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# Abbreviation used in 2011 Annual Report

ACT	= ACeS (Thailand) Company Limited	PRE	= Premium Real Estate Company Limited
ACU	= Acumen Company Limited	SHW	= Smart Highway Company Limited
ADSL	= Asymmetric Digital Subscriber Line	TJP	= T.J.P. Engineering Company Limited
AIL	= ACeS International Company Limited	TKSC	= Telecom KSC Company Limited
ARS	= ACeS Regional Services Company Limited	TLDT	= Thai Long Distance Telecommunications Company Limited
Broadband Internet	= High-speed Internet	TT&T	= TT&T Public Company Limited
CCS	= Cloud Computing Solutions Company Limited	TTTBB	= Triple T Broadband Public Company Limited
CP	= Chaengwatana Planner Company Limited	TTTI	= Triple T Internet Company Limited
CPN	= Compunet Corporation Company Limited	TT&T SS	= TT&T Subscriber Services Company Limited
EDI	= Electronic Data Interchange	VOIP	= Voice Over Internet Protocol
IKSC	= Internet Knowledge Service Center Company Limited	VPN	= Virtual Private Network
INC	= In Cloud Company Limited	WiFi	= Wireless Fidelity
JAS	= Jasmine International Public Company Limited	NTC	= The National Telecommunications Commission
Ji-NET	= Jasmine Internet Company Limited	CAT	= CAT Telecom Public Company Limited
JIOC	= Jasmine International Overseas Company Limited	Three BB	= Three BB Company Limited
JSS	= Jasmine Smart Shop Company Limited	TOT	= TOT Public Company Limited
JSTC	= Jasmine Submarine Telecommunications Company Limited	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
JTS	= Jasmine Telecom Systems Public Company Limited		
JasTel	= JasTel Network Company Limited		
MCS	= Mobile Communication Services Company Limited		
NTU	= NTU (Thailand) Company Limited		
PA	= Premium Asset Company Limited		
PP	= Pakkred Planner Company Limited		

# General Information

## 1. General Information

### 1.1 Company Details

Company Name	:	Jasmine International Public Company Limited															
Head Office Address	:	200, 29 <sup>th</sup> -30 <sup>th</sup> 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	:	<table> <tr> <td>1. Registered capital</td><td>3,622,125,689</td><td>Baht</td></tr> <tr> <td>consisting of</td><td>7,244,251,378</td><td>Ordinary shares</td></tr> <tr> <td>2. Each with the par value of</td><td>0.50</td><td>Baht</td></tr> <tr> <td>3. Total paid-up capital</td><td>3,622,125,689</td><td>Baht</td></tr> <tr> <td>4. Total number of paid-up ordinary shares</td><td>7,244,251,378</td><td>Shares</td></tr> </table>	1. Registered capital	3,622,125,689	Baht	consisting of	7,244,251,378	Ordinary shares	2. Each with the par value of	0.50	Baht	3. Total paid-up capital	3,622,125,689	Baht	4. Total number of paid-up ordinary shares	7,244,251,378	Shares
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consisting of	7,244,251,378	Ordinary shares															
2. Each with the par value of	0.50	Baht															
3. Total paid-up capital	3,622,125,689	Baht															
4. Total number of paid-up ordinary shares	7,244,251,378	Shares															

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

Company Name and Head Office Address	Nature of Business	Total Number of Paid-up Shares	Number and Proportion of Common Shareholding of JAS and/or the Subsidiary
<b>1. Broadband Business</b>			
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%
In Cloud Co., Ltd. 200, Moo 4, Chaengwatana Rd., Pakkred Sub-district, Pakkred District, Nonthaburi 11120 Tel : 0-2100- 4400	Engages in software development, distribution, and service provision of general software, including software system that supports value added services for Broadband Business	100,000	TTTBB 99,997 shares = 100%

Company Name and Head Office Address	Nature of Business	Total Number of Paid-up Shares	Number and Proportion of Common Shareholding of JAS and/or the Subsidiary
<b>2. Telecom Network &amp; Service Provider Business</b>			
Jasmine Submarine Telecommunications Co., Ltd. 200, Moo 4, 7 <sup>th</sup> 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%
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%
JasTel Network Co., Ltd. 200, Moo 4, 7 <sup>th</sup> 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%
Jasmine Internet Co., Ltd. 200, Moo 4, Chaengwatana 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 1,474,300 shares = 98.29%
Acumen Co., Ltd. 200, Moo 4 , 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%
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%
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%

Company Name and Head Office Address	Nature of Business	Total Number of Paid-up Shares	Number and Proportion of Common Shareholding of JAS and/or the Subsidiary
<b>3. System Integration Business</b>			
Jasmine Telecom Systems PCL. 200, Moo 4, 9 <sup>th</sup> 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	706,457,300 (As at 31 December 2011)	- JAS 335,191,300 shares = 47.45% - ARS 64,027,700 shares = 9.06% - TJP 60,000,000 shares = 8.49%
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%
<b>4. Other Businesses</b>			
Premium Asset 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, Moo 4, 29 <sup>th</sup> -30 <sup>th</sup> Fl., Chaengwatana Rd., Pakkred Sub-district, Pakkred District, Nonthaburi 11120 Tel: 0-2100-3000 Fax: 0-2100-3152	The Rehabilitation Plan Administrator of JAS	10,000	JAS 9,993 shares = 100%
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 <sup>th</sup> 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%

Company Name and Head Office Address	Nature of Business	Total Number of Paid-up Shares	Number and Proportion of Common Shareholding of JAS and/or the Subsidiary
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%
Pakkred Planer Co., Ltd. 200, Moo 4, 29 <sup>th</sup> -30 <sup>th</sup> Fl., Chaengwatana Rd., Pakkred Sub-district, Pakkred District, Nonthaburi 11120 Tel: 0-2100-3000 Fax: 0-2100-3152	Rehabilitation Plan Administrator of JIOC	10,000	JIOC 9,993 shares = 100%
<b>Dormant Company</b> 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 telecommunications projects	2,000,000	- JAS 1,600,000 shares = 80% - ACU 399,995 shares = 20%
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%
Mobile Communication Services Co., Ltd. 200, Moo 4, Chaengwatana Rd., 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%
Three BB Co., Ltd. 200, Moo 4, Chaengwatana Rd., Pakkred Sub-district, Pakkred District, Nonthaburi 11120 Tel : 0-2100-3000 Fax : 0-2100-3152	Engages in Internet and e-commerce businesses	5,200,000	JAS 5,199,993 shares = 100%
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 local transmission of data, pictures and voices via satellite	2,600,000	JAS 2,599,994 shares = 100%

Company Name and Head Office Address	Nature of Business	Total Number of Paid-up Shares	Number and Proportion of Common Shareholding of JAS and/or the Subsidiary
Telecom KSC Co., Ltd. 2/4, 10 <sup>th</sup> 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 computers, telecommunications equipment and software	100,000	JAS 40,000 shares = 40%
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%
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 Palangngan 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%

### 1.3 Reference Persons

Registrar	: Thailand Securities Depository Co., Ltd. No.62, 7 <sup>th</sup> Floor, the Stock Exchange of Thailand Building, Ratchadapisek Road, Klongtoey Sub-district, Klongtoey District, Bangkok 10110 Tel. (66) 0 2229 2888 and Fax (66) 0 2654-5427
Auditor	: Ernst & Young Office Limited No.193/136-137, 33 <sup>rd</sup> Floor, Lake Rajada Office Complex, 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. No.1, 34 <sup>th</sup> Floor, Q House Lumpini Building, 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,**

In 2011, the Company placed a particular focus on the continuous implementation of various employee training courses and workshops with the awareness that the sustainable growth of any organization depends on the competence and efficiency of its employees. In order to achieve this, employees must constantly be trained and develop their knowledge of current technologies and trends, their proficiency, and the advancement of skills and expertise, all of which are significantly necessary for any organization.

As well as employee training and development aimed towards company efficiency, the Company and all its subsidiaries also placed significant value in giving back to the community and therefore continuously organized a multitude of charitable events and activities as part of its Corporate Social Responsibility (CSR). A considerable amount of community development was accomplished. In particular, the Company had contributed to cultivating provincial schools in less developed regions of all Thai provinces by implementing broadband Internet and 3BB WiFi access to these underprivileged students at no cost. (Additional details can be viewed at [www.3bb.co.th](http://www.3bb.co.th)) All this was accomplished with the main purpose of community advancement and giving back to society.



The Company had administered a strategic plan to combine the know-how and proficiency of each subsidiary within Jasmine International Group to create a synergy across-the-board, encompassing the strengths in personnel expertise and technology from each company to be utilized effectively. This in turn improved the overall efficiency within Jasmine International Group resulting in supplemental revenue, increased business output turnover, and a heightened sense of teamwork among employees of Jasmine International Group.

To increase the organization's efficiency of Information and Technology (IT), the Company applied the same policy to synergize IT personnel within Jasmine International Group resulting in the improvement of work quality and proficiency altogether. Moreover, this synergy also created technological innovation to better service our corporate clients' requirements by providing suitable service solutions. In addition, the Company has provided software services through system networks of Cloud Computing of which Jasmine International Group embodies a complete package of efficiency, potentiality, quality of service, and the ability to innovatively adapt with the ever-changing aspects of the digital world. This is achieved by generating an on-going development and growth to keep up with the continuous changes along with a vision, broad in scope, of the future both near and distant. Inclusive of everything mentioned, Jasmine International Group has provided services to a wide range of clients including big enterprises (corporations) to small and medium-sized enterprises (SMEs). With regards to our broadband users, we have continuously increased service access coverage locations to constantly meet their requirements.

I am proud to say that the Company's growth, development, and achievements have displayed a positive outcome throughout 2011. Businesses of Jasmine International Group had continuously grown, firmly positioning itself as a front-runner with a high market share; provided good service; and made a positive impression among clientele. This had resulted in an overall increased turnover reinforcing value to shareholders thus attracting more investors to invest shares in JAS stock. These successes were the product of teamwork, determination, and the perseverance in carrying out obligations of the Board of Directors, management, and employees as a whole; in collaboration with the helpful recommendations from our shareholders who have closely followed the Company's business operations of which I am grateful for. In essence, I want to give thanks and much gratitude to all of our customers, partners, suppliers, and financial institutes for the persistent support and confidence in us.

The goodwill and support received from everyone is a significant driving force that will push Jasmine International Group towards managing its businesses with the fullest capability on the basis of good corporate governance policy leading to more success in the year 2012.



**(Mr. Pete Bodharamik)**

Chief Executive Officer

# Financial Summary

## 2. Financial Summary

Summary of balance sheets, profit and loss statement and financial ratios ended 31 December for the previous three years:-

Item	Consolidated Statement		
	2011	2010	2009
<b>Balance Sheet (Unit : Bt mn)</b>			
Total Assets	19,460	19,302	15,945
Total Liabilities	11,360	11,920	9,285
Total Shareholders' Equity	8,100	7,382	6,660
<b>Profit and Loss Statement (Unit : Bt mn)</b>			
Sales and Service Income	9,498	9,626	8,371
Total Revenue	9,583	9,827	8,588
Operating Profit	1,467	1,016	776
Operating Profit before Interest, Tax, Depreciation and Amortization (EBITDA)	4,279	3,203	2,388
Net profit (loss) attributable to Equity holders of the Company	1,072	663	204
Number of Shares (mn shares)	7,244	7,399	9,432
Earning per Share (Baht)	0.15	0.10	0.10
<b>Financial Ratio</b>			
EBITDA Margin (%)	45.06	33.27	28.52
Gross Margin (%)	51.17	40.83	33.29
Net Profit Margin (%)	11.19	6.75	2.37
Return on Equity (%)	13.85	9.45	3.23
Return on Assets (%)	5.53	3.76	1.44
Debt to Equity Ratio (times)	1.40	1.61	1.39

# Nature of Business

## 3. Nature of Business

### 3.1 Summary of Businesses of Jasmine International Group

Presently, Jasmine International PCL. has adjusted its role to be an investment or holding company, with an objective to invest in communications and information technology businesses. To this regard, the Company chooses to invest in businesses whose products and services support and compliment one another. To achieve such goal, the Company fully utilizes potentiality in its well synergized human capital, telecom networks and other core assets. Nowadays, the Company's businesses are grouped into 4 categories, namely:-

1. Broadband Business that provides high-speed linkage, digital data network, Internet services and applications, as well as nationwide WiFi service.
2. Telecom Network & Service Provider Business that provides services on optical fiber networks on both eastern and western coast-lines, leased-circuits for domestic and international data communications, international Internet gateway, and satellite communications.
3. System Integration Business that provides equipment sourcing, design, and installation of telecommunication and IT systems, as well as distribution of sophisticated test equipment, computer systems and other related equipment.
4. Other Businesses that include property and office rental and related services for Jasmine International Tower.

The following is the summary of the 4 major business groups of the Company, its subsidiaries and associated companies:-

#### 1. Broadband Business

Companies in this group are as follows:-

- Triple T Broadband PCL. that provides high-speed linkage for broadband Internet service
- Triple T Internet Co. Ltd, an Internet service provider (ISP) that provides Internet services and applications to individual and corporate customers
- In Cloud Co., Ltd. that provides software development, distribution, and service provision of general software, including software system that supports value added services for Broadband Business

#### 2. Telecom Network & Service Provider Business

Companies in this group are as follows:-

- Jasmine Submarine Telecommunications Co., Ltd. that provides telecommunication via submarine optical fiber cable network on Thailand's east coast (Gulf of Thailand), maintenance service for submarine optical fiber cable network, and a marine service business

- Thai Long Distance Telecommunications Co.,Ltd. that operates and provides telecommunication service on its submarine optical fiber cable network on the southern part of Thailand's west coast (Andaman Sea) and also provides maintenance service for submarine optical fiber cable network
- JasTel Network Co.,Ltd. that provides International Private Leased-Circuit (IPLC), a circuit of high stability with many routes linking to overseas lands such as the southern route to Malaysia and Singapore and the northeastern route to Laos, Vietnam and China. The leased circuit service continues without disruption despite the cable problem as the company has prepared alternative routes for back-up. Advantages of this service also include the high-capacity bandwidth that facilitates huge volumes of data delivery; automatic control system that is 24 hour monitored. In addition, JasTel offers IP-VPN service; Managed Network service locally and internationally via networks of optic fiber and copper cable; space rental service for an installation of Internet server and router (Internet Data Center) to customers who are operators /service providers of telecommunication network as well as Internet and corporate clients. Other services include maintenance service for submarine cable, submarine as well as terrestrial cable installation, and off-shore services.
- Jasmine Internet Co., Ltd. that provides a variety of Internet services to both individual and corporate clients. Its products include broadband Internet (ADSL), data center, BranchConnex via ADSL and General Packet Radio Service (GPRS), WiFi, VoIP, EDI, and international calling card. Besides, Ji-NET also provides consultancy, design and sourcing for IP solutions; for instances, online services via GPRS/Enhanced Data rates for Global Evolution (EDGE) /Code Division Multiple Access (CDMA) systems, IP camera service and WiFi Hotspots, etc. to its customers.
- Acumen Co., Ltd., a WiFi service provider. At present, the company has over 50,000 WiFi Hotspots set up especially in the areas of tourist destinations, communities, schools, and department stores nation-wide. Each spot provides high-speed bandwidth, which enables users to enjoy fast Internet connectivity. Those who use smart phone, in particular, will appreciate more conveniences the service provides. Additionally, the company offers wireless communication services country-wide such as satellite communications called VSAT (Very Small Aperture Terminal).
- ACeS Regional Services Co., Ltd. that offers calling service via Internet. The company also introduces an innovation to the world of communication: "CyberVoice" which is a 2-way calling card, uniquely different from common international calling cards in that customers can use it to make and receive their calls everywhere across the world. Thus, it can be said that the company is the first of the country to provide this type of service. Moreover, the company is still a provider of 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. It is also a provider of user terminals.

### 3. System Integration Business

Companies in this group are as follows:-

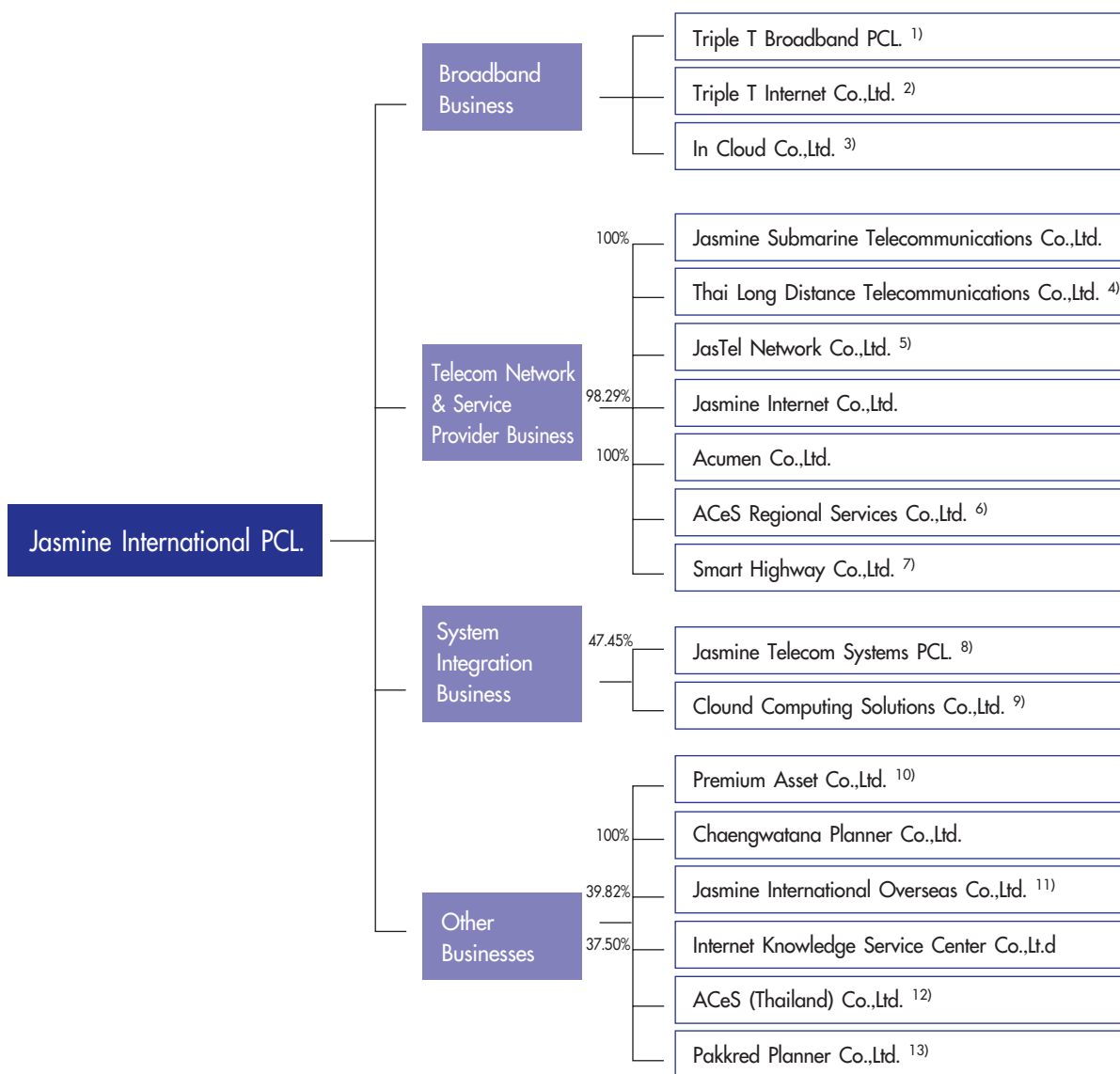
- Jasmine Telecom Systems PCL., a system integrator for large scale information and communications technology projects whose business includes system design, equipment sourcing, installation and commissioning. The company also offers outsourcing service to companies that are holders of telecom licenses 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.
- Cloud Computing Solutions Co., Ltd., a leading provider of cloud computing with full service from the Infrastructure-as-a-Service stage which is a hardware resource rent on the Internet; all the way through to the Software-as-a-Service stage, which is a business software rent on the Internet. The company also engages in consultancy, design, and installation of computer and IT systems, including application software development and maintenance service for both government and private sector customers.

### 4. Other Businesses

Companies in this group are as follows:-

- Premium Asset Co., Ltd. that engages in space rental and related service for Jasmine International Tower. The company puts emphasis on improving its service for optimum quality and developing new value added services. To attract new clientele, it stresses the building's safe-from-flood-disaster location, suitable for being a hub of telecommunications and data back up systems as its strength, ensuring them for their business operation continuity.
- Chaengwatana Planner Co., Ltd, the rehabilitation plan administrator of JAS
- Jasmine International Overseas Co., Ltd, a holding company, investing in overseas businesses
- Internet Knowledge Service Center Co., Ltd, a holding company, holding shares in KSC Commercial Internet Co., Ltd. that is an internet service provider (ISP)
- ACeS (Thailand) Co., Ltd. that is a holding company
- Pakkred Planner Co., Ltd, the rehabilitation plan administrator of JIOC

## Business Group Structure



Remarks :

- <sup>1)</sup> = 99.20% held by ACU
- <sup>2)</sup> = 99.93% held by TTTBB
- <sup>3)</sup> = 100% held by TTTBB
- <sup>4)</sup> = 90% held by JSTC
- <sup>5)</sup> = 100% held by JSTC
- <sup>6)</sup> = 98.04% held by ACT (ACT is 58.84% held by JIOC and JIOC is 39.82% held by JAS)
- <sup>7)</sup> = 67.40% held by ACU
- <sup>8)</sup> = 47.45% held by JAS, 9.06% held by ARS and 8.49% held by TJP making the total 65%
- <sup>9)</sup> = 97.87% held by JTS
- <sup>10)</sup> = 53.85% held by ACU and 46.15% held by JSTC
- <sup>11)</sup> = 39.82% held by JAS, 34.18% held by ACT, and 26% held by ARS
- <sup>12)</sup> = 58.84% held by JIOC
- <sup>13)</sup> = 100% held by JIOC

### 3.2 Revenue Structure of the Company, Subsidiaries and Associated Companies

In 2011, the Company's total revenue was Bt 9,583 mn. Such amount was the contribution of the following business lines:-

1. Broadband Business whose contribution for the year 2011 was Bt 6,366 mn or 66.44 percent of the total revenue of Jasmine International Group
2. Telecom Network & Service Provider Business whose contribution for the year 2011 was Bt 1,788 mn or 18.66 percent of the total revenue of Jasmine International Group
3. System Integration Business whose contribution for the year 2011 was Bt 1,284 mn or 13.39 percent of the total revenue of Jasmine International Group
4. Other Businesses whose contribution for the year 2011 was Bt 145 mn or 1.51 percent of the total revenue of Jasmine International Group

**Revenue Structure of the Company, Subsidiaries and Associated Companies is as follows:-**

Unit : Million Baht

Product line / Business Group	Operated by	% of shares Held by JAS	2011		2010		2009	
			Revenue	%	Revenue	%	Revenue	%
<b>The Company and Subsidiaries</b>								
Broadband Business	TTTBB	99.20% held by ACU	69.8	0.73	164.1	1.67	1,097.5	12.79
	TTTI	99.93% held by TTTBB	6,296.3	65.71	4,849.5	49.35	2,264.5	26.36
	INC	100% held by TTTBB	-	-	-	-	-	-
<b>Total</b>			<b>6,366.1</b>	<b>66.44</b>	<b>5,013.6</b>	<b>51.02</b>	<b>3,362.0</b>	<b>39.15</b>
Telecom Network & Service Provider Business	JSTC	100	483.8	5.05	764.4	7.78	855.0	9.96
	TLDT	90% held by JSTC	58.2	0.61	80.5	0.82	113.2	1.32
	JasTel	100% held by JSTC	422.3	4.41	391.4	3.98	456.3	5.31
	Ji-NET	98.29	567.7	5.92	524.3	5.34	542.8	6.32
	ACU	100	122.2	1.28	154.1	1.57	141.5	1.65
	ARS	98.04% held by ACT	129.2	1.35	135.0	1.37	141.9	1.65
	SHW	67.40% held by ACU	4.8	0.05	5.2	0.05	9.3	0.1
<b>Total</b>			<b>1,788.3</b>	<b>18.66</b>	<b>2,054.9</b>	<b>20.91</b>	<b>2,260.0</b>	<b>26.31</b>
System Integration Business	JTS	47.45% held by JAS, 9.06% held by ARS and 8.49% held by TJP	1,240.4	12.94	2,522.4	25.67	2,580.9	30.05
	CCS	97.87% held by JTS	43.1	0.45	83.5	0.85	164.2	1.91
<b>Total</b>			<b>1,283.5</b>	<b>13.39</b>	<b>2,605.9</b>	<b>26.52</b>	<b>2,525.9</b>	<b>29.41</b>
Other Businesses	JAS	-	9.7	0.10	18.9	0.19	18.3	0.21
	PA	53.85% held by ACU and 46.15% held by JSTC	129.6	1.35	124.9	1.27	137.6	1.61
	TJP	80% held by JAS and 20% held by ACU	0.6	0.01	0.3	-	17.6	0.21
	MCS	70	1.3	0.01	0.6	0.01	0.1	0.01
	Others <sup>1)</sup>	-	3.6	0.04	7.5	0.08	266.1	3.10
<b>Total</b>			<b>144.8</b>	<b>1.51</b>	<b>152.2</b>	<b>1.55</b>	<b>439.7</b>	<b>5.13</b>
<b>Grand Total</b>			<b>9,582.6</b>	<b>100.00</b>	<b>9,826.5</b>	<b>100.00</b>	<b>8,587.6</b>	<b>100.00</b>
<b>Associated Companies</b>								
Other Businesses	IKSC <sup>2)</sup>	37.50	-	-	26.1	100.00	101.5	100.00
	TKSC <sup>2)</sup>	40	-	-	-	-	-	-
	PRE	49	0.1	100.00	-	-	-	-
<b>Grand Total</b>			<b>0.1</b>	<b>100.00</b>	<b>26.1</b>	<b>100.00</b>	<b>101.5</b>	<b>100.00</b>

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

<sup>2)</sup> In 2011, 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 2009-2011.

# Significant Changes in 2011 and Future Business Trends of Jasmine International Group

## 3.3 Significant Changes in 2011 and Future Business Trends of Jasmine International Group

Consistent with 2010, Jasmine International Group businesses remain classified into four main categories in the year 2011 with the following companies that sustained significant developments:-

- TTTBB's number of broadband Internet subscribers had significantly increased thus creating consistent revenue for Jasmine International Group. Furthermore, TTTBB partnered with various value-added service developers to provide hi-speed Internet over a wireless network ("WiFi") as an additional service to its current subscribers, met the demands of various Internet user requirements, and supported Internet usage among a new group of Internet users; all of which have aligned with policies to promote network development and accessibility of Internet service pertaining to the government sector.
- Ji-NET installed a new server to strengthen the quality of service provided to clients and to also accommodate an increased utilization of traffic capacity projected to occur. An improvement to enhance Ji-NET's call center system was implemented to increase the quality of customer service and to further support client needs.
- JTS and CCS added a new business of Cloud Computing with a goal to become an integrated Cloud Computing Provider from the Infrastructure-as-a-Service stage all the way through to the Software-as-a-Service stage as a business that provides the rental of both hardware and software via Internet.

## Future Business Trends of Jasmine International Group

In the past year 2011, business operations of companies within Jasmine International Group received positive feedback and assessment from both various organizations and the public sector especially in the hi-speed Internet service and WiFi businesses. This is indicated by the continuous increase of Internet subscribers throughout the year.

In the face of flood disasters affecting many regions across the country, both customers and the general public still preferred to consume news, continuously following updates of various situations and predicaments, contacting and accessing businesses as well as getting work done at the office from their residences via hi-speed Internet. These behaviors are projected to increase in all sectors of our country, reflecting an important role hi-speed Internet has and will continue to have in our daily lives and workplace.

For this reason, in 2012, the Company has implemented a policy to expand our businesses that provide hi-speed Internet to accommodate the high demand from customers of the general public and of corporate clients in both the private and government sectors along with creating increased revenue for 3BB. In addition, to optimize overall productivity, an emphasis on synergy among companies within Jasmine International Group has been implemented; specifically between TTTBB, JasTel, and Ji-NET in conjunction with the continued development of personnel training of new technologies and innovations. Improvements have been implemented to enhance after-sales customer service and call centers to ensure satisfaction among our current subscribers and targeted new user groups. In regards to the expansion of our WiFi business, the Company plans to further increase the number of Hotspots to cover all major locations which will create more incoming revenue as well as providing WiFi services partnering with other providers.

In addition to our main businesses of providing hi-speed Internet and WiFi accessibility, the Company developed its new business of Cloud Computing which has the full potential to provide a complete package of cloud computing services and is readily available to switch to a digitally functioning system. Thus, in 2012, the Company will strive to advance this new business to become more recognized and have a major role within all social communities.



# Corporate Social Responsibilities of Jasmine International Group

Since the beginning, Jasmine International Group has not only created innovations to fortify its business foundation, but has also continuously given back to communities to strengthen Thai society at large.

As a Thai-owned business organization that has grown alongside its country's development and progression, Jasmine International Group is determined to conduct its businesses transparently and at the same time, earnestly contribute to the society. To this regard, the conduct of social activities of Jasmine International Group is in compliance with a core policy of "good corporate governance" and an awareness of abiding responsibilities to the stakeholders, be it staff, clients, or shareholders.

In the previous 2011, Jasmine International Group conducted corporate social activities to support social development in the following areas:-

## Education

Realizing that national development depends significantly upon a solid foundation of education, Jasmine International Group has granted schools located in remote areas of all 77 provinces in Thailand educational opportunities via the "3BB School Project" that provide underprivileged youths with an access to broadband Internet and WiFi; hence, increasing learning opportunities and widening the children's views of the world. As of 31 January 2012, Internet has been completely installed for 196 schools of this project.



*3BB Western Region, Rachaburi Province, granted free high-speed Internet and WiFi to Anuban Wat Pleng Kindergarten, Ratchaburi.*

## Social and Environment Development

In the past year of 2011, Thailand encountered a massive flood crisis in several areas across the country. This natural disaster caused tremendous damage to both agricultural and industrial sectors. Staff of Jasmine International Group played a part in helping out the flood victims by devoting both their strength and spirit. On behalf of Jasmine International Group, Triple T Broadband PCL, made a Bt 1 mn donation via Thai TV Channel 3's News Family as a contribution to the fund raising for flood victims in the South of Thailand and another Bt 1 mn via the Office of the Prime Minister.



*3BB team from Bangkok distributed relief packages and drinking water to the flood victims in Bang Bua Thong.*



*Jasmine International Group participated in Chiangmai Invest Fair 2012 "Muan Tuay Ruay Tae."*

Upholding monarchy, staff of Jasmine International Group paid their last respects to Her Royal Highness Princess Pecharat Ratchasuda Sirisopa Punnawadee at the Dusit Maha Prasart Throne Hall in the Grand Palace.

In addition, Jasmine International Group has contributed to support other significant public charities such as:-

- Supporting the Thai Red Cross Society's Blood Donation Project by encouraging executives and staff to donate their blood every 3 months
- Donating old calendars to make Braille cards used as instructional materials for the blind students of the Bangkok School for the Blind
- Organizing entertaining activities and hosting a luncheon for abandoned children at Pakkred Babies Home
- Organizing an activity titled "Terd Tai Mae Luang Pun Naamjai in Honor of Her Majesty the Queen" providing entertainment and hosting a luncheon for the crippled at the Foundation for the Welfare of the Crippled under the Royal Patronage of HRH the Princess Mother in Nonthaburi Province to mark the occasion of Her Majesty the Queen's birthday

Jasmine International Group has strong intentions to continue initiating and carrying on beneficial activities and projects to further sustain the development of Thai society. We hope to continuously be a small part of a larger whole that can contribute to the betterment of Thai society.

# Risk Factors

## 4. Risk Factors

The Company has set up Risk Management Committee to oversee and be in charge of risk management tasks. This committee plays a role in setting up policies, directions and framework for an integrated risk management by emphasizing effective reinforcement and support of risk management corporate-wide. It not only evaluates, analyzes and follows up internal and external risk factors, but also reviews policy adequacy and risk management system. Besides, it is responsible for drawing measures to mitigate organization risk to an appropriate level. Risks are classified into 5 main categories as follows:-

### 4.1 Revenue

The ever-increasing demand for Internet has prompted people from all walks of life to adapt and catch up with changes in the world of communications where they are linked round the clock via online social networks that enable exchanges, according to their interests, of data, voice, pictures, and opinions. Fast improvement of communications equipment for speedier data exchange will help expedite more growth of such Internet demand.

In light of the above, Jasmine International Group has adjusted its business to keep pace with new telecommunications technology and to maintain good business results as targeted, by focusing on the following businesses.

- Broadband Business by TTTBB and TTTI

To serve the needs of the customers, high-speed Internet networks have been built and expanded; meanwhile, an installation of WiFi Access Points known as 3BB-WiFi nation-wide are in progress; and service quality has been improved to facilitate them for more convenience in good time. In addition, software development business has been introduced to increase more values for Broadband Internet service and to attract new target groups.

- Telecom Network & Service Provider Business by
  - JasTel, which with Type 2 license with own network for leasing out and offering telecom service to a limited group of people, provides circuit leasing service and local as well as international data communication service via terrestrial optical fiber cable, submarine optical fiber cable and copper cable networks. Its network expansion allows connection with networks of several countries, enabling the company to become a hub of a lot of traffic. As a result, leased circuits cost decreases. It is also beneficial to businesses of the same nature within Jasmine International Group.
  - ACU, whose engineers have long-term experiences in telecommunications, has gone into partnership with AIS, Thailand's largest mobile phone operator, and TTTBB, to increase strength and stability for competitiveness in WiFi market.

- System Integration Business by
  - JTS, whose expertise is in providing turn-key solutions; the company is also a distributor of sophisticated communications test and measurement equipment, a provider of security systems, whose customers are in both public and private sectors.
  - CCS, a cloud computing business operator that emphasizes the development of software solution development to serve the needs of both the customers and new business trends.
- Other Businesses by PA, which engages in space rental and related service for Jasmine International Tower. The company puts emphasis on improving its service for optimum quality and developing new value added services. To attract new clientele, PA stresses the building's safe-from-flood-disaster location, suitable for being a hub of telecommunications and data back up systems as its strength, ensuring them for their business operation continuity.

## 4.2 Finance

The flood aftermaths that has significantly affected the Thai economic recovery, rising inflation, the world economic recession, oil price tendency that still remains on the rise, the world monetary system fluctuation that is likely to increase due to the problem of economic stability among European countries are important factors that might lead to risks in foreign exchange rate and interest rate as detailed below:-

- Risk from fluctuation of foreign exchange rate:

Since the Company's major revenue is in Thai Baht, but the costs of data / telecommunications equipment and circuit leased from foreign business allies are to be paid in foreign currencies, risk from fluctuation of foreign exchange rate occurs. To manage this risk, Jasmine International Group has a policy to closely monitor any factor that affects foreign exchange rates; use proper financial instruments; carefully consider timing the purchase of forward contracts; and maintain an appropriate level of USD reserve to pay for foreign debts.

- Risk from interest rate uncertainty

Risk from interest rate uncertainty, which depends on changes in economic condition and inflation, results in changes in costs of capital. To manage this risk, Jasmine International Group has a policy to adequately reserve cash for loan interests; prudently manage its finance to service interests before the scheduled period; and restructure funds in advance by sourcing from within Jasmine International Group and financial institutes.

## 4.3 Human Resources

Jasmine International Group has laid a manpower plan beforehand in readiness for serving the needs from various projects; particularly, in the fields of techniques and communications technology that are generally the market's demand. This plan includes the use of temporary contracted workers for short-term projects, the movement of workforce to create balance between people and workload, the continuous organization of comprehensive personnel training to upgrade knowledge, abilities, and skills of its workforce to properly meet the needs of business projects and positions as well as to prepare them to properly work in today's world of fast and non-stop changes. The Company supports its personnel for their occupational progress by fairly promoting them on the basis of performance, rewarding them on the basis of duties and responsibilities, and providing them with compensation and benefits that are competitive with those of other companies in the same industry.

#### **4.4 Market and Competition**

Competition in high-speed Internet business is still very strong due to the National Broadcasting and Telecommunication Commission (“NBTC”)’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 2010. That was followed by a 2011 project of free public WiFi service Internet in Bangkok. All that is mentioned may have impact on the market share. Thus, to manage the risk, the Company has built and expanded its high-speed Internet network to cover and serve the customers’ needs nation-wide. It also maintains equipment and networks to be in good working condition so as to keep the existing market share and gain more. At the same time, the Company emphasizes expanding WiFi service spots to cover important areas country-wide, building international circuit linkage to directly connect with overseas Internet networks, and forming more business alliances.

#### **4.5 Operation and Maintenance**

The most important thing for successfully becoming a leader in providing Internet service is to maintain network stability. That is because service failure adversely affects confidence of users. To manage the risk, the Company has put in place a contingency plan to deal with emergency and problems on the network; installed the Environment Alarm System to guard against any unusual situation in time and be informed of it accordingly; set up a unit to monitor and maintain network equipment on a regular basis as well as to repair any fault in accordance with the schedule set beforehand; maintained an appropriate number of spare parts; and prepared back-up for both network routes and electric system in every major important network spot to guarantee service continuity.

# Shareholding Structure and Management

## 5. Shareholding Structure and Management

### 5.1 Shareholders

The top 10 largest shareholders of the Company as at the latest closing date for the Company's share register book (1 September 2011) are as follows:-

(The total number of shares: 7,244,251,378 Shares)

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	483,054,600	6.67
3. NORBAX INC. Group	183,862,200	2.54
4. ING Group	137,117,400	1.90
5. Nomura Singapore Limited-Customer Segregated Account	127,641,000	1.76
6. Thai NVDR Co., Ltd	117,380,881	1.62
7. Bangkok Bank PCL.	115,611,377	1.60
8. Somers (U.K.) Limited	109,380,000	1.51
9. Mr.Krirkkrai Traibanyatkul	73,042,500	1.01
10. State Street Bank Group	66,827,480	0.92

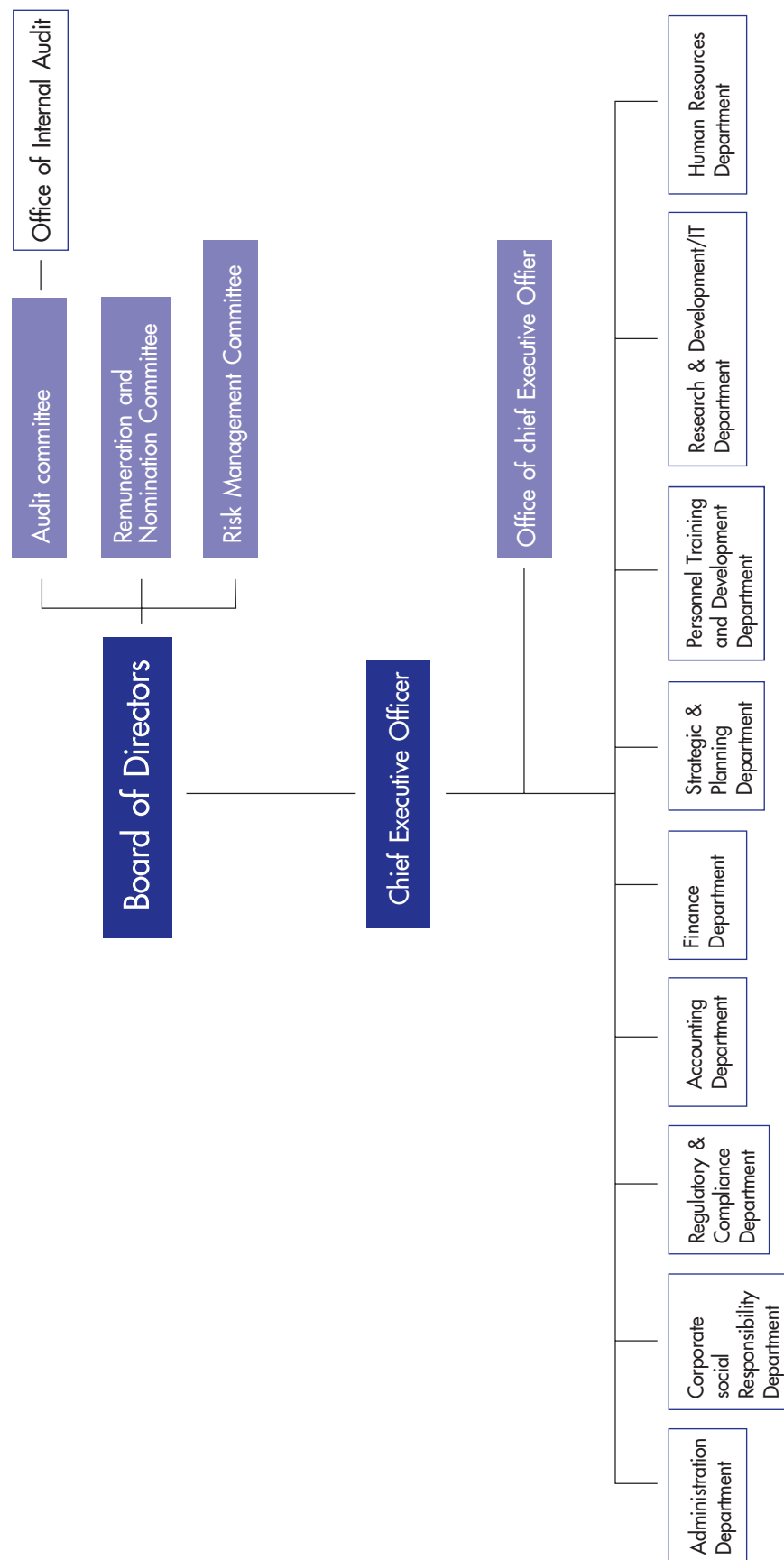
Remarks : \* Detailed information of major shareholders as group and business types of juristic shareholders

<b>Bodharamik Group-Individual</b>	<b>% of Shareholding</b>	<b>Bodharamik Group-Individual</b>	<b>% of Shareholding</b>
- Mr.Pete Bodharamik	25.46	- ING Thai Equity Trigger 10% (4)	0.02
- Mr.Anupong Bodharamik	0.01	- ING Thai Value Plus-Dividend Long Term Equity Fund	0.02
<b>NORBAX INC.Group-Broker</b>		- Somwang by ING Funds	0.02
- NORBAX INC.,13	2.21	- ING Thai Balanced Fund	0.01
- NORBAX INC.,82	0.33	- Harvest Fund	0.01
<b>ING Group-Broker</b>		- ING Sawasdikarnmunkong 1 Registered Provident Fund	0.01
- Electricity Generating Authority of Thailand Registered Provident Fund	0.84	- ING Thai Equity Fund-Dividend	0.00
- Government Permanent Employee Registered Provident Fund	0.40	- ING Thai Lifecycle 2025 Fund	0.00
- Registered Provident Fund Staff Of Bank For Agriculture And Agricultural Cooperative (3)	0.10	- ING Thai Capital Protection Retirement Mutual Fund 5	0.00
- Registered Provident Fund Staff Of Bank For Agriculture And Agricultural Cooperatives	0.09	- ING Thai Capital Protection Retirement Mutual Fund 3	0.00
- ING Thai Good Corporate Governance Long Term Equity Fund	0.08	- ING Thai Capital Protection Retirement Mutual Fund 4	0.00
- ING Thai 70/30-Dividend Long Term Equity Fund	0.07	- ING Thai Capital Protection Retirement Mutual Fund 2	0.00
- ING Thai Big Cap Dividend Long Term Equity Fund	0.04	- ING Thai Capital Protection Retirement Mutual Fund 1	0.00
- ING Thai Equity Retirement Mutual Fund	0.04	- ING Thai Lifecycle 2015 Fund	0.00
- Mr.Suraphan by ING Funds	0.04	- ING Thai Lifecycle 2020 Fund	0.00
- ING Thai Equity Fund	0.04	<b>State Street Bank Group-Broker</b>	
- ING Thai Equity Trigger 10% (3)	0.03	- State Street Bank and Trust Company	0.69
- Thai Health Promotion Foundation by ING Funds (Thailand) Co., Ltd.	0.02	- State Street Bank and Trust Company for Australia	0.13
		- State Street Bank Europe Limited	0.10

## 5.2 Management

### (1) Management

#### Management Structure and Organization Chart





## Board of Directors



**Mr. Sudhitham Chirathivat**  
Chairman of the Board of Directors  
and Independent Director



**Mr. Pete Bodharamik**  
Chief Executive Officer  
and Director





**Dr.Vichit Yamboonruang**  
Independent Director



**Dr.Yodhin Anavil**  
Independent Director



**Mrs.Chantira Purnariksha**  
Independent Director



**Mr. Pleumjai Sinarkorn**  
Director



**Mr. Somboon Patcharasopak**  
Director



**Mr. Terasak Jerauswapong**  
Director



**Mr. Subhoj Sunyabhisithkul**  
Director



**Dr. Soraj Asavaprapha**  
Director



**Ms. Saijai Kitsin**  
Director

## INFORMATION OF THE COMPANY'S DIRECTORS, EXECUTIVES OR AUTHORIZED PERSONS

Name	Position	Age (Years)	Education	Family Relationship among Directors and Executives	JAS* Shareholding Ratio (%)	Work Experience
1) Mr.Sudthitham Chirathivat	- Independent Director - Chairman of the Board of Directors	64	- MBA Operation Research Iona University, New York, U.S.A. - Thai Institute of Directors Association (IOD): Directors Certification Program (DCP)	None	-	2010-Present Chairman of the Board of Directors, 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	70	- 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	0.0003	2011-Present Chairman of the Board of Directors and Independent Director, Ekarat Engineering PCL. 2008-Present Chairman and Chief Executive Officer, Thai Premier League Co., Ltd. 2006-Present Independent Director and Member of Audit Committee, Wik & 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.
3) Dr.Yodhin Anavil	- Independent Director - Member of Audit Committee - Chairman of Remuneration and Nomination Committee	62	- 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 (RCC) Chartered Director Class (CDC) Audit Committee Program (ACP)	None	-	Dec 2011-Present Chairman of Remuneration and Nomination Committee, Jasmine International PCL. 2011-Present Independent Director, Audit Committee, Corporate Governance Committee, Robinson Department Store PCL. 2010-Present Advisor to Director Committee, D.T.C. Industries PCL. 2009- 2011 Expert of the Committee on Constitutional Organs Affairs and Following up the Budget Administration

Remarks: \* JAS = Ordinary share, the total number of JAS used for calculation = 7,244,251,378 shares

Name	Position	Age (Years)	Education	Family Relationship among Directors and Executives	JAS' Shareholding Ratio (%)	Work Experience
			Director Certification Program (DCP) Director Accreditation Program (DAP)			2008- Dec. 2011 2008-Present 2006-Present 2006-2008 2001-2007 1992-Present Member of Remuneration and Nomination Committee, Jasmine International PCL. Advisor and Vice Chairman, POP Network Co., Ltd. Independent Director and Member of Audit Committee, Jasmine International PCL. Member of the National Legislative Assembly Executive Director, POP Network Co., Ltd. Executive Director, The Vintage Club Co., Ltd.
4) Mrs.Chantra Punariksha	- Independent Director - Member of Audit Committee	65	- M.A. Diplomacy and Comparative Economics, University of Kentucky U.S.A. - Thai Institute of Directors Association (IOD) : Director Accreditation Program (DAP)	None	-	Dec 2011-Present Independent Director and Member of Audit Committee, Jasmine International PCL. Nov 2011-Present Advisor, Phatra Leasing PCL. 2007-2011 Secretary-General, Office of Insurance Commission (OIC) 2006-2007 Director-General, Department of Insurance, Ministry of Commerce 2003-2006 Director-General, Department of Export Promotion, Ministry of Commerce
5) Mr. Pete Bodharamik	- Director** - Chief Executive Officer - President	39	Bachelor of Management Sciences, London School of Economics and Political Science, 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. 1997-Present Chairman, Mono Generation Group
6) Mr. Somboon Patcharasopak	- Director** - Member of Remuneration and Nomination Committee - Member of Risk Management Committee	51	- MBA, 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. 2008-2009 Executive, TT&T Group 2004-2011 Member of Risk Management Committee, Jasmine International PCL. 2002-Present Director, Chaengwatana Planner Co., Ltd. 1982-2008 Executive, Jasmine International Group 1982-Present Director, Jasmine International PCL.

Remarks: \* JAS = Ordinary share, the total number of JAS used for calculation = 7,244,251,378 shares

\*\* Authorized Director

Name	Position	Age (Years)	Education	Family Relationship among Directors and Executives	JAS* Shareholding Ratio (%)	Work Experience
7) Mr. Subhoj Sunyabhisithkul	- Director** - Member of Risk Management Committee	43	- Bachelor of Electrical Engineering, Chulalongkorn University - Thai Institute of Directors Association (IOD) : Director Certification Program (DCP)	None	-	2004-2011 Member of Risk Management Committee, Jasmine International PCL. 1999-Present Director, Jasmine International PCL. 1988-Present Executive, Jasmine International Group
8) Mr. Terasak Jerauswapong	- Director** - Member of Risk Management Committee	50	- 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 Risk Management Committee, Jasmine International PCL. 2000-Present Director, Jasmine International PCL. 1988-Present Executive, Jasmine International Group
9) Ms. Saijai Kitsin	- Director - Executive Vice President - Secretary to the Board of Directors - Corporate Secretary	49	- 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 and Corporate Secretary, Jasmine International PCL. 1992-Present Executive, Jasmine International Group
10) Mr. Pleunjai Sharnorn	- Director - Member of Risk Management Committee	78	- Bachelor of Science in Engineering, Rajmongkol Institute of Technology - Thai Institute of Directors Association (IOD) : Director Certification Program (DCP) Role of the Compensation Committee (RCC) DCP Refresher Course	None	-	Dec 2011-Present Member of Remuneration and Nomination Committee, Jasmine International PCL. 2008-Present Director, Jasmine International PCL. 2006-Present Advisor, Thai Long Distance Telecommunications Co., Ltd. 2004-Present Director and Executive Director, Jasmine Telecom Systems PCL. 1998-2006 Advisor to Executive Committee, Jasmine International PCL. 1994-Present Executive, TT&T Group
11) Dr.Soraj Asavaprapha	Director	46	- Ph.D Business Administration, International Business, Alliant International University, San Diego, USA. - Thai Institute of Directors Association (IOD) : The Role of Chairman Program (RCP) Director Certification Program (DCP)	None	-	2011-Present Director, Jasmine International PCL. 2009-Present - Independent Director and Chairman of Audit Committee, CyberPlanet Interactive PCL. - Honor Associated Specialist, The Committee of National Science Technology and Innovation Policy 2008-Present - Vice Chairman, Mono Technology Co., Ltd. 2007-Present - Director, Asava Co., Ltd. 2004-Present - Executive Director, Toyota P.S. Enterprise Co., Ltd. 1998-Present - Director, V Capital Co., Ltd. 1998-2008 - Chief Executive Officer Mono Generation Co., Ltd.

Remarks: \* JAS = Ordinary share, the total number of JAS used for calculation = 7,244,251,378 shares

\*\* Authorized Director

Name	Position	Age (Years)	Education	Family Relationship among Directors and Executives	JAS* Shareholding Ratio (%)	Work Experience
12) Mrs. Chuekarnol Treesuttacheep	Chief Financial Officer, Finance Department	41	MBA Finance, National Institute of Development Administration	None	-	2005-Present Executive, Jasmine International Group
13) Mrs. Nitt Viseshpan	Vice President, Finance Department	51	Bachelor of Arts, Chiangmai University	None	-	1994-Present Executive, Jasmine International Group
14) Ms. Sinenart Jongpakpaissai	Vice President, Accounting Department	49	Master of Science Accounting, Thammasat University	None	-	1992-Present Executive, Jasmine International Group
15) Mrs. Uraiporn Charoenchit	Vice President, Regulatory & Compliance Department	47	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

# 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														Associate			
		TTTB	TTT	JSTC	TLDT	JasTel	Ji-NET	ACU	ARS	SHW	JTS	CCS	INC	PA	CP	JIOC	ACT	PP	IKSC
1) Mr.Sudhitham Chirathivat	C,I																		
2) Dr.Vichit Yamboonruang	CA,I																		
3) Dr.Yodhin Anavil	AC,I,CRN																		
4) Mrs.Chantra Purnariksha	AC,I																		
5) Mr.Soomboon Patcharasopak	A,CRM,RN			A	A	A	A	A,P	A	D				A	A	A	A		A
6) Mr. Subhoj Sunyabhisithkul	A	A,P	A	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) Ms.Saijai Kitsin	D,EVP	A	A	A	A	A							A						
10) Mr. Pleumjai Sinarkorn	D,RN											A,E	A						
11) Dr.Soraj Asavaprapha	D																		
12) Mr.Pisit Tantirodjanakitjakarn		E	E				D												

Remarks :

- A = Authorized Director
- AC = Member of Audit Committee
- C = Chairman of the Board of Directors
- CA = Chairman of Audit Committee
- CEO = Chief Executive Officer
- CRM = Chairman of Risk Management Committee
- CRN = Chairman of Remuneration and Nomination Committee
- D = Director
- E = Executive Director
- EVP = Executive Vice President
- I = Independent Director
- P = President
- RM = Risk Management Committee
- RN = Remuneration and Nomination Committee

## Details of Directors in the Subsidiaries and Associate

Name of Executive	Subsidiary															Associate		
	TTTB	TTTI	JSTC	TLDT	JasTel	JI-NET	ACU	ARS	SHW	JTS	CCS	INC	PA	CP	JIOC	ACT	PP	IKSC
1. Mrs. Nonglug Pongsrihadulchai	A	A								A	A							
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. Mrs. Nitt Visesphan										A	A	A						
13. Mrs. Pindao Rojanakul											A			A				
14. Mrs. Busakorn Jonksaksawat										E								
15. Mr. Suraphol Chanpetch												A						
16. Ms. Oranuch Chandhasin														A				
17. Mrs. Saowanit Thanomsuwan																	A	
18. Mrs. Lalana Tharasuk																	A	
19. Mrs. Surparsorn Honchaiya																		A
20. Mr. Taj Bussadeegarn																		A
21. Mr. Aroon Tatsanachantatane																		A
22. Mr. Paisit Vajjanapagorn																		A

Remarks :

A = Authorized Director

AC = Member of Audit Committee

CA = Chairman of Audit Committee

D = Director

E = Executive Director

I = Independent Director

P = President



## Changes in Shareholding of Directors and Executives

Name-Surname		Change in Number of Shares in 2011 Increase /(Decrease)	Number of Shares at the end of 2011
1.	Mr.Sudhitham Chirathivat	-	-
2.	Dr.Vichit Yamboonruang	(30,000)	20,000
3.	Dr.Vorapol Socatiyanurak <sup>1)</sup>	-	-
4.	Mrs.Chantra Purnariksha <sup>2)</sup>	-	-
5.	Dr.Yodhin Anavil	-	-
6.	Mr.Pete Bodharamik	-	1,844,046,870
7.	Mr.Somboon Patcharasopak	-	18,589,270
8.	Mr.Subhoj Sunyabhisithkul	-	-
9.	Mr.Terasak Jerauswapong	-	5,585,080
10.	Mr.Pleumjai Sinarkorn	-	-
11.	Dr.Soraj Asavaprapha	-	-
12.	Ms.Saijai Kitsin	-	2,074,790
13.	Mrs.Chuenkamol Treesuttacheep	-	-
14.	Mrs.Nitt Visesphan	-	-
15.	Ms.Sinenart Jongpakpaisal	-	-
16.	Mrs.Uraiporn Charoenchit	-	-

Remarks : <sup>1)</sup> Resigned from director position on 27 September 2011; the Company registered his resignation with the Ministry of Commerce on 3 October 2011.

<sup>2)</sup> Has become a Company's Director since 20 December 2011

## Shareholding in Subsidiary and Associate Company of the Board of Directors

Company name	Name of Director		Type of Shares	Number of Shares As at 31 December 2011
In Cloud Co., Ltd.	Mr. Subhoj	Sunyabhisithkul	Ordinary	1
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	400
	Mr. Subhoj	Sunyabhisithkul	Ordinary	100
	Mr. Terasak	Jerauswapong	Ordinary	1,000
	Ms. Saijai	Kitsin	Ordinary	400
	Mr. Pleumjai	Sinarkorn	Ordinary	50,000
Cloud Computing Solutions Co., Ltd.	Ms. Saijai	Kitsin	Ordinary	3
Premium Asset 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
Three BB 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 30 December 2011, the closing date of share register book

## Management Structure

(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 Risk Management Committee.

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

### 1.) Board of Directors

The Company's Board of Directors as at 31 December 2011 consisted of the following 11 directors:

1. Mr.Sudhitham	Chirathivat	Independent Director and Chairman of the Board of Directors
2. Dr.Vichit	Yamboonruang	Independent Director
3. Dr.Vorapol	Socatiyanurak	Independent Director <sup>1)</sup>
4. Mrs.Chantra	Purnariksha	Independent Director <sup>2)</sup>
5. Dr.Yodhin	Anavil	Independent Director
6. Mr.Pete	Bodharamik	Director <sup>3)</sup>
7. Mr.Somboon	Patcharasopak	Director <sup>3)</sup>
8. Mr.Subhoj	Sunyabhisithkul	Director <sup>3)</sup>
9. Mr.Terasak	Jerauswapong	Director <sup>3)</sup>
10. Mr.Pleumjai	Sinarkorn	Director
11. Dr.Soraj	Asavaprappa	Director <sup>4)</sup>
12. Ms.Saijai	Kitsin	Director, Secretary to the Board of Directors, and Corporate Secretary

Remarks : <sup>1)</sup> Resigned from director position on 27 September 2011; the Company registered his resignation with the Ministry of Commerce on 3 October 2011.

<sup>2)</sup> Has become a Company's Director since 20 December 2011

<sup>3)</sup> Authorized director

<sup>4)</sup> Has become a Company's Director since 30 March 2011

### Authority and Duties of the Board of Directors

1. Each director shall perform his/her duties in compliance with the laws, objectives and Articles of Association of the Company as well as the resolutions passed by the Company's shareholders' meetings.
2. Every director is prohibited from engaging in any business, in any juristic person which is of similar business nature as and in competition with the Company's business — either as partner or director — unless he/she receives a prior consent from the shareholders' meeting.
3. Each director is obliged to inform the Company without delay of his/her interests in any contract which he/she has entered into with the Company, or when his/her shares or debentures in the Company or its subsidiaries increase or decrease.
4. A Board of Directors' meeting shall be held at least once every 3 months.
5. Authorized directors are specified as detailed in the Company Certificate.
6. The Board of Directors is empowered to designate a director/directors to bind the Company by signature (s) and the Company seal.

## 2.) Audit Committee

The Company's Audit Committee as at 31 December 2011 consisted of the following 3 members:

- |                |              |   |
|----------------|--------------|---|
| 1. Dr. Vichit  | Yamboonruang | Chairman of Audit Committee<br>(Well-versed and experienced in auditing financial statements) |
| 2. Mrs.Chantra | Purnariksha  | Member of Audit Committee   |
| 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 Office of Internal Audit, approving the appointment, the transfer, and the dismissal of the head of Office of Internal Audit as well as the heads of any other departments responsible for internal auditing
3. To oversee and ensure the Company's conformity with the law regarding securities and stock exchange in addition to the regulations of the Stock Exchange of Thailand ("SET") and the laws relevant to the Company's business
4. To consider, select and propose to appoint persons who are independent to be the Company's external auditors and propose their remuneration in addition to having a meeting with such auditors at least once a year without the presence of the management
5. To consider the connected transactions as well as the transactions which may have conflicts of interest to ensure that such transactions are reasonable and in compliance with the related law and the regulations of the SET for the maximum benefit of the Company
6. To prepare the Audit Committee report which is disclosed in the Annual Report of the Company; the report must be certified by the signature of the Chairman of the Audit Committee and must include at least the following information:
  - 6.1 The opinion on accuracy, completion, and creditability of the Company's financial reports
  - 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 as well as the regulations of the SET of 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 pieces of information deemed appropriate to acknowledge the shareholders and investors under the scope of duties and responsibilities authorized by the Board of Directors

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

The Audit Committee serves a 3-year term. In case of vacancy for any reason other than the expiry of the committee member's term, the Board of Directors shall elect and appoint a qualified person to fill in the vacancy so as to maintain the number of the committee members approved by the Board of Directors. Such new Audit Committee member shall retain his/her office only for the remaining term of the office of the Audit Committee member whom he replaces.

### **3.) Remuneration and Nomination Committee**

The Company's Remuneration and Nomination Committee as at 31 December 2011 consisted of the following 3 directors:

- |                 |               |   |
|-----------------|---------------|---|
| 1. Dr. Yodhin   | Anavil        | Chairman of Remuneration and Nomination Committee             |
| 2. Mr. Pleumjai | Sinarkorn     | 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 connected with them, have an interest or conflict of interest in any other way with the Company as per the regulations set forth by the SET. However, provided that such a case occurs, it must be proposed to the Board of Directors' meeting and / or the shareholders' meeting for consideration and approval, according to the Company Articles of Association.

#### 4.) Risk Management Committee

The Company's Risks Management Committee as at 31 December 2011 consisted of the following 5 directors:

1. Mr. Somboon	Patcharasopak	Member of Risk Management Committee
2. Mr. Subhoj	Sunyabhisithkul	Member of Risk Management Committee
3. Mr. Terasak	Jerauswapong	Member of Risk Management Committee
4. Mr. Pisit	Tantirodjanakitjakarn	Member of Risk Management Committee
5. Mr. Thana	Khaosaard	Member and Secretary of Risk Management Committee

#### Authorities and duties of Risk 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 Company's Board of Directors any matter that needs improvement to be in compliance with the set forth policy and strategies

#### Chief Executive Officer - Mr. Pete Bodharamik

The Company's management team consisted of the following 5 executives:

1. Ms. Saijai	Kitsin	Executive Vice President
2. Mrs. Chuenkamol	Treesuttacheep	Chief Financial Officer, Finance Department
3. Mrs. Nitt	Visesphan	Vice President, Finance Department
4. Ms. Sinenart	Jongpakpaisal	Vice President, Accounting Department
5. Mrs. Uraiporn	Charoenchit	Vice President, 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's business plan to be in compliance with the existent business status. The Chief Executive Officer is authorized to approve the normal business transaction of not exceeding Bt 30 mn 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 conflicts of interest as per definition set forth in the Notifications of the Office of Securities and Exchange Commission ("SEC") and/or the SET, has an interest in any other way with the Company or its subsidiaries.

#### Authority and Duties of President

The 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. The President is to supervise, administer, and implement the normal functions of the Company in such a way as to further the interests to be 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. The 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 exceeding Bt10 mn only. To this purpose, the President may assign or delegate his authority to any individual as his attorney or substitute to act or perform any specific transaction in accordance with the designated authority.

The above-mentioned authority does not include the transaction in which the President or any person who may have conflicts of interest, as per definition set forth in the Notifications of the SEC and/or the SET, have an interest or conflict of interest in any other way with the Company or its subsidiaries.

(1.3) Criteria for Electing Independent Director

**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 authority<sup>1)</sup> 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 sector<sup>2)</sup> 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 :* <sup>1)</sup> 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

<sup>2)</sup> 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 2011, 8 Board of Directors' meetings were held. The record of each Director's meeting attendance is as follows:-

Director's Name		Number of attendance /Total number of the meetings
1. Mr.Sudhitham	Chirathivat	8/8
2. Dr. Vichit	Yamboonruang	8/8
3. Dr. Vorapol	Socatiyanurak <sup>1)</sup>	7/8
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	7/8
9. Ms. Saijai	Kitsin	8/8
10. Mr. Pleumjai	Sinarkorn	7/8
11. Dr.Soraj	Asavaprapha <sup>2)</sup>	3/6
12. Mrs.Chantra	Purnariksha <sup>3)</sup>	-

*Remarks :* <sup>1)</sup> Resigned from director position on 27 September 2011; the Company registered his resignation with the Ministry of Commerce on 3 October 2011.

<sup>2)</sup> Has become a Company's Director since 30 March 2011 and attended 3 out of 6 meetings since the appointment

<sup>3)</sup> Has become a Company's Director since 20 December 2011



## **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 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 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 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 the Company's Directors and Management**

### **(3.1) Cash Remuneration**

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

1.1) Jasmine International PCL.

- Chairman of the Board of Directors received remuneration of 60,000 Baht per month (Additional).
- Each Independent Director received remuneration of 40,000 Baht per month.
- Chairman of Audit Committee received the remuneration of 10,000 Baht per month (Additional).
- Each Audit Committee Member received the remuneration of 20,000 Baht per month.
- Chairman of Remuneration and Nomination Committee received the remuneration of 10,000 Baht per month (Additional).
- Each member of Remuneration and Nomination Committee received the remuneration of 5,000 Baht per month
- Each Executive Director received the remuneration of 20,000\* Baht per month
- Each Non-executive Director received the remuneration of 20,000 Baht per month
- Six Board of Directors, each received the incentive fee of 200,000\* Baht
- Three Board of Directors, each received the incentive fee of 350,000\* Baht

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

The Company and Subsidiary	Persons	Year 2011 (Baht)	Remuneration Details
1. Jasmine International PCL.	7	12,297,957	Salary and bonus
2. Jasmine Submarine Telecommunications Co., Ltd.	3	8,332,436	Salary and bonus
3. Acumen Co., Ltd.	7	12,173,141	Salary and bonus
<b>Total</b>	<b>17</b>	<b>32,803,534</b>	

The details of remuneration paid in cash to the Company's Audit Committee during the year 2011 are as follows:-

- The total remuneration of the 3 Audit Committee members in 2011 was 840,000 Baht as shown in Subsection 3.1 (1.1).

(3.2) Other Forms of Remuneration

- 1) 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 at the minimum rate of 3 percent of their basic salary (or higher as designated by each employee from 3 to 8 percent, but not exceeding the Company's contribution rate) and the Company's contribution is based on each employee's years of service.
- 2) 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 SET. 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 trade 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 exercise the rights to express their opinions and vote for resolutions on the Company's significant matters ;for instances, dividend payment, appointment or removal of a director, appointment of external auditors, approval of any crucial transaction which might affect the directions of the Company's operation, amendment on Memorandum of Association or Articles of Association and so on.

In addition to the above mentioned fundamental rights, the Company manages to support and facilitate the shareholders' right exercise as follows:-

1. The Company arranges the Annual General Meeting of Shareholders within the first 4 months of the Company's fiscal year. Other shareholders' meetings shall be referred to as "Extraordinary Shareholders' Meetings"; each will be called for by the Board of Directors only when deemed appropriate. Invitation letters together with 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.
2. Provided that a shareholder is unable to attend the meeting in person, the Company allows him/her to assign an independent director or any person to attend the meeting on his/her behalf by filling in one of the proxy forms attached with the meeting invitation letter or downloaded from the Company's website.
3. During the meeting, the Company provides equal opportunities for the shareholders to make enquiries or to express their views. Therein, all the Company's directors and relevant management are present to answer the questions that are raised. Every question-and-answer issue and all the significant opinions are recorded in the minutes of meeting to facilitate the shareholders' scrutiny.
4. The complete minutes of meeting shall be accomplished after the meeting date wherein complete and accurate information are presented for the shareholders' scrutiny.

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

The shareholders' meeting is properly conducted according to the scheduled agenda in respect of the Company's Articles of Association. In each agenda, related information is clearly and completely presented for the meeting's consideration. If unnecessary, no un-informed agenda is introduced to the meeting neither is any 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 the meeting on his/her behalf 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 any issue, including such significant ones 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 the policy to disclose information on related transactions, connected transactions and others as required by the regulations stipulated by offices overseeing listed companies.

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

The Company has set up a measure to prevent "Insider Trading", that is considered improper conduct, by relevant persons who are directors, executives, and staff working in the department related to the inside information (including their spouses and minors). According to the measure, such relevant persons are not allowed to trade the Company's securities a month before the disclosure of the quarterly and annual financial statements. The Company has informed its directors and executives not only of their duty to report their holding of the Company's securities but also the penalty according to the Securities and Exchange Act of B.E.2535 and the regulations of the SET. In case that the directors or the executives trade the Company's securities which they hold, they are obliged to report changes in the possession of their own securities, spouses and minors to the SEC to comply with Section 59 of the Securities and Exchange Act of B.E.2535 within 3 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 putting on probation, firing 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. Furthermore, the Company gives importance to equal treatment under human rights principles, supports and respects human rights protection. It has guidelines to guard the rights of every stakeholder group as required by law.

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

Also, the Company has an anti-corruption-and-bribery-for-business-benefit policy that is included in Code of Employees' Ethics for employees' acknowledgement and further conformity. In addition, the Company strongly supports cooperation between the Company itself and each group of stakeholders for the Company's stability. To this respect, the Company follows the directions below to appropriately treat each stakeholder group.

- Shareholders : With an aim to bring about the highest satisfaction to its shareholders, the Company tries its best to be their ever efficient and trustworthy business representative, taking into account the long term growth of its value and the emphasis on transparent and honest information disclosure.
- Employees : The Company regards employees as its very precious resources. So, it focuses on supporting human resources development which consequently leads to its maximum benefit. Besides, it encourages the employees to play a part in creating a good organization culture, strong teamwork and safe and pleasant working atmosphere. In addition, it provides the employees with welfares and good environment; meanwhile, implanting in them the awareness of working with loyalty, taking into the minds all the possible impacts on both the organization and outside people in general.
- Competitors : The Company commercially contends with other trade competitors on the fair and ethical competition basis.
- Customers : The Company is committed to 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 social responsibility activities, especially, the contribution of high-speed Internet and WiFi to schools in rural areas free of charge, 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 SEC and the SET. Additionally, it discloses other significant information which may affect the price of the Company's securities which in turn impacts on the decision of the Company's investors and stakeholders. Such information is accessible to the Company's shareholders, investors and the public via the channels and media of the SET as well as the Company's website.

For Investor Relations, the Finance Department is assigned to represent the Company in communicating with institutional investors, shareholders, analysts and relevant state organizations; whereas, the Regulatory & Compliance 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 with which the Company regularly complies.

Besides, the information therein is adequately disclosed. 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 acknowledging their opinions to the Board of Directors' meeting and the shareholders' meeting, 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 a vital role in setting up corporate policy and image besides independently overseeing, auditing, and assessing the Company's performance to be in accordance with the Business Plan.

Structurally, the Board of Directors totally comprises 11 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 Annual General Meeting of Shareholders, 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 SET 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 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. A newly appointed director shall be acknowledged of types and nature of businesses of the Company. The Company also sends him / her a set of document on regulations for the Board of Directors and the Board of Directors' responsibilities to notify them of good practice as a director of the Company.

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, 8 directors of the Company's Board of Directors are holding the positions of director in more than 1 listed company. 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 participate in the Company's Board of Directors' meetings 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, Risk Management Committee and Remuneration and Nomination Committee and also set up distinct scopes of authority, duty and responsibility for each.

### **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. The Company supports every director for his/her interest in taking any training course that provides essential knowledge that helps enhance him/her more professionalism as a director and that can be applied for the endless development of the quality of directors' performances.

#### Corporate Governance Policy

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

#### Business Ethics

The Company has 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 set of disciplinary penalty is set up as well as a system for following up the practice of the Code of Business Ethics that is 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 to or connected with the subject to be considered is obliged to acknowledge the Company of his / her relationship to or connection with 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 conflicts of interest.

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

Whenever changes in securities holding of the Board of Directors and the management of the Company, including their spouses and minors occur, they must be informed to the Company and reported to the SEC respectively according to Section 59 of the Securities and Exchange Act of B.E.2535 within 3 weekdays after the date of trade or transfer. Besides, to prevent improper usage of the Company's inside information, 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 in both management and operation levels, the Company has specified the scopes of duty and authority for its executives and employees clearly in writing. It also conducts the control of assets usage for its benefit. In addition, the duties of staff and officers in charge of monitoring and assessment officers are segregated. The Audit Committee has been set up by the Company to review the internal control system and oversee the internal audit-properly and efficiently.



## Risk Management

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

## Report of the Board of Directors

The Company's 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 Department. The joint meeting between the relevant staff and the management of the 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 audited with prudence by the Company's auditors. The disclosure of significant financial-related and 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 in 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 an 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. Issues to be included in the meeting agenda are a result of prudent co-consideration of the Company's Chairman and Chief Executive Officer. To this regard, each director can also propose issues for the Chairman and the President to consider for meeting agenda preparation.

During the meeting, the Company's Chairman or the person who is elected to act as Chairman of the Board of Directors' meeting, will provide opportunities for the directors to independently express their opinions. Sometimes, the Company's top management join the meeting for the provision of additional useful information in some particular agendas as related persons. On this occasion also that they can be directly acknowledged of the policy and put it into practice accordingly and efficiently. Resolutions are based on majority vote of the Board members attending the meeting; one director is eligible for one vote. However, a director who has interests in the matter under consideration shall not join the meeting and / or abstain from voting. 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 proposing as the first agenda item in the following meeting for the Board of Directors to certify. After certification, the Secretary to the Board of Directors 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.



As for annual evaluation of the Chief Executive Officer's performances, it is considered by the Board of Directors based principally also on the Company's operation results.

### **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 Shareholder 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 2011, 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 AGM on its website ([www.jasmine.com](http://www.jasmine.com)) 33 days prior to the meeting date. It also posted the Minutes of AGM on the website 13 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 AGM, 45 shareholders assigned Mr.Sudhitham Chirathivat, Dr.Vichit Yamboonruang and Dr. Yodhin Anavil ;the Company's independent directors, to vote on their behalves. In the like manner, 6 shareholders assigned Mr. Pete Bodharamik, 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:
    - 2.1 The total or partial sales or transfer of the Company's significant business operation to any third party.
    - 2.2 The purchase or undertaking of any companies or private sectors, and
    - 2.3 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 2011, 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 5.2 (5): Control of Inside Information Usage and Subsection 5.2 (6) : Internal Auditing, part 3 : Control of Management Operation. In 2011, 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](http://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 SEC and the SET. Therefore, the Company was not penalized by both the SEC and the SET for the incapability to complete their regulations. The information disclosure to the SET was posted on the Company's website ([www.jasmine.com](http://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 of the Updated Registration Statement (56-1 Form) and Subsection 5.2 (3) of the Annual Report: 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 Mrs. Chuenkamol Treesuttacheep, telephone: 0-2100-3085, email address: [churnkamol.t@jasmine.com](mailto:churnkamol.t@jasmine.com).

Meanwhile, the disclosure of significant data of the Company is assigned to the Regulatory & Compliance Department.

- The contact person is Mrs. Uraiporn Charoenchit, telephone: 0-2100-3118, email address: [curaiporn@jasmine.com](mailto:curaiporn@jasmine.com).

### *5) Regarding Responsibilities of the Board of Directors*

1. Of the total 11 directors who constitute the Company's structure of the Board of Directors, 4 of whom are independent directors whose qualifications meet the Company's definition which is equivalent to the standard of the SEC.

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 SET are also positioned in the Company's Audit Committee, having independent power in the audit administration. Furthermore, 1 independent director has a position in the Remuneration and Nomination Committee.

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 scopes of authorities and budgetary approval for each management level are clearly explicated in writing.

The Company has clearly segregated authorities and roles between Chairman of the Board of Directors and Chief Executive Officer so as to prevent unlimited authority. Chairman of the Board of Directors is a director who is elected and appointed by the Board of Directors; whereas, Chief Executive Officer is appointed by the Board

of Directors, taking into consideration the proposal of the Remuneration and Nomination Committee (as detailed in Section 5.2 : Management)

2. The Company discloses its Corporate Governance Policy via the website ([www.jasmine.com](http://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 2011, 8 Board of Directors' meetings were held and the detail of each Director's meeting attendance is in Subsection 5.2 (1) Management (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 2011, 4 meetings were held in which all the Audit Committee members attended. (except for the 4th meeting in which Dr.Vorapol Socatiyanurak did not attend due to his resignation on 3 October 2011)

(See details of duties and responsibilities of Audit Committee in Subsection 5.2 (1): Management (1.2)

The Company has also set up the Risk Management Committee and Remuneration and Nomination Committee whose authority and duties are explained in details in Subsection 5.2 (1): Management (1.2)

6. The Company has established the Office the Internal Audit in accordance with the regulations of the SET 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 asset 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 Subsection 5.2 (6): Internal Audit, part 2: Risk Management.

7. In 2011, 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 SET 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 SEC and the SET, especially for the report on changes in the Company's shares or securities holding and interests of

directors and executives 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, including any changes occurred shall be examined and reported at each Board of Directors' meeting. In such a meeting as well that interest of directors and executives are reported to the Board. The Company, however, has not stipulated any extra controlling procedures other than those specified by SEC, for this purpose.

## **(6) Internet Control**

The Company places importance on internal control since it is a procedure that effectively enhances success in achieving goal for an organization. The Audit Committee is entrusted to be in charge of verifying internal control system, internal audit, and risk management to be adequate and proper. That practice shall foster solid foundation for Good Corporate Governance.

In the previous year, the Company relied on methods and concepts of internal control that are in line with the COSO (Committee of Sponsoring Organization of the Treadway Commission) Guideline, aiming at effective operation, creditable financial report, compliance to laws and regulations. The certified public accountant has audited and verified the Company's and its subsidiaries' financial statements as at 31 December 2011, 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.1/2012 on 21 February 2012, has evaluated and given opinions on the self-assessment questionnaires on adequacy and appropriateness of the Company's and its subsidiaries' internal control system, and made the following conclusions:-

### **Part 1 Organization and Its Environment**

The Company's organization structure and lines of command are clear and proper; both are consistent with the Company's business plan, enabling the internal control system to be implemented efficiently and effectively. The Management has instituted clear and reasonable business objectives, strategy, budget, and performance measurement. A business code of conduct that emphasizes loyalty in business operation has been put into writing and made part of the companies' policies and practice for every significant transaction. Rules and procedures are in place to govern 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.

### **Part 2 Risk Management**

The Company has a Risk Management Committee whose responsibility is drawing a policy framework and overseeing risk management. It also assesses external and internal risk factors, as well as tendencies that may affect the Company; identifies opportunities and impacts that may arise in order to prepare plans to handle, support, and monitor various risk situations to ensure that the Company's risks are still maintained at manageable level. In summary, the Risk Management Committee shall evaluate, analyze, and monitor risks, including preparing preventive measures. They report all to the Board of Directors

### **Part 3 Control of Management Operations**

The Company has clearly specified, in written policy and regulations, the scope of authority and financial amount disposable by management of each level and announced it to concerned staff. 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 strict 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 adheres to the rules and regulations set forth by the SET 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 Regulatory & Compliance Department to ensure that rules are accordingly complied.

In case where the Company has invested in a subsidiary or related company, it will monitor the investment closely under the set policy direction. To date, there has been no illegal investment.

#### **Part 4 Information and Communication System**

The Company attaches much importance to the information and communication system that enables data linkage across the organization and that provides the 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. Information assessment of the system is rapid, accurate, and up to date, enabling the directors and management to obtain the desired information accordingly in due time prior to a meeting as specified by law. Besides, minutes of all meetings that are recorded and kept by this system are easy for retrieval.

Additionally, the Company has a security system to safe-guard its data by controlling information assessment of its personnel according to his/her level and allowing classified access to relevant units only. Every department must prepare a contingency plan as well as data back-up to manage the risk from data loss due to unforeseen circumstances.

#### **Part 5 Monitoring System**

The Board of Directors constantly monitors the Company's performance to accord its business goals. To this regard, a policy is clearly set up, requiring the management to file an immediate report to the Board of Directors in case of malfeasance or illegal activity that may have an adverse impact on the Company's reputation and financial standing, so as to promptly issue a corrective measure and prepare a progress report on remedy in due time.

The Office of Internal Audit is an important mechanism that helps reinforce internal control system to be continuously efficient and effective; therefore, it can be ensured that the performance of each department in 2011 adequately met the goal of the Company. The Office of Internal Audit has carried out its duty according to its approved annual plans and directly reported its findings to the Audit Committee. To date, according to the Audit Committee's review, no significant discrepancies that may affect the Company's reputation have been found. That is in agreement with the Company's external auditor's opinions, concerning internal control.

### **5.3 Dividend Payment Policy**

The Board of Directors has the policy to submit for Shareholder Meeting's consideration the dividend payment to general shareholders in the ratio of not less than 50 percent 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 percent of the net profit after corporate tax each year as shown in the 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 percent of its annual net profit from the 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 SEC. For the year 2011, the transactions were in compliance with the terms and conditions in the contracts made between the Company and its subsidiaries on normal business practice (as referred to in Clause 9 of Notes to the Financial Statements for the year 2011). 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 2011, the Company and its subsidiaries executed the following transactions of product sale, service offering, and others with the following connected persons:-

Connected Person	Relationship	Type of Related Party Transaction	Amount (Million Baht) as at 31 December 2011
1. Mono Group, comprising 1) Mono Film Co., Ltd. 2) Mono Generation Co., Ltd. 3) Mono Technology Co., Ltd. 4) Mono Planet Co., Ltd. (Formerly known as Mono2U Co., Ltd.)	1) Mr. Pete Bodharamik is a director and a major shareholder of Mono Group 2) Mr. Pete Bodharamik is a major shareholder of JAS, holding 25.46%.	- PA executed contracts for leasing office space at Jasmine International Tower, billboard, and other facility services. - TTTI executed a high-speed Internet service contract wherein stated that the service charge was subject to the circuit speed. - ACU offered high speed Internet protocol transmission services - JasTel executed contracts for circuit leasing	36   15  17  1
2. TT&T Subscriber Services Co., Ltd.	Has the same directors as JAS, namely 1) Mr. Somboon Patcharasopak 2) Mr. Pleumjai Sinarkorn	- TTTI offered leased circuits - PA executed contracts for leasing office space at Jasmine International Tower, billboard, and other facility services.	1  11
3. Triple T Global Net Co., Ltd.	Has the same directors as JAS, namely, 1) Mr. Somboon Patcharasopak 2) Mr. Pleumjai Sinarkorn	- JasTel executed contracts for circuit leasing - SHW offered leased circuits	2  1

6.2 In 2011, the Company and its subsidiaries transacted the product and equipment procurement, including payment for leases and services from related parties as follows:-

Connected Person	Relationship	Type of Related Party Transaction	Amount (Million Baht) as at 31 December 2011
1. Mono Group, comprising 1) Mono Film Co., Ltd. 2) Mono Generation Co.,Ltd. 3) Mono Technology Co., Ltd. 4) Mono Planet Co., Ltd. (Formerly known as Mono2U Co., Ltd.)	1) Mr. Pete Bodharamik is a director and a major shareholder of Mono Group 2) Mr. Pete Bodharamik is a major shareholder of JAS, holding 25.46%.	- TTTI bought its program license, utilized advertising service and media. - TTTBB utilized its advertising service and media.	15 2
2. TT&T Subscriber Services Co.,Ltd.	Has the same directors as JAS, namely 1) Mr.Somboon Patcharasopak 2) Mr.Pleumjai Sinarkorn	- JI-NET utilized its ADSL (Expense Service) - TTTI utilized the leased Internet circuits	1 39
3. Triple T Global Net Co., Ltd.	Has the same directors as JAS, namely, 1) Mr.Somboon Patcharasopak 2) Mr.Pleumjai Sinarkorn	- SHW offered leased circuits - TTTBB utilized Telecommunications circuits	2 3



# Management Explanation and Operational Results Analysis

## 7. Management Explanation and Operational Results Analysis

### 7.1 Operating Performance

In 2011, the Company and its subsidiaries generated the operating profit of Bt 1,467 mn compared to Bt 1,016 mn in 2010, increasing by Bt 451 mn or 44%. When deducted by the FX loss of Bt 97 mn, losses and potential losses on debt restructuring of Bt 32 mn and Bt 104 mn respectively, loss on impairment of assets of Bt 17 mn, loss on sales of investments in available-for-sale securities of Bt 12 mn and doubtful accounts and bad debt of Bt 172 mn, the Company and its subsidiaries' net profit for the year 2011 was Bt 1,072 mn compared to that of Bt 663 mn in the year 2010, increasing Bt 409 mn or 62%.

Unit : Bt mn

Item	2011	2010	% change
Operating profit	1,467	1,016	44
FX gain (loss)	(97)	103	(194)
Profit (loss) sharing from associates	(0.2)	10	(102)
Losses on debt restructuring	(32)	-	100
Potential losses on debt restructuring	(104)	(244)	(57)
Loss on impairment of investments in available-for-sale securities	-	(23)	(100)
Loss on impairment of assets	(17)	(41)	(59)
Loss on sales of investments in available-for-sale securities	(12)	(90)	(87)
Doubtful accounts and bad debt	(172)	(67)	157
Net profit (loss)	1,072	663	62
EPS (Bt per share)	0.15	0.10	-

#### Performance breakdown by business unit

Performance breakdown by business unit in 2011 and 2010 is as follows:-

Unit : Bt mn

Company	Total Revenue		
	2011	2010	% Change
<b>Broadband Business</b>			
1. Triple T Broadband Public Company Limited	70	164	(57)
2. Triple T Internet Company Limited	6,296	4,850	30
<b>Total</b>	<b>6,366</b>	<b>5,014</b>	<b>27</b>

Unit : Bt mn

Company	Total Revenue		
	2011	2010	% Change
<b>Telecom Network &amp; Service Provider Business</b>			
1. Jasmine Submarine Telecommunications Company Limited	484	764	(37)
2. Thai Long Distance Telecommunications Company Limited	58	80	(28)
3. JasTel Network Company Limited	422	391	8
4. Jasmine Internet Company Limited	568	524	8
5. Acumen Company Limited	122	154	(21)
6. ACeS Regional Services Company Limited	129	135	(4)
7. Smart Highway Company Limited	5	5	-
<b>Total</b>	<b>1,788</b>	<b>2,055</b>	<b>(13)</b>
<b>System Integration Business</b>			
1. Jasmine Telecom Systems Public Company Limited	1,240	2,522	(51)
2. Cloud Computing Solutions Company Limited	43	84	(48)
<b>Total</b>	<b>1,283</b>	<b>2,606</b>	<b>(51)</b>
<b>Other Businesses</b>			
1. Jasmine International Public Company Limited	10	19	(47)
2. Premium Asset Company Limited	130	125	4
3. T.J.P.Engineering Company Limited	1	-	100
4. Mobile Communication Services Company Limited	1	1	-
5. Others <sup>1)</sup>	4	7	(43)
<b>Total</b>	<b>146</b>	<b>152</b>	<b>(4)</b>
<b>Grand Total</b>	<b>9,583</b>	<b>9,827</b>	<b>(2)</b>

Note : <sup>1)</sup> Comprising Jasmine International Overseas Co., Ltd., Compunet Corporation Co., Ltd., Three BB Co., Ltd. and ACeS (Thailand) Co., Ltd.

#### Revenue

In 2011, the total revenue of the Company and its subsidiaries was Bt 9,583 mn, compared to that of Bt 9,827 mn in 2010, declining 2%. Details are as follows:-

Unit : Bt mn

Item	2011	2010	% Change
Sales and service income	9,498	9,626	(1)
FX gain	-	103	(100)
Interest income	39	35	11
Other income	46	63	(27)
<b>Total</b>	<b>9,583</b>	<b>9,827</b>	<b>(2)</b>

### *Sales and Service Income*

In 2011, the Company and its subsidiaries totally obtained the sales and service income of Bt 9,498 mn, compared to that of Bt 9,626 mn in 2010, declining 1%. For the year 2011, contribution in sales and service income was 67% from Broadband Business, 19% from Telecom Network & Service Provider Business, 13% from System Integration Business and 1% from Other Businesses. Breakdown of sales and service income is as follows:-

*Unit : Bt mn*

Type of business	2011	2010	% Change
Broadband Business	6,351	4,904	30
Telecom Network & Service Provider Business	1,756	2,010	(13)
System Integration Business	1,266	2,580	(51)
Other Businesses	125	132	(5)
<b>Total</b>	<b>9,498</b>	<b>9,626</b>	<b>(1)</b>

In 2011, the sales and service income from Broadband Business was Bt 6,351 mn, increasing 30% from Bt 4,904 mn in 2010. Such growth was primarily due to an increase in number of broadband subscribers.

In 2011, the sales and service income from Telecom Network & Service Provider Business was Bt 1,756 mn, declining 13% from Bt 2,010 mn in 2010. The decline was partially because of the expiration of the concession agreement in October 2011.

In 2011, the sales and service incomes from System Integration Business was Bt 1,266 mn, declining 51% from Bt 2,580 mn in 2010. The decline was due to a decrease in revenue recognition of its project on hand. For Other Businesses, the sales and service income was Bt 125 mn in 2011, declining 5% from Bt 132 mn of last year.

### *Other income*

In 2011, the Company and its subsidiaries recorded other income of Bt 85 mn, declining 58% when compared to that of Bt 201 mn in 2010. This was because in 2010, the FX gain totaling Bt 103 mn was included in other income.

### *Expenses*

In 2011, the operating expenses of the Company and its subsidiaries were Bt 7,142 mn in total, compared to that of Bt 7,986 mn in 2010, declining 11%. The decline was mainly a result of 19% decline in cost of sales and services. The Company and its subsidiaries recorded losses and potential losses on debt restructuring, loss on impairment of assets, loss on sales of investments in available-for-sale securities and doubtful accounts and bad debt totally of Bt 337 mn. Including such amount with FX loss of Bt 97 mn, the total expenses were Bt 7,575 mn. Details of expenses are as follows:-

Unit : Bt mn

Item	2011	2010	% Change
<b>Operating Expenses :</b>			
- Cost of sales and services	4,638	5,696	(19)
- Selling and servicing expenses	791	714	11
- Administrative expenses	1,713	1,576	9
<b>Total Operating Expenses</b>	<b>7,142</b>	<b>7,986</b>	<b>(11)</b>
Losses on debt restructuring	32	-	100
Potential losses on debt restructuring	104	244	(57)
FX losses	97	-	100
Loss on impairment of investments in available-for-sale securities	-	23	(100)
Loss on impairment of assets	17	41	(59)
Loss on sales of investments in available-for-sale securities	12	90	(87)
Doubtful accounts and bad debt	172	67	157
<b>Total Expenses</b>	<b>7,575</b>	<b>8,451</b>	<b>(10)</b>

- In 2011, the Cost of sales and services was Bt 4,638 mn, compared to that of Bt 5,696 mn in 2010, declining 19%. The decrease in cost of sales and services was not only due to the effective cost management, but also a decrease in the cost of sales and services of System Integration Business. Comparing to sales and services income, the gross margin for the year 2011 was 51%, compared to that of 41% in 2010.
- In 2011, the selling and servicing expenses and administrative expenses were Bt 2,504 mn, compared to that of Bt 2,290 mn in 2010, increasing 9%. Most of such expenses was from employee expenses, office expenses and marketing expenses.
- The subsidiaries recorded losses and potential losses on debt restructuring of Bt 136 mn.
- The subsidiaries recorded FX loss of Bt 97 mn.
- The Company and its subsidiaries recorded loss on impairment of assets of Bt 17 mn, loss on sales of investments in available-for-sale securities (TT&T) of Bt 12 mn and the subsidiaries recorded doubtful accounts and bad debt of Bt 172 mn.

#### *Financial Expenses*

In 2011, the financial expenses of the Company and its subsidiaries were Bt 468 mn, compared to that of Bt 393 mn in 2010, increasing 19%. This was due to an increase in interest rate and the subsidiary's loan for its expansion.

#### *Net profit (loss)*

In 2011, the Company and its subsidiaries totally had the net profit of Bt 1,072 mn, compared to a net profit of Bt 663 mn in 2010, growing 62%. Details of net profit (loss) breakdown by business unit are as follows:-

Unit : Bt mn

Business Unit	Net profit (loss)		
	2011	2010	% Change
Broadband Business	1,654	1,233	34
Telecom Network & Service Provider Business	(229)	(123)	86
System Integration Business	(107)	(146)	(26)
Other Businesses	(246)	(302)	(19)
<b>Net Profit</b>	<b>1,072</b>	<b>663</b>	<b>62</b>

## 7.2 Financial Position

### Assets

As at 31 December 2011, the Company and its subsidiaries had total assets of Bt 19,460 mn, compared to that of Bt 19,302 mn in 2010, increasing 1%. Total assets of the Company and its subsidiaries comprised:-

Item	31 December 2011		31 December 2010	
	Bt mn	% of Total Asset	Bt mn	% of Total Asset
Current assets	7,312	38	7,925	41
PP&E, net	11,573	59	10,358	54
Other non current assets	574	3	1,019	5

At the end of 2011, the Company and its subsidiaries had current assets of Bt 7,312 mn, compared to that of Bt 7,925 mn in 2010, declining 8%.

- The Company and its subsidiaries invested in fixed assets of Bt 2,291 mn which was mostly for network expansion; repayment of account payable for equipment of Bt 1,214 mn; repayment of loan and interest of Bt 573 mn; repayment of liabilities under financial lease agreement of Bt 114 mn ;and dividend payment of the Company and its subsidiaries of Bt 326 mn. When offset with cash received from operation under the Company and its subsidiaries of Bt 3,143 mn, loan from financial institution of Bt 960 mn and cash received from sales of investment of Bt 254 mn; the cash and cash at financial institution declined by Bt 156 mn.
- Investment in available-for-sale securities declined by Bt 91 mn (from sales of investment in TT&T).
- Inventory and other current assets declined by Bt 468 mn.

Such decreases in current assets, offset with increases in current assets from trade and other receivables of Bt 87 mn and other current assets of Bt 16 mn, shows a decline by Bt 613 mn of net current assets.

Property, plant and equipment in 2011 which increased by Bt 1,215 mn from the year 2010 was mainly from the network expansion of the subsidiaries.

At the end of 2011, other non current assets were Bt 574 mn, declining by Bt 445 mn, or 44%, from the year 2010. This was mainly due to the amortization of the submarine fiber cable network under the concession agreement of JSTC and TLDT, which already expired in October 2011. In addition to that, account receivable under debt restructuring declined by Bt 173 mn from the year 2010 due to the booking of losses and potential losses on debt restructuring.

### *Liabilities*

As at 31 December 2011, the Company and its subsidiaries had total liabilities of Bt 11,360 mn, compared to Bt 11,920 mn at the end of 2010, declining 5%. Details of total liabilities are as follows:-

Item	31 December 2011		31 December 2010	
	Bt mn	% of Total liabilities	Bt mn	% of Total liabilities
Current liabilities	9,380	83	7,737	65
Long term liabilities	1,980	17	4,182	35

Current liabilities at the end of 2011 was Bt 9,380 mn, increasing by Bt 1,643 mn from the year 2010. As the bank agreed to waive the financial covenant of the Subsidiary's loan agreement in January 2012, which was after the date of the financial statement, to comply with generally accepted accounting principles, some portion of long term liabilities was classified as current liabilities. At present, such liabilities have already been reversed to long term liabilities.

At the end of 2011, long term liabilities of the Company and subsidiaries were Bt 1,980 mn, declining by Bt 2,202 mn from the year 2010.

### *Shareholders' Equity*

At the end of 2011, the shareholders' equity of the Company and its subsidiaries was Bt 8,100 mn, increasing by Bt 717 mn, or 10%. The net profit of the Company and its subsidiaries was Bt 1,072 mn in 2011. The Company reversed its retained earnings reserved for the third Treasury Shares Program of Bt 300 mn (after the written off of its 155.24 mn Treasury Shares). The difference between par value and average purchase price of Treasury Shares was deducted from premium on treasury shares. The remaining of Bt 108 mn was deducted from unappropriated retained earnings.

### *Capital Structure*

As at 31 December 2011, the Company and its subsidiaries had the total liabilities of Bt 11,360 mn, or 58% of total assets. Shareholders' equity was Bt 8,100 mn, or 42% of total assets. Debt to equity ratio was at 1.40 times.

## **7.3 Liquidity**

As at 31 December 2011, the Company and its subsidiaries had cash and cash equivalent of Bt 1,581 mn, declining by Bt 339 mn. Summary of cash generated and used is as follows:-

- Net cash generated from operating activities	Bt 3,143	mn
- Net cash from (used for) investing activities	Bt (2,315)	mn
- Net cash used for financing activities	Bt (1,166)	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.

During the year 2011, the Company reduced the 155,240,000 paid-up shares by writing off the third Treasury Stock Program.

On 13 December 2011, The Board of Directors' Meeting of the Company No.8/2011 passed the resolution to approve the fourth Treasury Stock Program for financial management via the Stock Exchange of Thailand. At the end of 2011, no Treasury Stock was purchased. Details of Treasury Stock Program are as follows:-

Type	: Treasury Stock
Treasury Stock Number	: Not exceeding 724,425,137 shares, or equivalent to not exceeding 10 % of the total of paid-up shares.
Repurchase period	: Within 6 months, starting from 28 December 2011
Share resale period and shares written off	: Following 6 months after the completion date of share repurchase. In case that JAS completes the share repurchase before the scheduled time of 6 months, the starting date of the share resale period will commence 6 months after the completion date of the share repurchase. However, the JAS Board of Directors has considered fixing the schedule of the share resale to be within 1 month, commencing from the first date allowed for the share resale. Provided that at the end of the period of share resale, there are shares that still remain unsold, the Company will decrease the capital by writing off such unsold registered 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 1,400,000 Baht.

8.1.2 Non-audit Fee  
-None-

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

The Board of Directors of Jasmine International Public Company Limited ("the Company") 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 principles, which the Company also consistently applied. Important information is adequately disclosed in 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 verify the financial statements and the internal control system. Opinions 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 31 December 2011.



**(Mr. 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 finance, accounting, law and management, namely, Dr. Vichit Yamboonruang as Chairman, Dr. Vorapol Socratyanurak\* and Dr. Yodhin Anavil, both, as Audit Committee members. The Audit Committee has performed with total responsibility to be in compliance with the Audit Committee Charter to oversee the Company’s operation.

In the fiscal year 2011, the Audit Committee fulfilled its duties as outlined in the Audit Committee Charter as assigned by the Board of Directors in accordance with the regulations set up by the Securities and Exchange Commission (“SEC”). In addition, 4 meetings were also held through the year for the Audit Committee members to discuss issues with the Company’s top management, external auditors, and the executives from the Office of Internal Audit. The tasks accomplished by the Audit Committee during the year 2011 are summarized as follows:

- The review of the financial statements of the Company and the consolidated financial statements of the Company and its subsidiaries in the meetings with the external auditors regarding the correctness and completeness of financial statements, accounting policies and significant estimates as well as adequacy of information disclosure and consideration on recommendations and remarks provided by external auditors. The Audit Committee is of the opinion that the preparation of such financial statements is in compliance with the generally accepted accounting principles and that it also has appropriate accuracy. Besides, significant information is sufficiently disclosed. To this respect, independently, the external auditors have stated their opinions in the Auditors’ Report presented to the Board of Directors.
- The approval of the 2012 audit plan prepared based on risk evaluation outcomes to cover important systems/ significant units with high risks in the organization
- The provision of opinions on internal audit results and the follow-up of the audit performance progress through the supervision of the Office of Internal Audit. The Audit Committee is of the opinion that the Company’s internal audit is independent, adequate, and effective.
- The review of evaluation adequacy of the internal control system to be in compliance with guidelines of the SEC, covering management, finance, and law abiding control. The Audit Committee is of the opinion that the Company’s internal control system is adequate, appropriate and effective.
- The review of the related party transactions or the conflict-of-interest transactions of the Company and its subsidiaries to be in compliance with the regulations of the Stock Exchange of Thailand (“SET”). The Audit Committee is of the opinion that such transactions have been reasonably accomplished with all the general business terms and conditions fulfilled and with accuracy, transparency, and adequacy in information disclosure as required by the SET.

- The meetings with the Company's executives for keeping continuation on advising, exchanging of opinions, and acknowledging of changes of rules and regulations related to the Company's operation to enhance effectiveness and cognizance.
- Prudently considering the performance of the Company's external auditors in the previous year, the Audit Committee is of the opinion that Company's external auditors have carried out their tasks completely with full efforts, knowledge, proficiency, and independence; therefore, the Audit Committee has proposed an appropriate amount of audit fees for the Board of Directors to consider for further approval in the Shareholders' Meeting. It has also proposed the Board of Directors to consider proposing the Shareholders' Meeting to approve appointing Ernst & Young Office Limited to be the Company's auditor for the year 2012.

In summary, the Audit Committee has found no deficiency in the internal control system that is liable to affect the Company's operation significantly; thus, all the Committee members are of the opinion that the Company has performed its business under the Good Corporate Governance and laws relating to the business of the Company.



**Dr. Vichit Yamboonruang**  
(Chairman of Audit Committee)

*Remarks: \* Dr.Vorapol Socratyanurak resigned from the Audit Committee on 27 September 2011. The Company registered his resignation with the Ministry of Commerce on 3 October 2011. Replaced him in his position in the Audit Committee is Mrs. Chantira Purnariksha on 20 December 2011.*

# Report of Independent Auditor

## **To the Shareholders of Jasmine International Public Company Limited**

I have audited the accompanying consolidated statements of financial position of Jasmine International Public Company Limited and its subsidiaries as at 31 December 2011 and 2010, the related consolidated statements of comprehensive 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 matter discussed in the next paragraph, 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.

As described in Note 10.1 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 such service income recorded for the years ended 31 December 2011 and 2010 amounting to Baht 470 million and Baht 747 million, respectively, and the balance of such trade receivable as at 31 December 2011 and 2010 amounting to Baht 2,518 million and Baht 2,015 million, respectively, in the consolidated financial statements and may significantly impact on the value of the investment from investing in the subsidiary as at 31 December 2011 and 2010 amounting to Baht 1,946 million and Baht 1,946 million, respectively, in the separate financial statements. I was unable to audit to satisfy myself as to the amount of service income, the balances of such trade receivable and the value of the investment in the subsidiary, and this constitutes a limitation imposed by circumstance.

In my opinion, except for any adjustments that might be required to the above financial statements as a result of the matter discussed in the preceding paragraph, 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 2011 and 2010, 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, I draw attention to the following matters:

1. As described in Note 10.2 to the financial statements, regarding the balance approximately Baht 150 million receivable from an unrelated company under troubled debt restructuring agreement, which is presented net of the potential losses on debt restructuring of approximately Baht 382 million, and the receivable balance of Baht 199 million in respect of debt arising after the date that the Court ordered this unrelated company to enter into the rehabilitation process (7 November 2008) and which is being disputed, and the submission by this unrelated company of a dispute proposal to the Thai Arbitration asking a subsidiary to return the money that this unrelated company has already paid, amounting to Baht 542 million and to pay for damages amounting to Baht 1,238 million, and the settlement of outstanding balances of Baht 877 million and leased line service agreements between a subsidiary and this unrelated company, and as described in Note 41.9 to the financial statements regarding the court proceedings and commercial disputes between its subsidiaries and this unrelated company.
2. As described in Note 1 to the financial statements, regarding the Company's rehabilitation plan.
3. As described in Note 41.6 to the financial statements, regarding the delay in the delivery of work of a subsidiary, with a contract value of Baht 31 million, on which a penalty is charged at a rate of 0.2 percent of the contract value per each day of delay.
4. As described in Note 3 to the financial statements, regarding the adoption of the revised and new accounting standards issued by the Federation of Accounting Professions in order to prepare and present of the financial statements.



**Supachai Phanyawattano**

Certified Public Accountant (Thailand) No. 3930

Ernst & Young Office Limited

Bangkok: 21 February 2012

# Consolidated Financial Statements

## 8. Consolidated Financial Statements

Jasmine International Public Company Limited and its subsidiaries

### Statements of financial position

As at 31 December 2011 and 2010

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2011	2010	2011	2010
<b>Assets</b>					
<b>Current assets</b>					
Cash and cash equivalents	7	1,581,033,141	1,920,012,455	524,810,504	177,150,265
Current investments - deposits with financial institutions	8	373,521,699	190,755,318	697,720	11,134,330
Trade and other receivables	10	3,970,032,340	3,883,175,568	1,722,966,773	1,885,262,722
Unbilled receivables		645,242,838	635,621,891	-	-
Short-term loans to related parties	9	-	-	450,000,000	467,000,000
Inventories	11	70,399,887	291,837,348	-	-
Investments in available-for-sale securities	12	1,180	91,246,937	1,180	91,246,937
Assets held for sale	13	113,182,972	156,485,851	-	-
Prepaid project costs		99,534,928	157,911,771	-	-
Input tax pending payments		278,027,293	271,344,196	219,118	108,050
Prepaid expenses		38,101,420	62,919,541	3,982,101	6,999,465
Other current assets		143,344,569	263,699,645	3,601,065	7,789,848
<b>Total current assets</b>		<b>7,312,422,267</b>	<b>7,925,010,521</b>	<b>2,706,278,461</b>	<b>2,646,691,617</b>
<b>Non-current assets</b>					
Restricted deposits with financial institutions		223,880,709	193,395,173	7,934,478	6,947,450
Long-term bank deposits		40,623,779	40,000,000	10,087,337	-
Accounts receivable under troubled debt restructuring	10.2	149,805,640	337,264,186	-	-
Investments in associates	14	22,811,187	22,988,511	16,481,967	16,481,967
Investments in subsidiaries	15	-	-	2,959,152,620	2,984,194,918
Other long-term investments	16	14,800,105	-	-	-
Investment properties	17	699,395,609	776,212,976	-	-
Property, plant and equipment	18	10,874,066,645	9,581,603,791	21,090,750	25,308,287
Goodwill	19	-	16,920,453	-	-
Other intangible assets					
Computer software	20	58,522,164	85,990,433	-	-
Prepaid rent	21	-	-	229,466,415	243,285,582
Other non-current assets					
Deferred costs of submarine fibre cable network	22	-	264,824,234	-	-
Advance payments for investment projects to related party	9	4,801,863	4,801,863	4,801,863	4,801,863
Others		58,944,349	52,735,237	6,198,153	6,190,486
<b>Total non-current assets</b>		<b>12,147,652,050</b>	<b>11,376,736,857</b>	<b>3,255,213,583</b>	<b>3,287,210,553</b>
<b>Total assets</b>		<b>19,460,074,317</b>	<b>19,301,747,378</b>	<b>5,961,492,044</b>	<b>5,933,902,170</b>

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

Jasmine International Public Company Limited and its subsidiaries

# Statements of financial position (Continued)

As at 31 December 2011 and 2010

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2011	2010	2011	2010
<b>Liabilities and shareholders' equity</b>					
<b>Current liabilities</b>					
Short-term loans from banks	23	547,146,112	617,907,188	-	-
Trade and other payables	24	3,009,138,565	3,386,065,231	28,971,288	19,434,261
Accrued project costs		348,410,482	685,906,134	-	-
Current portions of the long-term liabilities					
Accounts payable for equipment	25	1,930,446,034	815,519,577	-	-
Forward contracts payable		42,715,423	58,976,271	-	-
Liabilities under finance lease agreements	26	126,371,480	67,687,094	-	-
Long-term loans	27	1,641,039,453	1,021,085,575	-	-
Long-term debts under rehabilitation plan					
Related parties	9	-	-	165,649,473	142,116,968
Unrelated parties	28	849,080,662	81,305,558	849,080,662	81,305,558
Corporate income tax payable		229,223,848	167,502,327	22,588,681	-
Advances received for goods and services		247,893,517	433,008,927	-	-
Undue output tax		347,157,675	321,510,452	20,712,217	20,135,176
Other current liabilities		61,417,798	80,722,014	6,048,060	3,131,612
<b>Total current liabilities</b>		<b>9,380,041,049</b>	<b>7,737,196,348</b>	<b>1,093,050,381</b>	<b>266,123,575</b>
<b>Non-current liabilities</b>					
Long-term liabilities - net of current portions					
Accounts payable for equipment	25	472,408,378	2,054,307,602	-	-
Forward contracts payable		-	95,215,145	-	-
Liabilities under finance lease agreements	26	80,687,754	131,528,785	-	-
Long-term loans	27	1,103,943,943	910,861,922	-	-
Long-term debts under rehabilitation plan					
Related parties	9	-	-	611,990,150	635,522,656
Unrelated parties	28	135,002,545	978,439,780	135,002,545	978,439,780
Provision for long-term employee benefits	29	172,714,438	-	8,857,203	-
Other non-current liabilities		15,701,776	11,958,548	9,534,541	8,613,690
<b>Total non-current liabilities</b>		<b>1,980,458,834</b>	<b>4,182,311,782</b>	<b>765,384,439</b>	<b>1,622,576,126</b>
<b>Total liabilities</b>		<b>11,360,499,883</b>	<b>11,919,508,130</b>	<b>1,858,434,820</b>	<b>1,888,699,701</b>

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

Jasmine International Public Company Limited and its subsidiaries

## Statements of financial position (Continued)

As at 31 December 2011 and 2010

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2011	2010	2011	2010
<b>Shareholders' equity</b>					
Share capital					
Registered					
7,244,251,378 ordinary shares of Baht 0.5 each					
(2010: 7,399,491,378 ordinary shares of Baht 0.5 each)		3,622,125,689	3,699,745,689	3,622,125,689	3,699,745,689
Issued and fully paid-up					
7,244,251,378 ordinary shares of Baht 0.5 each					
(2010: 7,399,491,378 ordinary shares of Baht 0.5 each)	30	3,622,125,689	3,699,745,689	3,622,125,689	3,699,745,689
Share subscription received in advance		-	80,000	-	-
Discount on ordinary shares		(224,549,619)	(224,549,619)	(224,549,619)	(224,549,619)
Premium on treasury shares		-	114,395,581	-	100,318,008
Retained earnings					
Appropriated					
Statutory reserve - the Company		106,290,695	87,443,281	106,290,695	87,443,281
- subsidiaries		400,456,402	351,194,316	-	-
Treasury share reserve	30	-	299,969,582	-	299,969,582
Unappropriated		2,902,287,249	2,165,894,612	373,242,279	156,294,206
Other components of shareholders' equity		307,541,843	374,031,101	225,948,180	225,950,904
Equity attributable to owners of the Company		7,114,152,259	6,868,204,543	4,103,057,224	4,345,172,051
Less: Treasury shares	30	-	(299,969,582)	-	(299,969,582)
Equity attributable to owners of the Company - net		7,114,152,259	6,568,234,961	4,103,057,224	4,045,202,469
Non-controlling interests of the subsidiaries		985,422,175	814,004,287	-	-
<b>Total shareholders' equity</b>		<b>8,099,574,434</b>	<b>7,382,239,248</b>	<b>4,103,057,224</b>	<b>4,045,202,469</b>
<b>Total liabilities and shareholders' equity</b>		<b>19,460,074,317</b>	<b>19,301,747,378</b>	<b>5,961,492,044</b>	<b>5,933,902,170</b>

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

Jasmine International Public Company Limited and its subsidiaries

# Statements of comprehensive income

For the years ended 31 December 2011 and 2010

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2011	2010	2011	2010
<b>Profit or loss:</b>					
<b>Revenues</b>					
Sales and service income		9,497,853,495	9,625,947,776	-	-
Other income					
Management fee income	9	-	-	141,600,000	145,200,000
Interest income		39,200,117	34,718,328	14,180,938	21,626,125
Exchange gains		-	103,127,532	-	-
Dividend income from subsidiaries	15	-	-	285,857,192	63,797,832
Gain on sales of investments in subsidiary	15.2	-	-	122,186,994	-
Others		45,590,227	62,734,935	13,699,023	25,566,759
Total other income		84,790,344	200,580,795	577,524,147	256,190,716
<b>Total revenues</b>		<b>9,582,643,839</b>	<b>9,826,528,571</b>	<b>577,524,147</b>	<b>256,190,716</b>
<b>Expenses</b>					
Cost of sales and services	35	4,637,774,987	5,695,728,636	-	-
Selling and servicing expenses		791,177,099	713,944,383	-	-
Administrative expenses		1,712,865,074	1,575,878,825	93,683,874	86,697,753
Other expenses					
Losses on debt restructuring	10.2	32,189,587	-	-	-
Potential losses on debt restructuring	10.2	103,689,566	243,615,488	-	-
Exchange losses		97,024,034	-	-	-
Loss on impairment of investments	12	-	23,342,240	-	23,342,240
Loss on impairment of assets		16,920,453	41,434,234	-	-
Loss on sales of investments in available-for-sale securities	12	11,940,637	90,140,850	11,940,637	2,999,447
Doubtful accounts and bad debt		171,858,460	67,265,084	-	-
<b>Total expenses</b>		<b>7,575,439,897</b>	<b>8,451,349,740</b>	<b>105,624,511</b>	<b>113,039,440</b>
<b>Profit before share of profit (loss) from investments</b>					
<b>in associates, finance cost and corporate income tax</b>		2,007,203,942	1,375,178,831	471,899,636	143,151,276
Share of profit (loss) from investments in associates	14	(177,324)	9,771,855	-	-
<b>Profit before finance cost and corporate income tax</b>		2,007,026,618	1,384,950,686	471,899,636	143,151,276
Finance cost		(467,841,790)	(393,170,597)	(66,904,113)	(55,810,168)
<b>Profit before corporate income tax</b>		1,539,184,828	991,780,089	404,995,523	87,341,108
Corporate income tax	36	(493,538,522)	(402,771,630)	(28,047,248)	-
<b>Profit for the year</b>		<b>1,045,646,306</b>	<b>589,008,459</b>	<b>376,948,275</b>	<b>87,341,108</b>
<b>Other comprehensive income:</b>					
Losses on changes in value of available-for-sale investments		(2,724)	-	(2,724)	-
<b>Other comprehensive income for the year</b>		<b>(2,724)</b>	<b>-</b>	<b>(2,724)</b>	<b>-</b>
<b>Total comprehensive income for the year</b>		<b>1,045,643,582</b>	<b>589,008,459</b>	<b>376,945,551</b>	<b>87,341,108</b>

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



Jasmine International Public Company Limited and its subsidiaries

## Statements of comprehensive income (Continued)

For the years ended 31 December 2011 and 2010

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2011	2010	2011	2010
<b>Profit attributable to:</b>					
Equity holders of the Company		1,072,497,853	663,289,852	376,948,275	87,341,108
Non-controlling interests of the subsidiaries		(26,851,547)	(74,281,393)		
		1,045,646,306	589,008,459		
<b>Total comprehensive income attributable to:</b>					
Equity holders of the Company		1,072,495,129	663,289,852	376,945,551	87,341,108
Non-controlling interests of the subsidiaries		(26,851,547)	(74,281,393)		
		1,045,643,582	589,008,459		
<b>Earnings per share</b>					
	37				
Basic earnings per share					
Profit attributable to equity holders of the Company		0.15	0.10	0.05	0.01
Diluted earnings per share					
Profit attributable to equity holders of the Company		0.15	0.10	0.05	0.01

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 2011 and 2010

(Unit: Baht)

Consolidated financial statements																		
Equity attributable to owners of the Company																		
Other components of equity																		
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	Issued and fully paid-up share capital	Share subscription received in advance	Discount on ordinary shares	Premium on treasury shares	The Company's shares held by subsidiaries	Retained earnings		Treasury shares	Premium on ordinary shares from expired warrants	Premium on capital reduction	Capital surplus from share premium of subsidiary	Capital surplus from changes in shareholding in subsidiaries	Total other components of shareholders' equity	Total equity attributable to non-controlling owners of the interests of the shareholders' Company	Equity attributable to non-controlling subsidiaries	Total shareholders' equity		
						Statutory reserve	Appropriated share reserve										Treasury share reserve	Unappropriated share reserve
Balance as at 31 December 2009																		
40	4,715,805,289	-	(224,549,619)	2,001,013	(514,948,884)	409,553,805	915,745,592	1,046,382,913	(915,745,592)	25,169,527	200,781,377	84,309,490	49,665,575	13,272,788	373,198,757	5,807,427,274	852,206,107	6,659,633,381
								(130,450,371)								(130,450,371)		(130,450,371)
								663,289,852								663,289,852	(74,281,393)	589,008,459
30	(1,016,063,600)			100,318,008					915,745,592									
30									(299,969,582)							(299,969,582)		(299,969,582)
30								915,745,592										
32				12,076,560	514,948,884											527,025,444		527,025,444
																	(11,437,446)	(11,437,446)
																	(1,062,054)	(1,062,054)
																	48,579,073	48,579,073
		80,000														80,000		80,000
30								(299,969,582)										
33						29,083,792		(29,083,792)										
Balance as at 31 December 2010																		
	3,699,745,689	80,000	(224,549,619)	114,395,581	-	438,637,597	299,969,582	21,65,894,612	(299,969,582)	25,169,527	200,781,377	85,141,834	49,665,575	13,272,788	374,031,101	6,568,234,961	814,004,287	7,382,239,248

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

# Statements of changes in shareholders' equity (Continued)

For the years ended 31 December 2011 and 2010

(Unit: Baht)

Consolidated financial statements																		
Equity attributable to owners of the Company																		
Other components of equity																		
Other comprehensive income																		
Other changes by the owners																		
Surplus on investments in subsidiaries arising as a result of acquisitions of additional shares																		
Capital surplus (deficit) from changes in shareholding in subsidiaries																		
Capital surplus from share premium of subsidiary																		
Total other components of shareholders' equity																		
Total equity attributable to non-controlling owners of the interests of the shareholders' equity																		
Note	Issued and subscription fully paid-up share capital	Share subscription received in advance	Discount on ordinary shares	Premium on treasury shares	Statutory reserve	Appropriated Treasury share reserve	Unappropriated Treasury shares	Deficit on changes in value of investments in available-for-sale securities	Premium on ordinary shares from expired warrants	Premium on capital reduction	Capital surplus from share premium of subsidiary	Capital surplus (deficit) from changes in shareholding in subsidiaries	Total other components of shareholders' equity	Total equity attributable to non-controlling owners of the interests of the shareholders' equity	Total equity attributable to non-controlling owners of the interests of the shareholders' equity			
	3,689,745,689	80,000	(224,549,619)	114,395,581	438,637,597	299,969,582	2,165,894,612	(299,969,582)	-	25,169,527	200,781,377	85,141,834	49,665,575	13,272,788	374,031,101	6,568,234,561	814,004,287	7,382,239,248
3	-	-	-	-	-	-	(148,535,484)	-	-	-	-	-	-	-	-	(148,535,484)	(5,366,190)	(153,901,674)
40	-	-	-	-	-	-	(311,475,813)	-	-	-	-	-	-	-	-	(311,475,813)	-	(311,475,813)
	-	-	-	-	-	-	1,072,487,853	-	(2,724)	-	-	-	-	-	(2,724)	1,072,485,129	(26,851,547)	1,045,634,582
30	(77,620,000)	-	-	(114,395,581)	-	-	(107,954,001)	299,969,582	-	-	-	-	-	-	-	-	-	-
30	-	-	-	-	-	(299,969,582)	299,969,582	-	-	-	-	-	-	-	-	-	-	-
	-	(80,000)	-	-	-	-	-	-	-	-	-	-	-	-	-	(80,000)	80,000	-
15	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	4,889,787	4,889,787
15	-	-	-	-	-	-	-	-	-	-	-	-	-	(66,486,534)	(66,486,534)	213,719,453	147,232,919	-
	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(15,049,988)	(15,049,988)
	-	-	-	-	-	68,109,500	(68,109,500)	-	-	-	-	-	-	-	-	-	(3,627)	(3,627)
Balance as at 31 December 2011	3,622,125,689	-	(224,549,619)	-	506,747,097	-	2,902,287,249	-	(2,724)	25,169,527	200,781,377	85,141,834	49,665,575	(53,213,746)	307,541,843	7,114,152,259	986,422,175	8,099,574,434

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 2011 and 2010

(Unit: Baht)

Separate financial statements														
	Note	Retained earnings					Other components of equity							
		Issued and fully paid-up share capital	Discount on ordinary shares	Premium on treasury shares	Appropriated		Treasury shares	Unappropriated	Treasury shares	Deficit on changes in value of investments in available-for-sale securities	Premium on ordinary shares from expired warrants	Premium on capital reduction	Total other components of shareholders' equity	
					Statutory reserve	Treasury shares reserve								
<b>Balance as at 31 December 2009</b>														
Dividend paid to the Company's shareholders	40	4,715,809,289	(224,549,619)	-	83,076,226	915,745,592	(394,495,109)	(915,745,592)	(915,745,592)	-	25,169,527	200,781,377	225,950,904	4,405,791,691
Total comprehensive income for the year		-	-	-	-	-	(147,960,748)	-	-	-	-	-	-	(147,960,748)
Reduce paid-up share capital by writing off treasury shares	30	(1,016,063,600)	-	100,318,008	-	-	87,341,108	-	915,745,592	-	-	-	-	87,341,108
Treasury shares purchased during the year	30	-	-	-	-	-	-	-	(299,969,582)	-	-	-	-	(299,969,582)
Reversal of appropriated retained earnings for treasury shares	30	-	-	-	-	(915,745,592)	915,745,592	-	-	-	-	-	-	-
Transferred to treasury share reserve	30	-	-	-	-	299,969,582	(299,969,582)	-	-	-	-	-	-	-
Transferred to statutory reserve		-	-	-	4,367,055	-	(4,367,055)	-	-	-	-	-	-	-
<b>Balance as at 31 December 2010</b>		<b>3,699,745,689</b>	<b>(224,549,619)</b>	<b>100,318,008</b>	<b>87,443,281</b>	<b>299,969,582</b>	<b>156,294,206</b>	<b>(299,969,582)</b>	<b>(299,969,582)</b>	<b>-</b>	<b>25,169,527</b>	<b>200,781,377</b>	<b>225,950,904</b>	<b>4,045,202,469</b>
<b>Balance as at 31 December 2010</b>														
Cumulative effect of change in accounting policy for employee benefits	3	-	-	-	-	-	(7,614,983)	-	-	-	-	-	-	(7,614,983)
Dividend paid to the Company's shareholders	40	-	-	-	-	-	(311,475,813)	-	-	-	-	-	-	(311,475,813)
Total comprehensive income for the year		-	-	-	-	-	376,948,275	-	(2,724)	-	-	-	(2,724)	376,945,551
Reduce paid-up share capital by writing off treasury shares	30	(77,620,000)	-	(100,318,008)	-	-	(122,031,574)	299,969,582	-	-	-	-	-	-
Reversal of appropriated retained earnings for treasury shares	30	-	-	-	-	(299,969,582)	299,969,582	-	-	-	-	-	-	-
Transferred to statutory reserve		-	-	-	18,847,414	-	(18,847,414)	-	-	-	-	-	-	-
<b>Balance as at 31 December 2011</b>		<b>3,622,125,689</b>	<b>(224,549,619)</b>	<b>-</b>	<b>106,290,695</b>	<b>-</b>	<b>373,242,279</b>	<b>-</b>	<b>(2,724)</b>	<b>25,169,527</b>	<b>200,781,377</b>	<b>225,948,180</b>	<b>4,103,057,224</b>	

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

# Cash flow statements

For the years ended 31 December 2011 and 2010

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2011	2010	2011	2010
<b>Cash flows from operating activities</b>					
Profit before corporate income tax		1,539,184,828	991,780,089	404,995,523	87,341,108
Adjustments to reconcile profit before tax to net cash provided by (paid from) operating activities					
Depreciation and amortisation		1,850,930,478	1,391,317,571	21,964,417	20,729,366
Record of doubtful accounts		10,226,009	67,265,084	-	-
Record of bad debt		161,632,451	-	-	-
Write off assets		3,371,070	-	-	-
Record of allowance for impairment of investments	12	-	23,342,240	-	23,342,240
Record of allowance for impairment of assets		16,920,453	41,434,234	-	-
Reversal of cost reduction of inventories to net relisable value		-	(3,057,131)	-	-
Reversal of allowance for impairment of assets		-	(24,072,108)	-	-
Gains on sales of investments in subsidiary	15.2	-	-	(122,186,994)	-
Losses on debt restructuring	10.2	32,189,587	-	-	-
Potential losses on debt restructuring	10.2	103,689,566	243,615,488	-	-
Losses on sales of investments in available-for-sale securities	12	11,940,637	90,140,850	11,940,637	2,999,447
Losses (Gains) on sales of equipment		3,277,364	2,494,938	-	(8,582)
Dividend income from investments in subsidiaries	15	-	-	(285,857,192)	(63,797,832)
Share of loss (profit) from investments in associates	14	177,324	(9,771,855)	-	-
Provision for long-term employee benefits		19,283,504	-	1,437,540	-
Realised exchange losses (gains) from accounts payable for equipment		11,296,450	(900,162)	-	-
Unrealised exchange losses (gains)		81,815,930	(113,149,173)	-	-
Profit from sales of equipment of subsidiary attributable to non-controlling interests of the subsidiary		-	48,579,073	-	-
Interest income		(39,200,117)	(34,718,328)	(14,180,938)	(21,626,125)
Interest expenses		466,354,758	378,699,196	66,904,113	55,810,168
Profit from operating activities before changes in operating assets and liabilities		4,273,090,292	3,093,000,006	85,017,106	104,789,790
Operating assets decrease (increase)					
Trade and other receivables		(270,313,837)	(247,328,417)	22,281,426	(107,849,842)
Short-term loans to related parties		-	-	17,000,000	33,000,000
Unbilled receivables		(9,620,947)	(21,899,026)	-	-
Inventories		353,065,189	(62,615,689)	-	-
Prepaid project costs		58,376,843	(289,084,542)	-	-
Input tax pending payments		(6,683,097)	(39,132,026)	(111,068)	81,306
Prepaid expenses		24,818,121	(996,880)	3,017,364	(3,116,719)
Other current assets		120,971,086	214,898,449	(548,799)	24,418,537
Other non-current assets		(6,209,112)	(17,536,181)	(7,667)	3,911,111
Accounts receivable under troubled debt restructuring		21,406,560	-	-	-
Operating liabilities increase (decrease)					
Trade and other payables		(460,441,886)	267,603,941	4,898,148	(1,254,949)
Accrued project costs		(338,776,438)	384,239,882	-	-
Advances received for goods and services		(185,115,410)	75,379,417	-	-
Undue output tax		25,647,223	82,507,062	577,041	(7,127,054)
Other current liabilities		(28,240,702)	81,430,956	2,916,448	14,062,218
Other non-current liabilities		3,272,488	(1,016,346)	725,531	(294,885)
Cash flows from operating activities		3,575,246,373	3,519,450,606	135,765,530	60,619,513
Cash paid for corporate income tax		(432,717,180)	(413,877,622)	(720,986)	(2,915,230)
<b>Net cash flows from operating activities</b>		<b>3,142,529,193</b>	<b>3,105,572,984</b>	<b>135,044,544</b>	<b>57,704,283</b>

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 2011 and 2010

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2011	2010	2011	2010
<b>Cash flows from investing activities</b>					
Decrease (increase) in current investments		(182,766,381)	(170,579,098)	10,436,610	(6,211,336)
Decrease (increase) in restricted deposits with financial institutions		(30,485,536)	1,664,385	(987,028)	27,000
Increase in long-term bank deposits		(623,779)	-	(10,087,337)	-
Dividend received from investments in subsidiaries		-	-	398,603,034	63,797,832
Cash received from sales of investments in available-for-sale securities		157,596,623	417,690,279	157,596,623	241,655,736
Proceeds from sales of equipment		5,047,814	28,337,544	-	8,601
Proceeds from sales of assets held for sale		9,355,645	53,454,671	-	-
Interest income		36,927,115	27,075,307	14,180,938	6,763,275
Acquisitions of investment properties	17	(4,566,778)	(6,760,331)	-	-
Acquisitions of plant and equipment		(2,286,430,222)	(2,492,207,397)	(3,927,713)	(7,260,877)
Acquisitions of computer software	20	(19,084,006)	(57,283,748)	-	-
<b>Net cash flows from (used in) investing activities</b>		<b>(2,315,029,505)</b>	<b>(2,198,608,388)</b>	<b>565,815,127</b>	<b>298,780,231</b>
<b>Cash flows from financing activities</b>					
Interest expenses		(279,483,687)	(236,420,785)	(62,265,234)	(62,540,006)
Decrease in short-term loans from banks		(70,761,076)	(665,490,184)	-	-
Repayment of accounts payable for equipment		(1,214,308,625)	(105,408,987)	-	-
Cash received from long-term loans from banks	27	960,369,736	850,000,000	-	-
Repayment of long-term loans from banks	27	(147,333,837)	(427,825,576)	-	-
Repayment of long-term debts under rehabilitation plan	28	(75,662,131)	(4,720,033)	(75,662,131)	(50,868,665)
Cash received from sales of investments in subsidiaries		96,207,373	-	96,207,373	-
Cash paid for investments in subsidiary		(3,627)	(229,710)	(3,627)	(229,710)
Cash received from increase in share capital of the subsidiary		2,055,187	-	-	-
Dividend paid to the Company's shareholders	40	(311,475,813)	(130,450,371)	(311,475,813)	(147,960,748)
Dividend paid to non-controlling interests of the subsidiaries		(15,049,988)	(11,437,446)	-	-
Repayment of liabilities under financial lease agreements		(113,867,114)	(52,011,263)	-	-
Cash received from sales of the Company's shares held by subsidiaries	32	-	527,497,456	-	-
Cash received from warrant exercises of non-controlling interests of the subsidiary		2,834,600	80,000	-	-
Cash paid to purchase treasury shares	30	-	(299,969,582)	-	(299,969,582)
<b>Net cash flows used in financing activities</b>		<b>(1,166,479,002)</b>	<b>(556,386,481)</b>	<b>(353,199,432)</b>	<b>(561,568,711)</b>
<b>Net increase (decrease) in cash and cash equivalents</b>		<b>(338,979,314)</b>	<b>350,578,115</b>	<b>347,660,239</b>	<b>(205,084,197)</b>
Cash and cash equivalents at beginning of year		1,920,012,455	1,569,434,340	177,150,265	382,234,462
<b>Cash and cash equivalents at end of year</b>		<b>1,581,033,141</b>	<b>1,920,012,455</b>	<b>524,810,504</b>	<b>177,150,265</b>

### Supplemental cash flow information

Non-cash transaction

Purchase of equipment for which no cash has been paid	573,295,029	2,102,673,953	-	-
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### Supplemental disclosure on non-cash transaction

Debt settlement transaction under the rehabilitation plan as described in Note 10.2 to the financial statements.

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

# Notes to consolidated financial statements

For the years ended 31 December 2011 and 2010

## 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, 29<sup>th</sup> - 30<sup>th</sup> 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 its financial statements.

## 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 28 September 2011, issued under the Accounting Act B.E. 2543.

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

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

2.2 Basis of consolidation

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

Company's name	Nature of business	Country of incorporation	Percentage of shareholding	
			2011 Percent	2010 Percent
Held by the Company				
Jasmine Submarine Telecommunications Co., Ltd.	Operator of submarine optical fibre cable network and repair and maintenance services for local submarine cable systems	Thailand	100	100
Acumen Co., Ltd.	Satellite telecommunications service provider and internet service provider	Thailand	100	100
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	42	57
Jasmine Internet Co., Ltd.	Internet service provider and international calling card services	Thailand	98	98
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
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
Held by subsidiaries				
Cloud Computing Solutions Co.,Ltd. (Formerly known as "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	-	-
Smart Highway Co., Ltd. (67% held by Acumen Co., Ltd.)	Domestic high speed data communication service provider	Thailand	-	-
Triple T Broadband Plc. (99% held by Acumen Co., Ltd.)	Service provider in telecom services, fixed-line services and data communication network services	Thailand	-	-
Triple T Internet Co., Ltd. (100% held by Triple T Broadband Plc.)	Internet service provider	Thailand	-	-
In Cloud Co.,Ltd. (100% held by Triple T Broadband Plc.)	Development, distribution and service in several kinds of software	Thailand	-	-



Company's name	Nature of business	Country of incorporation	Percentage of shareholding	
			2011 Percent	2010 Percent
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	-	-
Pakkret Planner Co., Ltd. (100% held by Jasmine International Overseas Co., Ltd.)	Rehabilitation plan administrator	Thailand	-	-
Clippership Investments (BVI) 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 and repair and maintenance service for local submarine cable systems	Thailand	-	-
Jastel Network Co., Ltd. (100% held by Jasmine Submarine Telecommunications Co., Ltd.)	Circuit leasing service and local and international data communication services	Thailand	-	-
Premium Assets Co., Ltd. (54% held by Acumen Co., Ltd. and 46% held by Jasmine Submarine Telecommunications Co., Ltd.)	Office rental	Thailand	-	-

- 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) Non-controlling interests represent the portion of profit or loss and net assets of the subsidiaries that are not held by the Company and are presented separately in the consolidated profit or loss and within equity in the consolidated statement of financial position.

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 year

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

#### Accounting standards:

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

#### Financial reporting standards:

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

#### Financial Reporting Standard Interpretations:

TFRIC 15	Agreements for the Construction of Real Estate
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#### Accounting Standard Interpretations:

SIC 31	Revenue-Barter Transactions Involving Advertising Services
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These accounting standards do not have any significant impact on the financial statements, except for the accounting standard regarding Employee Benefit.

## TAS 19 Employee Benefits

This accounting standard requires employee benefits to be recognised as expense in the year 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. The Company and its subsidiaries previously accounted for such employee benefits when they were incurred.

The Company and its subsidiaries have changed this accounting policy in the current year and recognise the liability relating to long-term employee benefits in the transition period through an adjustment to the beginning balance of retained earnings in the current year. The change has the following effect to the profit of 2011:

(Unit: Million Baht)

	Consolidated financial statements	Separate financial statements
Decrease in the profit for the year	19	1

The above effect is not significant to earnings per share for the year. The cumulative effect of the change in the accounting policy has been separately presented in the statements of changes in shareholders' equity.

## 4. New accounting standards issued during the year not yet effective

The Federation of Accounting Professions issued the following new/revised accounting standards that are effective for fiscal years beginning on or after 1 January 2013.

Accounting standards:

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

Accounting Standard Interpretations:

SIC 10	Government Assistance - No Specific Relation to Operating Activities
SIC 21	Income Taxes - Recovery of Revalued Non-Depreciable Assets
SIC 25	Income Taxes - Changes in the Tax Status of an Entity or its Shareholders

The management of the Company and its subsidiaries believe 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 accounting standard regarding Income Taxes.

## TAS 12 Income Taxes

This accounting standard requires an entity to identify temporary differences, which are differences between the carrying amount of an asset and 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 of the Company and its subsidiaries is evaluating the impact on the financial statements in the year when this standard is adopted.

## **5. Significant accounting policies**

### **5.1 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 service, internet service and other businesses related to the internet business, and management service 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.

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.

### **5.2 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.

### **5.3 Trade and other receivables**

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

### **5.4 Inventories**

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

### **5.5 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 sale of such assets within one year from the date of classification to the assets held for sale.

## 5.6 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 in profit or loss when the securities are sold. In addition, the Company and its subsidiaries treat available-for-sale investments as impaired in profit or loss 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.

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

- b) Investments in non-marketable equity securities, which the Company classifies as other investments, are stated at cost net of allowance for loss on diminution in value (if any).
- c) Investments in associates are accounted for in the consolidated financial statements using the equity method.
- d) 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 weighted average method is used for computation the cost of investments.

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

## 5.7 Investment properties

Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and allowance for loss on impairment (if any).

Depreciation of investment properties is calculated by reference to their costs on the straight-line basis over estimated useful lives of 5 - 24 years. Depreciation of the investment properties is recognised in profit or loss.

No depreciation is provided for land classified as investment properties.

On disposal of investment properties, the difference between the net disposal proceeds and the carrying amount of the asset is recognised in profit or loss in the period when the asset is derecognised.

The classification of investment properties affecting the presentation in the statement of financial position as at 31 December 2010 are summarised below.

(Unit: Million Baht)

Consolidated financial statements	
31 December 2010	
<b>Statement of financial position</b>	
Increase in investment properties	776
Decrease in property, plant and equipment	776

## 5.8 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.

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	- 3 - 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 recognised in profit or loss.

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 profit or loss when the asset is derecognised.

## 5.9 Computer software

Computer software is initially recognised at cost. Following the initial recognition, computer software is carried at cost less any accumulated amortisation and allowance for loss on impairment (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 recognised in profit or loss.

## 5.10 Prepaid rent and amortisation

Prepaid rent is stated at cost less accumulated amortisation. Amortisation is calculated on a straight-line basis over the lease period of 30 years. Amortisation is recognised in profit or loss.

## 5.11 Deferred costs of submarine fibre cable network/ Amortisation

Deferred costs of submarine fibre cable network are stated at cost less accumulated amortisation and allowance for loss on impairment (if any). Amortisation is calculated 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.

The amortisation is recognised in profit or loss.

## **5.12 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 profit or loss.

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, the Company and its subsidiaries estimate the recoverable amount of each cash-generating unit. Where the recoverable amount of the cash-generating unit is less than the carrying amount, an impairment loss is recognised in profit or loss.

## **5.13 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 of the Company and its subsidiaries with authority in the planning and direction of the operations of the Company and its subsidiaries.

## **5.14 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 liabilities, while the interest element is charged to profit or loss over the period of the installment agreements.

## **5.15 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 long-term liabilities, while the interest element is charged to profit and loss 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 profit or loss on a straight-line basis over the lease term.

## **5.16 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 end of reporting period.

Gains and losses on exchange are recognised in profit or loss.

### 5.17 Impairment of assets

At the end of reporting period, 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 profit or loss.

### 5.18 Employee benefits

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

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

#### ***Post-employment benefits***

##### *Defined contribution plans*

The Company, its subsidiaries and their employees have jointly established a provident fund. The fund is monthly contributed by employees and by the Company and its subsidiaries. The fund's assets are held in a separate trust fund and the contributions of the Company and its subsidiaries are recognised as expenses in the period in which the service is performed by the employee.

##### *Defined benefit plans*

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

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

For the first-time adoption of TAS 19 Employee Benefits, the Company and its subsidiaries elected to recognise the transitional liability, which exceeds the liability that would have been recognised at the same date under the previous accounting policy, through an adjustment to the beginning balance of retained earnings in the current year.

### 5.19 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.

### 5.20 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.



## **5.21 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.

## **5.22 Forward exchange contracts**

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

## **5.23 Debt restructuring**

### **Losses on debt restructuring and 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 received and expected to be received and is recognised as a losses on debt restructuring and potential loss on debt restructuring, respectively, in profit or loss.

## **6. 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 subsidiary 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.

### Post-employment benefits under defined benefit plans

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

### Litigation

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 end of reporting period.

## 7. Cash and cash equivalents

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	2011	2010	2011	2010
Cash	11	13	-	-
Bank deposits	1,364	1,604	465	97
Bills of exchange	206	303	60	80
<b>Total</b>	<b>1,581</b>	<b>1,920</b>	<b>525</b>	<b>177</b>

## 8. Current investments - deposits with financial institutions

Included in the balances of current investments as at 31 December 2011 are savings and fixed deposits of the Company and its subsidiaries amounting to approximately Baht 120 million (2010: Baht 143 million) and of the Company only amounting to approximately Baht 1 million (2010: Baht 11 million) which have been pledged to secure credit facilities.

## 9. Related party transactions

The following are relationships with companies 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.

Name of entities	Nature of relationship
Subsidiaries	More than 50% shareholding by the Company
Mono Group	Common directors
TT&T Subscriber Services Co., Ltd.	Common directors
Triple T Global Net Co., Ltd.	Common directors
Palit Palangngan Co., Ltd.	Common directors

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
2011	2010	
<b>Transactions with associates over which influence have been lost*</b>		
Sales and service income	- 22	Contract price or normal business price charged to other customers
Revenue sharing income	- 213	Contract price
Rental and other service income	- 7	Contract price or normal business price charged to other customers
Interest income	- 5	MLR
Cost of sales and services	- 418	Contract price
Purchase of equipment	- 1	As agreed upon
Other expenses	- 3	Contract price or normal business price charged to other customers
<b>Transactions with related companies</b>		
Sales and service income	37 15	Contract price or normal business price charged to other customers
Revenue sharing income	1 4	Contract price
Rental and other service income	46 22	Contract price or normal business price charged to other customers
Cost of sales and services	43 29	Contract price
Purchase of equipment	- 3	As agreed upon
Other expenses	19 12	Contract price or normal business price charged to other customers

(Unit: Million Baht)

Separate financial statements		Transfer Pricing Policy	
2011	2010		
Transactions with subsidiaries			
(eliminated from the consolidated financial statements)			
Management fee income	142	145	Contract price
Rental and other service income	38	41	Contract price or normal business price charged to other customers
Interest income	7	19	Base on the deposit interest rate of commercial bank +0.5%
Other expenses	25	24	Contract price

As at 31 December 2011 and 2010, the balances of the accounts between the Company and those related companies are as follows:

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	2011	2010	2011	2010
<b>Trade receivables - related parties (Note10)</b>				
Related companies				
TT&T Subscriber Services Co., Ltd.		80	115	-
Triple T Global Net Co., Ltd.		6	7	-
Mono Group		35	15	-
<b>Total trade receivables - related parties</b>		<b>121</b>	<b>137</b>	<b>-</b>
<b>Other receivables - related parties (Note 10)</b>				
Subsidiaries		-	-	341
Related companies				363
TT&T Subscriber Services Co., Ltd.		3	4	-
<b>Total other receivables - related parties</b>		<b>3</b>	<b>4</b>	<b>341</b>
Less: Allowance for doubtful accounts		-	-	(16)
<b>Total other receivables - related parties - net</b>		<b>3</b>	<b>4</b>	<b>325</b>
<b>Short-term loans to related parties</b>				
Subsidiaries		-	-	456
Less: Allowance for doubtful accounts		-	-	(6)
<b>Total short-term loan to subsidiaries - net</b>		<b>-</b>	<b>-</b>	<b>450</b>
<b>Dividend receivables from subsidiaries (Note 10)</b>				
Subsidiaries		-	-	1,347
<b>Total dividend receivables from subsidiaries</b>		<b>-</b>	<b>-</b>	<b>1,460</b>

(Unit: Million Baht)

Consolidated financial statements		Separate financial statements	
2011	2010	2011	2010
<b>Advance payments for investment projects to related party</b>			
Related company			
Palit Palangngan Co., Ltd.	16	16	16
Less: Allowance for doubtful accounts	(11)	(11)	(11)
<b>Total advance payments for investment projects to related party - net</b>	<b>5</b>	<b>5</b>	<b>5</b>
<b>Trade payables - related parties (Note 24)</b>			
Related companies			
TT&T Subscriber Services Co., Ltd.	263	237	-
Triple T Global Net Co., Ltd.	17	15	-
Mono Group	-	5	-
<b>Total trade payables - related parties</b>	<b>280</b>	<b>257</b>	<b>-</b>
<b>Other payables - related parties (Note 24)</b>			
Subsidiaries			
	-	-	19
Associate			
	4	4	-
Related companies			
TT&T Subscriber Services Co., Ltd.	2	3	-
Triple T Global Net Co., Ltd.	4	2	-
Mono Group	6	9	-
<b>Total other payables - related parties</b>	<b>16</b>	<b>18</b>	<b>19</b>
<b>Long-term debts under rehabilitation plan from related parties</b>			
Subsidiaries			
	-	-	778
Less: Current portion (deferred interest expenses portion)			
	-	-	(166)
<b>Total long-term debts under rehabilitation plan from related parties - net of current portion</b>	<b>-</b>	<b>-</b>	<b>612</b>
			<b>636</b>

\* The Company and its subsidiaries have lost control because TT&T Plc. (TT&T) entered into a business rehabilitation process. Currently, the shareholding in TT&T of the Company and its subsidiaries is immaterial.

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 2011, movement of short-term loans to related parties was as follows:

(Unit: Million Baht)

(Unit: Million Baht)

	Separate financial statements			
	Balance as at 31 December 2010	Movements during the year		Balance as at 31 December 2011
		Increase	Decrease	
Short-term loans to related parties				
Subsidiaries				
Acumen Co., Ltd.	467	-	(17)	450
Jasmine Smart Shop Co., Ltd.	6	-	-	6
Total	473	-	(17)	456
Less: Allowance for doubtful debts	(6)	-	-	(6)
Net	467	-	(17)	450

The Company provided short-term loans to Acumen Co., Ltd. (ACU), a subsidiary, in the form of unsecured promissory notes due at call and bearing interest at 1.52% per annum.

### Directors and management's benefits

During the year ended 31 December 2011 and 2010, the Company and its subsidiaries had employee benefit expenses payable to their directors and management as below.

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	2011	2010	2011	2010
Short-term employee benefits	163	159	20	19
Post-employment benefits	15	9	1	1
<b>Total</b>	<b>178</b>	<b>168</b>	<b>21</b>	<b>20</b>

### Guarantee obligations with subsidiaries

The Company has outstanding guarantee obligations with its subsidiaries, as described in Note 41.2 to the financial statements.

## 10. Trade and other receivables

The outstanding balances of trade and other receivables as at 31 December 2011 and 2010 are as follows:

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	2011	2010	2011	2010
Trade receivables - related parties (Note 9)	121	137	-	-
Trade receivables - unrelated parties	3,855	3,770	53	50
Dividend receivable from subsidiaries (Note 9)	-	-	1,347	1,460
Other receivables - related parties (Note 9)	3	4	325	347
Other receivables - unrelated parties	108	146	51	78

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	2011	2010	2011	2010
Total	4,087	4,057	1,776	1,935
Less: Allowance for doubtful debts	(117)	(174)	(53)	(50)
Trade and other receivables - net	3,970	3,883	1,723	1,885

The balances of trade accounts receivable as at 31 December 2011 and 2010, aged on the basis of due dates, are summarised below.

(Unit: Million Baht)

Age of receivables	Consolidated financial statements		Separate financial statements	
	2011	2010	2011	2010
<b>Related parties</b>				
Not yet due	8	13	-	-
Past due				
Up to 3 months	18	11	-	-
Longer than 3 - 6 months	10	34	-	-
Longer than 6 - 12 months	3	75	-	-
Longer than 12 months	82	4	-	-
Total (Note 9)	121	137	-	-
<b>Unrelated parties</b>				
Not yet due	623	1,016	-	-
Past due				
Up to 3 months	366	428	-	-
Longer than 3 - 6 months	181	311	-	-
Longer than 6 - 12 months	475	542	-	-
Longer than 12 months	2,210	1,473	53	50
Total	3,855	3,770	53	50
Less: Allowance for doubtful accounts	(117)	(174)	(53)	(50)
Net	3,738	3,596	-	-
Trade accounts receivable - net	3,859	3,733	-	-

During 2011, Triple T Internet Co., Ltd. (TTI), a subsidiary, wrote-off trade accounts receivable as bad debt amounting to approximately Baht 248 million.

Included in trade accounts receivable from unrelated parties over the age thresholds of 3 months as at 31 December 2011 and 2010, are amounts receivable from companies majority-owned by the government as follows:

(Unit: Million Baht)

Age of receivables	Consolidated financial statements		Separate financial statements	
	2011	2010	2011	2010
Longer than 3 - 6 months	170	209	-	-
Longer than 6 - 12 months	341	403	-	-
Longer than 12 months	1,938	1,139	-	-
<b>Total</b>	<b>2,449</b>	<b>1,751</b>	<b>-</b>	<b>-</b>

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

10.1 As at 31 December 2011 and 2010, an outstanding trade receivables balances of Jasmine Submarine Telecommunications Co., Ltd. (JSTC), a subsidiary, amounting to Baht 2,518 million and Baht 2,015 million, respectively, are 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 2011 and 2010 amounting to Baht 470 million and Baht 747 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.

10.2 As at 31 December 2009, the subsidiaries had outstanding balances receivable from TT&T Plc. (TT&T), a former related company, amounting to approximately Baht 752 million. The balances are long outstanding. In considering the collectability of the outstanding balances of TT&T, 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. 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. At present, the case is being considered by the Supreme Court.

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 in 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 to individuals and/or corporations for at least 6 months after the conversion of debt to ordinary shares. Subsequently, they may be sold to individuals and/or corporations every 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 by the conversion of debt to ordinary shares, 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.

On 4 April 2011, the Central Bankruptcy Court ordered TT&T to decrease its registered capital from Baht 70,000,000,000 (7,000,000,000 ordinary shares with par value of Baht 10 each) to Baht 33,242,744,500 (3,242,484,261 ordinary shares and 81,790,189 shares to be issued for TT&T's warrants with par value of Baht 10 each) and to decrease its registered capital from Baht 33,242,744,500 (3,242,484,261 ordinary shares and 81,790,189 shares to be issued for TT&T's warrants with par value of Baht 10 each) to Baht 3,324,274,450 by decreasing the par value of shares to Baht 1 each. TT&T has already registered the decrease in its share capital with the Ministry of Commerce. Subsequently, on 9 May 2011, the Central Bankruptcy Court ordered TT&T to increase its share capital from Baht 3,324,274,450 (3,242,484,261 ordinary shares and 81,790,189 shares to be issued for TT&T's warrants with par value of Baht 1 each) to Baht 9,463,812,113 (par value of Baht 1 each). The increase of Baht 6,139,537,663 consists of 6,139,537,663 new ordinary shares with par value of Baht 1 each, to be allocated to the creditors in accordance with the rehabilitation plan. The increase and decrease in TT&T's share capital complies with the rehabilitation plan.

With respect to the debt-to-equity conversion process, TT&T categorises creditors into the following three groups:

- 1) Group 1 creditors are debts that have been ordered paid by a final order of the Court. For this group, 100% of the debt is to be converted to equity in accordance with the final settlement orders.
- 2) Group 2 creditors are debts that have not yet been ordered paid by a final order of the Court but have been approved by the Official Receiver. For this group, 50% of the debt amount ordered by the Official Receiver is to be converted to equity, the remaining debt is to be converted when final settlement orders are received.
- 3) Group 3 creditors are debts that have not yet been ordered paid by a final order and they will not be converted to equity until the Official Receiver orders their settlement.

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). Subsequently, in April 2010, a subsidiary and TT&T's rehabilitation plan preparer agreed and submitted a request to the Official Receiver to reduce the outstanding claim filed by the subsidiary by Baht 14 million. Because such receivables were the debt arising after the date that 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. As a result, the outstanding claims filed by the subsidiaries totaled Baht 587 million (principal of Baht 553 million and interest receivable of Baht 34 million). This balance includes rights over collection that Cloud Computing Solutions Co., Ltd. (CCS), a subsidiary, assigned to a local bank to secure a short-term loan from the bank (as at 31 December 2011: to secure the long-term loans from the bank, as described in Note 27 to the financial statements) 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, and such balance is classified in the same creditor group as that of CCS in the plan.

The subsidiaries recorded potential losses on debt restructuring in profit or loss for the year 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. Subsequently, as of 22 June 2011, the fair value of TT&T ordinary share was Baht 0.13 per share. The management of the subsidiaries therefore recorded additional potential losses on debt restructuring amounting to Baht 138 million in profit or loss for the year 2011 in order to reflect the fair value of TT&T's ordinary share in their accounts.

On 4 July 2011 and 23 September 2011, TT&T registered the increase in its share capital with the Ministry of Commerce, in order to allocate shares to Group 1 and Group 2 creditors. The subsidiaries categorised in Group 1 and Group 2 creditors received a total of 114 million shares from the debt-to-equity conversion process. The subsidiaries receiving the share settlement as stated above and therefore reclassified potential losses on debt restructuring which has been recorded in profit or loss for the year 2011 totaling Baht 33 million as losses on debt restructuring in profit or loss for the year 2011.

However, the outstanding claims filed by the subsidiaries consist of claims of certain subsidiaries which have received the final order of the Court amounting to Baht 35 million and claims of certain subsidiaries which have not yet received the final order of the Court amounting to Baht 552 million. The subsidiaries which their claims which have not yet received the final order of the Court therefore have not completely received debt settlement under the rehabilitation plan and the claims which have received the final order of the Court may differ from the outstanding claims used in the calculation of the potential losses from debt restructuring. As at 31 December 2011, the subsidiaries presented the outstanding balance net of potential losses on debt restructuring under the caption of "Accounts receivable under troubled debt restructuring" in the statement of financial position.

In addition, outstanding receivables from TT&T of certain subsidiaries filed under the rehabilitation plan of Baht 199 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. The balances are long outstanding and are being disputed with TT&T. However, since this balance is debt that arose in the ordinary course of business, the management and legal advisors of the subsidiaries believe that the subsidiaries have the right to claim full payment for the balances from TT&T and believe that the subsidiaries can claim the full amount from TT&T. They therefore do not record allowance for doubtful accounts 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 CCS to cancel the purchase and sales and service agreement for the Customer Care & Billing System (CC&B) and amended agreement, under which TT&T hired CCS to supply and deliver the system to TT&T. The grounds given for the cancellation were that CCS had breached the contract in terms of the delivery of the system. However, CCS issued a letter to the law firm disputing the cancellation of the agreements. Moreover, in June 2011, TT&T submitted a dispute proposal to the Thai Arbitration Institute asking CCS to return the money that TT&T has already paid for the CC&B system, amounting to Baht 542 million, and to pay for damages and the loss of benefits amounting to Baht 1,238 million, together with interest at the rate of 7.5% per annum from the date of the submission of the dispute until CCS effects whole performance. The management of CCS and its legal advisor believe that CCS completed delivery of the system to TT&T in compliance with the agreements and therefore that CCS did not breach the agreement. This means the cancellation of the agreement was unjustified and does not terminate its provisions, and CCS thus has the right to claim full payment for the

work under the agreement from TT&T, amounting to Baht 470 million. At present, CCS is in the process of filing an objection against the aforementioned dispute proposal. CCS had assigned its rights over collection of the outstanding receivable balance of Baht 470 million from TT&T to a local bank and the bank filed a claim directly with TT&T under the rehabilitation plan. However, in December 2011, the bank returned to CCS the rights over collection of an outstanding balance of Baht 171 million receivable from TT&T, which is debt incurred after the date on which the Court ordered TT&T to enter into the rehabilitation process (7 November 2008). Therefore, the balance of receivable from TT&T to which CCS has assigned rights over collection to the bank is currently Baht 299 million.

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. In addition, the making payment of leased line service payable by endorsing and transferring promissory notes to TT&T as stated above 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. Moreover, that TTT notified TT&T of its intention to offsetting by way of exercise its rights from TT&T SS as discussed above means that TTT is a debtor and creditor of TT&T at the same time; TT&T and TTT are therefore mutual with the same purpose of debt and 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 41.7 b) 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 for the matters mentioned above, and therefore does not reflect the effect of these matters in its accounts.

## 11. Inventories

(Unit: Million Baht)

	Consolidated financial statements					
	Cost		Reduce cost to net realisable value		Inventories-net	
	2011	2010	2011	2010	2011	2010
Satellite transmission equipment	21	27	(20)	(20)	1	7
Finished goods and spare parts	71	361	(2)	(76)	69	285
<b>Total</b>	<b>92</b>	<b>388</b>	<b>(22)</b>	<b>(96)</b>	<b>70</b>	<b>292</b>

## 12. Investments in available-for-sale securities

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

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	2011	2010	2011	2010
Investments in available-for-sale securities	91	701	91	438
Disposals during the year	(91)	(587)	(91)	(324)
Allowance for impairment of investments	-	(23)	-	(23)
Investments in available-for-sale securities - net	-	91	-	91

- 12.1 During 2011, the Company sold 212 million ordinary shares in TT&T with book values totaling Baht 91 million for totals of Baht 79 million through the Stock Exchange of Thailand (SET) and recognised losses on the sale of the investment of Baht 12 million in profit or loss.
- 12.2 During 2010, the Company and its subsidiaries sold 1,085 million ordinary shares in TT&T with book values totaling Baht 587 million for totals of Baht 496 million through SET and recognised losses on the sale of the investment of Baht 90 million in profit or loss (the Company only: The Company sold 598 million ordinary shares in TT&T with book values totaling Baht 324 million for totals of Baht 321 million through SET and recognised losses on the sale of the investment of Baht 3 million in profit or loss.)

## 13. Assets held for sale

The assets held for sale as at 31 December 2011 and 2010, detailed below.

(Unit: Million Baht)

	Installed public telephones	Uninstalled public telephones	Total
Cost	68	140	208
Less: Allowance for impairment of assets	(34)	(18)	(52)
<b>Net book value as at 31 December 2010</b>	<b>34</b>	<b>122</b>	<b>156</b>
Transfer out	(34)	-	(34)
Disposals during the year - net book value as at disposal date	-	(9)	(9)
<b>Net book value as at 31 December 2011</b>	<b>-</b>	<b>113</b>	<b>113</b>

As at 31 December 2011, JTS had uninstalled public telephones with net book value of Baht 113 million (Baht 131 million cost less allowance for impairment of assets of Baht 18 million). At the present, JTS is in the process of proposing to sell its uninstalled public telephones to unrelated companies. As at 31 December 2011, the management of JTS assessed that the fair value of these uninstalled public telephones is close to the net book value.

## 14. Investments in associates

### 14.1 Details of associates

(Unit: Million Baht)

Consolidated financial statements										
Company's name	Nature of business	Country of incorporation	Shareholding percentage		Cost		Carrying amounts based on equity method		Share of profit from investments in associates during the year	
			2011	2010	2011	2010	2011	2010	2011	2010
			(%)	(%)						
Internet Knowledge Service Center Co., Ltd.	Communication equipment rental	Thailand	38	38	49	49	23	23	-	10
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	-	-	-	-	-	-
<b>Total</b>					<b>451</b>	<b>451</b>	<b>23</b>	<b>23</b>	<b>-</b>	<b>10</b>

(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	
			2011	2010	2011	2010	2011	2010	2011	2010
			(%)	(%)						
Internet Knowledge Service Center Co., Ltd.	Communication equipment rental	Thailand	38	38	49	49	(32)	(32)	17	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	-	-	-	-	-	-
<b>Total</b>					<b>451</b>	<b>451</b>	<b>(434)</b>	<b>(434)</b>	<b>17</b>	<b>17</b>

## 14.2 Summarised financial information of associates

Financial information of the associates is summarised below.

(Unit: Million Baht)

Company's name	Paid-up capital as at 31 December		Total assets as at 31 December		Total liabilities as at 31 December		Total revenues for the year ended 31 December		Profit for the year ended 31 December	
	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010
Internet Knowledge Service Center Co., Ltd.	50	50	78	78	17	17	1	2	-	-
Premium Real Estate Co., Ltd. 820	820	12	12	1	1	-	-	-	-	-
Khunka Palang Thai Co., Ltd.	1	1	-	-	16	16	-	41	-	41
Telecom KSC Co., Ltd.	1	1	-	-	-	-	-	-	-	-

- 14.3 The share of profit for the year ended 31 December 2011 of all associates were calculated from the financial statements for the year ended 31 December 2011 prepared by their managements and have not been audited by their auditors.

## 15. Investments in subsidiaries

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

(Unit: Million Baht)

Company's name	Paid-up capital		Cost		Dividend received during the year	
	2011	2010	2011	2010	2011	2010
Jasmine Submarine Telecommunications Co., Ltd.	1,550	1,550	1,946	1,946	217	-
Acumen Co., Ltd.	760	760	760	760	-	-
T.J.P. Engineering Co., Ltd.	200	200	160	160	-	-
Mobile Communication Services Co., Ltd.	100	100	70	70	-	-
Jasmine Telecom Systems Plc.	706	703	75	100	32	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	37	40
Chaengwatana Planner Co., Ltd.	0.1	0.1	-	-	-	-
			3,326	3,351	286	64
Less: Allowance for impairment of investments			(367)	(367)		
Total investments in subsidiaries - net			2,959	2,984		

- 15.1 As described in Note 10.1 to the financial statements, at present, JSTC is in negotiation with TOT, a concession provider, regarding the revenue sharing rates under the co-investor agreement made with TOT. The management of JSTC believes that the recorded revenue of such service is consistent with the co-investor agreement.

- 15.2 On 30 November 2011, the Meeting of the Company's Board of Directors No. 7/2554 passed a resolution approving the sale ordinary shares in JTS held by the Company in the amount that will benefit the Company, with the selling price to depend on the current situation of the Stock Exchange of Thailand (SET). Up to 31 December 2011, the Company had sold 100 million shares for total proceeds of Baht 147 million through the SET with book values of Baht 25 million in the separate financial statements and of Baht 213 million in consolidated financial statements. The Company recognised gains on the sales of Baht 122 million in profit or loss in the separate financial statements and recognised losses on the sales of Baht 66 million under the caption of "Deficit from changes in shareholding in subsidiaries" in shareholders' equity in the consolidated statement of financial position.

In January 2012, the Company sold an additional 68 million shares for total proceeds of Baht 90 million through the SET with book values of Baht 17 million in the separate financial statements and of Baht 140 million in consolidated financial statements. The Company recognised gains on the sales of Baht 73 million in profit or loss in the separate financial statements and recognised losses on the sales of Baht 50 million under the caption of "Deficit from changes in shareholding in subsidiaries" in shareholders' equity in the consolidated financial statements in the first quarter of 2012.

- 15.3 During 2011, JTS registered the increase in its paid-up share capital by 3,507,300 shares with the Ministry of Commerce, as a result of the exercise of ESOP warrants and ESOP shares of JTS. As at 31 December 2011, the paid-up share capital of JTS is Baht 706,457,300.

- 15.4 During 2011, TTT's Board of Directors meeting passed a resolution to set up In Cloud Co., Ltd. (IC). TTT invested in 99,997 ordinary shares at a price of Baht 100 per share (25% paid up), representing 100% of the registered share capital of such company.

IC was granted promotional privileges to invest in software business under the Investment Promotion Act B.E. 2520 by the Board of Investment with certain conditions as stipulated in the promotion certificate. Currently, IC has not yet started its operation.

- 15.5 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 28 to the financial statements.

- 15.6 During 2009, ACU purchased ordinary shares in TTT by way of a rights offering, together with shares to which TT&T waived its right to subscribe. Such additional investment is still being disputed with TT&T. However, a legal advisor expressed an opinion that ACU was entitled to make the investment.

## 16. Other long-term investments

As described in Note 10.2 to the financial statements, during 2011, certain subsidiaries received a total of 114 million ordinary shares of TT&T at the par value of Baht 1 per share, as a result of the debt-to-equity conversion process of TT&T. The subsidiaries used the fair value of TT&T's ordinary share as at 22 June 2011 as a basis for recording these transactions. The investments in TT&T ordinary shares are classified as other long-term investments because there are certain restrictions regarding the sale of TT&T shares stipulated in TT&T's rehabilitation plan.

From 23 June 2011 onwards, the Stock Exchange of Thailand (SET) prohibited the trading of TT&T shares until TT&T has succeeded in resolving its financial status and operations in line with the SET's rules.

## 17. Investment properties

The net book value of investment properties as at 31 December 2011 and 2010 is presented below.

(Unit: Million Baht)

Consolidated financial statements	
31 December 2011	
Cost	937
Less Accumulated depreciation	(238)
Net book value	699
31 December 2010	
Cost	984
Less Accumulated depreciation	(208)
Net book value	776

A reconciliation of the net book value of investment properties for the years 2011 and 2010 is presented below.

(Unit: Million Baht)

Consolidated financial statements		
	2011	2010
Net book value at beginning of year	776	810
Acquisition	4	7
Transfers to property, plant and equipment - net book value	(40)	-
Depreciation	(41)	(41)
Net book value at end of year	699	776

The fair value of the investment properties as at 31 December 2011 and 2010 are Baht 1,538 million and Baht 1,622 million, respectively.

The subsidiary received rental income from investment properties amounting to Baht 24 million and Baht 35 million during 2011 and 2010, respectively.

The subsidiary has operating leases in respect of the lease of building space. The terms of the agreements range from 1 years to 17 years. As at 31 December 2011, future minimum rental income generated from the investment properties under those lease agreements is as follows.

(Unit: Million Baht)

Consolidated financial statements	
Less than 1 year	27
1 to 5 years	28
More than 5 years	6



## 18. Property, plant and equipment

(Unit: Million 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
<b>Cost</b>											
31 December 2009	78	845	774	177	4,040	519	219	482	98	1,510	8,742
Additions	3	32	-	89	1,192	4	9	103	1	3,161	4,594
Disposals	-	(33)	-	(3)	-	(74)	-	(17)	-	-	(127)
Transfers in (out)	-	11	-	-	1,834	(17)	20	3	6	(1,857)	-
31 December 2010	81	855	774	263	7,066	432	248	571	105	2,814	13,209
Additions	3	22	-	6	1,092	38	19	89	2	1,589	2,860
Disposals	-	(6)	-	-	(9)	-	(1)	(53)	(1)	-	(70)
Transfers from investment properties	12	28	-	-	-	-	-	-	10	-	50
Transfers in (out)	-	-	-	-	2,916	35	13	9	(10)	(3,066)	(103)
31 December 2011	96	899	774	269	11,065	505	279	616	106	1,337	15,946
<b>Accumulated depreciation</b>											
31 December 2009	-	321	150	48	855	300	92	220	52	-	2,038
Depreciation for the year	-	54	-	41	678	38	43	107	10	-	971
Depreciation on disposals	-	(13)	-	(1)	-	(64)	-	(16)	-	-	(94)
31 December 2010	-	362	150	88	1,533	274	135	311	62	-	2,915
Depreciation for the year	-	58	-	47	1,170	53	41	123	9	-	1,501
Depreciation on disposals	-	(6)	-	-	(6)	-	(1)	(47)	(1)	-	(61)
Depreciation for portion transferred from investment properties	-	5	-	-	-	-	-	-	5	-	10
Transfers out	-	-	-	-	-	-	-	-	(5)	-	(5)
31 December 2011	-	419	150	135	2,697	327	175	387	70	-	4,360
<b>Allowance for impairment</b>											
31 December 2009	-	10	624	-	-	103	-	-	-	-	737
Allowance for impairment on disposals	-	(10)	-	-	-	(15)	-	-	-	-	(25)
31 December 2010	-	-	624	-	-	88	-	-	-	-	712
31 December 2011	-	-	624	-	-	88	-	-	-	-	712

(Unit: Million Baht)

Consolidated financial statements (Continued)										
	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	Furniture, Tools and equipment	fixtures and office equipment	Others	Assets under installation
										Total

**Net book value**

31 December 2010	81	493	-	175	5,533	70	113	260	43	2,814	9,582
31 December 2011	96	480	-	134	8,368	90	104	229	36	1,337	10,874

**Depreciation for the year**

2010 (Baht 839 million included in cost of service, and the balance in selling, servicing and administrative expenses)	971
2011 (Baht 1,355 million included in cost of service, and the balance in selling, servicing and administrative expenses)	1,501

(Unit: Million 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	23	2	6	7	77
Additions	-	2	-	1	4	7
Transfers in (out)	11	-	-	-	(11)	-
31 December 2010	50	25	2	7	-	84
Additions	3	1	-	-	-	4
31 December 2011	53	26	2	7	-	88

**Accumulated depreciation**

31 December 2009	33	14	2	3	-	52
Depreciation for the year	3	3	-	1	-	7
31 December 2010	36	17	2	4	-	59
Depreciation for the year	4	3	-	1	-	8
31 December 2011	40	20	2	5	-	67

**Net book value**

31 December 2010	14	8	-	3	-	25
31 December 2011	13	6	-	2	-	21

**Depreciation for the year**

2010 (included in administrative expenses)	7
2011 (included in administrative expenses)	8

As at 31 December 2011, 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 854 million, of which Baht 48 million is from the Company (2010: Baht 551 million and Baht 46 million, respectively).

As at 31 December 2011, subsidiaries had motor vehicles and equipment under finance lease agreements with net book values amounting to Baht 138 million (2010: Baht 190 million).

In 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 21 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 25 to the financial statements. As at 31 December 2011, title to and ownership of the equipment which their costs are approximately Baht 2,403 million will pass to subsidiaries when the subsidiaries have made full payment of the contract price (2010: Baht 2,869 million).

## 19. Goodwill

(Unit: Million Baht)

	Consolidated financial statements	
	2011	2010
Goodwill	89	89
Less: Allowance for impairment	(89)	(72)
Goodwill - net	-	17

## 20. Computer software

The net book value of Computer software as at 31 December 2011 and 2010 is presented below.

(Unit: Million Baht)

	Consolidated financial statements
31 December 2011	
Cost	131
Less Accumulated depreciation	(72)
Net book value	59
31 December 2010	
Cost	120
Less Accumulated depreciation	(34)
Net book value	86

A reconciliation of the net book value of Computer software for the years 2011 and 2010 is presented below.

(Unit: Million Baht)

Consolidated financial statements		
	2011	2010
Net book value at beginning of year	86	54
Acquisition	19	58
Disposals - net book value	(4)	-
Amortisation	(43)	(26)
Net book value at end of year	58	86

## 21. Prepaid rent

In 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 2005, PA acquired the building back from the financial institution, as described in Note 18 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 2011 and 2010 are as follows:

(Unit: Million Baht)

Separate financial statements		
	2011	2010
Prepaid rent	415	415
Less: Accumulated amortisation	(186)	(172)
Prepaid rent - net	229	243
Amortisation expenses recognised in profit or loss	14	14

## 22. Deferred costs of submarine cable networks

(Unit: Million Baht)

Consolidated financial statements		
	2011	2010
Deferred costs of submarine cable networks	5,123	5,123
Less: Accumulated amortisation	(5,123)	(4,858)
Deferred costs of submarine cable networks - net	-	265
Amortisation expenses recognised in profit or loss	265	353

The costs of the submarine 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 coasts of Thailand. 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. Currently, JSTC and TLDT are in the process of preparing a request to TOT to provide maintenance for such networks.

Total service income of JSTC and TLDT from such contracts for the 2011 and 2010 was Baht 527 million and Baht 827 million, respectively.

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 27 to the financial statements. JSTC and TLDT have an obligation to comply with certain conditions as stated in the agreement.

## 23. Short-term loans from banks

Short-term loans from banks of subsidiaries carry interest at the rate linked to MLR. The loans are secured by the assignment of their rights over collection of trade accounts receivable of the subsidiaries as described in Note 10 to the financial statements.

## 24. Trade and other payables

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	2011	2010	2011	2010
Trade payables - related parties (Note 9)	280	257	-	-
Trade payables - unrelated parties	2,254	2,761	-	-
Retention payable	85	96	-	-
Accrued expenses	42	46	7	4
Other payables - related parties (Note 9)	16	18	19	13
Other payables - unrelated parties	332	208	3	2
Total trade and other payables	3,009	3,386	29	19

## 25. 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 31 December 2011 and 2010, based on due dates, are as follows:

(Unit: Million Baht)

	Consolidated financial statements	
	2011	2010
Accounts payable for equipment	2,470	3,107
Less: Deferred interest expenses	(67)	(238)
Total	2,403	2,869
Less: Current portion	(1,931)	(815)
Accounts payable for equipment - net of current portion	472	2,054

The above outstanding balances of JTS is secured by bank deposits of TTT amounting to Baht 59 million and the assignment of rights over collection from TTI under the network telecommunications service agreement of TTT in accordance with the conditions stipulated in the agreements made with accounts payable for equipment. The above outstanding balance of TTT is secured by ACU and bank deposits of TTT amounting to Baht 47 million.

## 26. Liabilities under finance lease agreements

(Unit: Million Baht)

	Consolidated financial statements	
	2011	2010
Liabilities under finance lease agreements	220	220
Less: Deferred interest expenses	(13)	(21)
Total	207	199
Less: Current portion	(126)	(68)
Liabilities under finance lease agreements - net of current portion	81	131

The 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 31 December 2011 and 2010, 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	136	84	220
Deferred interest expenses	(10)	(3)	(13)
Present value of future minimum lease payments	126	81	207

## 27. Long-term loans

(Unit: Million Baht)

Loan	Interest rate (% per annum)	Consolidated financial statements	
		2011	2010
1	MLR	903	913
2	MLR	61	132
3	MLR	261	-
4	MLR	-	37
5	MLR	1,520	850
Total		2,745	1,932
Less: Current portion		(1,641)	(1,021)
Long-term loans - net of current portion		1,104	911

Details of the above loans are summarised below.

1. This long-term loan is the loan of JSTC, repayable quarterly from June 2006 to June 2011 in accordance with the original loan schedule. However, in March 2011, JSTC negotiated with the lender to restructure the loan and in April 2011, the lender agreed to restructure the loan with JSTC, with Jastel Network Co., Ltd. (JTN), a subsidiary, assuming joint responsibility for the debt. Details of the restructuring are summarised below.
  1. Extension of loan term by 7 years and 6 months (Matures in December 2018)
  2. Interest rate of MLR per annum.
  3. Term of repayment:
    - 3.1 During March 2011 - December 2011, payment of at least Baht 6 million per month to settle a new interest on loan and the principal, respectively.
    - 3.2 During 2012 - 2018, payment of a new interest to be made in monthly basis and payment of principal to be made at the end of each March, June, September and December, with quarterly installments of Baht 11 million during 2012 - 2014, Baht 23 million during 2015 - 2016, Baht 57 million in 2017 and Baht 91 million in 2018.

In addition, this loan is secured by all rights and benefits pertaining to concession agreements as described in Note 22 to the financial statements, deposits of JSTC and the letter of guarantee from TLDT.

2. This long-term loan is the loan of JTS, repayable quarterly from March 2010 to March 2012 and secured by the assignment of rights over collection of certain accounts receivable of JTS.
3. This long-term loan is the loan of CCS, repayable in 2011 in 3 installments, which are in August, September and December 2011, and in 28 quarterly installments from March 2012 to December 2018. The loan is guaranteed by JTS. The loan agreement contains an additional condition relating to repayment, whereby, if CCS receives settlements from TT&T and/or cash receipts from sales of TT&T shares received under TT&T's rehabilitation plan, CCS agrees to pay the bank all funds received to settle the loan interest first, with any remaining amount to be used to settle the loan principal. If the amount received is more than the interest and principal of any installment, CCS agrees to use the excess to settle the principal of the next installment due.
4. This long-term loan is the loan of TTT, under the loan facility of Baht 300 million. The loan is unsecured, and repayable in 8 quarterly (Baht 37.5 million per installment), with the first of these due in June 2009. The loan agreement stipulates certain covenants relating to matters such as the maintenance of certain financial ratios.
5. This long-term loan is the loan of TTT, under the loan facility of Baht 2,000 million. The loan is repayable in 14 quarterly installments (Baht 30-210 million per installment), with the first of these due on 31 July 2012, and is to be repaid in full within 31 October 2015. The loan is secured by bank deposits of TTT. The loan agreement stipulates certain covenants relating to matters such as the maintenance of certain financial ratios, and the shareholdings of current shareholders.

TTT has to maintain the required Debt to Equity Ratio of no more than 3.0 as stipulated in this loan agreement. However, as at 31 December 2011, the ratio was 3.3. Due to this, the lender may exercise certain rights stipulated in the loan agreement, including the right to call the loan immediately. TTT requested a waiver in respect of breach of covenant from the bank and received a waiver letter in January 2012 which is after the

end of the reporting period to comply with the generally accepted accounting principles, TTT therefore classified the whole balance of such loan as at 31 December 2011 as current liabilities in the statement of financial position.

As at 31 December 2011, the long-term credit facilities of TTT which have not yet been drawn down amounted to Baht 479 million (2010: Baht 1,150 million).

## 28. Long-term debts under rehabilitation plan

(Unit: Million Baht)

	<b>Consolidated /Separate financial statements</b>	
	<b>2011</b>	<b>2010</b>
Long-term debts under rehabilitation plan (Note 1), repayable under rehabilitation program and consisting of the following loans.		
28.1 Baht 1,827 million long-term loan at interest rate of MLR, repayable within 9 years from 2004 to 2012	828	904
28.2 Baht 171 million long-term loan, repayable within 9 years from 2004 to 2012 at interest rate of MLR-2% for the first eight years and MLR+20% for the ninth year.	156	155
Total	984	1,059
Less: Current portion	(849)	(81)
Long-term debts under rehabilitation plan- net of current portion	135	978

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.

On 15 August 2011, the Company submitted a request to Bangkok Bank Plc. to extend the repayment period under the Company's rehabilitation plan for the debt of Baht 828 million as described in Note 28.1 to the financial statements. Under the rehabilitation plan, this amount matures in 2012, and is repayable quarterly, at Baht 207 million. Details of the requested extension are as follows:

1. In January 2012, approximately Baht 200 million. Currently, this amount has already been paid.
2. Principal remaining after repayment in 1 is repayable quarterly in six installments, with 10% per year in 2012 - 2014, 15% per year in 2015 - 2016 and 40% in 2017.

Other conditions for repayment of principal and interest will be in line with the Company's rehabilitation plan. The Company received a letter from the bank dated 15 February 2012 notifying it that the request is being considered and such consideration will be complete in February 2012. However, because the agreement to extend the repayment period will be signed after the end of the reporting period, to comply with the generally accepted accounting principles, as at 31 December 2011, the Company classified this loan as current liabilities in the statements of financial position.



## 29. Provision for long-term employee benefits

Provision for long-term employee benefits as at 31 December 2011, which is compensations on employees' retirement, was as follows:

(Unit: Million Baht)

	Consolidated financial statements	Separate financial statements
Cumulative effect of change in accounting policy for employee benefits adjusted against beginning balance of retained earnings (Note 3)	154	8
Current service cost	13	1
Interest cost	6	-
Balance at end of year	173	9

Long-term employee benefit expenses included in profit or loss for the year ended 31 December 2011 amounted to Baht 19 million (the Company only: Baht 1 million).

Principle actuarial assumptions at the valuation date were as follows:

Discount rate	4%
Future salary increase rate	5%

Amounts of defined benefit obligation for the current and previous two year are as follows:

(Unit: Million Baht)

	Consolidated financial statements	Separate financial statements
Year 2011	173	9
Year 2010	154	8
Year 2009	133	7

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

On 3 December 2009, the meeting of the Board of Directors of the Company No. 7/2552 passed a resolution to decrease its paid-up share capital by writing off the 1,398 million treasury shares and 634 million treasury shares that could not be sold during 14 - 27 January 2010 and during 15 March 2008 - 14 September 2010, respectively, through the Stock Exchange of Thailand. On 17 February 2010 and 22 September 2010, the Company registered the decrease in its share capital totaling 2,032 million shares with the Ministry of Commerce.

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. If the Company is unable to resell all the treasury shares within the purchase back period as stated above, the Company will decrease its share capital by writing off those treasury shares it was unable to sell. As at 31 December 2010, the Company had bought back 155 million ordinary shares for a total of

Baht 300 million (excluded cost of repurchasing treasury shares). Subsequently, on 9 June 2011, the Company registered a decrease in its share capital by 155 million shares with the Ministry of Commerce, because the Company was unable to sell all the treasury shares within the specified period.

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 is initially deducted against "Premium on treasury shares" in shareholders' equity with the remainder deducted against retained earnings.

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, the Company appropriated the full required amount of retained earnings to a reserve for the treasury shares amounting to Baht 300 million and subsequently, in 2011, the Company reversed all the appropriated retained earnings for treasury shares after decreasing paid-up share capital by writing off the treasury shares as stated above.

On 13 December 2011, the Board of Directors of the Company No.8/2554 approved a program to repurchase up to 724 million shares (par value of Baht 0.50 each), or 10 percent of the total number of shares in issue, with a budget of Baht 300 million, for liquidity surplus management purposes. The shares are to be repurchased on the Stock Exchange of Thailand between 28 December 2011 and 27 June 2012, and can be resold more than 6 months after completing the repurchase but within 3 years.

On 27 January 2012, the Company had purchased back 23 million ordinary shares (par value of Baht 0.50 each), or 0.31 percent of the total number of shares in issue, for a total of Baht 47 million (excluded cost of repurchase treasury shares).

## 31. Warrants

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 were 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.

## 32. 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 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.

## 33. 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.

## 34. Expenses by nature

Significant expenses by nature are as follow:

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	2011	2010	2011	2010
Telecommunication network rental expenses	1,576	1,704	-	-
Depreciation	1,542	1,013	8	7
Salaries, wages and other employee benefits	1,296	1,216	51	49
Subcontracting expenses	948	913	-	-
Sales promotion expenses	387	359	-	-
Amortisation expenses	308	379	14	14
Rental expenses from operating lease agreements	219	201	-	-
Cost of goods sold	191	1,406	-	-
Electricity	149	123	2	2
Repair and maintenance	85	44	-	-
Telecommunication license fees	14	45	-	-

### 35. Cost of service

For conservative reasons, in 2011 TTT and JTN recorded provision for expense related to Universal Service Obligation (USO) amounting to Baht 162 million in accordance with the Telecommunications Business Act for telecommunication service revenues in 2011, using the bases stipulated in the notifications No.1 of the National Telecommunications Commission (NTC) dated 2 August 2002 and No.2 dated 1 October 2009 on the criteria, procedures and conditions for providing USO. Under such notification, the licensee who does not provide a USO plan is obliged to contribute 4% of its revenue to the fund.

As the Frequency Allocation Organisation, and Regulation of Broadcasting, and Telecommunications Act B.E 2553, which took effect on 20 December 2010, the National Broadcasting and Telecommunications Commission (NBTC) Committee were chosen and sworn to duty to replace the NTC in October 2011. Section 50 of the Act changed the bases used in determine how the costs are to be charged to the licensee, i.e. NBTC is to determine a plan to provide basic telecommunications by services first by specifying the area, target group, duration of action and estimate of the cost.

TTT and JTN kept up with the pending announcement of the plan to provide USO for 2011 throughout the year. However, the plan was never announced. In January 2012, the NBTC announced a draft of the plan to provide USO B.E. 2555 - 2559 and organised a public hearing on 27 January 2012.

The draft has set out a plan to provide USO starting from 2012 for a period of five years as required by the law. The legal advisor of TTT and JTN expressed an opinion that the opportunity to collect the USO Fee by NBTC for 2011 rarely occur. The management of TTT and JTN are of the opinion that TTT and JTN no longer have obligations to pay the cost of providing USO. Therefore, TTT and JTN have reversed all of the provision that has been recorded in 2011.

### 36. Corporate income tax

Corporate income tax of the Company and 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)

### 37. Earnings per share

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

Diluted earnings per share is calculated by dividing profit for the year attributable to equity holders of the Company (excluding other comprehensive income) 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.

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	2011	2010	2011	2010
Profit for the year (Million Baht)	1,072	663	377	87
Weighted average number of ordinary shares (Million shares)	7,244	6,851	7,244	7,381
Basic earnings per share/ Diluted earnings per share (Baht/share)	0.15	0.10	0.05	0.01

Warrants offered to the directors and/or employees (ESOP) were not included in calculation of diluted earnings per share for 2010 since the exercise price to purchase ordinary shares was higher than the weighted average market price for the year.

### 38. 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 2011 and 2010 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	
	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010
Sales and service income												
Revenue from external customers	6,351	4,904	1,756	2,010	1,266	2,580	125	132	-	-	9,498	9,626
Inter-segment revenues	37	23	736	691	91	966	94	81	(958)	(1,761)	-	-
Total revenues	6,388	4,927	2,492	2,701	1,357	3,546	219	213	(958)	(1,761)	9,498	9,626
Segment operating profit (loss)	4,455	3,192	152	385	254	357	(1)	(4)	-	-	4,860	3,930
Unallocated income and expenses:												
Other income											85	200
Selling and servicing expenses											(791)	(714)
Administrative expenses											(1,713)	(1,576)
Losses on debt restructuring											(32)	-
Potential losses on debt restructuring											(104)	(244)
Exchange losses											(97)	-
Loss on impairment of investments in available-for-sale securities											-	(23)
Loss on impairment of assets											(17)	(41)
Loss on sales of investments in available-for-sale securities											(12)	(90)
Doubtful accounts and bad debt											(172)	(67)
Share of profit (loss) from investments in associates											-	10
Finance cost											(468)	(393)
Corporate income tax											(494)	(403)
Non-controlling interests of subsidiaries											27	74
Profit for the year											1,072	663

(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	
	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010
Accounts receivable	339	465	3,164	2,505	2,688	2,351	103	62	(2,435)	(1,650)	3,859	3,733
Inventories	1	15	11	9	66	266	2	2	(10)	-	70	292
Investment properties	-	-	-	-	-	-	699	776	-	-	699	776
Property, plant and equipment	9,746	8,540	671	666	23	30	508	500	(74)	(154)	10,874	9,582
Unallocated assets											3,958	4,918
Total assets											19,460	19,301

Transfer prices between business segments are described in Note 9 to the financial statements.

### 39. 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 2011, the Company and its subsidiaries contributed Baht 55 million, of which Baht 2 million is from the Company, to the fund (2010: Baht 51 million and Baht 2 million, respectively).

### 40. Dividends

Dividends	Approved by	Total dividends (Million Baht)	Dividend per share (Baht)
Interim dividends for 2010	Board of Directors' meeting on 13 May 2010	148	0.020
Total for 2010		148	0.020
Final dividends for 2010	Annual General Meeting of the shareholders on 28 April 2011	145	0.020
Interim dividends for 2011	Board of Directors' meeting on 10 August 2011	167	0.023
Total for 2011		312	0.043

### 41. Commitments and contingent liabilities

As at 31 December 2011, the Company and its subsidiaries had the following outstanding commitments and contingent liabilities.

- 41.1 The Company and its subsidiaries had outstanding commitments of approximately Baht 1,110 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 12 million).

- 41.2 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.
- 41.3 Subsidiaries had outstanding commitments under the letters of credit with local and overseas suppliers totaling approximately USD 30 million and Baht 13 million.
- 41.4 JTN had outstanding capital expenditures of approximately Baht 52 million in respect of the purchase and installation of equipment.
- 41.5 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 12 March 2022). The fee is based on the greater of a minimum annual payment (USD 500,000) or a rate based on the volume of use of the satellite service, as specified in the agreement.
- 41.6 T.J.P. Engineering Co., Ltd. (TJP), a subsidiary, 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. 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 with an immaterial amount of penalty being imposed because the delay was caused by the delay in the delivery of areas by related agencies.
- 41.7 Long-term service commitments
- a) 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.
- b) 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 41.7 a) 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 rate charged 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 41.7 b) to the financial statements. The management of TTT believes that the parties will mutually benefits from the amended conditions.

On 23 February 2011, P Planner Co., Ltd., as rehabilitation plan preparer of TT&T, gave notice of its refusal to acknowledge rights over the leased line service contract, as described in Note 41.7 b) to the financial statements, including any additional revisions of agreements and/or memorandums, and all agreements regarding the leased line service rate, with effective from 25 February 2011 onwards.

41.8 TTT had entered into several lease agreements in respect of the lease of motor vehicles and equipment. The terms of the agreements were generally between 3 and 5 years.

As at 31 December 2011, future minimum lease payments required under these non-cancellable operating leases contracts were as follows.

	Million Baht
Payable within:	
Less than 1 year	40
1 to 5 years	1

#### 41.9 Litigation

1. In 2010, CCS was sued for Baht 91 million by a local unrelated company. This comprised debt of Baht 80 million arising from the purchase of equipment used in supplying the CC&B system to TT&T, and interest charges of Baht 11 million. CCS has already recorded the equipment cost in its accounts but not yet recorded the interest of Baht 11 million. The management of CCS considers that CCS and that company mutually agreed that the processing of the purchasing contract and debt settlement would proceed in line with settlement of the CC&B system by TT&T (back to back). As described in Note 10.2 to the financial statements, currently TT&T is under the rehabilitation process and the outstanding claims of CCS relating to the CC&B system have not yet received the final order of the Central Bankruptcy Court for debt settlement, and are being disputed. CCS therefore has not yet paid the outstanding debt from the equipment purchase to that company. The current status of the case is that the Court of First Instance has set appointments for investigation of witnesses in April 2012.
2. Jasmine Internet Co., Ltd. (JI-Net), a subsidiary, received a letter dated 13 December 2010 from the Official Receiver, ordering it to pay TT&T leased line costs payable for the period from March 2005 to March 2008, amounting to Baht 20 million, with interest from the due date until full payment is made to TT&T. JI-Net has recorded the full amount of this cost in its accounts. However, the amount payable has not yet been finalised because the case is being investigated by the Official Receiver, and JI-Net has therefore not recorded the accrued interest in its accounts.
3. Smart Highway Co., Ltd. (Smart), a subsidiary, received a letter dated 8 November 2010 from the Official Receiver, ordering it to pay TT&T leased line costs payable for the period from July 2006 to April 2008, amounting to Baht 24 million, with interest of Baht 5 million calculated until 31 March 2010, and additional interest from the due date until full payment is made to TT&T. Smart has recorded the full amount of this cost in its accounts. However, the amount payable has not yet been finalised because the case is being investigated by the Official Receiver, and Smart has therefore not recorded the accrued interest in its accounts.
4. During 2007 to 2009, TOT lodged complaints against TTT at numerous police stations and filed a criminal complaint at the Criminal Court in Phuket Province, 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 Appeal Court.



During the year 2009 to 2010, TT&T lodged complaints against TTT and TTI 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 Civil Court.

In 2010, TTT received a notice from the Official Receiver, the Business Reorganisation Department, informing that TT&T requested TTT to pay the outstanding debts of Baht 834 million which are subject to an interest rate of 7.5% per annum until the payment is settled. Nearly 90% of the claim was lease line service payable which TTT paid to TT&T through assignment of promissory notes in 2009. However, the rehabilitation planner disputed that the payment did not constitute a complete and legitimate debt settlement transaction. The remaining balance is not equal to the liabilities that TTT recorded in the accounts. The case is currently under investigation by the Official Receiver.

On 12 January 2011, TTT received a notice from the Thai Arbitration Institute, Alternative Dispute Resolution Office, Office of the Judiciary stating that on 27 December 2010, TT&T filed a statement of claim, demanding TTT to pay leased line payable totaling Baht 1,447 million which is subject to an interest rate of 7.5% per annum until the payment is settled. TT&T later amended the claim to Baht 1,496 million. The amount is not equal to liabilities that TTT recorded in the accounts. The management of TTT believed that such differences were due to the use of incorrect leased line service rate and the wrong number of circuits in calculating leased line service expenses, and believed that TTT had correctly and completely recorded liabilities under the leased line services in accordance with the leased line service contract. TTT therefore field an objection and a counterclaim for damages resulting from the Company's inability to use the leased line service amounting to Baht 3,477 million with the Thai Arbitration Institute on 29 June 2011. At present, the dispute is under formal arbitration procedures.

The management of the TTT and TTI are confident that no significant losses will be incurred as a result of these lawsuits and disputes and therefore no provision has been made against the contingent liabilities in their accounts.

#### 41.10 Telecommunications licenses

The National Broadcasting and Telecommunications Commission (NBTC) granted licenses to five 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 2011 - 29 November 2016
Triple T Broadband Plc.	Type III	Fixed line telephone service and data communication service	23 February 2006 - 22 February 2026

Company	Type of license	Authorised service	Period
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

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.

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.

## 42. Financial instruments

### 42.1 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 and other receivables, loans, investments, short-term loans, trade and other payables, 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 and other receivables and loans. 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 statement of financial position.

### **Interest rate risk**

Exposure to interest rate risk of the Company and its subsidiaries relates primarily to its deposits with financial institutions, short-term loans, 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 2011 are summarised below.

Foreign currency	Financial assets (Million)	Financial liabilities (Million)	Average exchange rate as at 31 December 2011 (Baht per 1 foreign currency unit)
US dollar	4	94	31.69

Foreign exchange contracts outstanding of its subsidiaries as at 31 December 2011 are summarised below.

Foreign currency	Bought amount (Million)	Contractual exchange rate (Baht per 1 foreign currency unit)	Contractual maturity date
US dollar	36	31.19 - 33.97	5 January - 20 November 2012

## **42.2 Fair values of financial instruments**

Since the majority of financial instruments of the Company and its subsidiaries are short-term in nature. 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 statements of financial position.

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

### 43. Capital management

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

As at 31 December 2011, the Group's debt to equity ratio was 1.40:1 (2010: 1.61:1) and the Company was 0.45:1 (2010: 0.47:1).

### 44. Reclassification

To comply with the Notification of the Department of Business Development relating to the financial statement presentation as described in Note 2 and as the result of the adoption of revised and new accounting standards as described in Note 3, certain amounts in the financial statements for the year ended 31 December 2010 have been reclassified to conform to the current year's classification, without any effect to the previously reported profit or shareholder's equity.

### 45. Approval of financial statements

These financial statements were authorised for issue by the Company's Board of Directors on 21 February 2012.