

รายงานประจำปี 2554

ANNUAL REPORT 2011



The Way for Better Communication Better Life

JTS

Jasmine Telecom Systems Public Company Limited

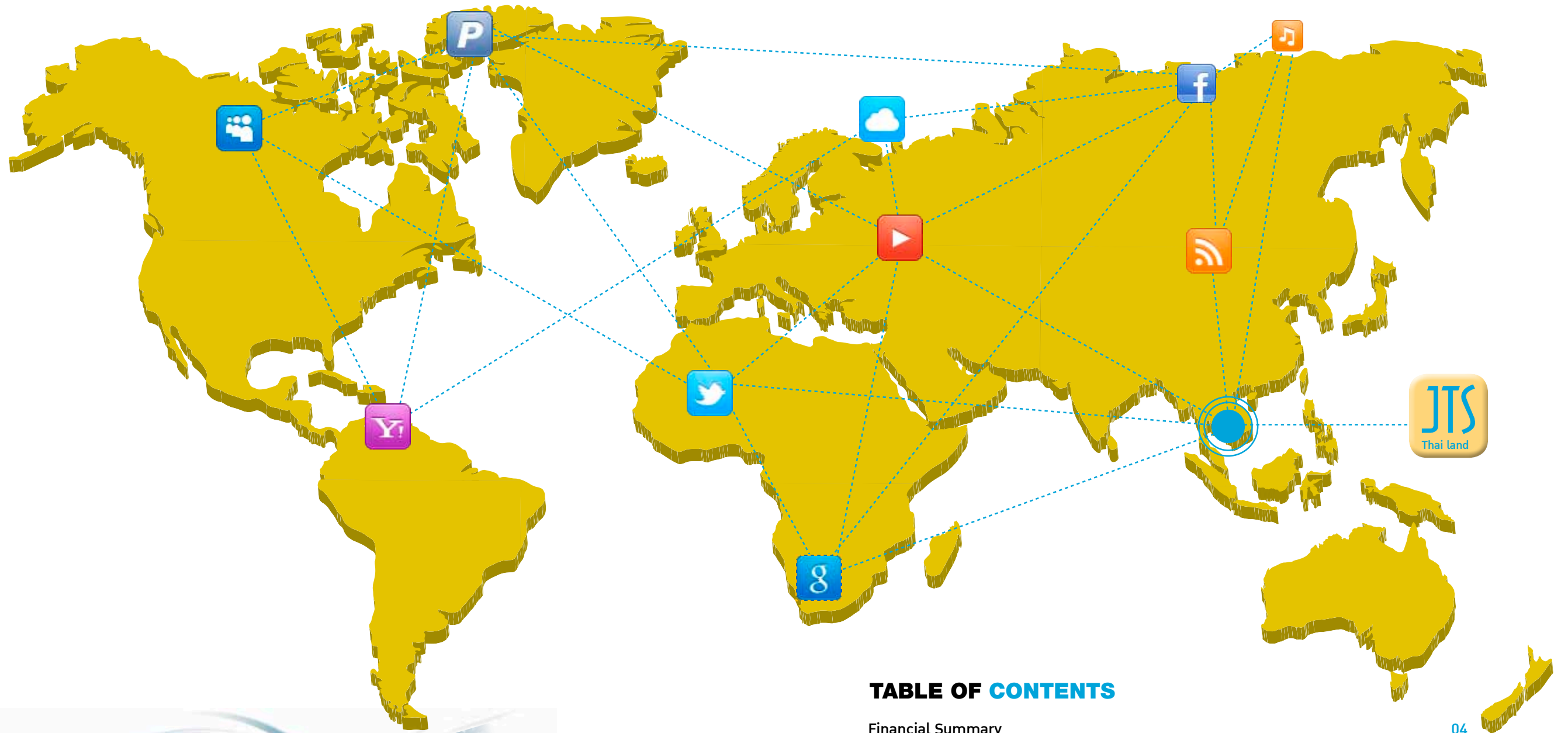


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JASMINE TELECOM SYSTEMS

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**CONNECTING
THE WORLD**

MAKE LIFE CONNECTED

FINANCIAL

Summary



Operating Results ('000 Baht)

	2011	2010	2009
Sales and services income	1,319,694	3,456,084	4,365,436
Total revenue	1,423,045	3,584,816	4,424,981
Cost of sales and services and selling ,servicing and administrative	1,353,857	3,505,103	4,196,729
Gross profit *	256,957	364,927	405,811
Net profit	(67,515)	(100,860)	92,915
Total assets	4,290,790	5,911,221	6,301,915
Total liabilities	2,821,928	4,304,139	4,549,382
Shareholders' Equity	1,468,862	1,607,082	1,752,533

Financial Ratio

	2011	2010	2009
Current ratio (times)	1.58	1.31	1.66
Debt to equity (times)	1.92	2.68	2.60
Return on assets (%)	-1.32%	-1.65%	1.94%
Return on equity (%)	-4.39%	-6.00%	5.46%

Per Share Data (Baht)

	2011	2010	2009
Net earning (loss) per share	(0.10)	(0.14)	0.13
Weighted average number of ordinary shares (million shares)	705,449,000	702,950,000	702,950,000
Book value	2.08	2.29	2.49
Par value	1.00	1.00	1.00
Paid up capital shares (million shares)	706,457,300	702,950,000	702,950,000

* Gross profit is a result of sales and service income minus sales and service cost

GENERAL Information

Detailed of Company

Company name	:	Jasmine Telecom Systems PCL.
Registration	:	0107547000109
Head office Address	:	200 Moo 4, 9 th Fl. Jasmine International Tower, Chaengwattana Road, Tambon Pakkret, Amphoe Pakkret, Nonthaburi, 11120 Tel. (66)-021008300 Fax. (66)-025023363
Home Page	:	http://www.jts.co.th
Nature of Business	:	Information & Communication Technology

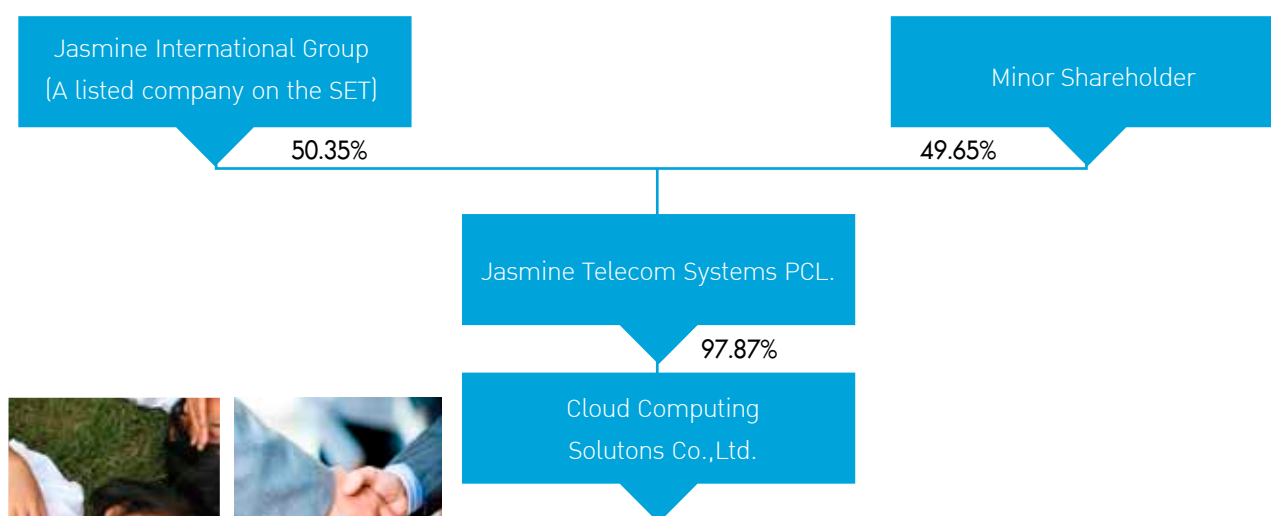
Detailed of Subsidiary

Company name	:	Cloud Computing Solutions Co., Ltd.
Registration	:	010552701289
Head office Address	:	200 Moo 4, Chaengwattana Road, Tambon Pakkret, Amphoe Pakkret, Nonthaburi, 11120 Tel. (66)-021003500 Fax. (66)-025023511

Total Amount and Type of issued share

Registered ordinary share	:	726,250,000	Shares
Paid up ordinary share	:	706,457,300	Shares
Par Value	:	1	Baht
Total	:	706,457,300	Baht

The Company Structure at February 2nd 2012



**The Way for Better
Communication Better Life**

MESSAGE FROM BOARD OF DIRECTORS



Dear Shareholders,

All through the year 2011, the Company had made the effort in System Integrator business on total solution basis which is the Company's core business and main revenue. Both new and existing solutions had been proposed to the existing and targeted customers. And the Company could expand the solutions to new customers increasingly.

With efficiency of and experience in information and communication technology and by the intention to expand the business to support the sources of income, changes of technologies to response the variations of services at present time, the Company and its subsidiary have increased the business by developing existing resources to become a service provider. By adding a new business, the Cloud Computing business which is the integrated services of computer hardware, software and application for rent through the internet network has been commenced. Moreover, the Company is ready prepared to be a service provider in MVNO (Mobile Virtual Network Operator) business, a service provider for mobile but does not have its own network.

The Company is confident that the approach of the Company and its subsidiary operations including business developments to become a service provider will lead the Company and its subsidiary to be the service providers for new business models which make a difference and increase high potential for competition along with the changing of industry and the continuous growing on the satisfaction of the customers.

The Company, the management and all employees would like to express our sincere gratitude to the shareholders, customers, business partners, and financial institutes for their trust and continuing support. The Company shall operate its business for the interest and benefits of all parties.

A handwritten signature in blue ink, appearing to read 'Pleumjai Sinarkorn'.

(Mr. Pleumjai Sinarkorn)

Director

A handwritten signature in blue ink, appearing to read 'Kriengsak Chalermtiragool'.

(Mr. Kriengsak Chalermtiragool)

Director



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BUSINESS OF THE COMPANY AND SUBSIDIARY

The Company and its subsidiary provide turnkey telecommunications, IT systems integration and other related services. Besides, the Company is the authorized distributor of "Anritus" test and measurement equipment used in telecommunications industry and also provides another telecom services. In addition, the Company recently expands its business to be a service provider for MVNO (Mobile Virtual Network Operator) on Non Facilities Based MVNO and provides a new service for rented contact center system on Hosted Contact Center, in the name "EasyConnect". And, its subsidiary has launched new services on cloud computing business.

1. Telecom Systems Integration

Telecom systems integration involves the distribution of telecommunications equipment and the provision of other related services, such as the design, supply, selection and tests and installation of telecom equipment for governmental and private sectors, for example TOT, CAT Telecom, Provincial Electricity Authority, Metropolitan Electricity Authority, The Office of the National Broadcasting and Telecommunications Commission, State Railway of Thailand, Government Savings Bank, and Triple T Broadband. Telecom systems integration is operated as a project with a purchase and installation agreement. The major distribution channels for the Company's System Integration business categorized into 2 channels. The first is bidding for projects of the government and private sector, and the second is being subcontracted from other winning bidders.

The Company engages in five types of telecom system services, as follows:

1. **Access Network** – the Company supplies and installs access network equipment which connected a central office to the premises of the customer. There are several solutions, such as Digital Data Network (DDN) offering leased line Internet connectivity, and Broadband Connections over Digital Subscriber Lines (xDSL) offering hi-speed Internet service.

In addition, the Company provides terminal equipment for hi-speed Internet or network connections, such as Router Modems, Media Converter, and FTTx Termination Unit (ONT) for hi-speed Internet network, and also other required network equipment.

2. **Transmission Network** – the Company supplies and installs transmission network equipment which connects between the exchanges of the telecom providers. The networks link exchanges in the same province, among provinces or regions and transmit the data to the destination exchange based on the selected solution platform, such as Dense Wavelength Division Multiplexing (DWDM) or Synchronous Digital Hierarchy Multiplexer (SDH MUX) or Microwave Radio devices.

3. **Data Communication Network** – the Company supplies and installs data communication network equipment which supports the transmission of data or connects equipment to link various networks using the IP protocol and/or ATM. The Company offers various solutions, such as IP Core Routing Switches equipment (IP-MPLS), Asynchronous Transfer Mode Switch equipment (ATM) and Metro LAN Solution equipment.



4. **Next Generation Network** - the Company offers new generation solutions to fixed-line telephone operators who have already installed and launched networks. The Company develops, improves or adds some service features, such as voice, data and video in order to enhance the operating efficiency of these operators. Examples of these are intelligent network equipment (IN) and Next Generation Network equipment (NGN).



5. **Wireless Communication Network** - the communication channel transmitting via electromagnetic wave, which are divided into frequency bands or channels and assigned for various communication services, including Radio Frequency band (RF), Microwave band, Infrared band and etc. The Company plans to propose the wireless communication network solutions for telecom operators and other customers, to meet their requirements, such as WiFi/ WiMAX Network, Mobile Telephone Network.

In addition, the Company operates the turnkey projects include system design, procuring, installation for security systems, such as CCTV System, Access Control System, Prevention of Intrusion System and Fire Alarm System. Moreover, the Company is the authorize distributor of “Anritsu” Test and Measurement Equipment, mainly for use in telecommunications industry, such as mobile communication measuring instruments, fibre optic measuring instruments, digital communication measuring instruments, and so on.

2. Telecom Service Business

The Company provides various telecom services including implementation, system design and installation, testing, as subcontractor or turnkey project. The Company has expertise and integrity to provide the services for corporate customers in their non-core business, or their projects that require expert system integrator, and including other services, such as system/equipment maintenance services. In 2011, the Company has provided telecom service with respect to the Universal Service Obligation (or USO) projects of the National Broadcasting and Telecommunications Commission (NBTC) to some operators. In addition, the Company has been expanding its business into MVNO (Mobile Virtual Network Operator) business for Non Facilities Based MVNO and recently opened a new business for rented contact center system on Hosted Contact Center, in the service name as “EasyConnect”.



3. Computer Systems Integration and Cloud Computing Business

Computer Systems Integration Business is operated by Cloud Computing Solutions Company Limited “CCS”, (the Company subsidiary). The business involves turnkey project for computer and related equipment, including the consulting services, system design and installation. The service range also entail the development of software applications and a maintenance service for computer hardware and other peripheral equipment to customers include state enterprises, government and private sectors.

CCS specialises in the telecom industry and infrastructure. It engages in three types of systems, as follows:

1. Customer Care Systems involve all customer service systems, which consist of several sub-systems, e.g. telephone service activation, billing and payment systems.
2. Data Intelligence Systems include data warehouse systems which accompany business intelligence systems, such as the development of applications for data storage of client information of commercial banks. The data is analysed for the purpose of developing marketing plans or plans to launch new products.
3. Enterprise Resource Planning Systems is a back office system which supports the internal operations of an organisation, such as an accounting system, inventory management system, and so on.

In addition, CCS has included the business of Cloud Computing Services, which are the service integration of computer hardware, software and high quality Internet, to provide leased services with customization for various customers. The cloud computing services can be divided into 2 types;

1. Cloud Infrastructure Service (Infrastructure-as-a-Service)

The Cloud infrastructure services are the leased service for hardware resources, such as CPU, memory, storage. CCS currently provides this type of service for Jasmine Group.

2. Software Based Services (Software-as-a-service)

Software based services are the leased service for application software. CCS will provide the enterprise management software for target customers in government organizations. Then CCS plan to launch other types of software services.



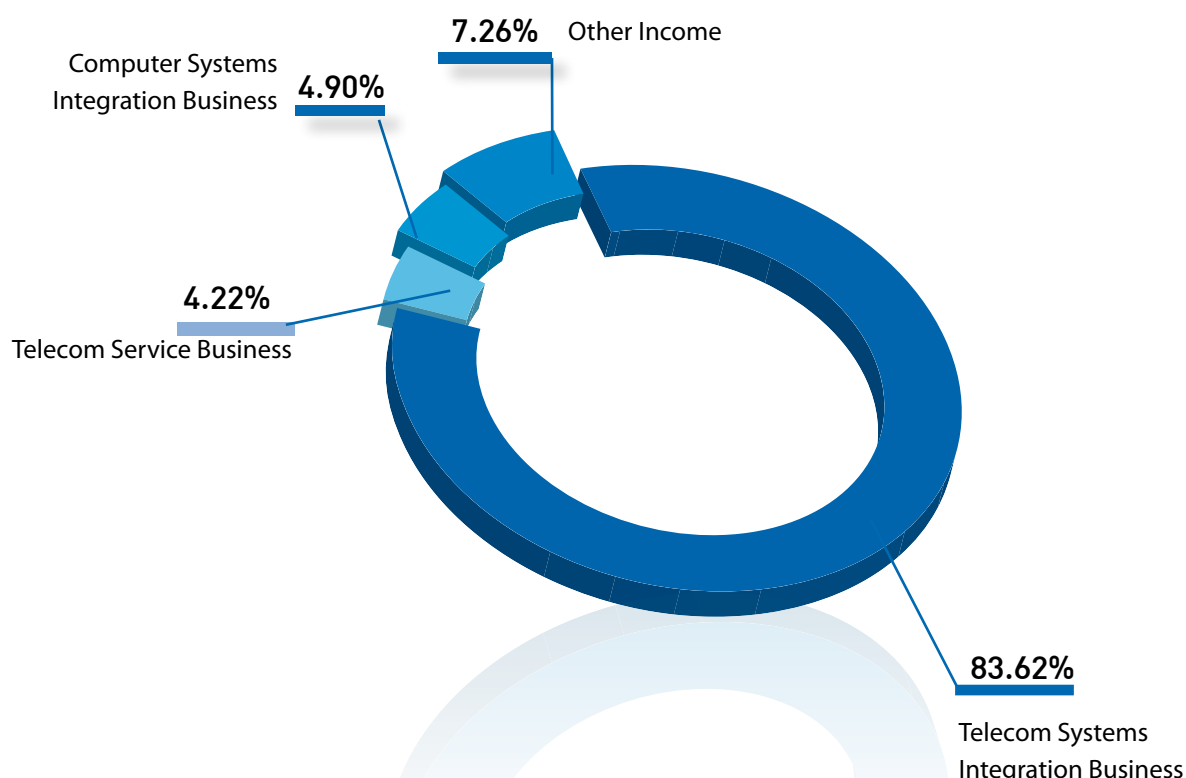
Revenue Structure

The Company and Subsidiary

Revenue structure of the company and subsidiary was as follow:

Business	Operated by	Consolidated statement of Revenue					
		2009		2010		2011	
		Million Baht	%	Million Baht	%	Million Baht	%
Telecom Systems Integration Business	Company	3,968.70	89.68	3,313.24	92.43	1,189.88	83.62
Telecom Service Business	Company	186.67	4.22	7.17	0.20	60.10	4.22
Computer Systems Integration Business	Subsidiary	210.07	4.75	135.68	3.78	69.71	4.90
Net Sales		4,365.44	98.65	3,456.08	96.41	1,319.69	92.74
Other Income	Company	59.54	1.35	128.73	3.59	103.35	7.26
Total Revenue		4,424.98	100.00	3,584.82	100.00	1,423.05	100.00

Sales and Service Revenue Structure The Company and Subsidiary Y2011



Major Events

in Year 2011

- The Company has on-going projects with both existing and new customers, such as, a turn-key contract with the State Railway of Thailand for 10 automatic level crossing in signaling maintenance districts Tung Song and Hat Yai by joining with Xenix Electech Co., Ltd. as a consortium named "The Consortium of JTS and Xenix". The Company also got a purchase agreement from the Office of the National Broadcasting and Telecommunications Commission for one system of Remote Control Radio Monitoring Stations (13 stations) and had a contract with Government Saving Bank for Fire Alarm System (600 units) apart from the closed circuit television system (CCTV) that the Company has been consistently obtaining the additional orders including maintenance services from this account. For test and measurement equipment, the Company got more customers in private section such as, Bangkok Telecom Engineering Co., Ltd., Advanced Info Service PLC.
- For Telecom Service Business, the Company has provided the supplies and services including coin collection and maintenance services for payphone, continuing from last year, to Triple T Broadband PLC and Jas Tel Network Co., Ltd. with respect to the Universal Service Obligation or USO ruled by NBTC. Moreover, by the end of 2011, the Company has begun a new business in providing Hosted Contact Center - a contract center system provided to user via broadband Internet networks - having the service's name as "EasyConnect". The Company has developed and customized this service itself from its experienced human resources. The target customers are Small and Medium Enterprises (SMEs) or any organization requiring a customer-service call center to promote sales, to support sale, to provide after-sales service or another but do not want to invest in high cost for the required system or prefer not to have burdens of administration and maintenance which are also difficult and high expenses. Only a computer set and a phone number accessing with broadband internet network, then you could apply to use contact center with "EasyConnect".
- The Company has been expanding its new business in MVNO (Mobile Virtual Network Operator). The Company acquired a license type 1 for resale of telecommunications services as a mobile virtual for Non Facilities Based MVNO - Medium MVNO from the National Broadcasting and Telecommunications Commission (NBTC) to operate MVNO business on June 16, 2011.
- The subsidiary of the Company has added cloud computing to its business in which the various software applications are stored on the main sever to be ready for an authorized user to log-in to use the agreed applications via broadband internet network from anywhere at any time. The cloud computing is an alternative technologies to business owner who wants to use information technology systems whether he prefers to use this kind of software applications service instead of investing in the system itself. So, it is suitable for small and medium businesses having limitation of budgets. There are two kinds of services of the cloud computing as the followings.
 - ▲ Cloud Infrastructure Service (Infrastructure-as-a-Service)
 - ▲ Software Based Services (Software-as-a-Service)

Risk Factors

- Risk relating to reliance on major customers

The Company's revenue are principally generated from sales and services mostly in form of projects from our main clients who engage in telecom business, namely, CAT Telecom, TOT, Provincial Electricity Authority, Office of the Higher Education Commission, Government Savings Bank and Office of the National Broadcasting and Telecommunication Commission. In case the mentioned clients slow their investment down or reduce their budget or do not have new projects, the Company's revenue would be directly affected. However, we have been seeking for another client in different field.

- Risk relating to reliance on major suppliers

Major supplier is Huawei, which is well known in telecom area. In case, the Company cannot have equipment from these supplier or these supplier engage in bidding themselves, the Company's operations would be affected. However, the Company believes there are still other suppliers with a similar quality. In order to mitigate the risk of a heavy reliance on any single supplier, the Company has established a good relationship with many leading world-class suppliers.

- Risk relating to the delivery of projects

The normal duration for project implementations are three months to two years, or an average of eight months, depending on the project size. In the event the Company is unable to complete and deliver its work in agreed time, the Company's credibility would be affected and/or would have to pay a penalty. Hence, the margin for the project might decline.

- Risk relating to the change of technology

Due to the rapid change in communications and telecommunications technologies, the Company must therefore closely monitor technological advancements and related information, as well as the development of equipment manufacturers so that it can provide needed services to customers in due time.

- Risk relating to the exchange rate

The Company imports equipment for its operations but does not store it as inventory. For the telecom systems integration and test equipment units, the Company purchases equipment only when a project is awarded or an order is received. The following policies shall be used to hedge against foreign exchange exposure that may arise from the purchase of imported equipment: 1) in a case in which a contract made with a customer is denominated in Baht, a forward contract shall be purchased from financial institutions to mitigate the risk; and 2) in a case in which a contract made with a customer is denominated in foreign currency, the company shall apply a back-to-back policy by using the same exchange rate used with its suppliers and customers in order to offset its position.

Industry Overview

1. Telecom Regulation

In the first 3 quarters of 2011, Thailand communication and telecommunication industry are under the regulations of The National Telecommunication Commission (NTC), act interimly as The National Broadcasting and Telecommunications Commission (NBTC) which were under the acquisition and selection process for NBTC commissioners. There were insignificant regulations or announcements issued in this period.

ON 7 October 2011, His Majesty The King granting an audience to members of the commissioners of the National Broadcasting and Telecommunications Commission (NBTC), for 11 commissioners according to Section 7 of The Act on Organization to Assign Radio Frequency and to Regulate the Broadcasting and Telecommunications Services B.E. 2553 (2010) . The NBTC commissioners shall regulate the communication and telecommunication industry in Thailand, issue national policy, rules and regulations for the industry. The NBTC is the first organization in Thailand who are full responsible for radio and television broadcasting and telecommunication sector. This would encourage the telecommunication sector to move forward, especially due to the 3G license and frequency wave allocation in Mobile communication industry.

In 2011, The NBTC important regulations that would affect the industry are as the followings:

- The issue of Procedures for Granting Automatic License for communication radio, which would benefit the industry as to minimize the cost of entry and encourage the competitiveness for small and medium operators, and also to support the entrepreneurs and the customers for conveniently access the communication services. The license granting process would be more efficient and transparent, less time consume and much more support for private sectors.
- The Notification issuance the prohibition of the acts appear to be corporate dominated by foreign affairs, 2554 (2011), including via the share holdings and management, and also request for the identity of fund sourcing, to achieve clarity in business concerns of foreign companies.
- The policy of formulation on Frequency Management Master Plan, Broadcasting Master Plan, Telecommunications Master Plan, Frequency Plan, and Telecommunications Numbering Plan; the NBTC provide the procedure and held a hearing from the stakeholders and the public to take those opinions into its consideration before issuing rules, notifications, or orders, including the policy for business formation, radio frequency allocation and license issue of mobile communication 3G/ WiMAX, radio frequency re-allocation and also definitions for new services in the future, such as digital TV.

2. Industry Situation and Competition in 2011, and Trend 2012

The effects of the flood in Thailand in 2011, together with the global economic recession, retracted the ICT industry in Thailand, but the ICT market were expanded compare to year 2010. According to the research of Thailand ICT market by IDC Thailand Ltd. (IDC), an international research and consulting corporate, estimated the market size of Thailand ICT industry in 2011 valued \$1.52 billion. The major factors affecting the increase expenses in ICT market were the popularity of data communication over broadband services, expansion of software requirements for business, and TOT investment in 3G network infrastructures. By the way, although the effect from the 2011 flooding devastation would continue effecting the ICT business in 2012, IDC believes that Thailand ICT market tends to increase. For 2012, IDC expect the growth of ICT market, including Hardware, Software, IT Service and Telecommunication Service, would expand 10.4%, or worth approximately \$1.68 Billion.

Furthermore, IDC also predicted that Mobile Data Service would be the factor to encourage the expansion of Thailand telecommunication Service market compare to 2011. The predicted expansion rate would be 15.5%, or equals to telecommunication service market value totally \$ 963 millions. The major driven services would be multimedia service, include Internet access, website access, video streaming, and e-mail via mobile phone. The major expenditure in IT market would be Software market. The computer PC market value were forecasted to be decreased and predicted that it would be the last year that computer PC would be the major market size. Then the Computer PC popularity would decrease and replaced by Smartphone and Tablet. Smartphone and Tablet import volume in 2012 would be risen up to 6.7 million sets, compare to computer PC import for 4.1 million sets.

For the ICT market growth in 2012, the major and influencing factor would be the increase of demand for data services, especially via mobile phone, the other factor would be the investment of telecommunication operators, include the investment for broadband networks using fiber optic (FTTx) services for the potential customers, the WiFi network expansion supporting 3G Offload services, and increasing validity of Cloud Computing Technology.

3. Technology Trend in 2012

Important technologies that would encourage the ICT market in 2012 are

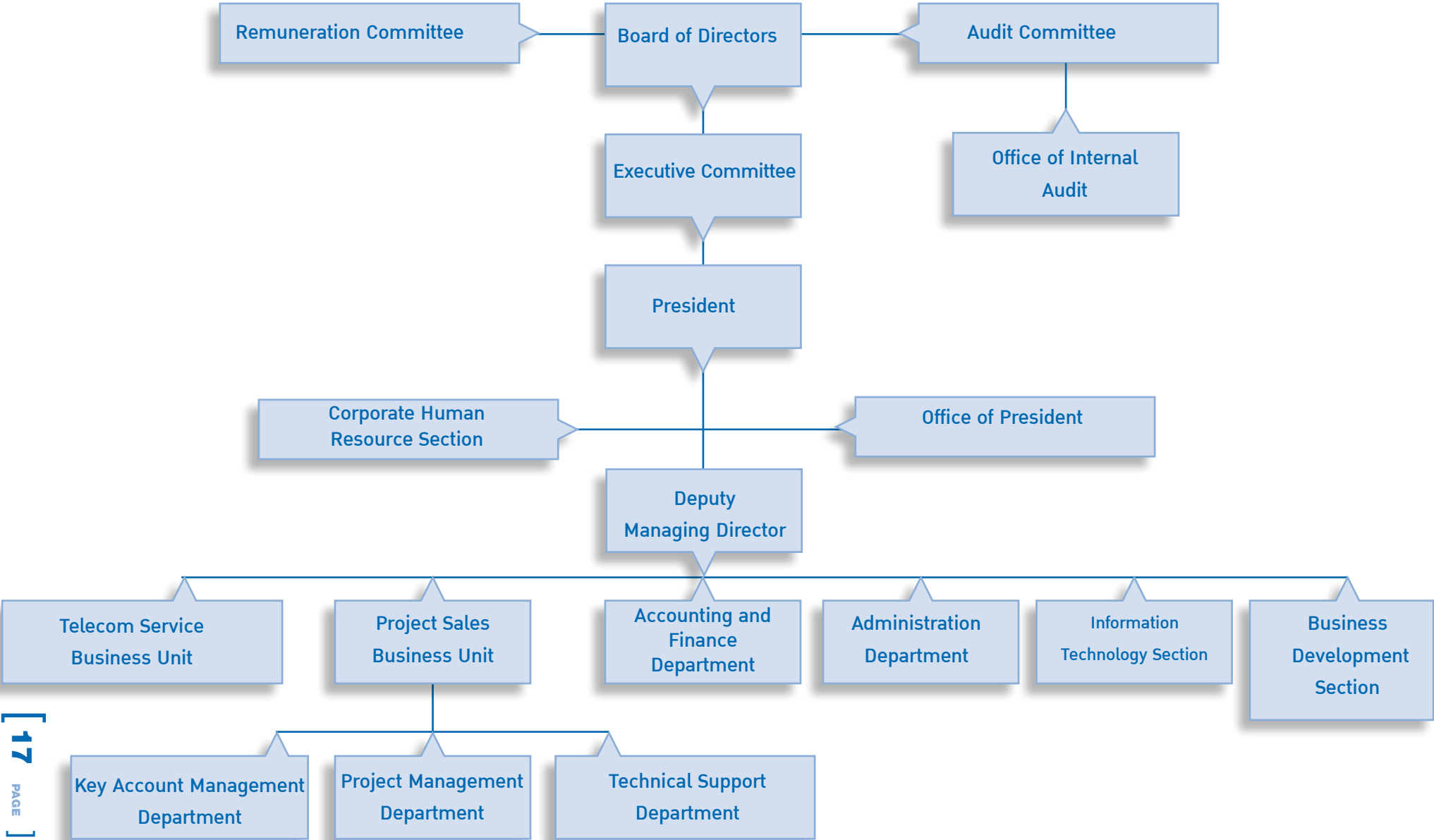
- High speed Internet using fiber optic (FTTx) – In 2012 there are trends of many telecommunication operators investment in FTTx network in order to expand their service capacity and bandwidth for potential customers. The investment would expand telecommunication equipment market as a whole, including the cabling equipment section and connectors for fiber optic network and Internet.
- 3G Technology – according to Thailand regulator organization, the National Broadcasting and Telecommunications Commission (NBTC) were selected and issued the policy of 3G frequency allocation with an auction process, expected to be held on the third quarter of 2012.
- 3G Off Load Technology – with the equipment applied 802.11 standard, would encourage the expansion of wireless access device market, and would be the factor to expand the wireless equipment market as a whole
- Mobile Data Service – The mobile data services would be more popular due to the requirement increase for multimedia services, including Internet access, website access, video streaming and e-mail via mobile phone.
- Personal Computing Technology – In 2012, there would be more competition between PCs and smart phones and tablets. Although there are demands for PCs in some consumer markets and organizations, the smart phones and tablets with outstanding personal computing technology and features would drive them for more popularity than PCs. And this would be the factor to increase the demand for broadband services, both wire line and wireless service based.
- Cloud Computing Technology – Cloud Computing Technology is the services deploy IT resources including hardware, software and application, to provide services in the sharing solution (Software as a Service : SaaS) via Internet. The cloud computing technology would be continuing developed and would be more employed, especially in commercial market.

Shareholding Structure

List of top 10 major shareholders and shareholding structure as at February 2, 2012

	Name of Shareholders	Number of Share	% of Total Shares
1.	Jasmine International Public Company Limited	231,714,400	32.80
2.	ACeS Regional Service Co., Ltd.	64,027,700	9.06
3.	T.J.P. Engineering Co., Ltd.	60,000,000	8.49
4.	Mr. Prin Chirathivat	10,088,800	1.43
5.	Mr. Sitthichart Jongwatanatham	6,000,000	0.85
6.	Mr. Ongarch Vorawitlikit	5,400,000	0.76
7.	Mr. Somkid Kamcharoen	5,000,000	0.71
8.	Thai NVDR Co., Ltd.	4,426,800	0.63
9.	Mr. Wichai Boonsatirapong	4,000,000	0.57
10.	Mr. Sunate Burakasikorn	3,253,300	0.46

Management Structure



Management

The Company has the Board of Directors and three committees i.e. Audit Committee, Executive Committee and the Remuneration Committee.

The Board of Directors

1. Mr. Pleumjai	Sinarkorn	Director
2. Mr. Kriengsak	Chalermtiragool	Director and President
3. Mrs. Nonglug	Pongsrihadulchai	Director
4. Mrs. Nitt	Visesphan	Director
5. Mr. Arporn	Kengpol	Independent Director
6. Mr. Annop	Suthakavatin	Independent Director
7. Mr. Monton	Sudprasert	Independent Director
8. Available (see Note)		

Note On July 27, 2010, Mr. Subhoj Sunyabhisithkul resigned from the director of the Company and a new director to replace such available seat has been nominating.

Corporate Secretary

Mrs. Nonglug Pongsrihadulchai Corporate Secretary

Authorized Directors and Conditions

Mr. Pleumjai Sinarkorn, Mr. Kriengsak Chalermtiragool, Mrs. Nonglug Pongsrihadulchai and Mrs. Nitt Visesphan two of them affix their signatures together with the Company seal.

Scopes of Authority and Duties of the Board of Directors

The Directors shall honestly and prudently perform their duties in accordance with the laws of Thailand, the objectives and the Articles of Association of the Company as well as the legal resolutions or the recommendations of the shareholders' meetings. The scopes of authority and duties of the Board of Directors are summarized as per the followings.

1. Convene an annual general shareholders' meeting within four months of the last day of the fiscal year of the Company
2. Convene a meeting of the Board of Directors at least once every three months
3. Provide the preparation of the audited balance sheet and the profit and loss statement of the fiscal year of the Company for submission to the shareholders' meeting for consideration and approval
4. May delegate their authority to any director or directors or other person to take any action on behalf of and under the supervision of the Board, or empower such person as the Board considers appropriate and within the time the Board considers appropriate. The Board may cancel, withdraw, change or amend the said authority whenever it deems appropriate.

The Board of Directors may grant the Executive Committee the authority to supervise the normal operations of the Company, which was already described in the duties and authorities of the Executive Committee. However, such authorization shall not include transactions in which any director or member of management has a material interest, directly or indirectly, or has a conflict of interest with the Company or its subsidiary, except where the transactions are in accordance with policies and measures which were already approved by the Board or where guidelines have already been established.

5. Determine the Company's objective, policy, business plan and budget, as well as supervise and monitor the management of the Executive Directors to ensure that they conform to the Company's policy, with the exception of the following matters which require the approval of a shareholders' meeting: a capital increase, capital reduction, debenture issuance, the entire disposal or transfer of the business or a significant part thereof to other parties, the purchase or transfer of other businesses, and an amendment of the Memorandum of Association or Articles of Association.

Furthermore, the Board of Directors shall supervise and monitor the Company to ensure it complies with the regulations of the SEC and SET, i.e. connected transactions, the disposal or acquisition of assets, or other related legislation, etc.

6. Determine the management structure, appointment of the Executive Committee, the President and other committees as appropriate
7. Monitor the Company's performance so as to compare with the overall business plan and budget
8. No director shall engage in any business which has the same nature as and is in competition with the business of the Company or become a partner in an ordinary partnership or become a director of a private Company or any other Company operating a business which has the same nature as and is in competition with the business of the Company, either for his or her own benefit or for the benefit of other persons, unless he or she notifies the shareholders' meeting prior to the resolution of his or her appointment.
9. A director shall notify the Company without delay when he has a direct or indirect interest in any contract which is made by the Company, or when he or she holds shares or debentures of the Company or an affiliated company, and shall indicate any increase or decrease in the number of the director's total number of shares.

Authorized Financial Operating Duties of the Chairman of the Board of Directors

The Chairman of the Board of Directors shall approve expenditures, purchases, procurements, rentals and leasing related to the Company's normal business operations and investments within a credit limit of Baht 30 million or equivalent or an amount the Company's Board of Directors assigned for each transaction. Also, the Chairman of the Executive Committee shall approve bidding for projects and/or a consortium with a partner within a project value limit of Baht 200 million or an equivalent amount for each project.

The authority of the Chairman of the Board of Directors shall not include empowering and/or delegating authority for the approval of transactions which may cause a conflict of interest with the Company according to the SET's regulations. The approval of said transactions is required to be proposed to the Board of Directors and/or Shareholders of the Company for their consideration and approval in accordance with the Company's Articles of Association or relevant laws, except for the approval of transactions in the normal course of business which is already covered by existing guidelines approved by the Board.

Besides, the Board of Directors has granted the Executive Committee, the Chairman of the Executive Committee and the President their authorities to supervise the normal operations and investments of the Company. The scopes of authority and credit limit of each of these three levels of management are clearly determined. No authority is granted without a credit limit determined.

Audit Committee

- | | | |
|---------------|--------------|---------------------------------|
| 1. Mr. Arporn | Kengpol | Chairman of the Audit Committee |
| 2. Mr. Annop | Suthakavatin | Audit Committee |
| 3. Mr. Monton | Sudprasert | Audit Committee |

Scopes of Authority and Duties of the Audit Committee

1. To verify the Company's financial statements for accuracy and adequacy
2. To oversee both the Company's internal control system and internal audit system to ensure their appropriateness and efficiency aside from considering independence of the internal audit department, approving the appointment, the transfer, and the dismissal of the head of the internal audit department as well as the heads of any other departments responsible for internal auditing

3. To oversee and ensure the Company's conformity to the law regarding securities and stock exchange in addition to the regulations of the Stock Exchange of Thailand and the laws relevant to the Company's business
4. To consider, select and appoint persons who are independent to be the Company's external auditors and propose their remuneration in addition to having a meeting with such auditors at least once a year without the presence of the management
5. To consider the related transactions as well as the transactions which may cause conflicts of interest and make sure that such transactions are reasonable and in compliant with the related law and the regulations of the Stock Exchange of Thailand for the maximum benefit of the Company
6. To prepare the Audit Committee report which is disclosed in the Annual Report of the Company ; the report must be certified by the signature of the Chairman of the Audit Committee and must include at least the following information :
 - 6.1 The opinion on accuracy, completion, and creditability of the Company's financial report
 - 6.2 The opinion on adequacy of the Company's internal control system
 - 6.3 The opinion on compliance with the law regarding securities and stock exchange in addition to the regulations of the Stock Exchange of Thailand and the laws relevant to the Company's business
 - 6.4 The opinion on appropriateness of the external auditors
 - 6.5 The opinion on the transactions which may have conflicts of interest
 - 6.6 The number of Audit committee meetings and the attendance of each Audit Committee member
 - 6.7 The opinion or overall remarks the Audit Committee obtains during performing duties in line with the charter
 - 6.8 Other information deemed appropriate for the acknowledgement of the shareholders and investors under the scope of duties and responsibilities authorized by the Board of Directors
7. To oversee the Company's risk management to ensure their appropriateness and efficiency
8. Any other tasks assigned by the Board of Directors with the consent of the Audit Committee

The Audit Committee has a 3-year term in the office. In case of vacancy for any reason other than at the expiry of his term, the Board of Directors shall, to fulfill the Audit Committee as stipulated, elect and appoint a qualified person to fill in the vacancy. Such new member of the Audit committee shall retain his office only for the remaining term of the office of the Audit Committee member whom he replaces.

Executive Committee

The selection of a new executive committee is under consideration. The executive committee's jurisdiction is exercised by the Board of Directors.

Scopes of Authority and Duties of the Executive Committee

1. Determine the Company's business policies and strategy, and propose this to the Board of Directors for its consideration and approval
2. Determine the Company's business plan, delegate management authority and prepare an annual expenditure budget and annual business investment budget, and propose these to the Board of Directors of the Company for its consideration and approval
3. Determine the organisation structure and management system, which shall be suitable for the current business environment to ensure that the Company's business operations are efficient

4. Determine the salary and wage structure, and prepare regulations in regard to remuneration on a cash and non-cash basis and a regulation concerning increases in salary and bonuses which are suitable for the Company's situation each year
5. Evaluate, appoint, remove and relieve Company's employees who have a position lower than President down to Assistant Vice President
6. Audit the Company's operating results to ensure they comply with the business plan approved by the Company's Board of Directors
7. Approve expenditures, purchasing, procurements, rent and leasing related to the Company's normal business operations and investments within a credit limit of Baht 200 million or an equivalent amount the Company's Board of Directors assigned for each transaction
8. Approve loans and credit lines for the Company's normal business operations within a credit limit of Baht 200 million or an equivalent or any amount that the Company's Board of Directors assigned for each transaction
9. Approve the opening of bank accounts for all types of accounts and determine the Company's signing conditions for bank account payments
10. Perform other duties which are assigned by the Company's Board of Directors in each time period
11. Approve expenditures, purchasing, procurements, rent and leasing related to the Company's business operations and investments which are not normal within a credit limit of Baht 50 million or an equivalent amount for each transaction. In case the credit limit is exceeded, the Executive Committee is required to propose this to the Board of Directors of the Company for its consideration.
12. Approve the bidding for projects and/or a consortium with a partner within a project value limit of Baht 500 million or an equivalent amount for each project. In case the credit limit is exceeded, the Executive Committee is required to propose this to the Board of Directors of the Company for its consideration.

Authorized Financial Operating Duties of the Chairman of the Executive Committee

The Chairman of the Executive Committee shall approve expenditures, purchases, procurements, rentals and leasing related to the Company's normal business operations and investments within a credit limit of Baht 30 million or equivalent or an amount the Company's Board of Directors assigned for each transaction. Also, the Chairman of the Executive Committee shall approve bidding for projects and/or a consortium with a partner within a project value limit of Baht 200 million or an equivalent amount for each project.

The authority of the Executive Committee and the Chairman of the Executive Committee shall not include empowering and/or delegating authority for the approval of transactions which may cause a conflict of interest with the Company according to the SET's regulations. The approval of said transactions is required to be proposed to the Board of Directors and/or Shareholders of the Company for their consideration and approval in accordance with the Company's Articles of Association or relevant laws, except for the approval of transactions in the normal course of business which is already covered by existing guidelines approved by the Board.

Remuneration Committee

- | | | |
|-----------------|--------------|--|
| 1. Mr. Arporn | Kengpol | Chairman of the Remuneration Committee |
| 2. Mr. Pleumjai | Sinarkorn | Remuneration Committee |
| 3. Mr. Annop | Suthakavatin | Remuneration Committee |

Scopes of Authority and Duties of the Remuneration Committee

1. Determine the remuneration policy for the Board of Directors, President, and any committees appointed by the Board of Directors
2. Determine the annual remuneration and other benefits for the Board of Directors and any committees appointed by the Board of Directors

3. Evaluate the performance and determine the annual remuneration and other benefits for the President
4. Consider the allocation of the Employee Securities Option Plan adhere to regulations and conditions relating to the issuance of related securities

The Remuneration Committee is directly responsible to the Board of Directors. In addition, the Chairman and members of the Remuneration Committee have a term of three years. However, the Chairman and members of the Remuneration Committee may be re-appointed to their positions after the expiration of their terms.

The authority of the Remuneration Committee shall not include the authority to approve transactions which may cause a conflict of interest with the Company or any transaction in which members of the Remuneration Committee or their connected persons have an interest or benefit that causes a conflict of interest according to the SET's regulations. The approval of said transactions is required to be proposed to the Board of Directors and/or Shareholders of the Company for their consideration and approval in accordance with the Company's Articles of Association or relevant laws, except for the approval of transactions in the normal course of business which are already covered by existing guidelines approved by the Board.

Executives

- | | | |
|------------------|-----------------|--|
| 1. Mr. Kriengsak | Chalermtiragool | President |
| 2. Mr. Anuchit | Jutamatayangkul | Deputy Managing Director |
| 3. Mr. Prasert | Towiwat | Vice President - Telecom Service Business Unit |
| 4. Mr. Wichai | Tanjariyaporn | Vice President - Project Sales Business Unit |
| 5. Mr. Sukawat | Nachaiyasit* | Vice President - Key Account Department |
| 6. Mrs. Busakorn | Jongsaksawat | Vice President - Accounting and Finance Department |

Remarks : On January 16, 2012, Mr. Sukawat Nachaiyasit resigned from the Company.

Scopes of Authority and Duties of the President

1. To manage and control the Company's normal business operations and act pursuant to assignments by the Board of Directors and the Board of Executive Directors as well as assign a suitable person to manage and perform as the representative of the President in necessary and suitable issues under the consideration of the President in accordance with the Company's Articles of Association or relevant laws
2. To approve expenditures, purchasing, procurement, rent and leasing according to the annual budget which is approved by the Board of Directors, as well as expenditures, purchasing, procurement, rent and leasing related to the Company's normal business operations and investments within a credit limit of Baht 5 million or equivalent or complies with the Company's Board of Directors assigned for each transaction
3. To evaluate, appoint, remove and relieve the Company's employees which have a position lower than the Assistant Vice President
4. Approve bidding for projects or consortium with a partner within a project value limit of Baht 100 million or an equivalent amount for each project

The delegation of authority to the President as well as the assigning of a suitable person to act as a representative under the consideration of the President does not include the authority to approve a transaction which may have a conflict of interest with the Company or any transactions which may have a conflict of interest according to the SET's regulations. The approval of said transactions will be required to be proposed to a Board of Directors' meeting and/or Shareholders' meeting in accordance with the Company's Articles of Association or relevant laws, except for normal business transactions already covered by existing guidelines approved by the Board.

Selection of Directors and Executives

The Company has not appointed the Nominating Committee; therefore, the Board of Directors is responsible for selecting persons with proper qualifications, experiences and sufficient time to contribute their roles to the Company. The selected persons shall be proposed to the shareholders' meeting for election which shall be supported by no less than the total shareholders present and eligible for the voting. Each shareholder shall exercise all of his votes to elect either one or several persons as a director or directors. The persons who receive the highest number of votes in their respective order of the votes in a number not exceeding the number of directors to be elected at the meeting shall be elected as the director(s). At an annual ordinary shareholders' meeting, one-third of the directors must retire from the office by rotation.

For the executives at the assistant vice president level to the level lower than the President, the Executive Committee is responsible for.

Directors and Executives Remuneration

The Company has remunerated the directors and executives base on the industry standard and reflect level. The remuneration for the Board of Directors shall be considered by the Remuneration Committee to be proposed to the Board of Director then to the shareholders for approval. A remuneration for an executive shall be consider from the Company's operation results and accountability of an executive including his qualifications, knowledge, experience and his contribution.

For the year 2011, the Board of Directors and the executives received money remuneration and other remuneration as follows.

Money Remuneration

The remuneration for the Board of Directors	The remunerations per month (Baht) 2011
Chairman of the Board	40,000
Vice Chairman of the Board	20,000
Independent Director	30,000
Director as non Executive	30,000
Executive Director	10,000
Chairman of the Audit Committee	10,000
Audit Committee	5,000
Chairman of the Executive Committee	10,000
Executive Committee	5,000
Chairman of the Remuneration Committee	Attendance Remuneration per times 5,000
Remuneration Committee	Attendance Remuneration per times 5,000
Gratuity	Yes

The remunerations for the Executive at total of Baht 11.11 million as salary, bonus and provident fund

Other Remuneration

With respect to the Employee Securities Option Plan (ESOP Scheme) approved by the Company's extraordinary general shareholders' meeting No. 1/2005 convened on March 9, 2005, the ESOP share at the amount of 300,000 common shares from one million shares were allotted to the directors of the Company, except the three independent directors, and the ESOP warrant at the amount of 5.10 million units were issued and offered to every director. For the executives, the ESOP share at 97,000 common shares and the ESOP warrant at 1,958,500 units were allocated to the executives. However, the Scheme mentioned above has expired on November 2, 2011.

Board of Directors



Mr. Pleumjai Sinarkorn

Position	: Director and Executive Committee
Age	: 78 years
Education	: - MMP Chulalongkorn University - Bachelor of Electrical Engineering, Rajamongkol University - Directors Certification Program (DCP) Class No. 41/2004, Thai Institutions of Directors Association (IOD)

Shareholder (shares) : 50,000

ESOP Warrant (units) : -

Experiences

2004-Present	Director, Executive Committee, Remuneration Committee	JTS
2011-Present	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.
	Director	Triple T Global Net Co., Ltd.
	Director	Triple T Telecom Co., Ltd.
2007-2009	Advisor	Thai Long Distance Telecommunications Co., Ltd
2007-Present	Director	TT&T Subscriber Services Co., Ltd.
1998-2006	Advisor to Executive Committee	Jasmine International Pcl.
2002-2006	Executive Director	TT&T Pcl.
1994-Present	Director	TT&T Pcl.
1992-1998	Deputy Managing Director	Thai Telephone and Telecommunication Pcl.



Mr. Kriengsak Chalermtiragool

Position : Director and President

Age : 59 Years

Education : - Philosophiae Doctor of Electrical Engineering, University of Notre Dame
- Master of Electrical Engineering, University of Notre Dame
- Bachelor of Electrical Engineering , Auckland University
- Directors Certification Program (DCP) Class No. 146/2011, Thai Institutions of Directors Association (IOD)

Shareholder (shares) : -

ESOP Warrant (units) : -

Experiences

2010-Prsent	Director and President	JTS
2010-Present	Director	Cloud Computing Solutions Co., Ltd.
2008-Present	Advisor	Jasmine International Pcl.
2007-Present	Advisor	Triple T Broadband Pcl.
2006-2007	Advisor	JTS
2003-2006	Vice President, Human Resource Department	Nation Multimedia Group Pcl.
1994-2003	Senior Vice President, Human Resource Department and IT Department	Jasmine International Pcl.
1992-1994	General Manager	Radio Phone Co., Ltd.
1976-1992	Assistant Professor	Electrical Engineering, Faculty of Engineering, Chulalongkorn University



Mrs. Nonglug Pongsrihadulchai

Position : Director

Age : 56 Years

Education : - Master of Agricultural Economics, Kasetsart University
 - Master of Environmental Management, Mahidol University
 - Bachelor of Education, Chulalongkorn University
 - Directors Certification Program (DCP) Class No. 147/2011,
 Thai Institutions of Directors Association (IOD)

Shareholder (shares) : -

ESOP Warrant (units) : -

Experiences

2010-Present	Director	JTS
2010-Present	Director	Cloud Computing Solutions Co., Ltd.
2010-Present	General Manager	Acumen Co., Ltd.
2009-Present	Director	Triple T Broadband Pcl.
2008-2009	Assistant Vice President Administration Department	Acumen Co., Ltd.
2007-Present	Director	Triple T Internet Co., Ltd.
2004-2007	Senior Manager, Administration Department	Acumen Co., Ltd.
1996-2004	Manager and Senior Manager	Jasmine International Pcl.
1994-1996	Assistant Manager and Manager, Administration Department	Acumen Co., Ltd.
1992-1994	Executive Secretary	Postal Training Centre of Asia and Pacific
1981-1992	Assistant Researcher and Economist	Center for Agricultural Development Plan of ASEAN



Mrs. Nitt Visesphan

Position	: Director
Age	: 51 Years
Education	: - Bachelor of Arts, Chiang Mai University
Shareholder (shares)	: -
ESOP Warrant (units)	: -

Experiences

2010-Present	Director	JTS
2010-Present	Director	Cloud Computing Solutions Co., Ltd.
1994-Present	Vice President, Financial Department	Jasmine International Pcl.
1993-1994	Vice President, Administration Department	Ban Chang Group
1987-1993	Assistant Manager, Patent Department	Tilleke and Gibbins Law Firm
1982-1987	Teacher	Assumption Commercial College



Mr. Arporn Kengpol

Position	: Independent Director and Chairman of Audit Committee
Age	: 82 years
Education	: - M.S. in E.E. (Texas) - Bachelor of Electrical Engineering, Chulalongkorn University - Directors Accreditation Program (DAP) Class No. 28/2004, and Director Certification Program (DCP) Class No. 101/2008 Thai Institute of Directors Association (IOD) - Audit Committee Program (ACP) Class No. 7/2005, Thai Institute of Directors Association (IOD)

Shareholder (shares) : -

ESOP Warrant (units) : -

Experiences

2004-Present	Independent Director, Chairman of Audit Committee and Chairman of Remuneration Committee	JTS
2006-Present	Advisor	Council of Engineers
2002-2006	Subcommittee	Council of Engineers
1997-2002	Board Member and Subcommittee	Member of the Professional Engineer Control Board , Ministry of Interior
1977-1990	Director, Broadcasting Station, Chulalongkorn University	Office the President, Chulalongkorn University
1953-1990	Professor	Engineering Faculty, Chulalongkorn University



Mr. Annop Suthakavatin

Position	: Independent Director and Member of Audit Committee
Age	: 69 years
Education	: - Bachelor of Accounting, Thammasat University - Directors Accreditation Program (DAP) Class No. 1/2003 and Director Certification Program (DCP) Class No. 51/2004, Thai Institute of Directors Association (IOD) - Audit Committee Program (ACP) Class No. 7/2005, MFR, MIR and MIA, Thai Institute of Directors Association (IOD) - National Defence Collage (Government and Private Sector 388)

Shareholder (shares) : -

ESOP Warrant (units) : -

Experiences

2010-present	Remuneration Committee	JTS
2004-Present	Independent Director and Audit Committee	JTS
2004-Present	Independent Director and Chairman of Audit Committee	Chao Praya Insurance Plc.
2003-Feb. 2010	Independent Director and Chairman of Audit Committee	Professional West Technology (1999) Plc.
2003-present	Director	Rent A-V Co., Ltd.
2001-Present	Independent Director and Audit Committee	Royal Orchid Hotel (Thailand) Plc.
2000-Present	Advisor	Krung Thai Tractor Co., Ltd.
1998	Acting for Managing Director	Bangkok Asian Finance Ltd.
1997	Vice President, Audit and Analysis Department	Bangkok Motor Works Co, Ltd.
1993-1997	Director and Deputy Managing Director	Bangkok Asian Finance Ltd.
1971-1993	Auditor C.P.A. (Thailand), Shareholders, Director	Bancheekij Auditing Co,Ltd.
1971-present	Auditor C.P.A. (Thailand)	Freelance



Mr. Monton Sudprasert

Position	: Independent Director and Member of Audit Committee
Age	: 51 years
Education	: - Master of Public Administration, Chulalongkorn University - Master of Engineering Chulalongkorn University - Directors Accreditation Program (DAP) Class No. 28/2004, and Director Certification Program (DCP) Class No. 101/2008 Thai Institute of Directors Association (IOD) - Audit Committee Program (ACP) Class No. 11/2006, Thai Institute of Directors Association (IOD)

Shareholder (shares) : -

ESOP Warrant (units) : -

Experiences

2004-Present	Independent Director and Audit Committee	JTS
2010-Present	Deputy Director General	Department of Public Works and Town & Country Planning, Ministry of Interior
2009-2010	Director of Town and Country Development Bureau	Department of Public Works and Town & Country Planning, Ministry of Interior
2005-2009	Professional Engineer Level 9	Department of Public Works and Town & Country Planning, Ministry of Interior
2003-2005	Secretary, Engineer Level 8	Department of Public Works and Town & Country Planning, Ministry of Interior
2001-2003	Professional Engineer Level 8	Department of Public Works and Town & Country Planning, Ministry of Interior
2000	Professional Engineer Level 7	Department of Public Works and Town & Country Planning, Ministry of Interior
1998-2000	Engineer Level 7	Public Works, Ministry of Interior
1995-1998	Engineer Level 6	Public Works, Ministry of Interior
1992-1994	Engineer Level 5	Public Works, Ministry of Interior
1987-1992	Engineer Level 4	Public Works, Ministry of Interior
1985-1986	Engineer Level 3	Public Works, Ministry of Interior
1985	Engineer Level 3	Town & Country Planning, Ministry of Interior

Corporate Governance

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

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

Moreover, to support and facilitate the shareholders in exercising their rights as follows;

1. The Company manages to arrange the Shareholders' Annual General Meeting within the first 4 months of the Company's fiscal year. As for the so called "Extraordinary Shareholders' Meeting", each will be called for only when it is deemed appropriate.

Invitation letters together with the meeting agenda and related documents with adequate fact(s), reason(s) and opinion(s) of the Board of Directors will be distributed for the shareholders to consider 7 or 14 days prior to the meeting date, depending on the subjects. The Company will also advertise 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 and vote on his/her behalf. To this regard, the shareholder as the Proxy Grantor must inform the Company in writing by filling in one of the proxy forms attached with the meeting invitation letter or downloaded from the Company's website.

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 be acknowledged of the shareholders' opinions as well as to answer the questions raised. Every question-and-answer issue and all the significant opinions are recorded in the minutes of meeting to facilitate the shareholders' scrutiny.

4. After the meeting finished, the Company shall arrange the minutes that present the complete and accurate information for the shareholders to review.

2. The Equitable Treatment of Shareholders

The Company has a policy to treat all the shareholders equally whether the major shareholders, minor shareholders, institutional investors or foreign investors. Independent directors are assigned by the Company to be responsible for looking after the minor shareholders.

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

with the meeting invitation letter or downloaded from the Company's website.

Voting process is transparent with regard to the order of agenda items. During the meeting, the shareholders are entitled to cast the vote to express their agreement or disagreement or even to abstain from voting on such issues as related transactions, the acquisition or the disposal 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 business ethics for the 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 the improper "Insider Trading" by relevant persons who are directors, executives, and staff working in the department related to the inside information (including their spouses and minors). According to the measure, such relevant persons are not allowed to trade the Company's securities a month before the disclosure of the quarterly and annual financial statements. The Company has informed its directors and executives not only of their duty to report their holding of the Company's securities but also the penalty according to the Securities and Exchange Act of B.E.2535 and the regulations of the Stock Exchange of Thailand. In case that the directors or executives trade the Company's securities which they hold, they are obliged to report changes in the possession of their own securities, spouses and minors to the Office of Securities Exchange Commission to comply with Section 59 of the Securities and Exchange Act of B.E.2535 within 3 working days so that it is further disclosed to the public.

Pertaining to this matter, the Company has set up the disciplinary penalty to apply to any relevant person who discloses or makes use of the Company's inside information for seeking his / her own personal interests. The degree of penalty varies, according to the case, from verbal warning, written warning to probation or dismissal.

3. The Role of Stakeholders

The Company equally respects the rights of all the stakeholders whether they are the inside stakeholders such as the Company's employees and management or outside-party stakeholders such as creditors and customers, etc. It also realizes that the support and suggestions from every group of its stakeholders are valuable and beneficial to both the operation and business development. Therefore, it will perform the duty to comply with the law and other related regulations to ensure that all the rights of the stakeholders are handled with proper care. Moreover, for the Company's stability, the cooperation between the Company and all the groups of stakeholders are strongly supported. With respect to this, the Company follows the directions below to appropriately treat each stakeholder group.

- Shareholders** : With the aim to bring about the highest satisfaction to its shareholders, the Company intends to be their ever efficient and trustworthy business representatives, taking into account the long term growth of its value and the emphasis on transparent and honest information disclosure.
- Employees** : The Company regards employees as its precious resources. So, it focuses on supporting human resources development which consequently leads to its maximum benefit. Besides, it encourages the employees to play a part in creating a good organization culture, strong teamwork and safe and pleasant working atmosphere.
- Competitors** : The Company commercially contends with other trade competitors on the fair and ethical competition basis.

- Customers** : The Company is committed to responding and providing quality services for the highest satisfaction and confidence of the customers.
- Trade Counterparts and Creditors** : The Company has the policy to treat both the counterparts and the creditors fairly in compliance with trading conditions and / or terms in the mutual contracts to enhance good business relationship, beneficial to all parties.
- Community and Public** : On the regular basis, the Company joins and sponsors socially constructive projects and activities as exemplified by financial and material donations to several foundations and organizations.
- Environment** : The Company recognizes the importance of environment is concerned about the impact of pollutions on communities. However, the Company's nature of business does not jeopardize the environment.

The Company will conduct its business to be in line with the law and other related regulations to assure the shareholders of the best protection of their rights.

4. Disclosure and Transparency

The Company's Board of Directors takes as its obligation the disclosure of the Company's financial and other Company-related information to be complete, accurate, and transparent in compliant with the regulations of the Office of Securities Exchange Commission and the Stock Exchange of Thailand. Additionally, it discloses other significant information which may affect the price of the Company's securities which in turn impacts on the decision of the Company's investors and stakeholders. Such information is accessible to the Company's shareholders, investors and the public via the channels and media of the Stock Exchange of Thailand as well as the Company's website.

For Investor Relations, the Company has an IR Team to represent the Company in communicating with institutional investors, shareholders, analysts and relevant state organizations; whereas, the Corporate Secretary Administration Section is accountable for corporate reports.

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

5. Responsibilities of the Board of Directors

1. Structure of the Board of Directors

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

The Board of Directors totally comprises 8 directors, 3 of whom are independent directors. The appointment of the independent directors in such adequate and proper proportion enables the balance of power in the Board of Directors. The Company's administration is finally examined by the Audit Committee which consists of 3 accredited independent members.

According to the Company's Articles of Association, at every Shareholders' Annual General Meeting, one-third of the directors who have the longest terms shall retire. Nevertheless, provided that the number of the directors is not a multiple of three, then the number nearest to one-third shall retire from office. The retirement of the directors in the first and the second year after the listing of the Company on the Stock Exchange of Thailand is based on the method of lot-drawing. As for the later years, the directors who serve the longest terms shall retire. The Company's Articles of Association also prescribes that the retired directors

are eligible for the re-election. Furthermore, whether a director or a committee member can continuously remain in office without break for the longest period will be determined by the Company by taking into account his / her individual qualifications and appropriateness.

The Board of Directors has approved to embrace the disclosure of the number of other companies in which each director has his / her position as a significant criterion for the Board of Directors election. The Company; thus, discloses the information of all the directors who also are directors of other companies in details. At present, 2 directors of the Company's Board of Directors are holding the positions of director in other companies. However, since those directors have sufficiently devoted their time carrying out the Company's tasks with all their efforts, the holding of their positions in other companies does not affect their performance at all; moreover, they regularly join the Board of Directors' meetings of the Company and always provide practical opinions for the Company therein.

2. Committee

To bring about efficiency in corporate governance, the Company established 3 sets of committee, namely the Audit Committee, the Executive Committee and the Remuneration Committee. It has also set up distinct scopes of authority, duty and responsibility for the members of such committees.

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 committees to monitor and supervise the Company's operation.

Business Ethics

The Company has the business ethics as an essential guideline for the Board of Directors, the management and employees of all levels to adhere so as to conduct their missions and serve all the groups of stakeholders fairly and honestly. Besides, the Company has announced such business ethics including punishment, and acknowledged them to the employees for strict compliance.

Conflict of Interest

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

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

Whenever changes in the securities holding of the Board of Directors and the management of the Company, including their spouses and minors occur, they must be informed to the Company and reported to the Office of Securities Exchange Commission, respectively according to Section 59 of the Securities and Exchange Act of B.E.2535 within 3 working days after the date of purchase, sale or transfer. Besides, to prevent

the improper usage of the Company's inside information, the directors, executives and departments having an access to the Company's inside information are forbidden from disclosing such information to the outside parties and anyone who does not involve in the Company's securities trading a month prior to the disclosure of the Company's financial statements.

Internal Control System

Realizing the importance of the efficient internal control system of both the management and the operation levels, the Company has specified the scopes of the duty and the authority for its executives and employees clearly in writing. It also conducts the control of assets usage. In addition, the duties of the staff and those of the monitoring and assessment officers are segregated from each other. The Audit Committee has been set up by the Company to oversee and monitor such control system to be appropriate and efficient.

Risks Management

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

Report of the Board of Directors

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

4. Board of Directors' Meeting

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

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

In Board of Directors' meeting, the President shall be the Secretary to the Board of Directors and shall take the minutes. The minutes shall be proposed to the chairman of the meeting to be considered and signed for certification and shall be submitted for verification as the first agenda in the following meeting of the Board of Directors.

The meeting documents and minutes are kept with respect to the related law by the Corporate Secretary Administration Section.

Related Party Transactions

The Company has entered the Related Party Transactions defined in the Notification of the SEC. For the year 2011, the transaction 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 8 of Notes to the Financial Statements for the Year 2011). The Company has reasonably and accordingly carried out the transactions for its own optimum benefits. To This regard, the Audit Committee has reviewed the prices or ratio of such transactions with the Company's officers and internal auditor and finally agreed that they were appropriate and accurately disclosed in the Company's financial statements. The approval procedure of related party transactions was of the same criteria as the general procurement procedure. The Company's management and the shareholders have neither interest in nor approval authority on related transaction matter. Details are as follows:-

1. In 2011, the company and its subsidiaries executed the following transactions of product sale, service offering, and others with the following connected person:-

Connected Person	Relationship	Type of Related Party Transaction	Amount (Million Baht) as at 31 December 2011
1. Jasmine Group , Comprising 1.) Acumen Co., Ltd. ("ACU") 2.) Triple T Broad Band PCL. ("TTTBB") 3.) Jastel Network Co., Ltd. ("Jastel")	1.) Jasmine International PCL. ("JAS") is a major shareholders of Jasmine Telecom Systems PCL. ("JTS"), holding 32.799% 2.) Has the same director as JAS, namely 1. Mr.Pleumjai Sinarkorn	- ACU rental public telephone and maintenance test equipment contract - The Company sold a Broadband Equipment to TTTBB - The Company sold and installed of SDH equipment to Jastel Network	1.91 51.31 7.74
2. Subsidiary, Comprising 1.) Cloud Computing Sololutions Co., Ltd. ("CCS")	1.) JTS is a major shareholders of CCS, holding 97.87% 2.) Has the same directors as JTS, Namely 1. Mr. Pleumjai Sinarkorn 2. Mr.Kriengsak Chalermtiragool 3. Mrs.Nonglug Pongsrihadulchai 4. Mrs.Nitt Visesphan	- Its subsidiary sold equipment, development of Radius System and development WiFi Hotspot system to Acumen - Its subsidiary sold equipment and development Broadband Customer System (BCS) to TTTBB	1.19 26.74

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

Connected Person	Relationship	Type of Related Party Transactions	Amount (Million Baht) as at 31 December 2011
1. Jasmine Group , Comprising 1.) Acumen Co., Ltd. 2.) Premium Assets Co., Ltd. ("PA") 3.) Triple T Broadband PCL 4.) Triple T Internet Co., Ltd. ("TTTI") 5.) Jastel Network Co., Ltd.	1.) JAS is a major shareholder of JTS, holding 32.799% 2.) Has the same directors as JAS, namely 1. Mr. Pleumjai Sinarkorn	- The Company entered into Rental and Service Contact with JAS and other expense such as training expense, service expense, advertising expense etc. - The Company rent warehouse space on G floor with PA, including Cleaning service and security contract - The Company appointed ACU to provide consultant and shipping service for import goods and equipment and provide service of IP star - TTTBB to provide fixed line (Voice) - TTTI to provide internet	6.17 3.17 2.76 0.25 0.30
2. Subsidiary , Comprising 1.) Cloud Computing Sololutions Co., Ltd.	1.) JTS is a major shareholders of CCS, holding 97.87% 2.) Has the same directors as JTS, Namely 1. Mr. Pleumjai Sinarkorn 2. Mr.Kriengsak Chalermtiragool 3. Mrs.Nonglug Pongsrihadulchai 4. Mrs.Nitt Visesphan	- Its subsidiary entered into rental and service contract with JAS, and other expense such as Training expense, Service Expense ,advertising expense etc. and management contract - Its subsidiary entered into security service and cleaning service contract with PA, Including utilities expense and other expense - TTTI to provide internet service - Jastel to provide internet service	2.92 1.93 0.20 0.21

Financial Status and Operating Results (Management Discussion & Analysis)

Overall Operating Results

In 2011, the company and its subsidiary have the total revenue of Baht 1,423 million and net loss of Baht 68 million.

The company and its subsidiary have the total revenue of Baht 1,423 million and decreased by Baht 2,162 million or 60.30% from 2010 and have net loss of Baht 68 million and decreased by Baht 33 million or 33.06% from 2010

Revenue Structure and Operating Results

Unit : Million Baht

Type of Business	Consolidated		Changed	% Changed
	2011	2010		
Telecom Systems Integration	1,189.88	3,313.24	(2,123.36)	(64.09)
Telecom Service Business	60.10	7.17	52.94	738.41
Computer Systems Integration	69.71	135.68	(65.96)	(48.62)
Total Sales and Services	1,319.69	3,456.08	(2,136.39)	(61.82)
Other Income	103.35	128.73	(25.38)	(19.72)
Total Revenue	1,423.05	3,584.82	(2,161.77)	(60.30)
Gross Profit *	256.96	364.93	(107.97)	(29.59)
Net Profit & (Loss)	(67.51)	(100.86)	33.35	(33.06)
weighted average number of ordinary shares(million shares)	705.45	702.95	2.50	0.36
Earning per Share (Baht / Share)	(0.10)	(0.14)	0.05	(33.30)

Remarks : * Gross Profit is a result of sales and service income minus sales and service cost.

Revenue Structure

In 2011, the company and its subsidiary have the total revenue of Baht 1,423 million and decreased by Baht 2,162 million or 60.30% from 2010. This comprised from sales and services telecom systems integration of Baht 1,190 million or 83.62%, service business of Baht 60 million or 4.22%, computer systems integration of Baht 70 million or 4.90%, other revenue Baht 103 million or 7.26%

The most of totaling of revenue generated from sales and services of telecom systems integration by 90% of totaling sales and services.

Operating Results

In 2011, the company and its subsidiary have net loss at Baht 68 million decreased from that of the previous year by Baht 33 million or 33.06%

Expenses

Unit : Million Baht

Items	Consolidated		Changed	% Changed
	2011	2010		
Cost of sales and services	1,062.74	3,091.16	(2,028.42)	(65.62)
Selling and service expense	26.76	28.87	(2.12)	(7.33)
Administrative expense	132.30	142.55	(10.26)	(7.19)
Losses on debt restructuring	24.71	0.00	24.71	100.00
Potential losses on debt restructuring	99.33	223.58	(124.25)	(55.57)
Loss on exchange	8.03	1.15	6.88	598.99
Loss on impairment of asset	0.00	17.79	(17.79)	(100.00)
Total expenses	1,353.86	3,505.10	(2,151.25)	(61.37)

Cost of Sales and Services

In 2011, the company and its subsidiary have cost of sales and services amounted to Baht 1,063 million, decreased from that of the previous year by Baht 2,028 million or 65.62% due to decreased of sales and services telecom systems integration and some projects are during bidding stage.

Selling, Servicing and Administrative Expense

In 2011, the company and its subsidiary have selling and service expense amounted to Baht 159 million decreased from that of the previous year by Baht 12 million or 7.21% .

Finance Cost

In 2011, the company and its subsidiary have finance expense Baht 127 million decreased from that of the previous year by Baht 46 million or 26.56% due to used some loan for project finance, overdraft for working capital and bank charge.

Gain and Loss on Exchange Rate

In 2011, the company and its subsidiary have exchange losses Baht 8 million.

Financial Status

Assets as at 31 December 2011 and 2010

Unit : Million Baht

Items	consolidate		Changed	% Changed
	2011	2010		
Current Assets	4,032.57	4,355.01	(322.44)	(7.40)
Non-Current Assets	258.22	1,556.21	(1,297.99)	(83.41)
<i>Long- term trade account receivable from related party</i>	<i>0.00</i>	<i>1,134.59</i>	<i>(1,134.59)</i>	<i>(100.00)</i>
<i>Accounts receivable under troubled debt restructuring</i>	<i>138.54</i>	<i>305.27</i>	<i>(166.73)</i>	<i>(54.62)</i>
<i>Property, plant and equipment</i>	<i>23.05</i>	<i>29.47</i>	<i>(6.42)</i>	<i>(21.78)</i>
<i>Others non-current assets</i>	<i>96.63</i>	<i>86.89</i>	<i>9.74</i>	<i>11.21</i>
Total Assets	4,290.79	5,911.22	(1,620.43)	(27.41)

As at the end of the fiscal year 2011, the Company and its subsidiary have total assets of Baht 4,291 million decreased by Baht 1,620 million or 27.41%. This is mainly due to the increasing of account receivable by Baht 371 million or 16.09%, decreasing of inventory by Baht 199 million or 75.10%, increasing of other current assets by Baht 0.73 million or 0.70%, decreasing of long –term trade account receivable from related party from Broadband Services project by Baht 1,135 million or 100.00%, and accounts receivable under troubled debt restructuring

recorded under the rehabilitation plan had remaining amount by Baht 139 million (the company only: Baht 33.13 million) which is presented net of the potential losses on debt restructuring which in year 2011 the company and its subsidiary receiving the cash settlement from TT&T by Baht 18 million and receiving the share settlement 84 million shares (the company only: 82 million shares) with a debt-to-equity conversion rate 1:1 (Debt of Baht 1 converted to 1 ordinary share of TT&T at Baht 1 per share conversion 1 baht : 1 share) The outstanding balance net of accounts receivable under troubled debt restructuring was reduced to Baht 139 million and making non-current assets decreasing by Baht 1,298 million or 83.41%.

Liabilities as at 31 December 2011 and 2010

Unit : Million Baht

Items	Consolidated		Changed	% Changed
	2011	2010		
Current Liabilities	2,556.51	3,316.19	(759.68)	(22.91)
Non-Current Liabilities	265.42	987.95	(722.53)	(73.13)
<i>Long Term Loans – net of current portion</i>	246.22	60.86	185.36	304.56
<i>Long-term trade accounts payable – unrelated party</i>	0.00	927.09	(927.09)	(100.00)
<i>Provision for long –term employee benefits</i>	19.20	0.00	19.20	100.00
Total liabilities	2,821.93	4,304.14	(1,482.21)	(34.44)

As at the end of the fiscal year 2011, the company and its subsidiary have total liabilities amount to Baht 2,822 million decreased by Baht 1,482 million or 34.44%. This was mainly due to decreased of current liabilities by Baht 760 million, this comprised from trade account payable increased by Baht 115 million, overdraft and short term loan decreased by Baht 404 million, Trust receipts increased by Baht 65 million, accrued project cost decreased by Baht 337 million, non current assets decreased by Baht 723 million , this comprised from long term trade account payable – unrated party decreased by Baht 927 million or 100.00%, long term loan increased by Baht 185 million or 304.56% which converted from short term loan of the subsidiary to a long term loan agreement with a local bank. and the accounting standard TAS 19 Employee Benefits to be recognized as expense in the year which record provision for long-term employee benefits by Baht 19 million.

Shareholders' Equity as at 31 December 2011 and 2010

Unit : Million Baht

Items	Consolidated		Changed	% Changed
	2011	2010		
Paid up Capital Shares	706.46	702.95	3.51	0.50
Share Premium	420.27	418.81	1.46	0.35
Retained Earning	337.11	477.98	(140.87)	(29.47)
<i>Legal Reserve</i>	63.19	61.68	1.51	2.44
<i>Un-appropriated</i>	273.92	416.30	(142.38)	(34.20)
Total Shareholders' Equity	1,468.86	1,607.08	(138.22)	(8.60)
Book Valued	2.08	2.29	(0.21)	(9.05)

As at the end of the fiscal year 2011, the company and its subsidiary have total shareholders' equity amount to Baht 1,469 million decreased by Baht 138 million or 8.60%. This was mainly due to operating results in year 2011 had net loss of Baht 67.51 million (the company only : net profit of Baht 30.11 million), cumulative effect of change in account policy for employee benefits adjust from previous year against beginning balance of retained earning of Baht 17 million and on 28 april 2011, the annual general meeting of the company's shareholders approved the payment of dividend of Baht 0.08 per share from retained earning totaling Baht 56.24 million which paid on 27 May 2011

Liquidity

Cash flow

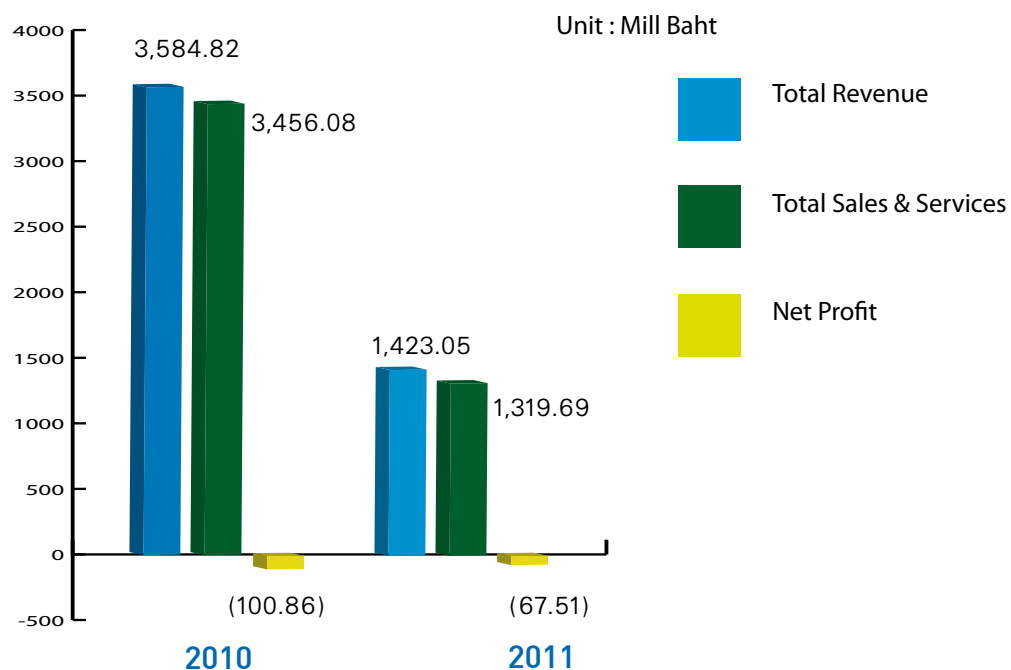
In 2011, the company and its subsidiary have net cash flow used in operating activities amount to Baht 258 million. This was mainly due to money spend on purchased of equipment for implementation of the project amount to Baht 940 million and net cash flow used in investing activities by Baht 1.31 million and net cash flow used in financing activities by Baht 200 million due to refund long term loan amount to Baht 504 million and dividend paid amount to Baht 56.24 million, As a result, cash and cash equivalents at the end of year 2011 amount to Baht 308 million decreased by Baht 460 million from previous year

Liquidity and Capital Structure

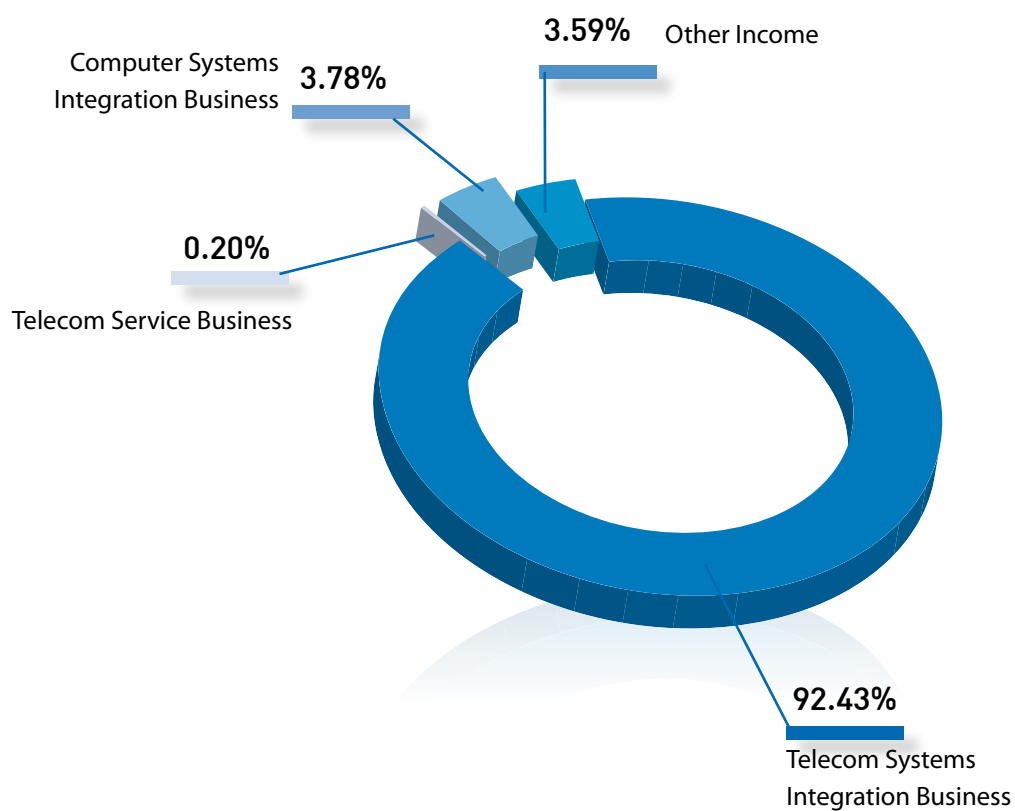
	2011	2010
<u>Liquidity Ratio</u>		
Current Ratio (times))	1.58	1.31
Quick Ratio (times)	1.43	1.11
<u>Capital Structure</u>		
Debt to Equity (times)	1.92	2.68

As at 31st December 2011 and 2010, the current ratio was 1.58 times and 1.31 times, respectively, and the quick ratio was 1.43 times and 1.11 times, respectively, which was a result of trade account receivable increased by Baht 371 million and current liabilities decreased by Baht 760 million

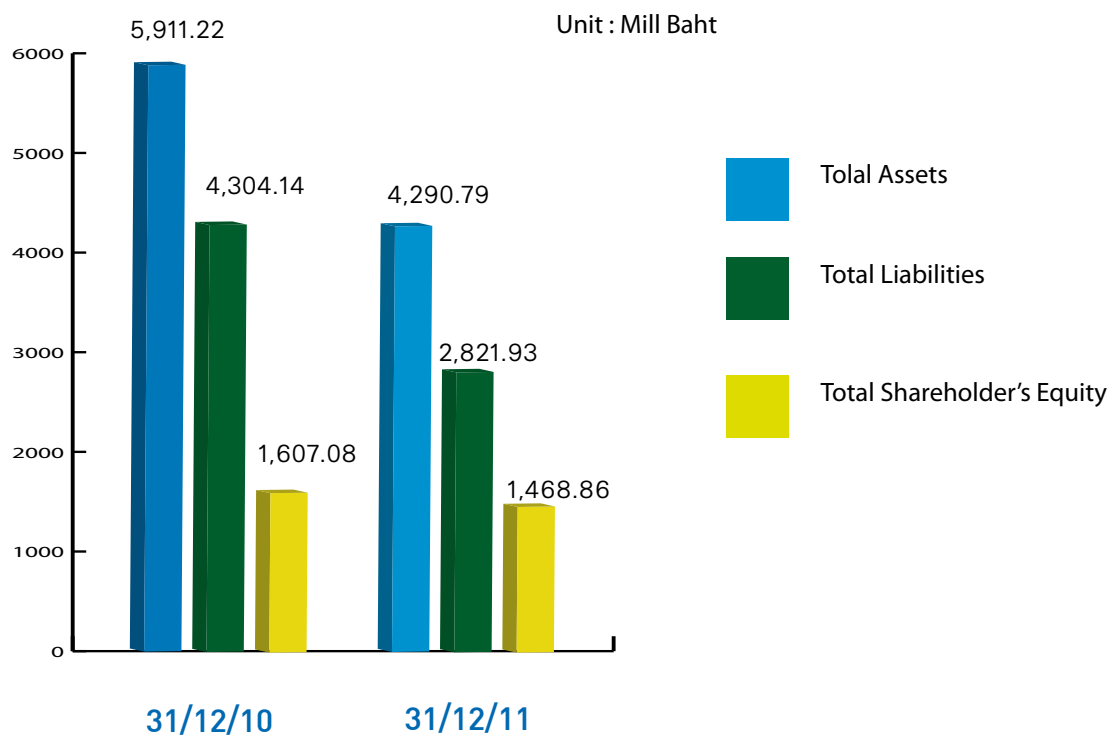
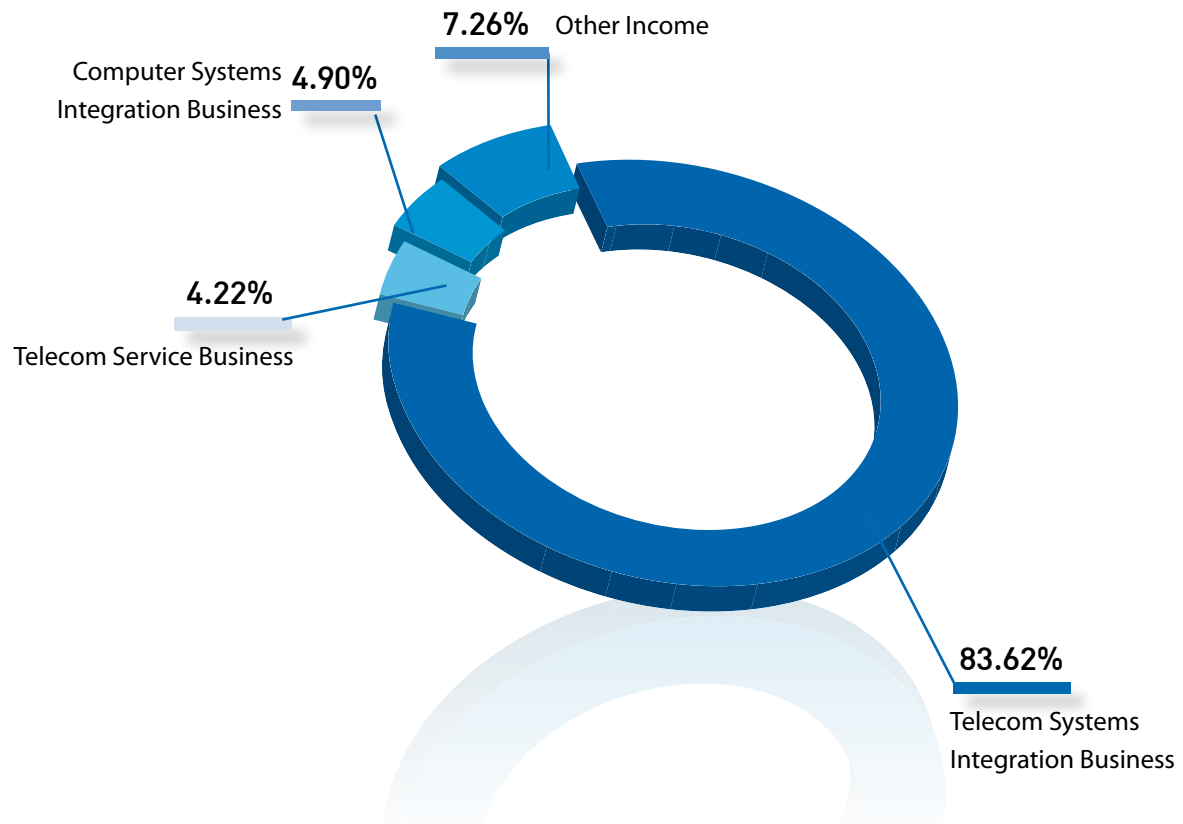
As at 31st December 2011 and 2010, the debt to equity was 1.92 times and 2.68 times, respectively, which was a result of total liabilities decreased by Baht 1,482 million and shareholders' equity decreased by Baht 138 million due to net loss on operating results of Baht 67.51 million, dividend paid totaling Baht 56.24 million, The capital structure as at 31st December 2011 comprised the total liabilities of Baht 2,822 million and the shareholder's equity of Baht 1,469 million.



Sales and Service Revenue Structure The Company and Subsidiary Y2010



Sales and Service Revenue Structure The Company and Subsidiary Y2011



Report of Audit Committee

The Audit Committee of Jasmine Telecom Systems Public Company Limited (“the Company”) consists of the following three qualified independent directors:

- | | | |
|----|------------------------|---------------------------------|
| 1. | Mr. Arporn Kengpol | Chairman of the Audit Committee |
| 2. | Mr. Annop Suthakavatin | Member of the Audit Committee |
| 3. | Mr. Monton Sudprasert | Member of the Audit Committee |

Their functions and qualifications are properly in accordance with the regulations stipulated in an announcement of the Securities and Exchange Commission (“SEC”). Pol.lieutenant. Annop Suthakavatin, a member of the Audit Committee, is well versed and well experienced in reviewing the reliability of the financial statements.

In 2011, the Company organized twelve Audit Committee meetings in which executives, external auditors and internal auditors joined when their responsibilities were related to the agenda. The Audit Committee has performed its duties assigned by the Board of Directors to support the Company’s operation to be in accordance with the principles of good corporate governance in line with the Company’s code of ethics, financial statement oversight, risk management evaluation, internal control system review and the internal audit review, as summarized below.

1. Accuracy, completeness, and credibility of financial reports

The Audit Committee reviewed the 2011 financial statements and notes to the financial statements of the Company and the subsidiary prepared quarterly and annually by the external auditors and the management to ensure that they were in accordance with legal requirements and generally accepted accounting standards and that the information disclosure of such financial statements was complete, adequate, and reliable. For the Company’s optimum benefit, the Audit Committee also made significant remarks and provided problem-solving suggestions. Finally, the Audit Committee agreed that the Company’s financial reports were correct, complete, and reliable, in line with the generally accepted accounting standards.

2. Adequacy of internal control system and internal audit

The Audit Committee reviewed the audit result report prepared by the Company’s external auditors and the report on internal control system prepared by Office of Internal Audit by focusing on resource utilization, due care of properties, and prevention or minimization of defects, losses, and waste. It also investigated the reliability of financial and operation reports as well as compliance with laws, rules and regulations to ensure the existence of an appropriate internal control system in each unit of the Company. As for internal audit, the Audit Committee assigned Office of Internal Audit to provide annual audit plan, audit result report, and follow-up report. It also provided Office of Internal Audit and the management with recommendations that helped generate more efficient operation and continuity of effective follow-up of any task significantly required in the audit plan and the expansion of audit scope to cover the subsidiary. Finally, the Audit Committee agreed that the Company’s internal control system was adequate and appropriate and that its internal audit was appropriate and effective.

3. Related transactions or transactions that may have conflicts of interest

The Audit Committee reviewed the disclosure of related transactions that might lead to conflicts of interest with the Company to ensure that they were actual transactions, taking place during a normal course of business. The Audit Committee, finally, agreed that such related transactions were within the scope of normal course of business with normal conditions that were sensible and fair for the best interests of the Company and that for this matter, the Company completely complied with the regulations of the Stock Exchange of Thailand (“SET”) and the policy of good corporate governance.

4. Good corporate governance

The Audit Committee supervised the Company to disclose its information adequately and accurately besides supporting good governance and good management systems to enhance transparency and ethical awareness so as to create confidence among shareholders, investors, employees and all other relevant parties. Finally, the Audit Committee agreed that the Company completely complied with the regulations of the SET and the policy of good corporate governance.

5. Risk management

The Audit Committee reviewed the policy, procedure, and progress of risk management both in the levels of organization and department to ensure that the Company managed its risks effectively and was able to curtail the risks to an acceptable level in addition to providing proper connection with internal controls. Finally, the Audit Committee agreed that the Company's risk management was efficient and in line with the risk management measures.

6. Compliance with securities and exchange law, SET regulations, and relevant laws

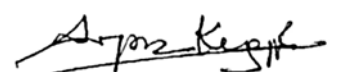
On regular basis, the Audit Committee reviewed the Company's compliance with laws regarding securities and exchange, the regulations set up by the SET and the SEC, as well as other laws relating to businesses of the Company and then, agreed that the Company correctly complied with all above.

7. Selection and appointment of external auditors

The Audit Committee considered the selection and the appointment of external auditors by taking into account the appropriateness of audit fee compared to the reliability of performance, independence, reputation, scope of work, and the quantity of work for which the external auditors were responsible. Furthermore, a meeting was held for the Audit Committee and the external auditors to attend without the presence of the management. In such meeting, the Audit Committee asked the auditors to give comments on working and coordination with relevant management. For the year 2012, the Audit Committee has deemed it appropriate to propose to the Board of Directors to further propose to the shareholders' meeting to approve the appointment of Mr. Khitsada Lerdwana, Certified Public Accountant (Thailand) No. 4958 or Mr. Narong Puntawong, Certified Public Accountant (Thailand) No. 3315 or Miss. Thipawan Nananuwat, Certified Public Accountant (Thailand) No.3459 of Ernst & Young Office Limited as the external auditors of the Company and the subsidiary.

Having completed the duties and responsibilities assigned by the Board of Directors, the Audit Committee had an opinion that the Company's financial statements and information disclosure were complete and correct in accordance with the generally accepted accounting standards. Additionally, the policy of good corporate governance was always highly respected; the efficient risk management in line with the risk management measures resulted in efficient internal control system that was adequate and without any significant mistake; and the related laws and regulations were properly adhered to. As for information disclosure, the Company completely and accurately disclosed the information about related transactions that might lead to conflicts of interest.

On behalf of the Audit Committee



(Mr. Arporn Kengpol)

Chairman of the Audit Committee

Report of the Board of Directors with Responsibility for the Financial Statement

The Board of Directors is responsible for ensuring that the financial statements of Jasmine Telecom Systems Public Company Limited and the consolidated financial statement of the Company's and its subsidiary are made in accordance with the principles of accounting accepted in general. The accounting policies chosen are suitable and adhered consistently. The information is sufficiently disclosed the notes attached to the financial statements for the benefit of the shareholders and investors.

The consolidated financial statement and the Company's financial statement are made in accordance with principles of accounting generally accepted and are reviewed, audited and given financial opinion by the Audit Committee and trustworthy and independent auditor. The Company's internal control has been evaluated to ensure the sufficiency and to determine whether any fraud or irregularities occurred by the Audit Committee.

The Board of Director is convinced that the consolidated financial statement and the Company's financial statement for the year 2011 present the Company's financial situation and operation results in a reliable and accurate manner.



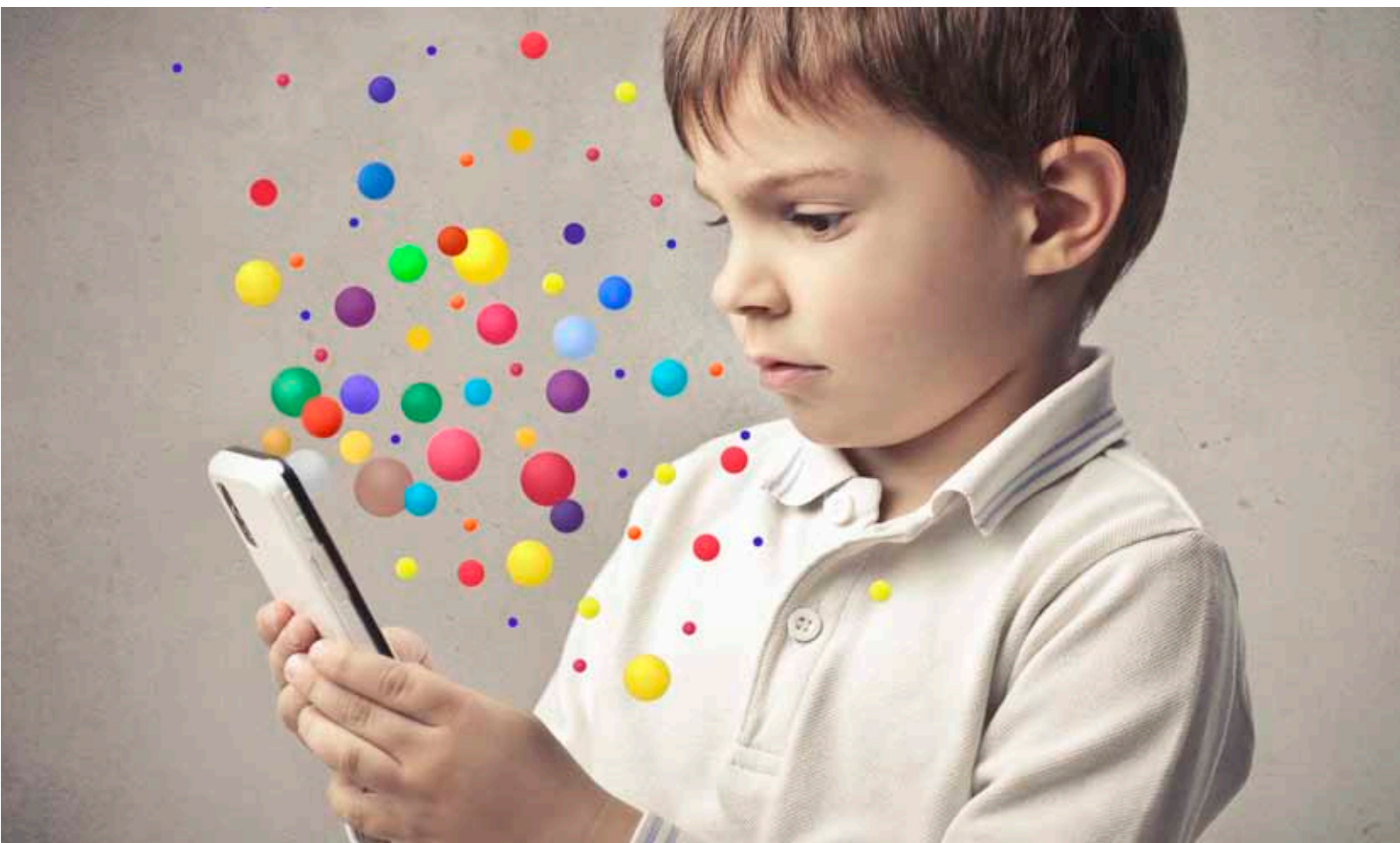
(Mr. Pleumjai Sinarkorn)

Director



(Mr. Kriengsak Chalermtiragool)

Director



Jasmine Telecom Systems Public Company Limited and Its Subsidiaries
Report and Consolidated Financial Statements
Ended 31 December 2009 to 2011

Statements of Financial Positions

Jasmine Telecom Systems Public Company Limited and Its Subsidiaries

As at 31 December 2009 to 2011

(Unit : Thousand baht)

	Separate financial statements						Consolidated financial statements					
	2009		2010		2011		2009		2010		2011	
	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%
ASSETS												
CURRENT ASSETS												
Cash and cash equivalents	219,397	3.77	758,725	13.71	302,331	7.43	232,827	3.69	768,457	13.00	308,477	7.19
Current investments - bank deposits	358	0.01	358	0.01	40,868	1.00	3,046	0.05	1,635	0.03	42,757	1.00
Trade and other receivables	2,694,550	46.34	2,079,885	37.58	2,495,563	61.33	3,205,111	50.86	2,304,426	38.98	2,675,223	62.35
Unbilled receivables from related parties	35,583	0.61	-	-	310	0.01	37,863	0.60	3,227	0.05	5,326	0.12
Unbilled receivables from unrelated parties	274,292	4.72	600,681	10.85	616,995	15.16	291,567	4.63	610,856	10.33	623,531	14.53
Short-term loans to related party	-	-	8,000	0.14	45,105	1.11	-	-	-	-	-	-
Inventories	802,491	13.80	249,661	4.51	59,524	1.46	802,511	12.73	265,609	4.49	66,144	1.54
Assets held for sale	227,733	3.92	156,486	2.83	113,183	2.78	227,733	3.61	156,486	2.65	113,183	2.64
Prepaid project costs	119,898	2.06	136,178	2.46	83,489	2.05	120,782	1.92	140,438	2.38	93,325	2.18
other current assets	83,485	1.44	91,159	1.65	91,278	2.24	94,886	1.51	103,875	1.76	104,603	2.44
Total current assets	4,457,787	76.66	4,081,132	73.75	3,848,648	94.58	5,016,326	79.60	4,355,008	73.67	4,032,570	93.98
NON-CURRENT ASSETS												
Restricted bank deposits	69,195	1.19	78,771	1.42	77,926	1.91	72,271	1.15	82,712	1.40	81,505	1.90
Long-term trade accounted and receivable from related party	1,164,452	20.03	1,134,591	20.50	-	-	1,164,452	18.48	1,134,591	19.19	-	-
Accounts receivable under troubled debt restructuring			126,834	2.29	33,129	0.81			305,269	5.16	138,542	3.23
Investments in subsidiary	83,899	1.44	83,899	1.52	83,899	2.06	-	-	-	-	-	-
Other long-term investments	3,415	0.06	-	-	10,614	0.26	6,458	0.10	-	-	10,921	0.25
Property , plant and equipment	32,840	0.56	25,458	0.46	11,815	0.29	37,694	0.60	29,466	0.50	23,049	0.54
Deposits	3,143	0.05	3,231	0.06	3,265	0.08	4,713	0.07	4,174	0.07	4,204	0.10
TOTAL NON-CURRENT ASSETS	1,356,945	23.34	1,452,784	26.25	220,649	5.42	1,285,589	20.40	1,556,213	26.33	258,220	6.02
TOTAL ASSETS	5,814,731	100.00	5,533,916	100.00	4,069,297	100.00	6,301,915	100.00	5,911,221	100.00	4,290,790	100.00

Statements of Financial Positions

Jasmine Telecom Systems Public Company Limited and Its Subsidiaries

As at 31 December 2009 to 2011

(Unit : Thousand baht)

	Separate financial statements						Consolidated financial statements					
	2009		2010		2011		2009		2010		2011	
	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%
LIABILITIES AND SHAREHOLDERS' EQUITY												
<u>CURRENT LIABILITIES</u>												
Short-Term bank loans	372,000	6.40	119,347	2.16	4,827	0.12	661,676	10.50	409,023	6.92	4,827	0.11
Trust receipts	511,086	8.79	172,439	3.12	237,897	5.85	511,086	8.11	172,439	2.92	237,897	5.54
Trade and other payables	1,125,575	19.36	1,538,005	27.79	1,671,372	41.07	1,154,728	18.32	1,587,528	26.86	1,702,708	39.68
Accrued project cost	136,398	2.35	534,878	9.67	201,065	4.94	301,451	4.78	683,000	11.55	345,620	8.05
Current portion of long-term loans	71,006	1.22	71,006	1.28	60,862	1.50	71,006	1.13	71,006	1.20	75,346	1.76
Advance received for goods and services	274,127	4.71	339,875	6.14	156,335	3.84	274,127	4.35	340,766	5.76	156,619	3.65
other current liabilities	43,670	0.75	37,253	0.67	23,749	0.58	55,916	0.89	52,423	0.89	33,490	0.78
TOTAL CURRENT LIABILITIES	2,533,860	43.58	2,812,803	50.83	2,356,108	57.90	3,029,989	48.08	3,316,185	56.10	2,556,508	59.58
<u>NON-CURRENT LIABILITIES</u>												
Long-term trade accounts payable - unrelated parties	1,387,525	23.86	927,092	16.75	-	-	1,387,525	22.02	927,092	15.68	-	-
Long-term loans - net of current portion	131,867	2.27	60,862	1.10	-	-	131,867	2.09	60,862	1.03	246,224	5.74
Provision for long-term employee benefits	-	-	-	-	13,376	0.33	-	-	-	-	19,196	0.45
TOTAL-NON CURRENT LIABILITIES	1,519,393	26.13	987,954	17.85	13,376	0.33	1,519,393	24.11	987,954	16.71	265,420	6.19
TOTAL LIABILITIES	4,053,252	69.71	3,800,757	68.68	2,369,484	58.23	4,549,382	72.19	4,304,139	72.81	2,821,928	65.77

Statements of Financial Positions

Jasmine Telecom Systems Public Company Limited and Its Subsidiaries

As at 31 December 2009 to 2011

(Unit : Thousand baht)

	Separate financial statements						Consolidated financial statements					
	2009		2010		2011		2009		2010		2011	
	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%
SHAREHOLDERS' EQUITY												
Share capital												
Registered	726,250		726,250		726,250		726,250		726,250		726,250	
Issued and fully paid-up	702,950	12.09	702,950	12.70	706,457	17.36	702,950	11.15	702,950	11.89	706,457	16.46
Share subscription received in advance	-	-	80	-	-	-	-	-	80	-	-	-
Share premium	418,812	7.20	418,812	7.57	420,269	10.33	418,812	6.65	418,812	7.09	420,269	9.79
Retained earnings												
Appropriated-statutory reserve	60,992	1.05	61,681	1.11	63,186	1.55	60,992	0.97	61,681	1.04	63,186	1.47
Unappropriated	578,726	9.95	549,637	9.93	509,900	12.53	560,026	8.89	416,300	7.04	273,924	6.38
Other components of shareholders' equity	-	-	-	-	-	-	8,158	0.13	8,158	0.14	8,158	0.19
EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY	1,761,479	30.29	1,733,159	31.32	1,699,813	41.77	1,750,937	27.78	1,607,980	27.20	1,471,994	34.31
Non-controlling interests of the subsidiary	-	-	-	-	-	-	1,597	0.03	(898)	(0.02)	(3,132)	(0.07)
TOTAL SHAREHOLDERS' EQUITY	1,761,479	30.29	1,733,159	31.32	1,699,813	41.77	1,752,533	27.81	1,607,082	27.19	1,468,862	34.23
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	5,814,731	100.00	5,533,916	100.00	4,069,297	100.00	6,301,915	100.00	5,911,221	100.00	4,290,790	100.00

Statements of Comprehensive Income

Jasmine Telecom Systems Public Company Limited and Its Subsidiaries

For the years ended 31 December 2009 to 2011

(Unit : Thousand baht)

	Separate financial statements						Consolidated financial statements					
	2009		2010		2011		2009		2010		2011	
	AMOUNT	%	AMOUNT	%	AMOUNT	%	AMOUNT	%	AMOUNT	%	AMOUNT	%
PROFIT OR LOSS :												
<u>REVENUES</u>												
Sales and service income	4,155,369	98.58	3,320,406	96.28	1,249,980	92.39	4,365,436	98.65	3,456,084	96.41	1,319,694	92.74
Exchange gains	828	0.02	-	-	-	-	-	-	-	-	-	-
Other income	59,182	1.40	128,384	3.72	102,940	7.61	59,545	1.35	128,732	3.59	103,351	7.26
TOTAL REVENUES	4,215,380	100.00	3,448,791	100.00	1,352,920	100.00	4,424,981	100.00	3,584,816	100.00	1,423,045	100.00
<u>EXPENSES</u>												
Cost of sales and services	3,798,116	90.10	2,998,777	86.95	1,010,448	74.69	3,959,625	89.48	3,091,157	86.23	1,062,737	74.68
Selling and Servicing expenses	24,394	0.58	23,805	0.69	20,754	1.53	29,689	0.67	28,874	0.81	26,758	1.88
Administrative expenses	115,125	2.73	127,517	3.70	113,508	8.39	129,670	2.93	142,550	3.98	132,295	9.30
Other expenses												
Loss on debt restructuring	-	-	-	-	24,136	1.78	-	-	-	-	24,708	1.74
Potential losses on debt restructuring	-	-	99,752	2.89	27,583	2.04	-	-	223,580	6.24	99,328	6.98
Exchange loss	-	-	1,376	0.04	6,989	0.52	272	0.01	1,149	0.03	8,029	0.56
Loss on impairment of asset	71,113	1.69	17,792	0.52	-	-	71,113	1.61	17,792	0.50	-	-
Loss on impairment of investments in available for sale securities	3,289	0.08	0	-	-	-	6,359	0.14	-	-	-	-
TOTAL EXPENSES	4,012,036	95.18	3,269,019	94.79	1,203,418	88.95	4,196,729	94.84	3,505,103	97.78	1,353,857	95.14
PROFIT BEFORE INTEREST AND INCOME TAX	203,343	4.82	179,772	5.21	149,502	11.05	228,252	5.16	79,713	2.22	69,189	4.86
Finance Cost	(66,657)	(1.58)	(155,366)	(4.50)	(107,198)	(7.92)	(84,631)	(1.91)	(172,440)	(4.81)	(126,638)	(8.90)
PROFIT (LOSS) BEFORE CORPORATE INCOME TAX	136,686	3.24	24,406	0.71	42,304	3.13	143,620	3.25	(92,726)	(2.59)	(57,450)	(4.04)
Corporate income tax	(50,555)	(1.20)	(10,629)	(0.31)	(12,190)	(0.90)	(50,555)	(1.14)	(10,629)	(0.30)	(12,190)	(0.86)
PROFIT (LOSS) & COMPREHENSIVE INCOME FOR THE YEAR	86,132	2.04	13,777	0.40	30,114	2.23	93,066	2.10	(103,355)	(2.88)	(69,640)	(4.89)
Non-controlling interests of the subsidiary	-	-	-	-	-	-	151	0.00	(2,495)	(0.07)	(2,125)	(0.15)
NET PROFIT (LOSS) & COMPREHENSIVE INCOME FOR THE YEAR	86,132	2.04	13,777	0.40	30,114	2.23	92,915	2.10	(100,860)	(2.81)	(67,515)	(4.74)
Basic earning per share - weight average (at par Baht 1)	0.12		0.02		0.04		0.13		(0.14)		(0.10)	

Report of Independent Auditor

To the Shareholders of Jasmine Telecom Systems Public Company Limited

I have audited the accompanying consolidated statements of financial position of Jasmine Telecom Systems Public Company Limited and its subsidiary as at 31 December 2011 and 2010, the related consolidated statements of comprehensive income, changes in shareholders' equity and cash flows for the years then ended, and have also audited the separate financial statements of Jasmine Telecom Systems Public Company Limited for the same periods. These financial statements are the responsibility of the management of the Company and its subsidiary as to their correctness and the completeness of the presentation. My responsibility is to express an opinion on these financial statements based on my audits.

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

As described in Note 27 to the financial statements, the Company has disclosed its financial information by business segment in accordance with Accounting Standard No. 14 "Segment Reporting", except for its operating results, which the Company is unable to disclose by business segment for the reasons described in that note.

In my opinion, except for non-disclosure of information relating to the operating results by business segment in the financial statements for the year 2011 and 2010 as described in the preceding paragraph, the financial statements referred to above present fairly, in all material respects, the financial position of Jasmine Telecom Systems Public Company Limited and its subsidiary and of Jasmine Telecom Systems Public Company Limited as at 31 December 2011 and 2010, and the results of their operations, and cash flows for the years then ended in accordance with generally accepted accounting principles.

Without further qualifying my opinion on the above financial statements, I draw attention to the following matters:

1. As described in Note 9 to the financial statements, regarding the balance of account receivable under troubled debt restructuring from an unrelated company amounting to approximately Baht 139 million (the Company only: Baht 33 million), which is presented net of the potential losses on debt restructuring of approximately Baht 275 million (the Company only: Baht 80 million); and the balance receivable of Baht 196 million (the Company only: Baht 25 million) in respect of debt arising after the date that the Central Bankruptcy Court ordered this unrelated company to enter into the rehabilitation process (7 November 2008) and which is being disputed, and the submission by this unrelated company of a dispute proposal to the Thai Arbitration asking the subsidiary to return the money that this unrelated company has already paid, amounting to Baht 542 million and to pay for damages amounting to Baht 1,238 million.
2. As described in Note 3 to the financial statements, regarding the adoption of the revised and new accounting standards issued by the Federation of Accounting Professions in order to prepare and present of the financial statements.



Supachai Phanyawattano

Certified Public Accountant (Thailand) No. 3930

Ernst & Young Office Limited

Bangkok: 27 February 2012

Statements of financial position

Jasmine Telecom Systems Public Company Limited and its subsidiary

As at 31 December 2011 and 2010

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2011	2010	2011	2010
Assets					
Current assets					
Cash and cash equivalents	7	308,477,333	768,456,791	302,331,391	758,725,240
Current investments - bank deposits		42,756,827	1,635,413	40,868,414	357,639
Trade and other receivables	9	2,675,223,131	2,304,425,905	2,495,563,203	2,079,884,612
Unbilled receivables from related parties	8	5,326,330	3,226,800	310,395	-
Unbill receivables from unrelated parties		623,531,245	610,856,187	616,995,339	600,680,712
Short-term loans to related party	8	-	-	45,105,000	8,000,000
Inventories	10	66,143,816	265,608,635	59,524,174	249,661,234
Assets held for sale	11	113,182,972	156,485,851	113,182,972	156,485,851
Prepaid project costs		93,325,414	140,437,654	83,489,176	136,177,911
Other current assets		104,602,913	103,875,127	91,278,052	91,158,923
Total current assets		4,032,569,981	4,355,008,363	3,848,648,116	4,081,132,122
Non-current assets					
Restricted bank deposits		81,504,859	82,712,120	77,925,611	78,771,188
Long-term trade account receivable from related party	8	-	1,134,590,655	-	1,134,590,655
Account receivable under troubled debt restructuring	9	138,541,960	305,269,490	33,129,107	126,834,153
Investment in subsidiary	13	-	-	83,899,210	83,899,210
Other long-term investment	12	10,920,717	-	10,614,463	-
Property, plant and equipment	14	23,048,718	29,466,252	11,815,362	25,458,017
Deposits		4,203,751	4,174,066	3,265,091	3,231,066
Total non-current assets		258,220,005	1,556,212,583	220,648,844	1,452,784,289
Total assets		4,290,789,986	5,911,220,946	4,069,296,960	5,533,916,411

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

Statements

of financial position (continued)

Jasmine Telecom Systems Public Company Limited and its subsidiary

As at 31 December 2011 and 2010

		(Unit: Baht)			
		Consolidated financial statements		Separate financial statements	
	Note	2011	2010	2011	2010
Liabilities and shareholders' equity					
Current liabilities					
Short-term bank loans	15	4,827,295	409,023,143	4,827,295	119,346,938
Trust receipts	16	237,897,352	172,438,965	237,897,352	172,438,965
Trade and other payables	17	1,702,707,991	1,587,528,398	1,671,372,473	1,538,004,682
Accrued project cost		345,619,810	682,999,671	201,064,603	534,878,283
Current portion of long-term loans	18	75,345,922	71,005,575	60,861,921	71,005,575
Advances received for goods and services		156,619,152	340,766,185	156,335,319	339,875,085
Other current liabilities		33,490,397	52,423,259	23,748,774	37,253,344
Total current liabilities		2,556,507,919	3,316,185,196	2,356,107,737	2,812,802,872
Non-current liabilities					
Long-term trade accounts payable - unrelated party	17	-	927,092,302	-	927,092,302
Long-term loans - net of current portion	18	246,224,205	60,861,922	-	60,861,922
Provision for long-term employee benefits	19	19,195,639	-	13,376,307	-
Total non-current liabilities		265,419,844	987,954,224	13,376,307	987,954,224
Total liabilities		2,821,927,763	4,304,139,420	2,369,484,044	3,800,757,096

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

Statements

of financial position (continued)

Jasmine Telecom Systems Public Company Limited and its subsidiary

As at 31 December 2011 and 2010

		(Unit: Baht)			
		Consolidated financial statements		Separate financial statements	
	Note	2011	2010	2011	2010
Shareholders' equity					
Share capital					
Registered					
726,250,000 ordinary shares of Baht 1 each		726,250,000	726,250,000	726,250,000	726,250,000
Issued and fully paid-up					
706,457,300 ordinary shares of Baht 1 each					
(2010: 702,950,000 ordinary shares of Baht each)	20	706,457,300	702,950,000	706,457,300	702,950,000
Share subscription received in advance	20	-	80,000	-	80,000
Share premium	20	420,269,078	418,811,778	420,269,078	418,811,778
Retained earnings					
Appropriated-statutory reserve	23	63,186,259	61,680,551	63,186,259	61,680,551
Unappropriated		273,924,146	416,299,964	509,900,279	549,636,986
Other components of shareholders' equity	2.2	8,157,637	8,157,637	-	-
Equity attributable to owners of the Company		1,471,994,420	1,607,979,930	1,699,812,916	1,733,159,315
Non-controlling interests of the subsidiary		(3,132,197)	(898,404)	-	-
Total shareholders' equity		1,468,862,223	1,607,081,526	1,699,812,916	1,733,159,315
Total liabilities and shareholders' equity		4,290,789,986	5,911,220,946	4,069,296,960	5,533,916,411

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

Statements

of comprehensive income

Jasmine Telecom Systems Public Company Limited and its subsidiary

For the years ended 31 December 2011 and 2010

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2011	2010	2011	2010
Profit or loss:					
Revenues					
Sales and service income		1,319,693,937	3,456,084,061	1,249,980,493	3,320,406,388
Other income		103,351,251	128,732,109	102,939,709	128,384,362
Total revenues		<u>1,423,045,188</u>	<u>3,584,816,170</u>	<u>1,352,920,202</u>	<u>3,448,790,750</u>
Expenses					
Cost of sales and services		1,062,737,351	3,091,156,866	1,010,447,724	2,998,776,668
Selling and servicing expenses		26,758,302	28,874,185	20,753,593	23,804,892
Administrative expenses		132,295,056	142,550,373	113,508,216	127,517,278
Other expenses					
Losses on debt restructuring	9	24,708,434	-	24,136,321	-
Potential losses on debt restructuring	9	99,328,427	223,580,231	27,583,427	99,751,821
Exchange losses		8,029,071	1,148,674	6,988,608	1,376,049
Loss on impairment of asset	11	-	17,792,391	-	17,792,391
Total expenses		<u>1,353,856,641</u>	<u>3,505,102,720</u>	<u>1,203,417,889</u>	<u>3,269,019,099</u>
Profit before finance cost and corporate income tax					
income tax		69,188,547	79,713,450	149,502,313	179,771,651
Finance cost		(126,638,154)	(172,439,671)	(107,198,039)	(155,365,743)
Profit (loss) before corporate income tax		<u>(57,449,607)</u>	<u>(92,726,221)</u>	<u>42,304,274</u>	<u>24,405,908</u>
Corporate income tax	25	(12,190,118)	(10,628,789)	(12,190,118)	(10,628,789)
Profit (loss) for the year		<u>(69,639,725)</u>	<u>(103,355,010)</u>	<u>30,114,156</u>	<u>13,777,119</u>
Other comprehensive income for the year		-	-	-	-
Total comprehensive income for the year		<u>(69,639,725)</u>	<u>(103,355,010)</u>	<u>30,114,156</u>	<u>13,777,119</u>

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

Statements

of comprehensive income (continued)

Jasmine Telecom Systems Public Company Limited and its subsidiary

For the years ended 31 December 2011 and 2010

(Unit: Baht)

Note	Consolidated financial statements		Separate financial statements	
	2011	2010	2011	2010
Profit (loss) attributable to:				
Equity holders of the Company	(67,514,967)	(100,860,095)	30,114,156	13,777,119
Non-controlling interests of the subsidiary	(2,124,758)	(2,494,915)		
	<u>(69,639,725)</u>	<u>(103,355,010)</u>		
Total comprehensive income attributable to:				
Equity holders of the Company	(67,514,967)	(100,860,095)	30,114,156	13,777,119
Non-controlling interests of the subsidiary	(2,124,758)	(2,494,915)		
	<u>(69,639,725)</u>	<u>(103,355,010)</u>		
Earnings per share	26			
Basic earnings (loss) per share				
Profit (loss) attributable to equity holders of the Company	(0.10)	(0.14)	0.04	0.02
Diluted earnings (loss) per share				
Profit (loss) attributable to equity holders of the Company	(0.10)	(0.14)	0.04	0.02

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

Statements

of changes in shareholders' equity

Jasmine Telecom Systems Public Company Limited and its subsidiary

For the years ended 31 December 2011 and 2010

(Unit: Baht)

Consolidated financial statements										
Equity attributable to the parent's shareholders										
Note	Issued and fully paid-up share capital	Share subscription received in advance	Share premium	Retained earnings		Difference between the purchase price of investment in subsidiary under common control and its net book value	Total other components of shareholders' equity	Total equity attributable to the owners of the Company	Equity attributable to non-controlling interests of the subsidiary	Total
				Appropriated	Unappropriated					
Balance as at 31 December 2009	702,950,000	-	418,811,778	60,991,695	560,025,855	8,157,637	8,157,637	1,750,936,965	1,596,511	1,752,533,476
Share subscription received in advance	20	-	80,000	-	-	-	-	80,000	-	80,000
Dividend paid	29	-	-	-	(42,176,940)	-	-	(42,176,940)	-	(42,176,940)
Total comprehensive income for the year		-	-	-	(100,860,095)	-	-	(100,860,095)	(2,494,915)	(103,355,010)
Transferred to statutory reserve	23	-	-	688,856	(688,856)	-	-	-	-	-
Balance as at 31 December 2010	702,950,000	80,000	418,811,778	61,680,551	416,299,964	8,157,637	8,157,637	1,607,979,930	(898,404)	1,607,081,526
Balance as at 31 December 2010	702,950,000	80,000	418,811,778	61,680,551	416,299,964	8,157,637	8,157,637	1,607,979,930	(898,404)	1,607,081,526
Cumulative effect of change in accounting policy for employee benefits	3	-	-	-	(17,116,664)	-	-	(17,116,664)	(109,035)	(17,225,699)
Increase in ordinary shares	20	3,507,300	(80,000)	1,457,300	-	-	-	4,884,600	-	4,884,600
Dividend paid	29	-	-	-	(56,238,479)	-	-	(56,238,479)	-	(56,238,479)
Total comprehensive income for the year		-	-	-	(67,514,967)	-	-	(67,514,967)	(2,124,758)	(69,639,725)
Transferred to statutory reserve	23	-	-	1,505,708	(1,505,708)	-	-	-	-	-
Balance as at 31 December 2011	706,457,300	-	420,269,078	63,186,259	273,924,146	8,157,637	8,157,637	1,471,994,420	(3,132,197)	1,468,862,223

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

Statements

of changes in shareholders' equity (continued)

Jasmine Telecom Systems Public Company Limited and its subsidiary

For the years ended 31 December 2011 and 2010

(Unit: Baht)

Separate financial statements						
	Note	Issued and fully paid-up share capital	Share subscription received in advance	Share premium	Retained earnings	Total shareholders' equity
					Appropriated	Unappropriated
Balance as at 31 December 2009		702,950,000	-	418,811,778	60,991,695	578,725,663
Share subscription received in advance	20	-	80,000	-	-	-
Dividend paid	29	-	-	-	-	(42,176,940)
Total comprehensive income for the year		-	-	-	-	13,777,119
Transferred to statutory reserve	23	-	-	-	688,856	(688,856)
Balance as at 31 December 2010		702,950,000	80,000	418,811,778	61,680,551	549,636,986
Balance as at 31 December 2010		702,950,000	80,000	418,811,778	61,680,551	549,636,986
Cumulative effect of change in accounting policy for employee benefits	3	-	-	-	-	(12,106,676)
Increase in ordinary shares	20	3,507,300	(80,000)	1,457,300	-	-
Dividend paid	29	-	-	-	-	(56,238,479)
Total comprehensive income for the year		-	-	-	-	30,114,156
Transferred to statutory reserve	23	-	-	-	1,505,708	(1,505,708)
Balance as at 31 December 2011		706,457,300	-	420,269,078	63,186,259	509,900,279

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

Cash flow statements

Jasmine Telecom Systems Public Company Limited and its subsidiary
For the years ended 31 December 2011 and 2010

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2011	2010	2011	2010
Cash flows from operating activities				
Profit (loss) before tax	(57,449,607)	(92,726,221)	42,304,274	24,405,908
Adjustments to reconcile profit (loss) before tax to net cash provided by (paid from) operating activities:				
Depreciation	11,434,825	12,408,757	9,968,554	10,970,154
Losses on debt restructuring	24,708,434	-	24,136,321	-
Potential losses on debt restructuring	99,328,427	223,580,231	27,583,427	99,751,821
Loss on impairment of asset	-	17,792,391	-	17,792,391
Loss on sales of investment in available-for-sale securities	-	2,139,803	-	1,278,607
Loss on sales of equipment	37,686	36,782	59,689	64,817
Provision for long-term employee benefits	1,969,940	-	1,269,631	-
Unrealised exchange losses (gains)	1,717,221	(13,137,886)	436,435	(9,909,163)
Interest income	(101,185,806)	(124,807,409)	(101,965,392)	(124,742,662)
Interest expenses	124,220,736	162,968,270	105,711,006	145,894,342
Profit from operating activities before changes in operating assets and liabilities	104,781,856	188,254,718	109,503,945	165,506,215
Operating assets (increase) decrease				
Trade and other receivables	919,597,170	437,736,670	875,428,604	381,227,490
Unbilled receivables	(14,774,588)	(284,652,815)	(16,925,022)	(290,806,246)
Short-term loans to related party	-	-	(37,105,000)	(8,000,000)
Inventories	204,405,699	536,902,431	195,077,940	552,829,827
Prepaid project costs	47,112,240	(19,655,667)	52,688,735	(16,279,705)
Other current assets	10,087,366	(26,503,672)	9,877,804	47,064,845
Accounts receivable under troubled debt restructuring	18,223,315	-	17,952,589	-
Other assets	(29,685)	539,136	(34,025)	(88,293)
Operating liabilities increase (decrease)				
Trade and other payables	(939,582,194)	38,138,039	(921,393,996)	17,767,523
Accrued project costs	(337,379,861)	381,548,841	(333,813,680)	398,480,760
Advances received for goods and services	(184,147,033)	66,639,512	(183,539,766)	65,748,412
Other current liabilities	(20,112,587)	11,912,285	(13,480,115)	5,760,248
Cash flows from (used in) operating activities	(191,818,302)	1,330,859,478	(245,761,987)	1,319,211,076
Cash paid for interest expenses	(44,384,826)	(63,551,453)	(27,536,775)	(46,478,539)
Cash paid for corporate income tax	(22,073,782)	(72,786,783)	(19,654,520)	(72,282,583)
Net cash flows from (used in) operating activities	(258,276,910)	1,194,521,242	(292,953,282)	1,200,449,954

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

Cash flow statements (continued)

Jasmine Telecom Systems Public Company Limited and its subsidiary

For the years ended 31 December 2011 and 2010

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2011	2010	2011	2010
Cash flows from investing activities				
Decrease (increase) in current investments - bank deposits	(41,121,414)	1,410,836	(40,510,775)	-
Decrease (increase) in restricted bank deposits	1,207,261	(10,440,953)	845,577	(9,576,062)
Cash received from sales of investment in available-for-sale securities	-	4,317,867	-	2,136,379
Interest income	5,293,293	985,658	5,668,931	918,069
Acquisition of equipment	(10,033,732)	(4,306,916)	(1,341,268)	(3,652,743)
Proceeds from sales of equipment	23,075	89,286	-	-
Proceed from sales of assets held for sale	43,317,679	53,454,671	43,317,679	53,454,671
Net cash flows from (used in) investing activities	(1,313,838)	45,510,449	7,980,144	43,280,314
Cash flows from financing activities				
Decrease in short-term bank loans	(404,195,848)	(252,653,014)	(114,519,643)	(252,653,014)
Increase (decrease) in trust receipts	65,458,387	(338,646,558)	65,458,387	(338,646,558)
Cash received from long-term loans	289,676,205	-	-	-
Repayment of long-term loans	(99,973,575)	(71,005,575)	(71,005,576)	(71,005,575)
Dividend paid	(56,238,479)	(42,176,940)	(56,238,479)	(42,176,940)
Proceeds from increase in share capital	4,884,600	80,000	4,884,600	80,000
Net cash flows used in financing activities	(200,388,710)	(704,402,087)	(171,420,711)	(704,402,087)
Net increase (decrease) in cash and cash equivalents	(459,979,458)	535,629,604	(456,393,849)	539,328,181
Cash and cash equivalents at beginning of year	768,456,791	232,827,187	758,725,240	219,397,059
Cash and cash equivalents at end of year	308,477,333	768,456,791	302,331,391	758,725,240

Supplemental disclosure on non-cash transaction

Debt settlement transaction under the rehabilitation plan as described in Note 9 to the financial statements.

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

Notes to consolidated financial statements

Jasmine Telecom Systems Public Company Limited and its subsidiary

For the years ended 31 December 2011 and 2010

1. Corporate information

Jasmine Telecom Systems Public Company Limited ("the Company") is a public company incorporated and domiciled in Thailand. Its parent company is Jasmine International Public Company Limited, which was incorporated in Thailand. The Company is principally engaged in the design and installation of telecommunication systems, outsourcing business and rental of public telephones, and other businesses. The registered office of the Company is at 200 Moo 4, 9th Floor, Jasmine International Tower, Chaengwatana Road, Pakkred, Nonthaburi.

On 22 November 2007, The National Broadcasting and Telecommunications Commission ("NBTC") (formerly known as "The National Telecommunications Commission" ("NTC")) granted a type one license (Public Telephone Service) to the Company, for the period of 1 year from date of issue. In 2009, the Company extended this license for another 5 years (expiring in 2014). The Company is to pay an annual license fee and other fees as the board of NBTC established. The Company is obliged to comply with certain conditions as stated in the license.

In January 2011, the Company submitted a request to NBTC for cancel its telecom license type one (public telephone service). As for the Company's public telephone existing under this project (in Note 11 to the financial statements), the Company plans to use them to serve its related companies who receive the license from NBTC such as Acumen Company Limited.

On 9 February 2011, Siam Teltech Computer Company Limited (the subsidiary company) registered with the Ministry of Commerce for the change of its name to "Cloud Computing Solutions Company Limited".

2. Basis of preparation

2.1 The financial statements have been prepared in accordance with accounting standards enunciated under the Accounting Professions Act B.E. 2547 and their presentation has been made in compliance with the stipulations of the Notification of the Department of Business Development dated 28 September 2011, issued under the Accounting Act B.E. 2543.

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

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

2.2 Basis of consolidation

a) The consolidated financial statements include the financial statements of Jasmine Telecom Systems Public Company Limited ("the Company") and a subsidiary company, Cloud Computing Solutions Company Limited ("the subsidiary") (formerly known as "Siam Teltech Computer Company Limited"), which was incorporated in Thailand. The subsidiary company is principally engaged in the system and software development and sales of computer products. The Company's investment in the ordinary shares of the subsidiary represented about 97.87 percent of the subsidiary's registered share capital.

b) Subsidiary is fully consolidated as from the date of acquisition, being 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 subsidiary are prepared using the same significant accounting policies as the Company.

d) Material balances and transactions between the Company and its subsidiary company have been eliminated from the consolidated financial statements.

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

The Company purchased investment in the subsidiary company at a price of Baht 8 million lower than the attributable net asset value of the subsidiary company. The Company recorded this difference under the caption of "Other components of shareholders' equity" in shareholders' equity in the consolidated statements of financial position.

2.3 The separate financial statements, which present investment in subsidiary under the cost method, have been prepared solely for the benefit of the public.

3. Adoption of new accounting standards

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

Accounting standards:

TAS 1 (revised 2009)	Presentation of Financial Statements
TAS 2 (revised 2009)	Inventories
TAS 7 (revised 2009)	Statement of Cash Flows
TAS 8 (revised 2009)	Accounting Policies, Changes in Accounting Estimates and Errors
TAS 10 (revised 2009)	Events after the Reporting Period
TAS 11 (revised 2009)	Construction Contracts
TAS 16 (revised 2009)	Property, Plant and Equipment
TAS 17 (revised 2009)	Leases
TAS 18 (revised 2009)	Revenue
TAS 19	Employee Benefits
TAS 23 (revised 2009)	Borrowing Costs
TAS 24 (revised 2009)	Related Party Disclosures
TAS 26	Accounting and Reporting by Retirement Benefit Plans
TAS 27 (revised 2009)	Consolidated and Separate Financial Statements
TAS 28 (revised 2009)	Investments in Associates
TAS 29	Financial Reporting in Hyperinflationary Economies
TAS 31 (revised 2009)	Interests in Joint Ventures
TAS 33 (revised 2009)	Earnings per Share
TAS 34 (revised 2009)	Interim Financial Reporting
TAS 36 (revised 2009)	Impairment of Assets
TAS 37 (revised 2009)	Provisions, Contingent Liabilities and Contingent Assets
TAS 38 (revised 2009)	Intangible Assets
TAS 40 (revised 2009)	Investment Property

Financial reporting standards:

TFRS 2	Share-Based Payment
TFRS 3 (revised 2009)	Business Combinations
TFRS 5 (revised 2009)	Non-current Assets Held for Sale and Discontinued Operations
TFRS 6	Exploration for and Evaluation of Mineral Resources

Financial Reporting Standard Interpretations:

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

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

TAS 19 Employee Benefits

This accounting standard requires employee benefits to be recognised as expense in the year in which the service is performed by the employee. In particular, an entity has to evaluate and make a provision for post-employment benefits using actuarial techniques. The Company and its subsidiary previously accounted for such employee benefits when they were incurred.

The Company and its subsidiary have changed this accounting policy in the current year and recognise the liability relating to long-term employee benefits in the transition period through an adjustment to the beginning balance of retained earnings in the current year. The change has the effect of increasing the loss of the Company and its subsidiary for the year 2011 by Baht 2 million (Separate financial statements: decreasing the profit by Baht 1 million). Such effect has no significant impact on the earnings or loss per share for the year.

The cumulative effect of the change in the accounting policy has been separately presented in the statements of changes in shareholders' equity.

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

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

Accounting standards:

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

Accounting Standard Interpretations:

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

The management of the Company and its subsidiary believe that these accounting standards will not have any significant impact on the financial statements for the year when they are initially applied, except for the accounting standard regarding Income Taxes.

TAS 12 Income Taxes

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

At present, the management of the Company and its subsidiary is evaluating the impact on the financial statements in the year when this standard is adopted.

5. Significant accounting policies

5.1 Revenue recognition

Sales of goods

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.

Revenue from design and installation of telecommunication systems

Revenue from design and installation of telecommunication systems including supply of related equipment is recognised by reference to the stage of completion.

Revenue from installment sales

The Company recognised revenue from installment sales at the date of sale, exclusive of interest. The sales price is the present value of the consideration, determined by discounting the installments receivable at the imputed rate of interest. The interest element is recognised as income on a time proportion basis, using the imputed interest method.

Rendering of maintenance services

Maintenance service revenue is recognised when service is rendered.

Public telephone rental income

Public telephone rental income is recognised based on the rental period and, at the rate stipulated in the rental contract.

Interest income

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

5.2 Cash and cash equivalents

Cash and cash equivalents consist of cash in hand, cash 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 cost and net recognised value. Cost is determined on the specific identification method.

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 sales of such assets within one year from the date of classification to the assets held for sale.

5.6 Investments

a) 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).

b) Investment in subsidiary is accounted for in the separated financial statements using the cost method net of allowance for loss on impairment (if any).

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 Property, plant and equipment / Depreciation

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

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	years
Public telephones	-	5	years
Buildings and leasehold improvements	-	5	years
Furniture, fixtures and office equipment	-	3 - 10	years
Motor vehicles	-	5	years

Depreciation is included 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.

5.8 Related party transactions

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

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

5.9 Foreign currencies

Transactions in foreign currencies are translated into Baht at the exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated into Baht at the exchange rate ruling at the end of reporting period.

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

5.10 Impairment of assets

At the end of each reporting period, the Company and its subsidiary perform impairment reviews in respect of the property, plant and equipment and investments whenever events or changes in circumstances indicated that an asset may be impaired. 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.

5.11 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 subsidiary and their employees have jointly established a provident fund. The fund is monthly contributed by employees and by the Company and its subsidiary. The fund's assets are held in a separate trust fund and the contributions of the Company and its subsidiary are recognised as expenses when incurred.

Defined benefit plans

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

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

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

5.12 Provisions

Provisions are recognised when the Company and its subsidiary has 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.

5.13 Income tax

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

5.14 Derivatives

Forward exchange contracts

Receivables arising from forward exchange contracts are translated into Baht at the rates of exchange ruling at the end of reporting period. Unrecognised 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.

5.15 Debt restructuring

Potential losses on debt restructuring and losses on debt restructuring

When receivables of the Company and its subsidiary are settled through the transfer of assets and the receipt of shares of the debtor, the excess of the extinguished debt over the fair value of the assets and shares received and expected to be received is recognised as a losses on debt restructuring and potential loss on debt restructuring, respectively, in profit or loss.

6. Significant accounting judgments and estimates

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

Allowance for doubtful accounts

In determining an allowance for doubtful accounts, the management needs to make judgement 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 Company considers allowance for impairment of assets held for sale when net realisable value is below book value. The management uses judgment to estimate impairment loss, taking into consideration the fair values, the types and the characteristics of the assets.

Property plant and equipment/Depreciation

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

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

Post-employment benefits under defined benefit plans

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

Litigation

The subsidiary has contingent liabilities as a result of litigations. The subsidiary's management has used judgment to assess of the results of the litigation and believes that no loss will result. Therefore no contingent liabilities are recorded as at the end of reporting period.

7. Cash and cash equivalents

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	2011	2010	2011	2010
Cash	1	2	-	2
Bank deposits	221	711	216	702
Bills of exchange	86	55	86	55
Total	308	768	302	759

8. Related party transactions

The following are relationships with companies and individuals that control, or are controlled by, the Company and its subsidiary, whether directly or indirectly, or which are under common control with the Company and its subsidiary.

Name of entities	Nature of relationship
Subsidiary	More than 50% shareholding by the Company
Jasmine Group	Common shareholders and directors
TT&T Subscriber Services Co., Ltd.	Common directors
Triple T Global Net Co., Ltd.	Common directors

During the years, the Company and its subsidiary had significant business transactions with related parties. Such transactions, which are summarized below, arose in the ordinary course of businesses and were concluded on commercial terms and based agreed upon between the Company and its subsidiary and those related parties.

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements		Transfer Pricing Policy
	2011	2010	2011	2010	
<u>Transactions with parent company</u>					
Office rental and service expenses	8	9	6	6	Contract price or at prices normally charged to other customers
Other expenses	-	1	-	-	Contract price or at prices normally charged to other customers
<u>Transactions with subsidiary</u> (eliminated from the consolidated financial statements)					
Interest income	-	-	1	-	The rates referenced to MLR per annum
<u>Transactions with related companies</u>					
Sales and service income	89	967	61	914	Contract price or at prices normally charged to other customers or cost plus margin

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements		Transfer Pricing Policy
	2011	2010	2011	2010	
Interest income	94	122	94	122	The rates referenced to MLR per annum
Cost of sales and services	2	-	2	-	Contract price or at prices normally charged to other customers
Office rental and service expenses	-	1	-	1	Contract price or at prices normally charged to other customers
Other expenses	6	6	4	4	Contract price or at prices normally charged to other customers

The balances of the accounts as at 31 December 2011 and 2010 between the Company and its subsidiary and those related companies are as follows:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2011	2010	2011	2010
<u>Trade accounts receivable - related parties (Note 9)</u>				
Related companies				
Jasmine Group	1,881,183	1,285,090	1,874,184	1,283,646
Triple T Global Net Co., Ltd.	1,846	1,846	-	-
Total trade accounts receivable - related parties	1,883,029	1,286,936	1,874,184	1,283,646
<u>Other receivables - related parties (Note 9)</u>				
Subsidiary	-	-	213	-
Related companies				
Jasmine Group	-	17	-	17
TT&T Subscriber Services Co., Ltd.	106	106	106	106
Total other receivables - related parties	106	123	319	123
<u>Unbilled receivable from related parties</u>				
Related companies				
Jasmine Group	5,326	3,227	310	-
Total unbilled receivable from related parties	5,326	3,227	310	-
<u>Short-term loans to related party</u>				
Subsidiary	-	-	45,105	8,000
Total short-term loan to subsidiary	-	-	45,105	8,000

		(Unit: Thousand Baht)			
		Consolidated financial statements		Separate financial statements	
		2011	2010	2011	2010
<u>Long-term trade accounts receivable from related party</u>					
Related company					
Jasmine Group		-	1,134,591	-	1,134,591
Total long-term trade accounts receivable from related party		-	1,134,591	-	1,134,591
<u>Trade accounts payable - related parties (Note17)</u>					
Related companies					
Jasmine Group		2,161	1	2,161	1
TT&T Subscriber Services Co., Ltd.		17,703	17,703	17,703	17,703
Total trade accounts payable - related parties		19,864	17,704	19,864	17,704
<u>Other payables - related parties (Note 17)</u>					
Parent company		16,934	13,815	100	70
Related companies					
Jasmine Group		4,343	2,281	332	102
Total other payables - related companies		4,343	2,281	332	102
Total other payables - related parties		21,277	16,096	432	172
<u>Advance received from related parties</u>					
Related companies					
Jasmine Group		2,281	1,225	1,997	1,225
Total advance received from related parties		2,281	1,225	1,997	1,225

During 2011, movements of short-term loans to subsidiary was as follows:

	(Unit: Million Baht)			
	Separate financial statements			
	Balance as at	During the year		Balance as at
	31 December 2010	Increase	Decrease	31 December 2011
Short-term loans to subsidiary	8	50	13	45

Directors and management's benefits

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

				(Unit: Million Baht)	
		Consolidated		Separate	
		financial statements		financial statements	
		2011	2010	2011	2010
Short-term employee benefits		22	29	12	20
Post-employment benefits		2	1	1	1
Total		24	30	13	21

Guarantee obligations with subsidiary

The Company has outstanding guarantee obligations with its subsidiary, as described in Note 30.3 to the financial statements.

Trade accounts receivable - related party

The Company sold goods to Triple T Broadband Plc. (a related company). Sales proceeds will be received over a period of 3 years. The balances of such transactions at the end of reporting period, classified based on due dates, are as follows:

	(Unit: Thousand Baht)	
	2011	2010
Trade accounts receivable from related party due within 1 year (presented under the caption of "Trade and other receivables" in the statements of financial position)	1,181,160	638,657
Trade accounts receivable from related party due over 1 year (presented under the caption of "Long-term trade accounts receivable from related party" in the statements of financial position)	-	1,134,591
Total	1,181,160	1,773,248
Fair value	1,181,160	1,773,248

9. Trade and other receivables

	(Unit: Thousand Baht)			
	Consolidated financial statements		Separate financial statements	
	2011	2010	2011	2010
Trade receivables - related parties (Note 8)	1,883,029	1,286,937	1,874,184	1,283,646
Trade receivables - unrelated parties	778,498	970,084	607,540	748,895
Other receivables - related parties (Note 8)	106	123	319	123
Other receivables - unrelated parties	13,590	47,282	13,520	47,221
Trade and other receivables	2,675,223	2,304,426	2,495,563	2,079,885

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

	(Unit: Thousand Baht)			
Age of receivables	Consolidated financial statements		Separate financial statements	
	2011	2010	2011	2010
<u>Related parties</u>				
Not yet due	1,193,691	635,632	1,190,972	634,326
Past due				
Up to 3 months	7,495	205,495	3,215	205,356
3 - 6 months	37,702	2,390	37,702	2,390
6 - 12 months	1,549	112,320	1,549	112,320
Over 12 months	642,592	331,100	640,746	329,254
Total	1,883,029	1,286,937	1,874,184	1,283,646

(Unit: Thousand Baht)

Age of receivables	Consolidated financial statements		Separate financial statements	
	2011	2010	2011	2010
<u>Unrelated parties</u>				
Not yet due	495,480	710,642	491,808	667,371
Past due				
Up to 3 months	91,403	44,839	91,404	37,951
3 - 6 months	1,512	9,773	1,512	5,656
6 - 12 months	-	238	-	238
Over 12 months	190,103	204,592	22,816	37,679
Total	778,498	970,084	607,540	748,895
Total trade accounts receivable	2,661,527	2,257,021	2,481,724	2,032,541

Included in trade accounts receivable from unrelated parties as at 31 December 2011 and 2010, were amounts receivable from the companies majority-owned by the government as follows:

(Thousand Baht)

Age of receivables	Consolidated financial statements		Separate financial statements	
	2011	2010	2011	2010
Not yet due	432,209	547,024	428,538	503,753
Past due				
Up to 3 months	26,277	31,266	26,277	24,377
3 - 6 months	1,512	4,117	1,512	-
6 - 12 months	-	-	-	-
Over 12 months	8,966	20,528	8,966	20,528
Total	468,964	602,935	465,293	548,658

The Company has assigned its rights to receive payments from certain accounts receivable to banks, to secure credit facilities obtained from those banks. The subsidiary has assigned its rights to receive payments from the majority of its accounts receivable to banks, to secure short-term loans obtained from those banks (as at 31 December 2011: to secure long-term loans from the bank as described in Note 18 to the financial statements).

As at 31 December 2009, the Company and its subsidiary had outstanding balances receivable from TT&T Plc. (TT&T), a former related company, amounting to approximately Baht 700 million. The balances are long outstanding. In considering the collectability of the outstanding balances, the management of the Company and its subsidiary received cash flow projections prepared by TT&T in 2008. They showed that TT&T would have sufficient future cash flows to make full payment. On 22 April 2008, TT&T filed a petition for business rehabilitation with the Central Bankruptcy Court and on 7 November 2008, the Central Bankruptcy Court ordered TT&T to enter into a business rehabilitation process.

On 22 July 2009, the Central Bankruptcy Court ordered the appointment of the rehabilitation plan preparer. On 28 December 2010, the Central Bankruptcy Court issued an order approving the rehabilitation plan of TT&T. Currently, the Company and its subsidiary are appealing to the Supreme Court against the approval of the rehabilitation plan. At the present, the case is being considered by the Supreme Court.

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

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

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

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

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

Under the rehabilitation plan, outstanding claims filed by the Company and its subsidiary as at 29 October 2009 are considered for restructuring, totaling Baht 544 million (Principal of Baht 514 million and interest receivable of Baht 30 million). Subsequently, in April 2010, the Company and TT&T's rehabilitation plan preparer

agreed and submitted a request to the Official Receiver to reduce the outstanding claim filed by the Company by Baht 14 million. Because such receivables were the debt arising after the date that the Court ordered TT&T to enter into the rehabilitation process (7 November 2008); they therefore were not considered to be settled under the rehabilitation plan. As a result, the outstanding claims filed by the Company and its subsidiary totaled Baht 530 million (principal of Baht 501 million and interest receivable of Baht 29 million). This balance includes rights over collection that the subsidiary assigned to a local bank to secure a short-term loan from the bank (as at 31 December 2011: to secure long-term loans from the bank as described in Note 18 to the financial statements), amounting to Baht 314 million (Principal of Baht 299 million and interest receivable of Baht 15 million). The bank filed a claim for that balance directly with TT&T under the rehabilitation plan, and such balance is classified in the same creditor group as that of the subsidiary in the plan.

The Company and its subsidiary recorded potential losses on debt restructuring in profit or loss for the year ended 31 December 2010 totaling Baht 224 million (the company only: Baht 100 million), using this rehabilitation plan and the fair value of TT&T ordinary share as at 30 December 2010 as a basis for recording the transaction, calculated based on the claims filed by the Company and its subsidiary as at 29 October 2009 mentioned above. Subsequently, as of 22 June 2011, the fair value of TT&T ordinary share was Baht 0.13 per share. The management of the Company and its subsidiary therefore recorded additional potential losses on debt restructuring in profit or loss for the year 2011 amounting to Baht 125 million (the Company only: Baht 52 million), in order to reflect the fair value of TT&T's ordinary share in their accounts.

On 4 July 2011 and 23 September 2011, TT&T registered the increase in its share capital with the Ministry of Commerce, in order to allocate shares to Group 1 and Group 2 creditors. The Company and its subsidiary which were categorised in Group 1 and Group 2 creditor received a total of 84,005,515 shares (the Company only: 81,649,711 shares) from the debt-to-equity conversion process. The Company and its subsidiary receiving the share settlement as stated above and therefore reclassified potential losses on debt restructuring which has been recorded in profit or loss for the year 2011 totaling Baht 25 million (the Company only: Baht 24 million) as losses on debt restructuring in profit and loss for the year 2011.

However, the outstanding claims filed by the Company and its subsidiary consist of claims of the subsidiary which have received the final order of the Court amounting to Baht 3 million and claims of the Company and its subsidiary which have not yet received the final order of the Court amounting to Baht 527 million. The Company and its subsidiary which their claims have not yet received the final order of the Court therefore have not completely received debt settlement under the rehabilitation plan and the claims which have received the final order of the Court may differ from the outstanding claims used in the calculation of the potential losses from debt restructuring. As at 31 December 2011, the Company and its subsidiary presented the outstanding balances net of losses on debt restructuring and potential losses on debt restructuring under the caption of "Account receivable under troubled debt restructuring" in the statement of financial position.

In addition, outstanding receivables from TT&T of the Company and its subsidiary filed under the rehabilitation plan of Baht 196 million (the Company only: Baht 25 million) were the debt occurred after the date which the Court ordered TT&T to enter into the rehabilitation process (7 November 2008); they therefore were not considered to be settled under the rehabilitation plan of TT&T. The balances are long outstanding and are being disputed with TT&T. However, since this balance is debt that arose in the ordinary course of business, the management and legal advisors of the Company and its subsidiary believe that the Company and its subsidiary have the right to claim full payment for the balances from TT&T and believe that the Company and its subsidiary

can claim the full amount from TT&T. They therefore do not record allowance for doubtful accounts for this balance in their accounts.

In addition, in November 2010, P Planner Co., Ltd., the plan preparer of TT&T, had a law firm submit a letter to the subsidiary to cancel the purchase and sales and service agreement for the Customer Care & Billing System (CC&B) and amended agreement, under which TT&T hired the subsidiary to supply and deliver the system to TT&T. The grounds given for the cancellation were that the subsidiary had breached the contract in terms of the delivery of the system. However, the subsidiary issued a letter to the law firm disputing the cancellation of the agreements. Moreover, in June 2011, TT&T submitted a dispute proposal to the Thai Arbitration Institute asking the subsidiary to return the money that TT&T has already paid for the CC&B system, amounting to Baht 542 million, and to pay for damages and the loss of benefits amounting to Baht 1,238 million, together with interest at the rate of 7.5% per annum from the date of the submission of the dispute until the subsidiary effects whole performance. The management of the subsidiary and its legal advisor believe that the subsidiary completed delivery of the system to TT&T in compliance with the agreements and therefore that the subsidiary did not breach the agreement. This means the cancellation of the agreement was unjustified and does not terminate its provisions, and the subsidiary thus has the right to claim full payment for the work under the agreement from TT&T, amounting to Baht 470 million. At present, the subsidiary is in the process of filing an objection against the aforementioned dispute proposal. The subsidiary had assigned its rights over collection of the outstanding receivable balance of Baht 470 million from TT&T to a local bank and the bank filed a claim directly with TT&T under the rehabilitation plan. However, in December 2011, the bank returned to the subsidiary the rights over collection of an outstanding balance of Baht 171 million receivable from TT&T, which is debt incurred after the date on which the Court ordered TT&T to enter into the rehabilitation process (7 November 2008). Therefore, the balance of receivable from TT&T to which CCS has assigned rights over collection to the bank is currently Baht 299 million.

10. Inventories

(Unit: Thousand Baht)

		Consolidated financial statements			
		Cost		Reduce cost to net realisable value	
		2011	2010	2011	2010
Finished goods		68,354	262,149	(2,210)	(2,210)
Spare parts		-	5,670	-	-
Total		68,354	267,819	(2,210)	(2,210)

(Unit: Thousand Baht)

		Separate financial statements			
		Cost		Reduce cost to net realisable value	
		2011	2010	2011	2010
Finished goods		59,524	243,991	-	-
Spare parts		-	5,670	-	-
Total		59,524	249,661	-	-

11. Assets held for sale

(Unit: Thousand Baht)

	Installed public telephones	Uninstalled public telephones	Total
Cost	68,236	140,316	208,552
Less: Allowance for impairment of assets	(34,274)	(17,792)	(52,066)
Net book value as at 31 December 2010	33,962	122,524	156,486
Additions	-	14	14
Disposals during the year - net book value as at disposal date	(33,962)	(9,355)	(43,317)
Net book value as at 31 December 2011	-	113,183	113,183

At the present, the Company is in the process of proposing to sell its uninstalled public telephones to unrelated companies. As at 31 December 2011, the management of the Company believed that the fair value of these uninstalled public telephones is close to the net book value.

12. Other long-term investment

As described in Note 9 to the financial statements, during 2011, the Company and its subsidiary received a total of 84,005,515 ordinary shares (the Company only: 81,649,711 ordinary shares) of TT&T at the price in according with TT&T rehabilitation plan, Baht 1 per share, as a result of the debt-to-equity conversion process of TT&T. The Company and its subsidiary used the fair value of TT&T ordinary shares as at 22 June 2011 of Baht 0.13 per share as a basis for recording these transactions. The investments in TT&T ordinary shares are classified as other long-term investments because there are certain restrictions regarding the sale of TT&T shares stipulated in TT&T's rehabilitation plan.

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

13. Investment in subsidiary

The Company has pledged the share certificates of the investment in 288,199 ordinary shares of the subsidiary company, which represents 52.40 percent of total ordinary shares of that company, as a security for long-term debt under rehabilitation plan of the parent company.

14. Property, plant and equipment

(Unit: Thousand Baht)

Consolidated financial statements								
	Land	Buildings	Public telephones	Buildings and leasehold improvement	Furniture, fixtures and office equipment	Motor vehicles	Assets under installation	Total
Cost								
31 December 2009	2,000	1,239	18,055	15,696	67,149	9,981	-	114,120
Additions	-	-	-	-	4,286	-	10	4,296
Transfers in (out)	-	-	-	-	10	-	(10)	-
Disposals	-	-	-	-	(993)	-	-	(993)
31 December 2010	2,000	1,239	18,055	15,696	70,452	9,981	-	117,423
Additions	-	-	-	451	1,756	-	7,826	10,033
Transfers in (out)	-	-	(10,490)	-	7,826	-	(7,826)	(10,490)
Disposals	-	-	-	(128)	(2,429)	(502)	-	(3,059)
31 December 2011	2,000	1,239	7,565	16,019	77,605	9,479	-	113,907
Accumulated depreciation								
31 December 2009	-	1,041	3,655	9,457	54,119	8,154	-	76,426
Depreciation for the year	-	91	3,611	2,287	5,275	1,145	-	12,409
Depreciation on disposals	-	-	-	-	(878)	-	-	(878)
31 December 2010	-	1,132	7,266	11,744	58,516	9,299	-	87,957
Depreciation for the year	-	57	2,855	2,322	5,556	645	-	11,435
Transfers	-	-	(5,534)	-	-	-	-	(5,534)
Depreciation on disposals	-	-	-	(128)	(2,405)	(466)	-	(2,999)
31 December 2011	-	1,189	4,587	13,938	61,667	9,478	-	90,859
Net book value								
31 December 2010	2,000	107	10,789	3,952	11,936	682	-	29,466
31 December 2011	2,000	50	2,978	2,081	15,938	1	-	23,048
Depreciation for the year								
2010 (Baht 5 million included in cost of sales and services, and the balance in selling, servicing and administrative expenses)								12,409
2011 (Baht 4 million included in cost of sales and services, and the balance in selling, servicing and administrative expenses)								11,435

(Unit : Thousand Baht)

Separate financial statements					
		Furniture, fixtures and office equipment	Motor vehicles	Assets under installation	Total
Public telephones	Leasehold improvement				
18,055	12,258	43,897	9,320	-	83,530
-	-	3,632	-	10	3,642
-	-	10	-	(10)	-
-	-	(384)	-	-	(384)
18,055	12,258	47,155	9,320	-	86,788
-	-	1,341	-	-	1,341
(10,490)	-	-	-	-	(10,490)
-	(128)	(301)	(502)	-	(931)
7,565	12,130	48,195	8,818	-	76,708
3,655	6,112	33,378	7,544	-	50,689
3,611	2,285	3,979	1,095	-	10,970
-	-	(330)	-	-	(330)
7,266	8,397	37,027	8,639	-	61,329
2,855	2,266	4,202	645	-	9,968
(5,534)	-	-	-	-	(5,534)
-	(126)	(278)	(466)	-	(870)
4,587	10,537	40,951	8,818	-	64,893
10,789	3,861	10,128	681	-	25,458
2,978	1,593	7,244	-	-	11,815

Depreciation for the year

2010 (Baht 4 million included in cost of sales and services, and the balance in selling, servicing and administrative expenses)

10,970

2011 (Baht 3 million included in cost of sales and services, and the balance in selling, servicing and administrative expenses)

9,968

As at 31 December 2011, certain plant and equipment items of the Company and its subsidiary had been fully depreciated but are still in use. The gross carrying amount before deducting accumulated depreciation of those assets amounted to approximately Bah 57 million (2010: Baht 52 million) (The Company only: Baht 35 million, 2010: Baht 30 million).

15. Short-term bank loans

The Company and its subsidiary's short-term bank loans carry interest at the rate referenced to MLR per annum. The Company's short-term bank loans are secured by the assignment of rights to receive payments from certain accounts receivable, and the subsidiary's short-term bank loans are secured by the assignment of rights to receive payments from the majority of its accounts receivable as described in Note 9 to the financial statements.

16. Trust receipts

The balances are secured by the pledge of bank deposits and the assignment of rights to receive payments from accounts receivable as described in Note 9 to the financial statements.

17. Trade and other payables

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2011	2010	2011	2010
Trade payables - related parties (Note 8)	19,983	17,704	19,864	17,704
Trade payables - unrelated parties	1,657,364	1,553,728	1,647,732	1,520,129
Other payables - related parties (Note 8)	21,357	16,096	432	172
Other payables - unrelated parties	4,004	-	3,345	-
Total trade and other payables	1,702,708	1,587,528	1,671,373	1,538,005

Trade accounts payable - unrelated party

The Company purchased goods from an unrelated company. Under the sales and purchase agreement, the Company is obliged to make payment within 3 years. The outstanding balances of such transactions as at the statements of financial position date, based on due dates, are as follows:

	(Unit :Thousand Baht)	
	2011	2010
Trade accounts payable - unrelated parties due within 1 year (presented under the caption of "Trade and other payables" in the statements of financial position)	976,968	476,449
Trade accounts payable - unrelated parties due over 1 year (presented under the caption of "Long-term trade accounts payable - unrelated parties" in the statements of financial position)	-	927,092
Total	976,968	1,403,541
Fair value	976,968	1,403,541

The above outstanding balance of trade accounts payable is secured by Triple T Broadband Plc. (a related company).

18. Long-term loans

	(Unit: Thousand Baht)			
	Consolidated financial statements		Separate financial statements	
	31 December 2011	31 December 2010	31 December 2011	31 December 2010
Long-term loans	321,570	131,867	60,862	131,867
Less: Current portion	(75,346)	(71,005)	(60,862)	(71,005)
Long-term loans - net of current portion	246,224	60,862	-	60,862

The Company's long-term loan carries interest at the rate referenced to MLR per annum and repayable quarterly from March 2010 to March 2012. The loan is secured by the assignment of rights to receive payments from certain accounts receivable of the Company, as described in Note 9 to the financial statements.

In July 2011, the subsidiary entered into a long-term loan agreement with a local bank to borrow Baht 290 million to repay outstanding short-term loans amounting to Baht 290 million from that bank. In the current year, the subsidiary already drew down this long-term loan in full. This long-term loan carries interest at the rate referenced to MLR per annum and is 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 the Company. The loan agreement contains an additional condition relating to repayment, whereby, if the subsidiary receives settlements from TT&T and/or cash receipts from sales of TT&T shares received under TT&T's rehabilitation plan, the subsidiary 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, the subsidiary agrees to use the excess to settle the principal of the next installment due.

19. Provision for long-term employee benefits

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

	(Unit: Million Baht)	
	Consolidated financial statements	Separate financial statements
Cumulative effect of change in accounting policy for employee benefits adjusted against beginning balance of retained earnings (Note 3)	17	12
Current service cost	2	1
Balance at end of year	19	13

Long-term employee benefit expenses included in profit or loss for the year ended 31 December 2011 amounted to Baht 2 million (the Company only: Baht 1 million).

Principle actuarial assumptions at the valuation date were as follows:

Discount rate	4%
Future salary increase rate	5%

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

	(Unit: Million Baht)	
	Consolidated financial statements	Separate financial statements
Year 2011	19	13
Year 2010	17	12
Year 2009	15	11

20. Share capital

In January 2011, the Company registered the increase in its paid-up capital to Baht 702,990,000 with the Ministry of Commerce after the exercise of 40,000 ESOP warrants to purchase new ordinary shares at the exercise price of Baht 2 in the year 2010. During 2011, the Company registered the increase in its paid-up capital to Baht 704,407,300 and Baht 706,457,300 with the Ministry of Commerce, as described in Note 22 and Note 21 to the financial statements, respectively.

21. ESOP shares

The ordinary shares had been granted to the Company's directors and employees detailed as follows:

	ESOP shares
Extraordinary General Meeting of Shareholders resolution date	9 March 2005
Total number of shares issued (shares)	5,000,000
Exercised period as from the issued date (years)	5
Initial offering date	3 November 2006
Expired date	2 November 2011
Exercised price (Baht per share)	Baht 1
Remaining shares	
As at 31 December 2010 (shares)	2,050,000
As at 30 December 2011 (shares)	-

On 22 February 2011, the Meeting No.2/2011 of the Board of Directors of the Company approved an allocation of the remaining 2,050,000 shares to the Company's director and employees under this continuing scheme. On 28 April 2011, the Company's director and employees exercised their rights to purchase 2,050,000 ordinary shares, or a total of Baht 2,050,000. The Company registered the increase in its paid-up capital to Baht 706,457,300 with the Ministry of Commerce on 2 May 2011. After this allocation of shares to the director and employees, the continuing ESOP share scheme of 5,000,000 shares is finished.

22. ESOP warrants

The ordinary share warrants had been granted to the Company's director and employees free of charge detailed as follows:

	ESOP warrants
Extraordinary General Meeting of Shareholders resolution date	9 March 2005
Total number of warrants issued (units)	21,250,000
Exercised period as from the issued date (years)	5
Expired date	27 October 2011
Exercised ratio (warrant:ordinary share)	1 : 1
Exercised price (Baht per unit)	Baht 1 to Baht 2
Remaining warrants as at 31 December 2010 (units)	18,460,000
Remaining warrants as at 30 December 2011 (units)	-

In March 2011, 1,417,300 warrants were exercised to purchase 1,417,300 new ordinary shares at the exercise price of Baht 2, which the Company registered the increase in its paid-up capital to Baht 704,407,300 with the Ministry of Commerce on 1 April 2011. As at 30 September 2011, the Company had 17,042,700 warrants remaining unexercised. In October 2011, up to 27 October 2011 which is the expiry date of warrant, no warrants were exercised and the ESOP warrants scheme had expired.

23. 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 profit 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.

24. Expenses by nature

Significant expenses by nature are as follows:

	(Unit: Million Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2011	2010	2011	2010
Salary and wages and other employee benefits	107	120	68	84
Depreciation	11	12	10	11
Loss on impairment of assets	-	18	-	18
Rental expenses from operating lease agreements	9	10	6	7
Inventories used	62	1,960	47	1,884
Subcontracting expenses	948	960	948	960

25. Corporate income tax

The subsidiary is not liable to corporate income tax for the year 2011 and 2010 due to tax loss brought forward.

26. Earnings per share

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

Diluted earnings per share is calculated by dividing profit (loss) for the year attributable to equity holders of the Company (excluding other comprehensive income) by the weighted average number of ordinary shares in issue during the year plus the weighted average number of ordinary shares which would need to be issued to convert all dilutive potential ordinary shares into ordinary shares. The calculation assumes that the conversion took place either at the beginning of the year or on the date the potential ordinary shares were issued.

The following table sets for the computation of basic and diluted earnings per share:

Consolidated financial statements						
Loss for the year		Weighted average number of ordinary shares		Loss per share		
2011	2010	2011	2010	2011	2010	
(Thousand Baht)	(Thousand Baht)	(Thousand shares)	(Thousand shares)	(Baht)	(Baht)	
Basic loss per share						
Loss attributable to equity holders of the parent						
(67,515)	(100,860)	705,449	702,950	(0.10)	(0.14)	
Diluted loss per share						
Loss of ordinary shareholders assuming the conversion of warrants to ordinary shares						
(67,515)	(100,860)	705,449	702,950	(0.10)	(0.14)	

Separate financial statements						
Profit for the year		Weighted average number of ordinary shares		Earnings per share		
2011	2010	2011	2010	2011	2010	
(Thousand Baht)	(Thousand Baht)	(Thousand shares)	(Thousand shares)	(Baht)	(Baht)	
Basic earnings per share						
Profit attributable to equity holders of the parent						
30,114	13,777	705,449	702,950	0.04	0.02	
Diluted earnings per share						
Profit of ordinary shareholders assuming the conversion of warrants to ordinary shares						
30,114	13,777	705,449	702,950	0.04	0.02	

ESOP warrants granted to the Company's directors and employees were not included in calculation of diluted earnings per share for the year ended 31 December 2010 since the exercise prices to purchase ordinary shares are higher than the average market price for the year, and in 2011, ESOP warrants had expired as described in Note 22 to the financial statements.

27. Segment information

The Company and its subsidiary's business operations involve three principal segments: (1) Design and installation of telecommunication systems (2) Outsourcing business and rental of public telephones and (3) Other segments. These operations are mainly carried on in Thailand. Below is the consolidated financial information for the years ended 31 December 2011 and 2010 of the Company and its subsidiary by segment.

(Unit: Million Baht)

	Design and installation of telecommunication systems segment		Outsourcing business and rental of public telephones segment		Other segments		Consolidation	
	2011	2010	2011	2010	2011	2010	2011	2010
Revenue from external customers	1,203	3,391	60	7	57	58	1,320	3,456
Trade accounts receivable	2,660	2,217	-	-	2	40	2,662	2,257
Inventories	58	250	6	6	2	10	66	266
Property, plant and equipment	-	-	3	11	-	-	3	11
Long-term trade account receivable from related party	-	1,135	-	-	-	-	-	1,135
Unallocated assets							1,560	2,242
Total assets							4,291	5,911

The Company disclosed its financial information by business segment in accordance with Accounting Standard No. 14 "Segment Reporting", except for the operating results which the Company is unable to disclose by business segment since the management believes that such disclosure would unfavorably affect the management and operation of the businesses of the Company and its subsidiary.

28. Provident fund

The Company, its subsidiary and their employees have jointly established a provident fund in accordance with the Provident Fund Act B.E. 2530. The Company, its subsidiary and their employees contributed to the fund monthly at the rate of 3 - 8 percent of basic salary. The fund, which is managed by Bangkok Bank Public Co., Ltd., will be paid to employees upon termination in accordance with the fund rules. During the year 2011, the Company and its subsidiary contributed Baht 5 million, and the Company only contributed Baht 3 million, to the fund (2010: Baht 6 million and Baht 4 million, respectively).

29. Dividends

		(Unit: Baht)	
Dividends	Approved by	Total dividends	Dividend per share
Final dividends for the year 2010	Annual General Meeting of the shareholders on 28 April 2011	56,239,200	0.08
Final dividends for the year 2009	Annual General Meeting of the shareholders on 28 April 2010	42,177,000	0.06

30. Commitments and contingent liabilities

30.1 Operating lease commitments

The Company and its subsidiary have entered into lease agreements in respect of the lease of office building space and related services. The terms of the agreements are generally between 1 and 3 years and non-cancellable.

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

	(Unit: Million Baht)	
	Consolidated financial statements	Separate financial statements
Payable within		
1 year	8	6
1 to 3 years	5	4

30.2 Litigation

In 2010, the subsidiary was sued for Baht 91 million by a local unrelated company. This comprised debt of Baht 80 million arising from the purchase of equipment used in supplying the CC&B system to TT&T, and interest charges of Baht 11 million. The subsidiary has already recorded the equipment cost in its accounts but not yet recorded the interest of Baht 11 million. The management of the subsidiary considers that the subsidiary and that company mutually agreed that the processing of the purchasing contract and debt settlement would proceed in line with settlement of the CC&B system by TT&T (back to back). As described in Note 9 to the financial statements, currently TT&T is under the rehabilitation process and the outstanding claims of the subsidiary relating to the CC&B system have not yet received the final order of the Central Bankruptcy Court for debt settlement, and are being disputed. The subsidiary therefore has not yet paid the outstanding debt from the equipment purchase to that company. The current status of the case is that the Court of First Instance has set appointments for investigation of witnesses in April 2012.

30.3 Guarantees

(a) The Company had obligations in respect of its guarantee of the long-term loan facilities with a local bank of subsidiary totaling Baht 290 million, as described in Note 18 to the financial statements.

(b) As at 31 December 2011, there were outstanding bank guarantees of Baht 1,028 million (2010: Baht 1,229 million) issued by banks on behalf of the Company and its subsidiary, with Baht 978 million (2010: Baht 1,172 million) attributed to the Company, in respect of certain bid bonds and warranty bonds as required in the normal course of business.

30.4 Letters of credit

As at 31 December 2011, the Company had outstanding commitments under letters of credit with local and overseas suppliers amounting to approximately USD 13 million and Baht 27 million.

31. Financial instruments

31.1 Financial risk management

Financial instruments of the Company and its subsidiary, as defined under Thai Accounting Standard No. 107 "Financial Instruments: Disclosure and Presentations", principally comprise cash and cash equivalents, trade and other receivables, investments, short-term loans, trade and other payables, and long-term loans. The financial risks associated with these financial instruments and how they are managed is described below.

Credit risk

The Company and its subsidiary are exposed to credit risk primarily with respect to trade and other receivables and loans. The Company and its subsidiary 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, other accounts receivable and loans 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 and long-term loans. However, since most of financial assets and liabilities of the Company and its subsidiary 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 Company and its subsidiary have exposure to foreign currency risk arises mainly from trading transactions that are denominated in foreign currencies. The Company and its subsidiary seek to reduce this risk by entering into forward exchange contracts when it considers appropriate. Generally, the forward contracts mature within one year.

The balances of financial assets and liabilities denominated in foreign currencies as at 31 December 2011 are summarised below.

Consolidated financial statements			
Foreign currency	Financial assets (Million)	Financial liabilities (Million)	Average exchange rate as at 31 December 2011 (Baht per 1 foreign currency unit)
US dollar	32	33	31.64

Separate financial statements			
Foreign currency	Financial assets (Million)	Financial liabilities (Million)	Average exchange rate as at 31 December 2011 (Baht per 1 foreign currency unit)
US dollar	32	32	31.64

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

Foreign currency	Bought amount (Million)	Contractual exchange rate Bought (Baht per 1 foreign currency unit)	Contractual maturity date
US dollar	1	31.54	29 June 2012

As at 31 December 2011, the balance amount of debt in foreign currency being the conditions of currency exchange rate with respect to the trade terms between the parties.

31.2 Fair values of financial instruments

Since the majority of financial instruments of the Company and its subsidiary are short-term in nature. Loans providing and loans borrowing carry interest at rates close to market rates. Their fair value is not expected to be materially different from the amounts presented in the statements of financial position.

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

32 Capital management

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

As at 31 December 2011, the Group's debt to equity ratio was 1.92:1 (2010: 2.68:1) and the Company was 1.39:1 (2010: 2.19:1).

33. Reclassification

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

34. Approval of financial statements

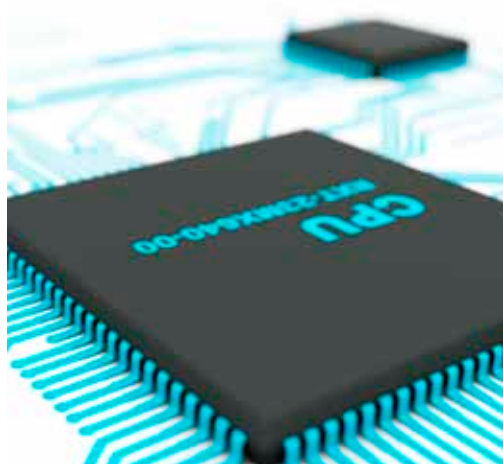
These financial statements were authorised for issue by the Company's Board of Directors on 27 February 2012.

DESIGN & SUPPLY



SUPPORT & MAINTENANCE

IMPLEMENTATION & COMMISSIONING



SOFTWARE DEVELOPMENT & CUSTOMIZATION



CLOUD COMPUTING





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