	-	-
Bank deposits	1,604	1,145	97	236
Bills of exchange	<u>303</u>	<u>409</u>	<u>80</u>	<u>146</u>
Total	<u>1,920</u>	<u>1,569</u>	<u>177</u>	<u>382</u>

As at 31 December 2010, bank deposits in saving accounts, fixed deposits and bills of exchange carried interests between 0.25 and 2.00 percent per annum (2009: between 0.10 and 2.62 percent per annum), with rates per the separate financial statements of between 0.25 and 1.70 percent per annum (2009: between 0.25 and 1.13 percent per annum).

7. Current investments - deposits with financial institutions

Included in the balances of current investments as at 31 December 2010 are savings and fixed deposits of the Company and its subsidiaries amounting to approximately Baht 143 million (2009: Baht 17 million) and of the Company only amounting to approximately Baht 11 million (2009: Baht 5 million) which have been pledged to secure credit facilities.

8. Related party transactions

During the years, the Company and its subsidiaries 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 bases agreed upon between the Company and those related parties.

(Unit: Million Baht)

	Consolidated financial statements		Transfer Pricing Policy
	<u>2010</u>	<u>2009</u>	
<u>Transactions with associates over which influence have been lost*</u>			
Sales and service income	22	1,238	Contract price or normal business price charged to other customers or bidding price
Revenue sharing income	213	695	Contract price
Rental and other service income	7	19	Contract price or normal business price charged to other customers
Interest income	5	10	MLR
Cost of sales and services	418	828	Contract price
Management fee expenses	-	9	Contract price
Purchase of equipment	1	60	As agreed upon
Transportation expenses	-	6	As agreed upon
Rental expenses	-	1	Contract price or normal business price charged to other customers
Other expenses	3	-	Contract price or normal business price charged to other customers
<u>Transactions with related companies</u>			
Sales and service income	15	6	Contract price or normal business price charged to other customers
Revenue sharing income	4	-	Contract price
Rental and other service income	22	19	Contract price or normal business price charged to other customers
Cost of sales and services	29	-	Contract price
Purchase of equipment	3	-	As agreed upon
Other expenses	12	9	Contract price or normal business price charged to other customers

(Unit: Million Baht)

	Separate financial statements		Transfer Pricing Policy
	<u>2010</u>	<u>2009</u>	
<u>Transactions with subsidiaries</u>			
(eliminated from the consolidated financial statements)			
Management fee income	145	145	Contract price
Rental and other service income	41	46	Contract price or normal business price charged to other customers
Interest income	19	23	MLR
Interest expenses	-	1	MLR-2%
Other expenses	24	22	Contract price

As at 31 December 2010 and 2009, the balances of the accounts between the Company and those related companies are as follows:

	(Unit: Million Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2010	2009	2010	2009
<u>Trade accounts receivable - related parties</u>				
Associates over which influence have been lost*				
TT&T Plc.	-	663	-	-
TT&T Subscriber Services Co., Ltd.	-	207	-	-
Triple T Global Net Co., Ltd.	-	8	-	-
	-	878	-	-
Related companies				
TT&T Subscriber Services Co., Ltd.	115	-	-	-
Triple T Global Net Co., Ltd.	7	-	-	-
Mono Generation Co., Ltd.	8	2	-	-
Mono Technology Co., Ltd.	6	5	-	-
Mono Travel Co., Ltd.	1	1	-	-
	137	8	-	-
Total trade accounts receivable - related parties	137	886	-	-
<u>Short-term loans to and amounts due from related parties</u>				
Short-term loans to subsidiaries				
Acumen Co., Ltd.	-	-	467	500
Jasmine Smart Shop Co., Ltd.	-	-	6	6
Total short-term loans to subsidiaries	-	-	473	506
Amounts due from related parties				
Subsidiaries				
Jasmine Submarine Telecommunications Co., Ltd.	-	-	99	48
Triple T Broadband Plc.	-	-	94	58
Acumen Co., Ltd.	-	-	69	47
Compunet Corporation Ltd.	-	-	41	40
Jastel Network Co., Ltd.	-	-	19	6
Siam Teltech Computer Co., Ltd.	-	-	14	10
Three BB Co., Ltd.	-	-	11	11
Jasmine Internet Co., Ltd.	-	-	9	11
Jasmine Smart Shop Co., Ltd.	-	-	6	6
ACeS Regional Services Co., Ltd.	-	-	1	1
Premium Assets Co., Ltd.	-	-	-	1
Triple T Internet Co., Ltd.	-	-	-	1
Thai Long Distance Telecommunications Co., Ltd.	-	-	-	-
	-	-	363	240

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	2010	2009	2010	2009
Associates over which influence have been lost*				
TT&T Plc.	-	21	-	-
TT&T Subscriber Services Co., Ltd.	-	1	-	-
	-	22	-	-
Related company				
TT&T Subscriber Services Co., Ltd.	4	-	-	-
Total amounts due from related parties	4	22	363	240
Total short-term loans to and amounts due from related parties	4	22	836	746
Less: Allowance for doubtful accounts	-	-	(22)	(22)
Total short-term loans to and amounts due from related parties - net	4	22	814	724
<u>Unbilled receivable - related party</u>				
Associate over which influence has been lost*				
TT&T Plc.	-	2	-	-
Total unbilled receivable - related party	-	2	-	-
<u>Dividend receivable from subsidiary</u>				
Acumen Co., Ltd.	-	-	1,460	1,482
Total dividend receivable from subsidiary	-	-	1,460	1,482
<u>Advance payments for investment projects to related parties</u>				
Associate				
Khunka Palang Thai Co., Ltd.	-	20	-	20
Related company				
Palit Palangngan Co., Ltd.	16	16	16	16
Total advance payments for investment projects to related parties	16	36	16	36
Less: Allowance for doubtful accounts	(11)	(26)	(11)	(26)
Total advance payments for investment projects to related parties - net	5	10	5	10
<u>Trade accounts payable - related parties</u>				
Associates over which influence have been lost*				
TT&T Plc.	-	582	-	-
TT&T Subscriber Services Co., Ltd.	-	221	-	-
Triple T Global Net Co., Ltd.	-	12	-	-
	-	815	-	-

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	2010	2009	2010	2009
Related companies				
TT&T Subscriber Services Co., Ltd..	237	-	-	-
Triple T Global Net Co., Ltd.	15	-	-	-
Mono Generation Co.,Ltd.	5	-	-	-
	257	-	-	-
Total trade accounts payable - related parties	<u>257</u>	<u>815</u>	<u>-</u>	<u>-</u>
<u>Amounts due to related parties</u>				
Subsidiaries				
Acumen Co., Ltd.	-	-	13	13
Jasmine Submarine Telecommunications Co., Ltd.	-	-	-	6
Others	-	-	-	2
	-	-	13	21
Associate				
Premium Real Estate Co., Ltd.	4	4	-	-
Associates over which influence have been lost*				
TT&T Plc.	-	84	-	-
TT&T Subscriber Services Co., Ltd.	-	5	-	-
Triple T Global Net Co., Ltd.	-	1	-	-
	-	90	-	-
Related companies				
TT&T Subscriber Services Co., Ltd.	3	-	-	-
Triple T Global Net Co., Ltd.	2	-	-	-
Mono Technology Co., Ltd.	9	2	-	-
	14	2	-	-
Total amounts due to related parties	<u>18</u>	<u>96</u>	<u>13</u>	<u>21</u>
<u>Long-term debts under rehabilitation plan</u>				
<u>from related parties</u>				
Subsidiaries				
Acumen Co., Ltd.	-	-	555	555
Jasmine Submarine Telecommunications Co., Ltd.	-	-	223	269
Total	-	-	778	824
Less: Current portion (deferred interest expenses portion)	-	-	(142)	(165)
Total long-term debts under rehabilitation plan from related parties - net of current portion	<u>-</u>	<u>-</u>	<u>636</u>	<u>659</u>

* The Company and its subsidiaries have lost control because TT&T Plc. (TT&T) entered into a business rehabilitation process. Currently, the Company's shareholding in TT&T is only 0.05% (Note 16 to the financial statements).

Long-term debts under rehabilitation plan from related parties are debts under the rehabilitation plan of the Company. Principal is to be settled in full in 2013, while interest is to be paid quarterly, at a rate of MLR-2% per annum, although the Company has the right to carry the interest forward to pay it in 2013. If the Company does not have sufficient surplus cash in 2013 to settle the principal and interest, all outstanding debts and interest are to be forgiven.

During 2010, movements of short-term loans to related parties and long-term debts under rehabilitation plan from related parties were as follows:

(Unit: Million Baht)

	Separate financial statements			
	Balance as at	Movements during the year		Balance as at
	31 December 2009	Increase	Decrease	31 December 2010
<u>Short-term loans to related parties</u>				
Subsidiaries				
Acumen Co., Ltd.	500	-	(33)	467
Jasmine Smart Shop Co., Ltd.	6	-	-	6
Total	506	-	(33)	473
<u>Long-term debts under rehabilitation plan</u>				
<u>from related parties</u>				
Subsidiaries				
Acumen Co., Ltd.	555	-	-	555
Jasmine Submarine Telecommunications Co., Ltd.	269	-	(46)	223
Total	824	-	(46)	778

Directors and management's benefits

In 2010, the Company and its subsidiaries had salaries, bonuses, and meeting allowances of their directors and management recognised as expenses totaling Baht 158 million, with that of separate financial statements totaling Baht 19 million (2009: Baht 133 million, Separate financial statements: Baht 19 million).

Guarantee obligations with subsidiaries

The Company has outstanding guarantee obligations with its subsidiaries, as described in Note 38.2 to the financial statements.

9. Trade accounts receivable

The balances of trade accounts receivable as at 31 December 2010 and 2009, aged on the basis of due dates, are summarised below.

Age of receivables	(Unit: Million Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>
<u>Related parties</u>				
Not yet due	13	40	-	-
Past due				
Up to 3 months	11	172	-	-
Longer than 3 - 6 months	34	147	-	-
Longer than 6 - 12 months	75	41	-	-
Longer than 12 months	4	486	-	-
Total (Note 8)	137	886	-	-
<u>Unrelated parties</u>				
Not yet due	1,016	1,555	-	-
Past due				
Up to 3 months	428	582	-	-
Longer than 3 - 6 months	311	308	-	-
Longer than 6 - 12 months	542	500	-	-
Longer than 12 months	1,473	311	50	56
Total	3,770	3,256	50	56
Less: Allowance for doubtful accounts	(174)	(114)	(50)	(56)
Net	3,596	3,142	-	-
Trade accounts receivable - net	3,733	4,028	-	-

Included in trade accounts receivable from unrelated parties over the age thresholds of 3 months as at 31 December 2010 and 2009, are amounts receivable from companies majority-owned by the government as follows:

Age of receivables	(Unit: Million Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>
Longer than 3 - 6 months	209	232	-	-
Longer than 6 - 12 months	403	461	-	-
Longer than 12 months	1,139	227	-	-
Total	1,751	920	-	-

Subsidiaries have assigned their rights over collection of major trade accounts receivable to banks to secure credit facilities obtained from those banks.

9.1 As at 31 December 2010 and 2009, an outstanding trade accounts receivable balances of Jasmine Submarine Telecommunications Co., Ltd. (JSTC), a subsidiary, amounting to Baht 2,015 million and Baht 1,216 million, respectively, is receivable for service under a co-investor agreement made between JSTC and TOT Plc. (TOT), its concession provider. TOT has ceased making payment since September 2008 because the revenue sharing rates are still under negotiation with JSTC. JSTC recorded service income under such agreement for the year ended 31 December 2010 and 2009 amounting to Baht 747 million and Baht 841 million, respectively. A conclusion to the revenue sharing rate negotiation has not yet been reached. However, the management of JSTC believes that such recording is consistent with the co-investor agreement.

9.2 As at 31 December 2009, the subsidiaries had outstanding balances receivable from TT&T Plc. (TT&T), an associated company over which the Company and its subsidiaries no longer have significant influence, amounting to approximately Baht 752 million (In 2010, they were classified as unrelated party transactions). The balances are recorded under the captions of "Trade accounts receivable - related parties", "Amounts due from related parties", "Unbilled receivable - related parties", and "Other accounts receivable" in the consolidated balance sheet. The balances are long outstanding. In considering the collectability of the outstanding balances, the management of the subsidiaries received cash flow projections prepared by TT&T in 2008. They showed that TT&T would have sufficient future cash flows to make full payment. On 22 April 2008, TT&T filed a petition for business rehabilitation with the Central Bankruptcy Court and on 7 November 2008, the Central Bankruptcy Court ordered TT&T to enter into a business rehabilitation process.

On 22 July 2009, the Central Bankruptcy Court ordered the appointment of the rehabilitation plan preparer. Up to 23 February 2010, the plan preparer is in the process of preparing the rehabilitation plan. However, the rehabilitation plan is still required to be approved by the creditors and the Court. The business rehabilitation plan may significantly impact on the allowance for doubtful accounts for the outstanding balances, and the management of the subsidiaries are therefore unable to determine appropriate amounts of allowance to record in the financial statements for the year ended 31 December 2009.

On 26 February 2010, the plan preparer submitted the rehabilitation plan to the Central Bankruptcy Court through the Official Receiver and on 8 April 2010, the Official Receiver held the first creditors' meeting to consider the plan. However, the subsidiaries submitted objections against the creditor classification. Subsequently, on 2 June 2010, the Court ordered creditor classification in accordance with the counterclaims and the rehabilitation plan preparer proceeded to amend the rehabilitation plan in accordance with the Court's order. On 11 August 2010, the Official Receiver held a creditors' meeting to consider the revised plan and the creditors passed an extraordinary resolution to accept the revised plan. Subsequently, on 5 October 2010, the subsidiaries submitted objections to the revised plan to the Central Bankruptcy Court. However, on 28 December 2010, the Central Bankruptcy Court issued an order approving the rehabilitation plan of TT&T. Currently, the subsidiaries are appealing to the Supreme Court against the approval of the rehabilitation plan.

Under the rehabilitation plan, outstanding claims filed by the subsidiaries as at 29 October 2009 are considered for restructuring, totaling Baht 601 million (Principal of Baht 566 million and interest receivable of Baht 35 million). This balance includes rights over collection that Siam Teltech Computer Co.,Ltd. (STCC), a subsidiary, assigned to a local bank to secure a short-term loan from the bank, amounting to Baht 314 million (Principal of Baht 299 million and interest receivable of Baht 15 million). The bank filed a claim for that balance directly with TT&T under the rehabilitation plan, as described in Note 22 to the financial statements, and such balance is classified in the same creditor group as that of STCC in the plan.

According to the plan, the subsidiaries will receive settlement of both principal and interest receivable as detailed below.

- 1) Within 15 days after the Court approves the plan, 5% of the principal will be settled in cash.
- 2) Within 4 years after the Court approves the plan, 20% of the principal will be settled in cash, on a quarterly basis over 4 years. In 2011 and 2012, 4% of the principal will be settled each year, in 2013, 10% of the principal will be settled, and in the first quarter of 2014, 2% of the principal will be settled.
- 3) The other 75% of the principal and all interest receivable will be settled by conversion to ordinary shares of TT&T with a debt to equity conversion rate of 1:1 (Debt of Baht 1 converted to 1 ordinary share at Baht 1 per share (the value after the share capital reduction according to the rehabilitation plan). The shares received as settlement for debt are subject to restrictions, in that they cannot be sold for at least 6 months after receipt. Subsequently, they may be sold to individuals or corporations ever 6 months, on up to five occasions, but the Company can dispose of no more than 20% of the shares each time. When 3 years has passed from the date of share settlement, all remaining shares can be sold to individual or corporations, without restrictions. However, all of the shares can be disposed of immediately if the plan preparer finds an investor for 100% of the shares.

The subsidiaries recorded potential losses on debt restructuring in the income statements for the year ended 31 December 2010 totaling Baht 244 million, using this rehabilitation plan and the fair value of TT&T ordinary share as at 30 December 2010 as a basis for recording the transaction, calculated based on the claims filed by the subsidiaries as at 29 October 2009 mentioned above. However, the outstanding claims mentioned above consist of claims of certain subsidiaries approved by the Court amounting to Baht 35 million and claims of certain subsidiaries not yet approved by the Court amounting to Baht 566 million. The subsidiaries which their claims not yet approved by the Court therefore have not received any debt settlement under the rehabilitation plan and the claims approved by the Court may differ from the outstanding claims used in the calculation of the potential losses from debt restructuring. As at 31 December 2010, the subsidiaries presented the outstanding balance net of potential losses on debt restructuring under the caption of "Accounts receivable under troubled debt restructuring". In addition, outstanding receivables from TT&T of certain subsidiaries filed under the rehabilitation plan of Baht 179 million were the debt occurred after the date which the Court ordered TT&T to enter into the rehabilitation process (7 November 2008); they therefore were not considered to be settled under the rehabilitation plan of TT&T. However, this balance is the debt arisen in the ordinary course of business, the subsidiaries' management believe that the subsidiaries will be settled in full, therefore do not record the allowance for doubtful account for this balance in their accounts.

In addition, in November 2010, P Planner Co., Ltd., the plan preparer of TT&T, had a law firm submit a letter to STCC to cancel the purchase and sales and service agreement for the Customer Care & Billing System (CC&B system) and amended agreement, under which TT&T hired STCC to supply and deliver the system to TT&T. The grounds given for the cancellation were that STCC had breached the contract in terms of the delivery of the system. However, STCC issued a letter to the law firm disputing the cancellation of the agreements. The management of STCC and its legal advisor believe that STCC completed delivery of the system to TT&T in compliance with the agreements and therefore that STCC did not breach the agreement, the cancellation of the agreement is unjustified and does not terminate the provisions of the agreement, and STCC thus has the right to claim full payment for the work under the agreement from TT&T, amounting to Baht 470 million. STCC had assigned its rights over collection of this amount from TT&T to a local bank and the bank filed a claim directly with TT&T under the rehabilitation plan, as discussed in Note 22.

In addition, the rehabilitation plan stipulates that the settlement of the balances between Triple T Broadband Plc. (TTT), a subsidiary, and TT&T in 2009 by way of the assignment of promissory notes amounting to Baht 707 million that were issued by TT&T, and which were endorsed by TT&T Subscriber Services Co., Ltd. (TT&T SS) for transfer to TTT, and notification by TTT of its intention to offset balances with TT&T by way of exercising its rights in proceeds payable by TT&T to TT&T SS, and TT&T SS transfers of claims amounting to Baht 170 million to TTT to offset debt payable by TTT to TT&T, constituted settlement that are out of line with the purpose of the contract and thus do not constitute a complete and legitimate debt settlement transaction. Grounds for this are that TTT has to settle the debt by the method stipulated in the concession agreement of TT&T, whereby TTT has to directly settle debt to TOT and TOT will then allocate the settled amount to TT&T in accordance with the revenue sharing rate agreed under the concession. Non-cash settlements by TTT, such as by exercising claims or promissory notes and/or direct settlement with TT&T are out of line with the purpose of the contracts and do not constitute a complete and legitimate debt settlement transaction.

However, the legal advisor of TTT has expressed an opinion that TTT is entitled to make direct settlement of leased line service payable under the leased line service contract made with TT&T as a result of objection of payment method because TTT and TT&T are direct counterparties. The making payment of leased line service payable to endorse and transfer promissory notes means that TT&T is the issuer and the holder of the promissory notes at the same time. Therefore, rights and liabilities under the promissory notes in the debt are subject to the same person, and fully in harmony. Therefore, debt by the promissory notes and the service payable will be suspension in an equal amount of the promissory notes. TTT notified TT&T of its intention to offsetting by way of exercise its rights from TT&T SS as discussed above, therefore TTT whereas a debtor and creditor of TT&T at the same time. TT&T and TTT are mutual with the same purpose of debt. TTT is eligible to offset payable with TT&T in an equal amount.

Moreover, the plan stipulates that the plan preparer has authority to refuse to acknowledge rights over the leased line service contracts, including any additional revisions of agreements and/or memorandums, and all agreements regarding the leased line service rate, as described in Note 38.8 c) to the financial statements, pursuant to section 90/40 or 90/41 bis of the Bankruptcy Act. However, the legal advisor of TTT expressed an opinion that the exercising rights of the plan preparer will not retrospectively have any impact on the rights and obligations under the said contracts.

However, the management of TTT is confident that TTT has correctly complied with legal opinions of its legal advisor as mentioned above, and therefore does not reflect the effect of these matters in its accounts.

10. Inventories

(Unit: Million Baht)

	Consolidated financial statements					
	Allowance for					
	diminution in value of					
	Cost		inventories		Inventories-net	
	<u>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>
Satellite transmission equipment	27	29	(20)	(20)	7	9
Finished goods and spare parts	361	295	(76)	(79)	285	216
Total	<u>388</u>	<u>324</u>	<u>(96)</u>	<u>(99)</u>	<u>292</u>	<u>225</u>

11. Assets held for sale

Movements of the Assets held for sale account during the year ended 31 December 2010 are summarised below.

(Unit: Million Baht)

Installed public telephones	158
Uninstalled public telephones	141
Total	299
Less: Allowance for impairment of assets - Installed public telephones	(71)
Net book value as at 31 December 2009	228
Disposals during the period - net book value as at disposal date	(53)
Less: Allowance for impairment of assets - Uninstalled public telephones	(18)
Net book value as at 31 December 2010	157

In 2009, a subsidiary sold land and buildings that are not used in operations, which were classified as assets held for sale amounting to Baht 79 million to an unrelated party. The subsidiary had gain on the sale of Baht 25 million.

Installed public telephones

As at 31 December 2009, Jasmine Telecom Systems Plc. (JTS), a subsidiary, had 11,944 installed public telephones under the rental contracts with TOT with a net book value amounting to Baht 87 million. Based on the supplementary agreement to the public telephone rental contracts dated 16 November 2009 between JTS and TOT, JTS agreed to sell the installed public telephones to TOT. In 2010, JTS delivered 7,255 installed public telephones, with a net book value amounting to Baht 53 million to TOT. As at 31 December 2010, JTS had 4,689 installed public telephones, with a net book value amounting to Baht 34 million, which was in the process of making delivery to TOT. JTS expects the delivery to be completed during the first quarter of the year 2011.

Uninstalled public telephones

In September 2010, JTS entered into turn-key agreements with TTT and Jastel Network Co., Ltd. (JTN), subsidiaries of the Company. Under the agreements, these two companies are to provide their universal telecommunications services (under the Universal Service Obligation; USO) and JTS will receive payment of mutually agreed amounts. JTS will use its public telephones and equipment with book values totaling approximately Baht 9 million for these projects. Currently, JTS is in the process of implementing the agreements.

At the present, JTS is in the process of offering for sale its remaining uninstalled public telephones to unrelated companies. As at 31 December 2010, the management of JTS determined the fair value of these uninstalled public telephones and recorded loss on impairment amounting to Baht 18 million in the income statement of the current year.

12. Other accounts receivable

The outstanding balance of other accounts receivable in the consolidated financial statements as at 31 December 2009 included the amount of Baht 73 million that STCC paid in advance to an unrelated company for TT&T for a project work. STCC has a right to call for the repayment for such amount from TT&T. STCC has already filed this amount in its claims for settlement of debts under the business rehabilitation plan of TT&T. However, STCC assigned its rights to receive payment from TT&T to a local bank to secure a short-term loan with the bank, as described in Note 22 to the financial statements. This outstanding balance was included in the calculation of potential losses on debt restructuring in the current year as discussed in Note 9.2 to the financial statements.

13. Restricted deposits with financial institutions

These represent saving and fixed deposits which the Company and its subsidiaries pledged to secure credit facilities.

14. Investments in subsidiaries

Details of investments in subsidiaries as presented in separate financial statements are as follows:

Company's name	Paid-up capital		Cost		(Unit: Million Baht)	
					Dividend received	
	2010	2009	2010	2009	during the year	
					2010	2009
Jasmine Submarine Telecommunications Co., Ltd.	1,550	1,550	1,946	1,946	-	-
Acumen Co., Ltd.	760	760	760	760	-	582
T.J.P. Engineering Co., Ltd.	200	200	160	160	-	-
Mobile Communication Services Co., Ltd.	100	100	70	70	-	-
Jasmine Telecom Systems Plc.	703	703	100	100	24	-
Compunet Corporation Ltd.	260	260	100	100	-	-
Jasmine Smart Shop Co., Ltd.	110	110	110	110	-	-
Three BB Co., Ltd.	52	52	52	52	-	-
Jasmine International Overseas Co., Ltd.	115	115	46	46	-	-
Jasmine Internet Co., Ltd.	15	15	7	7	40	3
Chaengwatana Planner Co., Ltd.	0.1	0.1	-	-	-	-
			3,351	3,351	64	585
Less: Allowance for impairment of investments			(367)	(367)		
Total investments in subsidiaries - net			2,984	2,984		

14.1 As described in Note 9.1 to the financial statements, at present, JSTC is in negotiation with TOT, its concession provider, regarding the revenue sharing rates under a co-investor agreement. The management of JSTC believes that the recording of such service revenue is consistent with the co-investor agreement.

14.2 On 7 December 2010, the extraordinary general meeting of the shareholders of TTT passed a resolution approving an increase in its registered share capital from Baht 1,000 million to Baht 1,250 million, by issuing 250 million new ordinary shares with a par value of Baht 1 per share, to be allocated to the existing shareholders of TTT in a ratio of 0.25 new shares for each existing share, at an offer price of Baht 1 per share. TTT registered the increase in share capital with the Ministry of Commerce on 24 December 2010.

Subsequently, on 14 December 2010, the meeting of the Board of Directors of Acumen Co.,Ltd. (Acumen), a subsidiary, which formerly held 989,994,070 shares of TTT, passed a resolution approving the purchase by Acumen of an additional 247,498,518 ordinary shares of TTT by way of a rights offering, together with a further 2,499,982 shares to which TT&T waived its right to subscribe at the above offer price. As a result of these acquisitions, Acumen's shareholding in TTT increased from 99.00 percent to 99.20 percent.

- 14.3 On 27 July 2009, the extraordinary general meeting of the shareholders of TTT passed resolutions approving a decrease in its registered share capital from Baht 1,200 million to Baht 110 million, by writing off 1,090 million unissued ordinary shares with a par value of Baht 1 per share and approving an increase in its registered share capital from Baht 110 million to Baht 1,000 million, by issuing 890 million new ordinary shares with a par value of Baht 1 per share, to be allocated to the existing shareholders of TTT in a ratio of 8.09 new shares for each existing share, at an offer price of Baht 1 per share. Subsequently, on 30 July 2009, the meeting of the Board of Directors of Acumen which formerly held 99,999,410 shares of TTT, passed a resolution approving the purchase by Acumen of an additional 809,086,135 ordinary shares of TTT by way of a rights offering, together with a further 80,908,525 shares to which TT&T waived its right to subscribe at the above offer price. As a result of these acquisitions, Acumen's shareholding in TTT increased from 90.91 percent to 99.00 percent. The Company has recognised the increase in value of investments in TTT of Baht 13 million under the caption of "Capital surplus from change in shareholding in subsidiary" in shareholders' equity. Such additional investment is still being disputed with TT&T. However, a legal adviser expressed an opinion that Acumen was entitled to make the investment.
- 14.4 For reasons of prudence, during 2009, the Company set aside allowance for impairment of investment in T.J.P. Engineering Co.,Ltd. (TJP) of Baht 16 million, because this subsidiary has been suffering losses on its operation for a long time.
- 14.5 On 8 June 2009, the Meeting of the Board of Directors of the Company No.4/2552 passed a resolution to purchase of 480,000 ordinary shares of Jasmine Internet Co., Ltd. (Ji-Net), a subsidiary, from CAT Telecom Plc. (CAT) at a price of Baht 12.09 per share, or a total of Baht 5.8 million. As a result of the acquisition, the Company's shareholding in Ji-Net increased from 65 percent to 97 percent. Surplus on investments in the subsidiary arising as a result of acquisitions of additional shares at a price less than the net book value at the acquisition date of Baht 20 million is recorded in shareholders' equity.
- 14.6 On 26 February 2009, the extraordinary general meeting of the shareholders of Jastel Network Co.,Ltd. (JTN), a subsidiary, passed a resolution to increase its registered share capital from Baht 220 million (2,200,000 ordinary shares of Baht 100 each) to Baht 520 million (5,200,000 ordinary shares of Baht 100 each) by issuing an additional 3,000,000 ordinary shares of Baht 100 each, to be offered to existing shareholders. JTN registered the increase in share capital with the Ministry of Commerce on 27 February 2009. Up to the present, JTN has called up totaling 65 percent of the additional registered share capital, or a total of Baht 195 million.
- 14.7 The majority of the share certificates of the investments of the Company and JTS have been pledged or delivered to a security agent as collateral to secure long-term debts under the rehabilitation plan, as described in Note 26 to the financial statements.
- 14.8 During 2007 to 2009, TOT lodged complaints against TTT at numerous police stations, alleging that TTT had illicitly used TOT's network. However, the management of TTT believes that TTT had not illicitly used TOT's network equipment, as TTT had used network equipment and/or services in accordance with a contract with an unrelated company. The issue has not yet been finalised.
- In 2008, TTT was sued by TOT, seeking compensation of Baht 24 million and alleging that TTT had illicitly used TOT's bandwidth for Internet services. The case is under consideration by the Court.
- During the year 2009 to 2010, TT&T lodged complaints against TTT and Triple T Internet Co.,Ltd. (TTI), a subsidiary, at numerous police stations and courts concerning the use and maintenance of leased lines and carrying out of work at transmission node location. The issue has not yet been finalised.
- In 2010, TTT was sued by TT&T, seeking compensation of Baht 16 million and alleging that TTT had illicitly used TT&T's telecommunication network. The case is under consideration by the Court.
- The management of the subsidiaries is confident that no significant losses will be incurred as a result of these lawsuits and no provision has therefore been made against the contingent liability in the accounts.
- 14.9 On 9 February 2011, STCC changed its name to "Cloud Computing Solutions Company Limited".

15. Investments in associates

15.1 Details of associates

Consolidated financial statements										(Unit: Million Baht)	
Company's name	Nature of business	Country of incorporation	Shareholding percentage		Cost		Carrying amounts based on equity method		Share of income from investments in associates during the year		
			2010	2009	2010	2009	2010	2009		2010	2009
			(%)	(%)							
Internet Knowledge Service Center Co., Ltd.	Communication equipment rental	Thailand	38	38	49	49	23	13	10	3	
Premium Real Estate Co., Ltd.	Ceased operation	Thailand	49	49	402	402	-	-	-	-	
Khunka Palang Thai Co., Ltd.	Not yet operation	Thailand	23	23	-	-	-	-	-	-	
Telecom KSC Co., Ltd.	Not yet operation	Thailand	40	40	-	-	-	-	-	-	
Total					451	451	23	13	10	3	

(Unit: Million Baht)

Separate financial statements									
Company's name	Nature of business	Country of incorporation	Shareholding percentage		Cost		Allowance for impairment of investments		Carrying amounts based on cost method - net
			<u>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>	<u>2009</u>
			(%)	(%)					
Internet Knowledge Service Center Co., Ltd.	Communication equipment rental	Thailand	38	38	49	49	(32)	(32)	17
Premium Real Estate Co., Ltd.	Ceased operation	Thailand	49	49	402	402	(402)	(402)	-
Khunka Palang Thai Co., Ltd.	Not yet operation	Thailand	23	23	-	-	-	-	-
Telecom KSC Co., Ltd.	Not yet operation	Thailand	40	40	-	-	-	-	-
Total					451	451	(434)	(434)	17

15.2 Summarised financial information of associates
Financial information of the associates is summarised below.

Company's name	Paid-up capital		Total assets		Total liabilities		Total revenues		(Unit: Million Baht) Net income	
	as at 31 December		as at 31 December		as at 31 December		for the year ended		for the year ended	
	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009
Internet Knowledge Service Center Co., Ltd.	50	50	78	62	17	23	2	5	-	4
Premium Real Estate Co., Ltd.	820	820	12	12	1	1	-	-	-	-
Khunka Palang Thai Co., Ltd.	1	1	-	37	16	93	41	-	41	-
Telecom KSC Co., Ltd.	1	1	-	-	-	-	-	-	-	-

15.3 The Company recognised share of losses from investments in an associate, until the value of the investment approached zero. Subsequent losses incurred by the associate has not been recognised in the Company's accounts since the Company has no obligations, whether legal or constructive, to make any payments on behalf of the associate. The amount of such unrecognised share of losses for the year ended 31 December 2010 and 2009 is Baht 4 million and Baht 13 million, respectively.

15.4 The share of income for the year ended 31 December 2010 of all associates were calculated from the financial statements for the year ended 31 December 2010 prepared by their managements and have not been audited by their auditors.

16. Investments in available-for-sale securities

This represents investments in ordinary shares of TT&T, as per the following details.

(Unit: Million Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2010	2009	2010	2009
Investments in available-for-sale securities	701	995	438	859
Acquisitions during the year	-	238	-	-
Disposals during the year	(587)	(18)	(324)	-
Revaluation deficit on changes in value of the investments in available-for-sale securities	(23)	(514)	(23)	(421)
Reversal of revaluation deficit on changes in value of investments in available-for-sale securities	23	516	23	421
Allowance for impairment of investments	(23)	(516)	(23)	(421)
Investments in available-for-sale securities - net	<u>91</u>	<u>701</u>	<u>91</u>	<u>438</u>

16.1 During 2010, the Company and its subsidiaries sold 1,085 million ordinary shares in TT&T for a total of Baht 496 million, through the Stock Exchange of Thailand, with a loss on the sale of Baht 90 million (the Company alone sold 598 million ordinary shares in TT&T for a total of Baht 320 million, with a loss on the sale of Baht 3 million). Subsequently, in January 2011, the Company sold 210 million ordinary shares of TT&T, for a total of Baht 79 million, through the Stock Exchange of Thailand, with a loss on the sale Baht 12 million. Currently, the Company' shareholding in TT&T is only 0.05%.

16.2 During 2009, the Company and its subsidiaries recorded allowance for impairment of investments in TT&T amounting to Baht 516 million, and the allowance of the Company only amounting to Baht 421 million and ,subsequently, in 2010, the Company additionally recorded allowance for impairment of investments in TT&T amounting to Baht 23 million, as the decrease in the fair value of these investments is significant and prolonged, which the management considers to constitute an indication that the investments have been impaired. The Company and its subsidiaries used the fair value of TT&T shares as at 31 December 2010 and 2009 as the basis for recording these transactions of each year.

16.3 During 2009, Premium Assets Co., Ltd. (PA), a subsidiary, purchased an additional 335 million ordinary shares in TT&T for a total of Baht 238 million, through the Stock Exchange of Thailand. Subsequently, PA and Acumen sold 23 million ordinary shares in TT&T for a total of Baht 15 million through the Stock Exchange of Thailand, with a loss on the sale of Baht 3 million.

17. Property, plant and equipment

(Unit: Thousand Baht)

Consolidated financial statements											
	Land	Buildings, leasehold improvement and building improvement	Gateway station for the ACeS Satellite - based mobile project	Motor vehicles	Equipment for telecom network services	Satellite transmission equipment	Tools and equipment	Furniture, fixtures and office equipment	Others	Assets under installation	Total
Cost											
31 December 2009	329,433	1,392,359	774,096	177,043	4,039,846	518,641	219,246	482,212	274,520	1,509,597	9,716,993
Additions	3,234	33,926	-	89,078	1,192,021	3,944	9,847	103,806	4,090	3,161,695	4,601,641
Disposals	-	(32,616)	-	(2,800)	-	(73,860)	(45)	(16,581)	(14)	(10)	(125,926)
Transfers in (out)	-	10,725	-	-	1,833,626	(16,830)	20,603	3,137	6,367	(1,858,381)	(753)
31 December 2010	332,667	1,404,394	774,096	263,321	7,065,493	431,895	249,651	572,574	284,963	2,812,901	14,191,955
Accumulated depreciation											
31 December 2009	-	420,161	149,963	48,232	854,605	299,752	92,327	220,481	118,331	-	2,203,852
Depreciation for the year	-	78,459	-	41,129	678,254	38,075	42,681	106,327	27,635	-	1,012,560
Depreciation on disposals	-	(13,604)	-	(1,400)	-	(63,812)	(41)	(16,231)	(6)	-	(95,094)
Transfers in (out)	-	-	-	-	-	-	-	-	(11)	-	(11)
31 December 2010	-	485,016	149,963	87,961	1,532,859	274,015	134,967	310,577	145,949	-	3,121,307
Allowance for impairment											
31 December 2009	-	10,725	624,133	-	-	101,680	-	365	-	-	736,903
Allowance for impairment on disposals	-	(10,000)	-	-	-	(14,072)	-	-	-	-	(24,072)
31 December 2010	-	725	624,133	-	-	87,608	-	365	-	-	712,831
Net book value											
31 December 2009	329,433	961,473	-	128,811	3,185,241	117,209	126,919	261,366	156,189	1,509,597	6,776,238
31 December 2010	332,667	918,653	-	175,360	5,532,634	70,272	114,684	261,632	139,014	2,812,901	10,357,817
Depreciation for the year											
2009 (Baht 593 million included in cost of service, and the balance in selling, servicing and administrative expenses)											664,579
2010 (Baht 880 million included in cost of service, and the balance in selling, servicing and administrative expenses)											1,012,560

(Unit: Thousand Baht)

Separate financial statements

	Leasehold improvement	Furniture, fixtures and office equipment	Tools and equipment	Motor vehicles	Assets under installation	Total
Cost						
31 December 2009	39,585	22,366	2,073	5,383	7,584	76,991
Additions	-	2,280	-	940	4,040	7,260
Disposals	-	(399)	-	-	-	(399)
Transfers in (out)	10,725	899	-	-	(11,624)	-
31 December 2010	50,310	25,146	2,073	6,323	-	83,852
Accumulated depreciation						
31 December 2009	32,907	13,979	2,073	3,074	-	52,033
Depreciation for the year	2,969	3,302	-	639	-	6,910
Depreciation on disposals	-	(399)	-	-	-	(399)
31 December 2010	35,876	16,882	2,073	3,713	-	58,544
Net book value						
31 December 2009	6,678	8,387	-	2,309	7,584	24,958
31 December 2010	14,434	8,264	-	2,610	-	25,308
Depreciation for the year						
2009 (included in administrative expenses)						4,783
2010 (included in administrative expenses)						6,910

As at 31 December 2010, certain plant and equipment items of the Company and its subsidiaries had been fully depreciated but were still in use. The gross carrying amount (before deducting accumulated depreciation and allowance for impairment) of those assets amounted to approximately Baht 551 million, of which Baht 46 million is from the Company (2009: Baht 564 million and Baht 45 million, respectively).

As at 31 December 2010, subsidiaries had motor vehicles and equipment under finance lease agreements with net book values amounting to Baht 190 million (2552: Baht 117 million).

In November 2005, PA purchased Jasmine International Tower from a financial institution at a price of Baht 1,200 million. The Company has prepaid rent in space in this building, as described in Note 19 to the financial statements, and therefore presents this prepaid rent as part of the building purchased by the subsidiary in the consolidated financial statements, in order that the presentation of information reflects its underlying economic substance.

The majority of equipment for providing telecom network services has been acquired under long-term installment agreements as described in Note 23 to the financial statements. As at 31 December 2010, title to and ownership of the equipment which their costs are approximately Baht 2,869 million will pass to subsidiaries when the subsidiaries have made full payment of the contract price (2009: Baht 1,408 million).

18. Computer software

	(Unit: Million Baht)
	Consolidated
	financial statements
Cost	
31 December 2009	62
Additions	58
31 December 2010	120
Accumulated depreciation	
31 December 2009	8
Amortisation for the year	26
31 December 2010	34
Net book value	
31 December 2009	54
31 December 2010	86

19. Prepaid rent

In July 1998, the Company entered into a 30-year agreement to lease space in an office building (Jasmine International Tower) from an associate and paid advance rental of Baht 415 million. Subsequently, in 2000, the associate transferred ownership of the building to financial institutions in settlement of liabilities, in accordance with a debt restructuring agreement.

In November 2005, PA acquired the building back from the financial institution, as described in Note 17 to the financial statements. As a result, in order to present information in accordance with its underlying economic substance, the Company has presented its prepaid rent as part of the building purchased by the subsidiary in the consolidated financial statements.

The prepaid rent balances as at 31 December 2010 and 2009 are as follows:

	(Unit: Million Baht)	
	Separate financial statements	
	2010	2009
Prepaid rent	415	415
Less: Accumulated amortisation	(172)	(158)
Prepaid rent - net	243	257
Amortisation expenses included in the income statements for the year	14	14

20. Deferred project costs

		(Unit: Million Baht)	
		Consolidated financial statements	
		<u>2010</u>	<u>2009</u>
Costs of submarine optical fibre cable networks		5,123	5,123
Costs of equipment for domestic high - speed data communication rental service		5	5
Total		5,128	5,128
Less: Accumulated amortisation		(4,863)	(4,510)
Deferred project cost - net		<u>265</u>	<u>618</u>
Amortisation expenses included in the income statements for the year		<u>353</u>	<u>355</u>

The costs of the submarine optical fibre cable networks represent costs incurred under the joint investment contracts which JSTC and Thai Long Distance Telecommunications Co., Ltd. (TLDT), a subsidiary, made with TOT to install a submarine optical fibre cable networks on the east and the west coasts of Thailand, dated 4 October 1991. Ownership of the network was immediately transferred to TOT upon the subsidiaries' completing network installation and passing the final acceptance test conducted by TOT. In return JSTC and TLDT are entitled to a share of revenues earned from the network over a period of 20 years, as from the date the network was transferred to TOT, or until 4 October 2011. Total service income of JSTC and TLDT from such contracts for the year ended 31 December 2010 and 2009 was Baht 827 million and Baht 953 million, respectively.

Currently, TOT has ceased making payment to JSTC for service under the co-investor agreement, as TOT is in negotiation with JSTC regarding the revenue sharing rates, as described in Note 9.1 to the financial statements.

JSTC and TLDT transferred their rights over the collection of their share of the revenues from TOT, under the above joint investment contracts, to secure long-term loan of JSTC, as described in Note 25.1 to the financial statements. JSTC and TLDT have an obligation to comply with certain conditions as stated in the agreement.

21. Goodwill

		(Unit: Million Baht)	
		Consolidated financial statements	
		<u>2010</u>	<u>2009</u>
Goodwill		89	89
Less: Allowance for impairment		(72)	(48)
Goodwill - net		<u>17</u>	<u>41</u>

As at 31 December 2010, goodwill of Baht 16 million is goodwill from an investment in JSTC. At present, JSTC is in negotiation with TOT, its concession provider, regarding the revenue sharing rates, as described in Note 9.1 to the financial statements.

22. Bank overdrafts and short-term loans from banks

(Unit: Million Baht)

	Interest rate (percent per annum)	Consolidated financial statements	
		<u>2010</u>	<u>2009</u>
Bank overdrafts	Linked to MOR	-	14
Short-term loans from banks	Linked to MLR	618	1,269
Total		618	1,283

Short-term loans from banks of subsidiaries are secured by the assignment of their rights over collection of trade accounts receivable of the subsidiaries as described in Note 9 to the financial statements.

As at 31 December 2010, the balance of a short-term loan of STCC, amounting to Baht 290 million, is a loan from a local bank which is secured by the assignment of rights over collection from TT&T. The bank filed a claim amounting to Baht 470 million directly with TT&T under the rehabilitation plan, and such balance is classified in the same creditor group as that of STCC in the rehabilitation plan, as described in Note 9.2 to the financial statements.

23. Accounts payable for equipment

JTS and TTT purchased equipment from an unrelated company. Under the agreement conditions, the subsidiaries are obliged to make payment within 3 years. The outstanding balances of such transactions as at the balance sheet date, based on due dates, are as follows:

(Unit: Million Baht)

	Consolidated financial statements	
	<u>2010</u>	<u>2009</u>
Accounts payable for equipment	3,107	1,589
Less: Deferred interest expenses	(238)	(181)
Total	2,869	1,408
Less: Current portion	(815)	(20)
Accounts payable for equipment - net of current portion	2,054	1,388

The above outstanding balances of JTS and TTT are secured by deposits with financial institutions, the pledge of equipment for providing network telecommunication services as described in Note 17 to the financial statements and the assignment of rights over collection of TTT in accordance with the conditions stipulated in the agreements with accounts payable for equipment. Moreover, the balance of TTT is additionally secured by Acumen.

24. Liabilities under finance lease agreements

(Unit: Million Baht)

	<u>2010</u>	<u>2009</u>
Liabilities under finance lease agreements	220	143
Less: Deferred interest expenses	(21)	(20)
Total	199	123
Less: Current portion	(68)	(32)
Liabilities under finance lease agreements - net of current portion	131	91

Subsidiaries have entered into the finance lease agreements with leasing companies for rental of motor vehicles and equipment for use in their operations, whereby they are committed to pay rental on a monthly basis. The terms of the agreements are generally between 3 and 5 years.

As at the balance sheet date, future minimum lease payments required under the finance lease agreements were as follows:

(Unit: Million Baht)			
	Less than		
	1 year	1-5 years	Total
Future minimum lease payments	79	141	220
Deferred interest expenses	(11)	(10)	(21)
Present value of future minimum lease payments	68	131	199

25. Long-term loans

		(Unit: Million Baht)	
		Consolidated	
		financial statements	
		2010	2009
25.1	Baht 3,400 million loan at interest rate of MLR, repayable quarterly from June 2006 to June 2011 and secured by		
	a) all rights and benefits pertaining to concession agreements as described in Note 20 to the financial statements		
	b) deposits of JSTC		
	c) letter of guarantee from TLDT	913	1,119
25.2	Baht 300 million loan at interest rate of reference to MLR, repayable quarterly in eight installments from June 2009 to January 2011	37	188
25.3	Baht 203 million loan at interest rate of MLR, repayable quarterly in 9 installments from March 2010 to March 2012 and secured by the assignment of rights over collection of certain accounts receivable of JTS	132	203
25.4	Baht 2,000 million loan at interest rate of reference to MLR, repayable quarterly in 14 installments from 31 July 2012 to 31 October 2015 and secured by bank deposits of TTT	850	-
Total		1,932	1,510
Less: Current portion		(1,021)	(1,341)
Long-term loans - net of current portion		911	169

The loan agreements contain covenants as specified in the agreements that, among other things, require the subsidiaries to maintain stipulated debt to equity, debt service coverage ratios, and that the current shareholders maintain their existing shareholdings.

In 2009, JSTC has entered into a Memorandum of Understanding with the lender amending the loan agreement (Note 25.1) in terms of principal repayment. The amendment requires JSTC to repay the loan principal by June 2011 in quarterly installments. The first installment is due in March 2010 (the last installment of the original loan agreement is due in September 2010). In addition, the loan agreement stipulates certain covenants, including the maintenance of a minimum loan reserve account balance of Baht 250 million. However, as at 31 December 2009, the balance of such account of JSTC was Baht 92 million. As a result of this event, the lender may exercise certain rights stipulated in the loan agreement, including the rights to call the loan immediately. JSTC therefore classified the whole balance of such loan as current liabilities.

Subsequently, in 2010, JSTC entered into Memorandum of Understanding with the lender amending the loan agreement in terms of principal repayment. The schedule for settlement of the principal as at 31 December 2010, amounting to Baht 913 million is summarised below:

<u>Due date</u>	<u>Amount Payable</u> <u>(Million Baht)</u>
31 March 2011	760
30 June 2011	153

As at 31 December 2010, the balance of loan reserve account as stated above of JSTC is Baht 0.1 million. As a result of this event, the lender may exercise certain rights stipulated in the loan agreement, including the rights to call the loan immediately. Currently, the lender has not yet exercised its rights as stipulated in the loan agreement.

As at 31 December 2010, the long-term credit facility of TTT (Note 25.4) that had not yet been drawn down amounted to Baht 1,150 million. (2009: None)

26. Long-term debts under rehabilitation plan

		(Unit: Million Baht)	
		Consolidated financial statements/ Separate financial statements	
		<u>2010</u>	<u>2009</u>
Long-term debts under rehabilitation plan (Note 1), repayable under rehabilitation program and consisting of the following loans.			
26.1	Baht 1,827 million long-term loan at interest rate of MLR, repayable within 9 years.	904	906
26.2	Baht 171 million long-term loan, repayable within 9 years at interest rate of MLR-2% for the first eight years and MLR+20% for the ninth year.	155	158
26.3	Baht 818 million long-term loan at interest rate of MLR, repayable within 4 years.	-	-
Total		1,059	1,064
Less: Current portion		(81)	(10)
Long-term debts under rehabilitation plan - net of current portion		978	1,054

In March 2007, the Company made early repayment of long-term debts under rehabilitation plan amounting to Baht 396 million, comprising the installments due to creditors under the Company's rehabilitation plan (Note 26.1) for the period 9 June 2007 to 9 December 2010.

Long-term debts under rehabilitation plan as at 31 December 2010 and 2009 are presented according to period to maturity as follows:

	(Unit: Million Baht)	
	Consolidated financial statements/	
	Separate financial statements	
	<u>2010</u>	<u>2009</u>
Within one year	81	10
After one year but within 2 years	978	1,054
Total	<u>1,059</u>	<u>1,064</u>

Under the rehabilitation plan of the Company, the majority of the investments of the Company and JTS has to be pledged or delivered to the custody of a security agent.

27. Registered share capital/ Treasury shares/ Appropriated retained earnings for treasury shares

In 2007, the meeting of the Board of Directors of the Company approved a program to repurchase up to 832 million shares (par value of Baht 1 each), or 10 percent of the total number of shares in issue, with a budget of Baht 300 million, for liquidity surplus management purpose. The shares can be resold from 15 March 2008 to 14 September 2010. Subsequently, in 2009, the extraordinary general meeting of the Company's shareholders approved a program to repurchase up to 1,398 million ordinary shares (par value of Baht 0.5 each) at a price of Baht 0.44 per share, with a budget of Baht 615 million, for liquidity surplus management purpose. The shares can be resold between 14 - 27 January 2010.

As at 31 December 2009, the Company has purchased back totally 2,032 million ordinary shares (par value of Baht 0.5 each), or 22 percent of total number of shares in issue, for a total of Baht 916 million.

During 2010, according to the resolution of the Meeting of the Board of Directors of the Company No. 7/2552, the Company decreased its paid-up share capital by writing off all the above treasury shares that could not be sold during the above periods through the Stock Exchange of Thailand. The Company registered the decrease in its share capital with the Ministry of Commerce on 17 February and 22 September 2010. The Company recognised the difference resulting from the reduction of its share capital at par value by means of writing off of the treasury shares at average purchase price under the caption of "Premium on treasury shares" in shareholders' equity.

Subsequently, on 2 November 2010, the meeting of the Board of Directors of the Company No. 6/2553 approved a program to repurchase up to 740 million shares (par value of Baht 0.5 each), or 10 percent of the total number of shares in issue, with a budget of Baht 300 million, for liquidity surplus management purpose. The shares can be resold from 27 May 2011 to 5 June 2011. As at 31 December 2010, the Company has purchased back 155 million ordinary shares for a total of Baht 300 million (exclude cost of repurchase treasury shares).

According to letter No. Gor Lor Tor. Chor Sor. (Vor) 2/2548 of the Office of the Securities and Exchange Commission, dated 14 February 2005, concerning the acquisition of treasury shares, a public limited company may purchase back treasury shares in an amount not exceeding the amount of its retained earnings and is to appropriate an equal amount of retained earnings to a reserve for treasury shares, which must be maintained until the Company either sells the treasury shares or reduces its paid-up share capital by an amount equal to the value of the treasury shares which it could not sell. As at 31 December 2010 and 2009, the Company has already appropriated the full required amount of retained earnings to a reserve for the treasury shares.

On 28 April 2010, the annual general meeting of the Company's shareholders passed a resolution to reduce the Company's registered capital by writing off the 200 million preferred shares and the 6,054 million ordinary shares issued to support the conversion of the warrants and the rights adjustment of the warrants, the Company registered the decrease in its share capital with the Ministry of Commerce on 12 May 2010.

28. Warrants

28.1 Warrants offered to existing shareholders

In July 1999, the Company issued 333.6 million warrants (Warrant I) for existing shareholders to subscribe for ordinary shares at Baht 0.10 each. The warrants, which were issued in the ratio of 1 warrant per 1 existing ordinary share, have an exercise period of 10 years (the Annual General Meeting of the Company's shareholders No. 1/2545 passed a resolution approving the extension of the maturity of the warrants from 5 years to 10 years), and are exercisable every 3 months. The first and the last exercise dates are 15 September 1999 and 15 June 2009,

respectively. One warrant provides the right to purchase one ordinary share (with a par value of Baht 10 each) at the exercise price of Baht 5.

On 25 September 2003, Meeting No. 12/2546 of the Plan Administrator Board passed a resolution approving the issue 551.97 million warrants (Warrant II) for existing shareholders to subscribe for ordinary shares at Baht 0.05 each. The warrants, which were issued in a ratio of 1 warrant per 1 existing ordinary share, have an exercise period of 5 years from the date of issue, and are exercisable every 3 months. One warrant provides the right to purchase one ordinary share (with a par value of Baht 10 each) at the exercise price of Baht 5. The last exercise date was 30 December 2008. In addition, the same meeting passed a resolution approving an adjustment of the rights of the existing warrants and warrants as described in Note 28.2 to the financial statements. The adjustment of the rights of the existing warrants will be determined according to the calculation formula and method provided in the prospectus for these warrants.

In October 2003, the Company issued additional 106.65 million warrants (with the same exercise price and exercise ratio as the existing warrants) in order to comply with the criteria for adjusting the exercise price and ratio stipulated in the prospectus for these warrants, since the issuance of Warrant II and the offer of 30 million shares to specific investors under the rehabilitation plan have resulted in loss of rights and benefits for the holders of the original warrants.

In conjunction with the Company's stock split, whereby the par value of the shares changed from Baht 10 to Baht 1 per share, the number and exercise price of the warrants was adjusted. For Warrants I the exercise price was changed from Baht 3.341 per share to Baht 0.334 per share, the exercise ratio remained at 1 warrant per 1 ordinary share and the warrant holders are to receive an additional 9 warrants for every 1 warrant held, totaling 10 warrants, effective 8 January 2004. For Warrants II the exercise price was changed from Baht 5 per share to Baht 0.5 per share, with the exercise ratio remaining at 1 warrant per 1 ordinary share and the warrant holders to receive an additional 9 warrants for every 1 warrant held, totaling 10 warrants as from the date the Company issued the warrants (9 February 2004).

On 5 November 2008, the meeting of the Board of Director of the Company passed a resolution approving the payment of an interim dividend from retained earnings as at 30 September 2008 of Baht 0.05 per share. The interim dividend payment affects the rights and benefits of the holders of the warrants, and therefore their exercise prices were adjusted. The exercise price of Warrant I was changed from Baht 0.334 per share to Baht 0.297 per share, with the exercise ratio remaining at 1 warrant per 1 ordinary share. The exercise price of Warrant II was changed from Baht 0.5 per share to Baht 0.444 per share, with the exercise ratio remaining at 1 warrant per 1 ordinary share.

In 2009, 1,107,448,915 warrants were exercised to purchase 1,107,448,915 new ordinary shares which the Company registered as share capital with the Ministry of Commerce between 26 March 2009 and 25 June 2009 (15 June 2009 is final exercise date for Warrant I). The Company recorded the amount by which the exercise price of shares was lower than their par value, totaling Baht 225 million, under the caption of "Discount on ordinary shares" in shareholders' equity.

28.2 Warrants offered to the directors and/or employees of the Company and its subsidiaries (ESOP)

On 4 September 2000, the Extraordinary General Meeting of Shareholders No. 1/2543 passed a resolution approving the issue and offering of 18.4 million registered, non-transferable warrants to purchase ordinary shares to directors and/or employees of the Company and its subsidiaries, free of charge. The warrants have an exercise period of 5-8 years (the Extraordinary General Meeting of shareholders No. 1/2545 passed a resolution approving the extension of the maturity of the warrants from 5 years to 5-8 years) from the date of issue, and are exercisable every 3 months. One warrant will provide the right to purchase one ordinary share (with a par value of Baht 10 each) at exercise prices of between Baht 10 and Baht 29.28.

In 2001, the Company issued the first 5.46 million warrants to purchase ordinary shares, free of charge, and in 2002 issued the second 13.49 million warrants to purchase ordinary shares, to directors and/or employees of the Company and its subsidiaries, with the first and last exercise dates are 15 March 2001 and 15 March 2010, respectively. Subsequently, in October 2003, the Company issued additional 6.75 million warrants (with the same exercise price and exercise ratio as the existing ESOP) in order to comply with the criteria for adjusting the exercise price and ratio stipulated in the prospectus for these warrants, since the issuance of Warrant II and the offer of 30 million shares to specific investors under the rehabilitation plan have resulted in loss of rights and benefits for the holders of the original warrants.

In conjunction with the Company's stock split, whereby the par value of the shares changed from Baht 10 to Baht 1 per share, the number

and exercise price of the warrants was adjusted. The exercise price was changed from Baht 6.68 to 19.56 per share to Baht 0.668 to 1.956 per share and the exercise ratio remained at 1 warrant per 1 ordinary share. Warrant holders were to receive an additional 9 warrants, totaling 10 warrants, from 8 January 2004 onwards.

During 2010, 16,242,060 warrants offered to the directors and/or employees of the Company and its subsidiaries (ESOP) were expired and there were no warrants exercised to purchase new ordinary shares. Final exercise date for such warrants was 15 March 2010.

29. The Company's shares held by subsidiaries

During 2009, the meetings of the board of directors of PA and ACeS Regional Services Co., Ltd. (ARS), a subsidiary, passed respective resolutions approving the disposal of all of the shares that they held in the Company at prices of Baht 0.40 per share and Baht 0.44 per share, respectively. Subsequently, PA and ARS entered into disposal agreements with two institutional investors at the above offer prices.

In 2009, PA and ARS received deposits from such institutional investors and sold 250 million of the Company's shares in accordance with the disposal agreements, for totals of Baht 158 million. Subsequently, in 2010, PA and ARS additionally sold 1,276 million of the Company's shares for totals of Baht 527 million, under such agreements. Gain on sales of such shares is recorded under the caption of "Premium on treasury shares" in shareholders' equity.

30. Statutory reserve

Pursuant to Section 116 of the Public Limited Companies Act B.E. 2535, the Company is required to set aside to a statutory reserve at least 5 percent of its net income 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.

Pursuant to section 1202 of the Thai Civil and Commercial Code, subsidiaries incorporated under Thai Laws is required to set aside a statutory reserve equal to at least 5 percent of its income each time the subsidiaries pays out a dividend, until such reserve reaches 10 percent of its registered share capital. The statutory reserve can neither be offset against deficit nor used for dividend payment.

31. Revenue from reversal of liabilities

During 2007, TTT signed contracts for the use of space and/or property of a company and submitted the contracts to this company to consider and sign. TTT did not receive any response to the proposed contracts from this company. The legal advisor of TTT has expressed an opinion that the contracts for use of space between TTT and this company are not existent and do not have any legal force. Furthermore, given that this company has not responded within what could be considered a reasonable time frame for such a response, it is held that the proposals made by TTT are no longer binding since what could be considered a reasonable time frame for such a response. Therefore, TTT reversed estimated rental expenses amounting to Baht 68 million in the income statement of 2009.

32. Expenses by nature

Significant expenses by nature are as follow:

	(Unit: Million Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>
Telecommunication network rental expenses	1,704	1,329	-	-
Cost of goods sold	1,406	762	-	-
Salaries, wages and other employee benefits	1,216	914	49	48
Depreciation	1,013	665	7	5
Subcontracting expenses	913	1,595	-	-
Amortisation expenses	379	360	14	14
Sales promotion expenses	359	229	-	-
Rental expenses from operating lease agreements	201	108	-	-
Telecommunication license fees	45	165	-	-
Potential losses on debt restructuring	244	-	-	-
Loss on impairment of investments	23	516	23	437
Loss on impairment of assets	41	95	-	-
Loss on sales of investments in available-for-sale securities	90	3	3	-
Doubtful accounts	67	15	-	-

33. Corporate income tax

The Company is not liable to corporate income tax for the year due to tax loss brought forward.

Corporate income tax of its subsidiaries is calculated on the income before corporate income tax after adding back expenses and deducting income which are disallowable for tax computation purpose and after deducting tax loss brought forward from prior years (if any).

34. Earnings per share

Basic earnings per share is calculated by dividing the net income for the year by the weighted average number of ordinary shares held by outsiders in issue during the year.

Diluted earnings per share is calculated by dividing net income for the year by the weighted average number of ordinary shares held by outsiders in issue during the year plus the weighted average number of ordinary shares which would need to be issued to convert all dilutive potential ordinary shares into ordinary shares. The calculation assumes that the conversion took place either at the beginning of the year or on the date the potential ordinary shares were issued.

Calculation basic earnings per share and diluted earnings per share is presented below:

Consolidated financial statements						
Net income		Weighted average number of ordinary shares		Earnings per share		
		2010	2009	2010	2009	
(Million Baht)	(Million Baht)	(Million shares)	(Million shares)	(Baht)	(Baht)	
Basic earnings per share						
Net income attributable to equity holders						
of the parent	663	204	6,851	6,183	0.097	0.033
Effect of dilutive potential ordinary shares						
Warrants	-	-	-	208		
Diluted earnings per share						
Net income of ordinary shareholders						
assuming the conversion of warrants						
to ordinary shares	663	204	6,851	6,391	0.097	0.032
Separate financial statements						
Net income		Weighted average number of ordinary shares		Earnings per share		
		2010	2009	2010	2009	
(Million Baht)	(Million Baht)	(Million shares)	(Million shares)	(Baht)	(Baht)	
Basic earnings per share						
Net income attributable to equity						
holders of the parent	87	184	7,381	7,648	0.012	0.024
Effect of dilutive potential ordinary shares						
Warrants	-	-	-	208		
Diluted earnings per share						
Net income of ordinary shareholders						
assuming the conversion of						
warrants to ordinary shares	87	184	7,381	7,856	0.012	0.023

Warrants offered to the directors and/or employees of the Company and its subsidiaries (ESOP) were not included in calculation of diluted earnings per share for 2009 since its exercise prices is higher than the average market price for that year.

35. Dividend paid

On 13 May 2010, the Board of Directors' Meeting of the Company No. 4/2553 passed a resolution approving the payment of an interim dividend of Baht 0.02 per share to the Company's shareholders of 7,399,491,378 ordinary shares, after deduction of 634,400,000 ordinary shares held by the Company as treasury shares, from retained earnings as at 31 March 2010, for a total of Baht 148 million. As at the closing date of the share register, 7,398,037,378 of the Company's ordinary shares were held by outsiders and qualified to received dividend, after deduction of 634,400,000 shares held by the Company as treasury shares, and 1,454,000 shares disqualified to receive this dividend by the registrar (Thailand Securities Depository Co., Ltd.) from the total number of shares outstanding (7,399,491,378 shares).

36. Financial information by segment

The business operations of the Company and its subsidiaries involve the broadband internet segment, the telecommunications network service provider segment, the provision, design and installation of telecommunication system segment and the other segments. These operations are mainly carried on Thailand. Below is the consolidated financial information of the Company and its subsidiaries for the years ended 31 December 2010 and 2009 by segment.

(Unit: Million Baht)												
	Broadband internet		Telecommunications network service provider		Provision, design and installation of telecommunications systems		Other segments		Elimination of inter-segment transactions		Consolidated total	
	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009
Sales and service income												
Revenue from external customers	4,904	3,241	2,010	2,230	2,580	2,565	132	335	-	-	9,626	8,371
Inter-segment revenues	23	15	691	347	966	1,646	81	59	(1,761)	(2,067)	-	-
Total revenues	4,927	3,256	2,701	2,577	3,546	4,211	213	394	(1,761)	(2,067)	9,626	8,371
Segment operating profit	3,192	1,814	385	590	357	430	(4)	(47)	-	-	3,930	2,787
Unallocated income and expenses:												
Other income											200	217
Selling and servicing expenses											(714)	(355)
Administrative expenses											(1,418)	(1,078)
Management benefit expenses											(158)	(133)
Potential losses on debt restructuring											(244)	-
Loss on impairment of investments											(23)	(516)
Loss on impairment of assets											(41)	(95)
Loss on sales of investments in available-for-sale securities											(90)	(3)
Doubtful accounts											(67)	(15)
Share of income from investments in associates											10	3
Finance cost											(393)	(247)
Corporate income tax											(403)	(338)
Minority interests of subsidiaries											74	(23)
Net income attributable to equity holders of the parent											663	204

(Unit: Million Baht)

	Broadband internet		Telecommunications network service provider		Provision, design and installation of telecommunications systems		Other segments		Elimination of inter-segment transactions		Consolidated total	
	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009
Accounts receivable	465	545	2,505	1,629	2,351	2,863	62	40	(1,650)	(1,049)	3,733	4,028
Inventories	15	88	9	12	266	123	2	2	-	-	292	225
Property, plant and equipment	8,540	4,148	666	712	30	717	1,276	1,332	(154)	(133)	10,358	6,776
Unallocated assets											4,918	4,916
Total assets											19,301	15,945

In 2010, the Company has separately presented the broadband internet segment because its service income is material to the financial statements.

Transfer prices between business segments are described in Note 8 to the financial statements.

The total revenues of Baht 9,626 million presented in the income statement for the year ended 31 December 2010 include revenues of JSTC and TLDT totaling Baht 827 million from providing submarine optical fibre network service under co-investor agreements made with TOT. The agreements will terminate in October 2011 as described in Note 20 to the financial statements

37. Provident fund

The Company, its subsidiaries and their employees have jointly established a provident fund in accordance with the Provident Fund Act B.E. 2530. The Company, its subsidiaries and their employees contribute to the fund monthly at rates of 3 to 8 percent of basic salary. The fund, which is managed by Bangkok Bank Plc., will be paid to employees upon termination in accordance with the fund rules. During 2010, the Company and its subsidiaries contributed Baht 51 million, of which Baht 2 million is from the Company, to the fund (2009: Baht 32 million and Baht 2 million, respectively).

38. Commitments and contingent liabilities

As at 31 December 2010, the Company and its subsidiaries had the following outstanding commitments and contingent liabilities.

- 38.1 The Company and its subsidiaries had outstanding commitments of approximately Baht 1,343.9 million in respect of bid bonds and performance bonds issued by banks and financial institutions on behalf of the Company and its subsidiaries (the Company only : Baht 11.9 million).
- 38.2 The Company had obligations in respect of its guarantee of letters of guarantee that have been issued by banks on behalf of the subsidiaries, totaling Baht 4 million.
- 38.3 Subsidiaries had outstanding commitments under the letters of credit with local and overseas suppliers amounting to approximately USD 27.4 million and Baht 238.9 million.
- 38.4 ARS had outstanding commitment in respect of the Founder NSP Airtime Purchase agreement made with ACeS International Limited, the owner of ACeS Satellite Project. ARS is obliged to pay a fee in accordance with the agreement (ending date 1 January 2012). The fee is based on the greater of a minimum annual payment (USD 500,000) and a rate based on the volume of use of the satellite service, as specified in the agreement.
- 38.5 Acumen had outstanding commitment in respect of the rental of transponders, for which the rental is payable as follows:

	Million USD
Payable within:	
1 year	0.2
2 to 4 years	0.1

- 38.6 Ji-Net has entered into a 10-year agreement with TOT in order to lease on internet protocol network for information transmission, until 12 October 2011. Ji-Net is obliged to comply with certain conditions as stated in the agreement.
- 38.7 TJP has entered into a turn-key agreement with a counterparty, whereby TJP is obliged to deliver work within the period stipulated in the agreement, which is within 29 December 2006. TJP has been unable to make delivery within the stipulated period and the counterparty is therefore entitled to charge a penalty to TJP at a rate of 0.2 percent of the contract value (Baht 31 million) per each day of delay. However, the management of TJP is in the process of negotiation with the counterparty to reduce the scope of work and requesting an extension of the deadline for delivery and the management of TJP believe that TJP will successfully negotiate with the counterparty to reduce the scope of work, extension of the deadline and will complete the project without a penalty being imposed.
- 38.8 Long-term service commitments
- a) On 1 May 2006, TTT entered into an agreement with TT&T which is to provide call center services and arrange the printing of receipts and/or invoices (Billing) services to TTT. TTT agreed to pay a monthly services fee and was obliged to comply with certain conditions as stipulated in the agreement. The term of the agreement is for a period of one year and shall thereafter be automatically renewed every year. The agreement may however be terminated by either party by written notice given to the other party at least 60 days prior to the expiration. During the first quarter of the current year, TTT terminated this agreement with TT&T.
- b) On 1 May 2006, TTT entered into an agreement to provide telecom network services to TT&T SS, whereby TTT received a monthly services fee as stipulated in the agreement. TTT is obliged to comply with certain conditions as stated in the agreement. TTT is obliged to provide services until 26 October 2018.

c) On 1 May 2006, TTT entered into an agreement with TT&T, which is to provide leased line services to TTT, whereby TTT agreed to pay a monthly services fee as stipulated in the agreement. TTT is obliged to comply with certain conditions as stated in the agreement until 26 October 2018.

On 12 May 2009, the meeting of Board of Directors of TTT passed a resolution whereby TTT would enter into an agreement with TT&T SS to amend the service charge calculation method for telecom network service rate stipulated in the contract made with TT&T SS as described in note 38.8 b) to the financial statements, to service revenue sharing, with TTT receiving a 95 percent of service fees charged to customers, assuming that TTT (or its subsidiary) and TT&T SS are jointly providing the service to customers. Under to this agreement, TTT (or its subsidiary) is to invest in telecom network services, procurement of routers and advertising. The meeting also passed a resolution whereby TTT would enter into an agreement with TT&T to amend the service charge for leased line services under the agreement made with TT&T to 15 percent of average monthly telecom network services revenue per circuit received by TTT, as described in note 38.8 c) to the financial statements. During the current year, TTT recorded the leased line expenses amounting to Baht 313 million. The management of TTT believes that the parties will mutually benefits from the amended conditions.

38.9 Telecommunication licenses

The National Broadcasting and Telecommunications Commission ("NBTC"), formerly known as "The National Telecommunications Commission ("NTC")", granted licenses to six subsidiaries as follows.

Company	Type of license	Authorised service	Period
Acumen Co., Ltd.	Type I	Internet service	25 August 2009 - 24 August 2014
	Type I	Public telephone service	15 December 2010 - 14 December 2015
	Type II	International internet gateway service	8 February 2007 - 7 February 2012
	Type II	Very Small Aperture Terminal (VSAT) service	30 November 2007 - 29 November 2011
Triple T Broadband Plc.	Type III	Fixed line telephone service and data communication service	23 February 2006 - 22 February 2026
Jasmine Internet Co., Ltd.	Type I	Internet service	28 July 2009 - 27 July 2014
	Type I	International calling card service	25 January 2010 - 24 January 2015
Jastel Network Co., Ltd.	Type I	Internet service	6 November 2009 - 5 November 2014
	Type II	Domestic private leased circuit service	30 November 2006 - 29 November 2021
	Type II	International internet gateway service	30 March 2009 - 29 March 2014
	Type III	International private leased circuit service	18 November 2009 - 17 November 2024
Triple T Internet Co., Ltd.	Type I	Internet service	20 June 2009 - 19 June 2014
Jasmine Telecom Systems Plc.	Type I	Public telephone service	22 November 2009 - 21 November 2014

The subsidiaries have obligations to pay license fee and comply with certain conditions as stated in the licenses. In addition subsidiaries with type II license which have their own networks and type III license are to pay fee for the Universal Service Obligation (USO) Fund at a rate of 4 percent of total revenue before deducting expenses. Alternatively, the subsidiaries can opt to provide universal telecommunications services in accordance with conditions and requirements stipulated by the NBTC, in lieu of contribution to the fund.

The NBTC approved TTT and JTN to provide universal telecommunication services in accordance with conditions and requirements announced by the NBTC, in lieu of paying a contribution to the fund for 2553, of approximately Baht 111 million and Baht 23 million, respectively.

ARS, a satellite-based cellular phone service provider, is requesting a type III license from NBTC. At the present, ARS has not yet received the license.

39. Financial instruments

39.1 Financial risk management

Financial instruments of the Company and its subsidiaries, as defined under Thai Accounting Standard No. 107 "Financial Instruments: Disclosure and Presentations", principally comprise cash and cash equivalents, trade accounts receivable, loans, investments, other accounts receivable, bank overdrafts, short-term loans, trade accounts payable, other accounts payable, accounts payable for equipment, liabilities under finance lease agreements, long-term loans, and long-term debts under rehabilitation plan. The financial risks associated with these financial instruments and how they are managed is described below.

Credit risk

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

Interest rate risk

Exposure to interest rate risk of the Company and its subsidiaries relates primarily to its cash at banks, bank overdrafts, short-term loans, trade accounts payable, accounts payable for equipment, liabilities under finance lease agreements, long-term loans and long-term debts under rehabilitation plan. However, since most of financial assets and liabilities of the Company and its subsidiaries bear floating interest rates or fixed interest rates which are close to the market rate, the interest rate risk is expected to be minimal.

Foreign currency risk

Its subsidiaries' exposure to foreign currency risk arises mainly from trading transactions that are denominated in foreign currencies. Its subsidiaries seek to reduce this risk by entering into forward exchange contracts when they considers appropriate. Generally, the forward contracts mature within one year.

The balances of financial assets and liabilities of its subsidiaries denominated in foreign currencies as at 31 December 2010 are summarised below.

Foreign currency	Financial assets	Financial liabilities	Average exchange rate as at 31 December 2010
	(Million)	(Million)	(Baht per 1 foreign currency unit)
US dollar	5.2	106.0	30.15

Foreign exchange contracts outstanding of its subsidiaries as at 31 December 2010 are summarised below.

Foreign currency	Bought amount	Contractual exchange rate
	(Million)	(Baht per 1 foreign currency unit)
US dollar	58.9	32.43 - 33.90

39.2 Fair values of financial instruments

Since the majority of financial instruments of the Company and its subsidiaries are short-term in nature or bear floating interest rates. Accounts payable for equipment, liabilities under finance lease agreements, long-term loans and long-term debts under rehabilitation plan carry interest at rates close to market rates. Their fair value is not expected to be materially different from the amounts presented in the balance sheets.

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

40. Capital management

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

41. Subsequent event

On 22 February 2011, the Board of Director's meeting of JTS passed a resolution approving the payment of an annual dividend of Baht 0.08 per share to the JTS's shareholders of 702,990,000 ordinary shares from retained earnings, or a total of Baht 56.2 million.

42. Reclassification

Certain amounts in the financial statements for the year ended 31 December 2009 have been reclassified to conform to the current year's classification but with no effect to previously reported net income or shareholders' equity. The reclassifications are as follows:

	(Unit: Million Baht)	
	<u>As reclassified</u>	<u>As previously reported</u>
Inventories	225	988
Property, Plant and Equipment	6,776	6,013

43. Approval of financial statements

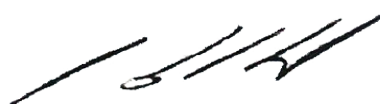
These financial statements were authorised for issue by the Company's Board of Directors on 23 February 2011.

Report on The Board of Directors' Responsibility for Financial Report

The Board of Directors of Jasmine International Public Company Limited is responsible for the consolidated financial statements of the Company and its subsidiaries. Such consolidated financial statements have been prepared to be in compliance with the generally accepted accounting principle, based on accounting policies which complied with the Accounts Act B.E. 2543, which are appropriate and consistently applied. Important information is adequately disclosed in the Notes to the financial statements for the benefits of shareholders and investors.

The Board of Directors institutes and maintains an efficient and effective internal control system to ensure that the Company's assets are utilized to the full benefit of the company. It also ensures that crucial tasks are separated to protect against frauds or activities with significant irregularities. To accomplish this task, the Board of Directors has appointed an Audit Committee, which comprises independent directors to audit and verify the financial statements and the internal control system. Opinion of the Audit Committee are stated in the Audit Committee report in the Annual Report.

The Board of Directors is of the opinion that the Company's overall internal control system is adequate and appropriate enough to enhance the credibility of the consolidated financial statement of the Company and its subsidiaries as at December 31, 2010.



(Pete Bodharamik)
Chief Executive officer

Audit Committee Report

The Audit Committee of Jasmine International Public Company Limited (“the Company”) consists of three independent directors who are proficient in either finance, accounting, or law and management, namely, Dr. Vichit Yamboonruang as Chairman, Dr. Vorapol Socratyanurak and Dr. Yodhin Anavil as Committee members. The Committee supervises the Company’s operation as directed by the charter of the Audit Committee.

In the fiscal year 2010, the Audit Committee completely carried out the duties assigned by the Board of Directors. Four meetings were arranged for the Committee to discuss the issues with the Company’s top executives, external auditors, and the executives from the Office of Internal Audit. The tasks accomplished by the Audit Committee during the year 2010 are summarized as follows:

- The review of the financial statements of the Company as well as the consolidated financial statements of the Company and its subsidiaries with emphasis on accuracy and adequacy of the financial statements and sufficiency of information disclosure apart from considering recommendations provided by external auditors on internal control. The Audit Committee had the opinion that such financial statements were prepared in compliance with the generally accepted accounting principles and that significant information was also sufficiently disclosed.
- The provision of opinion on internal audit results as well as the follow-up of the audit performance progress through the supervision of the Office of Internal Audit. The Audit Committee had the opinion that the Company’s internal audit was independent, adequate, and effective.
- The approval of the 2011 audit plan prepared based on risk evaluation outcomes, covering all the important systems of the Company and its subsidiaries.
- The review of sufficiency in evaluating the internal control system was found to be in accordance with SEC guidelines , covering financial management and law abiding control. The Audit Committee had the opinion that the Company’s internal control was adequate and effective.
- The review of the related party transactions of the Company and its subsidiaries to be in line with the regulations of SET. The Audit Committee had the opinion that such transactions were reasonably done with all the general business terms and conditions fulfilled apart from the accurate and adequate information disclosure required by SET.
- The meetings with the Company’s executives for frequent consultation, exchange of opinions, and acknowledgment of changes of rules and regulations related to the Company’s operation was also scheduled to enhance effectiveness and cognizance.
- Regarding the evaluation of the 2010 performance of external auditors, the Audit Committee had the opinion that the Company’s external auditors truly possess adequate knowledge, to proficient, and independent in accomplishing their tasks; therefore, the Audit Committee has proposed to the Board of Directors to further submit our request to the Shareholders’ Meeting to approve appointing Ernst & Young Office Limited to be the Company’s auditor for the year 2011.

In conclusion, for the year 2010, the Company had completed the financial reports and sufficiently disclosed its information in compliance with the generally accepted accounting principles; furthermore, the risk management and internal control systems of the Company were considered to be effective under the Good Corporate Governance Principle.



Dr. Vichit Yamboonruang
(Chairman of Audit Committee)