



THE WAY FOR BETTER COMMUNICATION BETTER LIFE

JTS

Jasmine Telecom Systems PCL.

ANNUAL REPORT 2012



Computer
System
Integration
Cloud
Computing

Telecom
Systems
Integration

Telecom
Service
Business

THE WAY FOR
BETTER COMMUNICATION
BETTER LIFE



JASMINE

TELECOM SYSTEMS PCL.

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Financial Summary ➤

Operating Results (' 000 Baht)

	2010	2011	2012
Sales and Services Income	3,456.08	1,319.69	1,179.13
Total Revenue	3,584.82	1,423.05	1,225.74
Cost of Sales and Services and Selling, Servicing and Administrative	3,505.10	1,353.86	1,319.07
Gross Profit*	373.39	256.96	255.81
Operating Profit	141.66	64.55	66.72
Net Profit (Loss)	(100.86)	(67.52)	(178.36)
Total Assets	5,911.22	4,290.79	2,699.09
Total Liabilities	4,304.14	2,821.93	1,448.18
Shareholders' Equity	1,607.08	1,468.86	1,250.91

Financial Ratio

	2010	2011	2012
Current Ratio (times)	1.31	1.58	2.10
Debt to Equity (times)	2.68	1.92	1.16
Return on Assets (%)	-1.65%	-1.32%	-5.10%
Return on Equity (%)	-6.00%	-4.39%	-13.12%

Per Share Data (Baht)

	2010	2011	2012
Earnings (Loss) per Share	-0.14	-0.10	-0.25
Weighted Average Number of Ordinary Shares (shares)	702,950,000	705,448,972	706,457,300
Book Value	2.29	2.08	1.77
Par Value	1.00	1.00	1.00
Paid-up Ordinary Shares (shares)	702,950,000	706,457,300	706,457,300

* Gross profit was a result of sale and service incomes minus sale and service costs.

General Information ❖

Detailed of Company

Company Name : Jasmine Telecom Systems PCL.
 Registration : 0107547000109
 Head Office Address : 200 Moo 4, 9th Fl. Jasmine
 International Tower, Chaengwattana Road,
 Tambon Pakkret, Amphoe Pakkret,
 Nonthaburi, 11120
 Tel. (66)-02100-8300 Fax. (66)-02502-3363
 Home Page : <http://www.jts.co.th>
 Nature of Business : Information &
 Communication Technology

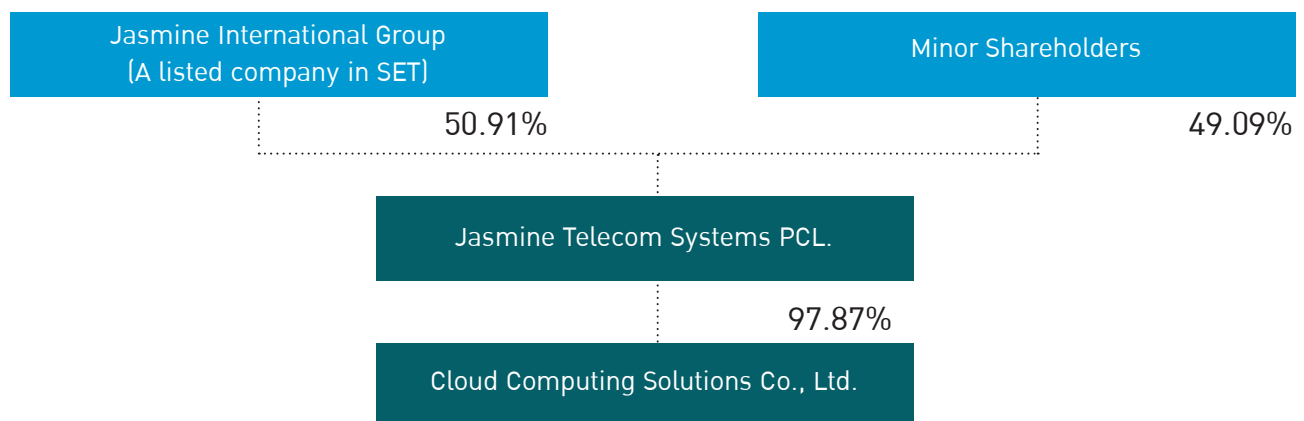
Detailed of Subsidiary

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 : 706,457,300 Shares
 Paid-up Ordinary Share : 706,457,300 Shares
 Par Value : 1 Baht
 Total : 706,457,300 Baht

The Company Structure at December 28th 2012




Message from the Board of Directors ❖




Dear Shareholders

In light of changes in information technology, the continuing development in communications and the ever increasing popularity of social networks, the Company has expanded its business to be consistent with such changes, competition and opportunities, while maintaining its main business as a system integrator and bidding for new projects. For example, by the end of 2012, the licensees of the 2.1GHz frequency spectrum have to build high speed wireless Internet networks with 3G technologies. Having anticipating this, the Company has taken part as a subcontractor to implement the network for the licensees. In expanding into service-providing business, the Company and its subsidiary have developed applications based cloud computing technology and are now offering this service to several clients. **Cloud computing** technology enables several services such as software, hardware and infrastructure to be rented and delivered via the Internet, thus eliminating the needs to invest large capital from a user's stand-point. Moreover, the Company is preparing to take part as an **MVNO (Mobile Virtual Network Operator)** whereby the Company is a mobile service provider but does not have its own network. Many applications and contents will be developed to provide value added services to its clients and to ensure the Company's competitive edge.

Entering a service-providing business will lead to several new businesses and opportunities for the Company, which seeks to provide the most satisfying service to its clients. In the rapidly changing technology and industry, the Company intends to take advantage of new development in order to serve and benefit all parties involved.


(Mr. Pleumjai Sinarkorn)
Director


(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 test and measurement equipment used in telecommunications industry and also provides another telecom services. In addition, the Company expands its business to the rented contact center system on Hosted Contact Center, in the name “EasyConnect”, turnkey solution business services for computer system, cloud computing business. The company also expand its business to be a service provider for MVNO (Mobile Virtual Network Operator). Followings are the details of each business of the Company.

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, installation, test and training of telecom equipment for governmental and private sectors, for example TOT, CAT Telecom, Provincial Electricity Authority, Metropolitan Electricity Authority, 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’ 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 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) or Private Network offering leased line Internet connectivity, and Broadband Connections over Digital Subscriber Lines (xDSL) utilizing the copper wired and Fiber to the X (FTTx) 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 (ONU) 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 proviers. 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 Next Generation Dense Wavelength Division Multiplexing (NG-DWDM) or Synchronous Digital Hierarchy Multiplexer (SDH MUX) or IP Link 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 Router for IP Network and Core Router for International Gateway Exchange (IGX) and Switch for Metro Ethernet network.

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 3G and LTE.

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 authorized distributor of 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 2012, 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 and opened a 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's subsidiary). The business involves turnkey project for computer and related equipment, including the consulting services, system design and installation. The service range also entails 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 and Billing Systems** involve all customer service and Billing systems, which consist of several sub-systems, e.g. telephone service activation, Customer Service System, Order System, 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;

❖ **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 and also external customers.

❖ **Software Based Services (Software-as-a-service)**

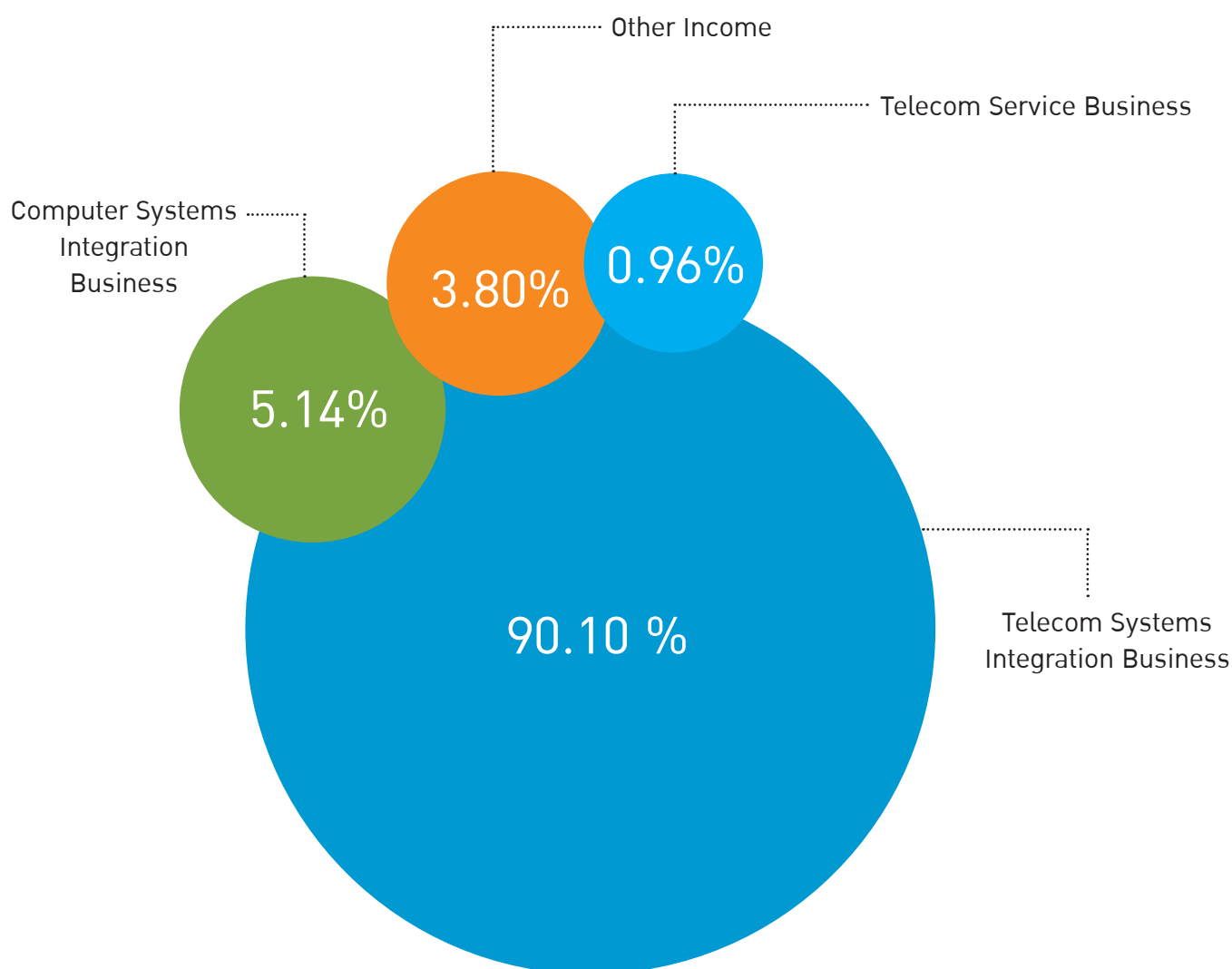
Software based services are the leased service for application software. In 2013, CCS will provide the enterprise management software for target customers in government organizations. Then CCS plan to launch other types of software applications and services.

REVENUE STRUCTURE OF THE COMPANY AND SUBSIDIARY ➤

Revenue structure of the Company and subsidiary was as follow :

Business	Operated by	Consolidated Statement of Revenue					
		2010		2011		2012	
		Million Baht	%	Million Baht	%	Million Baht	%
Telecom Systems Integration Business	Company	3,313.24	92.43	1,189.88	83.62	1,104.41	90.10
Telecom Service Business	Company	7.17	0.20	60.10	4.22	11.70	0.96
Computer Systems Integration Business	Subsidiary	135.68	3.78	69.71	4.90	63.02	5.14
Total Sales and Services		3,456.08	96.41	1,319.69	92.74	1,179.13	96.20
Other Income	Company	128.73	3.59	103.35	7.26	46.61	3.80
Total Revenue		3,584.82	100.00	1,423.05	100.00	1,225.74	100.00

Revenue Structure Year 2012



Major Events in Year 2012 ❖❖

❖❖ The Company has on-going projects with both existing and new customers, such as, a turn-key contract of Universal Service Obligation Project (USO) Implement Payphone in Villages and Implement Payphone and Internet in Schools for CAT Telecom Public Company Limited. The project include survey, design, procure, installation and test the total 1,558 payphone sites and computer system with Internet service total 252 schools and also the turn-key contract with State Railway of Thailand for automatic level crossings. The Company also got contracts from Government Saving Bank (GSB) for purchasing and installation of the closed circuit television system (CCTV), maintenance services and Fire Alarm System. For test and measurement equipment, the Company got more customers in private section such as Total Access Communication PCL, Bangkok Telecom Engineering Co., Ltd., and Advanced Info Service PCL.

❖❖ For Telecom Service Business, the Company has provided the supplies, installation and services including coin collection and maintenance services for payphone and affiliate parts, 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, the Company has launched 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 the customer 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 from the National Broadcasting and Telecommunications Commission (NBTC) to operate MVNO business on June 16, 2011. Then on July 6, 2012, the Company proposed MVNO Business Plan offering to TOT Public Company Limited to be the reseller of 3G Mobile subscribing numbers for TOT. The proposal offering is on the evaluation period.

❖❖ The subsidiary of the Company has provided services of cloud computing business in which the various software applications are stored on the main server 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 for business owner who wants to use information technology systems whether they prefer to use this kind of software applications service instead of investing in the system themselves. So, it is suitable for small and medium businesses having limitation of budgets. There are two kinds of services of the **cloud computing - Cloud Infrastructure Service** (Infrastructure-as-a-Service) and **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, TOT Public Company Limited (TOT), CAT Telecom Public Company Limited (CAT), Provincial Electricity Authority (PEA.) 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 suppliers 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

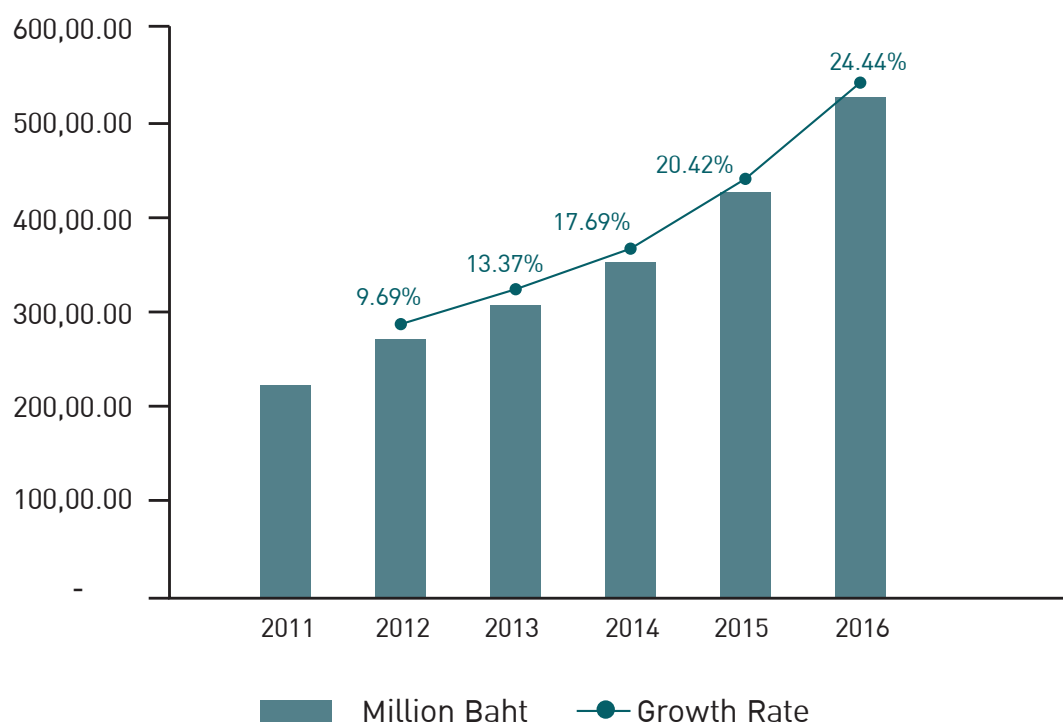
In 2012, The National Broadcasting and Telecommunications Commission (NBTC) issued national policy, rules and regulations including 3 important master plans which are : The Frequency Management Master Plan and National Table of Frequency Plan, The First Broadcasting Master Plan No.1 (2012 - 2016) and Telecommunications Master Plan No.1 (2012 - 2016). Furthermore, there are associations of the Committees and Sub-Committees to carry out specific issues, including The Committee of Research and Development Fund of Broadcasting and Telecommunications as the Universal Service Obligation (USO)

The NBTC important issuances of master plans and policies that would affect the telecommunications industry are as the followings.

-  Telecommunications resource allocation policy. In 2012 the NBTC organized the 2.1 GHz spectrum auction and license issuances of 45 MHz bandwidth provided to the 3 bidders. This auction leads to the establishment of telecommunications network supporting the mobile phone communication services, including voice and data and covering across the area of Thailand.
-  Broadcasting channels allocation policy including radio and television channels, and also the transmission policy from analog television to digital television.
-  The new entrants encouraging policy, to develop and promote free and fair competition among telecom mobile operators both incumbents and new entrants. The NBTC regulate that the licensees of 3G spectrum shall guarantee to provide at least 10 percent of their 3G network capacity to supply for the operators of Mobile Virtual Network Operation (MVNO) services.
-  The policy to provide universal basic telecommunications services and social services or Universal Service Obligation (USO), and also the budget approved for the wireless Internet network implementation, as the public Wi-Fi throughout the area of Thailand.

2. Industry Situation and Competition in 2012 and Trend 2013

According to Thailand Telecommunications Market Report year 2012 by the National Broadcasting and Telecommunications Commission (NBTC) disclosed the telecommunications market survey in 2013 total valued 2.7 hundred trillion baht. It represents the telecommunications market value compared to Gross Domestic Product (GDP) at Current Market Price equals to 2.39 percent, or equals to 5.56 percent of GDP at constant prices (Real GDP). The growth of market value compared to year 2011 equals to 9.7 percent. The major telecommunications market sector is the mobile communication market with 76 percent of total telecommunications market value. The report predicted that, in 2013 the growth rate of telecommunications market value would be 13 percent per year, and predicted the telecommunications market value in 2016 would be 5.4 hundred trillion baht, or the growth rate on that year would be 24 percent compared to the year before, and the cumulative average growth rate (CAGR) would be 17 percent per year.



Economic estimation information from office of the National Economic and Social Development Board as at November 19, 2012 and estimation of GDP growth ratio at 5.5% of 2012 fixed price.

3. Technology Trend in 2013

Year 2013, there would be the major shift in the Information and Communications Technology market (ICT), particularly the influences of consumer spending that would be the driven factor of the ICT expenditures in Thailand, including the IT service trends movement, the applications of smart devices that widely used in business sectors, together with the full range of 3G services provided by each mobile operators. These factors would affect the trend and form of ICT technology applications and utilizations. Important technology trends that would encourage the ICT market in 2013 are

- ❖ **LTE Technology (Long Term Evolution) or 4G** : After the license auction of 3G spec trum, the new interesting technology that would be the next key trend in Thailand is 4G technology. The 4G provide speed of services 7 times faster than 3G services. The 4G technology would utilize the frequency band 2300 MHz, which currently occupied by TOT, and the frequency band 1800 MHz which consession period would be expired in September 2013, and currently occupied by DPC company, the subsidiary company of AIS. NBTC expected that they would carry the 1800 MHx frequency band to process the liencse auction in 2014.
- ❖ **Mobile Device Battiles** : The mobile device market trends, especially smart phones and tablets section, would bring out high growth rate, even higher growth rate than PCs and notebooks, and would be the major factor that encourage the increasing of data usage in broadband services, both wire and wireless broadband. Gartner, the technology researcher, predicts that year 2013 mobile phones will be the major devices over PCs due to the popularity of Internet access. Gartner also predicts that year 2015, 80 percent of mobile phones would be smart phones, which would be Windows Phone for 20 percent. And

also predicts that by year 2015 the mobile device market would grow up to 50 percent of laptops. The major devices would apply Android operation system, followed by Apple iOS and the Windows 8 would be ranked the third. Business organizations would provide and support the personnel usage of both PCs and Windows 8 applications that would be appropriated for enterprise applications, rather than for general use.

- ❖ **From Consumerization to Personal Ecosystem** : The trend of provision the personal own smart phones to use for working within organization would be the driven factor for many organization to design their internal IT network policies to encourage the BYOD (Bring-Your-Own-Device) concepts. This concept would encourage the performance of the employees to utilize their own smart phones for works, while they can also manage personal tasks together in the workplace.
- ❖ **Personal Cloud** - Personal Cloud would replace the PC usages. The users can utilize the Personal Cloud to store and backup their personal information, access to various services, and store their personal preference data for digital usages. Users can access their Personal Cloud in anytime, in anywhere, and by any device. Each user's Personal Cloud would be based on various platforms. The important features of Personal Cloud are the cloud storage feature and the synchronization with any device.
- ❖ **Enterprise App Stores** : Gartner states that in 2014 most organizations would allow the employees access and download Mobile Application via the private application stores. These trends would change the role of IT management in the organizations, from the central management concept to be the marketing manager. Furthermore, there would be the trend of conglomerate between Cloud and Mobile solution in the near future.
- ❖ **The Internet of Things (IoT)** : The Internet of Things is referred to the Internet expansion to interconnect with other devices, such as embedded sensors and near field communication (NFC) payments. The concept of "Mobile" would be broaden other than just the mobile phone. These Intelligent Devices will be connected together utilizing various technologies, such as near field communication (NFC), Bluetooth Low Energy (LE) and Wi-Fi. The examples of these devices are the wristwatch displays, healthcare sensors, smart posters, and home entertainment systems. These trends would lead to new business models, such as the Digital Supply Chain or Smart City which the variety of devices can be applied and access various services.
- ❖ **Hybrid IT and Cloud Computing** : Cloud Computing is the technology that gain more popularity and recognition in last year. In 2013, the Cloud Computing concept would acquire and integrate with IT (Hybrid IT). Organizations should develop their Private Cloud and create their own platform to manage Cloud and also manage Services both within and outside the organization. The IT department would provide services as the broker of those services.

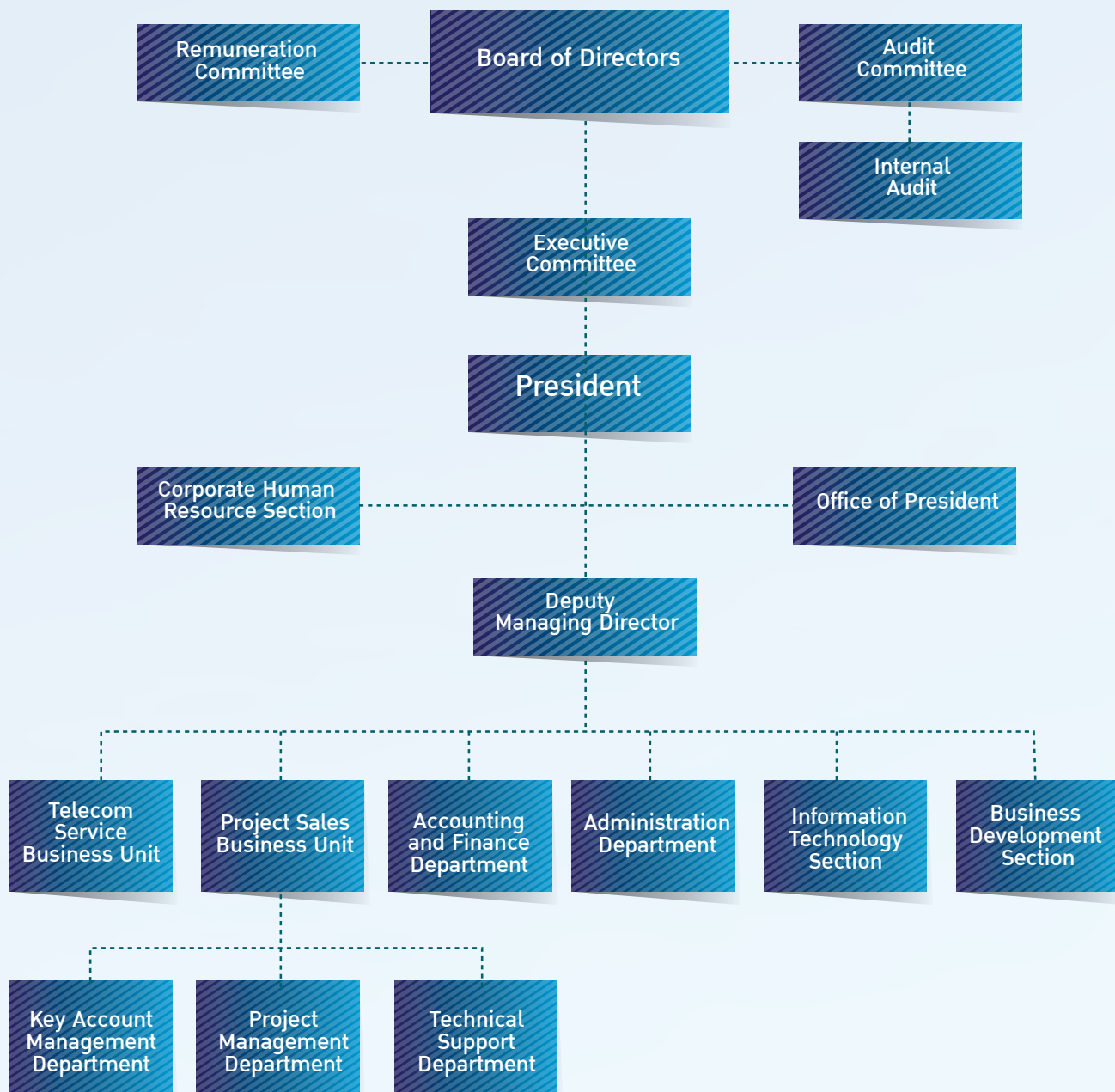
SHAREHOLDING STRUCTURE

List of top 10 major shareholders and shareholding structure as at December 28, 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.	63,918,000	9.05
4.	Mr. Kiet Srichomkwan	18,000,000	2.55
5.	Mr. Wichai Boonsatirapong	12,100,000	1.71
6.	Mrs. Siriporn Sirisuwat	8,890,000	1.27
7.	Mrs. Sunee Wongchotpinthong	6,330,200	0.89
8.	Female Sergeant Pissamai Wongsuprasert	5,800,000	0.82
9.	Thai NVDR Co., Ltd	5,492,100	0.77
10.	Mr. Prin Chirathivat	5,399,300	0.76



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 |

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

The scopes of authority and duties of the Audit Committee were approved and authorized by the Board of Director as the followings.

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

Scopes of Authority and Duties of the Executive Committee

The scopes of authority and duties of the Executive Committee were approved and authorized by the Board of Director as the followings.

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.

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

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

The scopes of authority and duties of the Remuneration Committee were approved and authorized by the Board of Director as the followings.

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 - Outsourcing Business Unit |
| 4. Mr. Wichai Tanjariyaporn | Vice President - Project Sales Business Unit |
| 5. Mrs. Busakorn Jongsaksawat | Vice President - Accounting and Finance Department |

Note : Mr. Prasert Towiwat retired from the Company on December 31, 2012 and the selection of a new executive to fulfill this position is under consideration.

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 2012, the Board of Directors and the executives received money remuneration and other remuneration as follows.

Money Remuneration for the Directors

The Remuneration for the Board of Directors	The Remunerations per Month (Baht) 2012
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
Attendance Remuneration per times	Remuneration Committee 5,000
Gratuity	Yes

Note : On May 9, 2012, the Board of Directors Meeting of the 4/2012 approved the payment of remuneration to three Audit Committees at Baht 100,000 per person, totally Baht 300,000.

Money Remuneration for the Executives

The remunerations for the executives at total of Baht 10.24 million as salary, bonus and provident fund.

RESUME OF DIRECTORS ❖



Mr. Pleumjai Sinarkorn

Position : Director, Executive Committee
and Remuneration Committee

Age (years) : 79 years

Date of Birth : 25 January 1933

First Appointment : 19 February 2004

Number of Years : 8 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)

% of Holding No. of Shares : 50,000

% of Holding ESOP Warrant No. of units : -

Relationship : -

5 Years' Working Experience

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.



Mr. Kriengsak Chalermtiragool

Position : Director and President

Age (years) : 60 Years

Date of Birth : 3 March, 1952

First Appointment : 27 July 2010

Number of Years : 8 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
- ❖ Thai Institutions of Directors Association (IOD)

% of Holding No. of Shares : -

% of Holding ESOP Warrant No. of units : -

Relationship : -

5 Years' Working Experience

2010-Present	Director and President
2510-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 (years) : 57 Year
Date of Birth : 24 October, 1955
First Appointment : 27 July 2010
Number of Years : 2 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.1471/2011,
Thai Institutions of Directors Association (IOD)

% of Holding No. of Shares : 50,000

% of Holding ESOP Warrant No. of units : -

Relationship : -

5 Years' Working Experience : -

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 (years) : 52 Years

Date of Birth : 27 October, 1960

First Appointment : 27 July 2010

Number of Years : 8 years

Education

✦ Bachelor of Arts, Chiang Mai University

% of Holding No. of Shares : -

% of Holding ESOP Warrant No. of units : -

Relationship : -

5 Years' Working Experience : -

2010-Present Director, JTS

2012-Present Director, In Cloud Co., Ltd.

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



Mr. Arporn Kengpol

Position : Independent Director,
Chairman of Audit Committee
and Chairman of Remuneration
Committee

Age (years) : 83 Year

Date of Birth : 1 February 1929

First Appointment : 19 February 2004

Number of Years : 8 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)

% of Holding No. of Shares : -

% of Holding ESOP Warrant No. of units : -

Relationship : -

5 Years' Working Experience

2004-Present	Independent Director, Chairman of Audit Committee and Chairman of Remuneration Committee, JTS
2010-present	Director of University Council, Mahanakorn University of Technology
2010-present	Chairman of the Academic Committee of University Council, Mahanakorn University of Technology
2010-present	Chairman of the committee of Academic Position Assessment, Mahanakorn University of Technology
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,
Member of Audit Committee
and Remuneration Committee

Age (years) : 70 years

Date of Birth : 28 April 1942

First Appointment : 19 February 2004

Number of Years : 8 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)

% of Holding No. of Shares : -

% of Holding ESOP Warrant No. of units : -

Relationship : -

5 Years' Working Experience

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, Banchekij Auditing Co.,Ltd.
1971-present	Auditor C.P.A. (Thailand), Freelance



Mr. Monton Sudprasert

Position : Independent Director and
Member of Audit Committee

Age (years) : 52 years

Date of Birth : 11 July 1960

First Appointment : 19 February 2004

Number of Years : 8 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)

% of Holding No. of Shares : -

% of Holding ESOP Warrant No. of units : -

Relationship : -

5 Years' Working Experience

2004-Present	Independent Director and Audit Committee, JTS
Oct.,2012-Present	Director, Mass Rapid Transit Authority of Thailand
Oct.,2012-Present	Director General, Department of Public Works and Town & Country Planning, Ministry of Interior
2010-2012	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

Name of Directors		JTS	CCS	Associates										
				1	2	3	4	5	6	7	8	9	10	11
1.	Mr. Pleumjai Sinarkorn	/,//	/	/		/				/		/	/	
2.	Mr. Kriengsak Chalermtiragool	/,///	/											
3.	Mrs. Nonglug Pongsrihadulchai	/	/		///			/			/			
4.	Mrs. Nitt Visesphan	/	/	///										/
5.	Mr. Arporn Kengpol	/												
6.	Mr. Annop Suthakavatin	/												
7.	Mr. Monton Sudprasert	/												

Associates Company

1. Jasmine International Pcl.
2. Acumen Co., Ltd.
3. TT&T Pcl.
4. Thai Long Distance Telecommunications Co., Ltd.
5. Triple T Broadband Pcl.
6. Jastel Network Co., Ltd.
7. TT&T Subscriber Services Co., Ltd.
8. Triple T Internet Co., Ltd.
9. Triple T Global Net Co., Ltd.
10. Triple T Telecom Co., Ltd.
11. In Cloud Co., Ltd.

Remarks : X = Chairman
 / = Director
 // = Executive Committee
 /// = Executive

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.
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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 7 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 Parties Transactions defined in the Notification of the SEC. For the year 2012, the transactions were in compliance with the terms and conditions in the contracts made between the Company and its subsidiary on normal business practice (as referred to in Clause 7 of Notes to the Financial Statements for the Year 2012). The Company has reasonably and accordingly carried out the transactions for its own optimum benefits. To This regard, the Audit Committee has reviewed the prices or ratio of such transactions with the Company's officers and internal 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 transactions matter. Details are as follows:-

10.1 In 2012, the Company and its subsidiary 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 2012
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%	- ACU rental public telephone and maintenance test equipment contract	0.72
	2) Has the same director as JAS, namely 1. Mr.Pleumjai Sinarkorn	- The Company provided the supplies and services for respect to the Universal Service Obligation or USO ruled by NBTC to TTTBB	10.81
		- The Company provided the supplies and services for respect to the Universal Service Obligation or USO ruled by NBTC to Jastel Network	1.30
2. Subsidiary, Comprising 1) Cloud Computing Sololutions Co., Ltd.(“CCS”)	1) JTS is a major shareholders of CCS, Holding 97.87%	- Its subsidiary provided the Cloud Infrastructure Service to Acumen	3.31
	2) Has the same directors as JTS, Namely 1. Mr. Pleumjai Sinarkorn 2. Mr.Kriengsak Chalermtiragool	- Its subsidiary sold equipment and development Broadband Customer System (BCS) to TTTBB	24.80
	3. Mrs.Nonglug Pongsrihadulchai 4. Mrs.Nitt Visesphan	- Its subsidiary provided the maintenance service of radius system and the Cloud Infrastructure Service to TTTI	2.57

10.2 In 2012, the Company and its subsidiary transacted the product and equipment procurement, including payment for leases and serviced from related parties as follows :-

[illegible]

Financial Status

and operating results (Management Discussion & Analysis)

Overall Operating Results

In 2012, the Company and its subsidiary have the total revenue of Baht 1,226 million, operating profit of Baht 67 million and net loss of Baht 178 million which the Company has the total revenue of Baht 1,167 million, operating profit of Baht 82 million and net profit of Baht 34 million and its subsidiary has the total revenue of Baht 64 million, operating loss of Baht 16 million and net loss of Baht 214 million.

The Company and its subsidiary have the total revenue of Baht 1,226 million decreasing by Baht 197 million or 13.86% from 2011 and net loss of Baht 178 million increasing by Baht 111 million or 164.17% from 2011 which the most of revenue reduced by telecom systems integration business decreasing by Baht 85 million or 7.18% from 2011 and telecom services business decreasing by Baht 48 million or 80.53% from 2011 due to some projects will recognize the revenue in 2013.

Revenue Structure and Operating Results

Type of Business	(Unit : Million Baht)			
	Consolidated		Changed	% Changed
	2012	2011		
Telecom Systems Integration	1,104.42	1,189.88	(85.46)	(7.18)
Telecom Services Business	11.70	60.10	(48.40)	(80.53)
Computer Systems Integration	63.02	69.71	(6.70)	(9.61)
Total Sales and Services	1,179.13	1,319.69	(140.56)	(10.65)
Other Income	46.61	103.35	(56.74)	(54.90)
Total Revenue	1,225.74	1,423.05	(197.30)	(13.86)
Gross Profit ***	255.81	256.96	(1.15)	(0.45)
Operating Profit	66.72	64.55	2.17	3.35
Net Profit & (Loss)	(178.36)	(67.51)	(110.84)	164.17
Weighted Average Number of Ordinary Shares (million shares)	706.46	705.45	1.01	0.14
Earnings per Share (Baht/Share)	(0.25)	(0.10)	(0.16)	163.80

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

Revenue Structure

In 2012, the Company and its subsidiary have the total revenue of Baht 1,225.74 million decreasing by Baht 197.30 million or 13.86% from 2011. This comprised from sales and services from telecom systems integration of Baht 1,104.42 million or 90.10%, telecom services business of Baht 11.70 million or 0.96%, computer systems integration of Baht 63.02 million or 5.14%, and other revenue of Baht 46.61 million or 3.80%.

The most of totaling of revenue generated from sales and services from telecom systems integration by 93.66% of totaling sales and services.

Operating Results

In 2012, the company and its subsidiary have operating profit of Baht 66.72 million increased by Baht 2.17 from 2011 and net loss of Baht 178.36 million increased from that of the previous year by Baht 110.84 million or 164.17% and would like to report the operating results as detailed below.

For the Company

The operating profit of the Company for the year 2012 of Baht 81.74 million Baht, compared to that of Baht 88.82 million of the year 2011, decreasing by Baht 7.08 million. This was mainly due to the Company set up a provision for potential losses on debt restructuring and impairment losses on investment in TT&T for debt payment received by way of debt-to-equity conversion scheme in accordance with the rehabilitation plan of TT&T of Baht 12.27 million (Such provision was set up based on the difference of TT&T share price that was from 0.13 Baht per share to 0.00 Baht per share.) The provision has covered the entire number of shares from debt-to equity conversion. The Company set up an allowance of Baht 24.68 million Baht for doubtful debt of TT&T and an allowance of Baht 22.58 million for losses on other asset impairment. Hence, the net profit of the year 2012 of the Company of Baht 34.47 million, compared to the net profit of the year 2011 of Baht 30.11 million, increased by Baht 4.36 million or 14.47%

For the Subsidiary

The operating loss of the subsidiary for the year 2012 of Baht 15.73 million, compared to that of Baht 26.39 million of the year 2011, decreased by Baht 10.66 million. This was mainly due to the subsidiary set up a provision for potential losses on debt restructuring and impairment losses on investment in TT&T for debt payment received by way of debt-to-equity conversion scheme in accordance with the rehabilitation plan of TT&T of Baht 31.40 million (Such provision was set up based on the difference of TT&T share price that was from 0.13 Baht per share to 0.00 Baht per share.) The provision has covered the entire number of shares from debt-to equity conversion. The subsidiary set up an allowance of Baht 167.03 million for doubtful debt of TT&T. Hence, the net loss of the year 2012 of the subsidiary was 213.53 million Baht.

Expenses

Items	Consolidated		(Unit : Million Baht)	
	2012	2011	Changed	% Changed
Cost of Sales and Services	923.33	1,062.74	(139.41)	(13.12)
Selling and Service Expenses	25.01	26.76	(1.75)	(6.54)
Administrative Expenses	112.78	132.30	(19.51)	(14.75)
Losses on Debt Restructuring	-	24.71	(24.71)	100.00
Potential Losses on Debt Restructuring	32.75	99.33	(66.58)	(67.03)
Doubtful Debt	191.71	-	191.71	100.00
Loss on Impairment of Investment	10.92	-	10.92	100.00
Loss on Impairment of Asset	22.58	-	22.58	100.00
Total Expenses	1,319.07	1,345.84	(26.77)	(1.99)

Cost of Sales and Services

In 2012, the company and its subsidiary have cost of sales and services amounted to Baht 923.33 million, decreased from that of the previous year by Baht 139.41 million or 13.12% due to decreased of sales and services by Baht 140.56 million.

Selling, Servicing and Administrative Expense

In 2012, the company and its subsidiary have selling and service expense amounted to Baht 138 million decreased from that of the previous year by Baht 21 million or 13.37% due to the company have selling, servicing and administrative expense amounted to Baht 115.66 million, decreased by Baht 18.60 million or 13.85% due to the subsidiary restructured organization and decreased headcount by 55 person to 14 person from 69 person from that of the previous year.

Finance Cost

In 2012, the company and its subsidiary have finance expense of Baht 60 million decreased from that of the previous year by Baht 67 million or 52.55% due to repayment short-term loans and long-terms.

Gain and Loss on Exchange Rate

In 2012, the company and its subsidiary have gain on exchange rate of Baht 12.88 million.

Financial Status

Assets as at 31 December 2012 and 2011

Items	Consolidated		(Unit : Million Baht)	
	31/12/2012	31/12/2011	Changed	% Changed
Current Assets	2,518.92	4,032.57	(1,513.65)	(37.54)
Non-current Assets	180.17	258.22	(78.05)	(30.23)
Accounts receivable under troubled debt restructuring	94.46	138.54	(44.09)	(31.82)
Property, plant and equipment-net	17.34	23.05	(5.71)	(24.76)
Others non-current assets	68.37	96.63	(28.26)	(29.24)
Total Assets	2,699.09	4,290.79	(1,591.70)	(37.10)

As at the end of the fiscal year 2012, the Company and its subsidiary have total assets of Baht 2,699 million decreased by Baht 1,592 million or 37.10%. This is mainly due to the decreasing of account receivable by Baht 1,419 million or 53.05%, decreasing of inventory by Baht 21 million or 31.35%, decreasing of other current assets by Baht 67 million or 63.92%, decreasing of restricted bank deposits by Baht 17 million or 21.18%, decreasing of property, plant and equipment-net by Baht 6 million or 24.76% and accounts receivable under troubled debt restructuring recorded under the rehabilitation plan decreasing by Baht 44.08 million or 31.82% and the company and its subsidiary record potential losses on debt restructuring of Baht 32.75 million (the company only of Baht 1.67 million) and making non-current assets decreasing by Baht 78 million or 30.23%.

Liabilities as at 31 December 2011 and 2010

Items	Consolidated		(Unit : Million Baht)	
	31/12/2012	31/12/2011	Changed	% Changed
Current Liabilities	1,197.31	2,556.51	(1,359.20)	(53.17)
Non-current Liabilities	250.87	265.42	(14.55)	(5.48)
Long-Term Loans-net of current portion	231.74	246.22	(14.48)	(5.88)
Provision for Long-Term Employee Benefits	19.13	19.20	(0.06)	(0.32)
Total Liabilities	1,448.18	2,821.93	(1,373.75)	(48.68)

As at the end of the fiscal year 2012, the company and its subsidiary have total liabilities amount to Baht 1,448 million decreased by Baht 1,374 million or 48.68%. This was mainly due to decreased of current liabilities by Baht 1,359 million, this comprised from short-term bank loans decreased by Baht 5 million, Trust receipts decreased by Baht 151 million, trade and other payables decreased by Baht 1,128 million, accrued project cost decreased by Baht 47 million, current portion of long term loans decreased by Baht 61 million, long term loan decreased by Baht 14 million due to the subsidiary repayment loan to local bank and the accounting standard TAS 19 Employee Benefits the company and its subsidiary record cumulative provision for long-term employee benefits by Baht 19 million.

Shareholders' Equity as at 31 December 2012 and 2011

Items	Consolidated		(Unit : Million Baht)	
	31/12/2012	31/12/2011	Changed	% Changed
Paid up Capital Shares	706.46	706.46	0.00	0.00
Share Premium	420.27	420.27	0.00	0.00
Retained Earnings	123.71	337.10	(213.41)	(63.30)
Legal Reserve	64.91	63.19	1.72	2.73
Un-appropriated	58.80	273.92	(215.13)	(78.54)
Total Shareholders' Equity	1,250.91	1,468.86	(217.95)	(14.84)
Book Valued	1.77	2.08	(0.31)	(14.84)

As at the end of the fiscal year 2012, the Company and its subsidiary have total shareholders' equity amount to Baht 1,251 million decreasing by Baht 218 million or 14.84%. This was mainly due to operating results in year 2012 had net loss of Baht 178 million (for the Company only : net profit of Baht 34.47 million), recorded to adjustment of unrecognized actuarial loss for long-term employee benefits in the retained earnings of Baht 3.57 million and on November 7, 2012 the Board of Directors approved for payment of interim dividend for 2012 of Baht 0.05 per share from retained earnings totaling Baht 35.32 million which paid on December 4, 2012, the Company has legal reserve amount to Baht 1.72 million.

Liquidity

Cash flow

In 2012, the Company and its subsidiary have net cash flow from operating activities amount to Baht 350 million. This was mainly due to receive money from telecom services business amount to Baht 1,254 million, money spent on purchased of equipment for implementation of the projects amount to Baht 1,151 million and net cash flow used in investing activities by Baht 77 million and net cash flow used in financing activities by Baht 267 million due to re-payment of short-term and long-term loans amount to Baht 80 million and dividend paid amount to Baht 35 million. As a result, cash and cash equivalents at the end of year 2012 was amount to Baht 317 million increasing by Baht 9 million of the previous year (excluded restricted bank deposits amount to Baht 64 million).

Liquidity and Capital Structure

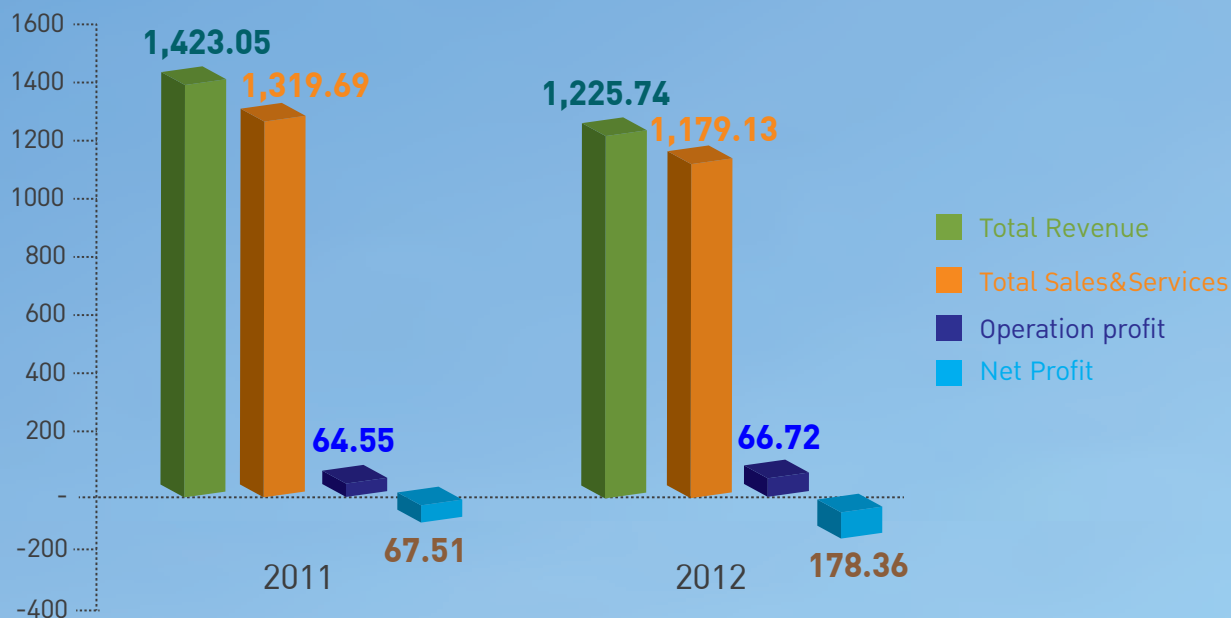
Item	31/12/2012	31/12/2011
<u>Liquidity Ratio</u>		
Current Ratio (times)	2.10	1.58
Quick Ratio (times)	1.95	1.43
<u>Capital Structure</u>		
Debt to Equity (times)	1.16	1.92

As at 31st December 2012 and 2011, the current ratio was 2.10 times and 1.58 times, respectively, and the quick ratio was 1.95 times and 1.43 times, respectively, which was a result of trade account receivable decreased by Baht 1,491 million and current liabilities decreased by Baht 1,359 million

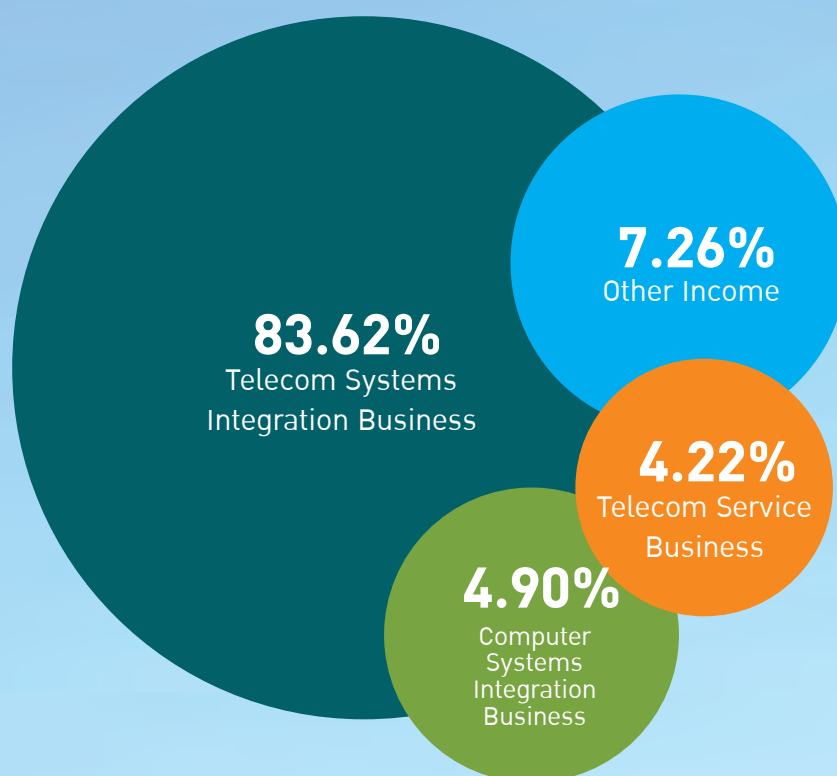
As at 31st December 2012 and 2011, the debt to equity was 1.16 times and 1.92 times, respectively, This was mainly due to of total liabilities decreased by Baht 1,374 million and shareholders' equity decreased by Baht 218 million due to net loss on operating results of Baht 178 million (the company only : net profit of Baht 34.47 million), interim dividend payment totaling Baht 35 million, The capital structure as at 31st December 2012 comprised the total liabilities of Baht 1,448 million and the shareholder's equity of Baht 1,251 million.

Operating Results

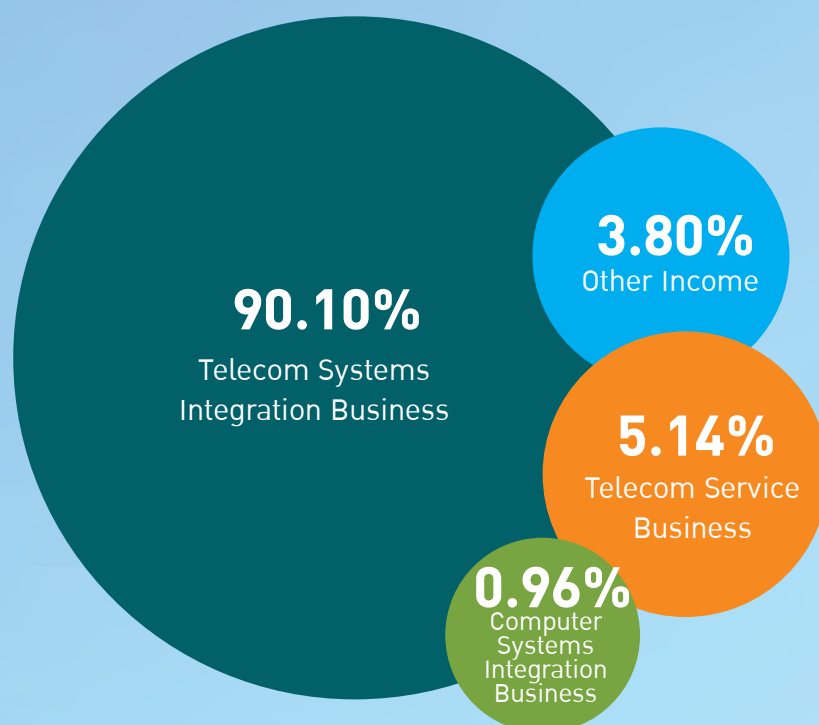
Unit : Million Baht



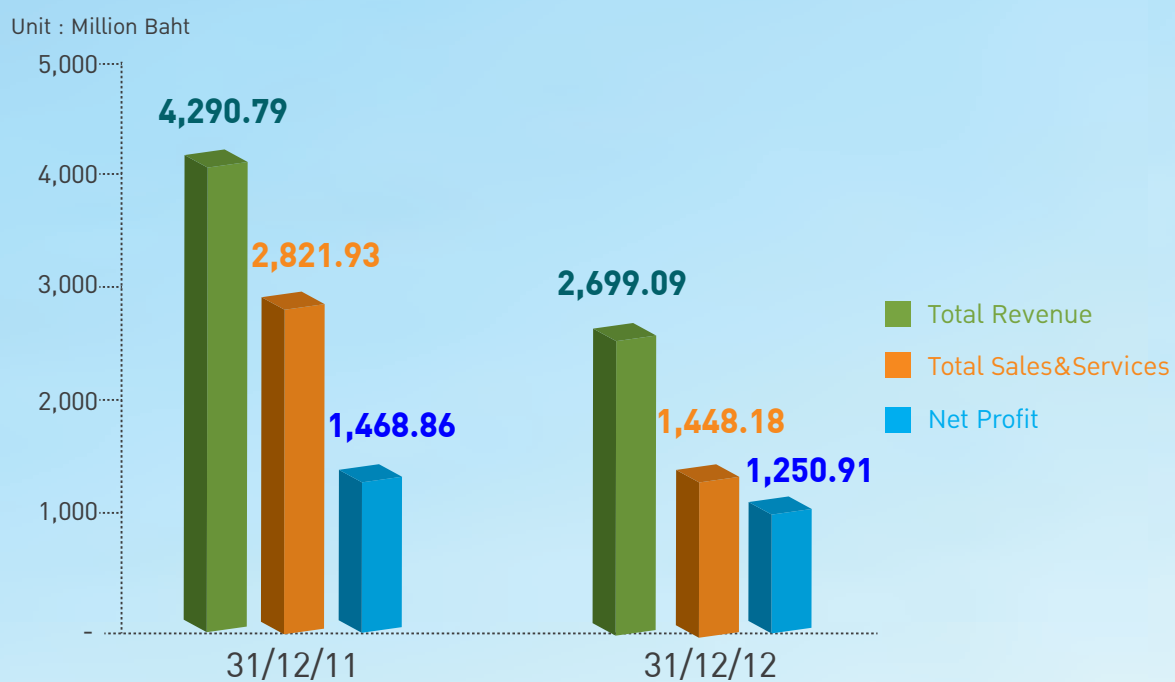
Revenue Structure 2011



Revenue Structure 2012



Financial Status



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. Professor 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”). Mr..Annop Suthakavatin, a member of the Audit Committee, is well versed and well experienced in reviewing the reliability of the financial statements.

In 2012, 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.

❖❖ Accuracy, completeness, and credibility of financial reports

The Audit Committee reviewed the 2012 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.

❖❖ 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.

❖❖ 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.

❖ 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.

❖ 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.

❖ 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.

❖ 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 2013, 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



(Prof. 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.

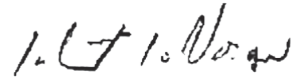
The consolidated financial statement and the Company's financial statement are made in accordance with principles of accounting generally accepted and are reviewed, audited and given financial opinion by the Audit Committee and trustworthy and independent auditor. The Company's internal control has been 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 2012 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 PCL.
And Subsidiary**

Report And financial
For the year ended 31 December 2012

Statement of Financial Positions

Jasmine Telecom Systems Public Company Limited

As at 31 December 2010 to 2012

[Unit : Thousand Baht]

	Separate financial statements				Consolidated financial statements			
	2010		2011		2010		2011	
	Amount	%	Amount	%	Amount	%	Amount	%
ASSETS								
CURRENT ASSETS								
Cash and cash equivalents	758,725	13.71	302,331	7.43	307,694	11.37	768,457	13.00
Current investments - bank deposits	358	0.01	40,868	1.00	140,152	5.18	1,635	0.03
Trade and other receivables	2,079,885	37.58	2,495,563	61.33	1,242,271	45.91	2,304,426	38.98
Unbilled receivables from related parties	0	-	310	0.01	93	0.00	3,227	0.05
Unbilled receivables from unrelated parties	600,681	10.85	616,995	15.16	611,866	22.61	610,856	10.33
Short-term loans to related party	8,000	0.14	45,105	1.11	69,347	2.56	0	-
Inventories	249,661	4.51	59,524	1.46	38,789	1.43	265,609	4.49
Assets held for sale	156,486	2.83	113,183	2.78	88,885	3.29	156,486	2.65
Prepaid project costs	136,178	2.46	83,489	2.05	566	0.02	140,438	2.38
other current assets	91,159	1.65	91,278	2.24	29,328	1.08	103,875	1.76
TOTAL CURRENT ASSETS	4,081,132	73.75	3,848,648	94.58	2,528,990	93.47	4,355,008	73.67
NON-CURRENT ASSETS								
Restricted bank deposits	78,771	1.42	77,926	1.91	60,241	2.23	82,712	1.40
Long-term trade accounted and receivable from related party	1,134,591	20.50	0	-	0	-	1,134,591	19.19
Accounts receivable under troubled debt restructuring	126,834	2.29	33,129	0.81	20,301	0.75	305,269	5.16
Investments in subsidiary	83,899	1.52	83,899	2.06	83,899	3.10	0	-
Other long-term investments	0	-	10,614	0.26	0	-	0	-
Property , plant and equipment	25,458	0.46	11,815	0.29	9,168	0.34	29,466	0.50
Deposits	3,231	0.06	3,265	0.08	3,087	0.11	4,174	0.07
TOTAL NON-CURRENT ASSETS	1,452,784	26.25	220,649	5.42	176,696	6.53	1,556,213	26.33
TOTAL ASSETS	5,533,916	100.00	4,069,297	100.00	2,705,686	100.00	5,911,221	100.00

Statement of Financial Positions (continue)

Jasmine Telecom Systems Public Company Limited

As at 31 December 2010 to 2012

(Unit : Thousand Baht)

	Separate financial statements				Consolidated financial statements			
	2010	2011	2012		2010	2011	2012	
	Amount	%	Amount	%	Amount	%	Amount	%
LIABILITIES AND SHAREHOLDERS' EQUITY								
<u>CURRENT LIABILITIES</u>								
Short-Term bank loans	119,347	2.16	4,827	0.12	0	-	409,023	6.92
Trust receipts	172,439	3.12	237,897	5.85	86,765	3.21	172,439	2.92
Trade and other payables	1,538,005	27.79	1,671,372	41.07	540,233	19.97	1,587,528	26.86
Accrued project cost	534,878	9.67	201,065	4.94	245,956	9.09	683,000	11.55
Current portion of long-term loans	71,006	1.28	60,862	1.50	0	-	71,006	1.20
Income tax payable	0	-	0	-	6,287	0.23	0	-
Advance received for goods and services	339,875	6.14	156,335	3.84	82,709	3.06	340,766	5.76
Other current liabilities	37,253	0.67	23,749	0.58	29,934	1.11	52,423	0.89
TOTAL CURRENT LIABILITIES	2,812,803	50.83	2,356,108	57.90	9,91,884	36.66	3,316,185	56.10
<u>NON-CURRENT LIABILITIES</u>								
Long-term trade accounts payable - unrelated parties	927,092	16.75	0	-	0	-	927,092	15.68
Long-term loans - net of current portion	60,862	1.10	0	-	0	-	60,862	1.03
Provision for long-term employee benefits	0	-	13,376	0.33	18,410	0.68	0	-
TOTAL-NON CURRENT LIABILITIES	987,954	17.85	13,376	0.33	18,410	0.68	987,954	16.71
TOTAL LIABILITIES	3,800,757	68.68	2,369,484	58.23	1,010,294	37.34	2,821,928	65.77
							1,448,181	53.65

Statement of Financial Positions (continue)

Jasmine Telecom Systems Public Company Limited
As at 31 December 2010 to 2012

(Unit : Thousand Baht)

	Separate financial statements				Consolidated financial statements			
	2010	2011	2012		2010	2011	2012	
	Amount	%	Amount	%	Amount	%	Amount	%
SHAREHOLDERS' EQUITY								
Share capital								
Registered	726,250		726,250		726,250		726,250	
Issued and fully paid-up	702,950	12.70	706,457	17.36	706,457	26.11	706,457	11.89
Share subscription received in advance	80	0.00	0	-	0	-	0	-
Share premium	418,812	7.57	420,269	10.33	420,269	15.53	420,269	7.09
Retained earnings								
Appropriated-statutory reserve	61,681	1.11	63,186	1.55	64,910	2.40	63,186	1.04
Unappropriated	549,637	9.93	509,900	12.53	503,756	18.62	273,924	7.04
Other components of shareholders' equity	0	-	0	-	0	-	8,158	0.14
EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY	1,733,159	31.32	1,699,813	41.77	1,695,392	62.66	1,607,980	27.20
Non-controlling interests of the subsidiary	-	-	-	-	-	-	(898)	(0.02)
TOTAL SHAREHOLDERS' EQUITY	1,733,159	31.32	1,699,813	41.77	1,695,392	62.66	1,607,082	27.19
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	5,533,916	100.00	4,069,297	100.00	2,705,686	100.00	5,911,221	100.00

Statement of Comprehensive Income

Jasmine Telecom Systems Public Comp any Limited

For the Year Ended 31 December 2010 to 2012

(Unit : Thousand Baht)

	Separate financial statements				Consolidated financial statements			
	2010	2011	2012		2010	2011	2012	
	Amount	%	Amount	%	Amount	%	Amount	%
PROFIT OR LOSS :								
REVENUES								
Sales and service income	3,320,406	96.28	1,249,980	92.39	1,116,478	95.70	3,456,084	96.41
Exchange gains	-	-	-	-	12,258	1.05	-	-
Other income	128,384	3.72	102,940	7.61	37,964	3.25	128,732	3.59
TOTAL REVENUES	3,448,791	100.00	1,352,920	100.00	1,166,700	100.00	3,584,816	100.00
EXPENSES								
Cost of sales and services	2,998,777	86.95	1,010,448	74.69	885,681	75.91	3,091,157	86.23
Selling and Servicing expenses	23,805	0.69	20,754	1.53	20,801	1.78	28,874	0.81
Administrative expenses	127,517	3.70	113,508	8.39	94,857	8.13	142,550	3.98
Other expenses								
Losses on debt restructuring	-	-	24,136	1.78	0	-	-	-
Potential losses on debt restructuring	99,752	2.89	27,583	2.04	1,658	0.14	223,580	6.24
Doubtful Debt	0	-	0	-	24,681	2.12	0	-
Exchange losses	1,376	0.04	6,989	0.52	0	-	1,149	0.03
Loss on impairment of investment	0	-	0	-	10,614	0.91	-	-
Loss on impairment of asset	17,792	0.52	0	-	22,577	1.94	17,792	0.50
TOTAL EXPENSES	3,269,019	94.79	1,203,418	88.95	1,060,871	90.93	3,505,103	97.78
PROFIT (LOSS) BEFORE FINANCE COST AND INCOME TAX	179,772	5.21	149,502	11.05	105,829	9.07	79,713	2.22
Finance Cost	(155,366)	(4.50)	(107,198)	(7.92)	(41,867)	(3.59)	(172,440)	(4.81)
PROFIT (LOSS) BEFORE INCOME TAX (EXPENSES)	24,406	0.71	42,304	3.13	63,962	5.48	(92,726)	(2.59)
Corporate income tax expense	(10,629)	(0.31)	(12,190)	(0.90)	(29,491)	(2.53)	(10,629)	(0.30)
PROFIT (LOSS) FOR THE YEAR	13,777	0.40	30,114	2.23	34,471	2.95	(103,355)	(2.88)
Non-controlling interests of the subsidiary	0	-	0	-	0	-	(2,495)	(0.07)
NET PROFIT (LOSS) FOR THE YEAR	13,777	0.40	30,114	2.23	34,471	2.95	(100,860)	(2.81)
Basic earnings per share - weight average (at par Baht 1)	0.02		0.04		0.05		(0.14)	
OTHER COMPREHENSIVE INCOME FOR THE YEAR								
Profit (Loss) for the Year	13,777	0.40	30,114	2.23	34,471	2.95	(103,355)	(2.88)
Actuarial gain (loss)	0	0.00	0	0.00	(3,570)	(0.31)	0	0.00
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	13,777	0.40	30,114	2.23	30,901	2.65	(103,355)	(2.88)

Independent Auditor's Report ❖❖

To the Shareholders of Jasmine Telecom Systems Public Company Limited

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

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Basis for Qualified Opinion

As described in Note 24 to the financial statements, the Company has disclosed its financial information by business segment in accordance with Thai 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.

Qualified Opinion

In my opinion, except for non-disclosure of information relating to the operating results by business segment in the financial statements for the year 2012 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 2012, their financial performance, and cash flows for the year then ended in accordance with Thai Financial Reporting Standards.

Emphasis of Matters

I draw attention to the matters as described in Note 8 to the financial statements, the balance of Baht 192 million receivable from an unrelated company which is being disputed, and as described in Note 11 to the financial statements, regarding the balance approximately Baht 94 million (the Company only: Baht 20 million) receivable from this unrelated company under troubled debt restructuring agreement, and as described in Note 27.2 to the financial statements, the submission by this unrelated company of a dispute proposal to the Thai Arbitration Institute asking the subsidiary to pay the money totaling Baht 1,780 million.

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

Other Matter

The consolidated financial statements of Jasmine Telecom Systems Public Company Limited and its subsidiary, and the separate financial statements of Jasmine Telecom Systems Public Company Limited for the year ended 31 December 2011 were audited in accordance with Thai Standards on Auditing by another auditor of our firm who expressed a qualified opinion on those statements and drew attention to the matters similar to the matters as stated in the above emphasis of matters paragraph and the adoption a number of revised and new accounting standards during 2011, under his report dated 27 February 2012.

Khitsada Lerdwana
Certified Public Accountant (Thailand) No. 4958

Ernst & Young Office Limited
Bangkok: 21 February 2013

Statement of financial position

Jasmine Telecom Systems Public Company Limited and its subsidiary

As at 31 December 2012

				(Unit: Baht)	
		Consolidated financial statements		Separate financial statements	
	Note	2012	2011	2012	2011
Assets					
Current assets					
Cash and cash equivalents	6	317,294,341	308,477,333	307,694,366	302,331,391
Current investments - bank deposits		140,303,246	42,756,827	140,151,512	40,868,414
Trade and other receivables	8	1,255,903,056	2,675,223,131	1,242,271,006	2,495,563,203
Unbilled receivables					
Related parties	7	113,797	5,326,330	92,784	310,395
Unrelated parties		622,197,883	623,531,245	611,865,565	616,995,339
Short-term loans to related party	7	-	-	69,347,000	45,105,000
Inventories	9	45,408,365	66,143,816	38,788,722	59,524,174
Assets held for sale	10	88,885,126	113,182,972	88,885,126	113,182,972
Prepaid project costs		11,076,090	93,325,414	566,205	83,489,176
Other current assets		37,736,647	104,602,913	29,327,576	91,278,052
Total current assets		2,518,918,551	4,032,569,981	2,528,989,862	3,848,648,116
Non-current assets					
Restricted bank deposits		64,246,139	81,504,859	60,241,164	77,925,611
Account receivable under troubled debt restructuring	11	94,456,157	138,541,960	20,300,624	33,129,107
Investment in subsidiary	12	-	-	83,899,210	83,899,210
Other long-term investment		-	10,920,717	-	10,614,463
Property, plant and equipment	13	17,340,835	23,048,718	9,167,865	11,815,362
Deposits		4,127,864	4,203,751	3,086,986	3,265,091
Total non-current assets		180,170,995	258,220,005	176,695,849	220,648,844
Total assets		2,699,089,546	4,290,789,986	2,705,685,711	4,069,296,960

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

Statement of financial position (continued)

Jasmine Telecom Systems Public Company Limited and its subsidiary

As at 31 December 2012

		(Unit: Baht)			
		Consolidated financial statements		Separate financial statements	
	Note	2012	2011	2012	2011
Liabilities and shareholders' equity					
Current liabilities					
Short-term bank loans	14	-	4,827,295	-	4,827,295
Trust receipts	15	86,765,306	237,897,352	86,765,306	237,897,352
Trade and other payables	16	574,632,828	1,702,707,991	540,233,214	1,671,372,473
Accrued project cost		392,779,550	345,619,810	245,956,020	201,064,603
Current portion of long-term loans	17	14,484,000	75,345,922	-	60,861,921
Income tax payable		6,286,799	-	6,286,799	-
Advances received for goods and services		82,709,167	156,619,152	82,709,167	156,335,319
Other current liabilities		39,649,195	33,490,397	29,933,660	23,748,774
Total current liabilities		1,197,306,845	2,556,507,919	991,884,166	2,356,107,737
Non-current liabilities					
Long-term loans - net of current portion	17	231,740,205	246,224,205	-	-
Provision for long-term employee benefits	18	19,133,733	19,195,639	8,409,592	13,376,307
Total non-current liabilities		250,873,938	265,419,844	18,409,592	13,376,307
Total liabilities		1,448,180,783	2,821,927,763	1,010,293,758	2,369,484,044

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

Statement of financial position (continued)

Jasmine Telecom Systems Public Company Limited and its subsidiary

As at 31 December 2012

(Unit: Baht)					
		Consolidated financial statements		Separate financial statements	
	Note	2012	2011	2012	2011
Shareholders' equity					
Share capital					
Registered					
706,457,300 ordinary shares of Baht 1 each					
(2011 : 726,250,000 ordinary shares					
of Baht 1 each)					
	19	706,457,300	726,250,000	706,457,300	726,250,000
Issued and fully paid-up					
706,457,300 ordinary shares of Baht 1 each					
		706,457,300	706,457,300	706,457,300	706,457,300
Share premium					
		420,269,078	420,269,078	420,269,078	420,269,078
Retained earnings					
Appropriated-statutory reserve					
	20	64,909,800	63,186,259	64,909,800	63,186,259
Unappropriated					
		58,795,387	273,924,146	503,755,775	509,900,279
Other components of shareholders' equity					
	2.2	8,157,637	8,157,637	-	-
Equity attributable to owners of the Company					
		1,258,589,202	1,471,994,420	1,695,391,953	1,699,812,916
Non-controlling interests of the subsidiary					
		(7,680,439)	(3,132,197)	-	-
Total shareholders' equity					
		1,250,908,763	1,468,862,223	1,695,391,953	1,699,812,916
Total liabilities and shareholders' equity					
		2,699,089,546	4,290,789,986	2,705,685,711	4,069,296,960

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

Statement of comprehensive income ❖❖

Jasmine Telecom Systems Public Company Limited and its subsidiary

For the year ended 31 December 2012

		(Unit: Baht)			
		Consolidated financial statements		Separate financial statements	
	Note	2012	2011	2012	2011
Profit or loss :					
Revenues					
Sales and service income		1,179,133,994	1,319,693,937	1,116,477,810	1,249,980,493
Exchange gains		12,879,142	-	12,257,720	-
Other income		33,729,083	103,351,251	37,964,386	102,939,709
Total revenues		1,225,742,219	1,423,045,188	1,166,699,916	1,352,920,202
Expenses					
Cost of sales and services		923,328,056	1,062,737,351	885,681,353	1,010,447,724
Selling and servicing expenses		25,008,447	26,758,302	20,801,490	20,753,593
Administrative expenses		112,781,103	132,295,056	94,857,097	113,508,216
Other expenses					
Losses on debt restructuring	11	-	24,708,434	-	24,136,321
Potential losses on debt restructuring	11	32,747,271	99,328,427	1,657,772	27,583,427
Doubtful debt	8	191,706,806	-	24,681,483	-
Exchange losses		-	8,029,071	-	6,988,608
Loss on impairment of investment	11	10,920,717	-	10,614,463	-
Loss on impairment of asset	10	22,577,000	-	22,577,000	-
Total expenses		1,319,069,400	1,353,856,641	1,060,870,658	1,203,417,889
Profit (loss) before finance cost and income tax expenses		(93,327,181)	69,188,547	105,829,258	149,502,313
Finance cost		(60,086,572)	(126,638,154)	(41,867,181)	(107,198,039)
Profit (loss) before income tax expenses		(153,413,753)	(57,449,607)	63,962,077	42,304,274
Income tax expenses	22	(29,491,258)	(12,190,118)	(29,491,258)	(12,190,118)
Profit (loss) for the year		(182,905,011)	(69,639,725)	34,470,819	30,114,156
Other comprehensive income for the year					
Actuarial gain (loss)	18	273,726	-	(3,569,607)	-
Total comprehensive income for the year		(182,631,285)	(69,639,725)	30,901,212	30,114,156

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

Statement of comprehensive income

(continued)

Jasmine Telecom Systems Public Company Limited and its subsidiary

For the year ended 31 December 2012

				(Unit: Baht)	
	Note	Consolidated financial statements		Separate financial statements	
		2012	2011	2012	2011
Profit (loss) attributable to :					
Equity holders of the Company		(178,356,769)	(67,514,967)	34,470,819	30,114,156
Non-controlling interests of the subsidiary		(4,548,242)	(2,124,758)		
		<u>(182,905,011)</u>	<u>(69,639,725)</u>		
Total comprehensive income attributable to :					
Equity holders of the Company		(178,083,043)	(67,514,967)	30,901,212	30,114,156
Non-controlling interests of the subsidiary		(4,548,242)	(2,124,758)		
		<u>(182,631,285)</u>	<u>(69,639,725)</u>		
Earnings per share	23				
Basic earnings per share					
Profit (loss) attributable to equity holders of the Company		(0.25)	(0.10)	0.05	0.04
Weighted average number of ordinary shares (shares)		<u>706,457,300</u>	<u>705,448,972</u>	<u>706,457,300</u>	<u>705,448,972</u>

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

Statement of changes in shareholders' equity

Jasmine Telecom Systems Public Company Limited and its subsidiary
For the year ended 31 December 2012

Consolidated financial statements											(Unit : Baht)
Equity attributable to owners of the Company											
Other component of equity											
Difference between the purchase price of investment in subsidiary under common control and its net book value											
Note	Issued and fully paid-up share capital	Share subscription received in advance	Share premium	Retained earnings Appropriated	Unappropriated	Total other components of equity	Total equity attributable to the owners of the Company	Equity attributable to non-controlling interests of the subsidiary	Total share holders' equity		
Balance as at 1 January 2011	702,950,000	80,000	418,811,778	61,680,551	399,183,300	815,7637	8,157,637	1,590,863,266	(1,007,439)	1,589,855,827	
Increase in ordinary shares	3,507,300	(80,000)	1,457,300	-	-	-	-	4,884,600	-	4,884,600	
Dividend paid	26	-	-	-	(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	20	-	-	-	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	
Balance as at 1 January 2012	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	
Dividend paid	26	-	-	-	(35,322,175)	-	-	(35,322,175)	-	(35,322,175)	
Total comprehensive income for the year	-	-	-	-	(178,083,043)	-	-	(178,083,043)	(4,548,242)	(182,631,285)	
Transferred to statutory reserve	20	-	-	-	1,723,541	(1,723,541)	-	-	-	-	
Balance as at 31 December 2012	706,457,300	-	420,269,078	64,909,800	58,795,387	8,157,637	8,157,637	1,258,589,202	(7,680,439)	1,250,908,763	

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

Statement of changes in shareholders' equity (Continued)

Jasmine Telecom Systems Public Company Limited and its subsidiary
For the year ended 31 December 2012

	Note	Separate financial statements					(Unit: Baht)	
		Issued and fully paid-up share capital	Share subscription received in advance	Share premium	Retained earnings			Total Shareholders' equity
					Appropriated	Unappropriated		
Balance as at 1 January 2011		702,950,000	80,000	418,811,778	61,680,551	537,530,310	1,721,052,639	
Increase in ordinary shares		3,507,300	(80,000)	1,457,300	-	-	4,884,600	
Dividend paid	26	-	-	-	-	(56,238,479)	(56,238,479)	
Total comprehensive income for the year		-	-	-	-	30,114,156	30,114,156	
Transferred to statutory reserve	20	-	-	-	1,505,708	(1,505,708)	-	
Balance as at 31 December 2011		706,457,300	-	420,269,078	63,186,259	509,900,279	1,699,812,916	
Balance as at 1 January 2012		706,457,300	-	420,269,078	63,186,259	509,900,279	1,699,812,916	
Dividend paid	26	-	-	-	-	(35,322,175)	(35,322,175)	
Total comprehensive income for the year		-	-	-	-	30,901,212	30,901,212	
Transferred to statutory reserve	20	-	-	-	1,723,541	(1,723,541)	-	
Balance as at 31 December 2012		706,457,300	-	420,269,078	64,909,800	503,755,775	1,695,391,953	

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

Cash flow statement

Jasmine Telecom Systems Public Company Limited and its subsidiary

For the year ended 31 December 2012

		Consolidated financial statements		(Unit: Baht)	
	Note	2012	2011	Separate financial statements	2011
Cash flows from operating activities					
Profit (loss) before tax		(153,413,753)	(57,449,607)	63,962,077	42,304,274
Adjustments to reconcile profit (loss) before tax to net cash provided by (paid from) operating activities:					
Depreciation		9,689,367	11,434,825	6,154,388	9,968,554
Record of doubtful debt		191,706,806	-	24,681,483	-
Losses on debt restructuring		-	24,708,434	-	24,136,321
Potential losses on debt restructuring		32,747,271	99,328,427	1,657,772	27,583,427
Loss on impairment of investment		10,920,717	-	10,614,463	-
Loss on impairment of asset		22,577,000	-	22,577,000	-
Loss (gain) on sales of equipment		(149,254)	37,686	-	59,689
Provision for long-term employee benefits		2,211,820	1,969,940	1,463,678	1,269,631
Unrealised exchange losses (gains)		(593,937)	1,717,221	27,485	436,435
Interest income		(32,963,422)	(101,185,806)	(37,395,655)	(101,965,392)
Interest expenses		57,025,043	124,220,736	38,805,652	105,711,006
Profit from operating activities before changes in operating assets and liabilities		139,757,658	104,781,856	132,548,343	109,503,945
Operating assets (increase) decrease					
Trade and other receivables		1,253,963,923	919,597,170	1,257,310,369	875,428,604
Unbilled receivables		6,545,895	(14,774,588)	5,347,385	(16,925,022)
Short-term loans to related party		-	-	(24,242,000)	(37,105,000)
Inventories		22,470,816	204,405,699	22,470,818	195,077,940
Prepaid project costs		82,249,324	47,112,240	82,922,971	52,688,735
Other current assets		6,290,223	10,087,366	6,579,261	9,877,804
Accounts receivable under troubled debt restructuring		11,338,532	18,223,315	11,170,711	17,952,589
Other assets		75,887	(29,685)	178,105	(34,025)
Operating liabilities increase (decrease)					
Trade and other payables		(1,151,032,576)	(939,582,194)	(1,154,096,672)	(921,393,996)
Accrued project costs		47,159,740	(337,379,861)	44,891,417	(333,813,680)
Advances received for goods and services		(73,909,985)	(184,147,033)	(73,626,152)	(183,539,766)
Other current liabilities		7,112,697	(20,112,587)	6,254,785	(13,480,115)
Other non-current assets		(2,000,000)	-	-	-
Cash from (used in) operating activities		350,022,134	(191,818,302)	317,709,341	(245,761,987)
Cash paid for interest expenses		(32,787,816)	(44,384,826)	(14,563,861)	(27,536,775)
Corporate income tax refund					
(Cash paid for corporate income tax)		35,431,048	(22,073,782)	30,224,157	(19,654,520)
Net cash from (used in) operating activities		352,665,366	(258,276,910)	333,369,637	(292,953,282)

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

Cash flow statement

(Continued)

Jasmine Telecom Systems Public Company Limited and its subsidiary

For the year ended 31 December 2012

		(Unit: Baht)			
		Consolidated financial statements		Separate financial statements	
	Note	2012	2011	2012	2011
Cash flows from investing activities					
Increase in current investments - bank deposits		(97,546,419)	(41,121,414)	(99,283,098)	(40,510,775)
Decrease in restricted bank deposits		17,258,720	1,207,261	17,684,447	845,577
Interest income		6,913,528	5,293,293	9,256,837	5,668,931
Acquistion of equipment		(4,025,640)	(10,033,732)	(3,521,411)	(1,341,268)
Proceeds from sales of equipment		178,891	23,075	-	-
Proceed from sales of assets held for sale		-	43,317,679	-	43,317,679
Net cash from (used in) investing activities		(77,220,920)	(1,313,838)	(75,863,225)	7,980,144
Cash flows from financing activities					
Decrease in short-term bank loans		(4,827,295)	(404,195,848)	(4,827,295)	(114,519,643)
Increase (decrease) in trust receipts		(151,132,046)	65,458,387	(151,132,046)	65,458,387
Cash received from long-term loans		-	289,676,205	-	-
Repayment of long-term loans		(75,345,922)	(99,973,575)	(60,861,921)	(71,005,576)
Dividend paid		(35,322,175)	(56,238,479)	(35,322,175)	(56,238,479)
Proceeds from increase in share capital		-	4,884,600	-	4,884,600
Net cash used in financing activities		(266,627,438)	(200,388,710)	(252,143,437)	(171,420,711)
Net increase (decrease) in cash and cash equivalents		8,817,008	(459,979,458)	5,362,975	(456,393,849)
Cash and cash equivalents at beginning of year		308,477,333	768,456,791	302,331,391	758,725,240
Cash and cash equivalents at end of year		317,294,341	308,477,333	307,694,366	302,331,391

Supplemental disclosure on non-cash transaction

Debt settlement transaction under the rehabilitation plan in 2011 as described in Note 11 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 year ended 31 December 2012

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, telecom service business, and other businesses. The registered office of the Company is at 200 Moo 4, 9th Floor, Jasmine International Tower, Chaengwatana Road, Pakkred, Nonthaburi.

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"), 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, 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 statement of financial position.

The Company purchased investment in the subsidiary company at a price of approximately 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 statement 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. New accounting standards not yet effective

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

Accounting standards:

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

Financial Reporting Standard:

TFRS 8	Operating Segments
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Accounting Standard Interpretations :

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

The Company's management believes that these accounting standards will not have any significant impact on the financial statements for the year when they are initially applied, except for TAS 12 Income Taxes.

TAS 12 Income Taxes

This accounting standard requires an entity to identify temporary differences, which are differences between the carrying amount of an asset or liability in the accounting records and its tax base, and to recognize deferred tax assets and liabilities under the stipulated guidelines. The management of the Company expects the adoption of this accounting standard to have the effect of increasing the Company and its subsidiary's brought-forward retained earnings of the year 2013 by approximately Baht 34 million (the Company only: approximately Baht 34 million).

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

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

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

4. Significant accounting policies

4.1 Revenue recognition

Sales of goods

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.

4.2 Cash and cash equivalents

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

4.3 Trade accounts receivable

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

4.4 Inventories

Inventories are valued at the lower of cost and net realisable value. Cost is determined on the specific identification method.

4.5 Assets held for sale

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

4.6 Investments

- a) Investments in non-marketable equity securities, which the Company classifies as other investments, are stated at cost net of allowance for impairment loss (if any).
- b) Investment in subsidiary is accounted for in the separated financial statements using the cost method net of allowance for impairment loss (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.

4.7 Property, plant and equipment / Depreciation

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

4.8 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.

4.9 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.

4.10 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.

4.11 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 Company and its subsidiary's contributions are recognised as expenses when incurred.

Defined benefit plans

The Company and its subsidiary have obligations in respect of the severance payments they 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.

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

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

4.12 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.

4.13 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.

4.14 Derivatives

Forward exchange contracts

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

4.15 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.

5. Significant accounting judgments and estimates

The preparation of financial statements in conformity with financial reporting standards 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 residual values of the plant and equipment of the Company and its subsidiary and to review estimate useful lives and residual values when there are any changes.

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

6. Cash and cash equivalents

	Consolidated		(Unit: Million Baht)	
	financial statements		Separate	
	2012	2011	2012	2011
Cash	1	1	1	-
Bank deposits	316	221	307	216
Bills of exchange	-	86	-	86
Total	317	308	308	302

7. 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		Separate		Transfer Pricing Policy
	financial statements	financial statements	financial statements	financial statements	
	2012	2011	2012	2011	
<u>Transactions with parent company</u>					
Office rental and service expenses	8	8	8	6	Contract price or at prices normally charged to other customers
<u>Transactions with subsidiary</u>					
(eliminated from the consolidated financial statements)					
Interest income	-	-	5	1	The rates referenced to MLR per annum

					(Unit: Million Baht)
	Consolidated financial statements		Separate financial statements		Transfer Pricing Policy
	2012	2011	2012	2011	
<u>Transactions with related companies</u>					
Sales and service income	44	89	13	61	Contract price or at prices normally charged to other customers or cost plus margin
Interest income	27	94	27	94	The rates referenced to MLR per annum
Cost of sales and services	66	2	66	2	Contract price or at prices normally charged to other customers
Other expenses	7	6	5	4	Contract price or at prices normally charged to other customers

The balances of the accounts as at 31 December 2012 and 2011 between the Company and its subsidiary and those related companies are as follows:

	Consolidated		(Unit: Thousand Baht)	
	financial statements		Separate	
	2012	2011	2012	2011
<u>Trade accounts receivable - related parties (Note 8)</u>				
Related companies				
Jasmine Group	710,554	1,881,183	697,605	1,874,184
Triple T Global Net Co., Ltd.	1,846	1,846	-	-
Total trade accounts receivable - related parties	712,400	1,883,029	697,605	1,874,184
<u>Other receivables - related parties (Note 8)</u>				
Subsidiary	-	-	2,504	213
Related companies				
TT&T Subscriber Services Co., Ltd.	106	106	106	106
Total other receivables - related parties	106	106	2,610	319
<u>Unbilled receivable from related parties</u>				
Related companies				
Jasmine Group	114	5,326	93	310
Total unbilled receivable from related parties	114	5,326	93	310

	Consolidated financial statements		(Unit : Thousand Baht) Separate financial statements	
	2012	2011	2012	2011
<u>Short-term loans to related party</u>				
Subsidiary	-	-	69,347	45,105
Total short-term loan to subsidiary	-	-	69,347	45,105
<u>Trade accounts payable - related parties (Note16)</u>				
Related companies				
Jasmine Group	291	2,280	232	2,161
TT&T Subscriber Services Co., Ltd.	17,703	17,703	17,703	17,703
Total trade accounts payable - related parties	17,994	19,983	17,935	19,864
<u>Other payables - related parties (Note 16)</u>				
Parent company	18,202	17,133	66	100
Related companies				
Jasmine Group	5,169	4,224	276	332
Total other payables - related companies	5,169	4,224	276	332
Total other payables - related parties	23,371	21,357	342	432
<u>Advance received from related parties</u>				
Related companies				
Jasmine Group	3,890	2,281	3,890	1,997
Total advance received from related parties	3,890	2,281	3,890	1,997

During 2012, movements of short-term loans to the subsidiary was as follows:

	(Unit: Million Baht) Separate financial statements		
	Balance as at 31 December 2011	During the year Increase	Balance as at 31 December 2012
Short-term loans to subsidiary	45	24	69

Directors and management's benefits

During the years ended 31 December 2012 and 2011, the Company and its subsidiary had employee benefit expenses payable to their directors and management as below.

	Consolidated financial statements		(Unit: Million Baht) Separate financial statements	
	2012	2011	2012	2011
Short-term employee benefits	17	22	14	12
Post-employment benefits	8	2	1	1
Total	25	24	15	13

Guarantee obligations with the subsidiary

The Company has outstanding guarantee obligations with its subsidiary, as described in Note 27.4 to the financial statements.

8. Trade and other receivables

	Consolidated financial statements		(Unit: Thousand Baht) Separate financial statements	
	2012	2011	2012	2011
Trade receivables - related parties (Note 7)	712,400	1,883,029	697,605	1,874,184
Trade receivables - unrelated parties	599,382	778,498	431,092	607,540
Other receivables - related parties (Note 7)	106	106	2,610	319
Other receivables - unrelated parties	135,722	13,590	135,645	13,520
Total	1,447,610	2,675,223	1,266,952	2,495,563
Less: Allowance for doubtful debts	(191,707)	-	(24,681)	-
Trade and other receivables - net	1,255,903	2,675,223	1,242,271	2,495,563

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

	Consolidated financial statements		(Unit: Thousand Baht) Separate financial statements	
	2012	2011	2012	2011
<u>Trade receivables - related parties</u>				
Aged on the basis of due dates				
Not yet due	5,971	1,193,691	3,621	1,190,972
Past due				
Up to 3 months	6,535	7,495	2,576	3,215
3 - 6 months	10,632	37,702	3,992	37,702
6 - 12 months	9,338	1,549	9,338	1,549
Over 12 months	679,924	642,592	678,078	640,746
Total trade receivables - related parties (Note 7)	712,400	1,883,029	697,605	1,874,184
<u>Trade receivables - unrelated parties</u>				
Aged on the basis of due dates				
Not yet due	277,229	495,480	276,959	491,808
Past due				
Up to 3 months	48,935	91,403	47,945	91,404
3 - 6 months	11,293	1,512	11,293	1,512
6 - 12 months	73,277	-	73,276	-
Over 12 months	188,648	190,103	21,619	22,816
Total	599,382	778,498	431,092	607,540
Less: Allowance for doubtful debts	(179,394)	-	(12,368)	-
Total trade receivable - unrelated parties, net	419,988	778,498	418,724	607,540
Total trade receivable - net	1,132,388	2,661,527	1,116,329	2,481,724
<u>Other receivables - unrelated parties</u>				
Retention receivable as per contract	122,379	-	122,379	-
Accrued interest income	12,313	12,313	12,313	12,313
Others	1,030	1,277	953	1,207
Total	135,722	13,590	135,645	13,520
Less: Allowance for doubtful debts	(12,313)	-	(12,313)	-
Total other receivables - unrelated parties, net	123,409	13,590	123,332	13,520

Included in trade receivables from unrelated parties as at 31 December 2012 and 2011, were amounts receivable from the companies majority-owned by the government as follows:

Age of Receivables	Consolidated financial statements		(Unit: Thousand Baht) Separate financial statements	
	2012	2011	2012	2011
Not yet due	181,617	432,209	181,347	428,538
Past due				
Up to 3 months	36,570	26,277	35,580	26,277
3 - 6 months	-	1,512	-	1,512
6 - 12 months	68,681	-	68,681	-
Over 12 months	8,966	8,966	8,966	8,966
Total	295,834	468,964	294,574	465,293

The Company has assigned its rights to receive payments from certain accounts receivable to banks, to secure credit facilities obtained from those banks.

As at 31 December 2011, the Company and its subsidiary have outstanding balances totaling approximately USD 5 million, as described in Note 27.2 to the financial statements, and Baht 25 million (equivalent to totaling approximately Baht 192 million) receivable from TT&T (the Company only: Baht 25 million), and these are presented under the caption of "Trade and other receivables" in the statement of financial position because the debts were incurred after the date on which the Court ordered TT&T to enter into the rehabilitation process (7 November 2008). They therefore were not considered for settlement under the rehabilitation plan of TT&T. The management of the Company and its subsidiary believe that they can claim the full amount from TT&T. They therefore do not record allowance for doubtful accounts for these balances in their accounts.

However, in 2012, the management of the Company and its subsidiary assessed the ability of TT&T to settle its debt based on consideration of the business plan of TT&T, and concluded that this was uncertain, since TT&T's creditor committee had passed a resolution rejecting the investment budget, and the rehabilitation planner had been unable to find a new investor. For conservative reasons, the management of the Company and its subsidiary therefore recorded allowance for doubtful accounts totaling Baht 192 million and for the Company only totaling Baht 25 million in profit or loss of the year 2012.

9. Inventories

(Unit: Thousand Baht)						
	Consolidated financial statements					
	Cost		Reduce cost to net Realisable value		Inventories-net	
	2012	2011	2012	2011	2012	2011
Finished goods	47,618	68,354	(2,210)	(2,210)	45,408	66,144

(Unit: Thousand Baht)						
	Separate financial statements					
	Cost		Reduce cost to net Realisable value		Inventories-net	
	2012	2011	2012	2011	2012	2011
Finished goods	38,789	59,524	-	-	38,789	59,524

10. Assets held for sale

(Unit: Thousand Baht)	
Uninstalled public Telephones	
Cost	130,975
Less: Allowance for impairment of assets	(17,792)
Net book value as at 1 January 2012	113,183
Transfer out	(1,721)
Recorded allowance for impairment of assets during the year	(22,577)
Net book value as at 31 December 2012	88,885

At the present, the Company is in the process of proposing to sell its uninstalled public telephones to unrelated companies. As at 31 December 2012, the management of JTS assessed the fair value of these uninstalled public telephones and therefore recorded allowance for impairment of assets of these public telephones in amounting to Baht 23 million in profit or loss in the current year.

11. Accounts receivable under troubled debt restructuring

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

In 2011, the Company and its subsidiary categorised in Group 1 and Group 2 creditors received a total of 84 million ordinary shares of TT&T (the Company only: 82 million ordinary shares), par value of Baht 1 each, 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 share as of 22 June 2011 (the last trading day of TT&T's securities in the Stock Exchange of Thailand) of Baht 0.13 each as the basis for recording the transaction. The investments in TT&T ordinary shares are classified as other long-term investments because there are certain restrictions regarding the sale of TT&T shares stipulated in TT&T's rehabilitation plan.

During 2012, TT&T's creditors' committee passed a resolution rejecting the investment budget discussed in Note 8 to the financial statements. The management of the Company and its subsidiary therefore decided to record allowance for impairment of its investment in the ordinary shares of TT&T it received as part of TT&T's debt-to-equity conversion process amounting to Baht 11 million (the Company only: Baht 11 million) in profit or loss for the year 2012, and recorded potential losses on debt restructuring for outstanding balance receivable which will be settled by conversion to shares totaling approximately Baht 33 million (the Company only: Baht 2 million) in the profit or loss for the year 2012.

As at 31 December 2012, the Company and its subsidiary have an outstanding balance totaling approximately Baht 94 million (2011: Baht 106 million) (the Company only: Baht 20 million (2011: Baht 32 million)) that are receivable from TT&T under troubled debt restructuring agreements, and which is to be settled in cash over 4 years in accordance under the rehabilitation plan. The balance is being disputed and being considered by the Central Bankruptcy Court. The management of the Company and its subsidiary believes that the claims approved by the Court will not materially differ from the balance of claims recorded in the Company and its subsidiary's accounts.

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

12. 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.

13. Property, plant and equipment

	Consolidated Financial Statements							(Unit: Thousand Baht)	
	Land	Buildings	Public Telephone	Buildings and leasehold improvement	Furniture, fixtures and office Equipment	Motor vehicles	Assets under installation	total	
Cost									
1 January 2011	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	
Additions	-	-	-	-	4,026	-	-	4,026	
Transfers in (out)	-	-	2	-	(17)	-	-	(15)	
Disposals	-	-	-	-	(1,599)	(1,117)	-	(2,716)	
31 December 2012	2,000	1,239	7,567	16,019	80,015	8,362	-	115,202	
Accumulated depreciation									
1 January 2011	-	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	
Depreciation for the year	-	1	1,513	1,642	6,533	-	-	9,689	
Transfers	-	-	-	-	(1)	-	-	(1)	
Depreciation on disposals	-	-	-	-	(1,570)	(1,116)	-	(2,686)	
31 December 2012	-	1,190	6,100	15,580	66,629	8,362	-	97,861	
Net book value									
31 December 2011	2,000	50	2,978	2,081	15,938	1	-	23,048	
31 December 2012	2,000	49	1,467	439	13,386	-	-	17,341	
Depreciation for the year									
2011 (Baht 4 million included in cost of sales and services, and the balance in selling, servicing and administrative expenses)								11,435	
2012 (Baht 4 million included in cost of sales and services, and the balance in selling, servicing and administrative expenses)								9,690	

	Separate financial statement						(Unit : Thousand Baht)
	Public telephone	Leasehold improvement	Furniture, fixtures and office equipment	Motor vehicles	Asset under installation	Total	
Cost							
1 January 2011	18,055	12,258	47,155	9,320	-	86,788	
Additions	-	-	1,341	-	-	1,341	
Transfers out	(10,490)	-	-	-	-	(10,490)	
Disposals	-	(128)	(301)	(502)	-	(931)	
31 December 2011	7,565	12,130	48,195	8,818	-	76,708	
Additions	-	-	3,521	-	-	3,521	
Transfers in (out)	2	-	(17)	-	-	(15)	
Disposals	-	-	-	(952)	-	(952)	
31 December 2012	7,567	12,130	51,699	7,866	-	79,262	
Accumulated depreciation							
1 January 2011	7,266	8,397	37,027	8,639	-	61,329	
Depreciation for the year	2,855	2,266	4,202	645	-	9,968	
Transfer	(5,534)	-	-	-	-	(5,534)	
Depreciation on disposals	-	(126)	(278)	(466)	-	(870)	
31 December 2011	4,587	10,537	40,951	8,818	-	64,893	
Depreciation for the year	1,513	1,488	3,153	-	-	6,154	
Transfer	-	-	(1)	-	-	(1)	
Depreciation on disposals	-	-	-	(952)	-	(952)	
31 December 2012	6,100	12,025	44,103	7,866	-	70,094	
Net book value							
31 December 2011	2,978	1,593	7,244	-	-	11,815	
31 December 2012	1,467	105	7,596	-	-	9,168	
Depreciation for the year							
2011 (Baht 3 million included in cost of sales and services, and the balance in selling, servicing and administrative expenses)						9,968	
2012 (Baht 2 million included in cost of sales and services, and the balance in selling, servicing and administrative expenses)						6,154	

As at 31 December 2012, 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 Baht 80 million (2011: Baht 57 million) (The Company only: Baht 56 million (2011: Baht 35 million)).

14. Short-term bank loans

The Company's short-term bank loans carry interest at the rate referenced to MLR per annum and are secured by the assignment of rights to receive payments from certain accounts receivable, as described in Note 8 to the financial statements.

15. 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 8 to the financial statements.

16. Trade and other payables

	Consolidated		(Unit: Thousand Baht)	
	financial	statements	financial	statements
	2012	2011	2012	2011
Trade payables - related parties (Note 7)	17,994	19,983	17,935	19,864
Trade payables - unrelated parties	522,539	1,657,364	511,864	1,647,732
Other payables - related parties (Note 7)	23,371	21,357	342	432
Other payables - unrelated parties	10,729	4,004	10,092	3,345
Total trade and other payables	574,633	1,702,708	540,233	1,671,373

17. Long-term loans

	Consolidated		(Unit: Thousand Baht)	
	financial	statements	financial	statements
	2012	2011	2012	2011
Long-term loans	246,224	321,570	-	60,862
Less: Current portion	(14,484)	(75,346)	-	(60,862)
Long-term loans - netof current portion	231,740	246,224	-	-

The subsidiary's 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.

In 2012, the Company has fully repaid all outstanding balance of its long-term loan.

18. Provision for long-term employee benefits

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

	Consolidated		(Unit: Thousand Baht)	
	financial	statements	financial	statements
	2012	2011	2012	2011
Defined benefit obligation at beginning of year	19,196	17,226	13,376	12,107
Current service cost	1,444	1,440	929	944
Interest cost	768	686	535	481
Benefits paid during the year	(2,000)	(156)	-	(156)
Defined benefit obligation at end of year	19,408	19,196	14,840	13,376
Unrecognised actuarial (gain) loss	(274)	-	3,570	-
Provisions for long-term employee benefits at end of year	19,134	19,196	18,410	13,376

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

	Consolidated		(Unit: Thousand Baht)	
	financial	statements	financial	statements
	2012	2011	2012	2011
Current service cost	1,444	1,440	929	944
Interest cost	768	686	535	481
Total expense recognised in profit or loss	2,212	2,126	1,464	1,425
Line items under which such expenses are included in profit or loss				
Administrative expenses	2,212	2,126	1,464	1,425

Total actuarial gains recognised in the other comprehensive income of the Company and its subsidiary as at 31 December 2012 amounted to Baht 0.3 million (The Company only: losses of Baht 3.5 million)

Principal actuarial assumptions at the valuation date were as follows:

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

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

	(Unit: Thousand Baht)			
	Defined benefit obligation		Experience adjustments arising on the plan liabilities	
	Consolidated financial statements	Separate financial statements	Consolidated financial statements	Separate financial statements
Year 2012	19,134	18,410	(1,360)	2,548
Year 2011	19,196	13,376	-	-
Year 2010	17,226	12,107	-	-

19. Registered share capital

The Annual General Meeting of shareholders held on 25 April 2012, the Company's shareholders approved the reduction of its registered share capital from Baht 726,250,000 (726,250,000 ordinary shares at a par value of Baht 1 each) to Baht 706,457,300 (706,457,300 ordinary shares at a par value of Baht 1 each) by canceling 19,792,700 ordinary authorised but unissued shares with a par value of Baht 1 each, a total of Baht 19,792,700, previously reserved to accommodate the exercise of ESOP warrants scheme, following the expiration of the said warrants. The Company registered the reduction of registered share capital with the Ministry of Commerce on 8 May 2012.

20. 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.

21. Expenses by nature

Significant expenses by nature are as follows:

	Consolidated		(Unit : Million Baht)	
	financial statements		Separate	
	2012	2011	2012	2011
Subcontracting expenses	803	948	803	948
Salary and wages and other employee benefits	93	107	76	68
Inventories used	61	62	61	47
Depreciation	10	11	6	10
Rental expenses from operating lease agreements	8	9	6	6
Losses on debt restructuring	-	25	-	24
Potential losses on debt restructuring	33	99	2	28
Doubtful debt	192	-	25	-
Loss on impairment of investment	11	-	11	-
Loss on impairment of asset	23	-	23	-

22. Corporate income tax

The subsidiary is not liable to corporate income tax for the years 2012 and 2011 due to tax loss brought forward.

23. Earnings per share

Basic 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.

24. Segment information

The Company and its subsidiary's business operations involve three principal segments: (1) Design and installation of telecommunication systems (2) Telecom service business and (3) Other segments. These operations are mainly carried on in Thailand. Below is the consolidated financial information for the years ended 31 December 2012 and 2011 of the Company and its subsidiary by segment.

	Design and installation of Telecommunication systems segment		telecm service business segment		Other segments		(Unit: Million Baht)	
	2555	2554	2555	2554	2555	2554	2555	2554
Revenue from external customers	1,129	1,235	12	60	38	25	1,179	1,320
Trade accounts receivable	1,132	2,662	-	-	-	-	1,132	2,662
Inventories	36	60	9	6	-	-	45	66
Property, plant and equipment	-	-	1	3	-	-	1	3
Unallocated assets							1,521	1,560
Total assets							2,699	4,291

The Company disclosed its financial information by business segment in accordance with Thai 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.

25. 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 Company Limited, will be paid to employees upon termination in accordance with the fund rules. During the year 2012, the Company and its subsidiary contributed Baht 5 million, and the Company only contributed Baht 4 million, to the fund (2011: Baht 5 million and Baht 3 million, respectively).

26. Dividends

Dividends	Approved by	Total Dividends (Million Baht)	Dividends per share (Baht)
Final dividends for the year 2010	Annual General Meeting of the shareholders on 28 April 2011	56	0.08
Interim dividends for 2012	Board of Directors' meeting on 7 November 2012	35	0.05

27. Commitments and contingent liabilities

27.1 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 2012, future minimum lease payments required under these non-cancellable operating leases contracts were as follows.

	Consolidated financial statements	Separate Payable financial statements
(Unit: Million Baht)		
Payable:		
In up to 1 year	5	3

27.2 Disputes

The subsidiary has an outstanding balance receivable from TT&T amounting to approximately USD 5 million (as at 31 December 2012 equivalent to approximately Baht 167 million (2011: Baht 167 million)). This balance is being disputed with TT&T. In 2011, TT&T submitted a dispute proposal to the Thai Arbitration Institute asking the subsidiary to pay a total of Baht 1,780 million, together with interest at the rate of 7.5% per annum from the date of the submission of the dispute until the subsidiary effects whole performance. However, the management of the subsidiary believes that the subsidiary did not breach the agreement and will not have to pay such amount to TT&T. In February 2012, the subsidiary filed an objection against the aforementioned dispute proposal of TT&T with the Thai Arbitration Institute, seeking to revoke the

dispute proposal of TT&T and asking the Thai Arbitration Institute to order TT&T to pay a total of Baht 528 million, together with interest at the rate of 7.5% per annum from the next date after the submission of the objection until TT&T effects whole performance. Subsequently, in July 2012, TT&T filed an answer to the subsidiary's objection with the Thai Arbitration Institute, asking the Thai Arbitration Institute to reject the subsidiary's objection that proposed TT&T be ordered to pay a total of Baht 528 million, together with interest. Currently, both parties have already appointed arbitrators and they are waiting for the arbitrators to contact them about scheduling.

27.3 Litigation

The subsidiary has been sued for approximately Baht 9 million in respect of a breach of a purchase and sale contract. The case is under consideration by the court. However, the Company and its subsidiary's management believe the subsidiary will not suffer any losses as a result of this case.

27.4 Guarantees

- (a) The Company had obligations in respect of its guarantee of the long-term loan facilities with a local bank of its subsidiary totaling Baht 290 million, as described in Note 17 to the financial statements.
- (b) As at 31 December 2012, there were outstanding bank guarantees of Baht 846 million (2011: Baht 1,028 million) issued by banks on behalf of the Company and its subsidiary, with Baht 808 million (2011: Baht 978 million) attributed to the Company, in respect of certain bid bonds and warranty bonds as required in the normal course of business of the Company and its subsidiary.

28. Financial instruments

28.1 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, loan providing, 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

The Company and its subsidiary's exposure to interest rate risk relates primarily to its deposits with financial institutions, short-term loans and long-term loans. Most of the Company and its subsidiary's 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's exposure to foreign currency risk arise mainly from trading and services transactions that are denominated in foreign currencies. The Company and its subsidiary seek to reduce this risk by entering into forward exchange contracts when they considers appropriate. Generally, the forward contracts mature within one year.

The balances of financial assets and liabilities of the Company and its subsidiary denominated in foreign currencies are summarised below.

Foreign currency	Consolidated finance statements				Average exchange rate	
	Financial assets as at 31 December		Financial liabilities as at 31 December		as at 31 December	
	2012 (Million)	2011 (Million)	2012 (Million)	2011 (Million)	2012 (Baht per 1 foreign currency unit)	2011
US dollar	0.4	31.8	1.0	33.2	30.63	31.64
Euro	-	-	0.1	-	40.56	-

Foreign currency	Separate finance statements				Average exchange rate	
	Financial assets as at 31 December		Financial liabilities as at 31 December		as at 31 December	
	2012 (Million)	2011 (Million)	2012 (Million)	2011 (Million)	2012 (Baht per 1 foreign currency unit)	2011
US dollar	0.1	31.5	0.2	32.4	30.63	31.64
Euro	-	-	0.1	-	40.56	-

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

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

As at 31 December 2011			
Foreign currency	Bought amount	Contractual exchange rate Bought	Contractual maturity date
	(Million)	(Baht Per 1 foreign currency unit)	
US dollar	0.7	31.54	29 June 2012
Euro	0.3	44.81	27 June 2012

28.2 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.

29. 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 2012, the Group's debt to equity ratio was 1.16:1 (2011: 1.92:1) and the Company was 0.60:1 (2011: 1.39:1).

30. Event after the reporting period

On 21 February 2013, the Company's Board of Directors meeting No. 1/2556 approved for payment of a final dividend of Baht 0.10 per share from 2012 retained earnings. However, during 2012 the Company had already paid an interim dividend of Baht 0.05 per share to its shareholders. Hence, the balance of the dividend to be paid to the shareholders amounted to Baht 0.05 per share, or a total of approximately Baht 35 million.

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

31. Approval of financial statements

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



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