



THE WAY FOR BETTER COMMUNICATION LIFE

รายงานประจำปี ANNUAL REPORT

2556 2013





THE WAY FOR
BETTER COMMUNICATION
LIFE



Contents

04

Financial Summary

05

General and Other Important
Information

06

Message from the Board of
Directors

08

Board of Directors

15

Policy and Overview

19

Business of the Company
and Subsidiary

23

Risk Factors

24

Shareholders

24

Dividend Policy

25

Management Structure

30

Corporate Governance

41

Corporate Social
Responsibilities

42

Internal Control and Risk
Management

47

Connected Transactions

50

Financial Highlight

56

Management Discussion and
Analysis (MD&A)

64

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

65

Report of Independent Auditor

68

Financial Statements

77

Notes to Consolidated Financial
Statement



CONNECTING THE WORLD

FTTX

Digital TV

3G & 4G





MSAN

Cloud Computing

Contents

Security

WiFi

MAKE L I F E CONNECTED

Financial Summary

Operating Results (' 000 Baht)

	2011	2012	2013
Sales and Services Income	1,319.69	1,179.13	311.20
Total Revenue	1,423.05	1,225.74	348.82
Cost of Sales and Services and Selling, Servicing and Administrative	1,221.79	1,061.12	301.98
Gross Profit*	256.96	255.81	139.73
Operating Profit	64.55	66.72	1.19
Net Profit (Loss)	(67.52)	(173.55)	12.01
Total Assets	4,290.79	2,710.85	1,991.19
Total Liabilities	2,821.93	1,448.18	751.70
Shareholders' Equity	1,468.86	1,262.67	1,239.49

Financial Ratio

	2011	2012	2013
Current Ratio (times)	1.58	2.10	3.22
Debt to Equity (times)	1.92	1.15	0.61
Return on Assets (%)	(1.32%)	(4.96%)	0.51%
Return on Equity (%)	(4.39%)	(12.71%)	0.96%

Per Share Data (Baht)

	2011	2012	2013
Earnings (Loss) per share	(0.10)	(0.25)	0.02
Weighted Average Number of Ordinary Shares (shares)	705,448,972	706,457,300	706,457,300
Book Value	2.08	1.79	1.75
Par Value	1.00	1.00	1.00
Paid-up Ordinary Shares (shares)	706,457,300	706,457,300	706,457,300

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

General and other important Information

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)-021008300 Fax. (66)-025023363
Home Page : <http://www.jts.co.th>
Nature of Business : Information & Communication Technology

Total Amount and Type of issued share at December 31, 2013

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

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
Shareholding in Subsidiary : The Company holds 538,264 ordinary shares equal to investment of 83.90 million baht or 97.87 percent of total shares.

Reference Persons

Registrar : Thailand Securities Depository Co., Ltd.
62, 7th Floor, the Stock Exchange of Thailand Building, Ratchadapisek Road,
Klongtoey Sub-district, Klongtoey District, Bangkok 10110
Tel.0-2229-2888 Fax 0-2654-5642
www.tsd.co.th
Auditor : Mr. Khitsada Lerdwana, Certified Public Accountant (Thailand) No. 4958 or
Mr. Narong Puntawong Certified Public Accountant (Thailand) No. 3315 or
Ms.Thipawan Nananuwat, Certified Public Accountant (Thailand) No. 3459
Ernst & Young Office Limited which was changed the company registered
name to EY Office Limited on February 12th, 2014
193/136-137, 33rd Floor, Lake Rajada Office Complex,
New Rajadapisek Road, Bangkok 10110
Tel. 0-2264-0777 Fax 0-2264-0789-90
www.ey.com
Legal Advisor : Hunton & Williams (Thailand) Limited.
1, 34th Floor, Q House Lumpini Building, South Sathorn Road,
Thungmahamek Sub-district, Sathorn District, Bangkok 10120
Tel. 0-2545-8800 Fax 0-2545-8880
www.hunton.com

Other Important Information :

-None-

Interested investors may study more information of the issuer from JTS Annual Registration Statement (Form 56-1) disclosed on www.sec.or.th. or www.jts.co.th

Message from the Board of Directors

Dear Shareholders,

During the past year, government spending on investment projects has been either delayed or significantly curtailed due to unfavorable political situation. This has inevitably affected Jasmine Telecom Systems Public Company Limited ("The Company"), which saw its revenue reduced by a large sum. However, the Company has been seeking new opportunities and technological solutions, and has gotten into more business in private sectors, to adapt to industry changes, competition, and new opportunities. For instances, the Company has joined the infrastructure construction work for a telecom operator who was granted the 2.1 GHz bandwidth license to make up for the decrease of income from government sector. Furthermore, the Company is also expanding its business to generate income from

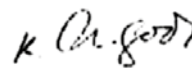
changing technologies and new services. The Company and its subsidiary have entered the service provider sector and are starting to see revenue growth in this area.

The Company continues our commitment and effort with confidence to enter the service provider sector, with our potential and competitiveness, in line with the changing industry, together with corporate social responsibility policy, for the benefit of all stakeholders.



(Mr. Pleumjai Sinarkorn)

Director



(Mr. Kriengsak Chalermtiragool)

Director



An aerial night view of a city skyline, likely New York City, with numerous skyscrapers illuminated. A network of blue dots and lines is overlaid on the image, centered around the text. The text "MAKE LIFE CONNECTED" is written in white, with the letter "I" in "LIFE" highlighted in blue.

MAKE
LIFE
CONNECTED

Board of Directors



MR. PLEUMJAI SINARKORN

(DIRECTOR, EXECUTIVE COMMITTEE AND
REMUNERATION COMMITTEE)

Age

- 80 years (25 January 1933)

Education

- MMP Chulalongkorn University
- Bachelor of Electrical Engineering, Rajamongkol University
- Directors Certification Program (DCP) Class No. 41/2004, Thai Institutions of Directors Association (IOD)
- Role of The Compensation Committee (RCC), Thai Institutions of Directors Association (IOD)
- DCP Refresher Course, Thai Institutions of Directors Association (IOD)

Shareholder (shares)

50,000

ESOP warrant (units)

-

Relationship

-

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.

2007-2009

Advisor, Thai Long Distance Telecommunications Co., Ltd.

1998-2006

Advisor, to Executive Committee, Jasmine International Pcl.

1994-Present

Director, TT& T Pcl.

MR. KRIENGSACK CHALERMTIRAGOO

(DIRECTOR AND PRESIDENT)

Age

- 61 Years (3 March. 1952)

Education

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

Shareholder (shares)

-

ESOP warrant (units)

-

Relationship

-

Working Experience

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





MRS. NONLUG PONGSRIHADULCHAI

(DIRECTOR AND COMPANY SECRETARY)

Age

- 58 Years (24 October. 1955)

Education

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

Shareholder (shares)

-

ESOP warrant (units)

-

Relationship

-

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

(DIRECTOR)

Age

- 53 Years (27 October. 1960)

Education

- Master Business Administration (MBA) (Public Management),
Burapha University
- Bachelor of Arts, Chiang Mai University

Shareholder (shares)

-

ESOP warrant (units)

-

Relationship

-

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

1982-1987

Teacher, Assumption Commercial College





MR. ANNOP SUTHAKAVATIN

(INDEPENDENT DIRECTOR, MEMBER OF AUDIT COMMITTEE
AND REMUNERATION COMMITTEE)

Age

- 71 years(28 April 1942)

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, Thai Institute of Directors Association (IOD)
- MFR, MIR and MIA, Thai Institute of Directors Association (IOD)
- National Defence Collage (Government and Private Sector 388)

Shareholder (shares)

-

ESOP warrant (units)

-

Relationship

-

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.

2003-2010

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. RAKS UNAHABHOKHA

(INDEPENDENT DIRECTOR AND MEMBER OF AUDIT COMMITTEE)

Age

- 74 years (29 April 1939)

Education

- Ph.D. in Chemical Engineering, University College London, U.K.
- Bachelor of Engineering (Honours) in Industrial Engineering, Chulalongkorn University
- Director Certification Program (DCP) Thai Institute of Directors Association (IOD)
- Audit Committee Program (ACP), Thai Institute of Directors Association (IOD)
- Effective Audit Committee, Thai Institute of Directors Association (IOD)
- Chartered Director Class, Thai Institute of Directors Association (IOD)

Shareholder (shares)

-

ESOP warrant (units)

-

Relationship

-

Working Experience

2013-present	Independent Director and Audit Committee, JTS
2002-present	Vice Chairman, Assumption College Alumni
2002-2009	Independent Director and Chairman of the Audit Committee, TT&T Public Company Limited
2002-2003	Board Member of the Trade Competition Commission, Ministry of Commerce
2001-2002	Director, Thai Maritime Navigation Co., Ltd.
2000-2008	Advisor, British-Thai Synthetic Textile Co., Ltd.
1999-2002	Head of the consulting team advising SME, Ministry of Industry
1992-present	Board Member, Assumption College Parents and Teachers Association
1988-1999	Managing Director, Rubia Industries Ltd.
1984-1987	Deputy Managing Director, Betagro Group
1978-1983	Director of Operation, Johnson and Johnson (Thailand) Ltd.



Name of Directors	JTS	CCS	1	2	3	4	5	6
1. Mr. Pleumjai Sinarkorn	I,II	I	I		I			
2. Mr. Kriengsak Chalermtiragool	I,III	I						
3. Mrs. Nonglug Pongsrihadulchai	I	I		III		I	I	
4. Mrs. Nitt Visesphan	I	I	III					I
5. Mr. Annop Suthakavatin	I							
6. Mr. Raks Unahabhokha	I							

Associates Company

1. Jasmine International Pcl.
2. Acumen Co., Ltd.
3. TT&T Pcl.
4. Triple T Broadband Pcl.
5. Triple T Internet Co., Ltd.
6. In Cloud Co., Ltd.

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

Policy and Overview

Policy and Overall Business Operations

Jasmine Telecom Systems PCL (“JTS” or “Company”) is a company under Jasmine International PCL Group. JTS does businesses in Telecommunication and ICT area by focusing on designing and implementation of telecommunications and information technology services as a system integrator. The Company sells equipment and provides relevant services. Besides, the Company is a dealer in metering tools from abroad; and also does service businesses regarding the nationwide provision of basic telecommunication services and social services (Universal Service Obligation: USO). Additionally, the Company has also initiated new businesses, namely Hosted Contact Center business with the trademark “EasyConnect”, Computer Systems Design, Supply business, Cloud Computing business, and also Mobile Virtual Network Operator business (MVNO).

Vision, Objective, Goal, and Company Strategy

The Company and its subsidiary aim to be leading companies in system integrating business since they have strong experiences and specialization in telecommunication and ICT systems. JTS has many business alliances including renowned manufacturers and domestic leading network providers, making the Company and its subsidiary full with capacity to provide complete system integrating services (Total Solution) to their clients.

The technologies and solutions, that the Company focuses on are Broadband Solutions which conforms to the National Broadband Policy - the main factor driving Thailand's ICT industry. The Company also concentrates on other solutions including new

applications development for using on broadband services, Multi-Service Access Node (MSAN) - the innovative technology of telephone exchange being able to provide both telephone and broadband internet services simultaneously, which helps reduce a telecom operator's operation costs; hi-speed internet through optical fiber (FTTx), which enhances a service provider's capacity and well serves household customers' need of higher bandwidth. The Company also provides services regarding 3G and LTE (Long Term Evolution) technologies since all the license holders must follow the conditions set by the National Broadcasting and Telecommunication Commission (NBTC) and need to effectively respond to fierce competition in the market; their inside-building and outside-building wireless access networks need to be redesigned, improved, installed and tested by professional technicians using high-standard testing tools. Moreover, the Company has already studied about Digital TV-related technologies, and prepared for incoming relevant business opportunity, which results from the launch of such service.

Additionally, rather than System Integrating businesses, the Company and its subsidiary have also expanded their range of business by moving into service providing area. The Company utilizes Cloud Computing Technology, which is a ICT technology that shares hardware, software and applications in form of Software as a Service (SaaS) or Infrastructure as a Service (IaaS) through internet network services. The technology helps facilitate the maintenance of equipments and computer systems, save the cost of investment, and reduce power and resource consumption as well.

As already mentioned, the Company has started providing Hosted Contact Center service through online channel under the trademark “Easy Connect”, and will launch the Automatic Payment Machine service (APM) to

offer mobile top-up service for 3 major operators that are AIS, DTAC and TRUEMOVE to public shortly. In addition, the Company has also prepared to provide a differentiated mobile service under the form of MVNO (Mobile Virtual Network Operator), which is a wireless communications services provider that does not own the wireless network infrastructure. Besides, the Company has also studied about Digital TV services and relevant technologies so as to expand its business into such area in form of applying communication technologies to enhance and support the Digital TV services.

Accordingly, the Company and its subsidiary have a strong confidence that their operations and their consistent development to be a service provider will create new models of business to their portfolio, make the difference, and increase their competency to be ready for the continuous alteration and fast growth in the industry, while also keeping their customers' satisfaction at high level.

(Vision) : Jasmine Telecom Systems Public Company Limited (JTS) aims at developing its business to achieve leadership in communications and information technology of the country, as well as appreciation from customers, manufacturers, shareholders and even business rivals. The Company is intent upon introducing innovations and utilizing new technologies to serve its customers' needs. In addition, its personnel of all levels will put emphasis on developing close relationship with the customers, endeavoring to penetrate to detect their demand, and providing them solely with excellent services. All in all, the Company will be the place with unlimited chances opened for its staff to grow and develop their own expertise up to their maximum potentiality.

(Mission) : Jasmine Telecom Systems Public Company Limited will operate communications and information technology business, mainly as system integrator, outsourcer, solution & service provider and telecommunications-equipment distributor to serve the needs of telecom service providers, both in the government and private sectors, as well as its own customers and Thai individual users in general. With expert staff and speedy services beyond its customers' expectation, the Company determines to improve its quality performance to win the customers almost satisfaction. Its employees are encouraged to learn and continuously develop themselves. They are trained not only to think as entrepreneurs but also to dare bring about changes and creativity for further development. With earnest attempt, the Company will continuously develop administrative management to allow all the employees to unite their efforts for the attainment of the vision goals. This will lead to financial stability and sustainable growth of both the Company and its employees

Changes and Development

On April 21, 1995 the Company named "Jasmine Telecom Systems Company Limited" was established by Jasmine International Public Company Limited, with the registered capital and paid-up capital in amount of Baht 100,000,000 which divided into 1,000,000 ordinary shares at a par value of Baht 100 per share, whose 100 percent shareholder was Jasmine International Public Company Limited. The Company's objectives was to engage in the business of design on engineering work; installation and test of telecommunication system as a turnkey project including distribution of its equipment.

On February 20, 2004 the Company registered with the Ministry of Commerce to convert into a public company limited; change its name to “Jasmine Telecom Systems Public Company Limited”; and reduce the par value from Baht 100 to Baht 1 per share. On November 5, 2004 the Company issued its stock dividends to its existing shareholders, at the ratio of 1 existing share to 3 new ordinary shares so the Company had its registered capital and paid-up capital in amount of Baht 400 million which divided into 400 million ordinary shares at a par value of Baht 1 per share. On December 15, 2004 the Company registered the increased capital by issuing 125 million new shares at an offering price of Baht 1.50 per share so the Company had its registered capital and paid-up capital in amount of Baht 525 million. On September 6-8, 2006 the Company offered to sell 175 million shares to the public at an offering price of Baht 3.20 per share so the Company had its registered capital and paid-up capital in amount of Baht 700 million. In addition, the Company is listed on the Stock Exchange of Thailand and had an initial public offering on September 18, 2006.

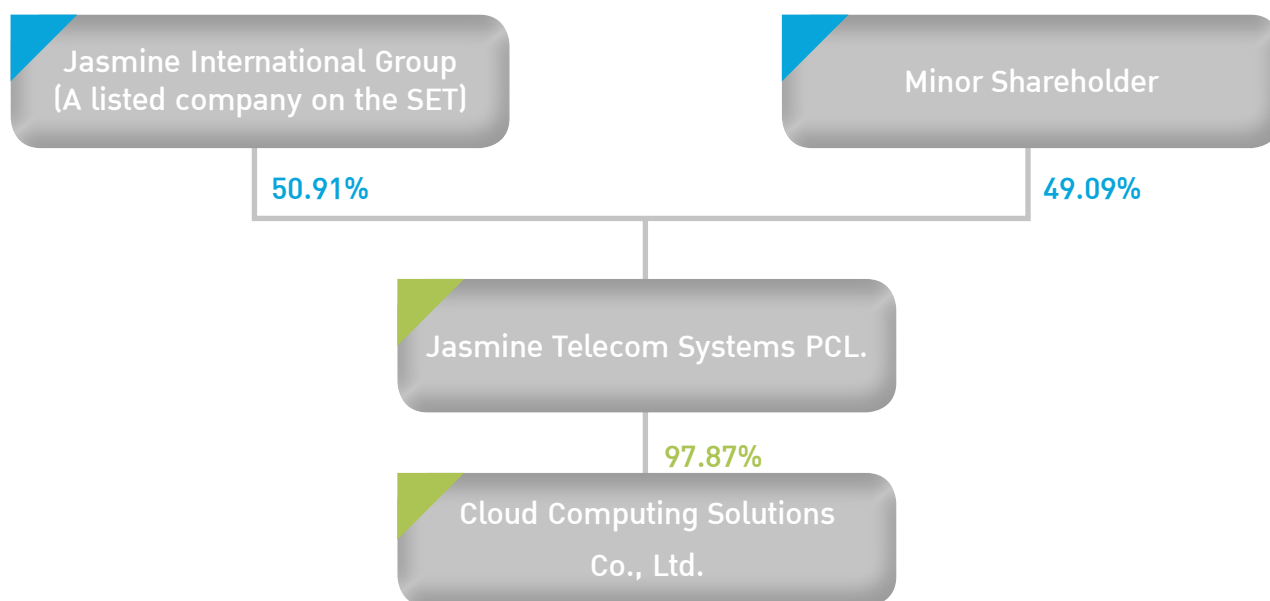
Due to its ESOP scheme, the Company offered to sell 5,000,000 newly issued shares for continuous 5 years (ESOP shares) that ended on April 28, 2011; and 1,457,300 warrants for buying its ordinary shares for the period of 5 years (ESOP warrants), to its directors and employees. One warrant entitled the holder to buy one Company’s share until October 27, 2011 that was the expiry date. As the result of it, the Company had its registered capital and paid-up capital in amount of Baht 706.46 million.

At present, the Company registered capital is 706.46 million ordinary shares. As at December 31, 2013, the Company has 706.46 million ordinary shares at a par value of Baht 1 per share so its paid-up capital is Baht 706.46 million.

The Company Structure

The Company has a subsidiary company named Cloud Computing Solution Co., Ltd. (“CCS”) which is doing the business to provide a computer system, a total solution and software developer as a “System Integrator” and service maintenance. The company also cover to the business as a “Software as a Service” (SaaS). Currently, Jasmine Telecom Systems has 538,264 shares that are 97.87% of a total CCS shares on 550,000 shares. The company structure as on the diagram:

The Company Structure at February 27, 2014



Relationship with the Major Shareholder's Business

The Company and its subsidiary company have business transactions with Jasmine International PCL.'s subsidiaries such as JasTel Network Co., Ltd., Triple T Boardband PCL. and others, as the detail specified in

Subject; The Connected Transaction or Notes to Consolidated Financial Statement of the Company. Business Structure of Major Shareholder are shown in the Annual Registration Statement (From 56-1) of Jasmine International PCL.

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, and do service businesses regarding the nationwide provision of basic telecommunication services and social services (Universal Service Obligation : USO). 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), and also, the preparation for launching an Automatic Payment Machine business to help facilitating a massive number of mobile phone users on mobile top-up.

Followings are the details of each business of the Company.

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, Office of The Basic Education Commission, Triple T Broadband PCL, Jastel Network Co., Ltd., and an outsourcing project of Advanced Info Service PCL (AIS) about improving its In-Building Antenna Systems, as well as the preparation for AIS's Femto cell Network Expansion project. In such cooperation with the mobile operator, JTS uses both domestic communication devices and those imported directly from overseas manufacturers. JTS does not manufacture any products in-house. Besides, JTS finds distribution channels through participating in auctions in order to provide our SI services to both government and private sectors. Furthermore, JTS works as a subcontractor of other telecommunication operators as well.

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 providers. The networks link exchanges in the same province, among provinces or regions and transmit the data to the destination exchange based on the selected solution platform, such as 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 authorize 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, as well as distributes equipment for supplying FTTH services (such as closures, optical splitters) to domestic broadband service providers.

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 2012-2013, the Company

has provided telecom service with respect to the Universal Service Obligation (or USO) projects of Triple T Broadband PCL. and Jastel Network Co., Ltd. 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".

Computer Systems Integration and Cloud Computing Business

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

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

computing services can be divided into 2 types;

1. Cloud Infrastructure Service (Infrastructure -as-a-Service) The Cloud infrastructure services are the leased service for hardware resources, such as CPU, memory, storage. CCS currently provides this type of service for Jasmine Group and also external customers.

2. 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					
		2011		2012		2013	
		Million Baht	%	Million Baht	%	Million Baht	%
Telecom Systems Integration Business	Company	1,189.88	83.62	1,104.41	90.10	196.19	56.24
Telecom Service Business	Company	60.10	4.22	11.70	0.96	44.18	12.67
Computer Systems Integration Business	CCS	69.71	4.90	63.02	5.14	70.83	20.31
Total Sales & Services		1,319.69	92.74	1,179.13	96.20	311.20	89.22
Other Income	Company	103.35	7.26	46.62	3.80	37.62	10.78
Total Revenues		1,423.05	100.00	1,225.74	100.00	348.82	100.00



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, Metropolitan Electricity Authority, Government Savings Bank, Office of the Higher Education Commission, Port Authority of Thailand, State Railways of Thailand and Office of the National Broadcasting and Telecommunication Commission (NBTC). 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. The policy, from year 2012, the company shared the supplier power bargaining by trend to avoid to use any supplier product more than 30% of product supply. It reduced the risk of supplier threat. However, the Company 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. For a private company business deal and a project deliver, the company has a project plan that have to relate to the customer project time frame of that company that in general a one deliver project will be 3 month, for example, the 3G network installation project. The further the project time frame synchronization, the company has more important policy in a customer service mind from serving the customer in matter with or without the expired of time project guarantee.

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.

Shareholders

List of top 10 major shareholders and shareholding structure as at February 27, 2014

Name of Shareholders	Number of Share	% of Total Shares
1. Jasmine International Public Company Limited	231,714,400	32.80
ACeS Regional Service Co., Ltd.*	64,027,700	9.06
T.J.P. Engineering Co., Ltd.**	63,918,000	9.05
2. Mr. Wichai Boonsatirapong	20,000,000	2.83
3. Mr. Kiet Srichomkwan	18,000,000	2.55
4. Mr. Veerayuth Eiamsudthiwat	7,700,000	1.09
5. Thai NVDR Co., Ltd.	6,058,000	0.86
6. Mr. Sittichart Jongwatanatham	6,000,000	0.85
7. Mr. Sanong Suayprink	4,850,000	0.69
8. Mr. Kirkkrai Tribanyatkul	4,407,800	0.62
9. Mrs. Malai Taosridee	4,165,000	0.59
10. Mr. Manop Chaiyasatitwanich	3,388,000	0.48

Remarks * ACeS Regional Service Co., Ltd. is subsidiary of Jasmine International Public Company Limited ("JAS") indirectly owned by ACeS (Thailand) Co., Ltd. hold in ACeS Regional Service Co., Ltd. at 98.04% and Jasmine International Overseas Co., Ltd. hold in ACeS (Thailand) Co., Ltd. at 58.84% and JAS hold in Jasmine International Overseas Co., Ltd. at 39.82%

** T.J.P. Engineering Co., Ltd. ("T.J.P") is subsidiary of JAS and hold in T.J.P at 80% and Acumen Co., Ltd. (Subsidiary of JAS) hold at 20%

The details of Jasmine Group shareholding structure as showing in JAS, Annual Registration Statement (Form 56-1)

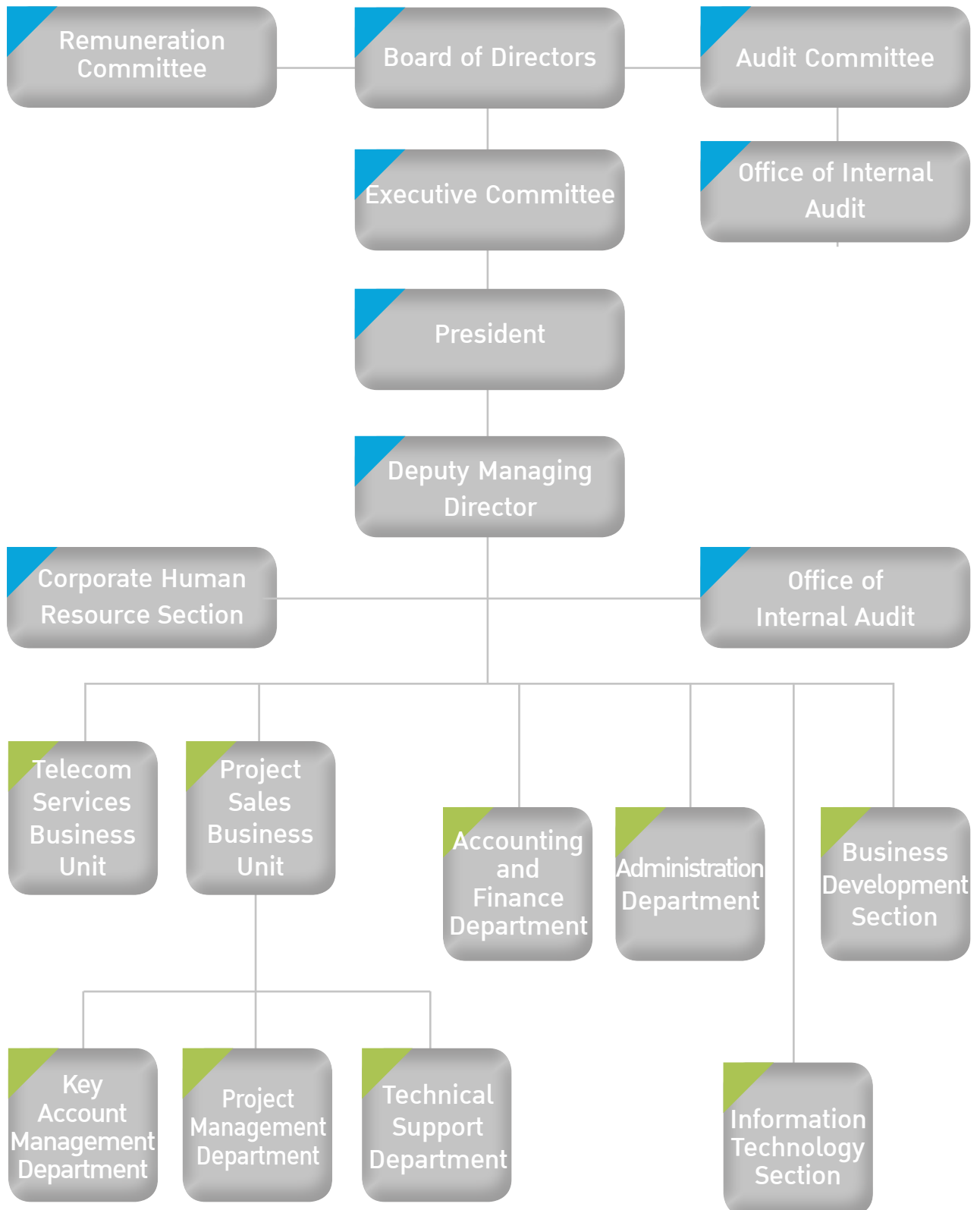
Dividend Policy

The Company has a policy of paying a dividend not less than 40% of the Company's net profit after tax and such dividend payment shall have no significant effect on the Company's operations. However, the Company may pay a dividend less than above rate when

it is necessary to use some money from its net profit for the Company's operational expansion.

According to the dividend payment policy, the subsidiary company will take into consideration its operating results and liquidity at that time.

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 Viseshpan
Director
5. Mr. Arporn Kengpol*
Independent Director
6. Mr. Annop Suthakavatin
Independent Director
7. Mr. Raks Unahabhokha**
Independent Director

Remarks

* Mr. Arporn Kengpol passed away on February 9, 2014, the new director to replace such available seat has been nominating.

** Mr. Raks Unahabhokha to be director on July 16, 2013.

Corporate Secretary

Mrs. Nonglug Pongsrihadulchai
Corporate Secretary

Authorized Directors and Conditions

Mr. Pleumjai Sinarkorn, Mr. Kriengsak Chalermtiragool, Mrs. Nonglug Pongsrihadulchai and Mrs. Nitt Viseshpan 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 Board of Directors 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.

Executives

1. Mr. Kriengsak Chalermtiragool
President
2. Mr. Anuchit Jutamatayangkul
Deputy Managing Director
3. Mr. Wichai Tanjariyaporn
Vice President - Project Sales Business Unit
4. Mrs. Busakorn Jongsaksawat
Vice President - Accounting and Finance Department
5. Mr. Wisanu Suksusin
Vice President - Office of President

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 2013, 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) 2013
Chairman of the Board	40,000
Vice Chairman of the Board	20,000
Independent Director	30,000
Director as non Executive	30,000
Executive Director	10,000
Chairman of the Audit Committee	10,000
Audit Committee	5,000
Chairman of the Executive Committee	10,000
Executive Committee	5,000
Chairman of the Remuneration Committee	Attendance Remuneration per times 5,000
Remuneration Committee	Attendance Remuneration per times 5,000
Gratuity	Yes

Money Remuneration for the Executives

The Remuneration for Executives	2013
Amount of Executives (person)	5
Total of The Remuneration for Executives (baht)	11,532,881
Type of Remuneration	Salary and Bonus

Other Remuneration for The Remuneration for the Board of Directors

- None -

Other Remuneration for Executives

The Company has contributed money to the provident fund for Executives in the year 2013 equal to 785,259.32 Baht.

Corporate Governance

Corporate Governance Policy

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

The shareholders' meeting is properly conducted according to the scheduled agenda in respect of the Company's Articles of Association. 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 the policy to disclose information on related transactions, connected transactions and others as required by the regulations stipulated by offices overseeing listed companies.

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

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

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

Shareholders : With the aim to bring about the highest satisfaction to its shareholders, the Company intends to be their ever efficient and trustworthy business representatives, taking into account the long term growth of its value and the emphasis on transparent and honest information disclosure.

Employees : The Company regards employees as its precious resources. So, it focuses on supporting human resources development which consequently leads to its maximum benefit. Besides, it encourages the employees to play a part in creating a good organization culture, strong teamwork and safe and pleasant working atmosphere. In addition, it provides the employees with welfares and good environment; meanwhile, implanting in them the awareness of working with loyalty, taking into the minds all the possible impacts on both the organization and outside people in general.

Competitors : The Company commercially contends with other trade competitors on the fair and ethical competition basis.

Customers : The Company is committed to 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.

Term of Office of the Board of Directors

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.

Board Member Orientation

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

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

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

Corporate Governance Policy

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

Business Ethics

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

Report of the Board of Directors

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.

5. Board of Directors' Self Assessment

The Company's Board of Directors has the policy to evaluate the results of their own performances, taking the results of the Company's business operation, the degree of compliance to the established policies, and the overall economic and social situations as significant criteria. The self assessment outcome will be useful for self improvement in working of each individual director.

The Committees

The Company Consists of three sets of committees including the Executive Committee, the Audit Committee and the Remuneration Committee details are as follows:

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.

Audit Committee

1. Mr. Arporn Kengpol*
Chairman of the Audit Committee
2. Mr. Annop Suthakavatin
Audit Committee
3. Mr. Raks Unahabhokha**
Audit Committee

Remarks

* Mr. Arporn Kengpol passed away on February 9, 2014, the new director to replace such available seat has been nominating.

** Mr. Raks Unahabhokha to be director on July 16, 2013.

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.

Remuneration Committee

1. Mr. Arporn Kengpol*

Chairman of the Remuneration Committee

2. Mr. Pleumjai Sinarkorn

Remuneration Committee

3. Mr. Annop Suthakavatin

Remuneration Committee

Remarks

* Mr. Arporn Kengpol passed away on February 9, 2014, the new director to replace such available seat has been nominating.

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.

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.



Corporate Social Responsibility

Throughout our business, the company has operated with business ethics, in order to promote our business integrity, performed under the code of conduct, for all of the company directors, managers and employees. We perform our tasks with honesty, under related laws and regulations, and under individual responsibilities. We also operate and make business decisions cautiously, with responsibility to other parties, cut off the misconduct that may cause damage to corporate and business partners, with the objective to support fair competition, and integrity procedure of the company process.

The corporate responsibility activities in 2013, the company supported the scholarships, stationeries, sport equipment, and held out the school landscape improvement



at Bunbandal Witthayanusorn School, Tambon Klang Dong, Amphoe Pakchong, Nakhon Ratchasima, the elementary school. The company believes in the importance of basic education as the foundation for country development in the future. We promise to keep on supporting the corporate social responsibilities in the coming next years.



Internal Control and Risk Management

Board of Directors' opinion

The Audit Committee Meeting No. 12/2013 held on December 24, 2013 by the Audit Committee to consider the adequacy of internal control system for the Company, the subsidiary company; and the Audit Committee gave opinions relating to internal control system to the Board of Directors as summarized below:

The Board of Directors and the executives of the Company and its subsidiary are committed to providing the internal control system that is adequate and appropriate the Company's business; safeguarding of the assets, utilizing the resources, reducing the weaknesses and protecting the risks that may occur to the Company; providing the financial management, risk management and operation supervision that support the Company to comply with the laws, regulations, rules relating to the Company's business in order to obtain the most efficient operation and ensure that the Company's business will accomplish the objectives and create the highest value added in long-term period.

The Board of Directors agreed with the Audit Committee's opinions in relation to the internal control system that divided into 5 parts as follows:

1. Control Environment

The Company focuses on the transparent and assessable business's objectives; sets visions, strategies, budget planning; and provides transparent policies, practices for the transactions on the finance, sale, purchase and project management. The Company provided its reorganization in line with its plan of developing its operational system and supporting its long-term sustainable growth. The organizational chart and the employee's responsibilities are clearly defined. In 2013, the Internal Audit Office reviewed the performance in compliance with the Company's

rules, regulations and Articles of Association as the 2013 review plan, the general result showed that the Company's internal control system is adequate.

2. Risk Assessment

The Company's executives determined a risk management policy and set up a Risk Management Working Group to plan and determine the risk management measure; set the internal and external risk assessment, including the analysis of opportunities and impacts to the Company's business and objective. There are measures to reduce risks to an acceptable level. The risk management result is monitored on continuous and regular basis; and is reported by the Risk Management Working Group to the Audit Committee for proposing it to the Board of Directors.

3. Control Activities

The Board of Directors of the Company and its subsidiary clearly defined the executives' scopes, authorities and responsibilities including approval authority; separated the responsibilities' officers for checks and balances. In addition, the Board of Directors of the Company and its subsidiary clearly determined the policy on the connected transactions with major shareholders, directors, executives or their associates and close relatives in order to ensure that no conflict of interest has occurred, such policy are in compliance with the Laws on the Security and Exchange along with the rules, notifications, orders or guidelines of the Stock Exchange of Thailand

4. Information and Communication

The Company focuses on information and communication that are qualified, sufficient for considerations of the Board of Directors, executives, shareholders and the relevant persons. In addition, the Company notifies its officers of information relating

to its operations, policies and regulations in order to support its efficient operations. The Company uses accounting policies in accordance with the accounting standards and generally accepted accounting principles; keeps supporting documents for accounting records properly. The distribution of the meeting notices and its attachment as well as the meeting minutes are strictly prepared in accordance with the Company's Articles of Association and relevant laws.

5. Monitoring Activities

The Board of Directors and executives focus on the operation monitoring so as to achieve the Company's objectives by comparison between the operating results and the objectives, including weakness inspections in order to improve the objectives and operation plans of the Company and its subsidiary company. Internal Audit Office regularly examines the operations in compliance with the internal audit system of the Company and its subsidiary; and reports directly to the Audit Committee for considerations. Throughout the past years, there was no material deficiency in the Company's internal audit. In addition, the executives who observe or suspect a case of fraud or legal misconduct must report this to the Board of Directors.

Audit Committee's Opinion

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. Dr. Rak Unahabhokha

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 2013, the Company organized twelve Audit Committee meetings in which executives, external auditors and internal auditors joined when their responsibilities were related to the agenda. The Audit Committee has performed its duties assigned by the Board of Directors to support the Company's operation to be in accordance with the principles of good corporate governance in line with the Company's code of ethics, financial statement oversight, risk management evaluation, internal control system review and the internal audit review, as summarized below.

1. Accuracy, completeness, and credibility of financial reports

The Audit Committee reviewed the 2013 financial statements and notes to the financial statements of the Company and the subsidiary prepared quarterly and annually by the external auditors and the management to ensure that they were in accordance with legal requirements and generally accepted accounting standards and that the information disclosure of such financial statements was complete, adequate, and reliable. For the Company's optimum benefit, the Audit Committee also made significant remarks and provided problem-solving suggestions. Finally, the Audit Committee agreed that the Company's financial reports were correct, complete, and reliable, in line with the generally accepted accounting standards.

2. Adequacy of internal control system and internal audit

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

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

The Audit Committee reviewed the disclosure of related transactions that might lead to conflicts of interest with the Company to ensure that they were actual transactions, taking place during a normal course of business. The Audit Committee, finally, agreed that such related transactions were within the scope of normal course of business with normal conditions that were sensible and fair for the best interests of the Company and that for this matter, the Company

completely complied with the regulations of the Stock Exchange of Thailand ("SET") and the policy of good corporate governance.

4. Good corporate governance

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

5. Risk management

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

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

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

7. Selection and appointment of external auditors

The Audit Committee considered the selection and the appointment of external auditors by taking into account the appropriateness of audit fee compared to the reliability of performance, independence, reputation, scope of work, and the quantity of work for which the external auditors were responsible. Furthermore, a meeting was held for the Audit Committee and the external auditors to attend without the presence of the management. In such meeting, the Audit Committee asked the auditors to give comments on working and coordination with relevant management. For the year 2014, 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. Supachai Phanyawattano C.P.A. Registration No. 3930 or Mrs. Chonlaros Suntiasvaraporn C.P.A. Registration

No. 4523 or Miss Supanee Triyanantakul C.P.A. Registration No. 4498 of Ernst & Young Office Limited, which is presently known as EY Office Limited, as the external auditors of the Company and the subsidiary.

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

On behalf of the Audit Committee



(Mr. Annop Suthakavatin)

Member of the Audit Committee

Head of Internal Audit

Name	Mrs. Somnuk Waradee
Position :	Assistant Vice President, office of Internal Audit
Education :	<ul style="list-style-type: none"> • Master of Social Development and Environment Management, National Institute of Development Administration • Bachelor of Accounting, Chiang Mai University • Internal Audit Course, Federation of Accounting Professions under His Majesty the King's Royal Patronage • Information Management Presentation, Technology Learning Center (TLC.)
Experiences	<ul style="list-style-type: none"> • 2012-Present Assistant Vice President, Office of Internal Audit, Jasmine Telecom Systems Public Company Limited • 2000-2012 Assistant Vice President, Accounting Department, Jasmine Internet Co., Ltd. • 1993-2000 Senior Manager, Accounting Department, T.J.P. Engineering Co., Ltd.
The Audit committee's opinion	In view of her qualifications, knowledge and experience, Head of Internal Audit is acknowledged by the Audit Committee.
Appointment, removal and transfer of Head of Internal Audit	Appointment, removal and transfer of Head of Internal Audit are required to comply with the Company's regulation in relation to officers' appointment and transfer, and acknowledged by the Audit Committee.

Connected Party Transactions

The Company has entered the Related Parties Transactions defined in the Notification of the SEC. For the year 2013, the transactions were in compliance with the terms and conditions in the contracts made between the Company and its subsidiary on normal business practice (as referred to in Clause 8 of Notes to the Financial Statements for the Year 2013). 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:-

1. In 2013, 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 2013
1. Jasmine Group, Comprising	1.) Jasmine International PCL. ("JAS") is a major shareholders	• ACU rental public telephone and maintenance test equipment contract	0.41
1) Acumen Co., Ltd. ("ACU")	of Jasmine Telecom Systems PCL. ("JTS"), holding 32.799%	• The Company provided the supplies and services for respect to the Universal Service Obligation or USO ruled by NBTC to TTTBB	45.29
2) Triple T Broad Band PCL ("TTTBB")	2) Has the same director as JAS, namely		
3) Jastel Network Co., Ltd. ("Jastel")	1. Mr.Pleumjai Sinarkorn	• The Company provided the supplies and services for respect to the Universal Service Obligation or USO ruled by NBTC to Jastel Network	7.86

Connected Person	Relationship	Type of Related Party Transaction	Amount (Million Baht) as at 31 December 2013
2. Subsidiary, Comprising 1) Cloud Computing Solutions Co., Ltd. ("CCS")	1.) JTS is a major shareholders of CCS, holding 97.87% 2) Has the same directors as JTS, Namely 1. Mr. Pleumjai Sinarkorn 2. Mr. Kriengsak Chalermtiragool 3. Mrs. Nonglug Pongsrihadulchai 4. Mrs. Nitt Visesphan	<ul style="list-style-type: none"> • Its subsidiary provided the Infrastructure As a Service to JAS • Its subsidiary provided the infrastructure As a Service to Acumen • Its subsidiary sold equipment and developed Broadband Customer System (BCS) and provided infrastructure As a Service to TTTBB • Its subsidiary provided the maintenance service of radius system and the Cloud Infrastructure Service to TTTI • Its subsidiary provided the Infrastructure As a Service to TTTI 	<p>0.42</p> <p>3.70</p> <p>24.92</p> <p>2.57</p> <p>0.13</p>

2. In 2013, the Company and its subsidiary transacted the product and equipment procurement, including payment for leases and serviced from related parties as follows :

Connected Person	Relationship	Type of Related Party Transaction	Amount (Million Baht) as at 31 December 2013
1. Jasmine Group, Comprising	1.) JAS is a major shareholder of JTS,	• The Company entered into Rental and Service Contact with JAS and other expense such as training	6.36
1) Acumen Co., Ltd.	holding 32.799%	expense, service expense,	
2) Premium Assets Co., Ltd. ("PA")	2) Has the same directors as JAS,	advertising expense etc.	3.84
3) Triple T Broadband PCL.("TTTBB")	namely	• The Company rent warehouse space on G floor with PA,	
4) Triple T Internet Co., Ltd. ("TTTI")	1. Mr. Pleumjai Sinarkorn	including Cleaning service and security contract	
5) Jastel Network Co., Ltd.		• The Company appointed ACU to provide consultant and shipping service for import goods and equipment and provide service of IP star	4.01
		• The Company appointed TTTBB to provide Voice Telephone	0.29
		• TTTI to provide internet	0.30
2. Subsidiary ,Comprising	1) JTS is a major shareholders of CCS,	• Its subsidiary entered into rental and service contract with JAS, and other expense such as Training	2.11
1) Cloud Computing Solutions Co., Ltd.	holding 97.87%	expense, Service Expense,	
	2) Has the same directors as JTS, Namely	advertising expense etc.	
	1. Mr. Pleumjai Sinarkorn	and management contract	
	2. Mr. Kriengsak Chalermtiragool	• Its subsidiary entered into security service and cleaning	1.80
	3. Mrs. Nonglug Pongsrihadulchai	service contract with PA,	
	4. Mrs. Nitt Visesphan	Including utilities expense and other expense	
		• TTTI to provide internet service	1.14
		• Jastel to provide internet service	0.66

Statements of financial positions

As at 31 December 2011 to 2013

	Separate financial statements						Consolidated financial statements					
	2011 ^(*)			2012			2011 ^(*)			2012		
	Amount	%		(Restated)	Amount	%	Amount	%		(Restated)	Amount	%
(Unit : Thousand baht)												
ASSETS												
CURRENT ASSETS												
Cash and cash equivalents	302,331	7.43		307,694	11.32	228,855	11.15		308,477	7.19	317,294	11.70
Current investments - bank deposits	40,868	1.00		140,152	5.16	81,575	3.97		42,757	1.00	140,303	5.18
Trade and other receivables	2,495,563	61.33		1,242,271	45.71	1,250,900	60.94		2,675,223	62.35	1,255,903	46.33
Unbilled receivables from related parties	310	0.01		93	0.00	75	0.00		5,326	0.12	114	0.00
Unbilled receivables from unrelated parties	616,995	15.16		611,866	22.52	61,622	3.00		623,531	14.53	622,198	22.95
Short-term loans to related party	45,105	1.11		69,347	2.55	69,347	3.38		0	-	0	-
Inventories	59,524	1.46		38,789	1.43	33,135	1.61		66,144	1.54	45,408	1.68
Assets held for sale	113,183	2.78		88,885	3.27	64,434	3.14		113,183	2.64	88,885	3.28
Prepaid project costs	83,489	2.05		566	0.02	21,980	1.07		93,325	2.18	6,363	0.23
other current assets	91,278	2.24		29,328	1.08	37,393	1.82		104,603	2.44	37,737	1.39
Total current assets	3,848,648	94.58		2,528,990	93.07	1,849,316	90.09		4,032,570	93.98	2,514,205	92.75
NON-CURRENT ASSETS												
Restricted bank deposits	77,926	1.91		60,241	2.22	71,466	3.48		81,505	1.90	64,246	2.37
Long-term trade accounted and receivable from related party	0	-		0	-	0	-		0	-	0	-
Accounts receivable under troubled debt restructuring	33,129	0.81		20,301	0.75	18,834	0.92		138,542	3.23	94,456	3.48
Investments in subsidiary	83,899	2.06		83,899	3.09	83,899	4.09		0	-	0	-
Other long-term investments	10,614	0.26		0	-	0	-		10,921	0.25	0	-
Property, plant and equipment	11,815	0.29		9,168	0.34	12,605	0.61		23,049	0.54	22,054	0.81
Deferred tax asset	0	-		11,756	0.43	14,674	0.71		0	-	11,756	0.43
Deposits	3,265	0.08		3,087	0.11	1,896	0.09		4,204	0.10	4,128	0.15
TOTAL NON-CURRENT ASSETS	220,649	5.42		188,452	6.93	203,375	9.91		258,220	6.02	196,640	7.25
TOTAL ASSETS	4,069,297	100.00		2,717,442	100.00	2,052,691	100.00		4,290,790	100.00	2,710,845	100.00

(*) The financial statements for the year 2011 as presented herein were not restated to reflect the adoption of Thai Accounting Standard 12 Income Taxes.

Statements of financial positions

As at 31 December 2011 to 2013

(Unit : Thousand baht)

	Separate financial statements			Consolidated financial statements		
	2011 ^(*)			2011 ^(*)		
	2012 (Restated)	2013		2012 (Restated)	2013	
	Amount	%	Amount	Amount	%	Amount
CURRENT LIABILITIES						
Shrot-Term bank loans	4,827	0.12	0	4,827	0.11	0
Trust receipts	237,897	5.85	86,765	237,897	5.54	86,765
Trade and other payables	1,671,372	41.07	540,233	1,702,708	39.68	574,633
Accrued project cost	201,065	4.94	245,956	345,620	8.05	392,780
Current portion of long-term loans	60,862	1.50	0	75,346	1.76	14,484
Income tax payable	0	-	6,287	0	-	6,287
Advance received for goods and services	156,335	3.84	82,709	156,619	3.65	82,709
Other current liabilities	23,749	0.58	29,934	33,490	0.78	39,649
TOTAL CURRENT LIABILITIES	2,356,108	57.90	991,884	2,556,508	59.58	1,197,307
NON-CURRENT LIABILITIES						
Long-term loans - net of current portion	0	-	0	246,224	5.74	231,740
Provision for long-term employee benefits	13,376	0.33	18,410	19,196	0.45	19,134
TOTAL-NON CURRENT LIABILITIES	13,376	0.33	18,410	265,420	6.19	250,874
TOTAL LIABILITIES	2,369,484	58.23	1,010,294	2,821,928	65.77	1,448,181
SHAREHOLDERS' EQUITY						
Share capital						
Registered: 1.00 Baht per share	726,250		706,457	726,250		706,457
Issued and fully paid-up	706,457	17.36	706,457	706,457	16.46	706,457
Share subscription received in advance	0	-	0	0	-	0
Share premium	420,269	10.33	420,269	420,269	9.79	420,269
Retained earnings						
Appropriated-statutory reserve	63,186	1.55	64,910	63,186	1.47	64,910
Unappropriated	509,900	12.53	515,512	273,924	6.38	70,551
Other components of shareholders' equity	0	-	0	8,158	0.19	8,158
EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY	1,699,813	41.77	1,707,148	1,471,994	34.31	1,270,345
Non-controlling interests of the subsidiary	-	-	-	(3,132)	(0.07)	(7,680)
TOTAL SHAREHOLDERS' EQUITY	1,699,813	41.77	1,707,148	1,468,862	34.23	1,262,665
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	4,069,297	100.00	2,717,442	4,290,790	100.00	2,710,845

(*) The financial statements for the year 2011 as presented herein were not restated to reflect the adoption of Thai Accounting Standard 12 Income Taxes.

Statements of comprehensive income

As at 31 December 2011 to 2013

	Separate financial statements						Consolidated financial statements					
	2011 ^(*)			2013			2011 ^(*)			2012		
	Amount	%	(Restated)	Amount	%	(Restated)	Amount	%	(Restated)	Amount	%	(Restated)
(Unit : Thousand baht)												
REVENUES												
Sales and service income	1,249,980	92.39	1,116,478	95.70	241,003	86.67	1,319,694	92.74	1,179,134	96.20	311,204	89.22
Exchange gains	-	-	12,258	1.05	24,307	8.74	-	-	12,879	1.05	23,027	6.60
Other income	102,940	7.61	37,964	3.25	12,771	4.59	103,351	7.26	33,729	2.75	14,592	4.18
TOTAL REVENUES	1,352,920	100.00	1,166,700	100.00	278,081	100.00	1,423,045	100.00	1,225,742	100.00	348,823	100.00
EXPENSES												
Cost of sales and services	1,010,448	74.69	885,681	75.91	136,935	49.24	1,062,737	74.68	923,328	75.33	171,469	49.16
Selling and Servicing expenses	20,754	1.53	20,801	1.78	13,879	4.99	26,758	1.88	25,008	2.04	15,398	4.41
Administrative expenses	113,508	8.39	94,857	8.13	102,245	36.77	132,295	9.30	112,781	9.20	115,108	33.00
Other expenses												
Loss on debt restructuring	24,136	1.78	0	-	0	-	24,708	1.74	0	-	0	-
Potential losses on debt restructuring	27,583	2.04	1,658	0.14	0	-	99,328	6.98	32,747	2.67	0	-
Doubtful Debt	0	-	24,681	2.12	0	-	0	-	191,707	15.64	0	-
Exchange loss	6,989	0.52	0	-	0	-	8,029	0.56	0	-	0	-
Loss on impairment of investment	0	-	10,614	0.91	0	-	0	-	10,921	0.89	0	-
Loss on impairment of asset	0	-	22,577	1.94	15,125	5.44	0	-	22,577	1.84	15,125	4.34
TOTAL EXPENSES	1,203,418	88.95	1,060,871	90.93	268,184	96.44	1,353,857	95.14	1,319,069	107.61	317,101	90.91
PROFIT (LOSS) BEFORE FINANCE COST AND INCOME TAX EXPENSES	149,502	11.05	105,829	9.07	9,897	3.56	69,189	4.86	(93,327)	(7.61)	31,722	9.09
Finance Cost	(107,198)	(7.92)	(41,867)	(3.59)	(1,664)	(0.60)	(126,638)	(8.90)	(60,087)	(4.90)	(16,856)	(4.83)
PROFIT (LOSS) BEFORE INCOME TAX EXPENSES	42,304	3.13	63,962	5.48	8,233	2.96	(57,450)	(4.04)	(153,414)	(12.52)	14,865	4.26
Corporate income tax expense	(12,190)	(0.90)	(24,683)	(2.12)	(2,715)	(0.98)	(12,190)	(0.86)	(24,683)	(2.01)	(2,715)	(0.78)
PROFIT (LOSS) FOR THIS YEAR	30,114	2.23	39,279	3.37	5,518	1.98	(69,640)	(4.89)	(178,097)	(14.53)	12,151	3.48
Non-controlling interests of the subsidiary	0	-	0	-	0	-	(2,125)	(0.15)	(4,548)	(0.37)	141	0.04
NET PROFIT (LOSS) FOR THE YEAR	30,114	2.23	39,279	3.37	5,518	1.98	(67,515)	(4.74)	(173,549)	(14.16)	12,009	3.44
Basic earnings per share - weight average (at par Baht 1)	0.04		0.06		0.01		(0.10)		(0.25)		0.02	
OTHER COMPREHENSIVE INCOME FOR THE YEAR												
Profit (Loss) for the Year	30,114	2.23	39,279	3.37	5,518	1.98	(69,640)	(4.89)	(178,097)	(14.53)	12,151	3.48
Actuarial gain (loss)	-	-	(3,570)	(0.31)	-	-	0	0.00	274	0.02	0	0.00
Income tax effect	-	-	714	0.06	-	-	0	0.00	714	0.05	0	0.00
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	30,114	2.23	36,423	3.12	5,518	1.98	87,138	6.12	(177,109)	(14.45)	12,151	3.48

(*) The financial statements for the year 2011 as presented herein were not restated to reflect the adoption of Thai Accounting Standard 12 Income Taxes.

Cash flow statement

For year ended 31 December 2011 to 2013

(Unit : Thousand Baht)

	Separate financial statements			Consolidated financial statements		
	2011	2012	2013	2011	2012	2013
Cash flows from operating activities						
Profit (loss) before tax	42,304	63,962	8,233	(57,450)	(153,414)	14,865
Adjustments to reconcile profit(loss) before tax to net cash provided by (paid from) operating activities						
Depreciation	9,969	6,154	7,269	11,435	9,689	12,846
Record of doubtful debt	0	24,681	0	0	191,707	0
Losses on debt restructuring	24,136	0	0	24,708	0	0
Potential losses on debt restructuring	27,583	1,658	0	99,328	32,747	0
Loss on impairment of investment	0	10,614	0	0	10,921	0
loss on impairment of asset	0	22,577	15,125	0	22,577	15,125
Loss(gain) on disposal of equipment	60	0	0	38	(149)	4
Provision for long -term employee benefits	1,270	1,464	1,546	1,970	2,212	1,668
Unrealised exchange (gain) losses	436	27	108	1,717	(594)	1,388
Interest income	(101,965)	(37,396)	(12,142)	(101,186)	(32,963)	(13,032)
Interest expenses	105,711	38,806	1,510	124,221	57,025	16,702
Profit from operating activities before changes in operating assets and liabilities	109,504	132,548	21,649	104,782	139,758	49,566
Operating assets (increase) decrease						
Trade and other receivables	875,429	1,257,310	(5,898)	919,597	1,253,964	(4,441)
Unbilled receivables	(16,925)	5,347	550,262	(14,775)	6,546	554,656
short-term loans to related parties	(37,105)	(24,242)	0	0	0	0
Inventories	195,078	22,471	6,968	204,406	22,471	7,762
Prepaid project costs	52,689	82,923	(21,413)	47,112	82,249	(16,122)
Other current assets	9,878	6,579	(7,274)	10,087	6,290	(7,268)
Account receivable under troubled debt restructuring	17,953	11,171	1,467	18,223	11,339	47,041
Other Assets	(34)	178	1,191	(30)	76	(3,760)
Operating liabilities increase (decrease)						
Trade and other payables	(921,394)	(1,154,097)	(364,556)	(939,582)	(1,151,033)	(366,754)
Accrued project costs	(333,814)	44,891	(121,550)	(337,380)	47,160	(116,845)
Advance received for goods and services	(183,540)	(73,626)	(81,124)	(184,147)	(73,910)	(81,104)
Other current liabilities	(13,480)	6,255	332	(20,113)	7,113	(1,708)
Other non-current liabilities	0	0	(2,080)	0	(2,000)	(2,080)
Cash from (used in) operating activities	(245,762)	317,709	(22,028)	(191,819)	350,022	58,943
Cash paid for interest expenses	(27,537)	(14,564)	(688)	(44,385)	(32,788)	(15,892)
Income tax refund (Cash paid for income tax)	(19,655)	30,224	(12,926)	(22,074)	35,431	(13,621)
Net cash from (used in) operating activities	(292,953)	333,370	(35,642)	(258,277)	352,665	29,430

Cash flow statement

For year ended 31 December 2011 to 2013

(Unit : Thousand Baht)

	Separate financial statements			Consolidated financial statements		
	2011	2012	2013	2011	2012	2013
Cash flows from investing activities						
Decase(increase) in current investments-bank deposits	(40,511)	(99,283)	58,576	(41,121)	(97,546)	58,504
Decase(increase) in restricted bank deposits	846	17,684	(11,225)	1,207	17,259	(10,493)
Interest income	5,669	9,257	8,712	5,293	6,914	10,612
Acquisition of equipment	(1,341)	(3,521)	(2,335)	(10,034)	(4,026)	(2,854)
Proceeds from sales of equipment	0	0	0	23	179	0
Proceeds from sales of assets held for sale	43,318	0	0	43,318	0	0
Net cash from (used in) investing activities	7,980	(75,863)	53,728	(1,314)	(77,221)	55,768
Cash flows from financing activities						
Decrease in short-term bank loans	(114,520)	(4,827)	0	(404,196)	(4,827)	0
Decrease in trust receipts	65,458	(151,132)	(61,605)	65,458	(151,132)	(61,605)
Payment of long - term loans	0	0	0	289,676	0	0
Repayment of long-term loans	(71,006)	(60,862)	0	(99,974)	(75,346)	(63,946)
Proceeds from increase in share capital	4,885	0	0	4,885	0	0
Dividend paid	(56,238)	(35,322)	(35,322)	(56,238)	(35,322)	(35,322)
Net cash used in financing activities	(171,421)	(252,143)	(96,926)	(200,389)	(266,627)	(160,872)
Net increase(decrease) in cash and cash equivalents	(456,394)	5,363	(78,840)	(459,980)	8,817	(75,674)
Cash and cash equivalents at beginning of year	758,725	302,331	307,694	768,457	308,477	317,294
Cash and cash equivalents at the end of year	302,331	307,694	228,855	308,477	317,294	241,620

Financial Ratios

For year ended 31 December 2011 to 2013

	Separate financial statements			Consolidated financial statements		
	2011	2012	2013	2011	2012	2013
Liquidity ratio						
Current ratio (times)	1.63	2.55	5.17	1.58	2.10	3.22
Quick ratio (times)	1.47	2.32	4.54	1.43	1.95	2.92
Cash ratio (times)	(0.07)	0.15	(0.03)	(0.09)	0.19	0.03
Receivables turn over (times)	0.43	0.45	0.15	0.42	0.46	0.19
Collection period (days)	834	801	2,365	849	791	1,855
Inventory turnover (times)	6.54	18.02	3.81	6.41	16.55	4.37
Inventory turnover period (days)	55	20	95	56	22	82
Account payable turnover (times)	0.63	0.80	0.38	0.65	0.81	0.44
Payment period (days)	572	449	942	557	444	822
Cash Cycle (days)	318	371	1,518	348	369	1,116
Profitability ratio						
Gross profit margin (%)	19.16	20.67	43.18	19.47	21.69	44.90
Operating profit margin (%)	15.39	13.26	0.28	14.14	12.51	7.31
Cash to net profit ratio (%)	(140.70)	217.74	(4989.14)	(128.33)	232.41	123.55
Net profit margin(%)	2.23	3.37	1.98	(4.74)	(14.16)	3.44
Return on equity (%)	1.75	2.31	0.33	(4.39)	(12.71)	0.96
Efficiency ratio						
Return on assets (%)	0.63	1.16	0.23	(1.32)	(4.96)	0.51
Return on fixed assets (%)	161.59	593.26	50.69	(257.13)	(769.57)	45.03
Assets turnover (times)	0.28	0.34	0.12	0.28	0.35	0.15
(Financial policy ratio)						
Debt to equity (times)	1.39	0.59	0.22	1.92	1.15	0.61
Interest coverage (times)	(10.64)	22.89	(51.78)	(5.82)	10.76	1.85
Debt service coverage ratio (cash basis) (times)	1.22	(3.42)	1.08	0.47	(3.16)	(0.31)
Data per share						
Par value (Baht)	1.00	1.00	1.00	1.00	1.00	1.00
Book value per share (Baht)	2.41	2.42	2.37	2.08	1.79	1.75
Book value per share (Baht)-par value of Baht 1	0.04	0.06	0.01	(0.10)	(0.25)	0.02
Growth rate						
Total assets (%)	(26.47)	(33.22)	(24.46)	(27.41)	(36.82)	(26.55)
Total liabilities (%)	(37.66)	(57.36)	(62.85)	(34.44)	(48.68)	(48.09)
Sales and service income (%)	(62.35)	(10.68)	(78.41)	(61.82)	(10.65)	(73.61)
Cost of sales and services (%)	(66.30)	(12.35)	(84.54)	(65.62)	(13.12)	(81.43)
Selling servicing and administrative expenses	(11.27)	(13.86)	0.40	(7.22)	(13.37)	(5.29)
Net profit (%)	118.58	30.43	(85.95)	(33.06)	157.05	(106.92)

Note:

1. Calculated from value of Baht 1 per share (the company registered the change in par value with the Ministry of Commerce on 20th February 2004)
2. Share capital issued and fully paid -up as at year 2011,2012 and 2013 = 706.46 Mill. Baht

Management Discussion And Analysis (MD&A)

Overall Operating Results

In 2013, the company and its subsidiary have the total revenue of Baht 348.82 million and net profit of Baht 12.01 million

The company and its subsidiary had the total revenue of Baht 348.82 million and decreased by Baht 876.92 million or 71.54% from 2012 and have net profit of Baht 12.01 million and increased by Baht 185.56 million or 106.92% from 2012 which the most of revenue reduced by telecom systems integration business decreased by Baht 908.22 million or 82.24% from 2012 due to the company was unable to deliver the tablets to the Office of Basic Education Commission (OBEC) as

scheduled in the agreement as a result of a massive fire in September 2013 at a production facility in China where a part of the tablets was produced. The company submitted a letter to OBEC to inform it of the cause of the delay and request an extension of the shipments schedule. The company had already notified the cause of the delay in order to request OBEC to extend the shipment schedule, and OBEC is currently in the process of considering the related information, However The company try the best for including speeding up the shipments (as described in note 26.3 to the financial statement) and telecom service business increased by Baht 32.48 million or 277.54% from 2012

Revenue Structure and Operating Results

Unit : Million Baht

Type of Business	Consolidated		Changed	% Changed
	2013	2012		
Telecom Systems Integration	196.20	1,104.42	(908.22)	(82.24)
Telecom Service Business	44.18	11.70	32.48	277.54
Computer Systems Integration	70.83	63.02	7.81	12.40
Total Sales and Services	311.20	1,179.13	(867.93)	(73.61)
Other Income	37.62	46.61	(8.99)	(19.29)
Total Revenue	348.82	1,225.74	(876.92)	(71.54)
Gross Profit ***	139.73	255.81	(116.07)	(45.37)
Net profit (loss) after tax TAS: Income tax	12.01	(173.55)	185.56	106.92
Net Profit (loss) after tax : Code of Revenue	9.09	(178.36)	187.45	105.10
weighted average number of ordinary shares(million shares)	706.46	706.46	0.00	0.00
Earning per Share (Baht / Share)	0.02	(0.25)	0.26	106.92

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

Revenue Structure

In 2013, the company and its subsidiary had the total revenue of Baht 348.82 million and decreased by Baht 876.92 million or 71.54% from 2012. This comprised from sales and services telecom systems integration of Baht 196.20 million or 56.25%, telecom service business of Baht 44.18 million or 12.66% record from Universal service obligation : USO project of the company in Jasmine group, computer systems integration of Baht 70.83 million or 20.31%, other revenue of Baht 37.62 million or 10.78% the most of other revenue were gain on exchange rate of baht 23.03 million and interest received of the subsidiary which received from TT&T of baht 5.67 million

The most of totaling of revenue generated from sales and services of telecom systems integration by 63.04% of totaling sales and services.

Operating Results

In 2013, the company and its subsidiary had net profit of Baht 12.01 million increased from that of the previous year by Baht 185.56 million or 106.92%.The company and its subsidiary record deferred incoming tax and had temporary differences of Baht 2.92 million and made income tax expense reported in the statement of comprehensive income balance of Baht 2.72 million, so net profit for the year of Baht 12.01 million. (Net profit for Code of Revenue of Baht 9.09)

Expenses

Unit : Million Baht

Items	Consolidated		Changed	% Changed
	2013	2012		
Cost of sales and services	171.47	923.33	(751.86)	(81.43)
Selling and service expense	15.40	25.01	(9.61)	(38.43)
Administrative expense	115.11	112.78	2.33	2.06
Potential losses on debt restructuring	0.00	32.75	(32.75)	(100.00)
Doubtful Debt	0.00	191.71	(191.71)	(100.00)
Loss on impairment of investment	0.00	10.92	(10.92)	(100.00)
Loss on impairment of asset	15.13	22.58	(7.45)	(33.01)
Total expenses	317.10	1,319.07	(1,001.97)	(75.96)

Cost of Sales and Services

In 2013, the company and its subsidiary had cost of sales and services amounted to Baht 171.47 million, decreased from that of the previous year by Baht 751.86 million or 81.43% due to decreased of sales and services by Baht 867.93 million.

Selling, Servicing and Administrative Expense

In 2013, the company and its subsidiary had selling and service expense amounted to Baht 130.51 million decreased from that of the previous year by Baht 7.28 million or 5.28% due to the subsidiary restructured organization and decreased some headcount for reasonable business policy.

Finance Cost

In 2013, the company and its subsidiary had finance expense Baht 16.86 million decreased from that of the previous year by Baht 43.23 million or 71.94% due to in current year the subsidiary had repayment long-term loan by Baht 63.95 million and the most of finance expense was interest expense of the subsidiary by Baht 15.19 million.

Gain and Loss on Exchange Rate

In 2013, the company and its subsidiary had gain on exchange rate Baht 23.03 million .(as at 31 December 2013 was exchange rate 1USD=32.9494 Baht and as at 31 December 2012 was exchange rate 1USD=30.7775 Baht)

Financial Status

Assets as at 31 December 2013 and 2012

Unit : Million Baht

Items	consolidate		Changed	% Changed
	31/12/2013	31/12/2012		
Current Assets	1,820.24	2,514.21	(693.97)	(27.60)
Non - Current Assets	170.96	196.64	(25.68)	(13.06)
<i>Deferred income tax</i>	14.67	11.76	2.92	24.82
Accounts receivable under troubled debt restructuring	47.41	94.46	(47.04)	(49.80)
Property, plant and equipment - net	31.29	22.05	9.23	41.87
Others non - current assets	77.58	68.37	9.20	13.46
Total Assets	1,991.19	2,710.85	(719.66)	(26.55)

As at the end of the fiscal year 2013, the company and its subsidiary had total assets of Baht 1,991.19 million decreased by Baht 719.66 million or 26.55%. This is mainly due to the increasing of account receivable by Baht 5.24 million or 0.42%, decreasing of unbilled receivables of Multi Service Access Node (MSAN) project and WDM equipment which invoiced to TOT by Baht 554.65 million or 89.14%, decreasing of inventory by Baht 12.26 million or 26.99%, increasing of other current assets by Baht 10.21 million or 27.05%, increasing of restricted bank deposits by Baht 10.49 million or 16.33%, increasing of property, plant

and equipment-net by Baht 9.23 million or 41.87% (Increased of the subsidiary consist of ERP system of Infrastructure as a services : IASS by Baht 3.53 million, asset and liability management system by Baht 5.79 million) and accounts receivable under troubled debt restructuring recorded under the rehabilitation plan decreasing by Baht 47.04 million or 49.80% due to the subsidiary received money from TT&T by Baht 45.21 million and had cumulative deferred tax asset by Baht 14.67 million under the accounting standard TAS 12 : Income tax and non-current assets decreasing by Baht 25.68 million or 13.06%.

Liabilities as at 31 December 2013 and 2012

Unit : Million Baht

Items	Consolidated		Changed	% Changed
	31/12/2013	31/12/2012		
Current Liabilities	565.18	1,197.31	(632.13)	(52.80)
Non-Current Liabilities	186.52	250.87	(64.36)	(25.65)
<i>Long Term Loans - net of current portion</i>	167.79	231.74	(63.95)	(27.59)
<i>Provision for long - term employee benefits</i>	18.72	19.13	(0.41)	(2.15)
Total liabilities	751.70	1,448.18	(696.48)	(48.09)

As at the end of the fiscal year 2013, the company and its subsidiary have total liabilities amount to Baht 751.70 million decreased by Baht 696.48 million or 48.09%. This was mainly due to decreased of current liabilities by Baht 632.13 or 52.80% million, this comprised from Trust receipts decreased by Baht 61.61 million, trade and other payables decreased by Baht 366.38

million, accrued project cost decreased by Baht 116.85 million due to the company delivered equipment and picked up the money and paid to trade account payable already , long term loan decreased by Baht 63.95 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 18.72 million.

Shareholders' Equity as at 31 December 2013 and 2012

Unit : Million Baht

Items	Consolidated		Changed	% Changed
	31/12/2013	31/12/2012		
Paid up Capital Shares	706.46	706.46	0.00	0.00
Share Premium	420.27	420.27	0.00	0.00
Retained Earning	112.15	135.46	(23.31)	(17.21)
Legal Reserve	65.19	64.91	0.28	0.43
Un-appropriated	46.96	58.80	(11.83)	(20.12)
<i>The cumulative effect of change in accounting</i>				
<i>policy for income tax :TAS12 income taxes</i>	-	11.76	(11.76)	100.00
Un-appropriated restated	46.96	70.55	(23.59)	(33.43)
Other components of shareholders' equity	8.16	8.16	0.00	0.00
Total Shareholders' Equity	1,239.49	1,262.67	(23.17)	(1.84)
Book Valued	1.75	1.79	(0.03)	(1.84)

As at the end of the fiscal year 2013, the company and its subsidiary have total shareholders' equity amount to Baht 1,239.49 million decreased by Baht 23.17 million or 1.84%. This was mainly due to operating results in year 2013 had net profit of Baht 12.01 million, during the current year, the company and its subsidiary made the cumulative effect of the change in the accounting policy followed Thai accounting standard 12 : income taxes. by Baht 11.76 million its made of un-appropriated retained earning carried forward from the previous year equal to by Baht 70.55 million, on 26 April 2013 the Annual General Meeting of shareholders for the year 2013 approved the payment of dividend of Baht 0.10 per share from the 2012 retained earnings totaling Baht 70.64 million which on 7 November 2012 the Board of Directors' meeting 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 4 Dec 2012 and on 23 May 2013 paid remained dividend of Baht 0.05 per share equal to Baht 35.32 million, the company had legal reserve amount to Baht 0.28 million, its made

un-appropriated retained earnings decreased by Baht 23.59 million of the previous year.

Liquidity

Cash flow

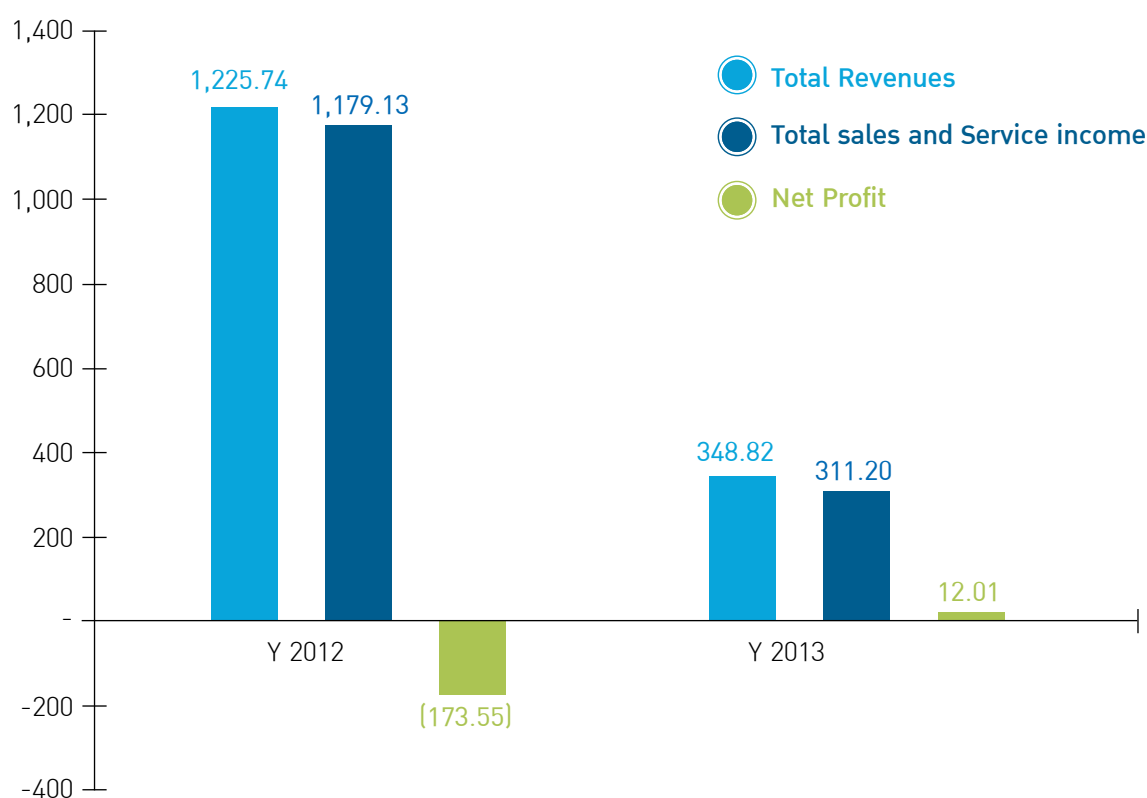
In 2013, the company and its subsidiary had net cash flow from operating activities amount to Baht 29 million. This was mainly due to unbilled receivables of Multi Service Access Node (MSAN) and WDM equipment project which invoiced to TOT by Baht 554.65 million and payment trade account payable by Baht 367 million and net cash flow used in investing activities by Baht 56 million and net cash flow used in financing activities by Baht 161 million due to decreased in trust receipt by Baht 61.60 million and the subsidiary repayment long term loans by Baht 63.95 million and dividend payment by Baht 35.32 million, As a result, cash and cash equivalents at the end of year 2013 amount to Baht 242 million decreased by Baht 76 million or 23.85% of the previous year. (its excluded restricted bank deposits amount to Baht 75 million)

Liquidity and Capital Structure

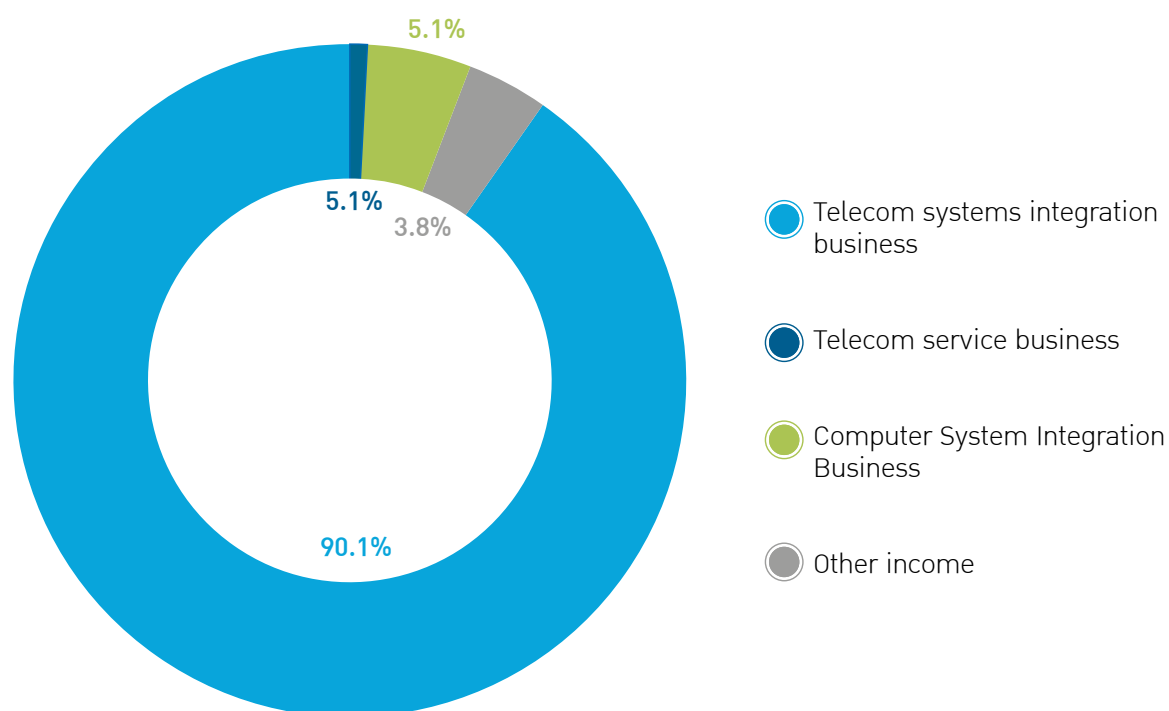
Items	31/12/2013	31/12/2012
<u>Liquidity Ratio</u>		
Current Ratio (times))	3.22	2.10
Quick Ratio (times)	2.92	1.95
<u>Capital Structure</u>		
Debt to Equity (times)	0.61	1.15

As at 31st December 2013 and 2012, the current ratio was 3.22 times and 2.10 times, respectively, and the quick ratio was 2.92 times and 1.95 times, respectively, which was a result of unbilled receivables decreased by Baht 554.65 million and trade account payable decreased by Baht 366 million

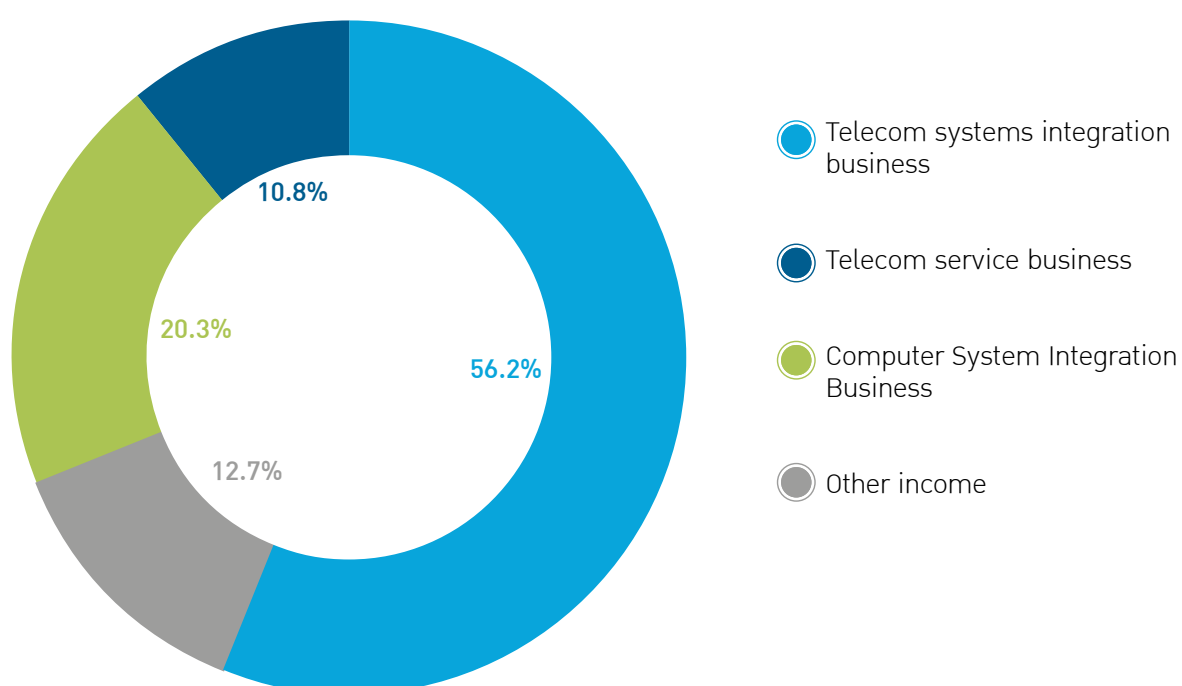
As at 31st December 2013 and 2012, the debt to equity was 0.61 times and 1.15 times, respectively, This was mainly due to of total liabilities decreased by Baht 696 million and shareholders' equity decreased by Baht 23 million due to net profit on operating results of Baht 12.01 million, dividend payment totaling Baht 35.32 million, The capital structure as at 31st December 2013 comprised the total liabilities of Baht 751.70 million and the shareholder's equity of Baht 1,239.49 million.

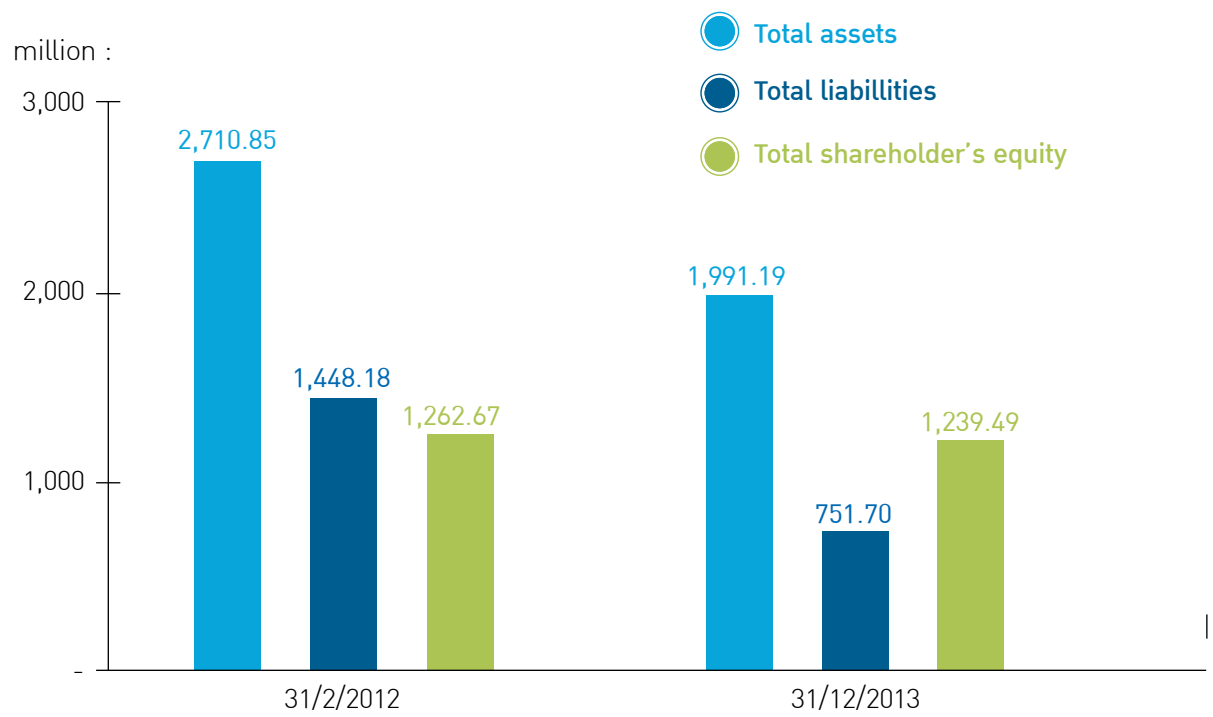


Sales and service revenue structure the company and subsidiary Y2012



Sales and service revenue structure the company and subsidiary Y2013





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

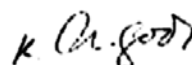
The Board of Directors is responsible for ensuring that the financial statements of Jasmine Telecom Systems Public Company Limited and the consolidated financial statement of the Company's and its subsidiary are made in accordance with the principles of accounting accepted in general. The accounting 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 2013 present the Company's financial situation and operation results in a reliable and accurate manner.



(Mr. Pleumjai Sinarkorn)
Director



(Mr. Kriengsak Chalermtiragool)
Director

Report of Independent Auditor

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 2013, and the related consolidated statements of comprehensive income, changes in shareholders' equity and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information, and have also audited the separate financial statements of Jasmine 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

- a) As described in Note 23 to the financial statements, the Company has disclosed its financial information by operating segment in accordance with Financial Reporting Standard No. 8 “Operating Segments”, except for its operating results, which the Company is unable to disclose by operating segment for the reasons described in that note.
- b) As described in Note 26.3 to the financial statements, the Company was unable to deliver the tablets to the Office of Basic Education Commission (OBEC) as scheduled in the agreement as a result of a massive fire in September 2013 at a production facility in China where a part of the tablets was produced. The Company submitted a letter to OBEC to inform it of the cause of the delay and request an extension of the shipments schedule. However, as stipulated in the agreement with OBEC, the Company is obliged to pay a penalty for delayed shipment at a daily rate of 0.2 percent of the price of the unshipped tablets. The Company had already notified the cause of the delay in order to request OBEC to extend the shipment schedule, and OBEC is currently in the process of considering the related information. The management of the Company is in the process of negotiation to extend the shipment schedule, including speeding up the shipments. Moreover, in the event that the Company is required to pay a penalty for the delayed shipment, the Company can claim all of its losses from the company who is the seller of the tablets, in accordance with a condition stipulated in the sale and purchase of tablets agreement. Based on these reasons, the Company is unable to conclude if and how much the provision for penalty charge will be incurred. Therefore, the Company does not record the provision for penalty charge for delayed shipment in the accounts. I was unable to audit to satisfy myself as to the amount of the provision for penalty charge, and this constitutes a limitation imposed by circumstance. My opinion is qualified in respect of this matter.

Opinion

In my opinion, except for non-disclosure of information relating to the operating results by operating segment as described in a) in the Basis for Qualified Opinion paragraph and except for the possible effects of the matter as described in b) in the Basis for Qualified Opinion 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 2013, their financial performance, and cash flows for the year then ended in accordance with Thai Financial Reporting Standards.

Emphasis of matters

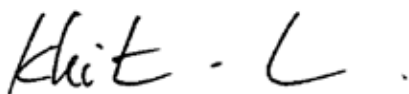
I draw attention to the following matters:

1. As described in Note 12 to the financial statements, regarding the balance approximately Baht 47 million (the Company only: Baht 19 million) receivable from an unrelated company under troubled debt restructuring agreement, and as described in Note 26.2 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.
2. As described in Note 4 to the financial statements, regarding the change in accounting policies due to the adoption of Thai Accounting Standard 12 Income Taxes. The Company has restated the consolidated and separate financial statements for the year ended 31 December 2012, presented herein as comparative information, to reflect the adjustment resulting from such change in accounting policy. The Company has also presented consolidated and separate statements of financial position as at 1 January 2012 as comparative information, using the same accounting policy for income taxes.

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

Other matter

The consolidated statement of financial position of Jasmine Telecom Systems Public Company Limited and its subsidiary and the separate statement of financial position of Jasmine Telecom Systems Public Company Limited as at 1 January 2012, presented herein as comparative information, were prepared by the management of the Company and were not audited or reviewed by the auditor. However, such financial statements were prepared by adjusting the consolidated and the separate statements of financial position as at 31 December 2011 which were audited by another auditor of our firm who expressed a qualified opinion on those statements under his report dated 27 February 2012.



Khitsada Lerdwana

Certified Public Accountant (Thailand) No. 4958

Ernst & Young Office Limited

Bangkok: 11 February 2014

Statement of financial position

Jasmine Telecom Systems Public Company Limited and its subsidiary

As at 31 December 2013

(Unit: Baht)

	Note	Consolidated financial statements			Separate financial statements		
		31 December 2013	31 December 2012 (Restated)	1 January 2012	31 December 2013	31 December 2012 (Restated)	1 January 2012
Assets							
Current assets							
Cash and cash equivalents	7	241,620,727	317,294,341	308,477,333	228,854,757	307,694,366	302,331,391
Current investments – bank deposits		81,799,307	140,303,246	42,756,827	81,575,134	140,151,512	40,868,414
Trade and other receivables	9	1,261,143,649	1,255,903,056	2,675,223,131	1,250,900,412	1,242,271,006	2,495,563,203
Unbilled receivables							
Related parties	8	104,678	113,797	5,326,330	74,640	92,784	310,395
Unrelated parties		67,550,803	622,197,883	623,531,245	61,622,197	611,865,565	616,995,339
Short-term loans to related party	8	-	-	-	69,347,000	69,347,000	45,105,000
Inventories	10	33,151,552	45,408,365	66,143,816	33,134,627	38,788,722	59,524,174
Assets held for sale	11	64,434,424	88,885,126	113,182,972	64,434,424	88,885,126	113,182,972
Prepaid project costs		22,485,173	6,362,827	89,806,314	21,979,630	566,205	83,489,176
Other current assets		47,944,998	37,736,647	104,602,913	37,393,061	29,327,576	91,278,052
Total current assets		1,820,235,311	2,514,205,288	4,029,050,881	1,849,315,882	2,528,989,862	3,848,648,116
Non-current assets							
Restricted bank deposits		74,739,060	64,246,139	81,504,859	71,466,279	60,241,164	77,925,611
Account receivable under troubled debt restructuring	12	47,414,702	94,456,157	138,541,960	18,833,738	20,300,624	33,129,107
Investment in subsidiary		-	-	-	83,899,210	83,899,210	83,899,210
Other long-term investment		-	-	10,920,717	-	-	10,614,463
Property, plant and equipment	14	31,288,238	22,054,098	26,567,818	12,605,215	9,167,865	11,815,362
Deferred tax asset	4	14,674,073	11,755,797	6,233,740	14,674,073	11,755,797	6,233,740
Deposits		2,839,536	4,127,864	4,203,751	1,896,433	3,086,986	3,265,091
Total non-current assets		170,955,609	196,640,055	267,972,845	203,374,948	188,451,646	226,882,584
Total assets		1,991,190,920	2,710,845,343	4,297,023,726	2,052,690,830	2,717,441,508	4,075,530,700

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 2013

(Unit: Baht)

		Consolidated financial statements			Separate financial statements		
	Note	31 December 2013	31 December 2012 (Restated)	1 January 2012	31 December 2013	31 December 2012 (Restated)	1 January 2012
Liabilities and shareholders' equity							
Current liabilities							
Short-term bank loans		-	-	4,827,295	-	-	4,827,295
Trust receipts		25,160,418	86,765,306	237,897,352	25,160,418	86,765,306	237,897,352
Trade and other payables	16	208,255,625	574,632,828	1,702,707,991	176,053,772	540,233,214	1,671,372,473
Accrued project cost		275,934,171	392,779,550	345,619,810	124,405,847	245,956,020	201,064,603
Current portion of long-term loans	17	14,484,000	14,484,000	75,345,922	-	-	60,861,921
Income tax payable		-	6,286,799	-	-	6,286,799	-
Advances received for goods and services		1,604,760	82,709,167	156,619,152	1,584,860	82,709,167	156,335,319
Other current liabilities		39,741,727	39,649,195	33,490,397	30,265,428	29,933,660	23,748,774
Total current liabilities		565,180,701	1,197,306,845	2,556,507,919	357,470,325	991,884,166	2,356,107,737
Non-current liabilities							
Long-term loans - net of current portion	17	167,794,373	231,740,205	246,224,205	-	-	-
Provision for long-term employee benefits		18,722,052	19,133,733	19,195,639	17,875,976	18,409,592	13,376,307
Total non-current liabilities		186,516,425	250,873,938	265,419,844	17,875,976	18,409,592	13,376,307
Total liabilities		751,697,126	1,448,180,783	2,821,927,763	375,346,301	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 2013

(Unit: Baht)

	Note	Consolidated financial statements			Separate financial statements		
		31 December 2013	31 December 2012 (Restated)	1 January 2012	31 December 2013	31 December 2012 (Restated)	1 January 2012
Shareholders' equity							
Share capital							
Registered							
706,457,300 ordinary shares of Baht 1 each (1 January 2012: 726,250,000 ordinary shares of Baht 1 each)		706,457,300	706,457,300	726,250,000	706,457,300	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	706,457,300	706,457,300
Share premium		420,269,078	420,269,078	420,269,078	420,269,078	420,269,078	420,269,078
Retained earnings							
Appropriated-statutory reserve	19	65,185,714	64,909,800	63,186,259	65,185,714	64,909,800	63,186,259
Unappropriated		46,963,233	70,551,184	280,157,886	485,432,437	515,511,572	516,134,019
Other components of shareholders' equity	2.2	8,157,637	8,157,637	8,157,637	-	-	-
Equity attributable to owners of the							
Company		1,247,032,962	1,270,344,999	1,478,228,160	1,677,344,529	1,707,147,750	1,706,046,656
Non-controlling interests of the subsidiary		(7,539,168)	(7,680,439)	(3,132,197)	-	-	-
Total shareholders' equity		1,239,493,794	1,262,664,560	1,475,095,963	1,677,344,529	1,707,147,750	1,706,046,656
Total liabilities and shareholders' equity		1,991,190,920	2,710,845,343	4,297,023,726	2,052,690,830	2,717,441,508	4,075,530,700

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 year ended 31 December 2013

(Unit: Baht)

		Consolidated financial statements		Separate financial statements	
	Note	2013	2012 (Restated)	2013	2012 (Restated)
Profit or loss:					
Revenues					
Sales and service income		311,203,595	1,179,133,994	241,002,559	1,116,477,810
Exchange gains		23,026,884	12,879,142	24,307,387	12,257,720
Other income		14,592,073	33,729,083	12,770,618	37,964,386
Total revenues		348,822,552	1,225,742,219	278,080,564	1,166,699,916
Expenses					
Cost of sales and services		171,469,172	923,328,056	136,934,567	885,681,353
Selling and servicing expenses		15,398,387	25,008,447	13,878,825	20,801,490
Administrative expenses		115,108,310	112,781,103	102,245,401	94,857,097
Other expenses					
Potential losses on debt restructuring		-	32,747,271	-	1,657,772
Doubtful debt		-	191,706,806	-	24,681,483
Loss on impairment of investment		-	10,920,717	-	10,614,463
Loss on impairment of asset	11	15,125,000	22,577,000	15,125,000	22,577,000
Total expenses		317,100,869	1,319,069,400	268,183,793	1,060,870,658
Profit (loss) before finance cost and income tax expenses					
		31,721,683	(93,327,181)	9,896,771	105,829,258
Finance cost		(16,856,393)	(60,086,572)	(1,663,936)	(41,867,181)
Profit (loss) before income tax expenses		14,865,290	(153,413,753)	8,232,835	63,962,077
Income tax expenses	21	(2,714,556)	(24,683,122)	(2,714,556)	(24,683,122)
Profit (loss) for the year		12,150,734	(178,096,875)	5,518,279	39,278,955
Other comprehensive income :					
Actuarial gain (loss)	18	-	273,726	-	(3,569,607)
Income tax effect	21	-	713,921	-	713,921
Other comprehensive income for the year		-	987,647	-	(2,855,686)
Total comprehensive income for the year		12,150,734	(177,109,228)	5,518,279	36,423,269

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 year ended 31 December 2013

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2013	2012 (Restated)	2013	2012 (Restated)
Profit (loss) attributable to:					
Equity holders of the Company		12,009,463	(173,548,633)	5,518,279	39,278,955
Non-controlling interests of the subsidiaries		141,271	(4,548,242)		
		12,150,734	(178,096,875)		
Total comprehensive income attributable to:					
Equity holders of the Company		12,009,463	(172,560,986)	5,518,279	36,423,269
Non-controlling interests of the subsidiary		141,271	(4,548,242)		
		12,150,734	(177,109,228)		
Earnings per share	22				
Basic earnings per share					
Profit (loss) attributable to equity holders of the Company		0.02	(0.25)	0.01	0.06
Weighted average number of ordinary share (shares)		706,457,300	706,457,300	706,457,300	706,457,300

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 year ended 31 December 2013

(Unit: Baht)

	Consolidated financial statements							
	Equity attributable to the parent's shareholders				Other component of equity			
	Issued and fully paid-up share capital	Share premium	Retained earnings		Difference between the purchase price of investment in subsidiary under common control and its net book value	Total other components of shareholders' equity	Total equity attributable to owners of the Company	Equity attributable to non-controlling interests of the subsidiary
			Appropriated	Unappropriated				
Balance as at 1 January 2012 - as previously reported	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)
Cumulative effect of change in accounting policy for income tax (Note 4)	-	-	-	6,233,740	-	-	6,233,740	-
Balance as at 1 January 2012 - as restated	706,457,300	420,269,078	63,186,259	280,157,886	8,157,637	8,157,637	1,478,228,160	(3,132,197)
Dividend paid (Note 25)	-	-	-	(35,322,175)	-	-	(35,322,175)	-
Total comprehensive income for the year (restated)	-	-	-	(172,560,986)	-	-	(172,560,986)	(4,548,242)
Transferred to statutory reserved (Note 19)	-	-	1,723,541	(1,723,541)	-	-	-	-
Balance as at 31 December 2012 - as restated	706,457,300	420,269,078	64,909,800	70,551,184	8,157,637	8,157,637	1,270,344,999	(7,680,439)
Balance as at 1 January 2013 - as previously reported	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)
Cumulative effect of change in accounting policy for income tax (Note 4)	-	-	-	11,755,797	-	-	11,755,797	-
Balance as at 1 January 2013 - as restated	706,457,300	420,269,078	64,909,800	70,551,184	8,157,637	8,157,637	1,270,344,999	(7,680,439)
Dividend paid (Note 25)	-	-	-	(35,321,500)	-	-	(35,321,500)	-
Total comprehensive income for the period	-	-	-	12,009,463	-	-	12,009,463	141,271
Transferred to statutory reserved (Note 19)	-	-	275,914	(275,914)	-	-	-	-
Balance as at 31 December 2013	706,457,300	420,269,078	65,185,714	46,963,233	8,157,637	8,157,637	1,247,032,962	(7,539,168)
								1,239,493,794

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 year ended 31 December 2013

	Separate financial statements					(Unit: Baht)
	Issued and fully paid-up share capital	Share premium	Retained earnings		Total	
			Appropriated	Unappropriated	shareholders' equity	
Balance as at 1 January 2012 - as previously reported	706,457,300	420,269,078	63,186,259	509,900,279	1,699,812,916	
Cumulative effect of change in accounting policy for income tax (Note 4)	-	-	-	6,233,740	6,233,740	
Balance as at 1 January 2012 - as restated	706,457,300	420,269,078	63,186,259	516,134,019	1,706,046,656	
Dividend paid (Note 25)	-	-	-	(35,322,175)	(35,322,175)	
Total comprehensive income for the year (restated)	-	-	-	36,423,269	36,423,269	
Transferred to statutory reserved (Note 19)	-	-	1,723,541	(1,723,541)	-	
Balance as at 31 December 2012 - as restated	706,457,300	420,269,078	64,909,800	515,511,572	1,707,147,750	
Balance as at 1 January 2013 - as previously reported	706,457,300	420,269,078	64,909,800	503,755,775	1,695,391,953	
Cumulative effect of change in accounting policy for income tax (Note 4)	-	-	-	11,755,797	11,755,797	
Balance as at 1 January 2013 - as restated	706,457,300	420,269,078	64,909,800	515,511,572	1,707,147,750	
Dividend paid (Note 25)	-	-	-	(35,321,500)	(35,321,500)	
Total comprehensive income for the year	-	-	-	5,518,279	5,518,279	
Transferred to statutory reserved (Note 19)	-	-	275,914	(275,914)	-	
Balance as at 31 December 2013	706,457,300	420,269,078	65,185,714	485,432,437	1,677,344,529	

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

Cash flow statement

Jasmine Telecom Systems Public Company Limited and its subsidiary

For year ended 31 December 2013

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
Cash flows from operating activities				
Profit (loss) before tax	14,865,290	(153,413,753)	8,232,835	63,962,077
Adjustments to reconcile profit (loss) before tax to net cash provided by (paid from) operating activities				
Depreciation	12,845,511	9,689,367	7,268,933	6,154,388
Record of doubtful debt	-	191,706,806	-	24,681,483
Potential losses on debt restructuring	-	32,747,271	-	1,657,772
Loss on impairment of investment	-	10,920,717	-	10,614,463
Loss on impairment of asset	15,125,000	22,577,000	15,125,000	22,577,000
Loss (gain) on disposal of equipment	4,086	(149,254)	-	-
Provision for long-term employee benefits	1,668,239	2,211,820	1,546,304	1,463,678
Unrealised exchange (gain) losses	1,388,280	(593,937)	107,777	27,485
Interest income	(13,032,341)	(32,963,422)	(12,141,944)	(37,395,655)
Interest expenses	16,702,261	57,025,043	1,509,805	38,805,652
Profit from operating activities before changes in operating assets and liabilities	49,566,326	139,757,658	21,648,710	132,548,343
Operating assets (increase) decrease				
Trade and other receivables	(4,440,899)	1,253,963,923	(5,897,745)	1,257,310,369
Unbilled receivables	554,656,199	6,545,895	550,261,512	5,347,385
Short-term loans to related parties	-	-	-	(24,242,000)
Inventories	7,762,069	22,470,816	6,968,277	22,470,818
Prepaid project costs	(16,122,346)	82,249,324	(21,413,425)	82,922,971
Other current assets	(7,267,816)	6,290,223	(7,273,792)	6,579,261
Account receivable under troubled debt restructuring	47,041,455	11,338,532	1,466,886	11,170,711
Other assets	(3,760,472)	75,887	1,190,553	178,105
Operating liabilities increase (decrease)				
Trade and other payables	(366,753,677)	(1,151,032,576)	(364,555,916)	(1,154,096,672)
Accrued project costs	(116,845,379)	47,159,740	(121,550,173)	44,891,417
Advances received for goods and services	(81,104,407)	(73,909,985)	(81,124,307)	(73,626,152)
Other current liabilities	(1,708,191)	7,112,697	331,768	6,254,785
Other non-current liabilities	(2,079,920)	(2,000,000)	(2,079,920)	-
Cash from (used in) operating activities	58,942,942	350,022,134	(22,027,572)	317,709,341
Cash paid for interest expenses	(15,891,568)	(32,787,816)	(688,335)	(14,563,861)
Income tax refund				
(Cash paid for income tax)	(13,621,034)	35,431,048	(12,925,739)	30,224,157
Net cash from (used in) operating activities	29,430,340	352,665,366	(35,641,646)	333,369,637

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 year ended 31 December 2013

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
Cash flows from investing activities				
Decrease (increase) in current				
investments - bank deposits	58,503,939	(97,546,419)	58,576,378	(99,283,098)
Decrease (increase) in restricted bank deposits	(10,492,921)	17,258,720	(11,225,115)	17,684,447
Interest income	10,611,739	6,913,528	8,711,925	9,256,837
Acquisition of equipment	(2,854,491)	(4,025,640)	(2,334,763)	(3,521,411)
Proceeds from sales of equipment	-	178,891	-	-
Net cash from (used in) investing activities	55,768,266	(77,220,920)	53,728,425	(75,863,225)
Cash flows from financing activities				
Decrease in short-term bank loans	-	(4,827,295)	-	(4,827,295)
Decrease in trust receipts	(61,604,888)	(151,132,046)	(61,604,888)	(151,132,046)
Repayment of long-term loans	(63,945,832)	(75,345,922)	-	(60,861,921)
Dividend paid	(35,321,500)	(35,322,175)	(35,321,500)	(35,322,175)
Net cash used in financing activities	(160,872,220)	(266,627,438)	(96,926,388)	(252,143,437)
Net increase (decrease) in cash and cash equivalents	(75,673,614)	8,817,008	(78,839,609)	5,362,975
Cash and cash equivalents at beginning of year	317,294,341	308,477,333	307,694,366	302,331,391
Cash and cash equivalents at end of year	241,620,727	317,294,341	228,854,757	307,694,366

Supplemental cash flow information

Non-cash transaction

Transfer prepaid project costs to equipment	5,048,800	4,713,263	-	-
Transfer inventories to equipment	6,560,318	-	-	-

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 2013

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 Thai Financial Reporting Standards enunciated under the Accounting Professions Act B.E. 2547 and their presentation has been made in compliance with the stipulations of the Notification of the Department of Business Development dated 28 September 2011, issued under the Accounting Act B.E. 2543.

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

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

2.2 Basis of consolidation

- a) The consolidated financial statements include the financial statements of Jasmine 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

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

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

Accounting standards:

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

Financial Reporting Standard:

TFRS 8	Operating Segments
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Accounting Standard Interpretations:

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

Accounting Treatment Guidance for Transfers of Financial Assets

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

TAS 12 Income Taxes

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

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

		Effective date
Accounting Standards:		
TAS 1 (revised 2012)	Presentation of Financial Statements	1 January 2014
TAS 7 (revised 2012)	Statement of cash flows	1 January 2014
TAS 12 (revised 2012)	Income Taxes	1 January 2014
TAS 17 (revised 2012)	Leases	1 January 2014
TAS 18 (revised 2012)	Revenue	1 January 2014
TAS 19 (revised 2012)	Employee Benefits	1 January 2014
TAS 21 (revised 2012)	The Effects of Changes in Foreign Exchange Rates	1 January 2014
TAS 24 (revised 2012)	Related Party Disclosures	1 January 2014
TAS 28 (revised 2012)	Investments in Associates	1 January 2014
TAS 31 (revised 2012)	Interests in Joint Ventures	1 January 2014
TAS 34 (revised 2012)	Interim Financial Reporting	1 January 2014
TAS 38 (revised 2012)	Intangible Assets	1 January 2014
Financial Reporting Standards:		
TFRS 2 (revised 2012)	Share-based Payment	1 January 2014
TFRS 3 (revised 2012)	Business Combinations	1 January 2014
TFRS 4	Insurance Contracts	1 January 2016
TFRS 5 (revised 2012)	Non-current Assets Held for Sale and Discontinued Operations	1 January 2014
TFRS 8 (revised 2012)	Operating Segments	1 January 2014
Accounting Standard Interpretations:		
TSIC 15	Operating Leases - Incentives	1 January 2014
TSIC 27	Evaluating the Substance of Transactions Involving the Legal Form of a Lease	1 January 2014
TSIC 29	Service Concession Arrangements: Disclosures	1 January 2014

		Effective date
TSIC 32	Intangible Assets - Web Site Costs	1 January 2014
Financial Reporting Standard Interpretations:		
TFRIC 1	Changes in Existing Decommissioning, Restoration and Similar Liabilities	1 January 2014
TFRIC 4	Determining whether an Arrangement contains a Lease	1 January 2014
TFRIC 5	Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds	1 January 2014
TFRIC 7	Applying the Restatement Approach under TAS 29 Financial Reporting in Hyperinflationary Economies	1 January 2014
TFRIC 10	Interim Financial Reporting and Impairment	1 January 2014
TFRIC 12	Service Concession Arrangements	1 January 2014
TFRIC 13	Customer Loyalty Programmes	1 January 2014
TFRIC 17	Distributions of Non-cash Assets to Owners	1 January 2014
TFRIC 18	Transfers of Assets from Customers	1 January 2014

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

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

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

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

(Unit : Thousand Baht)

	Consolidated financial statements			Separate financial statements		
	As at 31 December 2013	As at 31 December 2012	As at 1 January 2012	As at 31 December 2013	As at 31 December 2012	As at 1 January 2012
Statements of financial position						
Increase in deferred tax assets	14,674	11,756	6,234	14,674	11,756	6,234
Increase in unappropriated retained earnings	14,674	11,756	6,234	14,674	11,756	6,234

(Unit : Thousand Baht)

	For the year ended 31 December 2013		For the year ended 31 December 2012	
	Consolidated financial statements	Separate financial statements	Consolidated financial statements	Separate financial statements
Statements of comprehensive income				
Profit or loss:				
Decrease in income tax	(2,918)	(2,918)	(4,808)	(4,808)
Increase in profit attributable to equity holders of the Company	2,918	2,918	5,522	5,522
Increase in basic earnings per share (Baht)	0.004	0.004	0.010	0.010
Other comprehensive income:				
Decrease in actuarial losses	-	-	714	714

5. Significant accounting policies

5.1 Revenue recognition

Sales of goods

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

Revenue from design and installation of telecommunication systems

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

Revenue from installment sales

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

Rendering of maintenance services

Maintenance service revenue is recognised when service is rendered.

Public telephone rental income

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

Interest income

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

5.2 Cash and cash equivalents

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

5.3 Trade 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.

5.4 Inventories

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

5.5 Assets held for sale

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

5.6 Investments

- a) Investments in non-marketable equity securities, which the Company classifies as other investments, are stated at cost net of allowance for 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.

5.7 Property, plant and equipment / Depreciation

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

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

Buildings	- 20 years
Public telephones	- 5 years
Buildings and leasehold improvements	- 5 years
Furniture, fixtures and office equipment	- 3 - 10 years
Motor vehicles	- 5 years

Depreciation is included in profit or loss.

No depreciation is provided on land.

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

5.8 Related party transactions

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

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

5.9 Foreign currencies

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

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

Gains and losses on exchange are included in determining income.

5.10 Impairment of assets

At the end of each reporting period, the Company and its subsidiary perform impairment reviews in respect of the property, plant and equipment and investments whenever events or changes in circumstances indicated that an asset may be impaired. An impairment loss is recognised when the recoverable amount of an asset, which is the higher of the asset's fair value less costs to sell and its value in use, is less than the carrying amount.

An impairment loss is recognised in profit or loss.

5.11 Employee benefits

Short-term employee benefits

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

Post-employment benefits

Defined contribution plans

The Company, its subsidiary and their employees have jointly established a provident fund. The fund is monthly contributed by employees and by the Company and its subsidiary. The fund's assets are held in a separate trust fund and the 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.

5.12 Provisions

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

5.13 Income tax

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

Current tax

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

Deferred tax

Deferred income tax is provided on temporary differences between the tax bases of assets and liabilities and their carrying amounts at the end of each reporting period, using the tax rates enacted at the end of the reporting period.

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

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

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

5.14 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.

5.15 Debt restructuring

Potential losses on debt restructuring and losses on debt restructuring

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

6. Significant accounting judgments and estimates

The preparation of financial statements in conformity with 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.

Deferred tax assets

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

Post-employment benefits under defined benefit plans

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

Litigation

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

7. Cash and cash equivalents

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
Cash	-	1	-	1
Bank deposits	242	316	229	307
Total	242	317	229	308

8. Related party transactions

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

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

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

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements		Transfer Pricing Policy
	2013	2012	2013	2012	
<u>Transactions with parent company</u>					
Office rental and service expenses	8	8	6	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	5	The rates referenced to MLR per annum
<u>Transactions with related companies</u>					
Sales and service income	85	44	54	13	Contract price or at prices normally charged to other customers or cost plus margin
Interest income	-	27	-	27	The rates referenced to MLR per annum
Cost of sales and services	3	66	3	66	Contract price or at prices normally charged to other customers
Other expenses	8	7	5	5	Contract price or at prices normally charged to other customers

The balances of the accounts as at 31 December 2013 and 2012 between the Company and its subsidiary and those related companies are as follows:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
<u>Trade accounts receivable - related parties (Note 9)</u>				
Related companies				
Jasmine Group	744,982	710,554	734,052	697,605
Triple T Global Net Co., Ltd.	1,846	1,846	-	-
Total trade accounts receivable - related parties	746,828	712,400	734,052	697,605
<u>Other receivables - related parties (Note 9)</u>				
Subsidiary	-	-	4,967	2,504
Related companies				
Triple T Broadband Plc.	120	-	120	-
TT&T Subscriber Services Co., Ltd.	106	106	106	106
Total other receivables - related parties	226	106	5,193	2,610

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
Unbilled receivable from related parties				
Related companies				
Jasmine Group	105	114	75	93
Total unbilled receivable from related parties	105	114	75	93
Short-term loans to related party				
Subsidiary	-	-	69,347	69,347
Total short-term loan to subsidiary	-	-	69,347	69,347
Trade accounts payable - related parties (Note 16)				
Related companies				
Jasmine Group	246	291	187	232
TT&T Subscriber Services Co., Ltd.	17,703	17,703	17,703	17,703
Total trade accounts payable - related parties	17,949	17,994	17,890	17,935
Other payables - related parties (Note 16)				
Parent company	19,589	18,202	117	66
Related companies				
Jasmine Group	6,712	5,169	366	276
Total other payables - related parties	26,301	23,371	483	342
Advance received from related parties				
Related companies				
Jasmine Group	-	3,890	-	3,890
Total advance received from related parties	-	3,890	-	3,890

Short-term loans to the subsidiary

During 2013, there is no movement of short-term loans to related parties from the balance as of 31 December 2012.

Directors and management's benefits

During the years ended 31 December 2013 and 2012, the Company and its subsidiary had employee benefit expenses payable to their directors and management as below.

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
Short-term employee benefits	16	17	15	14
Post-employment benefits	2	8	1	1
Total	18	25	16	15

Guarantee obligations with the subsidiary

The Company has outstanding guarantee obligations with its subsidiary, as described in Note 26.5 to the financial statements.

9. Trade and other receivables

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
Trade receivables - related parties (Note 8)	746,828	712,400	734,052	697,605
Trade receivables - unrelated parties	563,345	599,382	393,985	431,092
Other receivables - related parties (Note 8)	226	106	5,193	2,610
Other receivables - unrelated parties	142,498	135,722	142,398	135,645
Total	1,452,897	1,447,610	1,275,628	1,266,952
Less: Allowance for doubtful debts	(191,753)	(191,707)	(24,728)	(24,681)
Trade and other receivables - net	1,261,144	1,255,903	1,250,900	1,242,271

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

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
<u>Trade receivables - related parties</u>				
Aged on the basis of due dates				
Not yet due	5,353	5,971	4,387	3,621
Past due				
Up to 3 months	15,680	6,535	9,687	2,576
3 - 6 months	6,911	10,632	3,005	3,992
6 - 12 months	22,838	9,338	22,773	9,338
Over 12 months	696,046	679,924	694,200	678,078
Total trade receivables - related parties (Note 8)	746,828	712,400	734,052	697,605

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
<u>Trade receivables - unrelated parties</u>				
Aged on the basis of due dates				
Not yet due	345,610	277,229	344,733	276,959
Past due				
Up to 3 months	924	48,935	-	47,945
3 - 6 months	19,703	11,293	19,703	11,293
6 - 12 months	6,927	73,277	6,928	73,276
Over 12 months	190,181	188,648	22,621	21,619
Total	563,345	599,382	393,985	431,092
Less: Allowance for doubtful debts	(179,440)	(179,394)	(12,415)	(12,368)
Total trade receivable - unrelated parties, net	383,905	419,988	381,570	418,724
Total trade receivable - net	1,130,733	1,132,388	1,115,622	1,116,329
<u>Other receivables - unrelated parties</u>				
Retention receivable as per contract	129,315	122,379	129,315	122,379
Accrued interest income	12,313	12,313	12,313	12,313
Others	870	1,030	770	953
Total	142,498	135,722	142,398	135,645
Less: Allowance for doubtful debts	(12,313)	(12,313)	(12,313)	(12,313)
Total other receivables - unrelated parties, net	130,185	123,409	130,085	123,332

Included in trade receivables from unrelated parties as at 31 December 2013 and 2012, were amounts receivable from the companies majority-owned by the government as follows:

(Unit: Thousand Baht)

Age of receivables	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
Not yet due	345,442	181,617	344,568	181,347
Past due				
Up to 3 months	923	36,570	-	35,580
3 - 6 months	19,696	-	19,696	-
6 - 12 months	32	68,681	32	68,681
Over 12 months	8,966	8,966	8,966	8,966
Total	375,059	295,834	373,262	294,574

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

10. Inventories

(Unit: Thousand Baht)

	Consolidated financial statements					
	Cost		Reduce cost to net realisable value		Inventories-net	
	2013	2012	2013	2012	2013	2012
Finished goods	35,362	47,618	(2,210)	(2,210)	33,152	45,408

(Unit: Thousand Baht)

	Separate financial statements					
	Cost		Reduce cost to net realisable value		Inventories-net	
	2013	2012	2013	2012	2013	2012
Finished goods	33,135	38,789	-	-	33,135	38,789

11. Assets held for sale

(Unit: Thousand Baht)

Uninstalled public telephones	
Cost	129,254
Less: Allowance for impairment of assets	(40,369)
Net book value as at 1 January 2013	88,885
Transfer out	(9,326)
Recorded allowance for impairment of assets during the year	(15,125)
Net book value as at 31 December 2013	64,434

The assets held for sale are the uninstalled public telephones. At the present, the Company is in the process of proposing to sell its uninstalled public telephones to unrelated companies. As at 31 December 2013, the management of JTS assessed the fair value of these uninstalled public telephones and therefore recorded allowance for impairment of assets of these public telephones in amounting to Baht 15 million in profit or loss in the current year.

12. Accounts receivable under troubled debt restructuring

As at 31 December 2013, the Company and its subsidiary have an outstanding balance totaling approximately Baht 47 million (2012: Baht 94 million) (the Company only: Baht 19 million (2012: Baht 20 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.

13. Investment in subsidiary

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

14. Property, plant and equipment

	Consolidated financial statements						(Unit: Thousand Baht)
	Land	Buildings	Public telephones	Buildings and leasehold improvement	Furniture, fixtures and office equipment	Motor vehicles	Total
Cost							
1 January 2012	2,000	1,239	7,565	16,019	81,124	9,479	117,426
Additions	-	-	-	-	5,220	-	5,220
Transfers in (out)	-	-	2	-	(17)	-	(15)
Disposals	-	-	-	-	(1,599)	(1,117)	(2,716)
31 December 2012	2,000	1,239	7,567	16,019	84,728	8,362	119,915
Additions	-	-	-	-	1,617	1,238	2,855
Transfers in	-	-	7,968	-	12,007	-	19,975
Disposals	-	-	-	-	(7,551)	-	(7,551)
31 December 2013	2,000	1,239	15,535	16,019	90,801	9,600	135,194
Accumulated depreciation							
1 January 2012	-	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 out	-	-	-	-	(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
Depreciation for the year	-	47	4,484	204	8,048	63	12,846
Transfers in	-	-	-	-	745	-	745
Depreciation on disposals	-	-	-	-	(7,546)	-	(7,546)
31 December 2013	-	1,237	10,584	15,784	67,876	8,425	103,906
Net book value							
31 December 2012	2,000	49	1,467	439	18,099	-	22,054
31 December 2013	2,000	2	4,951	235	22,925	1,175	31,288
Depreciation for the year							
2012 (Baht 4 million included in cost of sales and services, and the balance in selling, servicing and administrative expenses)							9,689
2013 (Baht 7 million included in cost of sales and services, and the balance in selling, servicing and administrative expenses)							12,846

(Unit: Thousand Baht)

	Separate financial statements				
	Public telephons	Leasehold improvement	Furniture, fixtures and office equipment	Motor vehicles	Total
Cost					
1 January 2012	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
Additions	-	-	1,098	1,237	2,335
Transfers in	7,968	-	397	-	8,365
31 December 2013	15,535	12,130	53,194	9,103	89,962
Accumulated depreciation					
1 January 2012	4,587	10,537	40,951	8,818	64,893
Depreciation for the year	1,513	1,488	3,153	-	6,154
Transfer out	-	-	(1)	-	(1)
Depreciation on disposals	-	-	-	(952)	(952)
31 December 2012	6,100	12,025	44,103	7,866	70,094
Depreciation for the year	4,484	105	2,618	62	7,269
Depreciation on disposals	-	-	(6)	-	(6)
31 December 2013	10,584	12,130	46,715	7,928	77,357
Net book value					
31 December 2012	1,467	105	7,596	-	9,168
31 December 2013	4,951	-	6,479	1,175	12,605
Depreciation for the year					
2012 (Baht 2 million included in cost of sales and services, and the balance in selling, servicing and administrative expenses)					6,154
2013 (Baht 4 million included in cost of sales and services, and the balance in selling, servicing and administrative expenses)					7,269

As at 31 December 2013, 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 76 million (2012: Baht 80 million) (The Company only: Baht 60 million (2012: Baht 56 million)).

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 9 to the financial statements.

16. Trade and other payables

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
Trade payables - related parties (Note 8)	17,949	17,994	17,890	17,935
Trade payables - unrelated parties	157,628	522,539	152,375	511,864
Other payables - related parties (Note 8)	26,301	23,371	483	342
Other payables - unrelated parties	6,378	10,729	5,306	10,092
Total trade and other payables	208,256	574,633	176,054	540,233

17. Long-term loans

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
Long-term loans	182,278	246,224	-	-
Less: Current portion	(14,484)	(14,484)	-	-
Long-term loans - net of current portion	167,794	231,740	-	-

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. The subsidiary's long-term loan is guaranteed by the Company and secured by the assignment of rights to receive payments from TT&T for the outstanding balance receivable of Baht 314 million to the bank, which the bank filed a claim directly with TT&T under the rehabilitation plan.

18. Provision for long-term employee benefits

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

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
Defined benefit obligation at beginning of year	19,134	19,196	18,410	13,376
Current service cost	1,072	1,444	977	929
Interest cost	596	768	569	535
Benefits paid during the year	(2,080)	(2,000)	(2,080)	-
Defined benefit obligation at end of year	18,722	19,408	17,876	14,840
Unrecognised actuarial (gain) loss	-	(274)	-	3,570
Provisions for long-term employee benefits at end of year	18,722	19,134	17,876	18,410

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

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
Current service cost	1,072	1,444	977	929
Interest cost	596	768	569	535
Total expense recognised in profit or loss	1,668	2,212	1,546	1,464
Line items under which such expenses are included in profit or loss				
Administrative expenses	1,668	2,212	1,546	1,464

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	
	2013	2012
	(% per annum)	(% per annum)
Discount rate	3.75%	3.75%
Future salary increase rate	5%	5%

Amounts of defined benefit obligation for the current and previous three years are as follows:

(Unit: 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 2013	18,722	17,876	-	-
Year 2012	19,134	18,410	(1,360)	2,548
Year 2011	19,196	13,376	-	-
Year 2010	17,226	12,107	-	-

19. 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.

20. Expenses by nature

Significant expenses by nature are as follows:

(Unit: Maillion Baht)

	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
Subcontracting expenses	62	803	29	803
Salary and wages and other employee benefits	89	93	83	76
Inventories used	90	61	86	61
Depreciation	13	10	7	6
Rental expenses from operating lease agreements	8	8	6	6
Potential losses on debt restructuring	-	33	-	2
Doubtful debt	-	192	-	25
Loss on impairment of investment	-	11	-	11
Loss on impairment of asset	15	23	15	23

21. Income tax

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

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2013	2012 (Restated)	2013	2012 (Restated)
Current income tax:				
Current income tax charge	5,633	29,491	5,633	29,491
Deferred tax:				
Relating to origination and reversal of temporary differences	(2,918)	(4,808)	(2,918)	(4,808)
Income tax expense reported in the statement of comprehensive income	2,715	24,683	2,715	24,683

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

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2013	2012 (Restated)	2013	2012 (Restated)
Actuarial gain (losses)	-	274	-	(3,570)
Income tax revenue reported in the statement of comprehensive income	-	714	-	714

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

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
		(Restated)		(Restated)
Accounting profit (loss) before tax	14,865	(153,414)	8,233	63,962
Applicable tax rate	20%	23%	20%	23%
Accounting profit before tax multiplied by applicable tax rate	2,973	(35,285)	1,647	14,711
Effects of:				
Non-deductible expenses	1,078	10,460	1,078	10,460
Additional expense deductions allowed	(10)	(488)	(10)	(488)
Others	(1,326)	49,996	-	-
Total	(258)	59,968	1,068	9,972
Income tax expenses reported in the statement of comprehensive income	2,715	24,683	2,715	24,683

The components of deferred tax assets are as follows:

(Unit: Thousand Baht)

	Consolidated statements of financial position/ Separate statements of financial position			Consolidated statements of comprehensive income / Separate statements of comprehensive income	
	31 December 2013	As at 31 December 2012	1 January 2012	For the years ended 31 December 2013	2012
Deferred tax assets		(Restated)			(Restated)
Allowance for asset impairment	11,099	8,074	3,559	(3,025)	(4,515)
Provision for long-term employee benefits	3,575	3,682	2,675	107	(293)
Deferred tax relating to origination and reversal of temporary differences				(2,918)	(4,808)
Deferred tax assets - net	14,674	11,756	6,234		

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

As at 31 December 2013 the Company and its subsidiary have deductible temporary differences and unused tax losses totaling Baht 554 million (2012: Baht 561 million) and the Company only: Baht 118 million (2012: Baht 118 million), on which deferred tax assets have not been recognised as the Company believes future taxable profits may not be sufficient to allow utilisation of the temporary differences and unused tax losses.

22. 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.

23. Segment information

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

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

- 1) Design and installation of telecommunication systems segment
- 2) Telecom service business segment
- 3) Other segments

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

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

	For the year ended 31 December						(Unit: Million Baht)
	Design and installation of telecommunication systems segment		Telecom service business segment		Other segments		Consolidation
	2013	2012	2013	2012	2013	2012	2012
Revenue from external customers	222	1,129	44	12	45	38	311
Unallocated income and expenses:							1,179
Exchange gains							23
Other income							15
Cost of sales and services							(172)
Selling and servicing expenses							(15)
Administrative expenses							(115)
Potential losses on debt restructuring							-
Doubtful debt							-
Loss on impairment of investment							-
Loss on impairment of asset							(15)
Finance cost							(17)
Income tax expenses							(3)
Profit (loss) for the year							12

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

(Unit: Million Baht)

	Design and installation of telecommunication systems segment		Telecom service business segment		Other segments		Consolidation	
	31 December 2013	31 December 2012	31 December 2013	31 December 2012	31 December 2013	31 December 2012	31 December 2013	31 December 2012
Accounts receivable	1,023	1,060	108	72	-	-	1,131	1,132
Inventories	7	36	26	9	-	-	33	45
Property, plant and equipment	-	-	5	1	26	21	31	22
Unallocated assets							796	1,512
Total assets							1,991	2,711

Transfer prices between business segments are described in Note 8 to the financial statements.

The Company disclosed its financial information by operating segment in accordance with Financial Reporting Standard 8: "Operating Segments", except for the operating results which the Company is unable to disclose by operating segment since the management believes that such disclosure would unfavorably affect the management and operation of the businesses of the Company and its subsidiary.

24. 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 BBL Asset Management Co., Ltd., will be paid to employees upon termination in accordance with the fund rules. During the year 2013, the Company and its subsidiary contributed Baht 4 million, and the Company only contributed Baht 4 million, to the fund (2012: Baht 5 million and Baht 4 million, respectively).

25. Dividends

On 7 November 2012, The Board of Director passed a resolution approving the payment of interim dividend of Baht 0.05 per share, a total of approximately Baht 35 million. The Company paid this amount of dividend in December 2012.

On 26 April 2013, the Annual General Meeting of shareholders for the year 2013 of the Company passed a resolution approving the payment of dividend of Baht 0.10 per share from the 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, a total of approximately Baht 35 million. The Company paid this amount of dividend in May 2013.

26. Commitments and contingent liabilities

26.1 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 5 years and non-cancellable.

As at 31 December 2013, future minimum lease payments required under these non-cancellable operating leases contracts were as follows.

(Unit: Million Baht)

	Consolidated financial statements	Separate financial statements
Payable:		
In up to 1 year	8	6
In over 1 and up to 5 years	13	10

26.2 Disputes

The subsidiary has an outstanding balance receivable from TT&T amounting to approximately USD 5 million (as at 31 December 2013 equivalent to approximately Baht 168 million (2012: 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, the disputes are in process of consideration by the arbitrators.

26.3 Contingent liability

In September 2013, the Company entered into an agreement with the Office of Basic Education Commission (OBEC) to sell 357,024 tablet personal computers for students and teachers in the north and east of Thailand (Zone 4). According to a condition in the agreement, the Company had to deliver all of the tablets to OBEC within December 2013. The Company was unable to deliver the tablets as scheduled in the agreement as a result of a massive fire in September 2013 at a production facility in China where a part of the tablets was produced. In October 2013, the Company submitted a letter to OBEC to inform it of the cause of the delay and request an extension of the shipments schedule. However, as stipulated in the agreement with OBEC, the Company is obliged to pay a penalty for delayed shipment at a daily rate of 0.2 percent of the price of the unshipped tablets. The Company had already notified the cause of the delay in order to request OBEC to extend the shipment schedule, and OBEC is currently in the process of considering the related information. In addition, the management of the Company is in the process of negotiation to extend the shipment schedule, including speeding up the shipments. Based on these reasons, the Company is unable to conclude if and how much the provision for penalty charge will be incurred. Therefore, the Company does not record the provision for penalty charge for delayed shipment in the accounts. Moreover, in the event that the Company is required to pay a penalty for the delayed shipment, the Company can claim all of its losses from the company who is the seller of the tablets, in accordance with a condition stipulated in the sale and purchase of tablets agreement made between the Company and a domestic company.

26.4 Litigations

The subsidiary has been sued for a totaling approximately Baht 11 million in respect of a breach of a purchase and sale contract and employment contract. The cases are 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 these cases.

26.5 Guarantees

- (a) The Company had obligations in respect of its guarantee of the long-term loan facilities with a local bank of its subsidiary, as described in Note 17 to the financial statements.
- (b) As at 31 December 2013, there were outstanding bank guarantees of Baht 716 million (2012: Baht 846 million) issued by banks on behalf of the Company and its subsidiary, with Baht 683 million (2012: Baht 808 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.

26.6 Letters of credit

As at 31 December 2013, the Company had outstanding commitments under letters of credit with overseas suppliers amounting to approximately USD 22 million.

27. Financial instruments

27.1 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 financial statements					
	Financial assets as at 31 December		Financial liabilities as at 31 December		Average exchange rate as at 31 December	
	2013	2012	2013	2012	2013	2012
	(Million)	(Million)	(Million)	(Million)	(Baht per 1 foreign currency unit)	
US dollar	0.4	0.4	0.9	1.0	32.81	30.63
Euro	-	-	-	0.1	-	40.56
Singapore Dollar	-	-	0.1	-	25.88	-

Foreign currency	Separate financial statements					
	Financial assets as at 31 December		Financial liabilities as at 31 December		Average exchange rate as at 31 December	
	2013	2012	2013	2012	2013	2012
	(Million)	(Million)	(Million)	(Million)	(Baht per 1 foreign currency unit)	
US dollar	0.1	0.1	0.1	0.2	32.81	30.63
Euro	-	-	-	0.1	-	40.56
Singapore Dollar	-	-	0.1	-	25.88	-

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

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

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

27.2 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.

28 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 2013, the Group's debt to equity ratio was 0.61:1 (2012: 1.15:1) and the Company was 0.22:1 (2012: 0.59:1).

29. Approval of financial statements

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

Implementation &
CommislonIng



software development &
CustomIzation



Cloud
Computing



support &
maIntenance



Design &
supply





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