

# ANNUAL REPORT 2012

TECHNOLOGY FOR THE  
FUTURE LIFESTYLE



**Jasmine International  
Public Company Limited**

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# Abbreviation used in 2012 Annual Report

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

# General Information

## 1. General Information

### 1.1 Company Details

Company Name	:	Jasmine International Public Company Limited		
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	:	1. Registered capital	3,568,697,189	Baht
Paid-up Shares		consisting of	7,137,394,378	Ordinary shares
		2. Each with the par value of	0.50	Baht
		3. Total paid-up capital	3,568,697,189	Baht
		4. Total number of Paid-up ordinary shares	7,137,394,378	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 Fax : 0-2100-4401	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, 7th 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, 7th 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 1,474,500 shares = 98.30%
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 Internet service (WiFi)	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
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### 3. System Integration Business

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 28 December 2012)	- JAS 231,714,400 shares = 32.80% - ARS 64,027,700 shares = 9.06% - TJP 63,918,000 shares = 9.05%
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 cloud computing with full service from the Infrastructure-as-a-Service stage all the way through to the Software-as-a Service stage and providing consulting services, the design and installation of computers as well as IT network, and the development of application software	550,000	JTS 538,264 shares = 97.87%

### 4. Other Businesses

Premium 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%
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%

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
Pakkred Planer Co., Ltd. 200, Moo 4, 29th-30th 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., Pakkred Sub-district, Pakkred District, Nonthaburi 11120 Tel: 0-2100-3038 Fax: 0-2100-3152	Engages in the NMT 470 MHz. Cellular Mobile telephone business	10,000,000	JAS 6,999,993 shares = 70%
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%
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%

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
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%
Palit Palangnang Co., Ltd. 2034/132-161 New Petchburi Rd., Bangkapi Sub-district, Huaykwang District, Bangkok 10310 Tel : 0-2716-1600-700 Fax : 0-2716-1418	Engages in power plant business	10,000	JAS 1,500 shares = 15%

### 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 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 Chairman of the Board of Directors

Dear Shareholders,

The outcome of the Company's business operations reflect a continuous growth resulting from fast paced changes and a highly competitive market within the telecommunications industry and presently, consumer behavior and changing lifestyle patterns based on the constant cutting edge technological advancements have been major factors in contributing to our steady growth. Furthermore, because consumers communicate more today, the Company must be prepared in all aspects, to meet the high demands of providing quality service for the constantly changing lifestyle of our consumers in order to remain competitive within this industry.

“

Significant objectives of the Company's business operations have been to function with a commitment of integrity, ethical business practices, transparency, and good corporate governance with an obligation towards its customers and all sectors involved ”



In 2012, the Company significantly focused on employee development with intense training throughout the year with a strong belief that personnel are a company's valuable resource. Providing employee training is a crucial investment that leads to having a competitive advantage in the long run. In addition, the Company implemented both a short and long term strategy towards the Company's development by utilizing a Succession Plan aiming towards success that has made Jasmine much stronger.

Significant objectives of the Company's business operations have been to function with a commitment of integrity, ethical business practices, transparency, and good corporate governance with an obligation towards its customers and all sectors involved. In compliance to its commitment of giving back to society along with its environmental, communal, social, and national responsibilities, the Company continued to organize charitable events and activities as part of its Corporate Social Responsibility (CSR) pledge, specifically by providing opportunities for learning and shaping the future of Thailand's youth with its project "3BB Free Broadband Internet and Wifi for Education" campaign. (Additional details can be viewed at [www.3bb.co.th](http://www.3bb.co.th))

In order to maintain further success, the Company must focus on collaboration between its management and employees to further drive Jasmine International Group towards becoming an even more productive, quality corporation that will be a leader in communications technology contributing to the country's abiding economy and social development.



Mr. Sudhitham Chirathivat  
Chairman of the Board of Directors

# Message from CEO

Dear Shareholders,

The Company's business operations achieved great success in 2012 that generated a steady growth especially in our broadband internet business that resulted in increased revenue for Jasmine International Group along with a profit growth rate that had nearly doubled. This was achieved by being a leader in high speed, servicing quality broadband internet to our customers. 3BB has been both an innovator and leader in broadband internet starting from 1Mb up to 10Mb which has kept us popular among our customers and because of the country's internet penetration rate of the population being around 5%, the use of broadband internet will have room for major growth. When speaking specifically of broadband internet with very high speed, 3BB has the highest market share over all its competitors. 3BB has networks that cover densely populated areas and whenever these densely populated areas expand; our networks efficiently expand alongside resulting in administrative costs and operating expenses that could be well controlled.

The Company had created more executive personnel to oversee business operations of Jasmine International Group in order to achieve sustainable growth. In regards to development, the Company had implemented continuous learning for its personnel by implementing intensive training to ensure that employees have the potential to work with a higher efficiency. Employee training included a wide-range of categories for all employment levels. Particularly for those who have direct interaction with customers to which have been trained to develop in both their technical knowledge and customer etiquette, indeed resulting in customer satisfaction.



Jasmine International Group had continued to collaborate in synergy both in technology and personnel. This had encouraged personnel to utilize their knowledge and skills to develop the overall quality of the Group's work efficiency in all aspects.

Currently the country's economy is growing. The Company conducted a public survey and found that most users required a much higher quality and speed of their broadband internet. Therefore 3BB launched its Fiber Optic FTTX service, a broadband internet with very high speed starting from a 30Mb download / 3Mb upload and up to 1,000 Mb which is very popular. Since the functioning capacity of end-devices has immensely advanced, only broadband internet with very high speed is what customers need. 3BB's technology is the lifestyle of people in the present day and of the future. The Company has anticipated providing Multi-play services which some already exist and others are to be implemented in the future. 3BB already provides online storage (Cloudbox) service and IPTV service. The Company is in the process of conducting R&D to develop additional services to name a few, OTT content and home services, for instance. Multi-play services will be a means to add value for the customer as well as the Company.

The Company's broadband internet using ADSL system will continue to grow along with our FTTX system that is already in service and has been very popular, so the average revenue per user (ARPU) shall be increased which should continuously and consistently make the Company's profit grow.

Additionally, the Company gives importance to services providing leased line circuits linked internationally known as International Private Leased Circuit (IPLC). A subsidiary company of Jasmine International Group provides stable and secure IPLC service with its own network connected internationally worldwide passing through neighboring countries such as Malaysia, Singapore, Laos, Vietnam, Cambodia, and Myanmar. The number of IPLC links grows continuously making the Company a flowing center of links among ASEAN countries. There will be a tremendous growth once the ASEAN Economic Community (AEC) starts in the near future.

With regard to Corporate Social Responsibility (CSR), the Company adheres to its obligation toward social responsibility throughout, in which our contributions have been greatly appreciated by the communities. The Company had selected schools in remote areas that lack the opportunity to access knowledge and current information. The Company installed broadband internet and WiFi with high speed in schools for students and teachers to use. The number of school installations is increasing continuously every year.

On behalf of Jasmine International Group management, I am much obliged to the Board of Directors and valuable employees who have collectively performed their duties to the fullest capacity thus resulting in the Company's growth and business return nearly doubling. I want to thank all shareholders for entrusting their faith to manage the business operations of Jasmine International Group along with their constructive advice that has been most valuable. Many thanks to all of our devoted customers, partners, and financial institutions who have bestowed their extended support and trust. The abundance of compassion and support provided by everyone will be a catalyst to propel Jasmine International Group toward continuous growth and success into the year 2013.



**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		
	2012	2011	2010
<b>Balance Sheet (Unit : Bt mn)</b>			
Total Assets	19,400	19,567	19,302
Total Liabilities	9,689	11,468	11,920
Total Shareholders' Equity	9,711	8,100	7,382
<b>Profit and Loss Statement (Unit : Bt mn)</b>			
Sales and Service Income	10,369	9,498	9,626
Total Revenue	10,501	9,583	9,827
Operating Profit	2,517	1,467	1,016
Operating Profit before Interest, Tax, Depreciation and Amortization (EBITDA)	5,166	4,279	3,203
Net profit (loss) attributable to Equity holders of the Company	2,137	1,072	663
Number of Shares (mn shares)	7,244	7,244	7,399
Earning per Share (Baht)	0.30	0.15	0.10
<b>Financial Ratio</b>			
EBITDA Margin (%)	49.82	45.06	33.27
Gross Margin (%)	54.81	51.17	40.83
Net Profit Margin (%)	20.35	11.19	6.75
Return on Equity (%)	23.11	13.51	9.45
Return on Assets (%)	10.56	5.38	3.76
Debt to Equity Ratio (times)	1.00	1.42	1.61

# 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. Also, 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, software and applications, as well as nationwide WiFi service.
2. Telecom Network & Service Provider Business that provides services on optical fiber networks on both the eastern and the 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 the distribution of sophisticated test equipment, computer systems and other related equipment; included in this category also are telecommunications and cloud computing businesses
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 mass 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 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 because the company has prepared alternative routes for back-up. JasTel has high-capacity bandwidth that facilitates huge volumes of data delivery. Its automatic control system is 24 hour monitored. JasTel also offers Internet Protocol Virtual Private Network (IP-VPN) service, Managed Network service locally and internationally via networks of optic fiber and copper cable, and Co-Location Service that is a space rental service for an installation of Internet server and router for 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 and international calling card called "CyberVoice" that 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. As this is a new service innovation, the company is; thus, the first to provide it in Thailand. 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. The company is also a provider of user terminals.

### 3. System Integration Business

Companies in this group are as follows:-

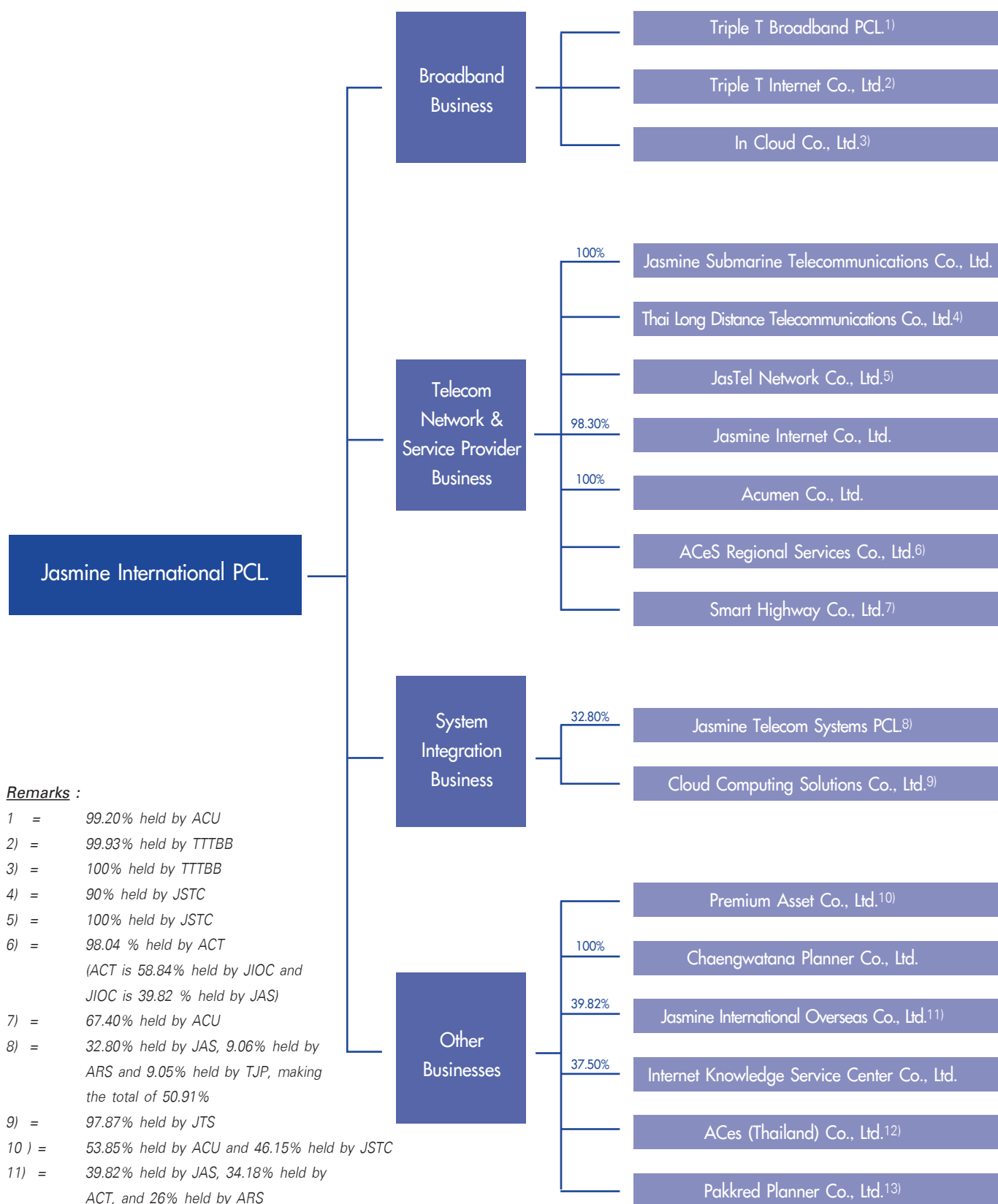
- Jasmine Telecom Systems PCL., a company operating business mainly on telecom system integration with a high level of proficiency in equipment sourcing, system design and turn-keyed contractor for large-scale telecommunications system and network. JTS is also the distributor for various telecommunications system solutions, apart from the significant distributor for the test and measurement equipment to respond and support the desires of telecom service providers either governmental or private sections.
- 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 services for Jasmine International Tower. The company puts emphasis on providing only quality service. Strengths lie in modern styled office building of Jasmine International Tower, the building's safe-from-flood-disaster location, an advantage of being a hub of telecommunications and data backup systems. These attract the lessees and ensure them for their business operation continuity.
- Chaengwattana 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 :

- 1) = 99.20% held by ACU
- 2) = 99.93% held by TTTBB
- 3) = 100% held by TTTBB
- 4) = 90% held by JSTC
- 5) = 100% held by JSTC
- 6) = 98.04 % held by ACT  
(ACT is 58.84% held by JIOC and JIOC is 39.82 % held by JAS)
- 7) = 67.40% held by ACU
- 8) = 32.80% held by JAS, 9.06% held by ARS and 9.05% held by TJP, making the total of 50.91%
- 9) = 97.87% held by JTS
- 10) = 53.85% held by ACU and 46.15% held by JSTC
- 11) = 39.82% held by JAS, 34.18% held by ACT, and 26% held by ARS
- 12) = 58.84 % held by JIOC
- 13) = 100% held by JIOC

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

In 2012, the Company's total revenue was Bt 10,501 mn. Such amount was the contribution of the following business lines:-

1. Broadband Business whose contribution for the year 2012 was Bt 7,947 mn or 75.68 percent of the total revenue of Jasmine International Group
2. Telecom Network & Service Provider Business whose contribution for the year 2012 was Bt 1,219 mn or 11.61 percent of the total revenue of Jasmine International Group
3. System Integration Business whose contribution for the year 2012 was Bt 1,187 mn or 11.30 percent of the total revenue of Jasmine International Group
4. Other Businesses whose contribution for the year 2012 was Bt 148 mn or 1.41 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	2012		2011		2010	
			Revenue	%	Revenue	%	Revenue	%
The Company and Subsidiaries								
Broadband Business	TTTBB	99.20% held by ACU	116	1.10	70	0.73	164	1.67
	TTTI	99.93% held by TTTBB	7,831	74.57	6,296	65.70	4,850	49.35
	INC	100% held by TTTBB	-	-	-	-	-	-
Total			7,947	75.68	6,366	66.43	5,014	51.02
Telecom Network & Service Provider Business	JSTC	100	11	0.10	484	5.05	764	7.77
	TLDT	90% held by JSTC	1	0.01	58	0.61	81	0.82
	JasTel	100% held by JSTC	417	3.97	422	4.40	391	3.98
	Ji-NET	98.30	553	5.27	568	5.93	524	5.33
	ACU	100	111	1.06	122	1.27	154	1.57
	ARS	98.04% held by ACT	121	1.15	129	1.35	135	1.37
	SHW	67.40% held by ACU	5	0.05	5	0.05	6	0.06
Total			1,219	11.61	1,788	18.66	2,055	20.91
System Integration Business	JTS	32.80% held by JAS, 9.06% held by ARS and 9.05% held by TJP	1,151	10.96	1,240	12.94	2,522	25.66
	CCS	97.87% held by JTS	36	0.34	43	0.45	84	0.85
Total			1,187	11.30	1,283	13.39	2,606	26.52
Other Businesses	JAS	-	8	0.08	10	0.10	19	0.19
	PA	53.85% held by ACU and 46.15% held by JSTC	135	1.29	130	1.36	125	1.27
	TJP	80% held by JAS and 20% held by ACU	1	0.01	1	0.01	0.3	-
	MCS	70	3	0.03	1	0.01	1	0.01
	Others <sup>1)</sup>	-	1	0.01	4	0.04	7	0.07
Total			148	1.41	146	1.52	152	1.55
Grand Total			10,501	100.00	9,583	100.00	9,827	100.00
Associated Companies								
Other Businesses	IKSC <sup>2)</sup>	37.50	1	89	-	-	26	100.00
	TKSC <sup>2)</sup>	40	-	-	-	-	-	-
	PRE	49	0.2	11	0.1	100.00	-	-
Grand Total			1	100.00	0.1	100.00	26	100.00

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

2) In 2012, 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 2010-2012.

# Significant Changes in 2012 and Future Business Trends of Jasmine International Group

## 3.3 Significant Changes in 2012 and Future Business Trends of Jasmine International Group

In 2012, the business that produced significant growth was broadband internet service with high speed of “Three Broadband” (3BB) under Triple T Broadband PCL which had increased its minimum ADSL broadband internet speed from 7 Mb up to 10 Mb for all customers that had been highly welcomed. In addition, 3BB had also developed its broadband internet service using VDSL technology that allows its users to download and upload online content at an even higher speed and to satisfy the needs of users who utilize high capacity end-devices and customers who use services requiring very high speed internet, the company thus had introduced its new broadband internet with high speed service utilizing a network of fiber optics with a technology called FTTX; a new technology that provides an internet speed of up to 1,000 Mb (1Gb) which has been a quality superior to all competitors in the market and has had immensely positive feedback. Moreover, companies of Jasmine International Group had also collaborated with a major business partner such as, Advanced Info Service PCL (AIS) with regard to WiFi technology. The Company had also developed a variety of Multi-play services to add value for its existing and new customers such as IPTV and Cloudbox (online storage), to name a few.

### Future Business Trends of Jasmine International Group

The business of 3BB broadband internet with high speed and WiFi service is consistently growing. Being a continuous, pioneering leader of broadband internet with high speed, 3BB has been received with high popularity especially for its broadband internet with very high speed that has the highest market share over all its competitors. In the year 2013 and the future, the Company will make an effort to increase the ratio of corporate customer to overall customers. The volume of ADSL customers will continue to grow due to the experience and qualified employees with a solid foundation combined with the country’s internet penetration rate of the population being around 5%. In addition, FTTX customers will also continue to grow spread around major locations and provinces throughout the country. The FTTX promotional campaign offering 30Mb/3Mb high speed internet at 1,200 Baht has generated a highly positive response from the public.

The Company’s Research and Development unit (R&D) is developing new Multi-play services that will be implemented in the future in accordance to customers’ end-devices that will have higher functioning capabilities that utilize more advanced technology.

Another significant business is International Private Leased Circuit (IPLC); a service that provides leased network service solutions through high-speed circuit transmissions internationally over a safe and secure network. In 2013, there will be an increase in volume of customers and volume of bandwidths linking international routes passing through countries such as Malaysia, Singapore, Laos, Vietnam, and China. There will be an emphasis to increasingly support the growing exchange of information over an even more stable network, all of which will make Jasmine International Group a flowing center of links among ASEAN countries. There will be a tremendous growth once the ASEAN Economic Community (AEC) starts in the near future.

The Company places high confidence in the fact that subsidiary companies within Jasmine International Group collaborate in synergy both in technology and personnel. This will generate revenue and profit growth for Jasmine International Group throughout.

# Corporate Social Responsibility of Jasmine International Group

Under the adherence to conducting its businesses with transparency, operating with good corporate governance, and a persistent responsibility toward all business stakeholders inclusive of shareholders, employees, and customers, Jasmine International Group is committed to its obligations of social responsibility toward communities, society, and the country.

Jasmine International Group delegates a specific unit to directly handle CSR responsibilities that is consistent with the Company's policies including positioning itself as a center for employees to collaborate and take part in actions toward developing communities and societies at large.

Because Jasmine International Group has always been a pioneering leader of increasing broadband internet speed and has recognized the importance of supporting education along with the significance of internet access as an educational platform for the young generation; these factors combined have led the Company to create opportunities for learning to help build a future for Thailand's youth. Jasmine International Group has continuously implemented its "3BB Free Broadband Internet and WiFi for Education" project setting up broadband internet and WiFi for primary schools in remote regions throughout the country. As of 31 December 2012, a total of 474 schools within 77 provinces have received this technology. Results of the project have been greatly appreciated by the communities, allowing schools in remote areas to have the opportunity to access knowledge and current information equally as schools located in big cities have; teacher faculties being able to update and develop their educational teaching methods and materials to keep up with the world; and students having the motivation to come to school with positive attitudes toward learning. Furthermore, this project has helped schools receive educational success by meeting educational evaluation standards from the Office for National Education Standards and Quality Assessment (ONESQA). In addition, communities nearby these selected schools benefit by having access to broadband internet and WiFi during after school hours and over weekends as well.



3BB, Lower Southern Region granted free Broadband Internet and WiFi to Yaring School, Pattani.



3BB of Jasmine International Group, teaching primary school students of grades 5-6 skills on how to use the internet at Wat Pongsaram School, Amphoe Phanom Sarakham, Chachoengsao.



3BB of Jasmine International Group, teaching primary school students of grades 5-6 skills on how to use the internet at Wat Suk Wararam School, Amphoe Don Tum, Nakorn Pathom.



3BB organized recreational activities for primary school students of grades 1-6 at Wat Khuan Lang Mithaphap No. 11 School, Amphoe Hat-Yai, Songkhla.

# Risk Factors

## 4. Risk Factors

The Risk Management Committee of the Company has performed its duty with full effort and prudence in line with the Company's policies and strategies to monitor and analyze the risk factors in order to properly evaluate the management of all the risks that JAS Group was prone to encounter. It also promotes the importance of risk management corporate-wide for the better understanding of all staff, emphasizing standard practical work system and the formation of risk management system that would effectively mitigate the risks to an appropriate level. Risks are classified into 5 main categories as follows:-

### 4.1. Revenue

JAS Group classifies its businesses that offer a wide variety of products and services which support and complement one another via potential telecom networks and managed by the professionals into 4 groups to be in readiness for communication technology advancement and to bring good operation results to the Group as targeted. The 4 business groups of the Company are as follows:-

- Broadband Business
- Telecom Network & Service Provider Business
- System Integration Business
- Other Businesses

Having products and services that can complement one another enables benefit sharing in terms of technology, marketing, cost, and management, amongst the companies within the Group; resulting not only in an increasing capability of providing more diverse telecom services but with less cost of sales and services, but also a sustainable growth of revenue.

Most of the revenue in 2012 was from the contribution of the Broadband business. So far as the risk management is concerned, the Company took into account the customers' desire to use the Internet for different purposes; therefore, speed increase was implemented in tandem with network quality development to adequately serve an increasing volume of Internet usage that was a result of changing consumer behavior. Such strategies resulted in the steady growth of both the number of customers and income. Also, the Company supported the development of Thailand's Broadband as stipulated in a policy of the Ministry of Information and Communication Technology ("MICT") to get ready for entering the ASEAN Economic Community ("AEC").

### 4.2. Finance

- Risk from funding decision for business operation: JAS Group has a policy on operation planning. It has an effective cash flow management and plans for funding decision. However, it primarily places importance on utilizing working capital within the Group.

Default risk: The management team has followed up and audited JAS Group's compliance with terms and conditions in financial and commercial contracts, cash flow management, appropriate usage of financial instrument, suitable timing for entering the forward contracts and the maintenance of an appropriate level of USD reserve for foreign debt payment.

### 4.3 Human Resources

JAS Group has laid a manpower plan beforehand. In addition, it has been continuously organizing comprehensive personnel training to upgrade the staff's knowledge, realizing that the Internet and the information technologies keep changing through time and personnel need to always adapt themselves to keep pace with them. The Group also supports its personnel for their career path 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

2012 was a year of continuous competition as other Internet service providers tried to expand more to big cities in the provincial areas. The Company managed to mitigate such a risk by building and expanding its high-speed Internet networks to cover all areas so as to serve the customers' needs nation-wide. The Company service's strengths lie in the strong and reliable networks, effective speed quality control, different services that are provided to meet the customers' desires, an offer of higher Broadband Internet speed at the unchanged price, and the maintenance of equipment and networks to be always of high potential and in good working condition.

Despite more competitions, the 11th National Economic and Social Development Plan (B.E.2012-2016) that emphasizes the support and the promotion of Broadband Internet usage to 80% of Thailand's population would enhance more growth of the Broadband Internet market.

### 4.5 Operation and Maintenance

The Company is well aware that the most important thing for becoming a successful leader in telecommunications service business is maintaining the existing networks to be of good quality and stable all the time so as to continuously provide a smooth connectivity service. To hedge against the risks from telecom networks, the Company designs them to not only have the core networks, but also the back-up ones in the main network areas. In addition, an effective network monitoring system is used for network management and the preventive maintenance is implemented in accordance with the Maintenance and Failure-Prevention Plan.

# 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 (8 October 2012) 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	Thai NVDR Co., Ltd.	512,180,536	7.07
3	Quam Securities Company Limited A/C Client	358,754,600	4.95
4	State Street Bank Europe Limited	278,625,200	3.85
5	HSBC (Singapore) Nominees PTE Ltd.	139,577,000	1.93
6	Bangkok Bank Pcl.	115,611,377	1.60
7	BNY Mellon Nominees Limited	101,422,200	1.40
8	The Bank of New York Mellon	100,847,600	1.39
9	State Street Bank and Trust Company	99,627,380	1.38
10	Mr.Pracha Damrongsuttipong	87,655,000	1.21

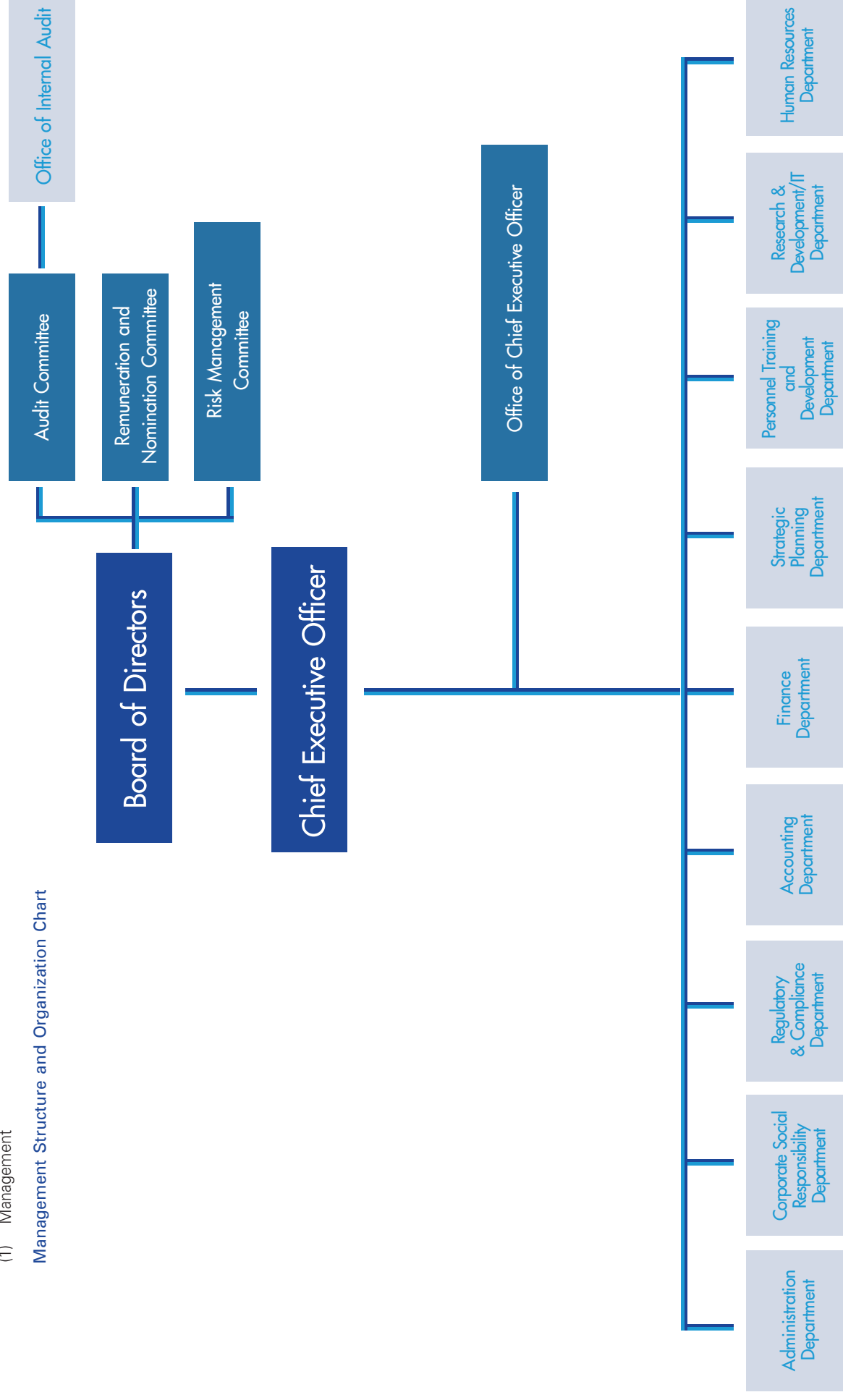
**Remarks :** \* Detailed information of major shareholders as group and business types of juristic shareholders

<u>Bodharamik Group-Individual</u>	<u>% of Shareholding</u>
- Mr.Pete Bodharamik	25.46
- Mr.Anupong Bodharamik	0.01

## 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



**Ms. Saijai Kitsin**

Director



**Dr. Soraj Asavaprapha**

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.Sudhitham Chirathivat	- Independent Director	65	- MBA Operation Research	None	-	Chairman of the Board of Directors, Jasmine International PCL.
	- Chairman of the Board of Directors		- Iona University, New York, USA. - Thai Institute of Directors Association (IOD): Director Certification Program (DCP) (year 2003)			Vice Chairman and Executive Director Robinson Department Store PCL. - 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	71	- Ph.D. Public & International Affairs, University of Pittsburgh, Pennsylvania, USA.	None	0.0003	Chairman of the Board of Directors and Independent Director,
	- Chairman of Audit Committee		- Thai Institute of Directors Association (IOD): Chartered Director Class (CDQ) (year 2007) Audit Committee Program (ACP) (year 2004) The Role of Chairman Program (RCP) (year 2004) Director Certification Program (DCP) (year 2004) Director Accreditation Program (DAP) (year 2004)			Ekarat Engineering PCL. Chairman and Chief Executive Officer, Thai Premier League Co., Ltd. Independent Director and Member of Audit Committee, Wik & Hoeglund PCL. Independent Director and Chairman of Audit Committee, Rayong Purifier PCL. Chairman, Global Bond Industrial Co., Ltd. Independent Director and Chairman of Audit Committee, Jasmine International PCL.

**Remarks** : \*JAS = Ordinary share, the total number of JAS used for calculation = 7,137,394,378 shares

Name	Position	Age (Years)	Education	Family Relationship among Directors and Executives	JAS* Shareholding Ratio (%)	Work Experience
3) Dr.Yodhin Anavil	- Independent Director - Member of Audit Committee - Chairman of Remuneration and Nomination Committee	63	- Ph.D. Electric Engineer, University of Cincinnati, Ohio, USA. - Thai Institute of Directors Association (IOD) : Financial Statement Demystified for Directors (FDD) (year 2009) Role of the Compensation Committee (RCC) (year 2008) Chartered Director Class (CDC) (year 2008) Audit Committee Program (ACP) (year 2008) Director Certification Program (DCP) (year 2008) Director Accreditation Program (DAP) (year 2006)	None	-	Chairman of Remuneration and Nomination Committee, Jasmine International PCL. Independent Director, Audit Committee, Corporate Governance Committee, Robinson Department Store PCL. Advisor to Director Committee, D.T.C. Industries PCL. Expert of the Committee on Constitutional Organs Affairs and Following up the Budget Administration 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, The Vintage Club Co., Ltd.
4) Mrs.Chantra Purnariksha	- Independent Director - Member of Audit Committee	66	- M.A. Diplomacy and Comparative Economics, University of Kentucky USA. - Thai Institute of Directors Association (IOD) : Director Accreditation Program (DAP) (year 2005)	None	-	Director, Saha Pathana Inter-Holding PCL. Independent Director and Member of Audit Committee, Jasmine International PCL. Director, Phatra Leasing PCL. Secretary-General, Office of Insurance Commission (OIC) Director-General, Department of Insurance, Ministry of Commerce Director, S.P. Enterprise Co., Ltd.
5) Mr. Pete Bodharamik	- Director** - Chief Executive Officer	40	Bachelor of Management Sciences, London School of Economics and Political Science, England	None	25.84	- Director and Chief Executive Officer, Jasmine International PCL. - Director, Jasmine International Group Director and Chairman, Jasmine Telecom Systems PCL. Director, Triple T Internet Co., Ltd. Director, Triple T Broadband PCL. Director, TT&T PCL. Chairman, Mono Generation Group

**Remarks :** \*JAS = Ordinary share, the total number of JAS used for calculation = 7,137,394,378 shares

\*\* Authorized Director

Name	Position	Age (Years)	Education	Family Relationship among Directors and Executives	JAS* Shareholding Ratio (%)	Work Experience
6) Mr. Somborn Patcharasopak	- Director** - Member of Remuneration and Nomination Committee Chairman of Risk Management Committee	52	- MBA, Kasetsart University - Thai Institute of Directors Association (IOD) : Director Certification Program (DCP) (year 2003) Director Accreditation Program (DAP) (year 2003)	None	0.26	Chairman of Risk Management Committee Jasmine International PCL Member of Remuneration and Nomination Committee, Jasmine International PCL. Director, TT&T PCL. Director, Triple T Internet Co., Ltd. Member of Risk Management Committee, Jasmine International PCL. Director, Chaengwatana Planner Co., Ltd. Director, Jasmine International Group Director, Jasmine International PCL.
7) Mr. Subhoj Sunyabhisitkul	- Director**	44	- Bachelor of Electrical Engineering, Chulalongkorn University - Thai Institute of Directors Association (IOD) : Director Certification Program (DCP) (year 2004)	None	-	Member of Risk Management Committee, Jasmine International PCL. Director, Jasmine International PCL. Director, Jasmine International Group Executive, Jasmine International Group
8) Mr. Terasak Jerauswagong	- Director** - Member of Risk Management Committee	51	- Bachelor of Electrical Engineering, (Telecommunications), King Mongkut's Institute of Technology, Ladkrabang - Thai Institute of Directors Association (IOD) Director Certification Program (DCP) (year 2004) Director Accreditation Program (DAP) (year 2004)	None	0.08	Member of Risk Management Committee, Jasmine International PCL. Director, Jasmine International PCL. Director, Jasmine International Group Executive, Jasmine International Group
9) Ms. Saijai Kitsin	- Director - Executive Vice President - Secretary to the Board of Directors - Corporate Secretary	50	- MS. (Accounting), Chulalongkorn University - Thai Institute of Directors Association (IOD): Finance for Non-Finance Director (FND) (year 2005) Audit Committee Program (ACP) (year 2005) Director Certification Program (DCP) (year 2004) Director Accreditation Program (DAP) (year 2004)	None	0.03	Director, In Cloud Co., Ltd. Director, Executive Vice President and Corporate Secretary, Jasmine International PCL. Director and Executive, Jasmine International Group

**Remarks** : \*JAS = Ordinary share, the total number of JAS used for calculation = 7,137,394,378 shares

\*\* Authorized Director

Name	Position	Age (Years)	Education	Family Relationship among Directors and Executives	JAS* Shareholding Ratio (%)	Work Experience
10) Mr. Pleumjai Sinarkorn	- Director - Member of Remuneration and Nomination Committee	79	- Bachelor of Science in Engineering, Rajmongkol Institute of Technology - Thai Institute of Directors Association (IOD) : Director Certification Program (DCP) (year 2004) Role of the Compensation Committee (RCC) (year 2007) DCP Refresher Course (year 2008)	None	-	Member of Remuneration and Nomination Committee, Jasmine International PCL. Director, Cloud Computing Solutions Co., Ltd. Advisor, Jastel Network Co., Ltd. Director, Jasmine International PCL. Director, TT&T Group Advisor, Thai Long Distance Telecommunications Co., Ltd. Director and Executive Director, Jasmine Telecom Systems PCL. Advisor to Executive Committee, Jasmine International PCL. Director, TT&T PCL.
11) Dr.Soraj Asavaprapha	Director	47	- Ph.D Business Administration, International Business, Alliant International University, San Diego, USA. - Thai Institute of Directors Association (IOD) : The Role of Chairman Program (RCP) (year 2009) Director Certification Program (DCP) (year 2008) Director Accreditation Program (DAP) (year 2008)	None	-	Director, Jasmine International PCL. - Independent Director and Chairman of Audit Committee, CyberPlanet Interactive PCL. - Honor Associated Specialist, The Committee of National Science Technology and Innovation Policy - Vice Chairman, Mono Technology Co., Ltd. - Director, Asava Co., Ltd. - Executive Director, Toyota P.S. Enterprise Co., Ltd. - Director, V Capital Co., Ltd. - Chief Executive Officer Mono Generation Co., Ltd.
12) Mrs. Chuenkand Treetsuttacheep	Chief Financial Officer, Finance Department	42	MBA Finance, National Institute of Development Administration	None	-	- Executive, Jasmine International Group
13) Mrs. Nitt Visasphan	Vice President, Finance Department	52	Bachelor of Arts, Chiangmai University	None	-	- Executive, Jasmine International Group
14) Ms. Sinenart Jongpakpaial	Vice President, Accounting Department	50	Master of Science Accounting, Thammasat University	None	-	- Executive, Jasmine International Group
15) Mrs. Uraiporn Charoenchit	Vice President, Regulatory & Compliance Department	48	Bachelor of Arts, Thammasat University	None	-	- Executive, Jasmine International Group

**Remarks :** \* JAS = Ordinary share, the total number of JAS used for calculation = 7,137,394,378 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	TTTI	JSTC	TLDT	JasTel	Ji-NET	ACU	ARC	SHW	JTS	CCS	INC	PA	CP		JIOC	ACT	PP
1) Mr. Sudhitham Chirathivat	C,I																		IKSC
2) Dr. Vichit Yamboonruang	CA,I																		
3) Dr. Yodhin Anavil	AC,I,CRN																		
4) Mrs. Chantra Purnaksha	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 Sinakorn	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
CRN	=	Chairman of Remuneration and Nomination Committee
CRM	=	Chairman of Risk Management 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	TTI	JSTC	TIDT	JosTel	Ji-NET	ACU	ARC	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. Yongyuth Wattanasin				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 Chalermtriragool										A,P	A							
12. Mrs. Nitt Viseshpan										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. Ms. Yaowapa Rattanaburee																	A	
18. Mrs. Lalana Tharasuk																	A	
19. Mrs. Surparsorn Honchaiya																		A
20. Mr. Taj Bussadeegarn																		A
21. Mr. Aroon Tatsanachantatanee																		A
22. Mr. Paisit Vatjanapagorn																		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		Number of Shares as at 1 Jan. 2012	Change in Number of Shares in 2012 Increase /(Decrease)	Number of Shares as at 31 Dec. 2012
1. Mr.Sudhitham	Chirathivat	-	-	-
2. Dr.Vichit	Yamboonruang	20,000	-	20,000
3. Dr.Yodhin	Anavil	-	-	-
4. Mrs.Chantra	Purnariksha	-	-	-
5. Mr.Pete	Bodharamik	1,844,046,870	-	1,844,046,870
6. Mr.Somboon	Patcharasopak	18,589,270	-	18,589,270
7. Mr.Subhoj	Sunyabhisithkul	-	-	-
8. Mr.Terasak	Jerauswapong	5,585,080	-	5,585,080
9. Mr.Pleumjai	Sinarkorn	-	-	-
10. Ms.Saijai	Kitsin	2,074,790	-	2,074,790
11. Dr.Soraj	Asavaprapha	-	-	-
12. Mrs.Chuenkamol	Treesuttacheep	-	-	-
13. Mrs.Nitt	Visesphan	-	-	-
14. Ms.Sinenart	Jongpakpaisal	-	-	-
15. Mrs.Uraiporn	Charoenchit	-	-	-

## 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 2012
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 28 December 2012, 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 the members of each committee and the management and their scope of authority and duties are as follows:

### 1) Board of Directors

The Company's Board of Directors as at 31 December 2012 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.Yodhin	Anavil	Independent Director
4.	Mrs.Chantra	Purnariksha	Independent Director
5.	Mr.Pete	Bodharamik	Director *
6.	Mr.Somboon	Patcharasopak	Director *
7.	Mr.Subhoj	Sunyabhisithkul	Director *
8.	Mr.Terasak	Jerauswapong	Director *
9.	Mr.Pleumjai	Sinarkorn	Director
10.	Dr.Soraj	Asavaprapha	Director
11.	Ms.Saijai	Kitsin	Director, Secretary to the Board of Directors, and Corporate Secretary

**Remarks :** \* Authorized director

### 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 2012 consisted of the following 3 members:

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

## Authority and Duties 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 2012 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  | Pacharasopak | Member and Secretary of Remuneration and Nomination Committee |

## Authority and Duties 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 Risk Management Committee as at 31 December 2012 consisted of the following 8 directors:

- |                   |                  |   |
|-------------------|------------------|---|
| 1. Mr. Somboon    | Patcharasopak    | Chairman of Risk Management Committee             |
| 2. Mr. Terasak    | Jerauswapong     | Member of Risk Management Committee               |
| 3. Mr. Suraphant  | Chuencharoen     | Member of Risk Management Committee               |
| 4. Mrs.Chuenkamol | Treesuttacheap   | Member of Risk Management Committee               |
| 5. Mr. Sira       | Kraisingdecha    | Member of Risk Management Committee               |
| 6. Mr. Amnuay     | Pongsajaru       | Member of Risk Management Committee               |
| 7. Mr. Anuchit    | Jutamattayangkul | Member of Risk Management Committee               |
| 8. Ms. Saengdao   | Dechaduangsakul  | Member and Secretary of Risk Management Committee |

## Authority 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

## 5) The Management Team

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

The Company's management team as at 31 December 2012 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 Bt 10 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.

In case that the Company wishes to appoint an independent director who has business relationship or provides any occupational service, the total value of which exceeds the amount allowed by an independent director qualification criteria stipulated in the notification of the Capital Market Advisory Board No. Tor. Jor. 28/2551 Clause 16 (2) (Ngor), that is from 3 percent of

the net tangible assets of the company's group or over Bt 20 mn, depending on whichever amount is lower or a person who is appointed to independent directorship during the year and has or used to have business relationship or provides or used to provide any occupational service, the total value of which exceeds the amount stated in the said criteria, to be an independent director for another term, Clause 16 (2) (Choe Choe) of the above-mentioned notification makes an allowance for excepting the prohibition against the independent director qualification criteria, regarding business relationship, requiring that the company organize the board of directors' meeting to consider the matter and accordingly provide opinions for it with responsibility, prudence and honesty in line with Section 89/7 that can assure that the appointment shall not affect the performance and freedom of providing opinions of that person as an independent director. It is also required that the board of directors declares reasons and necessity that support the decision to appoint that particular person to the position of independent director for another term.

(1.4) In 2012, 5 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	5/5
2. Dr. Vichit	Yamboonruang	5/5
3. Dr. Yodhin	Anavil	5/5
4. Mrs.Chantra	Purnariksha	4/5
5. Mr. Pete	Bodharamik	5/5
6. Mr. Somboon	Patcharasopak	5/5
7. Mr. Subhoj	Sunyabhisithkul	5/5
8. Mr. Terasak	Jerauswapong	5/5
9. Ms. Saijai	Kitsin	5/5
10. Mr. Pleumjai	Sinarkorn	3/5
11. Dr.Soraj	Asavaprapha	5/5

## (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 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 Public Company Limited

###### 1.1.1) Remuneration for the Board of Directors and Other Committees According to Positions:-

- Chairman of the Board of Directors	received the remuneration of	60,000	Baht per month (Additional).
- Each Independent Director	received the 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
- Chairman of the Board received the incentive fee of 500,000 Baht. of Directors
- Six Board of Directors, each received the incentive fee of 250,000\* Baht.
- Three Independent Directors, each received the incentive fee of 400,000 Baht.

1.1.2) Remuneration for the Board of Directors and Other Committees Disclosed Individually:-

Director's Name		Year 2012 (Baht)	Remuneration Details
1. Mr.Sudhitham	Chirathivat	1,700,000	Remuneration and Incentive fee
2. Dr. Vichit	Yamboonruang	1,240,000	Remuneration and Incentive fee
3. Dr. Yodhin	Anavil	1,300,000	Remuneration and Incentive fee
4. Mrs.Chantra	Purnariksha	1,120,000	Remuneration and Incentive fee
5. Mr. Pete	Bodharamik*	-	Remuneration and Incentive fee
6. Mr. Somboon	Patcharasopak	550,000	Remuneration and Incentive fee
7. Mr. Subhoj	Sunyabhisithkul	490,000	Remuneration and Incentive fee
8. Mr. Terasak	Jerauswapong	490,000	Remuneration and Incentive fee
9. Ms. Saijai	Kitsin	490,000	Remuneration and Incentive fee
10. Mr. Pleumjai	Sinarkorn	550,000	Remuneration and Incentive fee
11. Dr. Soraj	Asavaprapha	490,000	Remuneration and Incentive fee

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

1.2) Jasmine Submarine Telecommunications Co., Ltd.

- Executive Directors did not receive the remuneration.

1.3) Acumen Co., Ltd.

- Executive Directors did not receive the remuneration.

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

The Company and Subsidiary	Persons	Year 2012 (Baht)	Remuneration Details
1. Jasmine International PCL.	6	22,185,223	Salary and Bonus
2. Jasmine Submarine Telecommunications Co., Ltd.	3	6,345,686	Salary and Bonus
3. Acumen Co., Ltd.	5	7,216,554	Salary and Bonus
<b>Total</b>	<b>14</b>	<b>35,747,463</b>	

### (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 2012, 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 25 April 2012, the Company organized the Annual General Meeting of Shareholders. All the Company's directors attended this meeting.
3. The Company allowed the shareholders to have enough time to study the detailed information for the AGM beforehand by posting the invitation letter to the AGM on its website (www.jasmine.com) 35 days prior to the meeting date. It also posted the Minutes of the AGM on the website 9 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, 103 shareholders assigned Mr.Sudhitham Chirathivat, Dr.Vichit Yamboonruang, Dr. Yodhin Anavil, and Mrs.Chantra Purnariksha ; the Company's independent directors, to vote on their behalves. In the like manner, 6 shareholders assigned Mr. Pete Bodharamik and Mr.Subhoj Sunyabhisithkul, the Company's directors, to vote on their behalves.
6. In the shareholder's meeting, all the shareholders were equitably allowed to express their opinions and raise questions to any of the management attending the meeting. Voting portion for any agenda resolution was compliant to the following regulations:
  - 1) In a normal case, the resolution is subject to the majority vote of the eligible shareholders who attend the meeting. One share is entitled to one vote. However, the chairman of the meeting has the casting vote in case of tie.
  - 2) In the following cases, at least three-fourth of the total votes of the eligible shareholders attending the meeting are required subject to one share for one vote:
    - The total or partial sales or transfer of the Company's significant business operation to any third party.
    - The purchase or undertaking of any companies or private sectors, and
    - The execution, amendment, or cancellation of the partial or total lease of the Company's business to any third party, or business merger with any third party aiming for mutual profit and loss sharing.
7. In 2012, 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 2012, 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 correct, complete, timely, transparent, and fair to all parties 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. All these were done to prove the Company's reliability and honesty and to gain more confidence from investors in general. The information that was already disclosed to the SET was also 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 Company fairly treated every group of investors, be it individual or institution, local or foreign by providing for each group a chance to directly have a meeting with the Company's executives as much as possible. Furthermore, a unit of the Company called "Investor Relations" is responsible for giving information to the investors directly; thus, interested analysts and investors could contact the Company conveniently via telephone and e-mail address. The task of Investor Relations is 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 2012, 5 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. (See details of duties and responsibilities of Audit Committee in Subsection 5.2 (1): Management (1.2)) In 2012, 4 Audit Committee 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. Dr. Vichit	Yamboonruang	4/4
2. Dr. Yodhin	Anavil	4/4
3. Mrs.Chantra	Purnariksha	3/4

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)

During the year 2012, the Risk Management Committee held 3 meetings. All the committee members completed their attendance, except Mr.Sira Kraisingdecha who attended 2 meetings. For this year, the Remuneration and Nomination Committee held 2 meetings. Each was properly attended by all the committee members.

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 Risk Management, please see more details in the section of Subsection 5.2 (6): Internal Audit, part 2: Risk Management.

7. In 2012, 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) Internal Control**

The Company places importance on a good internal control system as it could not only strengthen the working system to be accurate, transparent, and verifiable, but also help mitigate or hedge against the possible risks. The Audit Committee is entrusted to be in charge of verifying the internal control system of the Company to ensure that it is truly effective, accurate and suitable for business operation.

The Board of Directors has evaluated the self-assessment questionnaires proposed by the Audit Committee at the Board of Directors' meeting No.1/2013 convened on 21 February 2013 and provided the opinions on internal control of the Company and its subsidiaries as summarized below:-

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

The Company has set the directions for the organization and has devised for it strategic plans, business objectives, and performance targets. All these are constantly revised for appropriate development to suit business environment. Besides, it has an appropriate organization structure with lines of command in which authority is properly granted and duties are properly performed. The Company has drawn policies and prepared written work manual that covers every step of work procedure.

Also, the Company has set up a policy on good corporate governance and encouraged every executive and staff to observe it for the steady growth of the organization. The Board of Directors as well as the executives serves as role models where policy compliance and business ethics are concerned.

### **Part 2 Risk Management**

The Company places importance on risk management; hence, establishing the Risk Management Committee, comprising top executives from the companies within the Group, to draw conceptual framework for risk management policies.

In addition, the Company assigns every company of the Group to supervise its risk management thoroughly and evaluate the risks that the company's business is exposed to, based on the criteria prescribed in the risk management manual and accordingly set up plans to hedge or mitigate the risks to an acceptable level.

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

The Company's management structure, comprising 4 committees, namely, the Board of Directors, the Audit Committee, the Risk Management Committee, and the Remuneration and Nomination Committee, oversees the Company's performance to meet the standard and to be in compliance with the principles of good corporate governance.

The Board of Directors and the Audit Committee of the Company oversee and monitor the performance of the management to be in line with the policies and achieve the goals as planned. They also supervise for the Company's preparation of creditable financial reports, the disclosure of connected transaction to be in accordance with announcements and regulations of the SET, and the establishment of an internal audit unit that is responsible for auditing the performance of every unit of the organization and providing for them accordingly the recommendations to ensure an efficient internal control.

## Part 4 Information and Communication System

The Company attaches much importance to the information and communication system. It instituted the information system across the organization to communicate work policies and rules that support the control and the operation of the Company, aside from facilitating the access to any information from external sources and the communication between the executives and the staff in the manner that enhances efficient performance.

The Company has provided a security system to safe-guard its data. With regard to this, the system is frequently checked to ensure its efficiency; an access to any information of the Company's personnel is controlled according to his/her level; the data back-up system is ready for the relevant units, and a contingency plan has been prepared to hedge the risks from data loss due to unforeseen circumstances.

## Part 5 Monitoring System

The Company places importance on monitoring the Company's performance to accord its business goals, be it the ongoing monitoring or periodical monitoring. Progress is periodically reported to the Board of Directors.

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 2012 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 2012, 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 6 of Notes to the Financial Statements for the year 2012). 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 2012, 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 2012
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.	40  17  27  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.	2 5
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 2012, 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 2012
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%.	- TTTL bought its program license, utilized advertising service and media. - TTTBB utilized its advertising service and media. - Ji-NET utilized ADSL service.	15  1  1
2. TT&T Subscriber Services Co., Ltd.	Has the same directors as JAS, namely 1) Mr.Somboon Patcharasopak 2) Mr.Pleumjai Sinarkorn	- TTTL utilized the leased Internet circuits.	37
3. Triple T Global Net Co., Ltd.	Has the same directors as JAS, namely 1) Mr.Somboon Patcharasopak 2) Mr.Pleumjai Sinarkorn	- SHW utilized leased circuits. - TTTBB utilized Telecommunications circuits. - TTTL bought telecom equipment.	2  2  17

## 7. Management Explanation and Operation Results Analysis

### Overview

Nowadays, the demand for communication via Internet is constantly growing as people rely more on the online services in daily life. By using such smart communication devices as smart phones, smart TV, tablets and other connecting devices; connectivity is instant and conveniences are all at hand. These devices are; thus, a stimulus for more Internet usage. Besides all these, the penetration rate of Internet usage in Thailand that is still low in comparison to that in other Asian countries plus the government's policy on promoting and supporting telecommunications services country-wide thoroughly and fairly, provide more chances for Internet business to grow further steadily.

JAS Group has prepared its networks and manpower to be potential in readiness, especially for providing high-speed Internet service. To increase competitiveness both in terms of quality and speed, it has built and expanded the networks to cover the areas as demanded by the customers as well as to support industrial development and urbanization. The Group is well-known as "Speed leader" as it always offers higher speed to the market before other operators. In 3Q 2012, the company increased the speed of Broadband Internet (ADSL) from 7 Mbps to 10 Mbps for every customer. That was well responded as evidenced by the remarkable growth of the number of the Internet subscribers. In 4Q 2012, the company had up to 63,000 net additional subscribers. With over 1.2 mn subscribers, the revenue for the year 2012 of JAS Group became higher than that in 2011. Furthermore, in order to meet the demand of those who have a desire for more speed, the company will emphasize promoting the high-speed Internet service using the FTTX technology, a new technology that offers very high speed up to 1 Gbps, more in 2013, starting from offering the package of 30 Mbps at only Bt 1,200 per month in January 2013. It is expected that the FTTX service will increase both the number of subscribers and ARPU of the company in the future.

Regarding profitability, to be in compliance with the Synergic Strategy, the Company manages to combine specific potential of each company within the Group together. As a result of good cooperation, JAS Group's performance has become more efficient. The cost of sales and services and the operation expenses reduce a great deal. This reflects gradual improvement of the Company's profitability.

So far as financial management is concerned, in 2012, the Company implemented a treasury stock program for financial management of 106.857 mn shares, totaling Bt 299 mn. It later on decreased the paid-up capital by writing off such repurchased shares in January 2013. In consequence, the number of the Company's shares decreased and the earnings per share as well as the return on equity increased.

Following all the strategies mentioned above, the Company's operation results for the previous year improved not only in terms of revenue and operating profit, but also the net profit that almost doubled.

## 7.1 Operating Performance

In 2012, the Company and its subsidiaries generated the operating profit of Bt 2,517 mn, compared to Bt 1,467 mn in 2011, increasing by Bt 1,050 mn, or 72%. When combined with the FX gain of Bt 71 mn and deducted by other expenses, comprising a provision for potential losses on debt restructuring of Bt 35 mn, an allowance for losses on impairment of assets of Bt 37 mn and the allowance for doubtful debt and bad debts of Bt 380 mn, the Company and its subsidiaries' net profit for the year 2012 was Bt 2,137 mn, compared to that of Bt 1,072 mn in the year 2011, increasing by Bt 1,065 mn or 99 %.

Unit : Bt mn

Item	2012	2011	% Change
Operating profit	2,517	1,467	72
FX gain (loss)	71	(97)	173
Profit (loss) sharing from associates	0.5	(0.2)	350
Losses on debt restructuring	-	(32)	(100)
Potential losses on debt restructuring	(35)	(104)	(67)
Loss on impairment of assets	(37)	(17)	118
Loss on sales of investments in available-for-sale securities	-	(12)	(100)
Doubtful accounts and bad debt	(380)	(172)	121
Net profit (loss)	2,137	1,072	99
EPS (Bt per share)	0.30	0.15	100

### Performance breakdown by business unit

Performance breakdown by business unit in 2012 and 2011 is as follows:-

Unit : Bt mn

Company	Total Revenue		
	2012	2011	% Change
<b>Broadband Business</b>			
1. Triple T Broadband Public Company Limited	116	70	66
2. Triple T Internet Company Limited	7,831	6,296	24
<b>Total</b>	<b>7,947</b>	<b>6,366</b>	<b>25</b>

Company	Total Revenue		
	2012	2011	% Change
<b>Telecom Network &amp; Service Provider Business</b>			
1. Jasmine Submarine Telecommunications Company Limited	11	484	(98)
2. Thai Long Distance Telecommunications Company Limited	1	58	(98)
3. JasTel Network Company Limited	417	422	(1)
4. Jasmine Internet Company Limited	553	568	(3)
5. Acumen Company Limited	111	122	(9)
6. ACeS Regional Services Company Limited	121	129	(6)
7. Smart Highway Company Limited	5	5	-
<b>Total</b>	<b>1,219</b>	<b>1,788</b>	<b>(32)</b>
<b>System Integration Business</b>			
1. Jasmine Telecom Systems Public Company Limited	1,151	1,240	(7)
2. Cloud Computing Solutions Company Limited	36	43	(16)
<b>Total</b>	<b>1,187</b>	<b>1,283</b>	<b>(7)</b>
<b>Other Businesses</b>			
1. Jasmine International Public Company Limited	8	10	(20)
2. Premium Asset Company Limited	135	130	4
3. T.J.P.Engineering Company Limited	1	1	-
4. Mobile Communication Services Company Limited	3	1	200
5. Others <sup>1)</sup>	1	4	(75)
<b>Total</b>	<b>148</b>	<b>146</b>	<b>1</b>
<b>Grand Total</b>	<b>10,501</b>	<b>9,583</b>	<b>10</b>

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

#### Revenue

In 2012, the total revenue of the Company and its subsidiaries was Bt 10,501 mn, compared to that of Bt 9,583 mn in 2011, increasing by 10%. Details are as follows:-

Unit : Bt mn

Item	2012	2011	% Change
Sales and service income	10,369	9,498	9
FX gain	71	-	100
Interest income	32	39	(18)
Other income	29	46	(37)
<b>Total</b>	<b>10,501</b>	<b>9,583</b>	<b>10</b>

### *Sales and Service Income*

In 2012, the Company and its subsidiaries totally obtained the sales and service income of Bt 10,369 mn, compared to that of Bt 9,498 mn in 2011, increasing by 9%. For the year 2012, contribution in sales and service income was 76% from Broadband business, 12% from Telecom Network & Service Provider business, 11% from System Integration business and 1% from Other businesses. Details of breakdown of sales and service income is as follows:-

*Unit : Bt mn*

Type of business	2012	2011	% Change
Broadband Business	7,873	6,351	24
Telecom Network & Service Provider Business	1,202	1,756	(32)
System Integration Business	1,167	1,266	(8)
Other Businesses	128	125	2
<b>Total</b>	<b>10,369</b>	<b>9,498</b>	<b>9</b>

In 2012, the sales and service income from Broadband business was Bt 7,873 mn, compared to that of Bt 6,351 mn in 2011, increasing by 24%, a result of an increase in number of Broadband subscribers. In September 2012, TTTI increased the speed for its high-speed Internet (ADSL) from 7 Mbps to 10 Mbps at the same price of Bt 590 per month. This interests the market and wins more Broadband subscribers. At the end of 2012, there were approximately 1.2 mn Broadband subscribers.

In 2012, the sales and service income from Telecom Network & Service Provider business was Bt 1,202 mn, declining by 32% from Bt 1,756 mn in 2011 due to the expiration of the concession agreements of JSTC and TLDT in October 2011.

In 2012, the sales and service income from System Integration business was Bt 1,167 mn, declining by 8% from Bt 1,266 mn in 2011 due to a decrease in the revenue recognition of a project on hand. For Other businesses, the sales and service income in 2012 was Bt 128 mn, increasing by 2% from Bt 125 mn of last year.

### *Other income*

In 2012, the Company and its subsidiaries recorded other income of Bt 132 mn, increasing by 55% when compared to that of Bt 85 mn in 2011. This amount included the FX gain of Bt 71 mn. The said FX gain was a result of the subsidiaries' purchase of data/telecommunication equipment and circuit leased from overseas business allies in foreign currencies. The subsidiaries hedged against the foreign exchange risk exposure by reserving the USD in foreign currency deposit account for debt repayment and considering for an appropriate time to convert the debt into the THB currency.

### *Expenses*

In 2012, the operating expenses of the Company and its subsidiaries were Bt 7,058 mn in total, compared to that of Bt 7,142 mn in 2011, declining by 1 %. In 2012, the selling and servicing expenses and the administrative expenses declined. Details of expenses are as follows:-

Item	2012	2011	% Change
<b>Operating Expenses :</b>			
- Cost of sales and services	4,686	4,638	1
- Selling and servicing expenses	733	791	(7)
- Administrative expenses	1,639	1,713	(4)
<b>Total Operating Expenses</b>	<b>7,058</b>	<b>7,142</b>	<b>(1)</b>
Losses on debt restructuring	-	32	(100)
Potential losses on debt restructuring	35	104	(66)
FX losses	-	97	(100)
Losses on impairment of assets	37	17	118
Losses on sales of investments in available-for-sale securities	-	12	(100)
Doubtful accounts and bad debt	380	172	121
<b>Total Expenses</b>	<b>7,510</b>	<b>7,575</b>	<b>(1)</b>

- In 2012, the cost of sales and service was Bt 4,686 mn, compared to that of Bt 4,638 mn in 2011, increasing by 1 % due to an increase in the cost of USO fee, which was charged to holders of all types of license at the rate of 3.75% of the income after deducting not exceeding 50% of the expenses. In 2012, the subsidiaries started recording the USO fee in June. However, there was no record for such a fee in 2011 because at that time, the National Broadcasting and Telecommunications Commission (“NBTC”) not yet announced the USO Plan. In addition, due to effective cost management that resulted in economy of scale, the increase in the cost of sales and service in 2012 became very little. The gross margin for the year 2012 was at 55%, higher than that in the previous year which was at 51%.
- In 2012, the selling and servicing expenses and the administrative expenses were Bt 2,372 mn, compared to Bt 2,504 mn in 2011, declining by 5%. Such decrease was a result of management, cost control and the economy of scale of JAS Group.
- The subsidiaries set up a provision for potential losses on debt restructuring and impairment losses on investment in TT&T for debt payment received by way of debt-to-equity conversion scheme in accordance with the rehabilitation plan of TT&T, totaling Bt 49 mn (The provision was set up based on the difference of TT&T share price that was from Bt 0.13 per share to Bt 0.00 per share). The provision already covered the entire number of shares from debt-to-equity conversion.
- The subsidiaries set up an allowance for doubtful debt and bad debt of Bt 380 mn. This amount included an allowance for doubtful debt of TT&T of Bt 194 mn. (Such a debt arose after the date the Central Bankruptcy Court had ordered TT&T to enter into the rehabilitation process.)
- The subsidiary recorded losses on impairment of assets of Bt 23 mn.

### Financial Expenses

In 2012, the financial expenses of the Company and its subsidiaries were Bt 404 mn, compared to Bt 468 mn in 2011, decreasing by 14% due to the repayment for short-term and long-term loans from the banks and the payment for accounts payable for equipment of the Company and its subsidiaries.

### Net profit (loss)

In 2012, the Company and its subsidiaries reported the net profit of Bt 2,137 mn, compared to that of Bt 1,072 mn in 2011, increasing by 99 % . In 2012, the Broadband business generated the net profit of Bt 1,649 mn, increasing by Bt 905 mn from the previous year; Telecom Network & Service Provider business generated the net profit of Bt 249 mn , declining by Bt 93 mn from the year 2011; System Integration business had net loss of Bt 178 mn in 2012, compared to that of Bt 58 mn in 2011 due to the record of the provision for potential losses on debt restructuring and impairment losses on investment in TT&T, the allowance for doubtful debt and losses on asset impairment, totaling Bt 258 mn. For Other businesses, the net profit for the year 2012 was booked at Bt 931 mn, increasing by Bt 492 mn from that of the year 2011. After elimination of transaction, the Company and its subsidiaries recorded the net profit for the year 2012 at Bt 2,137 mn.

## 7.2 Financial Position

### Assets

As at 31 December 2012, the Company and its subsidiaries had total assets of Bt 19,400 mn, compared to that of the year 2011 which was Bt 19,567 mn, decreasing by 1%. The total assets of the Company and its subsidiaries comprised:-

Item	31 December 2012		31 December 2011	
	Bt mn	% of Total Assets	Bt mn	% of Total Assets
Current assets	7,284	38	7,420	38
PP&E, net	11,739	60	11,573	59
Other non current assets	377	2	574	3

At the end of 2012, the Company and its subsidiaries had current assets of Bt 7,284 mn, representing 38% of total assets, compared to that of Bt 7,420 mn at the end of 2011, declining by 2 %. The decrease was mostly because:-

- Trade and other receivables decreased by Bt 392 mn from the year 2011, due to the set-up for an allowance for doubtful debt and bad debt of trade receivables of Bt 185 mn and the set-up for an allowance for doubtful debts of TT&T (that arose after the date the Central Bankruptcy Court had ordered TT&T to enter into the rehabilitation process) of Bt 194 mn.
- Assets held for sale decreased due to the subsidiary's record of losses on impairment of assets of Bt 23 mn by comparing the fair value with the book value.
- Prepaid project cost declined by Bt 87 mn from that in the year 2011 due to the record of such cost as the cost of sales and service.
- Inventories and other current assets declined by Bt 65 mn.

The above-mentioned decreasing current assets, offset with the net increasing cash and deposits at the financial institutions of Bt 428 mn, resulted in the net decrease in current assets, totaling Bt 136 mn.

As at 31 December 2012, property, plant and equipment were recorded at Bt 11,739 mn or 60% of the total assets, increasing by Bt 166 mn , mainly due to increases in assets of the subsidiaries as a result of investment on network expansion.

At the end of 2012, other non- current assets were recorded at Bt 377 mn, declining by Bt 197 mn from that in the year 2011 mainly because: -

- During the year 2012, the restricted deposits with financial institutions declined by Bt 79 mn due to the subsidiary's completion of the repayment for account payable for equipment. Thus, deposits with financial institutions which had been pledged to secure credit facilities were released.
- The long-term deposits at the banks declined by Bt 41mn.
- Account receivable under debt restructuring declined by Bt 48 mn due to the subsidiaries' set-up of a provision for potential losses on debt restructuring and impairment losses on investment in TT&T for debt payment received by way of debt-to-equity conversion scheme in accordance with rehabilitation plan of TT&T. The provision was set up based on the different of TT&T share price that was from Bt 0.13 per share to Bt 0.00 per share. The provision already covered the entire number of shares from debt-to-equity conversion.

#### *Liabilities*

As at 31 December 2012, the Company and its subsidiaries had total liabilities of Bt 9,689 mn, compared to Bt 11,467 mn at the end of 2011, declining by 16%. Details of the total liabilities are as follows: -

Item	31 December 2012		31 December 2011	
	Bt mn	% of total liabilities	Bt mn	% of total liabilities
Current liabilities	5,868	61	9,487	83
Long term liabilities	3,821	39	1,980	17

During the year 2012, the Company and its subsidiaries reversed the long-term loans and long-term debts under the rehabilitation plan that in 2011 had been recorded in current liabilities. Thus, the proportion of current liabilities to total liabilities declined from 83% in 2011 to 61% in 2012.

At the end of 2012, the total liabilities of the Company and its subsidiaries were Bt 9,689 mn, declining by Bt 1,779 mn from the year 2011 due to: -

- The decline in accounts payable for equipment and forward contracts payable which the subsidiary hedged for the payment of account payable for equipment of Bt 1,536 mn.
- The decline in short-term loans from banks of Bt 60 mn due to repayment of Trust receipt.
- The decline in trade and other payables of Bt 353 mn.
- The decline in liabilities under finance lease agreements of Bt 85 mn.
- The decline in other liabilities from the normal business of the Company and its subsidiaries of Bt 12 mn.

The above-mentioned declining liabilities offset with increasing liabilities such as accrued project costs, advances received for goods and services, other current liabilities and provision for long-term employee benefits, totaling Bt 246 mn, and also the net increasing long-term loans during the year 2012 of Bt 23 mn (Net between long-term loans from the bank for project expansion of the subsidiaries of Bt 479 mn and repayment for long-term loans and long-term debts under the rehabilitation plan, totaling Bt 456 mn) resulted in the net decline of the total liabilities of the Company and its subsidiaries, totaling Bt 1,779 mn.

#### *Shareholders' Equity*

At the end of 2012, the shareholders' equity of the Company and its subsidiaries was Bt 9,711 mn, increasing by Bt 1,612 mn or 20% from that in 2011. The net profit of the Company and its subsidiaries in 2012 was Bt 2,137 mn. Retained earnings reserved for treasury shares was Bt 299 mn. (The Company shall reverse the appropriated retained earnings for treasury shares after the capital decrease by writing off its 106.857 mn treasury shares in January 2013. The difference from capital decrease at the par value of Bt 0.50 per share and the average treasury share price of Bt 2.79 per share will be deducted from the unappropriated retained earnings.) Moreover, during the year 2012, the Company and its subsidiaries paid dividend to the shareholders, totaling Bt 202 mn.

#### *Capital Structure*

As at 31 December 2012, the Company and its subsidiaries had the total liabilities of Bt 9,689 mn, or 50% of total assets. The shareholders' equity was Bt 9,711 mn, or 50% of total assets. Debt to equity ratio was at 1.00 time.

## **7.3 Liquidity**

As at 31 December 2012, the Company and its subsidiaries had cash and cash equivalent of Bt 1,479 mn, declining by Bt 103 mn from the year 2011. The summary of cash generated and used is as follows: -

- Net cash generated from operating activities Bt 4,616 mn.
- Net cash used for investing activities Bt(1,795) mn.
- Net cash used for financing activities Bt(2,923) 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.

At the end of 2012, the Company totally had the treasury stocks of 106,857,000 shares, according to the Treasury Stock Program for financial management approved by the Board of Directors at the meeting No.8/2011. Details of the Treasury Stock Program are as follows:-

The Fourth Treasury Stock Program for financial management was repurchased from the SET main board.

Type	: Treasury Stock
Treasury Stock Number	: 106,857,000 shares, representing 1.47% of all the paid-up shares (7,244,251,378 shares)
Repurchase Period	: From 28 December 2011 to 27 June 2012
Share Resale Period	: From 2-15 January 2013
and Shares Written off	(Following 6 months after the completion date of the share repurchase)

**Remarks** : For the Fourth Treasury Stock Program for financial management, the Company did not sell the repurchased shares. It also completed the capital decrease by way of writing off the repurchased shares on 22 January 2013.

## 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 2012.



(Mr. Pete Bodharamik)  
Chief Executive Officer

# Audit Committee Report

The Audit Committee of Jasmine International Public Company Limited (“the Company”) consisting of three independent directors who are proficient in finance, accounting, law and management, namely, Dr.Vichit Yamboonruang as Chairman, Mrs.Chantra Purnariksha and Dr.Yodhin Anavil, both, as Audit Committee members, oversees the Company’s operation with total responsibility in compliance with the Audit Committee Charter.

In 2012, the Audit Committee fulfilled its duties as outlined in the Audit Committee Charter assigned by the Board of Directors in accordance with the regulations set up by the Securities and Exchange Commission (“SEC”). Four Audit Committee meetings were held during the year for the Audit Committee members to discuss with the Company’s top management, external auditors, and the executives from the Office of Internal Audit on agendas that were related to their responsibilities. The tasks accomplished by the Audit Committee in 2012 as reported to the Board of Directors on 21 February 2013 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 on 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 the financial statements is in compliance with the generally accepted accounting principles and that it also has appropriate accuracy. Moreover, significant information is sufficiently disclosed. To this respect, the external auditors have stated their opinions independently in the Auditors’ Report presented to the Board of Directors.
- The approval of the 2013 audit plan prepared based on risk assessment results and to cover important systems/significant units of the organization
- The monitoring/the provision of opinions on audit results and the follow-up of the progress of the on-going tasks 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 internal control of work process and important work systems of the Company as reported by the Office of Internal Audit. Since the review has shown no significant issue, the Audit Committee is of the opinion that the Company has an effective internal control system.
- The review of the related party transactions or the transactions that might have conflict-of-interest 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 review of the Company's compliance with laws on securities and exchange as well as the regulations of the SET and/or laws relating to the Company's businesses. The audit report has shown no case of law circumvention or violation.
- The consideration, selection, nomination for an appointment of independent external auditors of the Company and the proposal for their remuneration. The Audit Committee has deemed it appropriate to propose Mr.Khitsada Lerdwana, the Certified Public Accountant's License No. 4958, or Mr.Narong Puntawong, the Certified Public Accountant's License No. 3315, or Ms.Thipawan Nananuwat, the Certified Public Accountant's License No. 3459 from Ernst & Young Office Limited to be the Company's auditors for the year 2013 and has proposed an appropriate amount of audit fees for the Board of Directors to consider for further approval in the Shareholders' Meeting.

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

# Independent Auditor's Report

## To the Shareholders of Jasmine International Public Company Limited

I have audited the accompanying consolidated financial statements of Jasmine International Public Company Limited and its subsidiaries, which comprise the consolidated statements of financial position as at 31 December 2012, and the related consolidated statements of comprehensive income, changes in shareholders' equity and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information, and have also audited the separate financial statements of Jasmine International Public Company Limited for the same period.

## Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Thai Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

## Auditor's Responsibility

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with Thai Standards on Auditing. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified audit opinion.

## Basis for Qualified Opinion

As described in Note 9.1 to the financial statements, a concession provider has ceased making payment to a subsidiary for service under the co-investor agreement made between the subsidiary and the concession provider since September 2008 to 4 October 2011, the end date of the co-investor agreement, 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 year ended 31 December 2011 amounting to Baht 470 million, and the balance of such trade receivable as at 31 December 2012 amounting to Baht 2,518 million (2011: Baht 2,518 million) in the consolidated financial statements and may significantly impact on the value of the investment from investing in the subsidiary as at 31 December 2012 amounting to Baht 1,946 million (2011: 1,946 million) in the separate financial statements. I was unable to audit to satisfy myself as to the amount of service income for the year 2011, the balances of such trade receivable and the value of the investment in the subsidiary, and this constitutes a limitation imposed by circumstance. My opinion is qualified in respect of this matter.

## Qualified Opinion

In my opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion 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 2012, their financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards.

## Emphasis of matters

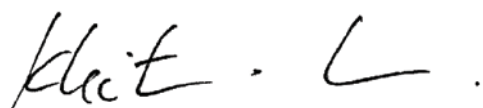
I draw attention to the following matters:

1. As described in Note 9.2 to the financial statements, the balance of Baht 195 million receivable from an unrelated company which is being disputed, As described in Note 12 to the financial statements, regarding the balance approximately Baht 102 million receivable from this unrelated company under troubled debt restructuring agreement, the settlement of outstanding balances of approximately Baht 877 million and leased line service agreements between a subsidiary and this unrelated company, and as described in Note 35.8 to the financial statements, the submission by this unrelated company of a dispute proposal to the Thai Arbitration Institute asking a subsidiary to pay the money totaling Baht 1,780 million, the Court proceedings and commercial disputes between 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 35.6 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

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

## Other matters

The consolidated financial statements of Jasmine International Public Company Limited and its subsidiaries, and the separate financial statements of Jasmine International Public Company Limited for the year ended 31 December 2011 were audited in accordance with Thai Standards on Auditing by another auditor of our firm who expressed a qualified opinion on those statements with respect to limitation imposed by circumstance that made him unable to audit to satisfy himself as to the amount of service income and the balance of trade receivable in the consolidated financial statements and the value of investment in a subsidiary in the separate financial statements and drew attention to the matters similar to 1 to 3 as stated in the above Emphasis of matters paragraph, and the adoption a number of revised and new accounting standards during 2011, under his report dated 21 February 2012



Khitsada Lerdwana

Certified Public Accountant (Thailand) No. 4958

Ernst & Young Office Limited

Bangkok: 21 February 2013

# Consolidated Financial Statements

Jasmine International Public Company Limited and its subsidiaries

## Statement of financial position

As at 31 December 2012

(Unit: Baht)

		Consolidated financial statements		Separate financial statements	
	Note	2012	2011	2012	2011
Assets					
Current assets					
Cash and cash equivalents	7	1,478,529,885	1,581,033,141	360,024,093	524,810,504
Current investments - deposits with financial institutions	8	903,853,524	373,521,699	466,105,396	697,720
Trade and other receivables	9	3,684,819,076	4,077,208,890	1,564,812,596	1,722,966,773
Unbilled receivables		642,994,421	645,242,838	-	-
Short-term loans to related parties	6	-	-	442,000,000	450,000,000
Inventories	10	48,913,589	70,399,887	-	-
Assets held for sale	11	88,885,126	113,182,972	-	-
Prepaid project costs		12,372,429	99,534,928	-	-
Input tax pending payments		283,075,445	278,027,293	89,889	219,118
Prepaid expenses		32,454,970	38,101,420	4,036,894	3,982,101
Other current assets		108,038,240	143,345,749	23,114,318	3,602,246
Total current assets		7,283,936,705	7,419,598,817	2,860,183,186	2,706,278,462
Non-current assets					
Restricted deposits with financial institutions		144,413,480	223,880,709	8,054,302	7,934,478
Long-term bank deposits		-	40,623,779	-	10,087,337
Accounts receivable under troubled debt restructuring	12	101,577,570	149,805,640	-	-
Investments in subsidiaries	13	-	-	2,942,130,263	2,959,152,620
Investments in associates	14	23,302,557	22,811,187	16,251,167	16,481,967
Investment properties	15	661,872,972	699,395,609	-	-
Property, plant and equipment	16	11,077,579,022	10,874,066,645	14,000,761	21,090,750
Computer software	17	33,732,430	58,522,164	-	-
Prepaid rent	18	-	-	215,647,248	229,466,415
Other non-current assets					
Advance payments for investment projects to related party	6	4,861,233	4,801,863	4,861,233	4,801,863
Others		69,189,508	73,744,454	7,427,134	6,198,153
Total non-current assets		12,116,528,772	12,147,652,050	3,208,372,108	3,255,213,583
Total assets		19,400,465,477	19,567,250,867	6,068,555,294	5,961,492,045

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

Jasmine International Public Company Limited and its subsidiaries

Statement of financial position (Continued)

As at 31 December 2012

(Unit: Baht)

		Consolidated financial statements		Separate financial statements	
	Note	2012	2011	2012	2011
Liabilities and shareholders' equity					
Current liabilities					
Short-term loans from banks	19	486,931,118	547,146,112	-	-
Trade and other payables	20	2,655,653,482	3,009,138,565	37,626,129	28,971,288
Accrued project costs		397,073,222	348,410,482	-	-
Forward contracts payable		410,948	42,715,423	-	-
Current portions of the long-term liabilities					
Long-term loans	21	359,484,000	1,641,039,453	-	-
Liabilities under finance lease agreements	22	74,441,046	126,371,480	-	-
Long-term debts under rehabilitation plan					
Related parties	6	-	-	777,639,624	165,649,474
Unrelated parties	23	204,111,575	849,080,662	204,111,575	849,080,662
Accounts payable for equipment	24	551,176,628	1,930,446,034	-	-
Income tax payable		222,659,385	229,223,848	-	22,588,681
Advances received for goods and services		474,673,091	355,070,067	-	-
Undue output tax		371,753,800	347,157,675	23,401,444	20,712,217
Other current liabilities		69,582,065	61,417,798	4,539,734	6,048,060
Total current liabilities		5,867,950,360	9,487,217,599	1,047,318,506	1,093,050,382
Non-current liabilities					
Long-term liabilities -net of current portions					
Long-term loans	21	2,684,459,943	1,103,943,943	-	-
Liabilities under finance lease agreements	22	47,322,075	80,687,754	-	-
Long-term debts under rehabilitation plan					
Related parties	6	-	-	-	611,990,150
Unrelated parties	23	504,078,755	135,002,545	504,078,755	135,002,545
Accounts payable for equipment	24	357,685,633	472,408,378	-	-
Provision for long-term employee benefits	25	216,493,148	172,714,438	12,311,431	8,857,203
Other non-current liabilities		11,106,739	15,701,776	9,534,541	9,534,541
Total non-current liabilities		3,821,146,293	1,980,458,834	525,924,727	765,384,439
Total liabilities		9,689,096,653	11,467,676,433	1,573,243,233	1,858,434,821

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

Jasmine International Public Company Limited and its subsidiaries  
**Statement of financial position (Continued)**  
As at 31 December 2012

(Unit: Baht)

				Consolidated financial statements		Separate financial statements	
Note				2012	2011	2012	2011
<b>Shareholders' equity</b>							
Share capital							
Registered							
7,244,251,378 ordinary shares							
of Baht 0.5 each				3,622,125,689	3,622,125,689	3,622,125,689	3,622,125,689
Issued and fully paid-up							
7,244,251,378 ordinary shares							
of Baht 0.5 each				3,622,125,689	3,622,125,689	3,622,125,689	3,622,125,689
Discount on ordinary shares				(224,549,619)	(224,549,619)	(224,549,619)	(224,549,619)
Retained earnings							
Appropriated							
Statutory reserve	- the Company	27		149,983,905	106,290,695	149,983,905	106,290,695
	- subsidiaries	27		464,457,665	400,456,402	-	-
Treasury share reserve		26		298,642,766	-	298,642,766	-
Unappropriated				4,421,445,624	2,902,287,249	721,803,906	373,242,279
Other components of shareholders' equity				258,177,239	307,541,843	225,948,180	225,948,180
Equity attributable to owners of the Company				8,990,283,269	7,114,152,259	4,793,954,827	4,103,057,224
Less: Treasury shares				26	(298,642,766)	(298,642,766)	-
Equity attributable to owners of the							
Company - net				8,691,640,503	7,114,152,259	4,495,312,061	4,103,057,224
Non-controlling interests of the subsidiaries				1,019,728,321	985,422,175	-	-
<b>Total shareholders' equity</b>				<b>9,711,368,824</b>	<b>8,099,574,434</b>	<b>4,495,312,061</b>	<b>4,103,057,224</b>
<b>Total liabilities and shareholders' equity</b>				<b>19,400,465,477</b>	<b>19,567,250,867</b>	<b>6,068,555,294</b>	<b>5,961,492,045</b>

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

Jasmine International Public Company Limited and its subsidiaries  
**Statement of comprehensive income**  
For the year ended 31 December 2012

(Unit: Baht)

		Consolidated financial statements		Separate financial statements	
	Note	2012	2011	2012	2011
<b>Profit or loss:</b>					
<b>Revenues</b>					
Sales and service income		10,369,488,277	9,497,853,495	-	-
<b>Other income</b>					
Management fee income	6	-	-	498,000,000	141,600,000
Interest income		31,926,535	39,200,117	13,696,516	14,180,938
Dividend income from subsidiaries	13	-	-	420,467,796	285,857,192
Gain on sales of investments in subsidiary	13.2	-	-	73,343,681	122,186,994
Exchange gains		71,139,430	-	-	-
Others		28,804,307	45,590,227	13,190,041	13,699,023
<b>Total other income</b>		<b>131,870,272</b>	<b>84,790,344</b>	<b>1,018,698,034</b>	<b>577,524,147</b>
<b>Total revenues</b>		<b>10,501,358,549</b>	<b>9,582,643,839</b>	<b>1,018,698,034</b>	<b>577,524,147</b>
<b>Expenses</b>					
Cost of sales and services	29	4,686,019,589	4,637,774,987	-	-
Selling and servicing expenses		732,838,101	791,177,099	-	-
Administrative expenses		1,639,347,663	1,712,865,074	83,266,596	93,683,874
<b>Other expenses</b>					
Losses on debt restructuring	12	-	32,189,587	-	-
Potential losses on debt restructuring	12	34,637,098	103,689,566	-	-
Doubtful accounts and bad debt		379,621,157	171,858,460	-	-
Losses on impairment of assets	11, 12	37,372,763	16,920,453	-	-
Losses on sales of investments in available-for-sale securities		-	11,940,637	-	11,940,637
Exchange losses		-	97,024,034	-	-
<b>Total expenses</b>		<b>7,509,836,371</b>	<b>7,575,439,897</b>	<b>83,266,596</b>	<b>105,624,511</b>
<b>Profit before share of profit (loss)</b>					
<b>from investments in associates, finance cost</b>					
<b>and income tax expenses</b>					
		2,991,522,178	2,007,203,942	935,431,438	471,899,636
Share of profit (loss) from investments in associates	14	491,370	(177,324)	-	-
<b>Profit before finance cost and income tax expenses</b>		<b>2,992,013,548</b>	<b>2,007,026,618</b>	<b>935,431,438</b>	<b>471,899,636</b>
Finance cost		(403,968,555)	(467,841,790)	(61,567,234)	(66,904,113)
<b>Profit before income tax expenses</b>		<b>2,588,044,993</b>	<b>1,539,184,828</b>	<b>873,864,204</b>	<b>404,995,523</b>
Income tax expenses	30	(529,792,313)	(493,538,522)	-	(28,047,248)
<b>Profit for the year</b>		<b>2,058,252,680</b>	<b>1,045,646,306</b>	<b>873,864,204</b>	<b>376,948,275</b>

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

Jasmine International Public Company Limited and its subsidiaries  
**Statement of comprehensive income (Continued)**  
For the year ended 31 December 2012

(Unit: Baht)

		Consolidated financial statements		Separate financial statements	
	Note	2012	2011	2012	2011
Other comprehensive income:					
Actuarial losses	25	(30,485,305)	-	(2,445,889)	-
Losses on changes in value of available-for-sale investments		-	(2,724)	-	(2,724)
Other comprehensive income for the year		(30,485,305)	(2,724)	(2,445,889)	(2,724)
Total comprehensive income for the year		2,027,767,375	1,045,643,582	871,418,315	376,945,551
Profit attributable to:					
Equity holders of the Company		2,136,501,631	1,072,497,853	873,864,204	376,948,275
Non-controlling interests of the subsidiaries		(78,248,951)	(26,851,547)		
		2,058,252,680	1,045,646,306		
Total comprehensive income attributable to:					
Equity holders of the Company		2,106,016,326	1,072,495,129	871,418,315	376,945,551
Non-controlling interests of the subsidiaries		(78,248,951)	(26,851,547)		
		2,027,767,375	1,045,643,582		
Basic earnings per share	31				
Profit attributable to equity holders of the Company		0.30	0.15	0.12	0.05

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

Jasmine International Public Company Limited and its subsidiaries

Statement of changes in shareholders' equity

For the year ended 31 December 2012

(Unit: Baht)

Consolidated financial statements																				
Equity attributable to owners of the Company																				
	Note	Retained earnings					Other components of equity													
		Issued and fully paid-up share capital	Share subscription received in advance	Discount on ordinary shares	Premium on treasury shares	Statutory reserve	Treasury share reserve	Unappropriated	Treasury shares	Other comprehensive income					Other changes by the owners					
										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 premium of subsidiary	Capital surplus from changes in shareholding in subsidiaries	Total other components of shareholders' equity	Total equity attributable to owners of the Company	Equity attributable to non-controlling interests of the subsidiaries	Total shareholders' equity		
Dividend paid to the Company's shareholders	34	-	-	-	-	-	-	(311,475,813)	-	-	-	-	-	-	(311,475,813)	-	(311,475,813)			
Total comprehensive income for the year		-	-	-	-	-	-	1,072,497,853	-	(2,724)	-	-	-	-	1,072,495,129	(26,851,547)	1,045,643,582			
Reduce paid-up share capital by writing off treasury shares	26	(77,620,000)	-	-	(114,395,581)	-	-	(107,954,001)	299,969,582	-	-	-	-	-	-	-	-			
Reversal of appropriated retained earnings for treasury shares	26	-	-	-	-	-	(299,969,582)	299,969,582	-	-	-	-	-	-	-	-	-			
Decrease in share subscription received in advance of non-controlling interests of the subsidiary		-	(80,000)	-	-	-	-	-	-	-	-	-	-	-	(80,000)	80,000	-			
Increased in share capital of non-controlling interests of the subsidiary	13	-	-	-	-	-	-	-	-	-	-	-	-	-	-	4,889,787	4,889,787			
Increase in non-controlling interests of the subsidiary from additional investments in the subsidiary	13	-	-	-	-	-	-	-	-	-	-	-	(66,486,534)	(66,486,534)	(66,486,534)	213,719,453	147,232,919			
Dividend paid to non-controlling interests of the subsidiaries		-	-	-	-	-	-	-	-	-	-	-	-	-	-	(15,049,988)	(15,049,988)			
Non-controlling interests of newly acquired subsidiary		-	-	-	-	-	-	-	-	-	-	-	-	-	-	(3,627)	(3,627)			
Transferred to statutory reserve	27	-	-	-	-	-	68,109,500	(68,109,500)	-	-	-	-	-	-	-	-	-			
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	49,665,575	31,928,088	307,541,843	7,114,152,269	985,422,175	8,099,574,434			

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

Jasmine International Public Company Limited and its subsidiaries  
**Statement of changes in shareholders' equity (Continued)**

For the year ended 31 December 2012

(Unit: Baht)

Consolidated financial statements												
Equity attributable to owners of the Company												
	Note	Retained earnings				Other components of equity						
		Appropriated		Other comprehensive income		Other changes by the owners						
		Statutory reserve	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 owners of the Company
Balance as at 1 January 2012		506,747,097	-	2,902,287,249	-	(2,724)	25,189,527	200,781,377	49,665,575	31,928,088	307,541,843	7,114,152,259
Dividend paid to the Company's shareholders	34	-	-	(180,520,712)	-	-	-	-	-	-	(180,520,712)	-
Total comprehensive income for the year		-	-	2,106,016,326	-	-	-	-	-	-	2,106,016,326	(73,248,951)
Treasury shares purchased during the year	26	-	-	-	(298,642,766)	-	-	-	-	-	(298,642,766)	-
Transferred to treasury share reserve	26	-	298,642,766	(298,642,766)	-	-	-	-	-	-	-	-
Increase in non-controlling interests of the subsidiary from additional investments in the subsidiary	13.2	-	-	-	-	-	-	-	-	-	-	-
Non-controlling interests of newly acquired subsidiary	13.5	-	-	-	-	-	-	-	-	(50,046,968)	(50,046,968)	140,415,424
Dividend paid to non-controlling interests of the subsidiaries		-	-	-	-	-	-	-	-	682,364	682,364	(6,591,697)
Transferred to statutory reserve	27	107,694,473	-	(107,694,473)	-	-	-	-	-	-	-	-
Balance as at 31 December 2012		614,441,570	298,642,766	4,421,445,624	(298,642,766)	(2,724)	25,189,527	200,781,377	49,665,575	(17,438,516)	258,177,239	8,691,640,503
												10,919,728,321
												9,711,388,824

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

## For the year ended 31 December 2012

Separate financial statements													
Retained earnings				Other components of equity									
	Note	Issued and fully paid up share capital	Discount on ordinary shares	Premium on treasury shares	Appropriated		Other changes by the owners		Total other components of shareholders' equity	Total shareholders' equity			
					Statutory reserve	Treasury shares 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
<b>Balance as at 1 January 2011</b>													
Dividend paid to the Company's shareholders		3,699,745,689	(224,549,619)	100,318,008	87,443,281	299,969,582	148,679,223	(299,969,582)	-	25,169,527	200,781,377	225,950,904	4,037,587,486
Total comprehensive income for the year	34	-	-	-	-	-	(311,475,813)	-	-	-	-	-	(311,475,813)
Reduce paid-up share capital by writing off treasury shares		-	-	-	-	-	376,948,275	-	(2,724)	-	-	(2,724)	376,945,551
Reversal of appropriated retained earnings for treasury shares	26	(77,620,000)	-	(100,318,008)	-	-	(122,031,574)	299,969,582	-	-	-	-	-
Transferred to statutory reserve	26	-	-	-	-	(299,969,582)	299,969,582	-	-	-	-	-	-
<b>Balance as at 31 December 2011</b>	27	-	-	-	18,847,414	-	(18,847,414)	-	-	-	-	-	-
<b>Balance as at 1 January 2012</b>													
Dividend paid to the Company's shareholders		3,622,125,689	(224,549,619)	-	106,290,695	-	373,242,279	-	(2,724)	25,169,527	200,781,377	225,948,180	4,103,057,224
Total comprehensive income for the year	34	-	-	-	106,290,695	-	373,242,279	-	(2,724)	25,169,527	200,781,377	225,948,180	4,103,057,224
Treasury shares purchased during the year		-	-	-	-	-	(180,520,712)	-	-	-	-	-	(180,520,712)
Transferred to treasury share reserve	26	-	-	-	-	-	871,418,315	-	-	-	-	-	871,418,315
Transferred to statutory reserve	26	-	-	-	-	-	(298,642,766)	(298,642,766)	-	-	-	-	(298,642,766)
<b>Balance as at 31 December 2012</b>	27	-	-	-	43,693,210	-	(43,693,210)	-	-	-	-	-	-
		3,622,125,689	(224,549,619)	-	149,983,905	298,642,766	721,803,906	(298,642,766)	(2,724)	25,169,527	200,781,377	225,948,180	4,495,312,061

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

# Jasmine International Public Company Limited and its subsidiaries

## Cash flow statement

For the year ended 31 December 2012

(Unit: Baht)

		Consolidated financial statements		Separate financial statements	
	Note	2012	2011	2012	2011
Cash flows from operating activities					
Profit before income tax expenses		2,588,044,993	1,539,184,828	873,864,204	404,995,523
Adjustments to reconcile profit before tax to net cash provided by (paid from) operating activities					
Depreciation and amortisation		1,715,397,195	1,850,930,478	21,717,126	21,964,417
Record of doubtful accounts		240,346,477	10,226,009	-	-
Record of bad debt		139,274,680	161,632,451	-	-
Write off assets		1,114,531	3,371,070	-	-
Record of allowance for impairment of assets	11, 12	37,372,763	16,920,453	-	-
Gains on sales of investments in subsidiary	13.2	-	-	(73,343,681)	(122,186,994)
Losses on debt restructuring	12	-	32,189,587	-	-
Potential losses on debt restructuring	12	34,637,098	103,689,566	-	-
Losses on sales of investments in available-for-sale securities		-	11,940,637	-	11,940,637
Losses (Gains) on sales of equipment		(371,682)	3,277,364	(485,913)	-
Dividend income from investments in subsidiaries	13	-	-	(420,467,796)	(285,857,192)
Share of loss (profit) from investments in associates	14	(491,370)	177,324	-	-
Provision for long-term employee benefits	25	19,903,294	19,283,504	1,008,339	1,437,540
Realised exchange losses (gains) from accounts payable for equipment		(25,887,882)	11,296,450	-	-
Unrealised exchange losses (gains)		(39,413,742)	81,815,930	-	-
Interest income		(31,926,535)	(39,200,117)	(13,696,516)	(14,180,938)
Interest expenses		390,580,798	466,354,758	61,567,234	66,904,113
Profit from operating activities before changes in operating assets and liabilities					
		5,068,580,618	4,273,090,292	450,162,997	85,017,106
Operating assets decrease (increase)					
Trade and other receivables		(38,637,372)	(343,678,386)	(40,363,858)	22,281,426
Short-term loans to related parties		-	-	8,000,000	17,000,000
Unbilled receivables		2,248,417	(9,620,947)	-	-
Inventories		129,763,100	353,065,189	-	-
Prepaid project costs		87,162,499	58,376,843	-	-
Input tax pending payments		(5,048,152)	(6,683,097)	129,229	(111,068)
Prepaid expenses		5,646,450	24,818,121	(54,793)	3,017,364

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

Jasmine International Public Company Limited and its subsidiaries

Cash flow statement (Continued)

For the year ended 31 December 2012

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2012	2011	2012	2011
Other current assets		(4,018,015)	120,971,086	(31,683)	(548,799)
Other non-current assets		(9,280,690)	(6,209,112)	(1,057,551)	(7,667)
Accounts receivable under troubled debt restructuring		12,571,475	21,406,560	-	-
Operating liabilities increase (decrease)					
Trade and other payables		(325,763,248)	(460,441,886)	3,209,809	4,898,148
Accrued project costs		49,542,175	(338,776,438)	-	-
Advances received for goods and services		119,603,024	(111,750,861)	-	-
Undue output tax		24,596,125	25,647,223	2,689,227	577,041
Other current liabilities		8,164,267	(28,240,702)	(24,097,007)	2,916,448
Other non-current liabilities		(11,204,926)	3,272,488	-	725,531
Cash from operating activities		5,113,925,747	3,575,246,373	398,586,370	135,765,530
Cash paid for corporate income tax		(498,145,783)	(432,717,180)	(18,323,247)	(720,986)
<b>Net cash from operating activities</b>		<b>4,615,779,964</b>	<b>3,142,529,193</b>	<b>380,263,123</b>	<b>135,044,544</b>

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

Jasmine International Public Company Limited and its subsidiaries

**Cash flow statement (Continued)**

For the year ended 31 December 2012

(Unit: Baht)

		Consolidated financial statements		Separate financial statements	
	Note	2012	2011	2012	2011
Cash flows from investing activities					
Decrease (increase) in current investments		(530,331,825)	(182,766,381)	(465,407,676)	10,436,610
Decrease (increase) in restricted deposits with financial institutions		79,467,229	(30,485,536)	( 119,824)	(987,028)
Decrease (increase) in long-term bank deposits		40,623,779	(623,779)	10,087,337	(10,087,337)
Dividend received from investments in subsidiaries		-	-	561,701,584	398,603,034
Cash received from sales of investments in available-for-sale securities		-	157,596,623	-	157,596,623
Proceeds from sales of equipment		6,402,341	5,047,814	1,422,949	-
Proceeds from sales of assets held for sale		-	9,355,645	-	-
Interest income		30,113,354	36,927,115	18,818,116	14,180,938
Acquisitions of investment properties	15	(3,851,324)	(4,566,778)	-	-
Acquisitions of plant and equipment		(1,401,504,368)	(2,286,430,222)	(1,745,006)	(3,927,713)
Acquisitions of computer software	17	(16,042,844)	(19,084,006)	-	-
Net cash from (used in) investing activities		(1,795,123,658)	(2,315,029,505)	124,757,480	565,815,127
Cash flows from financing activities					
Interest expenses		(302,420,164)	(279,483,687)	(56,122,202)	(62,265,234)
Decrease in short-term loans from banks		(60,214,994)	(70,761,076)	-	-
Cash received from long-term loans from banks	21	479,306,469	960,369,736	-	-
Repayment of long-term loans from banks	21	(180,345,922)	(147,333,837)	-	-
Repayment of liabilities under financial lease agreements		(146,597,372)	(113,867,114)	-	-
Repayment of long-term debts under rehabilitation plan	23	(275,892,877)	(75,662,131)	(275,892,877)	(75,662,131)
Repayment of accounts payable for equipment		(2,072,027,222)	(1,214,308,625)	-	-
Cash received from increase in share capital of the subsidiary		-	2,055,187	-	-
Cash received from sales of investments in subsidiaries		141,373,961	96,207,373	141,373,961	96,207,373
Cash paid for investments in subsidiary		(5,909,333)	(3,627)	(2,418)	(3,627)
Dividend paid to the Company's shareholders	34	(180,520,712)	(311,475,813)	(180,520,712)	(311,475,813)
Dividend paid to non-controlling interests					
of the subsidiaries		(21,268,630)	(15,049,988)	-	-
Cash received from warrant exercises					
of non-controlling interests of the subsidiary		-	2,834,600	-	-

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

Jasmine International Public Company Limited and its subsidiaries

**Cash flow statement (Continued)**

For the year ended 31 December 2012

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2012	2011	2012	2011
Cash paid to purchase treasury shares	26	(298,642,766)	-	(298,642,766)	-
<b>Net cash used in financing activities</b>		<b>(2,923,159,562)</b>	<b>(1,166,479,002)</b>	<b>(669,807,014)</b>	<b>(353,199,432)</b>
<b>Net increase (decrease) in cash and cash equivalents</b>		<b>(102,503,256)</b>	<b>(338,979,314)</b>	<b>(164,786,411)</b>	<b>347,660,239</b>
Cash and cash equivalents at beginning of year		1,581,033,141	1,920,012,455	524,810,504	177,150,265
<b>Cash and cash equivalents at end of year</b>		<b>1,478,529,885</b>	<b>1,581,033,141</b>	<b>360,024,093</b>	<b>524,810,504</b>

Supplemental cash flow information

Non-cash transaction

Purchase of equipment for which no cash has been paid	547,785,280	573,295,029	-	-
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**Supplemental disclosure on non-cash transaction**

Debt settlement transaction under the rehabilitation plan in 2011 as described in Note 12 to the financial statements.

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

# Notes to consolidated financial statements

## Jasmine International Public Company Limited and its subsidiaries

### Notes to consolidated financial statements

For the year ended 31 December 2012

## 1. Corporate information

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

The Central Bankruptcy Court approved the business rehabilitation plan (“the plan”) of the Company on 7 August 2003 and appointed Chaengwatana Planner Co., Ltd. as the plan administrator. Subsequently, on 14 September 2006, the Central Bankruptcy 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	
			2012 Percent	2011 Percent
<u>Held by the Company</u>				
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. <i>(Another 9% held by T.J.P. Engineering Co., Ltd. and another 9% held by ACeS Regional Services Co., Ltd.)</i>	Design, installation and testing of telecommunication systems	Thailand	33	42
Jasmine Internet Co., Ltd.	Internet service provider and international calling card services	Thailand	98	98
T.J.P. Engineering Co., Ltd. <i>(Another 20% held by Acumen Co., Ltd.)</i>	Survey, design and construction for civil work of telecommunication projects	Thailand	80	80
Jasmine International Overseas Co., Ltd. <i>(Another 34% held by ACeS (Thailand) Co., Ltd. and another 26% held by ACeS Regional Services Co., Ltd.)</i>	Investment holding	Thailand	40	40
Chaengwatana Planner Co., Ltd.	Rehabilitation plan administrator	Thailand	100	100
Three BB Co., Ltd.	Ceased operation	Thailand	100	100
Jasmine Smart Shop Co., Ltd.	Ceased operation	Thailand	100	100
Mobile Communication Services Co., Ltd.	Not yet operation	Thailand	70	70
Compunet Corporation Limited	Ceased operation	Thailand	100	100

Company's name	Nature of business	Country of incorporation	Percentage of shareholding	
			2012	2011
			Percent	Percent

#### Held by the Subsidiaries

<b>Cloud Computing Solutions Co., Ltd.</b> (98% held by Jasmine Telecom Systems Plc.)	Design and provision of computer system integration services, software development and sale of computer products	Thailand	-	-
<b>Smart Highway Co., Ltd.</b> (67% held by Acumen Co., Ltd.)	Domestic high speed data communication service provider	Thailand	-	-
<b>Triple T Broadband Plc.</b> (99% held by Acumen Co., Ltd.)	Service provider in telecom services, fixed-line services and data communication network services	Thailand	-	-
<b>Triple T Internet Co., Ltd</b> (100% held by Triple T Broadband Plc.)	Internet service provider	Thailand	-	-
<b>In Cloud Co., Ltd.</b> (100% held by Triple T Broadband Plc.)	Development, distribution and service in several kinds of software	Thailand	-	-
<b>ACeS (Thailand) Co., Ltd.</b> (59% held by Jasmine International Overseas Co., Ltd.)	Investment holding	Thailand	-	-
<b>ACeS Regional Services Co., Ltd.</b> (98% held by ACeS (Thailand) Co., Ltd.)	Marketing and distribution of equipment and providing services to satellite-based cellular phone users	Thailand	-	-
<b>Pakkret Planner Co., Ltd.</b> (100% held by Jasmine International Overseas Co., Ltd.)	Rehabilitation plan administrator	Thailand	-	-
<b>Clippership Investments (BVI) Limited</b> (100% held by Jasmine International Overseas Co., Ltd.)	Ceased operation	British Virgin Island	-	-

Company's name	Nature of business	Country of incorporation	Percentage of shareholding	
			2012	2011
			Percent	Percent
<b>Thai Long Distance Telecommunications Co., Ltd.</b> <i>(90% held by Jasmine Submarine Telecommunications Co., Ltd.)</i>	Operator of submarine optical fibre cable network and repair and maintenance service for local submarine cable systems	Thailand	-	-
<b>Jastel Network Co., Ltd.</b> <i>(100% held by Jasmine Submarine Telecommunications Co., Ltd.)</i>	Circuit leasing service and local and international data communication services	Thailand	-	-
<b>Premium Assets Co., Ltd.</b> <i>(54% held by Acumen Co., Ltd. and 46% held by Jasmine Submarine Telecommunications Co., Ltd.)</i>	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. New accounting standards 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

### Financial Reporting

TFRS 8	Operating Segments
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### 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 TAS 12 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 or liability in the accounting records and its tax base, and to recognise deferred tax assets and liabilities under the stipulated guidelines. The management expects that the effect of the adoption will be to increase brought-forward retained earnings of the year 2013 by Baht 408 million.

In addition, the Federation of Accounting Professions has issued Notification No. 30/2555 - 34/2555, published in the Royal Gazette on 17 January 2013, mandating the use of accounting treatment guidance, accounting standard interpretation and financial reporting standard interpretations as follows.

		Effective date
Accounting Treatment Guidance for Transfers of Financial Assets		1 January 2013
<b>Accounting Standard Interpretation:</b>		
SIC 29	Service Concession Arrangements: Disclosures	1 January 2014
<b>Financial Reporting Standard Interpretation:</b>		
TFRIC 4	Determining whether an Arrangement contains a Lease	1 January 2014
TFRIC 12	Service Concession Arrangements	1 January 2014
TFRIC 13	Customer Loyalty Programmes	1 January 2014

At present, the management of the Company and its subsidiaries are evaluating the impact on the financial statements in the year these standards are effective and has yet to reach a conclusion.

## 4. Significant accounting policies

### 4.1 Revenue recognition

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

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

Revenues from providing telecom network 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.

## 4.2 Cash and cash equivalents

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

## 4.3 Trade and other receivables

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

## 4.4 Inventories

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

## 4.5 Assets held for sale

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

## 4.6 Investments

a) Investments in available-for-sale securities are stated at fair value. Changes in the fair value of these securities are recorded in comprehensive income, 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.

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

c) 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).

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

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.

## 4.7 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.

## 4.8 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

## 4.9 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.

#### **4.10 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.

#### **4.11 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.

#### **4.12 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.

#### **4.13 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.

#### **4.14 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.

#### **4.15 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 or loss over the lease period. The asset acquired under finance leases is depreciated over the useful life of the asset.

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

#### **4.16 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 included in determining income.

#### **4.17 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.

#### **4.18 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 when incurred.

### **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.

Actuarial gains and losses arising from post-employment benefits are recognised immediately in other comprehensive income

For the first-time adoption of TAS 19 Employee Benefits in 2011, 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 2011.

## **4.19 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.

## **4.20 Treasury shares**

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

## **4.21 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.

#### **4.22 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.

#### **4.23 Debt restructuring**

##### **Potential losses on debt restructuring and losses on debt restructuring**

The excess of the extinguished debt over the fair value of the assets and shares expected to be received and received and is recognised as potential losses on debt restructuring and a loss on debt restructuring, respectively, in profit or loss.

### **5. Significant accounting judgments and estimates**

The preparation of financial statements in conformity with financial reporting standards 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 subsidiary 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 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 of the management.

### Property plant and equipment/Depreciation

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

In addition, the management is required to review property, plant and equipment for impairment on a periodical basis and record impairment losses 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 have 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.

## 6. 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	The group of companies whose financial and operating policies the Company has power to set, in order to generate benefits from their activities
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
	2012	2011	
<u>Transactions with related companies</u>			
Sales and service income	49	37	Contract price or normal business price charged to other customers
Revenue sharing income	-	1	Contract price
Rental and other service income	44	46	Contract price or normal business price charged to other customers
Cost of sales and services	17	43	Contract price
Purchase of equipment	40	-	As agreed upon
Other expenses	18	19	Contract price or normal business price charged to other customers

(Unit: Million Baht)

	Consolidated financial statements		Transfer Pricing Policy
	2555	2554	
<u>Transactions with subsidiaries</u> (eliminated from the consolidated financial statements)			
Management fee income	498	142	Contract price
Rental and other service income	38	38	Contract price or normal business price charged to other customers
Interest income	7	7	Base on the deposit interest rate of commercial bank + 0.5%
Other expenses	27	25	Contract price

As at 31 December 2012 and 2011, the balances of the accounts between the Company and those related parties are as follows:

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	2012	2011	2012	2011
<u>Trade receivables - related parties (Note 9)</u>				
Related companies				
TT&T Subscriber Services Co., Ltd.	53	80	-	-
Triple T Global Net Co., Ltd.	5	6	-	-
Mono Group	26	35	-	-
<b>Total trade receivables - related parties</b>	<b>84</b>	<b>121</b>	<b>-</b>	<b>-</b>
<u>Other receivables - related parties (Note 9)</u>				
Subsidiaries	-	-	375	341
Related company				
TT&T Subscriber Services Co., Ltd.	1	3	-	-
<b>Total other receivables - related parties</b>	<b>1</b>	<b>3</b>	<b>375</b>	<b>341</b>
Less: Allowance for doubtful accounts	-	-	(16)	(16)
<b>Total other receivables - related parties - net</b>	<b>1</b>	<b>3</b>	<b>359</b>	<b>325</b>
<u>Short-term loans to related parties</u>				
Subsidiaries	-	-	448	456
Less: Allowance for doubtful accounts	-	-	(6)	(6)
<b>Total short-term loan to related parties - net</b>	<b>-</b>	<b>-</b>	<b>442</b>	<b>450</b>
<u>Dividend receivables from subsidiaries (Note 9)</u>				
Subsidiaries	-	-	1,206	1,347
<b>Total dividend receivables from subsidiaries</b>	<b>-</b>	<b>-</b>	<b>1,206</b>	<b>1,347</b>

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	2012	2011	2012	2011
<u>Advance payments for investment projects to related party</u>				
Related company				
Palit Palangngan Co., Ltd.	16	16	16	16
Less: Allowance for doubtful accounts	(11)	(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>5</b>
<u>Trade payables - related parties (Note 20)</u>				
Related companies				
TT&T Subscriber Services Co., Ltd.	141	263	-	-
Triple T Global Net Co., Ltd.	17	17	-	-
<b>Total trade payables - related parties</b>	<b>158</b>	<b>280</b>	<b>-</b>	<b>-</b>
<u>Other payables - related parties (Note 20)</u>				
Subsidiaries	-	-	24	19
Associate	4	4	-	-
Related companies				
TT&T Subscriber Services Co., Ltd.	2	2	-	-
Triple T Global Net Co., Ltd.	-	4	-	-
Mono Group	5	6	-	-
<b>Total other payables - related parties</b>	<b>11</b>	<b>16</b>	<b>24</b>	<b>19</b>

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	2012	2011	2012	2011
<u>Long-term debts under rehabilitation plan from related parties</u>				
Subsidiaries	-	-	778	778
Less: Current portion	-	-	(778)	(166)
<b>Total long-term debts under rehabilitation plan from related parties - net of current portion</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>612</b>

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 2012, movement of short-term loans to related parties was as follows:

(Unit: Million Baht)

	Separate financial statements			
	Balance as at	Movements during the year		Balance as at
	31 December 2011	Increase	Decrease	31 December 2012
<u>Short-term loans to related parties</u>				
Subsidiaries				
Acumen Co., Ltd.	450	-	(8)	442
Jasmine Smart Shop Co., Ltd.	6	-	-	6
Total	456	-	(8)	448
Less: Allowance for doubtful debts	(6)	-	-	(6)
Net	450	-	(8)	442

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 (2011: 1.52% per annum).

### Directors and management's benefits

During the year ended 31 December 2012 and 2011, 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	
	2012	2011	2012	2011
Short-term employee benefits	162	163	27	20
Post-employment benefits	14	15	1	1
<b>Total</b>	<b>176</b>	<b>178</b>	<b>28</b>	<b>21</b>

### Guarantee obligations with subsidiaries

The Company has outstanding guarantee obligations with its subsidiaries, as described in Note 35.2 to the financial statements.

## 7. Cash and cash equivalents

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	2012	2011	2012	2011
Cash	11	11	-	-
Bank deposits	1,179	1,364	286	465
Bills of exchange	289	206	74	60
<b>Total</b>	<b>1,479</b>	<b>1,581</b>	<b>360</b>	<b>525</b>

## 8. Current investments - deposits with financial institutions

Included in the balances of current investments as at 31 December 2012 are savings and fixed deposits of the Company and its subsidiaries amounting to approximately Baht 143 million (2011: Baht 120 million) and of the Company only amounting to approximately Baht 9 million (2011: Baht 1 million) which have been pledged to secure credit facilities.

## 9. Trade and other receivables

The outstanding balances of trade and other receivables as at 31 December 2012 and 2011 are as follows:

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	2012	2011	2012	2011
Trade receivables - related parties (Note 6)	84	121	-	-
Trade receivables - unrelated parties	3,737	3,962	52	53
Other receivables - related parties (Note 6)	1	3	375	341
Other receivables - unrelated parties	177	108	-	51
Dividend receivable from subsidiaries (Note 6)	-	-	1,206	1,347
<b>Total</b>	<b>3,999</b>	<b>4,194</b>	<b>1,633</b>	<b>1,792</b>
Less: Allowance for doubtful debts	(314)	(117)	(68)	(69)
<b>Trade and other receivables - net</b>	<b>3,685</b>	<b>4,077</b>	<b>1,565</b>	<b>1,723</b>

The balances of trade accounts receivable as at 31 December 2012 and 2011, aged on the basis of due dates, are summarised below.

(Unit: Million Baht)

Age of receivables	Consolidated financial statements		Separate financial statements	
	2012	2011	2012	2011
<b>Related parties</b>				
Not yet due	10	8	-	-
Past due				
Up to 3 months	14	18	-	-
Longer than 3 - 6 months	2	10	-	-
Longer than 6 - 12 months	1	3	-	-
Longer than 12 months	57	82	-	-
Total (Note 6)	84	121	-	-
<b>Unrelated parties</b>				
Not yet due	411	623	-	-
Past due				
Up to 3 months	233	385	-	-
Longer than 3 - 6 months	69	235	-	-
Longer than 6 - 12 months	163	509	-	-
Longer than 12 months	2,861	2,210	52	53
Total	3,737	3,962	52	53
Less: Allowance for doubtful accounts	(314)	(117)	(52)	(53)
Net	3,423	3,845	-	-
Trade accounts receivable - net	3,507	3,966	-	-

During 2012, Triple T Internet Co., Ltd. (TTTI), a subsidiary, wrote-off trade accounts receivable as bad debt amounting to approximately Baht 149 million (2011: Baht 248 million).

Included in trade accounts receivable from unrelated parties over the age thresholds of 3 months as at 31 December 2012 and 2011, are amounts receivable from companies majority-owned by the government as follows:

(Unit: Million Baht)

Age of receivables	Consolidated financial statements		Separate financial statements	
	2012	2011	2012	2011
Longer than 3 - 6 months	-	170	-	-
Longer than 6 - 12 months	69	341	-	-
Longer than 12 months	2,568	1,938	-	-
<b>Total</b>	<b>2,637</b>	<b>2,449</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.

- 9.1 As at 31 December 2012, an outstanding trade receivables balances of Jasmine Submarine Telecommunications Co., Ltd. (JSTC), a subsidiary, amounting to Baht 2,518 million (2011: Baht 2,518 million), 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 to 4 October 2011, the end date of the co-investor agreement, because the revenue sharing rates are still under negotiation with JSTC. JSTC recorded service income under such agreement for 2011 amounting to Baht 470 million. 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.

Currently, JSTC and Thai Long Distance Telecommunications Co., Ltd. (TLDT), a subsidiary, are in the process of preparing a request to TOT to provide maintenance for a submarine optical fibre cable networks on the coasts of Thailand which incurred under the joint investment contracts between TOT and JSTC.

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 21 to the financial statements.

- 9.2 As at 31 December 2011, certain subsidiaries have outstanding balances totaling approximately USD 5 million, as described in Note 35.8 to financial statements, and Baht 28 million (equivalent to totaling approximately Baht 195 million) receivable from TT&T Plc. (TT&T), an unrelated company, and these are presented under the caption of “Trade and other receivables” in the statement of financial position. The debts were incurred after the date on which the Court ordered TT&T to enter into the rehabilitation process (7 November 2008), they therefore were not considered for settlement under the rehabilitation plan of TT&T. The management of the subsidiaries believes that the subsidiaries can claim the full amount from TT&T. They therefore do not record allowance for doubtful accounts for these balances in their accounts.

However, in 2012, the management of the subsidiaries assessed the ability of TT&T to settle its debt based on consideration of the business plan of TT&T, and concluded that this was uncertain, since TT&T's creditor committee had passed a resolution rejecting the investment budget, and the rehabilitation planner of TT&T had been unable to find a new investor. For conservative reasons, the management of subsidiaries therefore recorded allowance for doubtful accounts of Baht 195 million for the above balance in profit or loss of the year 2012

## 10. Inventories

(Unit: Million Baht)

Consolidated financial statements						
	Cost		Reduce cost to net realisable value		Inventories-net	
	2012	2011	2012	2011	2012	2011
Satellite transmission equipment	7	21	(3)	(20)	4	1
Finished goods and spare parts	47	71	(2)	(2)	45	69
Total	54	92	(5)	(22)	49	70

## 11. Assets held for sale

The assets held for sale as at 31 December 2012 and 2011 are the uninstalled public telephones, detailed below.

(Unit: Million Baht)

Uninstalled public telephones	
Cost	131
Less: Allowance for impairment of assets	(18)
Net book value as at 1 January 2012	113
Transfer out	(2)
Recorded allowance for impairment of assets during the year	(22)
Net book value as at 31 December 2012	89

At the present, Jasmine Telecom Systems Plc. (JTS), a subsidiary, is in the process of proposing to sell its uninstalled public telephones to unrelated companies. As at 31 December 2012, the management of JTS assessed the fair value of these uninstalled public telephones and therefore recorded allowance for impairment of assets of uninstalled public telephones amounting to Baht 22 million in profit or loss in the current year.

## 12. Accounts receivable under troubled debt restructuring

According to the TT&T's rehabilitation plan, the subsidiaries will receive settlement of both principal and interest receivable in cash and by conversion to ordinary shares in TT&T in accordance with term and condition as stipulated in the plan.

In 2011, the subsidiaries categorised in Group 1 and Group 2 creditors received a total of 114 million ordinary shares of TT&T, par value of Baht 1 each, as a result of the debt-to-equity conversion process of TT&T. The subsidiaries used the fair value of TT&T ordinary share as of 22 June 2011 (the last trading day of TT&T's securities in the Stock Exchange of Thailand (SET)) of Baht 0.13 each as the basis for recording the transaction. 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.

During 2012, TT&T's creditors' committee passed a resolution rejecting the investment budget discussed in Note 9.2 to the financial statements. The management of the subsidiaries therefore decided to record allowance for impairment of its investment in the ordinary shares of TT&T it received as part of TT&T's debt-to-equity conversion process amounting to Baht 14 million in profit or loss for the year 2012, and recorded potential losses on debt restructuring for outstanding balances receivable which will be settled by conversion to shares totaling approximately Baht 35 million in the profit or loss for the year 2012.

As at 31 December 2012, certain subsidiaries have outstanding balances totaling approximately Baht 102 million (2011: Baht 115 million) that are receivable from TT&T under troubled debt restructuring agreements, and which are to be settled in cash over 4 years in accordance under the rehabilitation plan. The balances include outstanding claims for which the Court has not yet issued a final order, amounting to Baht 98 million. The management of subsidiaries believes that the claims approved by the Court will not materially differ from the balance of claims recorded in the subsidiaries' accounts.

The subsidiaries filed an appeal against the approval of the business rehabilitation plan to the Supreme Court. At present, the case is being considered by the Supreme Court.

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 35.4 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.

## 13. 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	
	2012	2011	2012	2011	2012	2011
Jasmine Submarine						
Telecommunications Co.,Ltd	1,550	1,550	1,946	1,946	63	217
Acumen Co., Ltd.	760	760	760	760	315	-
T.J.P. Engineering Co., Ltd.	200	200	160	160	-	-
Mobile Communication						
Services Co., Ltd.	100	100	70	70	-	-
Jasmine Telecom						
Systems Plc.	706	706	58	75	12	32
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	30	37
Chaengwatana Planner						
Co., Ltd.	0.1	0.1	-	-	-	-
			3,309	3,326	420	286
Less: Allowance for impairment of investments			(367)	(367)		
Total investments in subsidiaries - net			2,942	2,959		

13.1 As described in Note 9.1 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.

13.2 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 SET. Up to 31 December 2011, the Company had sold 100 million shares in JTS 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 "Capital surplus (deficit) from changes in shareholding in subsidiaries" in the consolidated statement of financial position of 2011.

In January 2012, the Company sold an additional 68 million shares in JTS 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 "Capital surplus (deficit) from changes in shareholding in subsidiaries" in shareholders' equity in the consolidated financial statement of 2012.

13.3 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.

13.4 During 2011, TTT's Board of Directors meeting passed a resolution to set up In Cloud Co., Ltd. (IC), a subsidiary. 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.

The meeting of IC's Board of Directors held on 5 January 2012 approved to call-up a further 75% of its registered capital, or a total of Baht 7.5 million. The Company's shareholding in IC is unchanged.

13.5 During 2012, T.J.P. Engineering Co., Ltd. (TJP), a subsidiary, purchased 3 million ordinary shares in JTS through the SET for a total of Baht 6 million. As a result, the group companies' combined shareholdings in JTS changed from 50% to 51%. Surplus on investments in JTS amounting to approximately Baht 1 million is presented under the caption of "Capital surplus (deficit) from changes in shareholding in subsidiaries" in shareholders' equity in the consolidated financial statements.

13.6 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 23 to the financial statements.

13.7 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.

## 14. Investments in associates

### 14.1 Details of associates

(Unit: Million Baht)

Company's name	Nature of business	Country of incorporation	Shareholding percentage		Consolidated financial statements					
					Cost		Carrying amounts based on equity method		Share of profit from investments in associates during the year	
			2012 (%)	2011 (%)	2012	2011	2012	2011	2012	2011
Internet Knowledge Service Center Co., Ltd.	Communication equipment rental	Thailand	38	38	49	49	23	23	-	-
Premium Real Estate Co., Ltd.	Ceased operation	Thailand	49	49	402	402	-	-	-	-
Telecom KSC Co., Ltd.	Not yet operation	Thailand	40	40	-	-	-	-	-	-
					451	451	23	23	-	-

(Unit: Million Baht)

Company's name	Nature of business	Country of incorporation	Shareholding percentage		Separate financial statements				Carrying amounts based on cost method - net	
					Cost		Allowance for impairment of investments			
			2012 (%)	2011 (%)	2012	2011	2012	2011	2012	2011
Internet Knowledge Service Center Co., Ltd.	Communication equipment rental	Thailand	38	38	49	49	(33)	(33)	16	16
Premium Real Estate Co., Ltd.	Ceased operation	Thailand	49	49	402	402	(402)	(402)	-	-
Telecom KSC Co., Ltd.	Not yet operation	Thailand	40	40	-	-	-	-	-	-
Total					451	451	(435)	(435)	16	16

## 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	
	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011
Internet Knowledge Service Center Co., Ltd.	50	50	71	78	9	17	1	1	1	-
Premium Real Estate Co., Ltd.	820	820	12	12	-	1	-	-	-	-
Telecom KSC Co., Ltd.	1	1	-	-	-	-	-	-	-	-

14.3 The share of profit for the year ended 31 December 2012 of all associates were calculated from the financial statements for the year ended 31 December 2012 prepared by their managements and have not been audited by their auditors.

## 15. Investment properties

The net book value of investment properties as at 31 December 2012 and 2011 is presented below.

(Unit: Million Baht)

Consolidated financial statements	
31 December 2012	
Cost	941
Less Accumulated depreciation	(279)
<b>Net book value</b>	<b>662</b>
31 December 2011	
Cost	937
Less Accumulated depreciation	(238)
<b>Net book value</b>	<b>699</b>

A reconciliation of the net book value of investment properties for the years 2012 and 2011 is presented below.

(Unit: Million Baht)

	Consolidated financial statements	
	2012	2011
Net book value at beginning of year	699	776
Acquisition	4	4
Transfers to property, plant and equipment - net book value	-	(40)
Depreciation	(41)	(41)
<b>Net book value at end of year</b>	<b>662</b>	<b>699</b>

As at 31 December 2012, the fair value of the investment properties is Baht 1,538 million (2011: Baht 1,538 million).

The fair values of the above investment properties have been determined in 2011 based on valuations performed by an accredited independent valuer. The fair value of the land awaiting sale has been determined based on market prices, while that of the office building for rent has been determined using the income approach. The main assumptions used in the valuation were as to yield rate, inflation rate, long-term vacancy rate and long-term growth in real rental rates. The management of the subsidiary estimates that the fair value of the investment property as at 31 December 2012, does not materially differ from its fair value as at 31 December 2011.

The subsidiary received rental income from investment properties amounting to Baht 27 million and Baht 24 million during 2012 and 2011, respectively.

The subsidiary has operating leases in respect of the lease of building space. The terms of the agreements range from 1 year to 16 years. As at 31 December 2012 and 2011, future minimum rental income generated from the investment properties under those lease agreements is as follows.

(Unit: Million Baht)

	Consolidated financial statements As at 31 December	
	2012	2011
Less than 1 year	30	27
1 to 5 years	19	28
More than 5 years	6	6

## 16. 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
Cost											
1 January 2011	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
Additions	1	18	-	18	398	10	24	28	1	1,450	1,948
Disposals	-	-	-	(6)	(1)	-	-	(18)	-	(4)	(29)
Transfers in (out)	-	-	-	-	1,621	6	28	1	-	(1,784)	(128)
31 December 2012	97	917	774	281	13,083	521	331	627	107	999	17,737
Accumulated depreciation											
1 January 2011	-	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
Depreciation											
for the year	-	55	-	50	1,312	50	51	107	8	-	1,633

(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
Depreciation on											
disposals	-	-	-	(5)	(1)	-	-	(18)	-	-	(24)
Transfers out	-	-	-	-	(13)	-	-	-	-	-	(13)
31 December 2012	-	474	150	180	3,995	377	226	476	78	-	5,956
Allowance for impairment											
1 January 2011	-	-	624	-	-	88	-	-	-	-	712
31 December 2011	-	-	624	-	-	88	-	-	-	-	712
Allowance for											
impairment on											
transfer out	-	-	-	-	-	(9)	-	-	-	-	(9)
31 December 2012	-	-	624	-	-	79	-	-	-	-	703
Net book value											
1 January 2011	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
31 December 2012	97	443	-	101	9,088	65	105	151	29	999	11,078

## Depreciation for the year

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

1,501

2012 (Baht 1,479 million included in cost of service, and the balance in selling, servicing and administrative expenses)

1,633

	Separate financial statements					
	Leasehold improvement	Furniture, fixtures and office equipment	Tools and equipment	Motor vehicles	Assets under installation	Total
<b>Cost</b>						
1 January 2011	50	25	2	7	-	84
Additions	3	1	-	-	-	4
31 December 2011	53	26	2	7	-	88
Additions	1	1	-	-	-	2
Disposals	-	-	-	(3)	-	(3)
31 December 2012	54	27	2	4	-	87
<b>Accumulated depreciation</b>						
1 January 2011	36	17	2	4	-	59
Depreciation for the year	4	3	-	1	-	8
31 December 2011	40	20	2	5	-	67
Depreciation for the year	4	3	-	1	-	8
Depreciation on disposals	-	-	-	(2)	-	(2)
31 December 2012	44	23	2	4	-	73
<b>Net book value</b>						
1 January 2011	14	8	-	3	-	25
31 December 2011	13	6	-	2	-	21
31 December 2012	10	4	-	-	-	14

**Depreciation for the year**

2011 (included in administrative expenses)	8
2012 (included in administrative expenses)	8

As at 31 December 2012, 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 1,310 million, of which Baht 49 million is from the Company (2011: Baht 854 million and Baht 48 million, respectively).

As at 31 December 2012, subsidiaries have motor vehicles and equipment under finance lease agreements with net book values amounting to Baht 131 million (2011: Baht 138 million).

In 2005, Premium Assets Co., Ltd. (PA), a subsidiary, 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 18 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 24 to the financial statements. As at 31 December 2012, title to and ownership of the equipment which their costs are approximately Baht 909 million will pass to subsidiaries when the subsidiaries have made full payment of the contract price (2011: Baht 2,403 million).

## 17. Computer software

The net book value of Computer software as at 31 December 2012 and 2011 is presented below.

(Unit: Million Baht)

Consolidated financial statements	
<b>31 December 2012</b>	
Cost	147
Less Accumulated amortisation	(113)
<b>Net book value</b>	<b>34</b>
<b>31 December 2011</b>	
Cost	131
Less Accumulated amortisation	(73)
<b>Net book value</b>	<b>58</b>

A reconciliation of the net book value of Computer software for the years 2012 and 2011 is presented below.

(Unit: Million Baht)

	Consolidated financial statements	
	2012	2011
Net book value at beginning of year	58	86
Acquisition	10	19
Cost of internally generated	6	-
Disposals - net book value	-	(4)
Amortisation	(40)	(43)
<b>Net book value at end of year</b>	<b>34</b>	<b>58</b>

## 18. 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 16 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 2012 and 2011 are as follows:

(Unit: Million Baht)

	Separate financial statements	
	2012	2011
Prepaid rent	415	415
Less: Accumulated amortisation	(200)	(186)
Prepaid rent - net	215	229
<b>Amortisation expenses recognised in profit or loss</b>	<b>14</b>	<b>14</b>

## 19. 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 9 to the financial statements.

## 20. Trade and other payables

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	2012	2011	2012	2011
Trade payables - related parties (Note 6)	158	280	-	-
Trade payables - unrelated parties	2,057	2,254	-	-
Retention payable	84	85	-	-
Accrued expenses	62	42	11	7
Other payables - related parties (Note 6)	11	16	24	19
Other payables - unrelated parties	284	332	3	3
<b>Total trade and other payables</b>	<b>2,656</b>	<b>3,009</b>	<b>38</b>	<b>29</b>

TTT has ongoing disputes with TT&T related to the debt settlements in 2009 by way of the assignment of promissory notes and transfer of rights in the receivable totaling Baht 877 million and leased line service agreements, as described in Note 12 to the financial statements.

## 21. Long-term loans

(Unit: Million Baht)

Loan	Interest rate (% per annum)	Consolidated financial statements	
		2012	2011
1	MLR	857	903
2	MLR	-	61
3	MLR	246	261
4	MLR	1,940	1,520
Total		3,043	2,745
Less: Current portion		(359)	(1,641)
Long-term loans - net of current portion		2,684	1,104

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 9.1 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 Cloud Computing Solutions Co., Ltd. (CCS) ,a subsidiary, 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 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 Thai Financial Reporting Standards, TTT therefore classified the whole balance of such loan as at 31 December 2011 as current liabilities in the statement of financial position.

## 22. Liabilities under finance lease agreements

(Unit: Million Baht)

	Consolidated financial statements	
	2012	2011
Liabilities under finance lease agreements	129	220
Less: Deferred interest expenses	(8)	(13)
Total	121	207
Less: Current portion	(74)	(126)
<b>Liabilities under finance lease agreements - net of current portion</b>	<b>47</b>	<b>81</b>

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 2 and 5 years.

As at 31 December 2012 and 2011, future minimum lease payments required under the finance lease agreements were as follows:

(Unit: Million Baht)

	As at 31 December 2012		
	Less than 1 year	1-5 years	Total
Future minimum lease payments	80	49	129
Deferred interest expenses	(6)	(2)	(8)
Present value of future minimum lease payments	74	47	121

(Unit: Million Baht)

	As at 31 December 2011		
	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

## 23. Long-term debts under rehabilitation plan

(Unit: Million Baht)

	Consolidated / Separate financial statements	
	2012	2011
Long-term debts under rehabilitation plan (Note 1), repayable under rehabilitation program and consisting of the following loans.		
23.1 Baht 1,827 million long-term loan at interest rate of MLR, repayable within 9 years from 2004 to 2012	567	828
23.2 Baht 30 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 and Baht 141 million long-term loan, repayable in 2013 at interest rate of MLR - 2%	141	156
Total	708	984
Less: Current portion	(204)	(849)
<b>Long-term debts under rehabilitation plan - net of current portion</b>	<b>504</b>	<b>135</b>

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.

As at 31 December 2011, the Company classified long-term debts under rehabilitation plan as described in Note 23.1 to the financial statements that were loans from Bangkok Bank Plc. ("the bank") as current liabilities, since they were due in 2012. However, the Company requested the bank to extend the terms of the loans, and on 29 June 2012, the Company entered into an agreement to extend the terms of loans amounting to Baht 613 million under the Company's rehabilitation plan, whereby this amount is repayable in quarterly installments over six years, at Baht 16 million per quarter payable in 2012-2014, Baht 24 million per quarter in 2015 - 2016, and Baht 63 million in each of the first to third quarters of 2017, with the balance payable in the fourth quarter of 2017. Other conditions for repayment of principal and interest will be in line with the Company's rehabilitation plan. As at 31 December 2012, the Company has classified liabilities under the rehabilitation plan as current and non-current liabilities, with reference to the above agreement to extend the terms of the loans.

## 24. 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 2012 and 2011, based on due dates, are as follows:

(Unit: Million Baht)

	Consolidated financial statements	
	2012	2011
Accounts payable for equipment	939	2,470
Less: Deferred interest expenses	(30)	(67)
Total	909	2,403
Less: Current portion	(551)	(1,931)
<b>Accounts payable for equipment - net of current portion</b>	<b>358</b>	<b>472</b>

The above outstanding balance of TTT as at 31 December 2012 is secured by ACU and bank deposits of TTT amounting to Baht 62 million (2011: Baht 47 million). The outstanding balances of JTS as at 31 December 2011 is secured by bank deposits of TTT amounting to Baht 59 million and the assignment of rights over collection from TTTI under the network telecommunications service agreement of TTT in accordance with the conditions stipulated in the agreements made with accounts payable for equipment.

## 25. Provision for long-term employee benefits

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

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	2012	2011	2012	2011
Provisions for long-term employee benefits at beginning of year	173	154	9	8
Current service cost	13	13	1	1
Interest cost	7	6	-	-
Benefits paid during the year	(7)	-	-	-
Actuarial loss recognised during the year	30	-	2	-
<b>Provisions for long-term employee benefits at end of year</b>	<b>216</b>	<b>173</b>	<b>12</b>	<b>9</b>

Long-term employee benefit expenses included in the profit or loss was as follows:

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	2012	2011	2012	2011
Current service cost	13	13	1	1
Interest cost	7	6	-	-
<b>Total expense recognised in profit or loss</b>	<b>20</b>	<b>19</b>	<b>1</b>	<b>1</b>

Line items under which such expenses are included in profit or loss

Selling and administrative expenses	20	19	1	1
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Total actuarial losses recognised in the other comprehensive income of the Company and its subsidiaries as at 31 December 2012 amounted to Baht 30 million (The Company only: Baht 2 million)

Principal actuarial assumptions at the valuation date were as follows:

	Consolidated / Separate financial statements	
	2012 (% per annum)	2011 (% per annum)
Discount rate	3.75%	4%
Future salary increase rate	5%	5%

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

(Unit: Million Baht)

	Defined benefit obligation		Experience adjustments arising on the plan liabilities	
	Consolidated financial statements	Separate financial statements	Consolidated financial statements	Separate financial statements
Year 2012	216	12	16	1
Year 2011	173	9	-	-
Year 2010	154	8	-	-

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

On 9 June 2011, the Company registered a decrease in its share capital by 155 million by writing off those treasury shares it was unable to sell shares as at 31 December 2010, for a total value of Baht 300 million (excluded cost of repurchasing treasury 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. 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 SET between

28 December 2011 and 27 June 2012, and can be resold more than 6 months after completing the repurchase but within 3 years.

As at 31 December 2012, the Company had purchased back 107 million ordinary shares, or 1.5 percent of the total number of shares in issue, for a total of Baht 298 million (excluded cost of repurchase treasury shares).

According to letter No. Gor Lor Tor. Chor Sor. (Vor) 2/2548 of the Office of the Securities and Exchange Commission, dated 14 February 2005, concerning the acquisition of treasury shares, a public limited company may purchase back treasury shares in an amount not exceeding the amount of its retained earnings and is to appropriate an equal amount of retained earnings to a reserve for treasury shares, which must be maintained until the Company either sells the treasury shares or reduces its paid-up share capital by an amount equal to the value of the treasury shares which it could not sell. As at 31 December 2012, the Company appropriated the full required amount of retained earnings to a reserve for the treasury shares amounting to Baht 298 million.

On 22 January 2013, the Company registered a decrease in its share capital totaling 107 million shares with the Ministry of Commerce, in accordance with the resolution of the Board of Directors Meeting of the Company No. 5/2555 on 12 December 2012 authorising the Company to reduce capital by writing off the treasury shares that could not be sold through the SET during 2-15 January 2013.

## 27. 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.

## 28. Expenses by nature

Significant expenses by nature are as follow:

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	2012	2011	2012	2011
Depreciation and amortisation	1,715	1,851	22	22
Telecommunication network rental expenses	1,400	1,576	-	-
Salaries, wages and other employee benefits	1,354	1,296	65	51
Subcontracting expenses	739	948	-	-
Doubtful debt and bad debt	380	172	-	-
Sales promotion expenses	270	387	-	-
Telecommunication license fees	218	14	-	-
Rental expenses from operating lease agreements	197	219	-	-
Cost of goods sold	193	191	-	-
Electricity expenses	172	149	2	2
Repair and maintenance expenses	95	85	-	-
Loss on impairment of assets	37	17	-	-

## 29. 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 (currently, the plan has been enacted through a Royal Gazette in May 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.

## 30. 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).

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.

## 31. 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.

	Consolidated Financial statements		Separate financial statements	
	2012	2011	2012	2011
Profit for the year (Million Baht)	2,137	1,072	874	377
Weighted average number of ordinary shares (Million shares)	7,169	7,244	7,169	7,244
Basic earnings per share (Baht per share)	0.30	0.15	0.12	0.05

## 32. 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 2012 and 2011 by segment.

	Broadband internet		Telecommunications network service provider		Provision, design and installation of telecommunications systems		Other segments		Elimination of inter-segment transactions		Consolidated total	
	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011
Sales and service income												
Revenue from external customers	7,873	6,351	1,202	1,756	1,167	1,266	127	125	-	-	10,369	9,498
Intersegment revenues	112	37	850	736	42	91	114	94	(1,118)	(958)	-	-
<b>Total revenues</b>	<b>7,985</b>	<b>6,388</b>	<b>2,052</b>	<b>2,492</b>	<b>1,209</b>	<b>1,357</b>	<b>241</b>	<b>219</b>	<b>(1,118)</b>	<b>(958)</b>	<b>10,369</b>	<b>9,498</b>
Segment operating profit (loss)	5,096	4,060	304	547	292	254	(9)	(1)	-	-	5,663	4,880
Unallocated income and expenses:												
Other income												
Selling and servicing expenses											132	85
Administrative expenses											(733)	(791)
Losses on debt restructuring											(1,639)	(1,713)
Potential losses on debt restructuring											-	62
Doubtful accounts and bad debt											(34)	(104)
Losses on impairment of assets											(360)	(172)
Losses on sales of investments in available-for-sale securities											(37)	(17)
Exchange losses											-	(12)
Share of profit from investments in associates											-	(87)
Finance cost											1	-
Income tax expenses											(404)	(468)
Non-controlling interests of subsidiaries											(530)	(494)
Profit attributable to equity holders of the Company											78	27
Accounts receivable	351	446	3,213	3,164	1,132	2,688	76	103	(1,265)	(2,435)	2,137	1,072
Inventories	-	1	6	11	45	66	3	2	(5)	(10)	49	70
Investment properties	-	-	-	-	-	-	662	699	-	-	662	639
Property, plant and equipment	10,036	9,746	604	671	17	23	473	508	(62)	(74)	11,078	10,874
Unallocated assets											4,104	3,993
<b>Total assets</b>											<b>19,400</b>	<b>19,567</b>

Transfer prices between business segments are described in Note 6 to the financial statements.

### 33. 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 2012, the Company and its subsidiaries contributed Baht 53 million, of which Baht 3 million is from the Company, to the fund (2011: Baht 55 million and Baht 2 million, respectively).

### 34. Dividends

Dividends	Approved by	Total dividends (Million Baht)	Dividend per share (Baht)
Final dividends for 2010	Annual General Meeting of the share- holders on 28 April 2011	145	0.020
Interim dividends for 2011	Board of Directors' meeting on 10 August 2011	167	0.023
<b>Total for 2011</b>		<b>312</b>	<b>0.043</b>
Final dividends for 2011	Annual General Meeting of the shareholders on 25 April 2012	181	0.025
<b>Total for 2012</b>		<b>181</b>	<b>0.025</b>

## 35. Commitments and contingent liabilities

As at 31 December 2012, the Company and its subsidiaries had the following outstanding commitments and contingent liabilities

- 35.1 The Company and its subsidiaries had outstanding commitments of approximately Baht 955 million in respect of bid bonds and performance bonds issued by banks and financial institutions on behalf of the Company and its subsidiaries (2011: Baht 1,110 million) and of the Company only: Baht 10 million (2011: Baht 12 million).
- 35.2 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 3 million (2011: Baht 4 million).
- 35.3 Subsidiaries had outstanding commitments under the letters of credit with local and overseas suppliers totaling approximately USD 3 million (2011: USD 30 million and Baht 13 million).
- 35.4 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 35.4 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 35.4 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 35.4 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.

- 35.5 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.
- Future minimum lease payments required under these non-cancellable operating leases contracts were as follows

	As at 31 December	
	2012	2011
Payable:		
In up to 1 year	19	40
In over 1 and up to 5 years	1	1

- 35.6 TJP has entered into a turn-key agreement with a counterparty, whereby TJP is obliged to deliver work within the period stipulated in the agreement, which is within 29 December 2006. At present, 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.
- 35.7 Acumen had outstanding commitment in respect of the rental of transponders, for which the rental is payable as follows:

	Million USD
Payable within:	
1 year	0.3
2 to 5 years	1.0

- 35.8 Litigation
- CCS has outstanding balances receivable from TT&T amounting to approximately USD 5 million (as at 31 December 2012 equivalent to totaling approximately Baht 167 million (2011: Baht 167 million)), as described in Note 9.2 to the financial statements, which is being disputed with TT&T. In 2011, TT&T submitted a dispute proposal to the Thai Arbitration Institute asking CCS to pay a total of Baht 1,780 million, together with interest at the rate of 7.5% per annum from the date of the submission of the dispute until CCS effects whole performance. However, the management of CCS believe that CCS did not breach the agreement and will not have to pay such amount to TT&T. In February 2012, CCS filed an objection against the aforementioned dispute proposal of TT&T with the Thai Arbitration Institute, seeking to revoke the dispute proposal of TT&T and asking the Thai Arbitration Institute to order TT&T to pay a total of Baht 528 million, together with interest at the rate of 7.5% per annum from the next date after the submission of the objection until TT&T effects whole performance. Subsequently, in July 2012, TT&T filed an answer to the CCS's objection with the Thai Arbitration Institute, asking the Thai Arbitration Institute to reject the CCS's objection that proposed TT&T be ordered to pay a total of Baht 528 million, together with interest. Currently, both parties have already appointed arbitrators and they are waiting for the arbitrators to contact them about scheduling.

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, while it believes that it can negotiate the interest with TT&T and it is unlikely that it will have to pay the interest. JI-Net has therefore not recorded the accrued interest in its accounts. Currently, the investigation has finished and is under consideration by the Official Receiver.
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, while it believes that it can negotiate the interest with TT&T and it is unlikely that it will have to pay the interest. Smart has therefore not recorded the accrued interest in its accounts. Currently, the investigation has finished and is under consideration by the Official Receiver.
4. From 2007 to 2009, TOT lodged a petition against TTT to numerous police stations, and filed a criminal suit to the Phuket Provincial Court alleging that TTT had illicitly used TOT's network. However, TTT's management 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. At present, prosecutors agree not to file the lodged petition to the court while the lawsuit is under consideration of the Court.

In 2008, TOT filed a lawsuit against TTT and TT&TSS to the Civil Court and the Tungsong Provincial Court, seeking compensation of Baht 16.6 million and Baht 7.4 million respectively and alleging that TTT and TT&TSS had illicitly used TOT's bandwidth for Internet services. On 17 December 2010, the Tungsong Provincial Court ordered the dismissal of the case against TTT and TT&TSS. On 29 December 2010, the Civil Court ordered TTT and TT&TSS to pay the compensation of Baht 15.5 million which is subject to an interest rate of 7.5% per annum and an addition of Baht 0.9 million per month which is subject to an interest rate of 7.5% per annum from December 2008 until TTT and TT&TSS stop the infringement. The cases are under consideration of the Appeal Court.

During the years 2009 and 2010, TT&T lodged a petition against TTT and TTTI to numerous police stations and submitted a suit to courts concerning the use and maintenance of leased lines and carrying out of work at transmission node location. At present, prosecutors agree not to file cases, except for the cases at areas of Praputtabaht and Nhaphalan police stations. The cases have not yet been finalised.

In 2010, TT&T sued TTT, seeking compensation of Baht 16 million and alleging that TTT had illicitly used TT&T's telecommunication network that TT&T rented from Electricity Generating Authority of Thailand. On 28 January 2012, the Nontaburi Provincial Court ordered TTT to pay the compensation of Baht 16 million with an interest rate of 7.5% per annum of the principal of Baht 14.8 million, starting from the date TTT was sued until the full compensation was paid to TT&T. The case is currently under consideration of the Appeal 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 the 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 filed an objection and a counterclaim for damages resulting from TTT's inability to use the lease 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 proceedings.

On 21 February 2011, TTT and TTTI sued P Planner Co., Ltd. and its team, who are the rehabilitation plan preparer and administrator of TT&T, seeking compensation of Baht 2,439 million for their obstruction of the provision of internet broadband services of TTT and TTTI on TT&T's network under the leased line service agreement between TTT and TT&T. The president of the Supreme Court is currently making a determination with respect to the authority of the Court in this respect, and then the case will be considered by the authority Court.

On 24 February 2012, TTT was sued by TT&T, seeking compensation of Baht 621 million plus interest at a rate of 7.5% per annum until settlement is made, alleging that TTT had continued to use TT&T's network after TT&T had denied that it had the right to do so under the leased line service agreement. The management of TTT is confident that TTT did not commit the tort alleged. The case is under consideration by the Nonthaburi Provincial Court.

The management of TTT and TTTI 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 liability in the accounts

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 2012 - 7 February 2017
	Type II	Very Small Aperture Terminal (VSAT) service	30 November 2011 - 29 November 2016
Triple T Broadband Plc.	Type III	Telecom services, fixed line telephone service and data communication network service	23 February 2006 - 22 February 2026
Jasmine Internet Co., Ltd.	Type I	Internet service	28 July 2009 - 27 July 2014
	Type I	International calling card service	25 January 2010 - 24 January 2015
Jastel Network Co., Ltd.	Type I	Internet service	6 November 2009 - 5 November 2014
	Type II	Domestic private leased circuit service	30 November 2006 - 29 November 2021
	Type II	International internet gateway service	30 March 2009 - 29 March 2014
	Type III	International private leased circuit service	18 November 2009 - 17 November 2024
Triple T Internet Co., Ltd.	Type I	Internet service	20 June 2009 - 19 June 2014

The subsidiaries are obliged to comply with certain conditions as stated in the licenses, and to pay annual license fees, together with a fee for the Universal Service Obligation (USO) in accordance with conditions and requirements stipulated by the NBTC.

ACeS Regional Services Co., Ltd. (ARS), a subsidiary, 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.

## 36. Financial instruments

### 36.1 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, bank overdrafts, 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

The subsidiaries’ exposure to foreign currency risk arises mainly from trading transactions that are denominated in foreign currencies. The 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 the subsidiaries denominated in foreign currencies which were unhedged are summarised below.

Consolidated financial statements						
Foreign currency	Financial assets as at 31 December		Financial liabilities as at 31 December		Average exchange rate as at 31 December	
	2012	2011	2012	2011	2012	2011
	(Million)	(Million)	(Million)	(Million)	(Baht per 1 foreign currency unit)	
US dollar	4	4	48	94	30.63	31.69

## 36.2 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 are 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.

## 37. Capital management

The primary objective of the Company and its subsidiaries' 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 2012, the Group's debt to equity ratio was 1:1 (2011: 1.42:1) and the Company was 0.35:1 (2011: 0.45:1).

## 38. Events after the reporting period

On 21 February 2013, the Company's Board of Directors meeting No. 1/2556 approved for payment of a final dividend of Baht 0.09 per share, or a total of approximately Baht 642 million, from the operating results for the year ended 31 December 2012.

However, this resolution will be further proposed for the shareholders' approval in the Ordinary General Meeting of Shareholders for fiscal year 2013.

## 39. Approval of financial statements

These financial statements were authorised for issue by the Company's Board of Directors on 21 February 2013.



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