

# ANNUAL REPORT 2013

Leaping forward  
to the **top**



**Jasmine International**  
**Public Company Limited**

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# Abbreviations used in 2013 Annual Report

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

Interested investors may study more information of the issuer from JAS Annual Registration Statement (Form 56-1) disclosed on [www.sec.or.th](http://www.sec.or.th).

# Message from Chairman of the Board of Directors



## Dear Shareholders,

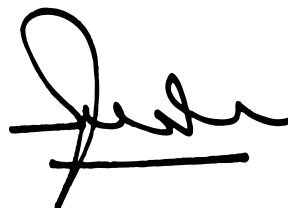
2013 proved to be another year that Jasmine International PCL and its subsidiaries were able to continuously produce distinguishable growth in its business earnings both in revenue and profit that can be seen from an 8% revenue increase and a 48% net profit increase when compared to the Company's business earnings in 2012.

Jasmine International PCL and its subsidiaries placed a significant emphasis on improving even better quality of its high speed broadband service to support the demands of its users whose lifestyles have changed along with the current times. In addition, the Company has prepared and adjusted itself to welcome a free trade market as well as becoming a member of the ASEAN Economic Community (AEC) in the year 2015 by placing an important focus on the continued development of its employees' potential and taking this development to another level, thus building better skills in order to prepare themselves to compete and adapt to the changes that are to occur; all in which will enable the Company to continuously grow with stability and strength.

Throughout the past, Jasmine International PCL and its subsidiaries have adhered to an important set of principles while operating its businesses that are based on honesty, transparency, ethical business practices, and a commitment to providing for its customers as well as good working affiliations with all related entities and placing a significant focus toward commitments to its environmental, social, and national responsibilities. All such principles practiced result in the organization's benefit as a whole thus following the path of good corporate governance.

In regards to its corporate social responsibilities, Jasmine International PCL and Triple T Broadband Public Company Limited have continuously installed high speed broadband internet and WiFi in underprivileged schools in remote areas of the country and have emphasized the development of Thai youth with the athletic game of soccer. "JAS Youth Cup" was created to provide opportunities for Thai students to develop their soccer skills and techniques in real settings as well as organizing a soccer training camp in collaboration with the Ministry of Education, Triple T Broadband PCL, and BB-CU FC Football Club. Jasmine International PCL and its subsidiaries never cease to neglect the importance of its contributions toward social development and environmental responsibilities and how this will continuously sustain the country's overall growth.

Therefore, in order for the Company to achieve further success, its next step is to maintain a fully cooperating team of management and personnel, working together to push this organization toward becoming the leading communications technology provider and to possess the know-how to innovatively keep up with the quickly changing technology of the current times for the benefit of the ongoing development of the nation's economy and society at large.



**Mr. Sudhitham Chirathivat**  
Chairman of the Board of Directors

# Message from CEO

## Dear Shareholders,

The year 2013 has been another outstanding year for Jasmine International PCL and its subsidiaries. The Company achieved success with its telecommunications business operations, especially in its business of high speed broadband internet.

The Company displayed a continuous increase in new customer subscriptions throughout the year 2013 with a number of high speed broadband internet users totaling over 1.4 million subscribers. Success of such numbers is a result of the network quality of service and high speed connection provided to our users. However, the Company remains committed to moving forward in the development of providing services in every aspect without end due to the Company having foreseen an opportunity in the growing number of high speed broadband internet users, after statistics from the year 2012 showed that the proportion of high speed broadband internet access per household was only 18.9 percent which is still very low compared to other countries whose high speed broadband internet usage is over 50 percent.



The Company was committed to continue conducting its business strategy by increasing the proportion of ADSL service coverage to its maximum, particularly in provincial regions nationwide. Further advancements to our service quality will be executed to ensure we are a step above our competitors, also allowing us to provide broadband internet with an upgraded system through a network of fiber optics and FTTx technology which will have a network coverage both in Bangkok and dense provincial areas across the country, making it possible to meet our users' high speed internet usage needs of speeds from 30 Mbps to 1000 Mbps. In addition, the Company continued to focus on creating new products in the form of Multi-play services to successfully support the changing lifestyles of our users. Furthermore, the efficient management of our quality network operations has resulted in a benefit of reduced costs which can be seen from our increased EBITDA margin of 55 percent.

In preparation towards becoming the industry's leading high speed broadband internet service provider nationwide, the Company devised a proposal to create an Infrastructure Fund believing that funds raised would successfully help the Company to develop and expand its nationwide network leaping ahead of its competitors. Moreover, the Infrastructure Fund would help support network expansion as well as an increased subscriber base, all of which would result in the Company's future stability and efficient growth.

As a representative of management from Jasmine International PCL and its subsidiaries, I want to give thanks to the board of directors, management, and all employees of this organization whose hard work, collaboration, and dedication have resulted in outstanding business growth and profits. I would also like to give thanks to the shareholders, customers, business partners and affiliates, financial institutions, and both government and private enterprises; all of which have repeatedly shown their support, belief, and trust in what we do best. The Company is dedicated toward the progressive development of telecommunications services and will strive to create sustainable growth and become the leading provider of high speed broadband internet in Thailand.



**Mr. Pete Bodharamik**  
Chief Executive Officer

## 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

## JAS DIRECTORS, EXECUTIVES, AUTHORIZED PERSONS AND CORPORATE SECRETARY

### 1. Information of JAS Directors, Executives, Authorized Persons and Corporate Secretary

#### 1.1 Background and Personal Information of JAS Directors, Executives, Authorized Persons, and Corporate Secretary

Name-Surname Position Date of Registration for Directorship	Age (Years)	Academic Degrees/Training	Family Relationship with Directors and Executives	JAS <sup>1)</sup> Shareholding Ratio (%)	Work Experience
1) Mr.Sudhitham Chirathivat  Independent Director and Chairman of the Board of Directors  3 February 2010	66	<ul style="list-style-type: none"> <li>- MBA Operation Research Iona University, New York, USA.</li> <li>- Thai Institute of Directors Association (IOD): Director Certification Program (DCP)</li> </ul>	None	-	Chairman of the Board of Directors, Jasmine International PCL.  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 and Chairman of Audit Committee  4 June 1999	72	<ul style="list-style-type: none"> <li>- Ph.D. Public &amp; International Affairs, University of Pittsburgh, Pennsylvania ,USA.</li> <li>- Thai Institute of Directors Association (IOD): Chartered Director Class (CDC) Audit Committee Program (ACP) The Role of Chairman Program (RCP) Director Certification Program (DCP) Director Accreditation Program (DAP)</li> </ul>	None	0.001	Independent Director and Member of Audit Committee, Sherwood Chemicals PCL.  Chairman of the Board of Directors and Independent Director, Ekarat Engineering PCL.  Chairman and Chief Executive Officer, Thai Premier League Co., Ltd.  Independent Director and Member of Audit Committee, Wiik & Hoeglund PCL.  Independent Director and Chairman of Audit Committee, RPCG PCL.(Formerly known as Rayong Purifier PCL.)  Independent Director and Chairman of Audit Committee, Jasmine International PCL.

Remarks: <sup>1)</sup> JAS = Ordinary share, the total number of JAS used for calculation = 7,137,394,378 shares

Name-Surname Position Date of Registration for Directorship	Age (Years)	Academic Degree/Training	Family Relationship with Directors and Executives	JAS <sup>1)</sup> Shareholding Ratio (%)	Work Experience
3) Dr.Yodhin Anavil Independent Director, Member of Audit Committee, and Chairman of Remuneration and Nomination Committee 28 September 2006	64	- Ph.D. Electric Engineer, University of Cincinnati, Ohio, USA. - Thai Institute of Directors Association (IOD) : Financial Statement Demystified for Directors (FDD) Role of the Compensation Committee (RCC) Chartered Director Class (CDC) Audit Committee Program (ACP) Director Certification Program (DCP) Director Accreditation Program (DAP)	None	-	Dec.2011-Present Chairman of Remuneration and Nomination Committee, Jasmine International PCL. 2011-Present Independent Director, Audit Committee, Corporate Governance Committee, Robinson Department Store PCL. 2010-Present Advisor to Director Committee, D.T.C. Industries PCL. 2009- 2011 Expert of the Committee on Constitutional Organs Affairs and Following up the Budget Administration 2008-Present - Member of Remuneration and Nomination Committee, Jasmine International PCL. - Advisor and Vice Chairman, POP Network Co., Ltd. 2006-Present Independent Director and Member of Audit Committee, Jasmine International PCL. 2006-2008 Member of the National Legislative Assembly 1992-Present - Executive Director, The Vintage Club Co., Ltd. - Executive Director, Fairway Estate Co., Ltd.
4) Mrs.Chantra Purnarksha Independent Director and Member of Audit Committee 20 December 2011	67	- M.A. Diplomacy and Comparative Economics, University of Kentucky USA. - Thai Institute of Directors Association (IOD) : Director Accreditation Program (DAP)	None	-	May 2013-Present President / CEO, Saha Pathana Inter-Holding PCL. May 2012-Present Director, Saha Pathana Inter-Holding PCL. Feb. 2012-May 2013 Independent Director and Member of Audit Committee, Kasikornbank PCL. Dec. 2011-Present Independent Director and Member of Audit Committee, Jasmine International PCL. Nov. 2011-Present Independent Director, Phatra Leasing PCL. 2007-2011 Secretary-General, Office of Insurance Commission (OIC) 2006-2007 Director-General, Department of Insurance, Ministry of Commerce 1975-Present Director, S.P. Enterprise Co., Ltd.

Remarks: <sup>1)</sup> JAS = Ordinary share, the total number of JAS used for calculation = 7,137,394,378 shares

Name-Surname Position Date of Registration for Directorship	Age (Years)	Academic Degree/Training	Family Relationship with Directors and Executives	JAS <sup>1)</sup> Shareholding Ratio (%)	Work Experience
5) Mr. Pete Bodharamik <sup>2)</sup> Director <sup>3)</sup> , Chief Executive Officer, and President 21 March 2008	41	Bachelor of Management Sciences, London School of Economics and Political Science, England	None	25.84	<ul style="list-style-type: none"> <li>- Director and Chief Executive Officer, Jasmine International PCL.</li> <li>- Director, Jasmine International Group Director and Chairman, Jasmine Telecom Systems PCL.</li> <li>2008-2010 Director, Triple T Internet Co., Ltd.</li> <li>2007-Present Director, Triple T Broadband PCL.</li> <li>2006-Present Chairman, Mono Technology PCL.</li> <li>2002-Present Director, TT&amp;T PCL.</li> <li>2001-Present Director, Mono Group</li> <li>1999-Present</li> </ul>
6) Mr. Somboon Patcharasopak <sup>2)</sup> Director <sup>3)</sup> , Member of Remuneration and Nomination Committee, and Chairman of Risk Management Committee 7 January 1994	53	<ul style="list-style-type: none"> <li>- MBA, Kasetsart University</li> <li>- Honorary Doctorate Degree, Faculty of Science and Technology, Rajamangala University of Technology Phra Nakhon</li> <li>- Thai Institute of Directors Association (IOD) : Director Certification Program (DCF) Director Accreditation Program (DAP)</li> </ul>	None	0.26	<ul style="list-style-type: none"> <li>Chairman of Risk Management Committee, Jasmine International PCL.</li> <li>2012- Present - Member of Remuneration and Nomination Committee, Jasmine International PCL.</li> <li>2008-Present - Director, TT&amp;T PCL.</li> <li>2008-2009 Director, Triple T Internet Co., Ltd.</li> <li>2004-Present Member of Risk Management Committee, Jasmine International PCL.</li> <li>1988-Present Director, Jasmine International Group</li> <li>1982-Present Director, Jasmine International PCL.</li> </ul>

Remarks: <sup>1)</sup> JAS = Ordinary share, the total number of JAS used for calculation = 7,137,394,378 shares

<sup>2)</sup> Person, approved by the Company's directors, to assume the position of director and authorized person in the subsidiaries that operate the Company's core businesses

<sup>3)</sup> Authorized director



Name-Surname Position Date of Registration for Directorship	Age (Years)	Academic Degree/Training	Family Relationship with Directors and Executives	JAS <sup>1)</sup> Shareholding Ratio (%)	Work Experience
10) Mr. Pleumjai Sihakorn Director and Member of Remuneration and Nomination Committee 20 November 2008	80	- Bachelor of Science in Engineering, Rajmangkol Institute of Technology - Thai Institute of Directors Association (IOD) : Director Certification Program (DCP) Role of the Compensation Committee (RCC) DCP Refresher Course	None	-	Dec.2011-Present Member of Remuneration and Nomination Committee, Jasmine International PCL. 2010-present Director, Cloud Computing Solutions Co., Ltd. 2009-present Advisor, JasTel Network Co., Ltd. 2008-Present Director, Jasmine International PCL. 2007-Present Director, TT&T Group 2006-2009 Advisor, Thai Long Distance Telecommunications Co., Ltd. 2004-Present Director and Executive Director, Jasmine Telecom Systems PCL. 1994-Present Director, TT&T PCL.
11) Dr.Soraj Asavaprapha Director 30 March 2011	48	Ph.D. Business Administration, International Business, Alliant International University, San Diego, USA. - Thai Institute of Directors Association (IOD) : The Role of Chairman Program (RCP) Director Certification Program (DCP) Director Accreditation Program (DAP)	None	-	2011-Present Director, Jasmine International PCL. 2009-2013 Independent Director and Chairman of Audit Committee, CyberPlanet Interactive PCL. 2009-2012 Honor Associated Specialist, The Committee of National Science Technology and Innovation Policy 2002-Present Vice Chairman, Chairman of Executive Committee Mono Technology PCL. 2007-Present Director, Asava Co., Ltd. 2004-Present Executive Director, Toyota P.S. Enterprise Co., Ltd. 1999-Present Director, Mono Group 1998-Present Director, V Capital Co., Ltd.

Remarks: <sup>1)</sup> JAS = Ordinary share, the total number of JAS used for calculation = 7,137,394,378 shares

Name-Surname Position	Age (Years)	Academic Degree/Training	Family Relationship with Directors and Executives	JAS <sup>1)</sup> Shareholding Ratio (%)	Work Experience
12) Mrs. Chuenkamol Treessuttacheep Chief Financial Officer, Finance Department	43	MBA Finance, National Institute of Development Administration	None	-	2005-Present Executive, Jasmine International Group
13) Mrs. Nitt Visessphan Vice President, Finance Department	53	Master of Administration (Public Management), Burapha University	None	-	1994-Present Executive, Jasmine International Group
14) Ms. Sinenart Jongpakpaisal Vice President, Accounting Department	51	Master of Science Accounting, Thammasat University	None	-	1992-Present Executive, Jasmine International Group
15) Mrs. Uraiporn Charoenchit Vice President, Regulatory & Compliance Department	49	Bachelor of Arts, Thammasat University	None	-	1992-Present Executive, Jasmine International Group

Remarks: <sup>1)</sup> JAS = Ordinary share, the total number of JAS used for calculation = 7,137,394,378 shares

## 1.2 Roles and Responsibilities of Corporate Secretary

Please see Section 7, Subsection 7.3



### 1.3 Directors, Executives, and Authorized Persons of the Subsidiaries that Operate the Company's Core Businesses

(Names of persons approved by the Company's directors, to assume the position of directors and authorized persons in the subsidiaries that operate the Company's core businesses are presented in Subsection 1.1)

Name-Surname Position	Age (Years)	Academic Degree/Training	Family Relationship with Directors and Executives	JAS <sup>1)</sup> Shareholding Ratio (%)	Work Experience
Jasmine Submarine Telecommunications Co., Ltd.					
1) Ms. Sinenart Jongpakpaissal Vice President, Accounting and Finance Department	51	Master of Science Accounting, Thammasat University	None	-	1992-Present Executive, Jasmine Submarine Telecommunications Co., Ltd.
2) Ms. Lukkana Moolsri Senior Manager, Administration Department	54	Master of Arts (Psychology), Chulalongkorn University	None	-	1993-Present Executive, Jasmine Submarine Telecommunications Co., Ltd.
Acumen Co., Ltd.					
3) Mrs. Nonglug Pongsrihadulchai General Manager	58	Master of Environment Technology Management, Mahidol University	None	-	1994-Present Executive, Acumen Co., Ltd.
4) Mr. Kamchai Vongklehnark Assistant General Manager	43	Bachelor of Engineering (Computer Engineering), Kasetsart University	None	-	1993-Present Executive, Acumen Co., Ltd.
5) Mrs. Mali Hongsihee Assistant Vice President, Accounting, Billing & Collection Department	53	Master of Business Administration (Accounting), Sripatum University	None	-	2002-Present Executive Acumen Co., Ltd.
6) Mrs. Jirawat Prayoonruang Assistant Vice President, Satellite Business Department	52	Bachelor of Arts, Ramkhamhaeng University	None	-	1993-Present Executive Acumen Co., Ltd.

Remarks: <sup>1)</sup> JAS = Ordinary share, the total number of JAS used for calculation = 7,137,394,378 shares

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

Name of Executive	JAS	Subsidiary															Associate	
		TTTB	TTTI	JSTC	TLDT	JasTel	Ji-NET	ACU	ARS	SHW	JTS	CCS	INC	PA	CP	JIOC		ACT
1) Mr.Sudhitham Chirathivat	C,I																	
2) Dr.Vichit Yamboonruang	CA,I																	
3) Dr.Yodhin Anavil	AC,I,CRN																	
4) Mrs.Chantha Punariksha	AC,I																	
5) Mr.Soomboon Patcharasopak	A,CRM,RN			A	A	A	A	A	A	D				A	A	A	A	A
6) Mr. Subhoj Sunyabhisithkul	A	A,P	A	A	A	A	A	A	A				A			A		
7) Mr.Terasak Jerauswapong	A,RM			A,P	A	A		A	A	A					A	A	A	A
8) Mr.Pete Bodharamik	A,P,CEO	A	A	A	A	A,P	A	A	A	A				A				
9) Ms.Saijai Kitisin	D,EVP	A	A	A	A	A							A					
10) Mr. Pleumjai Sinarkorn	D,RN											A,E	A					
11) Dr.Soraj Asavaprapha	D																	
12) Mr.Pisit Tantirodjanakitjakarn		E	E				D											

Remarks:-

A	=	Authorized Director	AC	=	Member of Audit Committee	C	=	Chairman of the Board of Directors
CA	=	Chairman of Audit Committee	CEO	=	Chief Executive Officer	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			

3. Penalty record of Directors, Executives, and Authorized persons during the past 5 years

Directors, executives and authorized persons have not committed any offence against the Securities and Exchange Act, B.E.2535 or the Derivative Act, B.E.2546, especially in connection with the following :-

- 3.1 Dishonesty or serious negligence in performing duties
- 3.2 Disclosure or dissemination of false information that may result in misleading or misunderstanding as well as concealment of significant material information that should be clearly communicated because such cover-up may affect the decision making of shareholders, investors and other related persons
- 3.3 Unfair acts or the taking of advantage of investors in trading securities or futures contracts as well as having or used to have a part in doing or supporting such deeds

## Directors of the Subsidiaries and Associate Companies

Name of Executive		Subsidiary															Associate	
		TTTBB	TTTI	JSTC	TLDT	JasTel	Ji-NET	ACU	ARS	SHW	JTS	CCS	INC	PA	CP	JIOC	ACT	PP
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. Kamthon	Waithayakul				D													
6. Mr. Kittipong	Mekvichitsaeng								A									
7. Mr. Varin	Chayanun								A									
8. Mr. Arporn	Kengpol									D,CA,I								
9. Mr. Raks	Unahabhokha									D,AC,I								
10. Mr. Annop	Suthakavatin									D,AC,I								
11. Dr. Kriengsak	Chalermiragool									A,P	A							
12. Mrs. Nitt	Visesphan									A	A	A						
13. Mrs. Busakorn	Jonksaksawat									E								
14. Mrs. Pindao	Rojanakul										A			A				
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	Tatsanachantatane																	A
22. Mr. Chumanus	Keshsathira																	A

### Remarks :

A = Authorized Director

D = Director

P = President

AC = Member of Audit Committee

E = Executive Director

CA = Chairman of Audit Committee

I = Independent Director

## Information of JAS Head of Internal Audit

Name-Surname	Academic Degree/Training	Work Experience
Mrs. Nipaporn Rattanaramik Manager, Office of Internal Audit	<ul style="list-style-type: none"> <li>- Bachelor of Business Administration (Finance and Banking), Ramkhamhaeng University</li> <li>- Federation of Accounting Professions under the Royal Patronage of His Majesty the King : IT Audit Risk Assessment for Audit Planning Internal Auditing Certificate Program (IACP)</li> <li>- The Institute of Internal Auditors of Thailand : Skills for the New Auditor-In-Charge Fraud Audit</li> <li>- The Stock Exchange of Thailand : Internal Control over Financial Reporting</li> </ul>	1991-Present Executive, Jasmine International PCL.

## Changes in Shareholding of Directors and Executives

Name-Surname		Number of Shares as at 1 Jan. 2013	Change in Number of Shares in 2013 Increase /(Decrease)	Number of Shares as at 31 Dec. 2013
<b>Director</b>				
1. Mr.Sudhitham	Chirathivat	-	-	-
2. Dr.Vichit	Yamboonruang	20,000	80,000	100,000
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	-	-	-
<b>Executive</b>				
1. Mrs.Chuenkamol	Treesuttacheep	-	-	-
2. Mrs.Nitt	Visesphan	-	-	-
3. Ms.Sinart	Jongpakpaisal	-	-	-
4. Mrs.Uraiporn	Charoenchit	-	-	-

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

Company name	Name of Director		Number of Ordinary Shares as at 31 December 2013
In Cloud Co., Ltd.	Mr. Subhoj	Sunyabhisithkul	1
Jasmine Submarine Telecommunications Co., Ltd.	Mr. Somboon	Patcharasopak	1
	Ms. Saijai	Kitsin	1
Thai Long Distance Telecommunications Co., Ltd.	Mr. Somboon	Patcharasopak	1
	Mr. Terasak	Jerauswapong	1
	Ms. Saijai	Kitsin	1
JasTel Network Co., Ltd.	Mr. Somboon	Patcharasopak	1
	Mr. Subhoj	Sunyabhisithkul	1
	Mr. Terasak	Jerauswapong	3
	Ms. Saijai	Kitsin	1
Acumen Co., Ltd.	Mr. Somboon	Patcharasopak	1
	Ms. Saijai	Kitsin	2
ACeS Regional Services Co., Ltd.	Mr. Somboon	Patcharasopak	1
Smart Highway Co., Ltd.	Mr. Somboon	Patcharasopak	1
	Mr. Subhoj	Sunyabhisithkul	1
	Mr. Terasak	Jerauswapong	3
Jasmine Telecom Systems PCL.*	Mr. Somboon	Patcharasopak	400
	Mr. Subhoj	Sunyabhisithkul	100
	Mr. Terasak	Jerauswapong	1,000
	Ms. Saijai	Kitsin	400
	Mr. Pleumjai	Sinarkorn	50,000
Cloud Computing Solutions Co., Ltd.	Ms. Saijai	Kitsin	3
Premium Asset Co., Ltd.	Mr. Terasak	Jerauswapong	3
ACeS (Thailand) Co., Ltd.	Mr. Somboon	Patcharasopak	1
T.J.P. Engineering Co., Ltd.	Mr. Somboon	Patcharasopak	1
	Mr. Subhoj	Sunyabhisithkul	1
	Mr. Terasak	Jerauswapong	2
Jasmine Smart Shop Co., Ltd.	Mr. Somboon	Patcharasopak	1
Mobile Communication Services Co., Ltd.	Mr. Somboon	Patcharasopak	1
	Mr. Subhoj	Sunyabhisithkul	1
	Mr. Terasak	Jerauswapong	3
Three BB Co., Ltd.	Mr. Somboon	Patcharasopak	1
	Mr. Subhoj	Sunyabhisithkul	1
	Mr. Terasak	Jerauswapong	2
Compunet Corporation Co., Ltd.	Mr. Somboon	Patcharasopak	1
	Ms. Saijai	Kitsin	2

Remarks: \* Shareholding as at 8 January 2014, the closing date of share register book

## 1. Business Policy and Business Operation Overview

Jasmine International PCL. was established on 3 December 1982 by a group of Thai consultants who were experts in telecommunications engineering and management. At the beginning, the Company engaged only in providing engineering consulting service. However, it gradually expanded its business to broader lines. It was in 1994 that the Company transformed itself into a public company and was listed on the Stock Exchange of Thailand, with funds raised from both local and foreign money markets and capital markets to be used for business expansion.

Presently, the Company has adjusted its role to be an investment or holding company, with an objective to invest in telecommunications 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 marine services and submarine optical fiber maintenance service on both the eastern and the western coast-lines, leased-circuits for domestic and international data communications, international Internet gateways, data center services and satellite communications.
3. System Integration Business that provides equipment sourcing, design, and installation of telecommunications 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.

### 1.1 The Company's Vision, Objective, Goal, or Strategy for Business Operation

#### Vision

An initiator and a leading telecommunications service provider, fulfilling the requirements and demands of our users with customized solutions and an array of diverse value added services to meet their specific needs, and also adhering to our corporate social responsibilities

#### Mission

- 1) Continued development of service quality and speed in all aspects including research and development for progressive growth
- 2) Continued development of personnel training to ensure employees have the proper skills and capabilities to perform their duties to the best of their abilities
- 3) Utilizing synergy between technology and personnel
- 4) Adhering to our commitment towards corporate social responsibility

#### Goal

To be the leading provider of high speed broadband internet in both quality and speed

### 1.2 Significant Changes and Development

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

#### Changes in Control Power of the Company

There was no change in control power of the Company in 2013.

### Changes in Nature of Business

In 2013, Jasmine International Group still had 4 business groups. Of these 4, the business that remarkably reported significant progress was Broadband Internet business under TTTBB that emphasized offering Broadband Internet service, using ADSL system via a copper network; and at the same time, expanding broadband Internet, utilizing a network of fiber optics with a technology called FTTx service, that provides an Internet speed of up to 1Gbps. Also In 2013, TTTI, a subsidiary of TTTBB, was granted Broadcasting Network Operator License for Non-Frequency business and Television Service Provider License in 8 channels by the National Broadcasting and Telecommunications Commission (NBTC) for providing IPTV service for Internet customers.

### Changes in Shareholding Structure and Management

- **Acquisition and Disposition of Assets of Jasmine International Group**

#### 2012

In January 2012, JAS sold 68 million JTS ordinary shares, amounting to 90 million Baht in total via the Stock Exchange of Thailand.

#### 2013

In August 2013, JAS Board of Directors' meeting resolved to approve the establishment of an Infrastructure Fund for Broadband Internet business.

In November 2013, the Extraordinary General Meeting of Shareholders No.1/2013 approved the establishment of the Infrastructure Fund for Broadband Internet business, worth about 60,000-70,000 million Baht (Investors may study for more detailed information from the minutes of the Extraordinary General Meeting of Shareholders No.1/2013 that was completely disclosed on the Company website.)

- **Treasury stock Program for Financial Management**

#### 2011-2013

JAS Board of Directors at the meeting No. 8/2011, convened on 13 December 2011, resolved to approve a treasury stock program for financial management. The maximum amount for this share repurchase did not exceed 300 million Baht; hence, the number of shares that would be repurchased did not exceed 724,425,137 shares. The par value was at 0.50 Baht/share. The number of shares that would be repurchased was not exceeding 10 percent of the total paid-up shares (7,244,251,378 shares). The share repurchase was through SET. The repurchase period was from 28 December 2011 to 27 June 2012. When the period ended, 106,857,000 shares were repurchased by the Company. Such number of repurchased shares was equivalent to 1.47 percent of the total paid-up shares, amounting to 298,085,246 Baht in total. Later, on 12 December 2012, JAS Board of Directors at the meeting No. 5/2012 resolved to approve the share resale period to be from 2-15 January 2013. On 22 January 2013, JAS decreased its paid-up capital from 3,622,125,689 Baht to 3,568,697,189 Baht by way of writing off 106,857,000 JAS shares that remained unsold at the par value of 0.50 Baht apiece, totally amounting to 53,428,500 Baht.

- **Dividend Payment**

On 29 April 2013, the Annual General Meeting of Shareholders of the year 2013 of JAS approved dividend payment for the year 2012 to the shareholders of the entire 7,137,394,378 ordinary shares at 0.09 Baht/share, totaling 642,365,494.02 Baht.



# Significant Changes in 2013 and Future Business Trends of Jasmine International Group

## Significant Changes in 2013

In 2013, the high speed broadband internet business of Triple T Broadband Public Company Limited (3BB) still remained the leader in broadband internet speed offered to its customers as it has been throughout, which can be supported by the results of the company's steadily increasing number of subscribers. 3BB's high quality and stable service has been widely accepted and a preferred choice by the public over its other competitors.

The company put emphasis on the technology advancement of the interconnection of its broadband network to ensure even higher quality and stability; particularly with increasing its Fiber Optics network linkage by creating more new fiber optic coverage nationwide. A result of this network expansion was the steadily increased implementation of both ADSL and FTTx technologies. As for its FTTx service, there had been a wide installation demand from its customers and the amount of installations the company made throughout Bangkok and provincial areas nationwide was much more than anticipated. The internet speed option of 30/3 Mbps has been a popular speed choice among users that had received very positive feedback from customers. The positive reviews spread by word of mouth which directly resulted in an ongoing increase of subscribers and has been a main cause of the company's steadily increasing revenue growth.

For all of 2013, 3BB rewarded its existing and new customers by providing them with value added services at no charge including an online storage capacity of 20-100GB called 3BB Cloudbox as well as 3BB Cloud IPTV. Customers with a service subscription of one year or more were eligible to use complimentary unlimited 3BB WiFi at various WiFi hotspots nationwide.

The Company had continued to administer personnel development and improvement and for the year 2013, employee training for the Company and its subsidiaries concentrated on learning that coincided with the specific work type of each position, including for example, technology, sales, customer service, and administrative duties. More than 50 percent of the Company's employees have undergone training of which whom have put their knowledge to good practice in their everyday working environment, resulting in better work efficiency outcomes for their affiliated organization thus, is reflected in the Company's success.

## Future Business Trends of Jasmine International Group

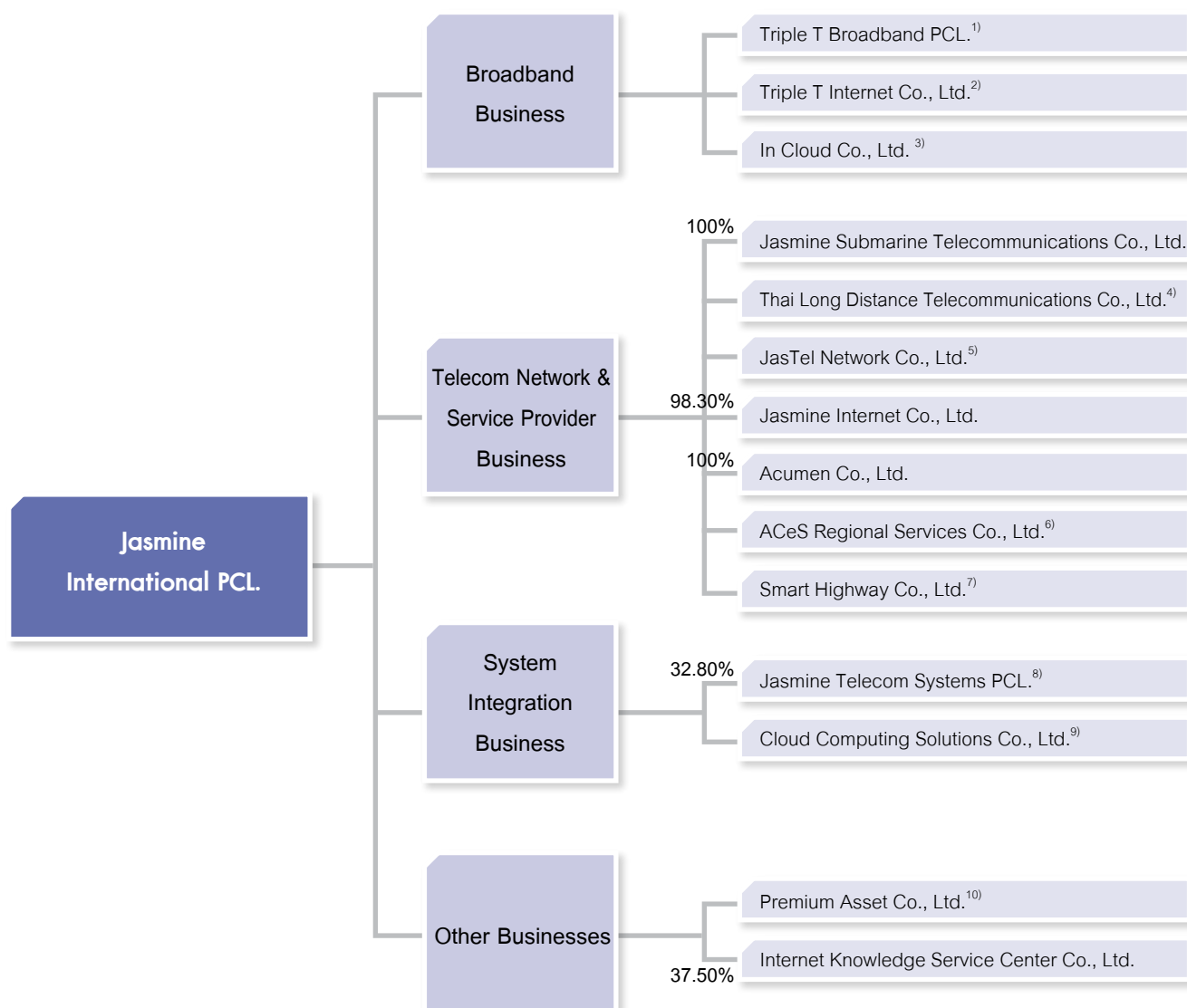
It can be seen from the past year how the steady demand for FTTx technology has consecutively increased throughout. Since FTTx uses Fiber Optics, this allows the broadband internet speed to be very high up to 1000 Mbps. A sizable amount of the Company's customers have requirements of broadband internet speed of more than 30/3 Mbps. The Company anticipates that in the near future the demand for FTTx will steadily increase and at the same time a need for even faster broadband internet speed is required. This in turn will increase the growth of the Company's earnings.

Throughout the past three years, the Company had built its own high quality network both very stable and efficient, of which the Company will take the equipment of its own network to set up an Infrastructure Fund (IFF). The company, Triple T Broadband Public Company Limited had proposed the IFF proposal since the end of 2013 to the Securities and Exchange Commission of Thailand (SEC) who already received the IFF proposal for consideration and the SEC has stated that the Company has the ability to raise sizable funds to operate the Company business for producing massive growth. The Company anticipates its IFF approval from SEC by early 2015 and it is highly possible that the growth of the Company will quickly surge, that will result in becoming the leader in fixed line broadband internet.

It is a time that the public is using more highly efficient devices that also have many device types and rely on the use of a more advanced internet technology, in combination with the utilization of social media that requires extremely high data traffic. It is only fixed line broadband internet that has the ability to support such extreme high data traffic; especially a system of Optical Fiber FTTx technology that can support an unlimited broadband internet speed.

It deems an excellent time for the Company who has already established its strength. When the ASEAN Economic Community (AEC) exists in the next two years, in the year 2015, the Company is already ready to do other businesses related to its core business. As a result, the Company business shall continue growing endlessly.

### 1.3 Shareholding Structure of Jasmine International Group



#### 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

#### Size of the Companies that Operate Core Businesses and Size of the Subsidiary and Associate Companies

The Company has invested in the companies that operate the core business in compliance with the relevant regulations. The size of those companies is 100 %, compared to the size of the Company.

### 1.4 Relationship with Business Group of Major Shareholders

- None-

## 2. Nature of Business

### 2.1 Policy on Business Operation Categorization of Jasmine International Group

The Company engages in investment, as a holding company, through its own subsidiaries only. The investment is mostly in telecom business, information technology systems, and other relevant businesses. The Company aims to encourage the subsidiaries to increase their competitiveness, keep close-knitted collaboration and synergize all resources so as to achieve maximum efficiency in developing new products, suitable for the era of rapid technological changes. Businesses of Jasmine International Group are categorized into 4 main groups as follows:-

#### 1. Broadband Business

The 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

The companies in this group are as follows:-

- Jasmine Submarine Telecommunications Co., Ltd. that provides marine services and submarine optical fiber maintenance service on the eastern coast lines
- Thai Long Distance Telecommunications Co., Ltd. that provides marine services and submarine optical fiber maintenance service on the western coast lines
- 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 60,000 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

The 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

The 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.
- Internet Knowledge Service Center Co., Ltd, a holding company, holding shares in KSC Commercial Internet Co., Ltd. that is an internet service provider (ISP)

## 2.2 Revenue Contribution from Each Business Segment

In 2013, the Company's total revenue was Bt 11,260 mn. This amount was from the contribution of the following business segments:-

1. Broadband Business whose contribution for the year 2013 was Bt 9,568 mn or 84.97 percent of the total revenue of Jasmine International Group
2. Telecom Network & Service Provider Business whose contribution for the year 2013 was Bt 1,232 mn or 10.94 percent of the total revenue of Jasmine International Group
3. System Integration Business whose contribution for the year 2013 was Bt 279 mn or 2.48 percent of the total revenue of Jasmine International Group
4. Other Businesses whose contribution for the year 2013 was Bt 181 mn or 1.61 percent of the total revenue of Jasmine International Group

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

Unit : Million Baht

Product line/ Business Segment	Operated by	% of Shares Held by JAS	2013		2012		2011	
			Revenue	%	Revenue	%	Revenue	%
Broadband Business	TTTBB	99.20% held by ACU	65	0.58	116	1.10	70	0.73
	TTTI	99.93% held by TTTBB	9,503	84.40	7,831	74.57	6,296	65.70
	INC	100% held by TTTBB	-	-	-	-	-	-
<b>Total</b>			<b>9,568</b>	<b>84.97</b>	<b>7,947</b>	<b>75.68</b>	<b>6,366</b>	<b>66.43</b>
Telecom Network & Service Provider Business	JSTC	100	26	0.23	11	0.10	484	5.05
	TLDT	90% held by JSTC	-	-	1	0.01	58	0.61
	JasTel	100% held by JSTC	412	3.66	417	3.97	422	4.40
	Ji-NET	98.30	512	4.55	553	5.27	568	5.93
	ACU	100	163	1.45	111	1.06	122	1.27
	ARS	98.04% held by ACT	115	1.02	121	1.15	129	1.35
	SHW	67.40% held by ACU	-	0.04	5	0.05	5	0.05
<b>Total</b>			<b>1,232</b>	<b>10.94</b>	<b>1,219</b>	<b>11.61</b>	<b>1,788</b>	<b>18.66</b>
System Integration Business	JTS	32.80% held by JAS, 9.06% held by ARS and 9.05% held by TJP	233	2.07	1,151	10.96	1,240	12.94
	CCS	97.87% held by JTS	46	0.41	36	0.34	43	0.45
<b>Total</b>			<b>279</b>	<b>2.48</b>	<b>1,187</b>	<b>11.30</b>	<b>1,283</b>	<b>13.39</b>
Other Businesses	JAS	-	27	0.24	8	0.08	10	0.10
	PA	53.85% held by ACU and 46.15% held by JSTC	146	1.30	135	1.29	130	1.36
	TJP	80% held by JAS and 20% held by ACU	1	0.01	1	0.01	1	0.01
	others <sup>1)</sup>	-	7	0.06	4	0.04	5	0.05
<b>Total</b>			<b>181</b>	<b>1.61</b>	<b>148</b>	<b>1.41</b>	<b>146</b>	<b>1.52</b>
<b>Grand Total for the Company and the subsidiaries</b>			<b>11,260</b>	<b>100.00</b>	<b>10,501</b>	<b>100.00</b>	<b>9,583</b>	<b>100.00</b>
<b>Associated Companies</b>								
Other Businesses	IKSC <sup>2)</sup>	37.50	0.1	37.02	0.5	75.25	(0.5)	(48.49)
	TKSC <sup>2)</sup>	40	-	-	-	-	-	-
	PRE	49	0.2	62.98	0.2	24.75	1.4	148.49
<b>Grand Total for the associated companies</b>			<b>0.3</b>	<b>100.00</b>	<b>0.7</b>	<b>100.00</b>	<b>0.9</b>	<b>100.00</b>

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

<sup>2)</sup> In 2013, 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 2011-2013.

### 3. 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 Jasmine International Group is prone to encounter. The Committee also promotes the importance of risk management corporate-wide for the better understanding of all staff members and the awareness of taking part in risk management as a duty, by emphasizing standard practical work system and the formation of risk management system that would effectively mitigate the risks to an appropriate level. Risks of Jasmine International Group are classified into 5 main categories as follows:-

#### Revenue

Jasmine International Group classifies its businesses into 4 groups as follows, to be in readiness for communication technology expansion and to bring good operation results to the Group as targeted.

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

Most of the revenue in 2013 was from the contribution of the Broadband business. So far as risk management is concerned, the Company took into consideration the customers' desire to use Internet for different purposes; thus, the Company has kept implementing speed increase that finally led to the progress in providing Internet service, utilizing a network of fiber optics with a technology called FTTx ; and WiFi service, the stability and rapid speed of which support Internet usage at all time and everywhere, resulting in the steady growth of both the number of customers and income.

#### Finance

Despite the slowdown of domestic demand in the latter half of the year 2013 and the Baht depreciation that yielded effects that in turn caused financial risks, Jasmine International Group had managed the risks appropriately.

- Risk from funding decision for business operation: Jasmine International Group has a policy on preparing the operation plan ahead of time, taking into account, various possible circumstances. It also has plans for funding decision, therein stated sources of fund from within the Group itself, financial institutions, and general investors via the establishment of the infrastructure fund for Broadband Internet business for an expansion of Broadband Internet networks.
- Default risk: The management team has followed up and audited Jasmine International Group's compliance with terms and conditions in financial and commercial contracts, cash flow management, appropriate usage of financial instrument, conversion of payment for purchase of equipment from USD currency to THB currency, suitable timing for entering the forward contracts and the maintenance of an appropriate level of USD reserve for foreign debt payment.

#### Human Resources

Since Internet and information technologies keep changing through time, personnel need to always adapt themselves to keep pace with them. With an awareness of human resources quality, Jasmine International Group has been continuously organizing comprehensive personnel training to upgrade the staff's knowledge and skills, placing importance also on honesty and ethics. The Group has laid a manpower plan beforehand and 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.

## Market and Competition

Nowadays, Internet is considered a basic public utility for both people in general and organizations, other broadband Internet service providers; therefore, try to expand their service offering country-wide, resulting in continuous competition. The Company has managed to mitigate such a risk by applying value added strategy, providing the Internet service that utilizes a network of fiber optics with a technology called FTTx service ; and Multi play as a value added service, aiming to increase the number of premium customers and the growth rate of the customers as a whole. Also, investment has been increased for continuing the expansion of broadband Internet networks to cover more areas nation-wide, besides putting full effort to maintain both product and service quality to meet the demand of the customers.

## Operation and Maintenance

The Company is well aware that to be a leader in the Internet business, it is important to maintain the existing network system 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.

# 4. General Information and other Significant Information

## 4.1 General Information

### 4.1.1 JAS General Information

- 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](http://www.jasmine.com)
- Number and Type of Total :

1. Registered capital	3,568,697,189	Baht
Paid-up Shares	divided into	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	7,137,394,378	Shares
Paid-up ordinary shares		



#### 4.1.2 General Information of 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				
1. Broadband Business							
Triple T Broadband PCL. 200, Moo 4, Chaengwatana Rd., Pakkred Sub-district, Pakkred District, Nonthaburi 11120 Tel : 0-2100-2100 Fax : 0-2100-2121	Engages in Broadband Internet service, digital data network service, fixed-line telephone service and public payphone service	1,250,000,000	ACU	1,239,992,570	shares	=	99.20%
Triple T Internet Co., Ltd. 200, Moo 4, Chaengwatana Rd., Pakkred Sub-district, Pakkred District,Nonthaburi 11120 Tel : 0-2100-2100 Fax : 0-2100-2121	Engages in providing Internet service and Internet applica- tions to residential clients and corporate clients	1,000,000	TTTB	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 develop- ment, distribution, and service provision of general software, including software system that supports value added services for Broadband Business	100,000	TTTB	99,997	shares	=	100%
2. Telecom Network & Service Provider Business							
Jasmine Submarine Telecommunications Co., Ltd. 200, Moo 4, 7 <sup>th</sup> Fl. , Chaengwatana Rd., Pakkred Sub-district, Pakkred District, Nonthaburi 11120 Tel : 0-2100-3183 Fax : 0-2100-3184	Engages in providing marine services and submarine optical fiber maintenance service on the eastern coast lines	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 providing marine services and submarine optical fiber maintenance service on the western coast lines	30,900,000	JSTC	27,809,993	shares	=	90%

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				
2. Telecom Network & Service Provider Business							
JasTel Network Co., Ltd. 200, Moo 4, 7 <sup>th</sup> Fl, Chaengwatana Rd., Pakkred Sub-district, Pakkred District, Nonthaburi 11120 Tel : 0-2100-3183 Fax : 0-2100-3184	Engages in circuit leasing service and local as well as international data communica- tions 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%
3. System Integration Business							
Jasmine Telecom Systems PCL. 200, Moo 4,9th 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 8 January 2014)	- JAS - ARS - TJP	231,714,400 64,027,700 63,918,000	shares shares shares	= = =	32.80% 9.06% 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 develop- ment of application software	550,000	JTS	538,264	shares	=	97.87%

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					
4. <i>Other Businesses</i>								
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 - JSTC	69,999,993 60,000,000	shares shares	= =	53.85% 46.15%	
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	A holding company	12,000,000	JAS	4,500,000	shares	=	37.50%	
<i>Dormant Company or Company that does not operate significant transactions</i>								
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	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 - ACT - ARS	4,594,134 3,994,325 3,000,000	shares shares shares	= = =	39.82% 34.18% 26.00%	
ACeS (Thailand) Co., Ltd. 200, Moo 4, Chaengwatana Rd., Pakkred Sub-district, Pakkred District, Nonthaburi 11120 Tel: 0-2100-3000 Fax: 0-2100-3152	Engages in investment business	195,000,000	JIOC	114,742,696	shares	=	58.84%	
Pakkred Planer Co., Ltd. 200, Moo 4, 29 <sup>th</sup> -30 <sup>th</sup> Fl., Chaengwatana Rd., Pakkred Sub-district, Pakkred District, Nonthaburi 11120 Tel: 0-2100-3000 Fax: 0-2100-3152	Rehabilitation Plan Administrator of JIOC	10,000	JIOC	9,993	shares	=	100%	

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				
Dormant Company or Company that does not operate significant transactions							
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 tele- communications projects	2,000,000	- JAS	1,600,000	shares	=	80%
			-ACU	399,995	shares	=	20%
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%
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%
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%
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%
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, telecommunica- tions equipment and software	100,000	JAS	40,000	shares	=	40%
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%
Palit Palangngan Co., Ltd. 2034/132-161 New Petchburi Rd., Bangkapi Sub-district , Huaykwang District, Bangkok 10310 Tel : 0-2716-1600-700 Fax : 0-2716-1418	Engages in power plant business	10,000	JAS	1,500	shares	=	15%

#### 4.1.3 General Information of Reference Persons

- Registrar : Thailand Securities Depository Co., Ltd.  
No.62, 7<sup>th</sup> Floor, the Stock Exchange of Thailand Building,  
Ratchadapisek Road, Khwaeng Klongtoey, 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,  
Khwaeng Thungmahamek, Sathorn District, Bangkok 10120  
Tel. (66) 0 2645 8800 Fax (66) 0 2645 8880  
: Weerawong, Chinnavat & Peangpanor Ltd.  
22<sup>nd</sup> Floor, Mercury Tower, 540 Ploenchit Road, Khwaeng Lumpini,  
Pathumwan District, Bangkok 10330  
Tel. (66) 0 2264 8000 Fax (66) 0 2657 2222

#### 4.2 Other Significant Information

-None-

## 5. Shareholders

#### 5.1 Major Shareholder

The top 10 largest shareholders of the Company as at the latest closing date for the Company's share register book (4 November 2013) are as follows:-

(The total number of shares: 7,137,394,378 Shares)

	Name of Shareholder *	Number of Shares	% of Total Shares
1.	Bodharamik Group	1,844,696,870	25.46
2.	Thai NVDR Co., Ltd.	685,328,832	9.60
3.	ABN AMRO Nominees Singapore Pte Ltd	304,233,500	4.26
4.	State Street Bank and Trust Company	225,424,780	3.16
5.	Morgan Stanley & Co International PLC.	219,713,700	3.08
6.	State Street Bank Europe Limited	164,047,134	2.30
7.	HSBC Bank PLC-Saudi Arabia Monetary Agency Sec Account A	129,319,100	1.81
8.	Mr. Krirkrai Tribunyatkul	120,997,800	1.70
9.	Bangkok Bank Public Company Limited	115,611,377	1.62
10.	Thai Value Focus Equity-Dividend Fund	99,287,100	1.39

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

#### Bodharamik Group-Individual

#### % of Shareholding

- Mr.Pete Bodharamik

25.46

- Mr.Anupong Bodharamik

0.01

## 5.2 Information of Shareholders of the Subsidiaries that Operate Core Businesses

### 1) Jasmine Submarine Telecommunications Co., Ltd.

Name of Shareholder		Number of Shares	% of Total Shares
1.	Jasmine International PCL.	15,499,994	100.00
2.	Mr. Anupong Bodharamik	1	0.00
3.	Mr. Somboon Patcharasopak	1	0.00
4.	Mr. Songrit Kusumrosananan	1	0.00
5.	Ms. Saijai Kitsin	1	0.00
6.	Mrs.Chutiwan Channet	1	0.00
7.	Mrs. Uraiporn Charoenchit	1	0.00

### 2) Acumen Co., Ltd.

Name of Shareholder		Number of Shares	% of Total Shares
1.	Jasmine International PCL.	7,599,994	100.00
2.	Mrs.Chutiwan Channet	1	0.00
3.	Mr.Anupong Bodharamik	1	0.00
4.	Mr. Somboon Patcharasopak	1	0.00
5.	Mr. Songrit Kusumrosananan	1	0.00
6.	Ms. Saijai Kitsin	2	0.00

## 5.3 Shareholders' Agreement

-None-

## 6. Dividend Payment Policy

### Dividend Payment Policy of the Company and the Subsidiaries

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.

## 7. Management Structure

### 7.1 The Company's Board of Directors

Names of the Board of Directors, Members of the Subcommittees, and Authorized Persons; Number of the Board of Directors' Meetings, and Number of Meeting Attendance of Each Individual Board of Director

In 2013, JAS had 7 Board of Directors' meetings. The record of each Director's meeting attendance is as follows:-

Director's Name		Position	Number of Meeting Attendance
1. Mr.Sudhitham	Chirathivat	Independent Director and Chairman of the Board of Directors	6
2. Dr. Vichit	Yamboonruang	Independent Director and Chairman of Audit Committee	6
3. Dr. Yodhin	Anavil	Independent Director, Member of Audit Committee and Chairman of Remuneration and Nomination Committee	7
4. Mrs.Chantra	Purnariksha	Independent Director and Member of Audit Committee	6
5. Mr. Pete	Bodharamik	Director* and Chief Executive Officer	6
6. Mr. Somboon	Patcharasopak	Director*, Member of Remuneration and Nomination Committee, and Chairman of Risk Management Committee	7
7. Mr. Subhoj	Sunyabhisithkul	Director*	5
8. Mr. Terasak	Jerauswapong	Director* and Member of Risk Management Committee	7
9. Mr. Pleumjai	Sinarkorn	Director and Member of Remuneration and Nomination Committee	5
10. Dr.Soraj	Asavaprapha	Director	7
11. Ms. Saijai	Kitsin	Director, Executive Vice President, Secretary to the Board of Directors, and Corporate Secretary	7

Remarks : \* Authorized Director

Directors and Authorized persons of the subsidiaries that operate the Company's core businesses

#### 1) Jasmine Submarine Telecommunications Company Limited

1. Mr. Terasak	Jerauswapong	Director * and President
2. Mr. Somboon	Patcharasopak	Director *
3. Mr. Subhoj	Sunyabhisithkul	Director *
4. Mr. Pete	Bodharamik	Director *
5. Ms. Saijai	Kitsin	Director

Remarks : \* Authorized director

#### 2) Acumen Company Limited

1. Mr. Somboon	Patcharasopak	Director *
2. Mr. Terasak	Jerauswapong	Director *
3. Mr. Subhoj	Sunyabhisithkul	Director *
4. Mr. Pete	Bodharamik	Director *

Remarks : \* Authorized director

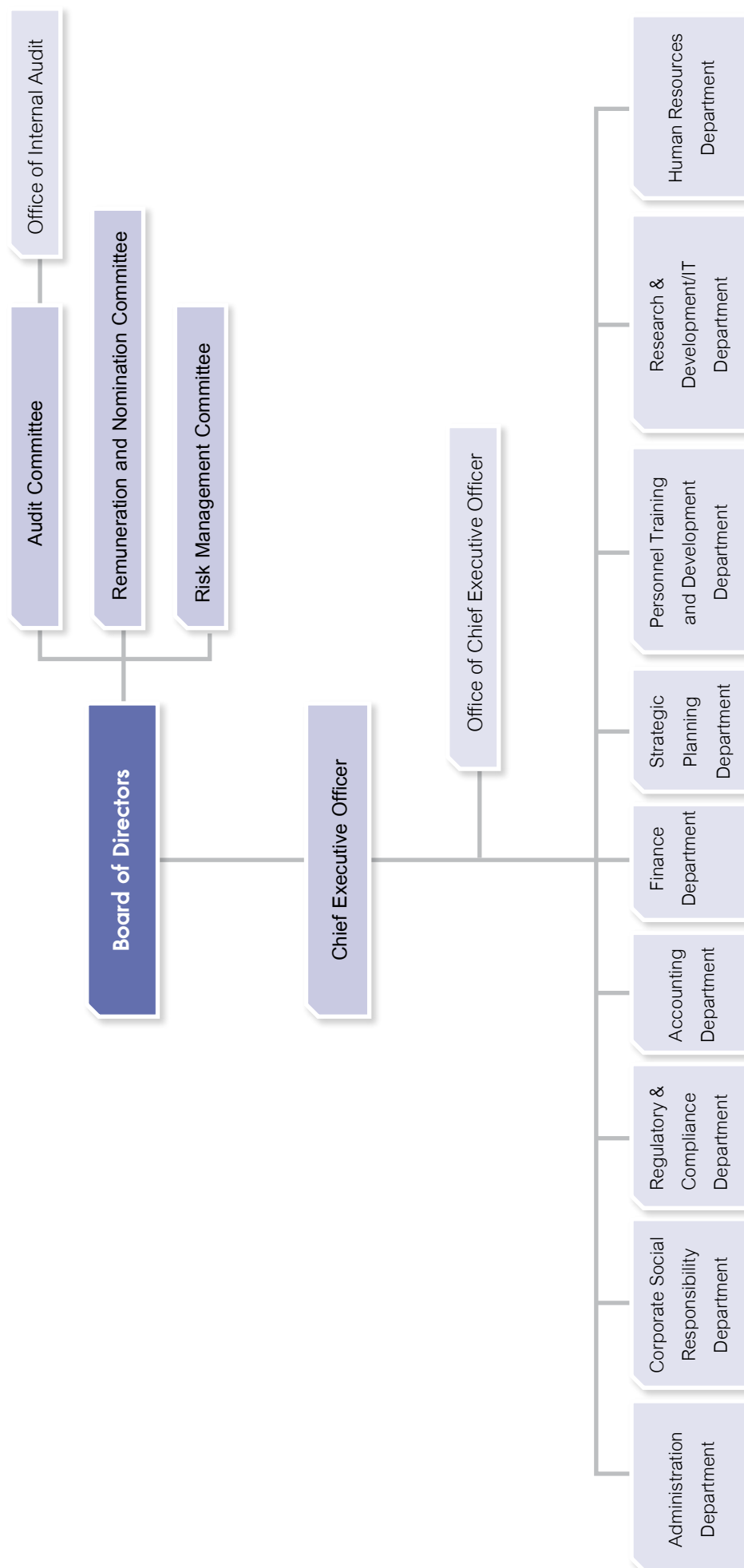
## 7.2 Executives

The names of the Company's 6 executives are as follows:-

1. Mr. Pete	Bodharamik	Chief Executive Officer and President
2. Ms. Saijai	Kitsin	Executive Vice President
3. Mrs. Chuenkamol	Treesuttacheep	Chief Financial Officer, Finance Department
4. Mrs. Nitt	Visesphan	Vice President, Finance Department
5. Ms.Sinenart	Jongpakpaisal	Vice President, Accounting Department
6. Mrs.Uraiporn	Charoenchit	Vice President, Regulatory & Compliance Department



## Management Structure and Organization Chart

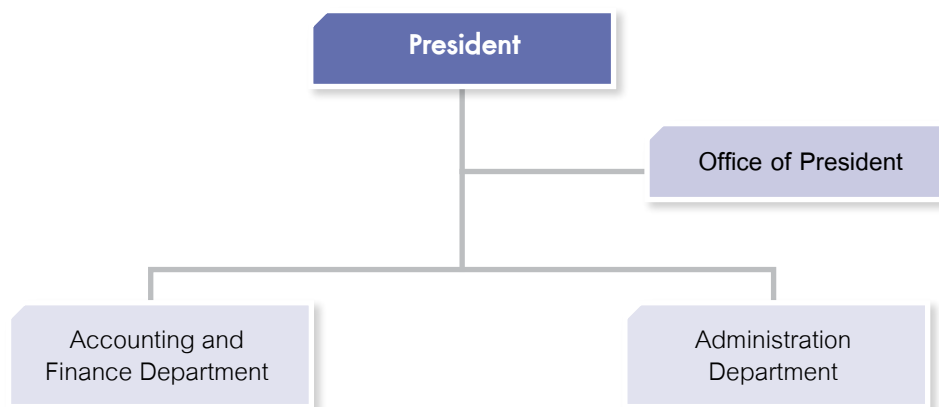


## Executives of the Subsidiaries that Operate the Core Businesses

1) Jasmine Submarine Telecommunications Co., Ltd. has 3 executives as follows:-

- |                 |               |                                                   |
|-----------------|---------------|---------------------------------------------------|
| 1. Mr. Terasak  | Jerauswapong  | President                                         |
| 2. Ms. Sinenart | Jongpakpaisal | Vice President, Accounting and Finance Department |
| 3. Ms. Lukkana  | Moolsri       | Senior Manager, Administration Department         |

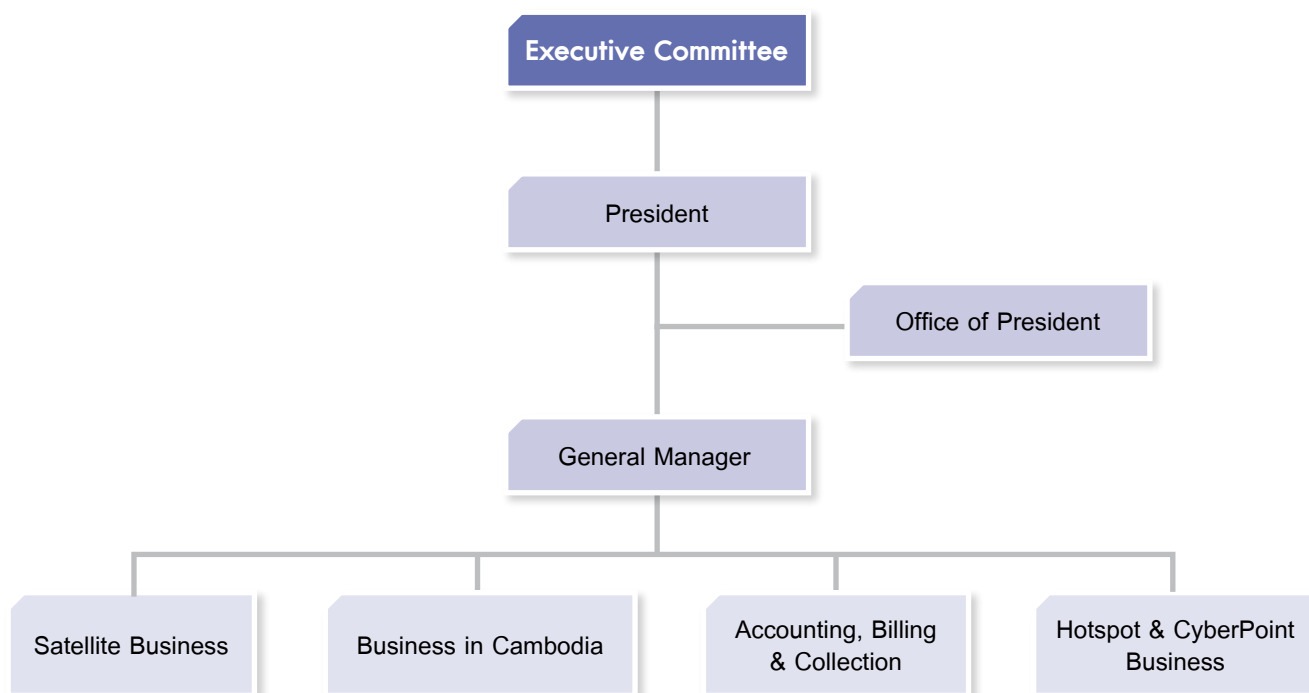
JSTC Organization Chart



2) Acumen Co., Ltd. has 4 executives as follows:-

- |                 |                  |                                                                       |
|-----------------|------------------|-----------------------------------------------------------------------|
| 1. Mrs. Nonglug | Pongsrihadulchai | General Manager                                                       |
| 2. Mr. Kamchai  | Vongklednark     | Assistant General Manager                                             |
| 3. Mrs. Mali    | Hongsithee       | Assistant Vice President, Accounting, Billing & Collection Department |
| 4. Mrs. Jirawat | Prayoonyuang     | Assistant Vice President, Satellite Business Department               |

ACU Organization Chart



### 7.3 Corporate Secretary

JAS Corporate Secretary is Ms. Saijai Kitsin. Roles and responsibilities of JAS Corporate Secretary are as follows:-

1. Preparing, compiling and keeping the following documents:-
  - Registration of directors
  - Notices calling the Board of Directors' meetings, minutes of the Board of Directors' meetings, and the Company's Annual Reports
  - Notices calling the shareholders' meetings and minutes of the shareholders' meetings
2. Keeping reports on interest filled by directors and executives
3. Carrying out other activities as defined by the Capital Market Supervisory Board

Corporate Secretary has duties and responsibilities to both the Company's Board of Directors and the shareholders and has to work with awareness of duty of loyalty, duty of care, and fiduciary duty. Corporate Secretary must follow the Board of Directors' policies and carry out the tasks as assigned by the Board of Directors as summarized below:-

1. Undertaking arrangements for the meetings of the Board of Directors
2. Undertaking arrangements for the meetings of the shareholders
3. Keeping reports on interest filled by directors and executives as well as minutes of the meetings at a safe place of the registered office of the Company
4. Compiling the information on the Company's operation for the correct and complete preparation of Annual Registration Statement (Form 56-1) and Annual Report (Form 56-2) in compliance with the SEC regulations and delivering them accordingly to the shareholders and relevant agencies within the time specified by law
5. Providing the directors with advice and services pertaining to the Company's businesses, corporate practices and procedures, principles of risk management, regulations under Articles of Association, regarding ; for instances, sending of notices calling the meetings, passing of special resolution, quorum, procedures of director appointment, procedures of arranging an Annual General Meeting of Shareholders, and so on; in addition to providing advice on laws applicable to the Company, roles and responsibilities of the Board of Directors prescribed by law, laws and regulations in connection with listing a company on the SET, and corporate information disclosure and so on
6. Ensuring that the Board of Directors and Chief Executive Officer complete their performance assessment forms for the continuation of the performance evaluation, and compiling those forms for preparing assessment result report to the Board of Directors at the meeting.
7. Keeping the registration of directors and information on the appointment of the Company's directors, verifying the term of a new director's post and the agenda in connection with the appointment of the Company's new director, as well as ensuring the provision of the information on the appointment of director at an Annual General Meeting of Shareholders as stated in the Company's Articles of Association
8. Steering the Board of Directors to perform their duty to be in compliance with the Company's principles of Corporate Governance
9. Ensuring that corporate information disclosure is correct, timely, and transparent, as well as being capable of supervising the compliance with the SET regulations on information disclosure
10. Carrying out other activities as defined by the Capital Market Supervisory Board

### 7.4 Remuneration of Directors and Executives of the Company

#### 7.4.1 Cash Remuneration

- 1) Board of Directors of the Company and the Subsidiaries that Operate the Core Businesses
  - 1.1) Jasmine International PCL.

1.1.1) Remuneration of the Board of Directors and the Subcommittees According to the Positions:-

- Chairman of the Board of Directors received remuneration of 60,000 Baht per month (Additional).
- Each Independent Director received remuneration of 40,000 Baht per month.
- Chairman of Audit Committee received the remuneration of 10,000 Baht per month. (Additional).
- Each Audit Committee member received the remuneration of 20,000 Baht per month.
- Chairman of Remuneration and Nomination Committee received the remuneration of 10,000 Baht per month (Additional).
- Each member of Remuneration and Nomination Committee received the remuneration of 5,000 Baht per month
- Each Executive Director received the remuneration of 20,000\* Baht per month
- Each Non-executive Director received the remuneration of 20,000 Baht per month
- Chairman of the Board of Directors received the gratuity of 700,000 Baht.
- Six Board of Directors, each received the gratuity of 150,000\* Baht.
- Three Independent Directors, each received the gratuity of 550,000 Baht.

1.1.2) Remuneration of Directors and the Subcommittees Disclosed Individually:-

Director's Name		Year 2013 (Baht)	Remuneration Details
1. Mr.Sudhitham	Chirathivat	1,900,000	Remuneration and Gratuity
2. Dr. Vichit	Yamboonruang	1,390,000	Remuneration and Gratuity
3. Dr. Yodhin	Anavil	1,450,000	Remuneration and Gratuity
4. Mrs.Chantra	Purnariksha	1,270,000	Remuneration and Gratuity
5. Mr. Pete	Bodharamik*	-	Remuneration and Gratuity
6. Mr. Somboon	Patcharasopak	450,000	Remuneration and Gratuity
7. Mr. Subhoj	Sunyabhisithkul	390,000	Remuneration and Gratuity
8. Mr. Terasak	Jerauswapong	390,000	Remuneration and Gratuity
9. Ms. Saijai	Kitsin	390,000	Remuneration and Gratuity
10. Mr. Pleumjai	Sinarkorn	450,000	Remuneration and Gratuity
11. Dr.Soraj	Asavaprapha	390,000	Remuneration and Gratuity

*Remarks* \* Mr. Pete Bodharamik stated the intention not to receive any remuneration and gratuity 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 Executives of the Company and the Subsidiaries that Operate the Core Businesses

The Company and the Subsidiary	Number of Executive (Person)	Year 2013 (Baht)	Remuneration Details
1. Jasmine International PCL.	6	24,574,474	Salary and bonus
2. Jasmine Submarine Telecommunications Co., Ltd.	3	6,027,019	Salary and bonus
3. Acumen Co., Ltd.	5	6,267,837	Salary and bonus
<b>Total</b>	<b>14</b>	<b>36,869,330</b>	

#### 7.4.2 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 Rajapruet 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).

### 7.5 Personnel

#### 7.5.1 Information on Personnel of the Company and the Subsidiaries as at 31 December 2013

Item	Number of Employee (Person)	Remuneration Amount (Baht)	Remuneration Details
1. Jasmine International PCL.	100	73,404,691	Salary , Overtime Wage, and Bonus
2. Jasmine International PCL. and the subsidiaries	5,469	1,621,698,137	Salary , Overtime Wage, and Bonus

#### 7.5.2 Number of Employees in Major Departments of the Company as at 31 December 2013

Department	Number of Employees (Persons)
1. Office of Chief Executive Officer	28*
2. Office of Internal Audit	3
2. Administration	11
3. Corporate Social Responsibility	3
4. Regulatory & Compliance	5
5. Accounting	11
6. Finance	7
7. Personnel Training and Development	6
8. Research & Development/IT	7
9. Human Resources	19
<b>Total</b>	<b>100</b>

*Remarks \* The number of the Company's employee, including Chief Executive Officer*

#### 7.5.3 Personnel Training Policy of the Company

2013 was the year in which Broadband Internet business grew significantly with high competition. It is true that an operator that possesses advanced technology, strong network, and marketing as well as sales strategies always gains advantage over its rivals. However, another important factor that enables superiority in competitiveness is quality personnel.

The Company places importance on this aspect as it believes that personnel development is an investment that yields long-term competitive advantage. In 2013, the Company thoroughly supported its personnel of all levels to develop the right attitudes and to have proper knowledge, expertise, and skills applicable to their own fields of work, be it technical, IT, servicing, accounting, finance, and so on. Such development was implemented through training, seminars, coaching, on-the-job training and co-learning between executives and employees.

Now that the Company continues expanding its businesses, it still has a strong policy on supporting as well as encouraging personnel of all levels for knowledge development, progressive work efficiency, and ceaseless self development so that these people become quality manpower, working in unity to propel JAS organization towards sustainable growth.

## 8. Corporate Governance

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:-

### 8.1 Corporate Governance Policy

#### *Section 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.

## *Section 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 connected 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 party 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.

### Section 3: *The Role of Stakeholders*

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

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

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

<b>Shareholders:</b>	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.
<b>Employees:</b>	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.
<b>Competitors:</b>	The Company commercially contends with other trade competitors on the fair and ethical competition basis.
<b>Customers :</b>	The Company is committed to providing quality services for the highest satisfaction and confidence of the customers.
<b>Trade Counterparts and Creditors:</b>	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.
<b>Community and Public:</b>	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.
<b>Environment:</b>	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.



#### *Section 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 compliance 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.

#### *Section 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.

##### **Term of Office of the Board of Directors**

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.

The Board of Directors has approved to embrace the disclosure of the number of the 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.

#### Board Member Orientation

A newly appointed director will be briefed on businesses of the Company. The Company also sends him/her a set of document on regulations for the Board of Directors and the Board of Directors' responsibilities to notify them of good practice as a director of the Company.

## 2. Subcommittee

For efficient corporate governance, the Company established 3 subcommittees, 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 subcommittees 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.

In regard to top management succession planning, the Board of Directors has assigned the Remuneration and Nomination Committee to set up criteria and procedures for the selection of qualified candidates for top management positions. It is required that such plan be annually reviewed and the results thereof be reported to the Board of Directors.

#### 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. 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 assesses 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

Quarterly, the Accounting Department organizes a meeting between the relevant staff and the Company's auditors. The Company's Audit Committee is accountable for the review of the financial report that is to be presented to the Board of Directors by the Accounting Department. 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 of the Board of the Directors and Chief Executive Officer or President. To this regard, each director can also propose issues for the preparation of a meeting agenda.

During the meeting, the Company's Chairman of the Board of Directors 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.

The Board of Directors has the policy to encourage the non-executive members to schedule meetings among themselves without the management team at least once a year. Corporate Secretary, as the meeting coordinator, is assigned the task of meeting organization.

#### 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 on the evaluation result of the CEO Performance Evaluation Form and the Company's operation results.

#### Report on Compliance to Corporate Governance Policy

In 2013, 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:-

##### *Section 1 and 2: Regarding the Rights of Shareholders and the Equitable Treatment of Shareholders*

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

2. Last year, the Company organized the Annual General Meeting of Shareholders on 29 April 2013 and the Extraordinary General Meeting of Shareholders No. 1/2013 on 25 November 2013. All the Company's directors attended both meetings.
3. The Company provided the shareholders with adequate time to study detailed information of the documents for the AGM and the EGM No.1/2013 beforehand by:
  - posting the invitation letter to the AGM on its website (www.jasmine.com) 38 days prior to the meeting date. It also posted the Minutes of the AGM on the website 14 days after the date of the meeting.
  - posting the invitation letter to the EGM No. 1/2013 on its website (www.jasmine.com) prior to the meeting date. It also posted the Minutes of the EGM No. 1/2013 on the website 14 days after the date of the meeting.
4. The Company had not yet provided the shareholders a chance to submit their opinions, recommendations, inquiries, additional agenda items or names of candidates for the position of director to the Company since, for the time being, the Company is considering an appropriate guideline and a policy related to the matters.
5. The records of proxy in which the shareholders specified their intention to assign the Company's directors to attend the meetings and vote on their behalves at the shareholders' meetings in 2013 are as follows:-
  - At the 2013 AGM, 514 shareholders assigned the Company's Independent Directors, namely, Mr.Sudhitham Chirathivat, Dr.Vichit Yamboonruang, Dr. Yodhin Anavil, and Mrs.Chantra Purnariksha to vote on their behalves. In the like manner, 5 shareholders assigned Mr. Pete Bodharamik, a Company's director, to vote on their behalves.
  - At the EGM No.1/2013, 468 shareholders assigned the Company's Independent Directors, namely, Mr.Sudhitham Chirathivat, Dr.Vichit Yamboonruang, and Dr. Yodhin Anavil to vote on their behalves. In the like manner, 5 shareholders assigned Mr. Pete Bodharamik, a Company's director, to vote on their behalves.
6. In the shareholders' meetings, all the shareholders were equitably allowed to express their opinions and raise questions to any of the management who attended 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 2013, the Company complied with the policy on the prevention of the inside information usage. Details of this policy is shown in Subsection 8.5 : Control of Inside Information Usage and Section 10 : Internal Control and Risk Management, part 3 : Control of Management Operation. In 2013, the Company's executives and other related persons strictly conformed to such policy. None ignored or violated it.

*Section 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.

#### *Section 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 the Company's executives is disclosed in Subsection 8.4 of the Updated Registration Statement (56-1 Form) and herein in Subsection 7.4. Initially, the remuneration had passed prudent consideration of the Remuneration and Nomination Committee. Then, 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, the Company's own business expansion and growth of profits as references. The remuneration for the Company's directors was finally approved by the shareholders' meeting. As for salary, bonus and other rewards for the executives and the employees, each was 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).

#### *Section 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 8.2 : the Company's Board of Directors and Subcommittees)

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 executives 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 one's own duties, to respect one's own rights and others', and to realize that discipline upkeep is a kind of behavior improvement not punishment
  - 3) To perform any assigned duty in compliance with the policy that is in compliance with law, honestly, so as 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 for organization's success, not for personal interests.
  - 6) Should there be any personal interest other than the one received from the Company, one is obliged to disclose the information thereof to the Company immediately; furthermore, one should not get involved in any other business activity that may lead to a conflict of interest or deteriorate work efficiency
  - 7) To create the work atmosphere that encourages opinion exchange, 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 2013, 7 Board of Directors' meetings were held. The record of each Director's meeting attendance is shown in Subsection 7.1.



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 roles and responsibilities of Audit Committee in Subsection 8.2.) In 2013, 5 Audit Committee meetings were held; each was properly attended by all the Audit committee.

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 8.2.

During the year 2013, the Risk Management Committee held 4 meetings. All the committee members completed their attendance. For this year, the Remuneration and Nomination Committee held 4 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 adequacy and efficiency of the internal audit system as well as the quality of the internal work performance, hence, the responsibilities of internal auditors are as follows:-

- 1) To verify and report the reliability and completeness of financial information, work performance and method of judgment and evaluation
- 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 goal, and the success of the work plan at the Company's supreme target
- 6) To provide the Audit Committee with suggestions that would enhance more appropriateness and prudence to internal audit system
- 7) To perform any other task assigned by the Audit Committee

With regard to Risk Management, please see more details in Section 10 : Internal Control and Risk Management, part 2: Risk Management.

7. In 2013, the Board of Directors evaluated its own performance and the performance of the Chief Executive Officer based on the self assessment forms for directors and Chief Executive Officer originally prepared by the Corporate Governance Center of the SET for appropriate adaptation of a company. It also reviewed the business operation policy and improved the business plan on a regular basis to increase efficiency of the management system and the internal control system of Jasmine International Group.



## 8.2 The Company's Board of Directors and Subcommittees

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. The names of Board of Directors and the members of each subcommittee, including the scope of authority and duties are presented as follows:-

### 1) Board of Directors

The Company's Board of Directors comprises 11 directors. The details of each Board of Director are presented in Subsection 7.1.

#### *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 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.

#### *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.

## 2) Audit Committee

The Company's Audit Committee comprises 3 directors as follows:-

1. Dr. Vichit Yamboonruang Chairman of Audit Committee (Expert and experienced in auditing financial statements)
2. Dr. Yodhin Anavil Member of Audit Committee
3. Mrs. Chantra Purnariksha 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 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 obtained 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. The 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 comprises 3 directors as follows:-

1. Dr. Yodhin Anavil Chairman of Remuneration and Nomination Committee

- |                              |                                                     |
|------------------------------|-----------------------------------------------------|
| 2. Mr. Pleumjai Sinarkorn    | Member of Remuneration and Nomination Committee     |
| 3. Mr. Somboon Patcharasopak | Member and Secretary of Remuneration and Nomination |

#### *Authority and Duties of Remuneration and Nomination Committee*

##### Remuneration

1. To set up remuneration policy for the Board of Directors and the subcommittees 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 the subcommittees 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 the subcommittees, 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 the subcommittees, 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 comprises 8 members as follows:-

- |                   |                  |                                                   |
|-------------------|------------------|---------------------------------------------------|
| 1. Mr. Somboon    | Patcharasopak    | Chairman of Risk Management Committee             |
| 2. Mr. Terasak    | Jerauswaping     | 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

### 8.3 Nomination and Appointment of Directors and Top Executives

#### 8.3.1 Independent Directors

##### Criteria for Electing an 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.

#### 8.3.2 Recruitment of Directors and Chief 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 as per calculated in 1) for one or any number of the candidates, one by one. However, the vote 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.

The recruitment of a chief executive must be considered by the Remuneration and Nomination Committee and the Board of Directors, respectively, in the similar manner as the recruitment of a director. Pertaining to this matter, policy, criteria and selection procedures are set by the Remuneration and Nomination Committee.

#### 8.4 Oversight of the Operation of the Subsidiaries and the Associates

The Company has a policy on overseeing the operation and the management of its subsidiaries and associated companies as detailed below:-

1. The Company's Board of Directors has governance mechanisms that enable them to control and monitor the management and the operation of the Company's subsidiaries and associate companies in order to protect the Company's interest in investment as described below.
  - The Board of Directors has set the policies on operation for both the Company and its subsidiaries so as to enable the operation of Jasmine International Group to be in good harmony, support and sub-serve one another to the most for the best management efficiency and optimum benefit for the Group's businesses. Such policies comprise business directions, operation plans, audit plans, and performance evaluation.
  - The Company requires that each subsidiary and associate company prepare its annual work plan and budget to be in accordance with the Company's principal policy. In addition, each is required to report its operation result quarterly so that the Company is kept well update with its information on all aspects. The report also enables the Company to immediately help solve the problems of its subsidiaries and associate companies in case of mistake in management.
  - The Company's Board of Directors has a policy to appoint the Company's representatives to the positions of director, executive, or authorized person in the subsidiaries and associate companies. The Board of Directors entrusts the Chief Executive Officer (CEO) with this task. The CEO considers and approves an appointment of the Company's representatives to the above-mentioned positions in the subsidiaries and associate companies by taking into account each nominee's knowledge, ability, experience, and appropriateness. The appointee can be any of the Company's Board of Directors or any other person whom the CEO deems appropriate.
  - The Company's Board of Directors requires that each subsidiary completely and correctly disclose the information on its financial position and operation results, transactions between the subsidiary itself and the connected person(s), acquisition or disposition of assets, and other significant transactions. In this regard, both the information disclosure and the conduct of the above-mentioned transactions must be in compliance with the regulations of that particular subsidiary on information disclosure and transactions that are set in line with the Company's regulations on the same matters.
  - The Company has Office of Internal Audit that is responsible for auditing the operation, in all aspects, of the subsidiaries that operate the core businesses. The audit results are reported for the consideration of the Audit Committee on a quarterly basis.
  - The Company audits and evaluates the performance of its subsidiaries and associate companies by considering operation results and reports on financial position prepared in compliance with the SET regulations.
2. Shareholders' agreement
  - The Company has no shareholders' agreement that significantly affects the operation of Jasmine International Group.

## 8.5 Control of Inside Information Usage

The Company informed its directors and executives, including their spouses and minor children to comply with all the rules and regulations of the SEC and the SET, especially on reporting changes in the Company's shareholding. For this case, the Company's directors and executives must report their own shareholding and that of their spouses and minor children to the Company and the SEC in compliance with Section 59 of the Securities and Exchange Act B.E. 2535 within 3 days following the date of trade or transfer. The Company also requires that directors, executives, and relevant departments not disclose inside information they have been acknowledged to any outsider or person who is not relevant to the information by duty or who is responsible for trading the Company's securities for the period of 1 month prior to the disclosure of financial statements. The above-mentioned procedures are set in order to prevent the Company's directors and executives from using the inside information on their own interest and also to check their performance. The number of the Company's shares and securities held by the directors and the executives shall be examined and compared. Details of the shareholding of each director and executive, including the change in the number of shares shall be reported at every Board of Directors' meeting. Furthermore, at each Board of Directors' meeting, the information on interest of the directors and executives must also be reported. The Company has not stipulated any extra controlling procedures other than those specified by the SEC, for this purpose.

## 8.6 Audit Fee

- 8.6.1 Audit Fee : For the previous fiscal year, the Company and its subsidiaries paid the audit fee to Ernst & Young Office Limited, totaling 10,430,000 Baht.
- 8.6.2 Non-audit Fee  
-None-

## 8.7 Other Compliance with Corporate Governance Policy

Please see Subsection 8.1 : Report on Compliance to Corporate Governance Policy



## 9. Corporate Social Responsibility

### Corporate Social Responsibility of Jasmine International Public Company Limited and its Subsidiaries

Jasmine International Public Company Limited and its subsidiaries are sincerely committed to their socially responsible obligations which are both company policy and a corporate goal to drive the companies, subsidiaries, and employees to continuously give back to society.

In 2013, Jasmine International Public Company Limited and Triple T Broadband Public Company Limited have **successfully set up free broadband internet and WiFi for schools in remote regions throughout the country**. The number of schools that have received free broadband internet have continuously increased of which these schools use the internet as tools for communication and education development; allowing the students, parents, and people in the communities to access knowledge and information equally as do schools located in major cities. Many executives and employees of Jasmine International Public Company Limited and its subsidiaries have frequently visited schools in these remote regions where they organized many activities and trained the current methods of internet use to the students regularly.



Jasmine International Public Company Limited and Triple T Broadband Public Company Limited have created **“JAS Youth Cup”** to provide opportunities and a bright future for students. JAS Youth Cup is made up of soccer league tournaments among male students under the age of 15 in selected schools in the Khon Kaen province where Jasmine International PCL and Triple T Broadband PCL donate scholarships and sporting equipment to all participating schools. Teams that compete in the final round of matches are rewarded scholarships, and the winning team is awarded a championship trophy as well as being granted a scholarship.

On November 2013, a **soccer training camp** was set up in collaboration with the Ministry of Education, Triple T Broadband PCL, and BB-CU FC Football Club in Khon Kaen Province where Jasmine International PCL offered male students from the 6th grade up to 3rd year high school juniors an opportunity to learn soccer techniques and tactics from professional soccer players. After completing the soccer training camp, the students were given a chance to put their training to use by competing in a tournament of friendly soccer matches amongst each other. The winning team of the tournament received awards and scholarships.

In addition, Jasmine International PCL together with all its subsidiaries **contributed to society by making monetary and physical donations** to other significant public charities such as :-

- Donating 2 million baht to the **Faculty of Medicine**, Ramathibodi Hospital at Mahidol University.
- Distributing relief packages and drinking water to the flood victims in the eastern part of Thailand, under the **“All That JAS giving a hand to the flood victims”** project.
- Donating calendars to the blind students of Bangkok School for the Blind, and contributing funds to the **“Foundation for the Blind in Thailand under The Royal Patronage of H.M. The Queen”**, as **“JAS CSR: Braille for the Blind”** project.

In regards to environmental development, many executives and employees of Jasmine International PCL as well as its subsidiaries devoted their efforts to planting trees to restore the depleting forests and increase wildlife habitats in the Khao Yai National Park, Pak Chong district of Nakhon Ratchasima province.

### 3BB sets up free broadband internet & WiFi

for underprivileged schools with little access to the internet nationwide to increase educational opportunities for Thai youth



Jasmine International PCL as well as its subsidiaries strongly commit to dedicating the combined strength and spirit of its employees and management toward social responsibilities, especially toward empowering the Thai youth who are significant foundations for the future of the nation. We acknowledge the company's current growth and stability is the result of the public's support, therefore we have made it an essential responsibility to give back to society without end.





## 10. Internal Control and Risk Management

### 10.1 Opinion of the Board of Directors on the Company's Internal Control

The Company places importance on having a good internal control system and risk management as both are considered an essential mechanism that shall drive the Company to achieve its goal and success as well as to create more value for the stakeholders. The Board of Directors entrusts the Audit Committee with the duty of verifying the Company's internal control system and conducting the follow-up and assessment on a regular basis in order to ensure that the Company's internal control is efficient and effective for the Company's business operation.

At the Board of Directors' Meeting No.1/2014, convened on 11 February 2014, the Audit Committee reported the evaluation results of the internal control system to the Board of Directors. After careful consideration, the Board of Directors provided opinions on internal control system of the Company and its subsidiaries as summarized below:-

#### Control Environment

The Company has arranged its organization structure to be of functional type to support the performance and the management of the executives. It also places importance on having a good, appropriate, and effective internal control system and the promotion of code of ethics to employees of all levels in order to prevent conflicts of interest that may affect the Company.

The Company has set a policy on good corporate governance for all the executives and employees to use as a guideline of working for the steady growth of the organization. Moreover, the Company's Board of Directors and the executives serve as a good role model where compliance with the policies and business ethics is concerned.

#### Risk Assessment

The Company places importance on risk management; hence, establishing the Risk Management Committee, comprising representatives from the Company and the subsidiaries. The Risk Management Committee is entrusted with the task of managing risks that may affect the Company's operation, assessing the risk factors, both intrinsic and extrinsic, for further analysis, follow-up and review of the adequacy of the policy and the risk management system in addition to providing measures for mitigating risks to an appropriate and acceptable level in accordance with the Company's policies and strategies, on a quarterly basis.

#### Control Activities

The Company's Board of Directors and Audit Committee oversee and monitor the performance of the management to be in line with the policies and achieve the goals as planned. They also set measures regarding transaction approvals by principally taking into consideration, the optimum benefit of the Company and the compliance with laws, rules and regulations of the SET. Furthermore, the Company has an internal audit office that is responsible for auditing the performance of all the units of the organization and providing them with appropriate recommendations for more work efficiency and effectiveness.

#### Information & Communication

The Company attaches much importance to the information and communication system that enables the executives and the employees all over the organization to successfully communicate with each other as it enhances not only performance efficiency, but also timely decision making for both the practitioner and management levels. The Company also has an effective security system that helps safe-guard its information system and data.

The Company is always aware of the importance of its information. Thus, the Company's information must be correct, reliable, and timely presented to the Board of Directors and the stakeholders. Besides, it should be acknowledged to other external stakeholders via different channels of communication.

#### **Monitoring Activities**

The Company monitors and supervises the entire operation and appropriately compares the progress to its goals on a regular basis. It also analyzes significant changes that affect the goals. All these activities are periodically reported to the Board of Directors.

Office of Internal Audit of the Company is an independent unit, directly reports to the Audit Committee. It is entrusted with the duty of auditing and evaluating the effectiveness of internal control system of every unit of the Company in order to enhance good corporate governance across the organization. In 2013, Office of Internal Audit carried out its duty according to the approved annual plan and reported the findings to the Audit Committee at their meetings. According to the Audit Committee's review, the Company has an appropriate, effective, and adequate internal control system.

#### **10.2 Opinion of the Audit Committee on the Company's Internal Control System**

Please see "Audit Committee Report."

#### **10.3 Head of Internal Audit**

- 1) The Company's head of internal audit is Mrs. Nipaporn Rattanaramik.
- 2) Opinion of the Audit Committee on the person who assumes the position of head of internal audit :  
The Audit Committee considered approving the appointment of the head of internal audit as it was of the opinion that the qualifications, education background, knowledge and experience gained through training courses of the appointee are appropriate and adequate for the position.
- 3) The appointment, discharge, or transfer of the head of internal audit is approved by the Audit Committee in compliance with the Company's regulations on appointment and transfer of employees, approved by the Audit Committee. The Audit Committee has properly supervised the performance of the Office of Internal Audit to be appropriate and efficient.

## **11. Related Party Transaction**

The Company has entered the Related Party Transactions defined in the Notification of the SEC. For the year 2013, 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 7 of Notes to the Financial Statements for the year 2013). The Company carried out each transaction in regular stages for both the rationality of the transaction and the Company's optimum benefits. The Audit Committee reviewed the prices or the ratios of the transactions with the Company's officers and internal auditors and agreed that those prices were reasonable and accurately disclosed in the Company's financial statements. The transactions were conducted based on the same procedures as those of general procurement of the Company. To this regard, the Company's executives and the shareholders had neither interest in nor approval authority on related transaction matter. Details are as follows:-

11.1 In 2013, the Company and its subsidiaries executed the following transactions of product sale, service offering, and others with the following related parties:-

Related Party	Relationship	Nature of Related Party Transaction	Amount (Million Baht) as at 31 December 2013
Mono Group, comprising 1. Mono Generation Co., Ltd. 2. Mono Technology Co., Ltd. 3. Mono Info Systems Co., Ltd. 4. Mono Production Co., Ltd	1) Mr. Pete Bodharamik is a director and a major shareholder of Mono Group	- PA executed contracts for leasing office space at Jasmine International Tower, billboard, and other facility services.	44
	2) Mr. Pete Bodharamik is a major shareholder of JAS, holding 25.46% .	- TTTI executed a high-speed Internet service contract wherein stated that the service charge was subject to the circuit speed.	24
		- ACU offered high speed Internet protocol transmission services	20
		- JasTel executed contracts for circuit leasing	2

11.2 In 2013, the Company and its subsidiaries transacted the product and equipment procurement, including payment for leases and services from related parties as follows:-

Related Party	Relationship	Nature of Related Party Transaction	Amount (Million Baht) as at 31 December 2013
Mono Group, comprising 1. Mono Generation Co., Ltd. 2. Mono Technology Co., Ltd. 3. Mono Info Systems Co., Ltd 4. Mono Production Co., Ltd	1) Mr. Pete Bodharamik is a director and a major shareholder of Mono Group	- TTTI bought its program license, utilized advertising service and media.	26
		- TTTBB utilized its advertising service and media.	4
	2) Mr. Pete Bodharamik is a major shareholder of JAS, holding 25.46%.	- Ji-NET utilized ADSL service.	1

## 12. Significant Financial Information

### Audit Report Summary

The auditor who was approved by the Company was Mr. Khitsada Lerdwana, Certified Public Accountant (Thailand) No. 4958 or Ms. Thipawan Nananuwat, Certified Public Accountant (Thailand) No.3459, or Mr. Narong Puntawong, Certified Public Accountant (Thailand) No.3315 of Ernst & Young Office Limited, located at 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.

According to the Audit Report, the Company's auditor has given Qualified Opinion on the Company's financial statements as of the years 2011, 2012, and 2013 due to a limitation imposed by the following circumstances:-

1. On 7 August 2003, the Central Bankruptcy Court approved the business rehabilitation plan of the Company. However, certain creditors of the Company lodged objections to certain issues with the Supreme Court. Subsequently, on 14 September 2006, the Court issued an order to terminate the business rehabilitation plan of the Company since the Company has complied with all requirements in the plan. On 19 August 2013, the Central Bankruptcy Court read the judgment of Supreme Court, which reversed the decision of the Central Bankruptcy Court. The Supreme Court rejected the rehabilitation plan and cancelled the Central Bankruptcy Court's business rehabilitation order, and as a result the rights of claim of creditors of the Company returned to what they were prior to the rehabilitation order. The Company estimated that additional liabilities of up to Baht 1,343 million, excluding interest, might arise if the Company were sued by the creditors in the future. Nevertheless, the legal advisor and the management of the Company believe that because a considerable period of time elapsed between the Central Bankruptcy Court's approval of the rehabilitation plan and the Supreme Court's judgment reversing the decision of the Central Bankruptcy Court and rejecting the plan, whether and how much the Company will be required to pay to any particular creditor depends on whether the creditors present themselves, exercise their rights and convince the Company that they are the creditors of the amounts claimed. In case of any dispute or disagreement over any matter, the matter will need to be forwarded for consideration by the Civil Court in order to reach settlement. The Company believes that there is not yet sufficient information to make a proper estimate of the additional liabilities that should be recorded. Therefore, the auditor was unable to audit to satisfy himself as to the additional amount of provision to be recorded.
2. 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. Since the conclusion of such negotiation may significantly impact on the balance of such trade receivable and the value of the investment from investing in the subsidiary, the auditor was unable to audit to satisfy himself as to the value of such transactions.

The auditor also drew attention to the following matters:-

1. A subsidiary has the balance of approximately Baht 54 million receivable from an unrelated company. According to the debt restructuring agreement, this amount must be repaid in cash through the period of 4 years. At present, Baht 51 million of such balance receivable is still a dispute and under the proceeding of the Central Bankruptcy Court and this unrelated company has submitted a dispute proposal to the Thai Arbitration Institute asking the subsidiary to pay the money totaling Baht 1,780 million. The management of the subsidiary view that since the subsidiary does not break the agreement, the subsidiary does not have to make repayment for such amount. The dispute is under the Arbitral proceeding.
2. A subsidiary has entered into a turn-key agreement with a counterparty, but at present, it has been unable to make delivery within the stipulated period. The counterparty is therefore entitled to charge a penalty to the subsidiary. However, the management of this subsidiary is in the process of negotiation with the counterparty to reduce the scope of work and request for an extension of the deadline for delivery. The management of the subsidiary believe that the subsidiary will successfully negotiate with the counterparty to reduce the scope of work, extend the deadline and will complete the project with an immaterial amount of penalty being imposed.
3. A subsidiary has changed its accounting policies due to the adoption of new Thai Accounting Standard 12 Income Taxes. The Company has restated the consolidated and separate financial statements for the year ended 31 December 2012, presented herein as comparative information, to reflect

the adjustment resulting from such change in accounting policy. The Company has also presented consolidated and separate statements of financial position as at 1 January 2012 as comparative information, using the same accounting policy for income taxes.

#### 12.1 Summary of the Consolidated Financial Statements

The summary of balance sheets, profit and loss statements, and cash flow statements during the past 3 years, ended 31 December is presented in the table below.

Item	Consolidated Financial Statements					
	2013		2012		2011	
	Million Baht	%	Million Baht	%	Million Baht	%
<b>Balance sheet</b>						
Cash and cash equivalents	2,997	13.79	1,479	7.49	1,581	7.90
Trade and other receivables	3,673	16.90	3,685	18.66	4,077	20.36
Inventories	40	0.18	49	0.25	70	0.35
Total current assets	8,260	38.00	7,284	36.88	7,420	37.06
Investments in associates	23	0.11	23	0.12	23	0.11
Property, plant, and equipment	12,904	59.37	11,739	59.43	11,573	57.80
Other non-current assets	73	0.34	69	0.35	74	0.37
Total assets	21,733	100.00	19,752	100.00	20,022	100.00
Short-term loans from banks	983	4.52	487	2.47	547	2.73
Trade and other payables	2,637	12.13	2,656	13.44	3,009	15.03
Total current liabilities	6,667	30.68	5,868	29.71	9,487	47.38
Long-term liabilities	2,352	10.82	3,594	18.19	1,792	8.95
Total liabilities	9,264	42.63	9,689	49.05	11,468	57.28
Registered capital issued and fully paid-up	3,569	16.42	3,622	18.34	3,622	18.09
Appropriated retained earnings	714	3.29	614	3.11	507	2.53
Unappropriated retained earnings	7,075	32.55	4,761	24.10	3,344	16.70
Total shareholders' equity	12,469	57.37	10,063	50.95	8,554	42.72
<b>Profit and Loss Statement</b>						
Sales and service Income	11,123	100.00	10,369	100.00	9,498	100.00
Other income	137	1.23	132	1.27	85	0.89
Total revenues	11,260	101.23	10,501	101.27	9,583	100.89
Cost of sales and services	4,475	40.23	4,686	45.19	4,638	48.83
Selling, servicing, and administrative expenses	2,563	23.04	2,372	22.88	2,504	26.36
Losses on debt restructuring	0	0.00	0	0.00	32	0.34
Potential losses on debt restructuring	0	0.00	35	0.33	104	1.09
Losses on impairment of assets	15	0.14	37	0.36	17	0.18
Losses on sales of investments in available-for-sales securities	0	0.00	0	0.00	12	0.13
Doubtful accounts and bad debt	207	1.86	380	3.66	172	1.81
Finance cost	312	2.80	404	3.90	468	4.93
Net Profit	3,003	26.99	2,028	19.56	1,073	11.29

Item	Consolidated Financial Statements					
	2013		2012		2011	
	Million Baht	%	Million Baht	%	Million Baht	%
<b>Cash flow Statement</b>						
Net cash from operating activities	5,625		4,616		3,143	
Net cash used in investing activities	(1,566)		(1,795)		(2,315)	
Net cash used in financing activities	(2,541)		(2,923)		(1,166)	
Net increase (decrease) in cash and cash equivalents	1,519		(103)		(339)	

## 12.2 Financial Ratio

Significant financial ratios that reflect financial position and operation results of the core businesses of the Company and its subsidiaries are as follows:-

Item		Consolidated Financial Statements		
		2013	2012	2011
<b>Liquidity Ratio</b>				
Current Ratio	(Time)	1.24	1.24	0.78
Quick Ratio	(Time)	1.13	1.03	0.64
Cash Ratio	(Time)	0.90	0.60	0.36
Receivable Turnover	(Time)	3.02	2.67	2.39
Average Collection Period	(Day)	119	135	151
Inventory Turnover	(Time)	101.20	78.55	25.61
Holding Period	(Day)	4	5	14
Payable Turnover	(Time)	1.69	1.65	1.45
Average Payment Period	(Day)	213	218	248
Cash Cycle	(Day)	(90)	(78)	(83)
<b>Profitability Ratio</b>				
Gross Profit Margin	%	59.77	54.81	51.17
Operating Profit Margin	%	29.68	24.28	15.45
Other Profit Margin	%	1.22	1.26	0.88
Cash to Profitability Ratio	%	170.41	183.34	214.20
Net Profit Margin	%	26.67	19.32	11.19
Return on Equity	%	27.31	20.68	13.12
<b>Efficiency Ratio</b>				
Return on Assets	(Time)	14.83	9.68	5.32
Return on Fixed Assets	(Time)	40.32	31.11	26.24
Total Assets Turnover	(Time)	0.54	0.53	0.49
<b>Financial Policy Ratio</b>				
Debt to Equity Ratio	(Time)	0.74	0.96	1.34
Interest Coverage Ratio	(Time)	20.35	13.45	7.80
Leverage Ratio (Cash Basis)	(Time)	1.42	1.12	0.94
<b>% Growth Ratio</b>				
Total Assets	%	10.03	(1.35)	3.73
Total Liabilities	%	(4.39)	(15.51)	(3.79)
Sales and Service Income	%	7.27	9.18	(1.33)
Operating Expenses	%	8.04	(5.27)	9.36
Net Profit (Loss)	%	48.02	89.13	61.69



## 13. Management Discussion and Analysis (MD&A)

### Overview

Nowadays, progress in Internet network system and communications technologies that is growing by leaps and bounds has substantially changed the ways of life, business operation styles, and patterns of communication of people in the society. Huge volume of Internet usage and social media networking of people around the world has become a phenomenon of connectivity. The creation of online communities of people who enjoy the same activities or have common interest is currently popular among Internet users. Thus, Internet has become the largest source of information sharing and exchange in the world. For Thailand, the role of Internet will be more increasing due to the entry into the ASEAN Economic Community (AEC) in 2015 as it is evident that the Eleventh National Economic and Social Development Plan focuses on supporting and promoting broadband Internet usage, particularly in education sector. That would help accelerate the growth of broadband Internet market aside from the government's policy on providing students with free tablets that would result in growing demand of broadband Internet usage across the country.

The Company is one of the leading broadband Internet service operators that provide broadband Internet via telecom network infrastructure which is a business of high potential growth. As owner of a well-known brand and the only operator that truly emphasizes offering higher Internet speed, the Company is capable of allocating its resources efficiently in order to service the customers with quality and reliable broadband Internet under 3BB brand. During the year 2013, the Company expanded its broadband Internet with high speed service, utilizing a network of fiber optics with a new technology called FTTx to the mass market in the provincial areas, especially in major provinces of Thailand. The promotion package started from 30 Mbps at Bt 1,200 / month. (This is a promotion rate from the actual rate of Bt 2,490 / month). In addition, the Company also introduced the FTTx WiFi service with the minimum speed of 10 Mbps in Thailand's major provinces. It is expected that both FTTx and WiFi services will help increase not only the volume of the subscribers but also ARPU in the future. In order to reduce churn rate, the Company has offered such value added services as Cloudbox (online storage) and CloudIPTV free of charge. Furthermore, the customers who have used the Company's broadband Internet service for over 1 year will receive WiFi as value added service at no cost.

The number of the Company's Internet subscribers continues growing steadily. In 2013, there were 210,852 net additional subscribers. As at the end of 2013, the Company had approximately 1.4 million subscribers. As a consequence of the aforementioned growth of subscribers, the revenue growth for the year 2013 of Jasmine International Group was higher than that of the year 2012.

The Company still places importance on synergic strategy that positively results in cooperation across the organization and more efficiency of the Group performance as a whole. The cost of sales and services and the operation expenses reduce a great deal. This reflects gradual improvement of the Company's profitability. The gross margin for the year 2013 was at 60%, higher than that in the year 2012 which was at 55%. EBITDA margin for the year 2013 was at 55%, higher than that in the year 2012 which was at 51%.

Following all the strategies stated above, the Company's operation results for the previous year of Jasmine International Group improved not only in terms of revenue and operating profit, but also the economy of scale. The net profit; therefore, continued growing.

## Operating Performance

In 2013, the Company and its subsidiaries generated the operating profit Bt 3,301 mn, compared to Bt 2,518 mn in 2012, increasing by Bt 783 mn, or 31%. This amount, deducted by the FX loss of Bt 7 mn of the subsidiaries, the allowance for doubtful accounts and bad debt of Bt 207 mn, losses on impairment of assets of Bt 15 mn, and deferred tax of Bt 70 mn due to the Company's and its subsidiaries' compliance with TAS 12, regarding income tax, enacted in 2013, the net profit for the year 2013 of the Company and its subsidiaries was Bt 3,002 mn, compared to that of Bt 2,028 mn in the year 2012, increasing by Bt 974 mn or 48%.

Unit : Million Baht

Item	2013	2012	% change
Operating profit	3,301	2,518	31
FX gain (loss)	(7)	71	(109)
Potential losses on debt restructuring	-	(35)	(100)
Loss on impairment of assets	(15)	(37)	(60)
Doubtful accounts and bad debt	(207)	(380)	(46)
Deferred Tax Effect	(70)	(109)	(36)
Net profit (loss)	3,002	2,028	48
EPS (Bt per share)	0.42	0.28	50

## Performance breakdown by business unit

Performance breakdown by business unit in 2013 and 2012 is as follows:-

Unit : Million Baht

Company	Total Revenue		
	2013	2012	% Change
<b>Broadband Business</b>			
1. Triple T Broadband Public Company Limited	65	116	(44)
2. Triple T Internet Company Limited	9,503	7,831	21
<b>Total</b>	<b>9,568</b>	<b>7,947</b>	<b>20</b>
<b>Telecom Network &amp; Service Provider Business</b>			
1. Jasmine Submarine Telecommunications Company Limited	26	11	136
2. Thai Long Distance Telecommunications Company Limited	-	1	(100)
3. JasTel Network Company Limited	412	417	(1)
4. Jasmine Internet Company Limited	512	553	(7)
5. Acumen Company Limited	163	111	47
6. ACeS Regional Services Company Limited	115	121	(5)
7. Smart Highway Company Limited	4	5	(20)
<b>Total</b>	<b>1,232</b>	<b>1,219</b>	<b>1</b>

Unit : Million Baht

Company	Total Revenue		
	2013	2012	% Change
<b>System Integration Business</b>			
1. Jasmine Telecom Systems Public Company Limited	233	1,151	(80)
2. Cloud Computing Solutions Company Limited	46	36	28
<b>Total</b>	<b>279</b>	<b>1,187</b>	<b>(76)</b>
<b>Other Businesses</b>			
1. Jasmine International Public Company Limited	27	8	238
2. Premium Asset Company Limited	146	135	8
3. T.J.P.Engineering Company Limited	1	1	-
4. Others <sup>1)</sup>	7	4	75
<b>Total</b>	<b>181</b>	<b>148</b>	<b>22</b>
<b>Grand Total</b>	<b>11,260</b>	<b>10,501</b>	<b>7</b>

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

## Revenue

In 2013, the total revenue of the Company and its subsidiaries was Bt 11,260 mn, compared to that of Bt 10,501 mn in 2012, increasing by 7%. Details are as follows:-

Unit : Million Baht

Item	2013	2012	% change
Sales and service income	11,123	10,369	7
FX gain	-	71	(100)
Interest income	95	32	198
Other income	42	29	45
<b>Total</b>	<b>11,260</b>	<b>10,501</b>	<b>7</b>

## Sales and Service Income

In 2013, the Company and its subsidiaries totally obtained the sales and service income of Bt 11,123 mn, compared to that of Bt 10,369 mn in 2012, increasing by 7%. For the year 2013, contribution in sales and service income was 86% from Broadband Business, 11% from Telecom Network & Service Provider Business, 2% from System Integration Business, and 1% from Other Businesses. Details of breakdown of sales and service income are as follows:-

Type of Business	2013	2012	% change
Broadband Business	9,542	7,873	21
Telecom Network & Service Provider Business	1,182	1,202	(2)
System Integration Business	265	1,167	(77)
Other Businesses	134	128	5
<b>Total</b>	<b>11,123</b>	<b>10,369</b>	<b>7</b>

In 2013, the sales and service income from Broadband Business was Bt 9,542 mn, compared to that of Bt 7,873 mn in 2012, increasing by 21%, a result of an increase in number of Broadband subscribers. This year, TTTBB expanded network's footprint of both broadband Internet (ADSL) and high-speed Internet based on fiber optic network, using FTTx technology. The expansion of the high-speed Internet service, using the FTTx technology to the mass market has been executed more by TTTI since January 2013; the promotion rate, starting from 30 Mbps at Bt 1,200/month has been offered. (This is a promotion rate from the actual rate of Bt 2,490/month). ADSL was still the company's core service. At the end of 2013, the company had approximately 1.4 million Broadband subscribers.

In 2013, the sales and service income from Telecom Network & Service Provider Business was Bt 1,182 mn, declining by 2% , compared to that of Bt 1,202 mn in 2012.

In 2013, the sales and service income from System Integration Business was Bt 265 mn, declining by 77%, compared to that of Bt 1,167 mn in 2012 due to a decrease in the revenue recognition of a project on hand. For Other Businesses, the sales and services income in 2013 was Bt 134 mn, increasing by 5%, compared to that of Bt 128 mn in 2012.

#### Other income

In 2013, the Company and its subsidiaries recorded other income of Bt 137 mn, increasing by 4% when compared to that of Bt 132 mn in 2012. This amount included the FX gain of Bt 71 mn. The FX gain was a result of the subsidiaries' purchase of data/telecommunication equipment and circuit leased from overseas business allies in foreign currencies. However, these subsidiaries already hedged against the foreign exchange risk exposure by reserving the USD in foreign currency deposit account for debt repayment and considering an appropriate time to convert the debt into the THB currency.

## Expenses

In 2013, the operating expenses of the Company and its subsidiaries were Bt 7,038 mn in total, compared to Bt 7,058 mn in 2012, declining by 0.3%. Details of expenses are as follows:-

Unit : Million Baht

Item	2013	2012	% change
<b>Operating Expenses :</b>			
- Cost of sales and services	4,475	4,686	(5)
- Selling and servicing expenses	705	733	(4)
- Administrative expenses	1,858	1,639	13
<b>Total Operating Expenses</b>	<b>7,038</b>	<b>7,058</b>	<b>(0.3)</b>
Potential losses on debt restructuring	-	35	(100)
FX losses	7	-	100
Loss on impairment of assets	15	37	(60)
Doubtful accounts and bad debt	207	380	(46)
<b>Total Expenses</b>	<b>7,266</b>	<b>7,510</b>	<b>(3)</b>

- In 2013, the cost of sales and services was Bt 4,475 mn, compared to that of Bt 4,686 mn in 2012, decreasing by 5% despite the increase in the cost of USO fee that the subsidiaries had to pay to the National Broadcasting and the Telecommunications Commission ("NBTC"); the fee 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 on 31 May 2012, together with the license fee of TTTI, which was changed from the fixed rate paid on an annual basis to be paid as a percentage of the revenue. However, due to prudent management and strict cost control, the gross margin for the year 2013 was at 60%, higher than that in the previous 2012 which was at 55%.
- In 2013, the selling and servicing expenses and administrative expenses were Bt 2,563 mn, compared to Bt 2,372 mn in 2012, increasing by 8%. The increase was a result of employee expenses, office expenses, and depreciation; whereas, advertising and promotion expenses decreased.
- The subsidiaries set up an allowance for doubtful debts of TTTI of Bt 50 mn and an allowance for doubtful debts of other subsidiaries of Bt 7 mn. Furthermore, the Company recorded bad debt and impairment losses on assets of the subsidiaries of Bt 165 mn. In 4Q2013, TTTI changed the policy for the provision of doubtful debts from 12 months overdue to 6 months overdue.
- The subsidiaries recorded FX loss of Bt 7 mn.

## Financial Expenses

In 2013, the financial expenses of the Company and its subsidiaries were Bt 312 mn, compared to Bt 404 mn in 2012, decreasing by 23% 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 2013, the Company and its subsidiaries reported the total net profit Bt 3,002 mn, compared to that of Bt 2,028 mn in 2012, increasing by 48%. In 2013, Broadband Business generated the net profit of Bt 2,409 mn, increasing by Bt 462 mn from the year 2012; Telecom Network & Service Provider Business generated the net profit of Bt 443 mn, increasing by Bt 213 mn from the year 2012; System Integration Business generated the net profit of Bt 20 mn, compared to the net loss of Bt 173 mn in 2012, its net profit; thus, increased by Bt 193 mn from the year 2012. For Other Businesses, the net profit for the year 2013 was Bt 1,815 mn, increasing by Bt 996 mn from that of the year 2012. After the elimination of the intercompany transaction, the Company and its subsidiaries recorded the net profit for the year 2013 at Bt 3,002 mn. When comparing with the total revenue, the net profit margin for the year 2013 was 27%, compared to 19% in 2012.

## Financial Position

### Assets

As at 31 December 2013, the Company and its subsidiaries had total assets of Bt 21,733 mn, compared to Bt 19,752 mn in 2012, increasing by 10%. The total assets of the Company and its subsidiaries comprised:-

Item	31 December 2013		31 December 2012	
	Bt mn	% of Total Assets	Bt mn	% of Total Assets
Current assets	8,260	38	7,284	37
PP&E, net	12,904	59	11,739	59
Other non-current assets	570	3	729	4

At the end of 2013, the Company and its subsidiaries had current assets of Bt 8,260 mn, representing 38% of total assets, compared to Bt 7,284 mn at the end of 2012, increasing by 13%. The increase was mostly because:-

- Cash and deposits at the financial institutions increased by Bt 1,475 mn from the year 2012, due to the cash received from the project on hand of the subsidiaries and the collection of trade accounts receivable of the subsidiaries.
- Input tax pending payments increased by Bt 44 mn.
- Prepaid expenses increased by Bt 34 mn.
- Other current assets, including the prepaid project costs, increased by Bt 20 mn from the year 2012.

The above-mentioned increasing current assets offset with decreasing current assets such as unbilled receivables which decreased by Bt 552 mn, assets held for sale which decreased by Bt 25 mn due to the subsidiaries' record of impairment on assets, and other current assets which decreased by Bt 20 mn; resulted in the net increase in current assets, totaling Bt 976 mn, or 13%.

As at 31 December 2013, property, plant and equipment were recorded at Bt 12,904 mn or 59% of the total assets, increasing by Bt 1,165 mn from the end of the year 2012, mainly due to increases in assets of the subsidiaries as a result of investment on network expansion of TTTBB.

At the end of 2013, other non-current assets were recorded at Bt 570 mn, declining by Bt 160 mn from the year 2012 mainly because: -

- Deferred tax assets declined by Bt 70 mn due to the record of the deferred tax as income tax expenses in the statement of comprehensive income.
- Account receivable under debt restructuring declined by Bt 48 mn.
- During the year 2013, the restricted deposits with financial institutions declined by Bt 23 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.
- Computer software declined by Bt 23 mn due to the recognition of the amortization of such software as expenses during the year 2013.

### Liabilities

As at 31 December 2013, the Company and its subsidiaries had total liabilities of Bt 9,264 mn, compared to Bt 9,689 mn of 2012, declining by 4%. Details of the total liabilities are as follows: -

Item	31 December 2013		31 December 2012	
	Bt mn	% of total liabilities	Bt mn	% of total liabilities
Current liabilities	6,667	72	5,868	61
Long term liabilities	2,597	28	3,821	39

At the end of 2013, the total liabilities of the Company and its subsidiaries were Bt 9,264 mn, declining by Bt 425 mn from the year 2012 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 132 mn due to the payment of account payable for equipment.
- The decline in long-term loans and long-term debts under the rehabilitation plan of the Company and its subsidiaries of Bt 510 mn due to the repayment of loans and debts under such rehabilitation plan.
- The decline in liabilities under finance lease agreements of Bt 28 mn.
- The decline in accrued project costs of Bt 118 mn.
- The decline in other liabilities from the normal business of the Company and its subsidiaries of Bt 155 mn such as trade and other payables, income tax payable, and advances received for goods and services etc.

The above-mentioned declining liabilities offset with increasing liabilities such as short-term loans from banks which increased by Bt 496 mn due to supporting the purchase of equipment for network expansion of the subsidiaries, other liabilities which increased by Bt 22 mn from the business operation inclusive of a provision for long-term employee benefits, resulted in the net decline of the total liabilities of the Company and its subsidiaries, totaling Bt 425 mn.

On 19 August 2013, the Central Bankruptcy Court read the judgment of Supreme Court, which reversed the decision of the Central Bankruptcy Court. The Supreme Court rejected the rehabilitation plan and cancelled the Central Bankruptcy Court's business rehabilitation order, and as a result the rights of claim of creditors of the Company returned to what they were prior to the rehabilitation order. The Company did not record addition provision as a result of the cancellation of the rehabilitation order because there is not yet sufficient information to make a proper estimate of the additional liabilities that should be recorded. However, how much the Company will be required to pay to any particular creditor depends on whether the creditors present themselves, exercise their rights and convince the Company that they are the creditors of the amounts claimed. In case of any dispute

or disagreement over any matter, the matter will need to be forwarded for consideration by the Civil Court in order to reach settlement.

### **Shareholders' Equity**

At the end of 2013, the shareholders' equity of the Company and its subsidiaries was Bt 12,469 mn, increasing by Bt 2,406 mn or 24% from that in 2012. The net profit of the Company and its subsidiaries in 2013 was Bt 3,002 mn. The Company reversed the appropriated retained earnings for treasury shares of Bt 299 mn 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 purchase price of treasury share of Bt 2.79 per share has been recorded and deducted from the unappropriated retained earnings. Moreover, during the year 2013, the Company and its subsidiaries paid dividend to the shareholders, totaling Bt 671 mn.

Due to the Company's and its subsidiaries' compliance with TAS 12, regarding income tax, enacted in 2013, by recording accumulative effects of the changes in such accounting policy, the retained earnings brought forward at the beginning of 2013 increased by Bt 340 mn, according to the consolidated financial statements. (The retained earnings brought forward at the beginning of 2013 increased by Bt 285 mn, according to the separate financial statements.)

### **Capital Structure**

As at 31 December 2013, the Company and its subsidiaries had the total liabilities of Bt 9,264 mn, or 43% of total assets. The shareholders' equity was Bt 12,469 mn, or 57% of total assets. Debt to equity ratio was at 0.74 time.

### **Liquidity**

As at 31 December 2013, the Company and its subsidiaries had cash and cash equivalent of Bt 2,997 mn, increasing by Bt 1,519 mn from the year 2012. The summary of net cash generated and used is as follows: -

- Net cash generated from operating activities      Bt 5,625 mn.
- Net cash used for investing activities                      Bt (1,566) mn.
- Net cash used for financing activities                      Bt (2,541) mn.

### **Treasury Stock Program for Financial Management**

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

Additionally, during the year 2011, the Company decreased its 155,240,000 paid-up shares by writing off the treasury shares of the third Treasury Stock Program.

During the year 2012, the Company totally had 106,857,000 treasury shares, according to the fourth Treasury Stock Program for financial management, approved by the Board of Directors at the meeting No.8/2011, for a total of Bt 299 mn. The Company appropriated the full required amount of retained earnings to a reserve for the treasury shares.

During the year 2013, the Company decreased its 106,857,000 paid-up shares by writing off the treasury shares, following the resolution of the Company's Board of Directors Meeting No. 5/2012. The Company completely reversed all the appropriated retained earnings for treasury shares.



## Report on the Responsibilities of the Board of Directors for Financial Report

The Board of Directors (“BOD”) of Jasmine International Public Company Limited (“the Company”) is responsible for overseeing the preparation of the financial reports of the Company and its subsidiaries to be in accordance with the generally accepted accounting principles and also ensuring that the aforementioned financial reports are completely audited by the Company’s auditor based on appropriate accounting policy that is consistently applied and that material information therein is adequately disclosed in Notes to the Financial Statements for the benefits of shareholders and investors.

The Board of Directors provides good corporate governance and maintains proper, efficient, effective risk management and internal control system to ensure that the Company’s assets usage control is truly for the benefit of the Company. The Board of Directors also ensures that crucial tasks are separated to protect against frauds or activities with significant irregularities.

The Board of Directors has appointed an Audit Committee, comprising independent directors to be responsible for reviewing the reliability and the correctness of the financial reports, and at the same time, increasing efficiency of both internal control system and internal audit. The Audit Committee’s comments on these issues are presented in the Audit Committee Report in the Annual Report.

The Board of Directors is of the opinion that the Company’s internal control system and internal audit are good enough to enhance credibility and reliability to the financial reports of the Company and its subsidiaries for the year ended 31 December 2013 in line with generally accepted accounting principles. The auditor’s opinions are presented in the Auditor’s Report as part of this Annual Report.



**Mr. Pete Bodharamik**

Chief Executive Officer

## Audit Committee Report

The Audit Committee of Jasmine International Public Company Limited (“the Company”) consists of three independent directors, chaired by Dr.Vichit Yamboonruang with Mrs.Chantra Purnariksha and Dr.Yodhin Anavil as members. Each possesses the qualifications stipulated under the Audit Committee Charter which is in line with the regulations and the Best Practice Guidelines of Audit Committee, stipulated by the Office of the Securities and Exchange Commission (“SEC”) and the Stock Exchange of Thailand (“SET”).

The Audit Committee carries out duties assigned by the Board of Directors (“the BOD”) within the BOD-approved scope of responsibility. The Committee also reports the resolutions of the Audit Committee meeting at the BOD meeting on a regular basis. In 2013, the Audit Committee had 6 meetings with external auditors, the executives, and internal auditors as summarized below:-

### Review of financial reports

- The Audit Committee reviewed the quarterly and the annual financial statements for the year 2013, with the external auditors and the executives, focusing on significant issues, and accordingly provided useful suggestions and opinions to ensure the validity and the reliability of the Company’s preparation of the financial statements of which the disclosure of material information was adequate and timely for any user, consistent with law and relevant notifications. To this regard, the Committee was of the opinion that the preparation of the aforementioned financial statements was in alignment with the generally accepted accounting principles and reliable. Besides, the material information therein was adequately disclosed, which was beneficial to both the shareholders and the investors.

### Review of adequacy and appropriateness of internal control system

- The Audit Committee reviewed adequacy, appropriateness, and effectiveness of internal control system based on internal control system assessment, audit reports, and internal control monitor reports prepared by Office of Internal Audit and was of the opinion that the Company had appropriate and effective internal control.

### Good Corporate Governance

- The Audit Committee oversaw the Company to have good governance system and management to enhance transparency in its operation; thus, increasing confidence of the shareholders, the investors and all related parties.

### Oversight of internal audit

- The Audit Committee approved the internal audit plan for the year 2014 by way of considering the audit plan and the risk management policy and guidelines that cover every important system of both the organizational and departmental levels, simultaneously, to ensure that an audit will be conducted to cover all the potential risks across the organization. That would help enhance the Company’s success in achieving its goal.
- The Audit Committee oversaw the audit performance and considered the report on audit results that was directly presented by the Office of Internal Audit. The Committee also monitored each unit in the organization to improve its performance, following the recommendations especially on significant issues, provided by Office of Internal Audit. The Committee was of the opinion that the Company’s internal audit tasks were carried out independently, effectively, and completely in accordance with the plan.

#### Review of compliance with the Securities and Exchange Act, the SET regulations, and relevant laws

- The Audit Committee reviewed the Company's compliance with the securities and exchange law, the SET regulations, and/or other laws applicable to the business of the Company, on a regular basis; and concluded that the Company had completely complied with all the relevant laws and regulations.

#### Consideration on related party transactions or transactions that may involve conflicts of interest

- The Audit Committee considered related party transactions and transactions that may involve conflicts of interest and provided opinions thereon with prudence and reasonableness, principally taking into account, the Company's stakeholders and adequate information disclosure in compliance with the SEC regulations. The Committee concluded that the Company's conduct of such transactions was transparent and that no conflicts of interests occurred. Besides, it was of the optimum benefit to both the shareholders and the Company itself with fair conditions and reasonable prices.

#### Selection and nomination for appointment of Company auditor

- The Audit Committee considered the performance of the external auditor for the fiscal year 2013 and was of the opinion that the external auditor had carried out the tasks properly, with adequate independence, based on knowledge, ability, and experiences; thus, the Committee proposed the appointment of Mr. Supachai Phanyawattano, Certified Public Accountant Registration No. 3930 ; or Mrs. Chonlaros Suntiasvaraporn, Certified Public Accountant Registration No. 4523; or Miss Supanee Triyanantakul, Certified Public Accountant Registration No. 4498 of Ernst & Young Office Limited, which is presently known as EY Office Limited, to be the Company's auditor for the year 2014 and also proposed audit fees at appropriate amount for the BOD to consider and further submit for shareholders' approval at the Annual General Meeting of Shareholders.

In summary, the Audit Committee is of the opinion that the Company has placed much importance on providing internal control system to be transparent, adequate, and suitable for any task that has risk factors, apart from procedures that ensure the Company's operation to be in conformity with relevant regulations, under the Good Corporate Governance, with adequate and reliable preparation and disclosure of material information in the financial statements.



**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 2013, 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

- a) As described in Note 1 to the financial statements, on 19 August 2013, the Central Bankruptcy Court read the judgment of Supreme Court which reversed the decision of the Central Bankruptcy Court as the Supreme Court did not agree with the rehabilitation plan. The Supreme Court withdrew the order of the Central Bankruptcy Court to implement the rehabilitation plan. As a result of the cancellation of the rehabilitation plan, a creditor of the Company will have rights to claim the Company as a debtor will return to be the same as it was prior to the rehabilitation order. The Company estimated that additional liabilities of up to Baht 1,343 million, excluding interest which might arise if the Company were sued by the creditors in the future and the interest as described in Note 24 to the financial statements. Nevertheless, the legal advisor and the management of the Company believe that because a considerable period of time elapsed between the Central Bankruptcy Court's approval of the rehabilitation plan and the Supreme Court's judgment reversing the decision of the Central Bankruptcy Court, chance that the Company is required to repayment the debt to the creditors or not is subject to whether the creditor present and exercise their rights over the debts and making the Company to believe that it actually is the creditor of the claimed amount. In case any disagreement arises, a settlement shall be sought in the Civil Court for consideration. The Company considers that there is insufficient information to estimate the additional liabilities to be recorded properly, and this constitutes a limitation imposed by circumstance. I was unable to audit to satisfy myself as to the amount of additional provision that the Company needs to record. Therefore, my opinion is qualified in respect of this matter.
- b) As described in Note 10.1 to the financial statements, a concession provider has ceased making payment to a subsidiary for service under the co-investor agreement made between the subsidiary and the concession provider since September 2008 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 balance of such trade receivable as at 31 December 2013 amounting to Baht 2,518 million (2012: 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 2013 amounting to Baht 1,946 million (2012: 1,946 million) in the separate financial statements. I was unable to audit to satisfy myself as to 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 matters 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 2013, 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 13 to the financial statements, regarding the balance approximately Baht 54 million receivable from an 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 36.8 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 36.5 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.
3. As described in Note 4 to the financial statements, regarding the change in accounting policies due to the adoption of Thai Accounting Standard 12 *Income Taxes*. The Company has restated the consolidated and separate financial statements for the year ended 31 December 2012, presented herein as comparative information, to reflect the adjustment resulting from such change in accounting policy. The Company has also presented consolidated and separate statements of financial position as at 1 January 2012 as comparative information, using the same accounting policy for income taxes.

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

## Other matter

The consolidated statement of financial position of Jasmine International Public Company Limited and its subsidiaries and the separate statement of financial position of Jasmine International Public Company Limited as at 1 January 2012, presented herein as comparative information, were prepared by the management of the Company and were not audited or reviewed by the auditor. However, such financial statements were prepared by adjusting the consolidated and the separate statements of financial position as at 31 December 2011 which were audited by another auditor of our firm who expressed a qualified opinion on those statements under his report dated 21 February 2012.

**Khitsada Lerdwana**

Certified Public Accountant (Thailand) No. 4958

Ernst & Young Office Limited

Bangkok: 11 February 2014

# Consolidated Financial Statement

Jasmine International Public Company Limited and its subsidiaries

## Statement of financial position

As at 31 December 2013

(Unit: Baht)

	Note	Consolidated financial statements			Separate financial statements		
		As at 31 December 2013	As at 31 December 2012	As at 1 January 2012	As at 31 December 2013	As at 31 December 2012	As at 1 January 2012
			(restated)			(restated)	
<b>Assets</b>							
<b>Current assets</b>							
Cash and cash equivalents	8	2,997,079,330	1,478,529,885	1,581,033,141	1,839,343,790	360,024,093	524,810,504
Current investments - deposits with financial institutions	9	859,923,284	903,853,524	373,521,699	319,365,442	466,105,396	697,720
Trade and other receivables	10	3,673,378,671	3,684,819,076	4,077,208,890	664,518,401	1,564,812,596	1,722,966,773
Unbilled receivables		91,240,024	642,994,421	645,242,838	-	-	-
Short-term loans to related parties	7	-	-	-	298,000,000	442,000,000	450,000,000
Inventories	11	39,520,045	48,913,589	70,399,887	-	-	-
Assets held for sale	12	64,434,424	88,885,126	113,182,972	-	-	-
Prepaid project costs		23,518,022	12,372,429	99,534,928	-	-	-
Input tax pending payments		327,145,419	283,075,445	278,027,293	956,032	89,889	219,118
Prepaid expenses		66,852,213	32,454,970	38,101,420	7,131,964	4,036,894	3,982,101
Other current assets		116,547,280	108,038,240	143,345,749	42,919,794	23,114,318	3,602,246
<b>Total current assets</b>		<b>8,259,638,712</b>	<b>7,283,936,705</b>	<b>7,419,598,817</b>	<b>3,172,235,423</b>	<b>2,860,183,186</b>	<b>2,706,278,462</b>
<b>Non-current assets</b>							
Restricted deposits with financial institutions		121,563,099	144,413,480	223,880,709	8,209,866	8,054,302	7,934,478
Long-term bank deposits		-	-	40,623,779	-	-	10,087,337
Accounts receivable under troubled debt restructuring	13	54,029,879	101,577,570	149,805,640	-	-	-
Investments in subsidiaries	14	-	-	-	2,942,130,263	2,942,130,263	2,959,152,620
Investments in associates	15	23,423,870	23,302,557	22,811,187	16,481,967	16,481,967	16,481,967
Investment properties	16	615,853,293	661,872,972	699,395,609	-	-	-
Property, plant and equipment	17	12,288,194,788	11,077,579,022	10,874,066,645	10,179,569	14,000,761	21,090,750
Computer software	18	10,615,877	33,732,430	58,522,164	-	-	-
Prepaid rent	19	-	-	-	201,828,081	215,647,248	229,466,415
Advance payments for investment projects to related party	7	4,861,233	4,861,233	4,801,863	4,861,233	4,861,233	4,801,863
Deferred tax assets	30	282,041,016	351,835,719	454,845,354	212,580,264	285,128,688	383,438,785
Other non-current assets		73,167,399	69,189,508	73,744,454	7,531,669	7,196,334	6,198,153
<b>Total non-current assets</b>		<b>13,473,750,454</b>	<b>12,468,364,491</b>	<b>12,602,497,404</b>	<b>3,403,802,912</b>	<b>3,493,500,796</b>	<b>3,638,652,368</b>
<b>Total assets</b>		<b>21,733,389,166</b>	<b>19,752,301,196</b>	<b>20,022,096,221</b>	<b>6,576,038,335</b>	<b>6,353,683,982</b>	<b>6,344,930,830</b>

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 2013

(Unit: Baht)

	Note	Consolidated financial statements			Separate financial statements		
		As at 31 December 2013	As at 31 December 2012	As at 1 January 2012	As at 31 December 2013	As at 31 December 2012	As at 1 January 2012
			(restated)			(restated)	
<b>Liabilities and shareholders' equity</b>							
<b>Current liabilities</b>							
Short-term loans from banks	20	982,552,126	486,931,118	547,146,112	-	-	-
Trade and other payables	21	2,636,565,061	2,655,653,482	3,009,138,565	31,993,485	37,626,129	28,971,288
Accrued project costs		278,799,483	397,073,222	348,410,482	-	-	-
Forward contracts payable		-	410,948	42,715,423	-	-	-
Current portions of the long-term liabilities							
Long-term loans	22	922,322,160	422,322,160	2,470,794,528	62,838,160	62,838,160	829,755,075
Liabilities under finance lease agreements	23	43,697,317	74,441,046	126,371,480	-	-	-
Long-term debts under former rehabilitation plan							
Related parties	7	-	-	-	-	777,639,624	165,649,474
Unrelated parties	24	102,979,816	141,273,415	19,325,587	102,979,816	141,273,415	19,325,587
Accounts payable for equipment	25	692,387,277	551,176,628	1,930,446,034	-	-	-
Income tax payable		166,256,999	222,659,385	229,223,848	-	-	22,588,681
Advances received for goods and services		417,126,219	474,673,091	355,070,067	-	-	-
Undue output tax		375,923,000	371,753,800	347,157,675	12,598,994	23,401,444	20,712,217
Other current liabilities		48,551,811	69,582,065	61,417,798	12,489,938	4,539,734	6,048,060
<b>Total current liabilities</b>		<b>6,667,161,269</b>	<b>5,867,950,360</b>	<b>9,487,217,599</b>	<b>222,900,393</b>	<b>1,047,318,506</b>	<b>1,093,050,382</b>
<b>Non-current liabilities</b>							
Long-term liabilities - net of current portions							
Long-term loans	22	2,216,754,706	3,188,538,698	1,103,943,943	441,240,595	504,078,755	-
Liabilities under finance lease agreements	23	50,256,119	47,322,075	80,687,754	-	-	-
Long-term debts under former rehabilitation plan							
Related parties	7	-	-	-	-	-	611,990,150
Unrelated parties	24	-	-	135,002,545	-	-	135,002,545
Accounts payable for equipment	25	84,970,069	357,685,633	472,408,378	-	-	-
Provision for long-term employee benefits	26	233,133,729	216,493,148	172,714,438	13,326,833	12,311,431	8,857,203
Other non-current liabilities		11,861,106	11,106,739	15,701,776	9,534,541	9,534,541	9,534,541
<b>Total non-current liabilities</b>		<b>2,596,975,729</b>	<b>3,821,146,293</b>	<b>1,980,458,834</b>	<b>464,101,969</b>	<b>525,924,727</b>	<b>765,384,439</b>
<b>Total liabilities</b>		<b>9,264,136,998</b>	<b>9,689,096,653</b>	<b>11,467,676,433</b>	<b>687,002,362</b>	<b>1,573,243,233</b>	<b>1,858,434,821</b>

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 2013

(Unit: Baht)

	Note	Consolidated financial statements			Separate financial statements		
		As at 31 December 2013	As at 31 December 2012	As at 1 January 2012	As at 31 December 2013	As at 31 December 2012	As at 1 January 2012
			(restated)			(restated)	
Shareholders' equity							
Share capital							
Registered							
7,137,394,378 ordinary shares of Baht 0.5 each (31 December 2012: 7,244,251,378 ordinary shares of Baht 0.5 each)	27	3,568,697,189	3,622,125,689	3,622,125,689	3,568,697,189	3,622,125,689	3,622,125,689
Issued and fully paid-up							
7,137,394,378 ordinary shares of Baht 0.5 each (31 December 2012: 7,244,251,378 ordinary shares of Baht 0.5 each)	27	3,568,697,189	3,622,125,689	3,622,125,689	3,568,697,189	3,622,125,689	3,622,125,689
Discount on ordinary shares		(224,549,619)	(224,549,619)	(224,549,619)	(224,549,619)	(224,549,619)	(224,549,619)
Retained earnings							
Appropriated							
Statutory reserve - the Company	28	237,530,495	149,983,905	106,290,695	237,530,495	149,983,905	106,290,695
- subsidiaries	28	476,658,414	464,457,665	400,456,402	-	-	-
Treasury share reserve	27	-	298,642,766	-	-	298,642,766	-
Unappropriated		7,074,818,665	4,760,960,780	3,343,745,539	2,081,409,728	1,006,932,594	756,681,064
Other components of shareholders' equity		258,177,239	258,177,239	307,541,843	225,948,180	225,948,180	225,948,180
Equity attributable to owners of the Company		11,391,332,383	9,329,798,425	7,555,610,549	5,889,035,973	5,079,083,515	4,486,496,009
Less: Treasury shares	27	-	(298,642,766)	-	-	(298,642,766)	-
Equity attributable to owners of the Company - net		11,391,332,383	9,031,155,659	7,555,610,549	5,889,035,973	4,780,440,749	4,486,496,009
Non-controlling interests of the subsidiaries		1,077,919,785	1,032,048,884	998,809,239	-	-	-
Total shareholders' equity		12,469,252,168	10,063,204,543	8,554,419,788	5,889,035,973	4,780,440,749	4,486,496,009
Total liabilities and shareholders' equity		21,733,389,166	19,752,301,196	20,022,096,221	6,576,038,335	6,353,683,982	6,344,930,830

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 2013

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2013	2012	2013	2012
			(Restated)		(Restated)
<b>Profit or loss:</b>					
<b>Revenues</b>					
Sales and service income		11,122,974,862	10,369,488,277	-	-
Other income					
Management fee income	7	-	-	498,000,000	498,000,000
Interest income		95,225,997	31,926,535	30,918,312	13,696,516
Dividend income from subsidiaries	14	-	-	1,464,740,617	420,467,796
Gain on sales of investments in subsidiary	14.2	-	-	-	73,343,681
Exchange gains		-	71,139,430	-	-
Others		41,885,486	28,804,307	12,113,251	13,190,041
Total other income		137,111,483	131,870,272	2,005,772,180	1,018,698,034
<b>Total revenues</b>		<b>11,260,086,345</b>	<b>10,501,358,549</b>	<b>2,005,772,180</b>	<b>1,018,698,034</b>
<b>Expenses</b>					
Cost of sales and services		4,474,844,613	4,686,019,589	-	-
Selling and servicing expenses		704,633,783	732,838,101	-	-
Administrative expenses		1,858,333,101	1,639,347,663	132,935,856	83,266,596
Potential losses on debt restructuring	13	-	34,637,098	-	-
Doubtful accounts and bad debt		206,767,604	379,621,157	-	-
Losses on impairment of assets	12, 13	15,125,000	37,372,763	-	-
Exchange losses		6,747,022	-	-	-
<b>Total expenses</b>		<b>7,266,451,123</b>	<b>7,509,836,371</b>	<b>132,935,856</b>	<b>83,266,596</b>
<b>Profit before share of profit from investments</b>					
in associates, finance cost and income tax expenses		3,993,635,222	2,991,522,178	1,872,836,324	935,431,438
Share of profit from investments in associates	15	121,313	491,370	-	-
<b>Profit before finance cost and income tax expenses</b>		<b>3,993,756,535</b>	<b>2,992,013,548</b>	<b>1,872,836,324</b>	<b>935,431,438</b>
Finance cost		(311,644,128)	(403,968,555)	(49,356,099)	(61,567,234)
<b>Profit before income tax expenses</b>		<b>3,682,112,407</b>	<b>2,588,044,993</b>	<b>1,823,480,225</b>	<b>873,864,204</b>
Income tax expenses	30	(605,476,072)	(638,899,009)	(72,548,424)	(98,799,275)
<b>Profit for the year</b>		<b>3,076,636,335</b>	<b>1,949,145,984</b>	<b>1,750,931,801</b>	<b>775,064,929</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 2013**

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2013	2012	2013	2012
			(Restated)		(Restated)
Other comprehensive income:					
Actuarial losses	26	-	(30,485,305)	-	(2,445,889)
Income tax effect	4, 30	-	6,097,061	-	489,178
Other comprehensive income for the year		-	(24,388,244)	-	(1,956,711)
<b>Total comprehensive income for the year</b>		<b>3,076,636,335</b>	<b>1,924,757,740</b>	<b>1,750,931,801</b>	<b>773,108,218</b>
Profit attributable to:					
Equity holders of the Company		3,002,513,301	2,028,461,436	1,750,931,801	775,064,929
Non-controlling interests of the subsidiaries		74,123,034	(79,315,452)		
		<b>3,076,636,335</b>	<b>1,949,145,984</b>		
Total comprehensive income attributable to:					
Equity holders of the Company		3,002,513,301	2,004,073,192	1,750,931,801	773,108,218
Non-controlling interests of the subsidiaries		74,123,034	(79,315,452)		
		<b>3,076,636,335</b>	<b>1,924,757,740</b>		
Basic earnings per share	32				
Profit attributable to equity holders of the Company		0.42	0.28	0.25	0.11

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 2013

(Unit: Baht)

		Consolidated financial statements													
		Equity attributable to owners of the Company													
				Other components of equity											
				Other changes by the owners											
								</							

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 2013

(Unit: Baht)

Consolidated financial statements																
Equity attributable to owners of the Company																
	Note	Issued and fully paid-up share capital	Discount on ordinary shares	Retained earnings			Treasury shares	Other components of equity					Total equity attributable to owners of the Company	Equity attributable to non-controlling interests of the subsidiaries	Total shareholders' equity	
								Appropriated		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
				Statutory reserve	Treasury share reserve	Unappropriated										
Balance as at 1 January 2013 - as previously reported		3,622,125,689	(224,549,619)	614,441,570	298,642,766	4,421,445,624	(298,642,766)	(2,724)	25,169,527	200,781,377	49,665,575	(17,436,516)	258,177,239	8,691,640,503	1,019,728,321	9,711,368,824
Cumulative effect of the change in accounting policy for income tax	4	-	-	-	-	339,515,156	-	-	-	-	-	-	-	339,515,156	12,320,563	351,835,719
Balance as at 1 January 2013 - as restated		3,622,125,689	(224,549,619)	614,441,570	298,642,766	4,760,960,780	(298,642,766)	(2,724)	25,169,527	200,781,377	49,665,575	(17,436,516)	258,177,239	9,031,155,659	1,032,048,884	10,063,204,543
Dividend paid to the Company's shareholders	35	-	-	-	-	(642,336,577)	-	-	-	-	-	-	-	(642,336,577)	-	(642,336,577)
Total comprehensive income for the year		-	-	-	-	3,002,513,301	-	-	-	-	-	-	-	3,002,513,301	74,123,034	3,076,636,335
Reduce paid-up share capital by writing off treasury shares	27	(53,428,500)	-	-	-	(245,214,266)	298,642,766	-	-	-	-	-	-	-	-	-
Reversal of appropriated retained earnings for treasury shares	27	-	-	-	(298,642,766)	298,642,766	-	-	-	-	-	-	-	-	-	-
Dividend paid to non-controlling interests of the subsidiaries		-	-	-	-	-	-	-	-	-	-	-	-	-	(28,252,133)	(28,252,133)
Transferred to statutory reserve	28	-	-	99,747,339	-	(99,747,339)	-	-	-	-	-	-	-	-	-	-
Balance as at 31 December 2013		3,568,697,189	(224,549,619)	714,188,909	-	7,074,818,665	-	(2,724)	25,169,527	200,781,377	49,665,575	(17,436,516)	258,177,239	11,391,332,383	1,077,919,785	12,469,252,168

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 2013

(Unit: Baht)

	Note	Separate financial statements									
		Issued and fully paid-up share capital	Discount on ordinary shares	Retained earnings			Treasury shares	Other components of equity			
								Other comprehensive income	Other changes by the owners		
				Appropriated		Unappropriated		Deficit on changes in value of investments in available-for-sale securities	Premium on ordinary shares from expired warrants	Premium on capital reduction	Total other components of shareholders' equity
				Statutory reserve	Treasury shares reserve						
Balance as at 1 January 2012 - as previously reported		3,622,125,689	(224,549,619)	106,290,695	-	373,242,279	-	(2,724)	25,169,527	200,781,377	225,948,180
Cumulative effect of the change in accounting policy for income tax	4	-	-	-	-	383,438,785	-	-	-	-	-
Balance as at 1 January 2012 - as restated		3,622,125,689	(224,549,619)	106,290,695	-	756,681,064	-	(2,724)	25,169,527	200,781,377	225,948,180
Dividend paid to the Company's shareholders	35	-	-	-	-	(180,520,712)	-	-	-	-	-
Total comprehensive income for the year (restated)		-	-	-	-	773,108,218	-	-	-	-	-
Treasury shares purchased during the year	27	-	-	-	-	-	(298,642,766)	-	-	-	-
Transferred to treasury share reserve	27	-	-	-	298,642,766	(298,642,766)	-	-	-	-	-
Transferred to statutory reserve	28	-	-	43,693,210	-	(43,693,210)	-	-	-	-	-
Balance as at 31 December 2012 - as restated		3,622,125,689	(224,549,619)	149,983,905	298,642,766	1,006,932,594	(298,642,766)	(2,724)	25,169,527	200,781,377	225,948,180
											4,780,440,749

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 2013

(Unit: Baht)

		Separate financial statements											
		Issued and fully paid-up share capital	Discount on ordinary shares	Retained earnings			Treasury shares	Other components of equity				Total shareholders' equity	
				Appropriated		Unappropriated		Other comprehensive income	Other changes by the owners				Total other components of shareholders' equity
				Statutory reserve	Treasury shares reserve				Deficit on changes in value of investments in available-for-sale securities	Premium on ordinary shares from expired warrants	Premium on capital reduction		
Balance as at 1 January 2013 - as previously reported		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	
	Cumulative effect of the change in accounting policy for income tax	-	-	-	-	285,128,688	-	-	-	-	-	285,128,688	
	Balance as at 1 January 2013 - as restated	3,622,125,689	(224,549,619)	149,983,905	298,642,766	1,006,932,594	(298,642,766)	(2,724)	25,169,527	200,781,377	225,948,180	4,780,440,749	
	Dividend paid to the Company's shareholders	-	-	-	-	-	(642,336,577)	-	-	-	-	(642,336,577)	
Total comprehensive income for the year		-	-	-	-	1,750,931,801	-	-	-	-	-	1,750,931,801	
Reduce paid-up share capital by writing off treasury shares	27	(53,428,500)	-	-	-	(245,214,266)	298,642,766	-	-	-	-	-	
Reversal of appropriated retained earnings for treasury shares	27	-	-	-	(298,642,766)	298,642,766	-	-	-	-	-	-	
Transferred to statutory reserve	28	-	-	87,546,590	-	(87,546,590)	-	-	-	-	-	-	
Balance as at 31 December 2013		3,568,697,189	(224,549,619)	237,530,495	-	2,081,409,728	-	(2,724)	25,169,527	200,781,377	225,948,180	5,889,035,973	

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 2013

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2013	2012	2013	2012
<b>Cash flows from operating activities</b>					
Profit before tax		3,682,112,407	2,588,044,993	1,823,480,225	873,864,204
Adjustments to reconcile profit before tax to net cash provided by (paid from) operating activities					
Depreciation and amortisation		1,900,091,118	1,715,397,195	20,827,729	21,717,126
Record of doubtful accounts		57,428,045	240,346,477	-	-
Record of bad debt		149,339,559	139,274,680	-	-
Write off assets		10,699	1,114,531	-	-
Record of allowance for impairment of assets	12, 13	15,125,000	37,372,763	-	-
Gains on sales of investments in subsidiary	14.2	-	-	-	(73,343,681)
Potential losses on debt restructuring	13	-	34,637,098	-	-
Losses (Gains) on sales of equipment		7,421,441	(371,682)	(114)	(485,913)
Dividend income from investments in subsidiaries	14	-	-	(1,464,740,617)	(420,467,796)
Share of profit from investments in associates	15	(121,313)	(491,370)	-	-
Unrealised exchange losses (gains)		15,376,541	(39,413,742)	-	-
Realised exchange gains from accounts payable for equipment		(6,847,489)	(25,887,882)	-	-
Provision for long-term employee benefits	26	23,647,301	19,903,294	1,015,402	1,008,339
Interest income		(95,225,997)	(31,926,535)	(30,918,312)	(13,696,516)
Interest expenses		306,122,107	390,580,798	49,356,099	61,567,234
Profit from operating activities before changes in operating assets and liabilities		6,054,479,419	5,068,580,618	399,020,412	450,162,997
Operating assets decrease (increase)					
Trade and other receivables		(191,956,345)	(38,637,372)	46,131,776	(40,363,858)
Unbilled receivables		551,754,397	2,248,417	-	-
Inventories		194,555,415	129,763,100	-	-
Prepaid project costs		(11,145,593)	87,162,499	-	-
Input tax pending payments		(44,069,974)	(5,048,152)	(866,143)	129,229
Prepaid expenses		(34,397,243)	5,646,450	(3,095,070)	(54,793)
Other current assets		(162,214)	(4,018,015)	(1,049,968)	(31,683)
Other non-current assets		(3,977,891)	(9,280,690)	(335,335)	(1,057,551)
Accounts receivable under troubled debt restructuring		48,380,616	12,571,475	-	-
Operating liabilities increase (decrease)					
Trade and other payables		(136,988,156)	(325,763,248)	18,539,829	3,209,809
Accrued project costs		(120,085,239)	49,542,175	-	-
Advances received for goods and services		(57,546,872)	119,603,024	-	-
Undue output tax		4,169,200	24,596,125	(10,802,450)	2,689,227
Other current liabilities		(21,441,202)	8,164,267	7,950,204	(24,097,007)
Other non-current liabilities		(6,252,353)	(11,204,926)	-	-
Cash from operating activities		6,225,315,965	5,113,925,747	455,493,255	390,586,370
Cash paid for income tax		(600,441,279)	(498,145,783)	(15,821,816)	(18,323,247)
<b>Net cash from operating activities</b>		<b>5,624,874,686</b>	<b>4,615,779,964</b>	<b>439,671,439</b>	<b>372,263,123</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 2013

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2013	2012	2013	2012
<b>Cash flows from investing activities</b>					
Decrease (increase) in current investments		43,930,240	(530,331,825)	146,739,954	(465,407,676)
Decrease (increase) in restricted deposits with financial institutions		22,850,381	79,467,229	(155,564)	(119,824)
Decrease in long-term bank deposits		-	40,623,779	-	10,087,337
Dividend received from investments in subsidiaries		-	-	1,513,140,617	561,701,584
Proceeds from sales of equipment		7,262,530	6,402,341	214,000	1,422,949
Interest income		89,890,518	30,113,354	27,091,614	18,818,116
Acquisitions of investment properties	16	(5,718,352)	(3,851,324)	-	-
Acquisitions of plant and equipment		(1,721,783,375)	(1,401,504,368)	(3,401,256)	(1,745,006)
Acquisitions of computer software	18	(2,232,099)	(16,042,844)	-	-
<b>Net cash from (used in) investing activities</b>		<b>(1,565,800,157)</b>	<b>(1,795,123,658)</b>	<b>1,683,629,365</b>	<b>124,757,480</b>
<b>Cash flows from financing activities</b>					
Interest expenses		(286,299,317)	(302,420,164)	(44,512,771)	(56,122,202)
Decrease in short-term loans from banks		(450,439,253)	(60,214,994)	-	-
Cash received from short-term loans to related parties		-	-	144,000,000	8,000,000
Repayment of accounts payable for equipment		(543,473,520)	(2,072,027,222)	-	-
Cash received from sales of investments in subsidiaries		-	141,373,961	-	141,373,961
Cash received from long-term loans from banks	22	-	479,306,469	-	-
Repayment of long-term loans from banks	22	(471,783,992)	(443,184,082)	(62,838,160)	(262,838,160)
Repayment of long-term debts under former rehabilitation plan	24	(38,293,599)	(13,054,717)	(38,293,599)	(13,054,717)
Cash paid for investments in subsidiary		-	(5,909,333)	-	(2,418)
Dividend paid to the Company's shareholders	35	(642,336,577)	(180,520,712)	(642,336,577)	(180,520,712)
Dividend paid to non-controlling interests of the subsidiaries		(28,252,133)	(21,268,630)	-	-
Repayment of liabilities under finance lease agreements		(79,646,693)	(146,597,372)	-	-
Cash paid to purchase treasury shares	27	-	(298,642,766)	-	(298,642,766)
<b>Net cash used in financing activities</b>		<b>(2,540,525,084)</b>	<b>(2,923,159,562)</b>	<b>(643,981,107)</b>	<b>(661,807,014)</b>
<b>Net increase (decrease) in cash and cash equivalents</b>		<b>1,518,549,445</b>	<b>(102,503,256)</b>	<b>1,479,319,697</b>	<b>(164,786,411)</b>
Cash and cash equivalents at beginning of year		1,478,529,885	1,581,033,141	360,024,093	524,810,504
<b>Cash and cash equivalents at end of year</b>		<b>2,997,079,330</b>	<b>1,478,529,885</b>	<b>1,839,343,790</b>	<b>360,024,093</b>
<b>Supplemental cash flow information</b>					
Non-cash transaction					
Purchase of equipment for which no cash has been paid		1,502,356,966	547,785,280	-	-
The settlement of outstanding balances between the Company and its subsidiaries by offset dividend receivables and long-term debts under former rehabilitation plan	7	-	-	805,578,080	-

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 2013

## 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.

On 7 August 2003, the Central Bankruptcy Court approved the business rehabilitation plan (“the plan”) of the Company and appointed Chaengwatana Planner Co., Ltd. as the plan administrator. However, certain creditors of the Company lodged objections to certain issues with the Supreme Court. Subsequently, on 14 September 2006, the Court issued an order to terminate the business rehabilitation plan of the Company since the Company has complied with all requirements in the plan. On 19 August 2013, the Central Bankruptcy Court read the judgment of Supreme Court, which reversed the decision of the Central Bankruptcy Court. The Supreme Court rejected the rehabilitation plan and cancelled the Central Bankruptcy Court’s business rehabilitation order, and as a result the rights of claim of creditors of the Company returned to what they were prior to the rehabilitation order. The Company estimated that additional liabilities of up to Baht 1,343 million, excluding interest, might arise if the Company were sued by the creditors in the future. Nevertheless, the legal advisor and the management of the Company believe that because a considerable period of time elapsed between the Central Bankruptcy Court’s approval of the rehabilitation plan and the Supreme Court’s judgment reversing the decision of the Central Bankruptcy Court and rejecting the plan, whether and how much the Company will be required to pay to any particular creditor depends on whether the creditors present themselves, exercise their rights and convince the Company that they are the creditors of the amounts claimed. In case of any dispute or disagreement over any matter, the matter will need to be forwarded for consideration by the Civil Court in order to reach settlement. The Company believes that there is not yet sufficient information to make a proper estimate of the additional liabilities that should be recorded. Therefore, the Company did not record additional provision as a result of the cancellation of the rehabilitation order.

## 2. Basis of preparation

- 2.1 The financial statements have been prepared in accordance with Thai Financial Reporting Standards enunciated under the Accounting Professions Act B.E. 2547 and their presentation has been made in compliance with the stipulations of the Notification of the Department of Business Development dated 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	
			2013	2012
			Percent	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. (Another 9% held by T.J.P. Engineering Co., Ltd. and another 9% held by ACeS Regional Services Co., Ltd.)	Design, installation and testing of telecommunication systems	Thailand	33	33
Jasmine Internet Co., Ltd.	Internet service provider and international calling card services	Thailand	98	98
T.J.P. Engineering Co., Ltd. (Another 20% held by Acumen Co., Ltd.)	Survey, design and construction for civil work of telecommunication projects	Thailand	80	80
Jasmine International Overseas Co., Ltd. (Another 34% held by ACeS (Thailand) Co., Ltd. and another 26% held by ACeS Regional Services Co., Ltd.)	Investment holding	Thailand	40	40
Chaengwatana Planner Co., Ltd.	Rehabilitation plan administrator	Thailand	100	100
Three BB Co., Ltd.	Ceased operation	Thailand	100	100
Jasmine Smart Shop Co., Ltd.	Ceased operation	Thailand	100	100
Mobile Communication Services Co., Ltd.	Not yet operation	Thailand	70	70
Compunet Corporation Limited	Ceased operation	Thailand	100	100

Company's name	Nature of business	Country of incorporation	Percentage of shareholding	
			2013	2012
			Percent	Percent
Held by the Company				
Cloud Computing Solutions Co., Ltd. (98% held by Jasmine Telecom Systems Plc.)	Design and provision of computer system integration services, software development and sale of computer products	Thailand	-	-
Smart Highway Co., Ltd. (67% held by Acumen Co., Ltd.)	Domestic high speed data communication service provider	Thailand	-	-
Triple T Broadband Plc. (99% held by Acumen Co., Ltd.)	Service provider in telecom services, fixed-line services and data communication network services	Thailand	-	-
Triple T Internet Co., Ltd. (100% held by Triple T Broadband Plc.)	Internet service provider	Thailand	-	-
In Cloud Co., Ltd. (100% held by Triple T Broadband Plc.)	Development, distribution and service in several kinds of software	Thailand	-	-
ACeS (Thailand) Co., Ltd. (59% held by Jasmine International Overseas Co., Ltd.)	Investment holding	Thailand	-	-
ACeS Regional Services Co., Ltd. (98% held by ACeS (Thailand) Co., Ltd.)	Marketing and distribution of equipment and providing services to satellite-based cellular phone users	Thailand	-	-
Pakkret Planner Co., Ltd. (100% held by Jasmine International Overseas Co., Ltd.)	Rehabilitation plan administrator	Thailand	-	-

Company's name	Nature of business	Country of incorporation	Percentage of shareholding	
			2013	2012
			Percent	Percent
<u>Held by the Company</u>				
Clippership Investments (BVI) Limited (100% held by Jasmine International Overseas Co., Ltd.)	Ceased operation	British Virgin Island	-	-
Thai Long Distance Telecommunications Co., Ltd. (90% held by Jasmine Submarine Telecommunications Co., Ltd.)	Operator of submarine optical fibre cable network and repair and maintenance service for local submarine cable systems	Thailand	-	-
Jastel Network Co., Ltd. (100% held by Jasmine Submarine Telecommunications Co., Ltd.)	Circuit leasing service and local and international data communication services	Thailand	-	-
Premium Assets Co., Ltd. (54% held by Acumen Co., Ltd. and 46% held by Jasmine Submarine Telecommunications Co., Ltd.)	Office rental	Thailand	-	-

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

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

### 3. New accounting standards

Below is a summary of accounting standards that became effective in the current accounting year and those that will become effective in the future.

#### (a) Accounting standards that became effective in the current accounting year

##### 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 Standard:

TFRS 8	Operating Segments
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##### Accounting Standard Interpretations:

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

##### Accounting Treatment Guidance for Transfers of Financial Assets

These accounting standards, financial reporting standard, accounting standard interpretations and accounting treatment guidance do not have any significant impact on the financial statements, except for the following accounting standard.

## TAS 12 Income Taxes

This accounting standard requires an entity to identify temporary differences between the carrying amount of an asset or liability in the statement of financial position and its tax base and recognise the tax effects as deferred tax assets or liabilities subjecting to certain recognition criteria. The Company and its subsidiaries have changed this accounting policy in this current year and restated the prior year's financial statements, presented as comparative information, as though the Company and its subsidiaries had initially recognised the tax effects as deferred tax assets or liabilities. The cumulative effect of this change in accounting policy has been presented in Note 4 to the financial statements.

### (b) Accounting standards that will become effective in the future

		<u>Effective date</u>
<b>Accounting Standards:</b>		
TAS 1 (revised 2012)	Presentation of Financial Statements	1 January 2014
TAS 7 (revised 2012)	Statement of Cash Flows	1 January 2014
TAS 12 (revised 2012)	Income Taxes	1 January 2014
TAS 17 (revised 2012)	Leases	1 January 2014
TAS 18 (revised 2012)	Revenue	1 January 2014
TAS 19 (revised 2012)	Employee Benefits	1 January 2014
TAS 21 (revised 2012)	The Effects of Changes in Foreign Exchange Rates	1 January 2014
TAS 24 (revised 2012)	Related Party Disclosures	1 January 2014
TAS 28 (revised 2012)	Investments in Associates	1 January 2014
TAS 31 (revised 2012)	Interests in Joint Ventures	1 January 2014
TAS 34 (revised 2012)	Interim Financial Reporting	1 January 2014
TAS 38 (revised 2012)	Intangible Assets	1 January 2014
<b>Financial Reporting Standards:</b>		
TFRS 2 (revised 2012)	Share-based Payment	1 January 2014
TFRS 3 (revised 2012)	Business Combinations	1 January 2014
TFRS 4	Insurance Contracts	1 January 2016
TFRS 5 (revised 2012)	Non-current Assets Held for Sale and Discontinued Operations	1 January 2014
TFRS 8 (revised 2012)	Operating Segments	1 January 2014

**Accounting Standard Interpretations:**

TSIC 15	Operating Leases - Incentives	1 January 2014
TSIC 27	Evaluating the Substance of Transactions Involving the Legal Form of a Lease	1 January 2014
TSIC 29	Service Concession Arrangements: Disclosures	1 January 2014
TSIC 32	Intangible Assets - Web Site Costs	1 January 2014

**Financial Reporting Standard Interpretations:**

TFRIC 1	Changes in Existing Decommissioning, Restoration and Similar Liabilities	1 January 2014
TFRIC 4	Determining whether an Arrangement contains a Lease	1 January 2014
TFRIC 5	Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds	1 January 2014
TFRIC 7	Applying the Restatement Approach under TAS 29 <i>Financial Reporting in Hyperinflationary Economies</i>	1 January 2014
TFRIC 10	Interim Financial Reporting and Impairment	1 January 2014
TFRIC 12	Service Concession Arrangements	1 January 2014
TFRIC 13	Customer Loyalty Programmes	1 January 2014
TFRIC 17	Distributions of Non-cash Assets to Owners	1 January 2014
TFRIC 18	Transfers of Assets from Customers	1 January 2014

The management of the Company and its subsidiaries believes that these accounting standards, financial reporting standard, accounting standard interpretations and financial reporting standards interpretations will not have any significant impact on the financial statements for the year when they are initially applied.



## 4. Cumulative effect of changes in accounting policies due to the adoption of new accounting standard

During the current year, the Company and its subsidiaries made the changes described in Note 3 to the financial statements to its significant accounting policies, as a result of the adoption of Thai Accounting Standard 12 Income Taxes. The cumulative effect of the changes in the accounting policies has been separately presented in the statements of changes in shareholders' equity.

The amounts of adjustments affecting the statements of financial position and the statements of comprehensive income are summarised below.

(Unit: Million Baht)

	Consolidated financial statements			Separate financial statements		
	As at 31 December 2013	As at 31 December 2012	As at 1 January 2012	As at 31 December 2013	As at 31 December 2012	As at 1 January 2012
<b>Statements of financial position</b>						
Increase in deferred tax assets	282	352	455	212	285	383
Increase in non-controlling interests of the subsidiaries	8	12	13	-	-	-
Increase in unappropriated retained earnings	274	340	442	212	285	383

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	For the year ended 31 December 2013	For the year ended 31 December 2012	For the year ended 31 December 2013	For the year ended 31 December 2012
<b>Statements of comprehensive income</b>				
<b>Profit or loss:</b>				
Increase in income tax	70	109	73	98
Decrease in profit attributable to non-controlling interest of the subsidiaries	4	1	-	-
Decrease in profit attributable to equity holders of the Company	66	108	73	98
Decrease in basic earnings per share (Baht)	0.010	0.015	0.010	0.014
<b>Other comprehensive income:</b>				
Decrease in actuarial losses	-	6	-	-

## 5. Significant accounting policies

### 5.1 Revenue recognition

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

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

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

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

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

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

### 5.2 Cash and cash equivalents

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

### 5.3 Trade and other receivables

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

### 5.4 Inventories

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

### 5.5 Assets held for sale

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

### 5.6 Investments

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

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

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

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

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

## 5.7 Investment properties

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

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

No depreciation is provided for land classified as investment properties.

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

## 5.8 Property, plant and equipment/Depreciation

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

Depreciation of plant and equipment is calculated by reference to their costs on the straight-line basis over the following estimated useful lives:

Buildings	-	20 and 24 years
Building improvements	-	5 - 12 years
Leasehold improvements	-	5 years
Equipment for telecom network services	-	3 - 15 years
Satellite transmission equipment	-	5 years
Tools and equipment	-	3 and 5 years
Furniture, fixtures and office equipment	-	3 and 5 years
Motor vehicles	-	5 years

Depreciation is recognised in profit or loss.

No depreciation is provided on land and assets under installation.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on disposal of an asset is included in profit or loss when the asset is derecognised.

#### 5.9 Computer software

Computer software is initially recognised at cost. Following the initial recognition, computer software is carried at cost less any accumulated amortisation and allowance for loss on impairment (if any). The cost of internally generated computer software comprises any directly attributable cost of developing the asset for its intended use.

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

#### 5.10 Prepaid rent and amortisation

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

#### 5.11 Goodwill

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

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

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

#### 5.12 Related party transactions

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

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

#### 5.13 Long-term installment agreements

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

#### 5.14 Long-term leases

Leases of plant or equipment which transfer substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the lower of the fair value of the leased assets and the present value of the minimum lease payments. The outstanding rental obligations, net of finance charges, are included in 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.

#### 5.15 Foreign currencies

The consolidated and separate financial statements are presented in Baht, which is also the Company and its subsidiaries' functional currency.

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.

#### 5.16 Impairment of assets

At the end of reporting period, the Company and its subsidiaries perform impairment reviews in respect of the property, plant and equipment, investments and other intangible assets whenever there is an indication that an asset may be impaired. The Company and its subsidiaries also carry out annual impairment reviews in respect of goodwill. An impairment loss is recognised when the recoverable amount of an asset, which is the higher of the asset's fair value less costs to sell and its value in use, is less than the carrying amount.

An impairment loss is recognised in profit or loss.

#### 5.17 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

## 5.18 Provisions

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

## 5.19 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.

## 5.20 Income tax

Income tax expense represents the sum of corporate income tax currently payable and deferred tax.

### **Current tax**

Current income tax is provided in the accounts at the amount expected to be paid to the taxation authorities, based on taxable profits determined in accordance with tax legislation.

### **Deferred tax**

Deferred income tax is provided on temporary differences between the tax bases of assets and liabilities and their carrying amounts at the end of each reporting period, using the tax rates enacted at the end of the reporting period. The Company and its subsidiaries recognise deferred tax liabilities for all taxable temporary differences while

they recognise deferred tax assets for all deductible temporary differences and tax losses carried forward to the extent that it is probable that future taxable profit will be available against which such deductible temporary differences and tax losses carried forward can be utilised.

At each reporting date, the Company and its subsidiaries review and reduce the carrying amount of deferred tax assets to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised.

The Company and its subsidiaries record deferred tax directly to shareholders' equity if the tax relates to items that are recorded directly to shareholders' equity.

#### 5.21 Forward exchange contracts

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

#### 5.22 Debt restructuring

##### Potential losses on debt restructuring

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

## 6. 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 judgment 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.

#### **Deferred tax assets**

Deferred tax assets are recognised for deductible temporary differences and unused tax losses to the extent that it is probable that taxable profit will be available against which the temporary differences and losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of estimate future taxable profits.

#### **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.



## 7. 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
	2013	2012	
<b>Transactions with related companies</b>			
Sales and service income	46	49	Contract price or normal business price charged to other customers
Rental and other service income	44	44	Contract price or normal business price charged to other customers
Cost of sales and services	2	17	Contract price
Purchase of equipment	-	40	As agreed upon
Other expenses	29	18	Contract price or normal business price charged to other customers

(Unit: Million Baht)

	Separate financial statements		Transfer Pricing Policy
	2013	2012	
<b>Transactions with subsidiaries</b> (eliminated from the consolidated financial statements)			
Management fee income	498	498	Contract price
Rental and other service income	39	38	Contract price or normal business price charged to other customers
Interest income	5	7	Base on the deposit interest rate of commercial bank + 0.5%
Other expenses	29	27	Contract price

As at 31 December 2013 and 2012, the balances of the accounts between the Company and those related parties are as follow :

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
<b>Trade receivables - related parties (Note 10)</b>				
Related companies				
TT&T Subscriber Services Co., Ltd.	29	53	-	-
Triple T Global Net Co., Ltd.	6	5	-	-
Mono Group	18	26	-	-
<b>Total trade receivables - related parties</b>	<b>53</b>	<b>84</b>	<b>-</b>	<b>-</b>
<b>Other receivables - related parties (Note 10)</b>				
Subsidiaries	-	-	238	375
Related company				
TT&T Subscriber Services Co., Ltd.	1	1	-	-
<b>Total other receivables - related parties</b>	<b>1</b>	<b>1</b>	<b>238</b>	<b>375</b>
Less: Allowance for doubtful accounts	-	-	(16)	(16)
<b>Total other receivables - related parties - net</b>	<b>1</b>	<b>1</b>	<b>222</b>	<b>359</b>
<b>Short-term loans to related parties</b>				
Subsidiaries	-	-	304	448
Less: Allowance for doubtful accounts	-	-	(6)	(6)
<b>Total short-term loan to related parties - net</b>	<b>-</b>	<b>-</b>	<b>298</b>	<b>442</b>
<b>Dividend receivables from subsidiaries (Note 10)</b>				
Subsidiaries	-	-	443	1,206
<b>Total dividend receivables from subsidiaries</b>	<b>-</b>	<b>-</b>	<b>443</b>	<b>1,206</b>
<b>Advance payments for investment projects to related party</b>				
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>
<b>Trade payables - related parties (Note 21)</b>				
Related companies				
TT&T Subscriber Services Co., Ltd.	141	141	-	-
Triple T Global Net Co., Ltd.	18	17	-	-
<b>Total trade payables - related parties</b>	<b>159</b>	<b>158</b>	<b>-</b>	<b>-</b>

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
<b><u>Other payables - related parties (Note 21)</u></b>				
Subsidiaries	-	-	-	24
Associate	4	4	-	-
Related companies				
TT&T Subscriber Services Co., Ltd.	3	2	-	-
Mono Group	17	5	-	-
<b>Total other payables - related parties</b>	<b>24</b>	<b>11</b>	<b>-</b>	<b>24</b>
<b><u>Long-term debts under former rehabilitation plan from related parties</u></b>				
Subsidiaries	-	-	-	778
Less: Current portion	-	-	-	(778)
<b>Total long-term debts under former rehabilitation plan from related parties - net of current portion</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

During 2013, movements of short-term loans to related parties and long-term debts under former rehabilitation plan from related parties were as follows:

(Unit: Million Baht)

	Separate financial statements			
	Balance as at 31 December 2012	Movements during the year		Balance as at 31 December 2013
		Increase	Decrease	
<b><u>Short-term loans to related parties</u></b>				
Subsidiaries				
Acumen Co., Ltd.	442	-	(144)	298
Jasmine Smart Shop Co., Ltd.	6	-	-	6
<b>Total</b>	<b>448</b>	<b>-</b>	<b>(144)</b>	<b>304</b>
Less: Allowance for doubtful debts	(6)	-	-	(6)
<b>Net</b>	<b>442</b>	<b>-</b>	<b>(144)</b>	<b>298</b>

(Unit: Million Baht)

	Separate financial statements			
	Balance as at 31 December 2012	Movements during the year		Balance as at 31 December 2013
		Increase	Decrease	
<u>Long-term debts under former rehabilitation plan from related parties</u>				
Subsidiaries				
Acumen Co., Ltd.	555	-	(555)	-
Jasmine Submarine Telecommunication Co., Ltd.	223	-	(223)	-
Total	778	-	(778)	-

Long-term debts under former rehabilitation plan from related parties are debts under rehabilitation plan of the Company. Principal is to be settled in the current year. The Company settled the principal and interest with dividend receivables from subsidiaries.

#### Directors and management's benefits

During the year ended 31 December 2013 and 2012, 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	
	2013	2012	2013	2012
Short-term employee benefits	177	162	33	27
Post-employment benefits	15	14	2	1
Total	192	176	35	28

#### Guarantee obligations with subsidiaries

The Company has outstanding guarantee obligations with its subsidiaries, as described in Note 36.2 to the financial statements.

## 8. Cash and cash equivalents

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
Cash	11	11	-	-
Bank Deposits	2,258	1,179	1,143	286
Bill of exchange	728	289	696	74
Total	2,997	1,479	1,839	360

## 9. Current investments - deposits with financial institutions

Included in the balances of current investments as at 31 December 2013 are savings and fixed deposits of the Company and its subsidiaries amounting to approximately Baht 211 million (2012: Baht 143 million) and of the Company only amounting to approximately Baht 9 million (2012: Baht 9 million) which have been pledged secure credit facilities.

## 10. Trade and other receivables

The outstanding balances of trade and other receivables as at 31 December 2013 and 2012 are as follows:

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
Trade receivables - related parties (Note 7)	53	84	-	-
Trade receivables - unrelated parties	3,754	3,737	55	52
Other receivables - related parties (Note 7)	1	1	238	375
Other receivables - unrelated parties	214	177	-	-
Dividend receivable from subsidiaries (Note 7)	-	-	443	1,206
Total	4,022	3,999	736	1,633
Less: Allowance for doubtful debts	(349)	(314)	(71)	(68)
Trade and other receivables - net	3,673	3,685	665	1,565

The balances of trade accounts receivable as at 31 December 2013 and 2012, aged on the basis of due dates, are summarised below.

(Unit: Million Baht)

Age of receivables	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
<u>Related parties</u>				
Not yet due	12	10	-	-
Past due				
Up to 3 months	5	14	-	-
Longer than 3 - 6 months	1	2	-	-
Longer than 6 - 12 months	1	1	-	-
Longer than 12 months	34	57	-	-
Total (Note 7)	53	84	-	-
<u>Unrelated parties</u>				
Not yet due	574	411	-	-
Past due				
Up to 3 months	154	233	-	-
Longer than 3 - 6 months	117	69	-	-
Longer than 6 - 12 months	55	163	-	-
Longer than 12 months	2,854	2,861	55	52
Total	3,754	3,737	55	52
Less: Allowance for doubtful accounts	(349)	(314)	(55)	(52)
Net	3,405	3,423	-	-
Trade accounts receivable - net	3,458	3,507	-	-

During 2013, Triple T Internet Co., Ltd. (TTTI), a subsidiary, wrote-off trade accounts receivable as bad debt amounting to approximately Baht 160 million (2012: Baht 149 million).

Included in trade accounts receivable from unrelated parties over the age thresholds of 3 months as at 31 December 2013 and 2012, are amounts receivable from companies majority-owned by the government as follows:

(Unit: Million Baht)

Age of receivables	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
Longer than 3 - 6 months	20	-	-	-
Longer than 6 - 12 months	-	69	-	-
Longer than 12 months	2,568	2,568	-	-
Total	2,588	2,637	-	-

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

- 10.1 As at 31 December 2013, an outstanding trade receivables balances of Jasmine Submarine Telecommunications Co., Ltd. (JSTC), a subsidiary, amounting to Baht 2,518 million (2012: 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. 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 22 to the financial statements.

- 10.2 As at 31 December 2011, certain subsidiaries have outstanding balances totaling approximately USD 5 million, as described in Note 36.8 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.

## 11. Inventories

(Unit: Million Baht)

	Consolidated financial statements					
	Cost		Reduce cost to net realisable value		Inventories-net	
	2013	2012	2013	2012	2013	2012
Satellite transmission equipment	4	7	(3)	(3)	1	4
Finished goods and spare parts	41	47	(2)	(2)	39	45
<b>Total</b>	<b>45</b>	<b>54</b>	<b>(5)</b>	<b>(5)</b>	<b>40</b>	<b>49</b>

## 12. Assets held for sale

The assets held for sale as at 31 December 2013 and 2012 are the uninstalled public telephones, detailed below.

(Unit: Million Baht)

	Uninstalled public telephones
Cost	129
Less: Allowance for impairment of assets	(40)
<b>Net book value as at 1 January 2013</b>	<b>89</b>
Transfer out	(9)
Recorded allowance for impairment of assets during the year	(15)
<b>Net book value as at 31 December 2013</b>	<b>65</b>

At the present, Jasmine Telecom Systems Plc. (JTS), a subsidiary, is in the process of proposing to sell the uninstalled public telephones to unrelated companies. As at 31 December 2013, the management of JTS assessed the fair value of these uninstalled public telephones and recorded loss on impairment of these public telephones amounting to Baht 15 million in profit or loss in the current year.

## 13. Accounts receivable under troubled debt restructuring

On 22 April 2008, TT&T, a former related company, filed a petition for business rehabilitation with the Central Bankruptcy Court for the purpose of restructuring its debt and on 22 July 2009, the Central Bankruptcy Court ordered the appointment of P Planner Co., Ltd. as the rehabilitation plan preparer. On 11 August 2010, the Official Receiver held a creditors' meeting to consider the rehabilitation plan and the creditors passed an extraordinary resolution to accept the plan. Subsequently, on 5 October 2010, the number of creditors, including the subsidiaries, submitted objections to the plan to the Central Bankruptcy Court. However, on 28 December 2010 the Court have an order accepting the business rehabilitation plan of TT&T. However, during the year 2011 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.

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 10.2 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 2013, certain subsidiaries have outstanding balances totaling approximately Baht 54 million (2012: Baht 102 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 TT&T's rehabilitation plan. The balances include outstanding claims for which is being disputed and being considered by the Central Bankruptcy Court, amounting to Baht 51 million (2012: 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.

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 36.4 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.

## 14. 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	
	2013	2012	2013	2012	2013	2012
Jasmine Submarine Telecommunications Co., Ltd.	1,550	1,550	1,946	1,946	98	63
Acumen Co., Ltd.	760	760	760	760	1,349	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	58	12	12
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	6	30
Chaengwatana Planner Co., Ltd.	0.1	0.1	-	-	-	-
			3,309	3,309	1,465	420
Less: Allowance for impairment of investments			(367)	(367)		
Total investments in subsidiaries - net			2,942	2,942		

- 14.1 As described in Note 10.1 to the financial statements, at present, JSTC is in negotiation with TOT, a concession provider, regarding the revenue sharing rates under the co-investor agreement made with TOT. The management of JSTC believes that the recorded revenue of such service is consistent with the co-investor agreement.
- 14.2 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. In January 2012, the Company sold 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.
- 14.3 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.
- 14.4 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 former rehabilitation plan, as described in Note 24 to the financial statements.
- 14.5 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.

## 15. Investments in associates

### 15.1 Details of associates

(Unit: Million Baht)

Company's name	Nature of business	Country of incorporation	Consolidated financial statements							
			Shareholding percentage		Cost		Carrying amounts based on equity method		Share of profit from investments in associates during the year	
			2013 (%)	2012 (%)	2013	2012	2013	2012	2013	2012
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	-	-	-	-	-	-
Total					451	451	23	23	-	-

(Unit: Million Baht)

Company's name	Nature of business	Country of incorporation	Separate financial statements							
			Shareholding percentage		Cost		Allowance for impairment of investments		Carrying amounts based on cost method - net	
			2013 (%)	2012 (%)	2013	2012	2013	2012	2013	2012
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

## 15.2 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	
	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012
Internet Knowledge Service Center Co., Ltd.	50	50	72	71	9	9	1	1	1	1
Premium Real Estate Co., Ltd.	820	820	12	12	-	-	-	-	-	-
Telecom KSC Co., Ltd.	1	1	-	-	-	-	-	-	-	-

- 15.3 The share of profit for the year ended 31 December 2013 of all associates were calculated from the financial statements for the year ended 31 December 2013 prepared by their managements and have not been audited by their auditors.

## 16. Investment properties

The net book value of investment properties as at 31 December 2013 and 2012 is presented below.

(Unit: Million Baht)

Consolidated financial statements	
31 December 2013	
Cost	932
<u>Less</u> Accumulated depreciation	(316)
Net book value	616
31 December 2012	
Cost	941
<u>Less</u> Accumulated depreciation	(279)
Net book value	662

A reconciliation of the net book value of investment properties for the years 2013 and 2012 is presented below.

(Unit: Million Baht)

	Consolidated financial statements	
	2013	2012
Net book value at beginning of year	662	699
Acquisition	5	4
Transfers to property, plant and equipment - net book value	(10)	-
Depreciation	(41)	(41)
Net book value at end of year	616	662

As at 31 December 2013, the fair value of the investment properties is Baht 1,691 million (2012: Baht 1,538 million). The fair values of the above investment properties have been determined in 2013 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 subsidiary received rental income from investment properties amounting to Baht 28 million and Baht 27 million during 2013 and 2012, 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 2013 and 2012, 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	
	2013	2012
Less than 1 year	35	30
1 to 5 years	30	19
More than 5 years	6	6

## 17. Property, plant and equipment

(Unit: Million Baht)

	Consolidated financial statements										
	Land	Buildings, leasehold improvement and building improvement	Gateway station for the ACeS Satellite - based mobile project	Motor vehicles	Equipment for telecom network services	Satellite transmission equipment	Tools and equipment	Furniture, fixtures and office equipment	Others	Assets under installation	Total
<b>Cost</b>											
1 January 2012	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
Additions	3	85	-	68	445	14	56	70	2	2,481	3,224
Disposals	-	-	-	(3)	(3)	(66)	-	(42)	-	(7)	(121)
Transfers from investment properties	3	7	-	-	-	-	-	-	4	-	14
Transfers in (out)	-	-	-	-	1,355	23	5	53	5	(1,618)	(177)
31 December 2013	103	1,009	774	346	14,880	492	392	708	118	1,855	20,677
<b>Accumulated depreciation</b>											
1 January 2012	-	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
Depreciation on disposals	-	-	-	(5)	(1)	-	-	(18)	-	-	(24)
Transfers out	-	-	-	-	(13)	-	-	-	-	-	(13)

(Unit: Million Baht)

	Consolidated financial statements (Continued)										
	Land	Buildings, leasehold improvement and building improvement	Gateway station for the ACeS Satellite - based mobile project	Motor vehicles	Equipment for telecom network services	Satellite transmission equipment	Tools and equipment	Furniture, fixtures and office equipment	Others	Assets under installation	Total
31 December 2012	-	474	150	180	3,995	377	226	476	78	-	5,956
Depreciation for the year	-	61	-	60	1,470	63	52	114	14	-	1,834
Depreciation on disposals	-	-	-	(3)	(2)	(61)	-	(40)	-	-	(106)
Transfer from investment property	-	2	-	-	-	-	-	-	2	-	4
31 December 2013	-	537	150	237	5,463	379	278	550	94	-	7,688
<b>Allowance for impairment</b>											
1 January 2012	-	-	624	-	-	88	-	-	-	-	712
Allowance for impairment on transfer out	-	-	-	-	-	(9)	-	-	-	-	(9)
31 December 2012	-	-	624	-	-	79	-	-	-	-	703
Allowance for impairment on transfer out	-	-	-	-	-	(2)	-	-	-	-	(2)
31 December 2013	-	-	624	-	-	77	-	-	-	-	701
<b>Net book value</b>											
1 January 2012	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
31 December 2013	103	472	-	109	9,417	36	114	158	24	1,855	12,288
<b>Depreciation for the year</b>											
2012 (Baht 1,479 million included in cost of service, and the balance in selling, servicing and administrative expenses)											1,633
2013 (Baht 1,665 million included in cost of service, and the balance in selling, servicing and administrative expenses)											1,834

	Separate financial statements				
	Leasehold improvement	Furniture and office equipment	Tools and equipment	Motor vehicles	Total
<b>Cost</b>					
1 January 2012	53	26	2	7	88
Additions	1	1	-	-	2
Disposals	-	-	-	(3)	(3)
31 December 2012	54	27	2	4	87
Additions	-	3	-	-	3
Disposals	-	(3)	-	(2)	(5)
31 December 2013	54	27	2	2	85
<b>Accumulated depreciation</b>					
1 January 2012	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
Depreciation for the year	4	3	-	-	7
Depreciation on disposals	-	(3)	-	(2)	(5)
31 December 2013	48	23	2	2	75
<b>Net book value</b>					
1 January 2012	13	6	-	2	21
31 December 2012	10	4	-	-	14
31 December 2013	6	4	-	-	10
<b>Depreciation for the year</b>					
2012 (included in administrative expenses)					8
2013 (included in administrative expenses)					7

As at 31 December 2013, 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 1,701 million, of which Baht 53 million is from the Company (2012: Baht 1,310 million and Baht 49 million, respectively).

As at 31 December 2013, subsidiaries have motor vehicles and equipment under finance lease agreements with net book values amounting to Baht 115 million (2012: Baht 131 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 19 to the financial statements, and therefore presents this prepaid rent as part of the building purchased by the subsidiary in the consolidated financial statements, in order that the presentation of information reflects its underlying economic substance.



The majority of equipment for providing telecom network services has been acquired under long-term installment agreements as described in Note 25 to the financial statements. As at 31 December 2013, title to and ownership of the equipment which their costs are approximately Baht 777 million will pass to subsidiaries when the subsidiaries have made full payment of the contract price (2012: Baht 909 million).

## 18. Computer software

The net book value of Computer software as at 31 December 2013 and 2012 is presented below.

(Unit: Million Baht)

	Consolidated financial statements
31 December 2013	
Cost	149
<u>Less</u> Accumulated amortisation	(138)
<b>Net book value</b>	<b>11</b>
31 December 2012	
Cost	147
<u>Less</u> Accumulated amortisation	(113)
<b>Net book value</b>	<b>34</b>

A reconciliation of the net book value of Computer software for the years 2013 and 2012 is presented below.

(Unit: Million Baht)

	Consolidated financial statements	
	2013	2012
Net book value at beginning of year	34	58
Acquisition	2	10
Cost of internally generated	-	6
Amortisation	(25)	(40)
<b>Net book value at end of year</b>	<b>11</b>	<b>34</b>

## 19. 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 17 to the financial statements. As a result, in order to present information in accordance with its underlying economic substance, the Company has presented its prepaid rent as part of the building purchased by the subsidiary in the consolidated financial statements.

The prepaid rent balances as at 31 December 2013 and 2012 are as follows:

(Unit: Million Baht)

	Separate financial statements	
	2013	2012
Prepaid rent	415	415
Less: Accumulated amortisation	(214)	(200)
Prepaid rent - net	201	215
Amortisation expenses recognised in profit or loss	14	14

## 20. Short-term loans from banks

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

## 21. Trade and other payables

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
Trade payables - related parties (Note 7)	159	158	-	-
Trade payables - unrelated parties	2,012	2,057	-	-
Retention payable	112	84	-	-
Accrued expenses	72	62	11	11
Other payables - related parties (Note 7)	24	11	-	24
Other payables - unrelated parties	258	284	21	3
Total trade and other payables	2,637	2,656	32	38

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 13 to the financial statements.

## 22. Long-term loans

(Unit: Million Baht)

Loan	Interest rate (% per annum)	Consolidated financial statements		Separate financial statements	
		2013	2012	2013	2012
1	MLR	504	567	504	567
2	MLR	813	857	-	-
3	MLR	182	246	-	-
4	MLR	1,640	1,940	-	-
Total		3,139	3,610	504	567
Less: Current portion		(922)	(422)	(63)	(63)
Long-term loans - net of current portion		2,217	3,188	441	504

Details of the above loans are summarised below.

1. This long-term loan is long-term debts under the former rehabilitation plan that were loans from Bangkok Bank Plc. ("the bank"). As at 1 January 2012, the Company classified this loan 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 former 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. As at 31 December 2013 and 2012, the Company has classified this loan as current and non-current liabilities, with reference to the above agreement to extend the terms of the loans.
2. This long-term loan is the loan of JSTC, 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. Jastel Network Co., Ltd. (JTN), a subsidiary, is assuming joint responsibility for the debt. In addition, this loan is secured by all rights and benefits pertaining to concession agreements as described in Note 10.1 to the financial statements and guaranteed by TLDT.
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 in year 2011 and 2012 and no more than 2 in year 2013 onwards 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 1 January 2012 as current liabilities in the statement of financial position.

## 23. Liabilities under finance lease agreements

(Unit: Million Baht)

	Consolidated financial statements	
	2013	2012
Liabilities under finance lease agreements	101	129
Less: Deferred interest expenses	(7)	(8)
Total	94	121
Less: Current portion	(44)	(74)
Liabilities under finance lease agreements - net of current portion	50	47

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 2013 and 2012, future minimum lease payments required under the finance lease agreements were as follows:

(Unit: Million Baht)

	As at 31 December 2013		
	Less than 1 year	1-5 years	Total
Future minimum lease payments	48	53	101
Deferred interest expenses	(4)	(3)	(7)
Present value of future minimum lease payments	44	50	94

(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

## 24. Long-term debts under former rehabilitation plan

The outstanding balance is long-term debts under the former rehabilitation plan, as described in Note 1 to the financial statements, consisting of the following loans.

- 1) Long-term debt of Baht 30 million was repayable within 9 years, from 2004 to 2012, and carried interest at rates of MLR-2% for the first eight years and MLR+20% for the ninth year.
- 2) Long-term debt of Baht 141 million was repayable in 2013 and carried interest at a rate of MLR - 2%.

However, as at 31 December 2013, the Company had not yet paid Baht 103 million of long-term loans in 2) because of disputes regarding the amount of interest the creditors calculated on the debt, which was not subject to interest under the former rehabilitation plan. The Company currently believes that it will be able to negotiate with the creditors and it is unlikely that it will have to pay the interest. The Company has therefore not recorded the additional accrued interest in its accounts.

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

## 25. Accounts payable for equipment

TTT entered into an agreement to purchase equipment from an unrelated company. Under the purchase agreement, TTT is obliged to make payment within 3 years. The outstanding balances of such transactions as at 31 December 2013 and 2012, based on due dates, are as follows:

(Unit: Million Baht)

	Consolidated financial statements	
	2013	2012
Accounts payable for equipment	788	939
Less: Deferred interest expenses	(11)	(30)
Total	777	909
Less: Current portion	(692)	(551)
Accounts payable for equipment - net of current portion	85	358

The above outstanding balance of TTT as at 31 December 2013 is secured by ACU and bank deposits of TTT amounting to Baht 15 million (2012: Baht 62 million) in accordance with the conditions stipulated in the agreements made with accounts payable for equipment.

## 26. 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	
	2013	2012	2013	2012
Provisions for long-term employee benefits at beginning of year	216	173	12	9
Current service cost	16	13	1	1
Interest cost	8	7	-	-
Actuarial loss	-	30	-	2
Benefits paid during the year	(7)	(7)	-	-
Provisions for long-term employee benefits at end of year	233	216	13	12

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

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
Current service cost	16	13	1	1
Interest cost	8	7	-	-
Total expense recognised in profit or loss	24	20	1	1
Line items under which such expenses are included in profit or loss				
Selling and administrative expenses	24	20	1	1

Total actuarial losses recognised in the other comprehensive income and taken as part of retained earnings of the Company and its subsidiaries as at 31 December 2013 amounted to Baht 30 million, of which Baht 2 million is from the Company (2012: Baht 30 million and Baht 2 million, respectively).

Principal actuarial assumptions at the valuation date were as follows:

	Consolidated / Separate financial statements	
	2013	2012
	(% per annum)	(% per annum)
Discount rate	3.75%	3.75%
Future salary increase rate	5%	5%

Amounts of defined benefit obligation for the current and previous three years 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 2013	233	13	-	-
Year 2012	216	12	16	1
Year 2011	173	9	-	-
Year 2010	154	8	-	-

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

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.

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 had purchased back 107 million ordinary shares, for a total of Baht 298 million (excluded cost of repurchase treasury shares). The Company appropriated the full required amount of retained earnings to a reserve for the treasury shares. Subsequently, 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 and subsequently, 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.

## 28. 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.

## 29. Expenses by nature

Significant expenses by nature are as follow:

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
Depreciation and amortisation	1,900	1,715	21	22
Salaries, wages and other employee benefits	1,601	1,354	80	65
Telecommunication network rental expenses	1,253	1,400	-	-
Telecommunication license fees	564	218	-	-
Cost of goods sold	332	193	-	-
Doubtful debt and bad debt	207	380	-	-
Electricity expenses	200	172	2	2
Rental expenses from operating lease agreements	182	197	-	-
Sales promotion expenses	181	270	-	-
Repair and maintenance expenses	181	95	-	-
Subcontracting expenses	114	739	-	-
Loss on impairment of assets	15	37	-	-



## 30. Income tax

Income tax expenses for the years ended 31 December 2013 and 2012 are made up as follows:

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
		(Restated)		(Restated)
Current income tax charge	535	530	-	-
Deferred tax relating to origination and reversal of temporary differences	70	109	73	98
Income tax expense reported in the statement of comprehensive income	605	639	73	98

The amounts of income tax relating to each component of other comprehensive income for the years ended 31 December 2013 and 2012 are as follows:

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
		(Restated)		(Restated)
Actuarial losses	-	(6)	-	-
Income tax expense reported in the other comprehensive income	-	(6)	-	-

Reconciliation between income tax expenses and the product of accounting profit multiplied by the applicable tax rates for the years ended 31 December 2013 and 2012

(Unit: Million Baht)

	Consolidated financial statements	
	2013	2012
		(Restated)
Accounting profit before tax	3,682	2,588
Applicable tax rate	20%	23%
Accounting profit before tax multiplied by applicable tax rate	736	595
Tax effect of income and expenses that are not taxable income or not deductible in determining taxable profit:		
Promotional privileges (Note 31)	(132)	(52)
Others	1	96
Income tax expenses reported in the statement of comprehensive income	605	639

(Unit: Million Baht)

	Separate financial statements	
	2013	2012
		(Restated)
Accounting profit before tax	1,823	874
Applicable tax rate	20%	23%
Accounting profit before tax multiplied by applicable tax rate	365	201
Tax effect of income and expenses that are not taxable income or not deductible in determining taxable profit:		
Dividend income from subsidiaries	(293)	(97)
Others	1	(6)
Income tax expenses reported in the statement of comprehensive income	73	98

The components of deferred tax assets and deferred tax liabilities are as follows:

(Unit: Million Baht)

	Consolidated statements of financial position			Consolidated statements of comprehensive income	
	As at			For the years ended 31 December	
	31 December 2013	31 December 2012	1 January 2012	2013	2012
		(Restated)			(Restated)
<b>Deferred tax assets (liabilities)</b>					
Allowance for doubtful accounts	14	8	4	(6)	(4)
Allowance for impairment of assets	11	8	19	(3)	11
Provision for long-term employee benefits	44	40	31	(4)	(3)
Unused tax losses	212	299	396	86	97
Others	1	(3)	5	(3)	8
Deferred tax relating to origination and reversal of temporary differences				70	109
Deferred tax assets - net	282	352	455		

(Unit: Million Baht)

	Separate statements of financial position			Separate statements of comprehensive income	
	As at			For the years ended 31 December	
	31 December 2013	31 December 2012	1 January 2012	2013	2012
		(Restated)			(Restated)
<b>Deferred tax assets</b>					
Unused tax losses	212	285	383	73	98
Deferred tax relating to origination and reversal of temporary differences				73	98
Deferred tax assets - net	212	285	383		

In October 2011, the cabinet passed a resolution to reduce the corporate income tax rate from 30 percent to 23 percent in 2012, and then to 20 percent from 2013. In addition, in order to comply with the resolution of the cabinet, in December 2011, the decreases in tax rates for 2012 - 2014 were enacted through a Royal Decree. The Company and its subsidiaries have reflected the changes in the income tax rates in its deferred tax calculation, as presented above.

As at 31 December 2013 the Company and its subsidiaries have deductible temporary differences and unused tax losses totaling Baht 4,607 million (2012: Baht 4,706 million) and the Company only: Baht 4,053 million (2012: Baht 4,117 million), on which deferred tax assets have not been recognised as the Company believes future taxable profits may not be sufficient to allow utilisation of the temporary differences and unused tax losses.

### 31. Promotional privileges

IC has received promotional tax privileges from the Board of Investment pursuant to promotion certificate No. 2200(7)/2554 issued on 29 September 2011. The privileges include an exemption from corporate income tax for a period of 8 years from the date of the promoted operations commenced generating revenues (31 May 2012).

In 2013, IC had revenues from promoted operations amounting to Baht 700 million (2012: Baht 250 million).

### 32. Basic 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	
	2013	2012	2013	2012
Profit for the year (Million Baht)	3,003	2,028	1,751	775
Weighted average number of ordinary shares (Million shares)	7,137	7,169	7,137	7,169
Basic earnings per share (Baht per share)	0.42	0.28	0.25	0.11

### 33. Segment information

Operating segment information is reported in a manner consistent with the internal reports that are regularly reviewed by the chief operating decision maker in order to make decisions about the allocation of resources to the segment and assess its performance.

For management purposes, the Company and its subsidiaries are organised into business units based on its products and services and have four reportable segments as follows:

- 1) Broadband internet
- 2) Telecommunications network and service provider
- 3) Provision, design and installation of telecommunications systems
- 4) Other segments

The chief operating decision maker monitors the operating results of the business units separately for the purpose of making decisions about resource allocation and assessing performance. Segment performance is measured based on operating profit or loss and on a basis consistent with that used to measure operating profit or loss in the financial statements.

Inter-segment revenues are eliminated on consolidation.

The Company and its subsidiaries' business operations are mainly carried on Thailand. Below is the consolidated financial information for the years ended 31 December 2013 and 2012 of the Company and its subsidiaries by segment.

(Unit: Million Baht)

	Broadband internet		Telecommunications network and service provider		Provision, design and installation of telecommunications systems		Other segments		Elimination of inter-segment transactions		Consolidated total	
	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012
Sales and service income												
Revenue from external customers	9,542	7,873	1,182	1,202	265	1,167	134	127	-	-	11,123	10,369
Inter-segment revenues	54	112	938	850	84	42	128	114	(1,204)	(1,118)	-	-
<b>Total revenues</b>	<b>9,596</b>	<b>7,985</b>	<b>2,120</b>	<b>2,052</b>	<b>349</b>	<b>1,209</b>	<b>262</b>	<b>241</b>	<b>(1,204)</b>	<b>(1,118)</b>	<b>11,123</b>	<b>10,369</b>
Segment operating profit (loss)	6,321	5,096	212	304	135	292	(20)	(9)	-	-	6,648	5,683
Unallocated income and expenses:												
Other income											137	132
Selling and servicing expenses											(705)	(733)
Administrative expenses											(1,858)	(1,639)
Potential losses on debt restructuring											-	(35)
Doubtful accounts and bad debt											(207)	(380)
Losses on impairment of assets											(15)	(37)
Exchange losses											(7)	-
Share of profit from investments in associates											-	1
Finance cost											(312)	(404)
Income tax expenses											(605)	(639)
Non-controlling interests of subsidiaries											(74)	79
<b>Profit attributable to equity holders of the Company</b>											<b>3,002</b>	<b>2,028</b>

Below is the segment assets of the Company and its subsidiaries operating segment as at 31 December 2013 and 2012.

(Unit: Million Baht)

	Broadband internet		Tele communications network and service provider		Provision, design and installation of telecommunications systems		Other segments		Elimination of inter-segment transactions		Consolidated total	
	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012
Accounts receivable	341	351	3,155	3,213	1,131	1,132	44	76	(1,213)	(1,265)	3,458	3,507
Inventories	-	-	4	6	33	45	3	3	-	(5)	40	49
Investment properties	-	-	-	-	-	-	616	662	-	-	616	662
Property, plant and equipment	11,326	10,036	516	604	31	17	449	473	(34)	(52)	12,288	11,078
Unallocated assets											5,331	4,456
<b>Total assets</b>											<b>21,733</b>	<b>19,752</b>

Transfer prices between business segments are described in Note 7 to the financial statements.

## 34. 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 BBL Asset Management Co., Ltd. will be paid to employees upon termination in accordance with the fund rules. During 2013, the Company and its subsidiaries contributed Baht 64 million, of which Baht 4 million is from the Company, to the fund (2012: Baht 53 million and Baht 3 million, respectively).

## 35. Dividends

Dividends	Approved by	Total dividends (Million Baht)	Dividend per share (Baht)
Final dividends for 2012	Annual General Meeting of the shareholders on 29 April 2013	642	0.090
Total for 2013		642	0.090
Final dividends for 2011	Annual General Meeting of the shareholders on 25 April 2012	181	0.025
Total for 2012		181	0.025

## 36. Commitments and contingent liabilities

As at 31 December 2013, the Company and its subsidiaries had the following outstanding commitments and contingent liabilities.

- 36.1 The Company and its subsidiaries had outstanding commitments of approximately Baht 815 million in respect of bid bonds and performance bonds issued by banks and financial institutions on behalf of the Company and its subsidiaries (2012: Baht 955 million) and of the Company only: Baht 10 million (2012: Baht 10 million).
- 36.2 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 (2012: Baht 3 million).
- 36.3 Subsidiaries had outstanding commitments under the letters of credit with local and overseas suppliers totaling approximately USD 41 million and Baht 36 million (2012: USD 3 million).
- 36.4 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 36.4 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 36.4 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 36.4 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.

- 36.5 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.
- 36.6 In September 2013, JTS entered into an agreement with the Office of Basic Education Commission (OBEC) to sell 357,024 tablet personal computers for students and teachers in the north and east of Thailand (Zone 4). According to a condition in the agreement, JTS had to deliver all of the tablets to OBEC within December 2013. JTS was unable to deliver the tablets as scheduled in the agreement as a result of a massive fire in September 2013 at a production facility in China where a part of the tablets was produced. In October 2013, JTS submitted a letter to OBEC to inform it of the cause of the delay and request an extension of the shipments schedule. However, as stipulated in the agreement with OBEC, JTS is obliged to pay a penalty for delayed shipment at a daily rate of 0.2 percent of the price of the unshipped tablets. JTS had already notified the cause of the delay in order to request OBEC to extend the shipment schedule, and OBEC is currently in the process of considering the related information. In addition, the management of JTS is in the process of negotiation



to extend the shipment schedule, including speeding up the shipments. Based on these reasons, JTS is unable to conclude if there is any provision for penalty charge to be incurred. Therefore, JTS does not record the provision for penalty charge for delayed shipment in the accounts. Moreover, in the event that JTS is required to pay a penalty for the delayed shipment, JTS can claim all of its losses from the Company who is the seller of the tablets, in accordance with a condition stipulated in the sale and purchase of tablets agreement made between JTS and a domestic company.

- 36.7 Acumen had outstanding commitment in respect of the rental of transponders, for which the rental is payable as follows:

	Million USD
Payable within:	
In up to 1 year	0.3
In over 1 and up to 5 years	0.9

## 36.8 Litigation

1. CCS has outstanding balances receivable from TT&T amounting to approximately USD 5 million (as at 31 December 2013 equivalent to totaling approximately Baht 168 million (2012: Baht 167 million)), as described in Note 10.2 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, the disputes are in process of consideration by the arbitrators.
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. Subsequently, the Official Receiver orders JI-Net to pay the leased line costs payable to TT&T. However, JI-Net filed an appeal against the order with the Central Bankruptcy Court. Currently, the appeal is under the consideration of the Central Bankruptcy Court.

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. Subsequently, the Official Receiver orders Smart to pay the leased line costs payable to TT&T. However, Smart filed an appeal against the order with the Central Bankruptcy Court. Currently, the appeal is under the consideration of the Central Bankruptcy Court.

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, since 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. On 28 February 2013, the Court dismissed the case and TOT appealed to the Appeal Court. At present, the case is under consideration of Appeal 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. TTT and TT&TSS have filed an appeal but the Appeal Court affirmed the judgment of the Civil Court. At present, the case is being considered by the Supreme 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 Nhapralan police stations. The court case was dismissed by the Udon Thani Provincial Court and TT&T filed an appeal. The Appeal court overturned the decision and the case is now being considered by the Supreme Court.

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 and TTT has filed an appeal. The case has not yet been finalised.

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 the offset debt payable and the 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.

On 29 November 2013, TT&T filed a lawsuit against TTT in a civil case lodged with the Nonthaburi Provincial Court, seeking compensation of Baht 228.7 million plus interest and alleging that TTT defaulted on several agreements. The major claims were made the same basis as the collection notice of the Official Receiver of TT&T (excluding the leased line payable), with these claims being those arising after the business rehabilitation plan of TT&T was approved by the Central Bankruptcy Court. 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.

## 37. Financial instruments

### 37.1 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 former 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 former 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.

Foreign currency	Consolidated Financial statements				Average exchange rate as at 31 December	
	Financial assets as at 31 December		Financial liabilities as at 31 December			
	2013	2012	2013	2012	2013	2012
	(Million)	(Million)	(Million)	(Million)	(Baht per 1 foreign currency unit)	
US dollar	3	4	35	48	32.81	30.63

The Company's forward exchange contracts outstanding are summarised below.

As at 31 December 2013			
Foreign currency	Bought amount	Contractual exchange rate	Contractual maturity date
		Bought	
	(Million)	(Baht per 1 foreign currency unit)	
US dollar	12	31.28	17 January 2014

As at 31 December 2012			
Foreign currency	Bought amount	Contractual exchange rate	Contractual maturity date
		Bought	
	(Million)	(Baht per 1 foreign currency unit)	
Euro	0.1	45.36	14 January 2013

### 37.2 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 former 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.

## 38. 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 2013, the Group's debt to equity ratio was 0.74:1 (2012: 0.96:1) and the Company was 0.12:1 (2012: 0.33:1).

## 39. Infrastructure Fund Transaction

On 25 November 2013, the Extraordinary General Meeting of Shareholders No. 1/2013 passed the resolution approved the Company and/or its subsidiaries to sell certain assets relating to the Broadband Internet to an infrastructure fund for Broadband Internet business (the "Fund"). The net book value of the assets to be disposed will be approximately Baht 10,000 million and the selling price is expected to be approximately Baht 70,000 million. (However, the final selling price will mutually be agreed between the Company and the Fund.)

## 40. Events after the reporting period

On 11 February 2014, the Company's Board of Directors meeting No. 1/2557 approved for payment of a final dividend of Baht 0.25 per share, or a total of approximately Baht 1,784 million, from the operating results for the year ended 31 December 2013.

However, this resolution will be further proposed for the shareholders' approval in the Ordinary General Meeting of Shareholders for fiscal year 2014.

## 41. Approval of financial statements

These financial statements were authorised for issue by the Company's Board of Directors on 11 February 2014.



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