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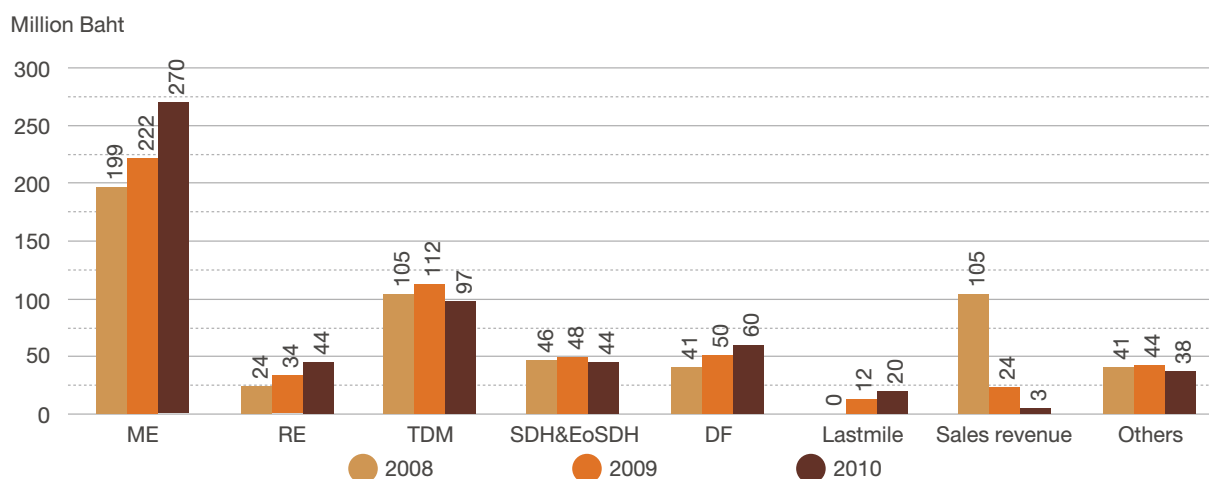
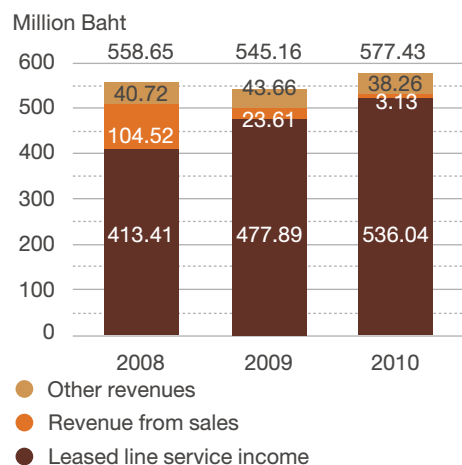
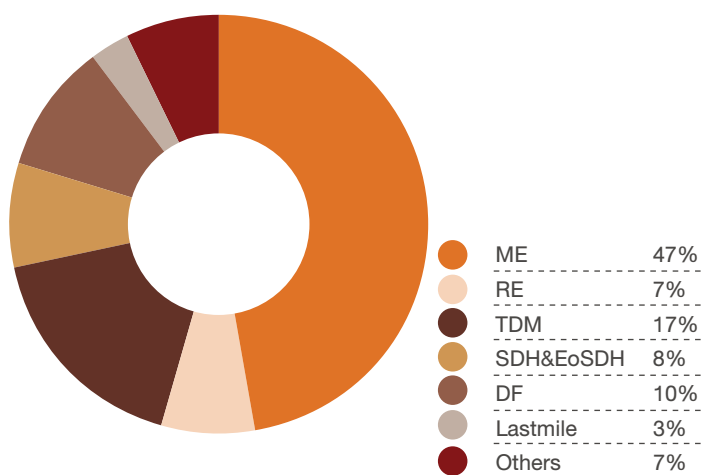
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ANNUAL REPORT
2010



Financial Highlight

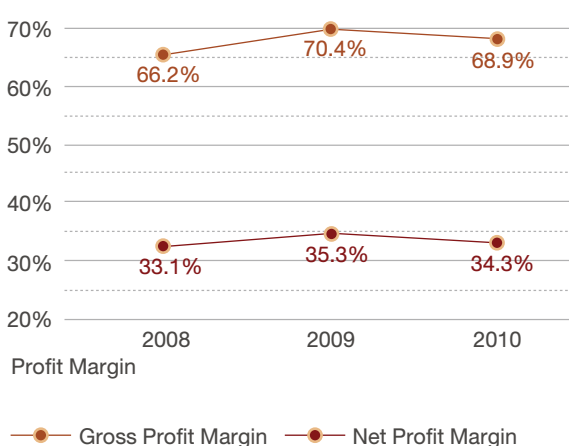
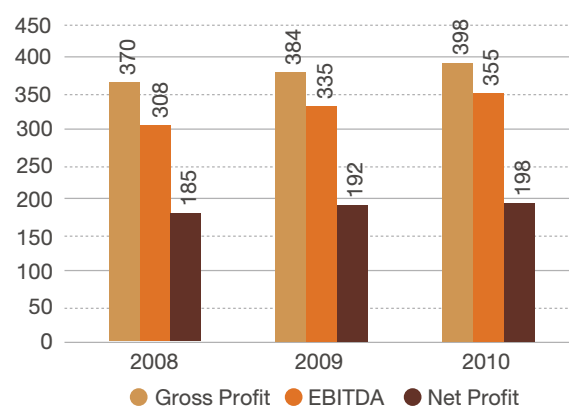


Cash Flow Statement

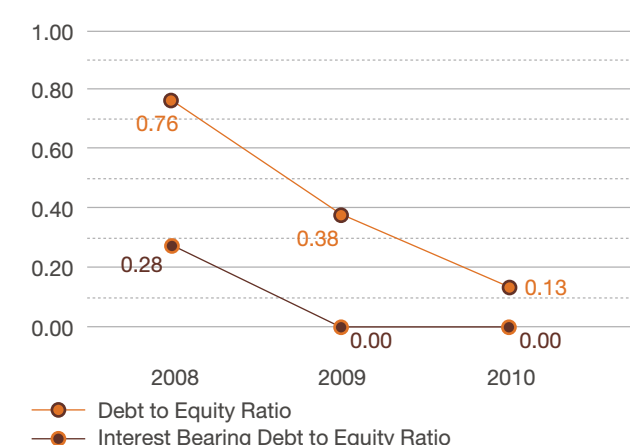
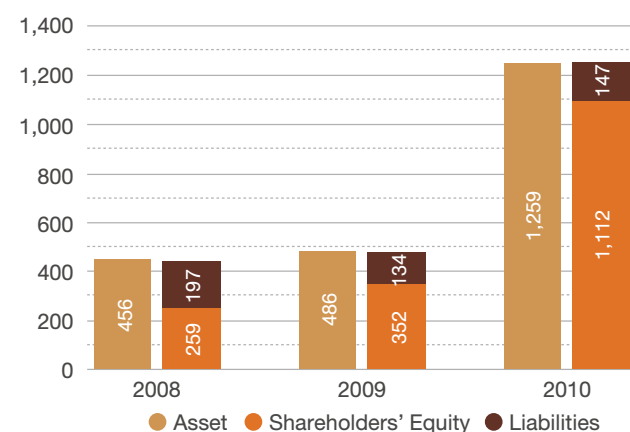
Million Baht

	2008	2009	2010
Beginning Cash	23.80	54.60	8.57
Cash Flow from Operating Activities	166.19	292.37	269.48
Cash Flow from Investing Activities	-154.49	-165.58	-187.47
Cash Flow from Financing Activities	19.11	-172.82	561.89
Ending Cash, Cash Equivalent and Short-term Investment	54.60	8.57	652.47

Million Baht



Million Baht



	2008	2009	2010
Leased line service income (Million Baht)	413.41	477.89	536.04
Total Revenue (Million Baht)	558.65	545.16	577.43
Net Profit (Million Baht)	184.88	192.24	198.31
Assets (Million Baht)	456.16	485.91	1,259.16
Gross Profit Margin (%)	66.2%	70.4%	68.9%
Net Profit Margin (%)	33.1%	35.3%	34.3%
Return on Equity (%)	102.0%	63.0%	27.1%
Return on Asset (%)	50.4%	40.8%	22.7%
Return on Fixed Asset (%)	73.8%	54.4%	42.8%
D/E Ratio (x)	0.76	0.38	0.13
Interest Bearing Debt/Equity (x)	0.28	0.00	0.00

Vision “ To be neutral premium
local and international
telecom network service
provider in 2015. ”

Value Statement

“ We save investment and provide fairness in
Thai telecommunication industry by providing
reliable, high quality and competitive local and
international network service. ”

Message from the Board of Directors

Symphony Communication Public Company Limited is a domestic hi-speed communication network service provider. We are the first telecommunication licensee with our own network. Since its inception on 15 June 2006, we have continuously developed the quality of our network and service, the result of which has garnered the Company wide recognition as the premium hi-speed communication service provider which strictly adheres to our neutral business policy.

The year 2010 was another year of pride that we have an important step to enhance our financial capability for network expansion by listing in the Stock Exchange of Thailand. It was indeed our aspiration to fulfil the needs of fast-changing telecommunications market and continuous service quality improvement to support the Company's sustainable growth. We have hired more professional executives and experts whose their experience and expertise will strengthen our business potential. Furthermore, we were chosen to be among the finalists in the MEF Awards for the Asia-Pacific Carrier Ethernet Service Provider of the Year by Metro Ethernet Forum – an international organization – four years in a row.


We are determined to lay the foundation for sustainable growth by improving our network quality and proactively expanding the Metro Ethernet and Ready Ethernet market. Aside from that, we have expanded our service coverage area to the entire business area of Bangkok, vicinity and including various surrounding industrial estates. For all these years, we have received tremendous support from various parties, for instance, customers, partners, suppliers, shareholders and our fully dedicated personnel. We will carry on our service commitment to the best of our ability for customers' satisfaction.

Lastly, on behalf of Symphony Communication Public Company Limited's Board of Directors, we would like to thank you all concerned parties for your great support all through these years. We will be fully committed to the principles of sustainable development and of corporate governance solely for the best benefits to our clients, partners, employees, shareholders and Thai society as a whole. More importantly, we are determined to play an active part in improving the quality of Thai telecommunications industry to be on par with international counterparts, under fair competition.



Mr. Woodtipong Moleechad

Chairman of the Board



Mr. Kranphol Asawasuwana

Managing Director



Nature of Business

Symphony Communication Public Company Limited is the domestic hi-speed communication network service provider using optical fiber cable for its core network. The optical fiber network is being considered as a highly efficient infrastructure of telecommunication and transmission such as intranet, inter-office data exchange, internet connection for large enterprises, circuit links between base stations of other telecommunication companies, e.g, mobile phone operators, digital broadcasting, etc.

At present, our core network covers the entire business area of Bangkok, vicinity and six industrial estates, namely Rojana, Hi-tech, Bang Pa-in, Bang Chan, Bang Pu and Bang Kadi. The optical fiber cable network's capability enables the rapid, precise and reliable transmission of information. Moreover, the service can be customized to cater to the diverse needs of customers by our qualified and highly experienced experts. The network is monitored by state-of-the-art computerized control system, that our experts can promptly detect any interruptions.

The Company's customers consist of the group of customers using our network for commercial purposes such as Internet Service Provider (ISP), Data Center, Mobile Phone Operator, International Carrier, and of the group of end users that are business organization, juristic entity, other telecommunication service providers, using company's communication

network to transmit large scale information quickly such as commercial banks, international corporations, security companies and hotels.

Customers and Type of Usage

1) Customers using the Company's communication network for commercial purposes

Such companies consist of the telecommunication service providers both domestic and international, which can be categorized as follows:

1. **The Internet Service Provider (ISP)** offers internet service to end-users by using the Company's hi-speed communication network. Such major internet service providers are KSC Commercial Internet Co., Ltd., Internet Thailand Plc. (INET), or CS Loxinfo Plc.

2. **Data Center Service Provider** offers electronic data storage service and provides applications for end-user. Such data center service providers do not have their own network. Therefore, it's necessary for them to use our network to connect with their customers' offices in the same manner as the ISP. Example of data center service provider is TCC Technology Co., Ltd. (TCCT) which is the largest one in Thailand and also offers one stop service on electronic data storage and Application Service Provider: ASP.

3. Mobile Phone Operators Though they have numerous networks of their own, it is necessary for them to lease the Company's network as their backbone one in addition to their own mobile phone service network to expand their service area and fully cover their customers (end-users). Moreover, they also use our network to connect with other mobile phone operators. Such company is Total Access Communication Plc. (DTAC) which is one of the largest mobile phone operators in Thailand.

4. International Private Leased Circuit Service Provider (IPLC) Such IPLC service providers have international worldwide network connection. They connect their international network to domestic network in order to interlink between local and overseas offices of end-user. Such providers are JasTel Network Co., Ltd., True International Gateway Co., Ltd.

5. International Carrier Service Provider is the provider of cross-border communication services, mostly overseas telcos. The international carrier provides international communication services from the headquarters of their customers to their affiliate's offices in the country. Such providers will connect their overseas circuits with IPLC service provider in the country, and from IPLC center to local office of end-users. As such, the international carrier can provide communication services from the beginning point overseas to the end-point in the country. Such service providers are Singtel, Verizon and Hutchison.

6. System Integrator is the telecommunication system provider and installer who provides telecommunication system service to both government and private organizations.

They will tender project auction to provide hardware and software including relating installation of communication network. In this regard, they require qualified hi-speed communication network service to be bundled with their relating services in order to deliver a turn-key project to their customers. Such system installers are Advance Information Technology Plc., Samart Corporation Plc. and Datacraft (Thailand) Co., Ltd.

2) End-user customers

The end-user customers are business corporations that need massive and rapid data transmission for their business operation, for instance the communication network between the bank's headquarters and its branches, the network connection between the importer/exporter and the customs department or between the television producers and Thaicom Satellite Station. The examples of company's end-user customers are HSBC (Thailand), Citibank N.A., Kasikorn Bank Plc., Chevron Thailand Co., Ltd., PTTEP Plc., Toyota Motor Thailand Co., Ltd., Berli Jucker Plc., Bualuang Securities Plc., Diethelm Co., Ltd., Grammy Entertainment Plc., BEC World Plc., etc.

This type of customers need quality service and more concerned on the efficiency and stability of the network than the price. They are potential customers with growing demand. Aside from that, the Company has focused more on international customers by expanding its target group to industrial estates since they are the quality oriented organizations as well.

Service Characteristics

The Company's core business is rendering lease line service and related services such as management and maintenance services. Lease line service can be categorized as follows:

1. Metro Ethernet Service (ME)
2. Ready Ethernet Service (RE)
3. Time Division Multiplexing Service (TDM)
4. Synchronous Digital Hierarchy Service (SDH)
5. Ethernet over Synchronous Digital Hierarchy Service (EoSDH)
6. Optical Fiber Cable Connection Service (Dark Fiber)

1. Metro Ethernet (ME) is a hi - speed network service using optical fiber cable as the main networks on Ethernet technology platform to support large data transmissions. It offers stability and high quality of service. As Ethernet technology is widely used, therefore, the price has become competitive. However, its response time for data transmissions is longer than TDM technology. The Company's current network backbone capacity is up to 20 Gbps. Currently, the Company offers hi - speed Metro Ethernet service from 1 Mbps up to 10 Gbps. Higher speeds or network backup system to enhance network reliability whenever there is interruption on main network can be provided as businesses acquired.

2. Ready Ethernet (RE) is classified as Ethernet service for customers in commercial buildings in Bangkok Metropolitan area. The Company has prepared ready-to-service optical fiber cables and network equipment in leading commercial buildings. Therefore, installation to customers' premises can be done within 7 working days and the service can be offered at

lower service rate than ME due to the cost of main network to the building can be shared to several customers. The network equipment are interconnected to the main optical trunk networks with protection routes of optical fiber cable to provide alternate routes in cases of any failure in the main route. Therefore, customers will get high reliability and stability services of hi - speed data at all times. Presently, the Company offers Ready Ethernet service from 1 Mbps up to 10 Gbps.

3. Time Division Multiplexing (TDM) is a hi - speed network on TDM technology platform, which is the technology used since the introduction stage among large organizations. The network infrastructure consists of optical fiber cable core networks with the last mile being copper wires connected to customers. TDM technology is suitable for realtime data transmissions. Currently, The Company offers TDM speeds from 64 Kbps up to 2 Mbps. The modem interface facilitates prompt service to customers. The Power Alarm System provides a monitoring function capability of inspecting cable signal errors. The alarm function pre-detects and alerts the Company's operations center to immediately resolve problems before customers inform of any errors. Although, TDM is used only among some group of customers due to its limited capacity of last mile. However, TDM is still a trusted service by customers due to its high reliability and short response time.

4. Synchronous Digital Hierarchy (SDH)

is a hi-speed network service developed from TDM technology with enhanced capacity by last mile optical fiber cable. The technology utilizes a simple yet highly reliable control system to transmit data over long distances. There is also a route protection system with the ability to switch transmission cables in the event of damage incurred to regular cables to ensure continuity and reliability of data transmissions. Presently, the Company offers SDH service from 34 Mbps to 10 Gbps via optical fiber cable.

5. Ethernet over Synchronous Digital Hierarchy (EoSDH) is an exceedingly high speed data transmissions circuit using SDH technology platform with Ethernet connection to customer. EoSDH technology is suitable for users that need reliable data transmissions via Ethernet connection without additional investment in SDH Interface. Currently, the Company offers EoSDH service from 2Mbps to 10 Gbps.

6. Dark Fiber is optical fiber cable connection service to specific customers that require self-management and control over internal data transmissions within their organizations with specific designed source and destination equipments for their transmission and have their own technical team of experts; hence, customers are free to determine transmission speeds and equipments at their own discretion.

Summary of Service Characteristics

Service Type	Speed*	Last Mile	Attractive Features	Limitation	Service Application
ME	1 Mbps - 10 Gbps	Optical Fiber	<ul style="list-style-type: none">• Hi - speed• Lower price than TDM**	<ul style="list-style-type: none">• Longer response time than TDM	<ul style="list-style-type: none">• Inter - office connection• Internet connection• IPTV connection
			<ul style="list-style-type: none">• Hi - speed• Lower price than ME• High reliability• Short installation time	<ul style="list-style-type: none">• Longer response time than TDM	<ul style="list-style-type: none">• 3G, WIMAX networks• Connection between customer and Data Center• Connection to overseas offices
TDM	64 Kbps - 2 Mbps	Copper Wire	<ul style="list-style-type: none">• Short Response Time (suitable for Real-time data transmission)	<ul style="list-style-type: none">• Limited capacity• High price• Point-to-point connection	<ul style="list-style-type: none">• Inter - office connection• Internet connection
SDH	34 Mbps - 10 Gbps	Optical Fiber	<ul style="list-style-type: none">• Extra-hi - speed• Extra-high reliability	<ul style="list-style-type: none">• High price	<ul style="list-style-type: none">• Core Network of Telcos
EoSDH	2 Mbps - 10 Gbps	Optical Fiber	<ul style="list-style-type: none">• Extra-hi - speed• Extra-high reliability• Save investment on SDH interface equipment	<ul style="list-style-type: none">• Limited service area• Wider speed upgrade range	<ul style="list-style-type: none">• Connection to overseas offices
Dark Fiber	N/A***	Optical Fiber	<ul style="list-style-type: none">• Customer can choose speed and equipment at their own choice	<ul style="list-style-type: none">• Limited service area• No equipment or maintenance provided	<ul style="list-style-type: none">• Core Network of Telcos• Connection between Head Office and DRC

Note: * Higher speed or service customization can be provided
** Lower service rate comparing to TDM at the same capacity offered
*** Depend on customer's network management

Revenue Structure

During the past three years, revenue structure can be summarized as follows:

	2008		2009		2010	
	(MB)	(%)	(MB)	(%)	(MB)	(%)
Leased line service income	413.41	74.00	477.89	87.66	536.04	92.83
- Metro Ethernet	198.52	35.54	222.04	40.73	270.27	46.81
- Ready Ethernet	23.57	4.22	33.91	6.22	43.55	7.54
- TDM	104.52	18.71	112.31	20.60	97.42	16.87
- SDH	45.62	8.17	47.36	8.69	38.43	6.66
- EoSDH	0.46	0.08	0.55	0.10	6.04	1.05
- Dark Fiber	40.72	7.29	50.20	9.21	60.32	10.45
- Last Mile Network Mgt and Equipment Installation	-	-	11.52	2.11	20.01	3.47
Revenue from sales	104.50	18.71	23.61	4.33	3.13	0.54
Management and maintenance service income - network	2.50	0.45	30.00	5.50	30.00	5.20
Income from related companies	34.91	6.25	9.84	1.80	3.11	0.54
- Management fee income	10.32	1.85	3.92	0.72	0.61	0.11
- Network service income*	12.48	2.23	3.12	0.57	1.30	0.23
- Rental fee and other income	12.11	2.17	2.80	0.51	1.20	0.21
Other revenue	3.31	0.59	3.82	0.70	5.15	0.89
Total revenues	558.63	100.00	545.16	100.00	577.43	100.00

* Included in leased line service income in audited financial statement

Source: Internal Financial Statement

Market Condition and Competition

The competition in the hi-speed communication network is different in each market segment. Even though the price competition amongst internet service providers (ISP) is more intense, the development of telecommunication technology creates emerging demand that does not solely rely on the price but quality of service, for example, Data Center, Digital Broadcasting and the network connection of the headquarters and Disaster Recovery Center (DRC)

An increasing demand of hi-speed communication network for data center from both private and governmental sectors has prompted the Company to partner with some data center service providers. Furthermore, the Company has expanded its market to the digital broadcasting market to cushion the impact of intensified price competition in market.

The Expansion of Service

The Company has expanded its service to fully cover the entire area of Bangkok and its vicinity

- The Company has expanded its Ready Ethernet service from 28 buildings to 32 (as of end of February 2011) and targets 51 more by the end of 2011.
- The Company has expanded its service area to six industrial estates and plans to add five more in the near future.

Marketing Strategy

It is the Company's best intention to provide service of premium quality to our valued customers. We have been focusing on the long-term competitiveness and avoid price

competition. Therefore, the Company has determined its marketing strategy and business policy as follows:

1. Business Neutrality

The company strictly adheres to the neutral service policy, which means we focus mainly on leasing our hi-speed communication network (Network Service Provider Only), in order to provide fair service to all partners, for example, the Company will never apply for the internet service license and compete with our ISP customers. As a result, we have been trusted by our valued partners all along.

2. Guarantee the quality of our work with Service Level Agreement (SLA) at 99.9%

The Company guarantees the quality of work with Service Level Agreement (SLA) at 99.9% to ensure the Company's premium quality network. We place high importance on the quality of service. Our Network Operation Center operates around-the-clock with our efficient computerized network monitoring system. Any irregularities on the network can be promptly detected and we instantly notify and fix the problems for our clients.

3. Maintain the Company's service standard and after-sale service.

The Company strictly maintains the standard of its hi-speed communication network service to ensure stability and smooth communication for customers. We offer service customization to meet various customers' requirements and welcome customers' opinion in customized circuit design process. Furthermore, the Company has provided the preventive measure. For instance, the team of expert technicians has regular schedule to check,

monitor, maintain the cabling, all equipments and the back-up to be ready for use at all times. Aside from that, our after-sale service including the one-stop call center that our experts and technicians are available to answer the questions and instantly solve the problems.

4. Provide consultation and profound analysis

The Company continuously provides consultation and profound analysis, including organizing the technical seminar for customers' technicians. We focus on fostering valued relationship and create the highest customers' satisfaction. Aside from that, the Company has constantly reviewed the customers' satisfaction by conducting surveys to improve the Company's service. In the event of fostering relationship, not only do we foster relationship with our direct customers, but we also extend it to the end-users who are the customers of our ISP customers. So they can recognize our brand and wish to continue their use of our network, even though they change their ISP service provider.

5. Strengthening brand image

The Company has been placing supreme importance on "Symphony" brand all along. By focusing on the creation of "Symphony" brand image, what the customers have in mind when thinking of "Symphony" is the above premium quality service and the leader of technology innovations, including the service differentiating from others. Those are the development of new services to cater to the needs of customers, the results of which often exceed their expectation; the improvement of our service both in terms of technology and management such as providing the preventive measure; fostering good relationship between the Company and its customers and partners by organizing them seminars and trainings, in cooperation with other concerned agencies related to technology, sales and marketing, accounting.

Aside from that, the Company has recognized the importance of sub-contractors and treats them the same way we do to our employees. Moreover, we provide quality control of our products in every step of the service so that the customers recognize and truly appreciate it. As a result, they recommend our service to their business partners. As such, the Company's excellence has been spreading fast by words-of-mouth, thus increasing its customers' base many folds to this day.

Company Background and Major Development

The Company was established on 24 November 2005 and has been converted to a Public Company Limited since 6 May 2010. The Company is a domestic network provider of hi-speed data communication network under the “Symphony” brand. The Company was the first licensee of the Telecommunication Service License Type II (with network ownership), permitted by The National Telecommunications Commission (NTC)* since 15 June 2006 for the contract period of 15 years. The Company commercially launched its services since March 2007. The Company was also a primary member of “Metro Ethernet Forum” in Thailand. The membership of the association was comprised of world leading IT multi-vendors, multi-service based networks, and service providers that shape up the standards of technology trend relevant to “Carrier Ethernet”.

The Company consists of the management team, engineering staff, and experienced telecom specialists. The Company’s senior management is industry veterans with over 20 years experience running a previous optical fiber cable network company, “Global Crossing Services Co., Ltd. (GCSV)”, under a concession with CAT to provide Build-Transfer-Operate (BTO) services since June 2001 under the “Violin” brand. The license already expired in 5 June 2010. However, GCSV is now processing

an agreement to purchase back the network from CAT, which if successful, GCSV will agree to sell their the network and “Violin” brand to the Company at cost. Subsequently, GCSV will terminate its operation and enter liquidation.

**Presently, The office of National Broadcasting and Telecommunication Commission (NBTC)*

The following milestones are the Company's major developments.

Development	
Nov 2005	Established with the initial registered capital of 1 million Baht.
Jun 2006	Obtained the Telecommunication Service License Type II, permitted by The National Telecommunications Commission (NTC) for the contract period of 15 years.
Mar 2007	Launched Ready Ethernet, Metro Ethernet and TDM services under the brand "Symphony".
Oct 2007	Obtained the telecommunication services license and was the first operator who secured the permission for Right of Way in accordance with Article 39 Section 1 of the Telecommunications Business Act (B.E. 2544).
Nov 2007	Bangkok Mass Transit System Public Company Limited (BTS) authorized the Company to install optical fiber cables and equipments on elevated rail throughout BTS's service route.
Mar 2008	Launched SDH hi-speed data communication and Ethernet over SDH (EoSDH) service to corporate customers.
Sep 2008	Obtained the Right of Way to place optical fiber cables along electric posts permitted by Metropolitan Electricity Authority.
Jan 2009	Bangkok Metropolitan Authority (BMA) permitted the Company to install optical fiber cables solely beneath the pedestrian walkways along the BTS routes.
Jun 2009	Increased registered capital to 80 million Baht with 8 million shares outstanding, 10 Baht par value per share.
Jul 2009	The Company attained the qualified standards of technology deployment for Metro Ethernet networks from Metro Ethernet Forum and recognized as a qualified service provider to connect to other international carriers.
Sep 2009	Increased registered capital to 225 million Baht with 22.5 million shares outstanding, 10 Baht par value per share.
May 2010	Converted into a public company limited and increased registered capital to 300 million Baht with 300 million shares outstanding, 1 Baht par value per share.
Aug 2010	Made an agreement with Metropolitan Electricity Authority (MEA) to use its optical fiber cable network for the period of 12 years starting from Aug 2010, which also permitted the Company to place optical fiber cables along electric posts.
Nov 2010	Listed in the Stock Exchange of Thailand, with the ticker symbol "SYMC".
Dec 2010	Was short-listed as a finalist in the Metro Awards for the Asia-Pacific Carrier Ethernet Service Provider of the Year for the forth consecutive years.

2010 Success Story



World-class potential

"MEF Award" is another pride of Symphony Communication Public Company Limited that guarantees the Company's excellent service and technology. Furthermore, we are the first organization in Thailand to enter the MEF Carrier Ethernet Service Provider of the Year (APAC) competition and were chosen to be among the finalists four years in a row. This is the fine proof of our world-class potential as a premium Ethernet service provider and puts us on par with international counterparts. For those awards we have received all these years, they are a part of our success and clearly demonstrate our capability and readiness to be the leader of this industry. Not only that, they have laid strong foundation upon which the Company will relentlessly improve the premium service.



Strengthen financial status, listing in the Stock Exchange of Thailand

The Company has been listed in the Stock Exchange of Thailand with its IPO of 72 million shares. The Company started trading on the Stock Exchange of Thailand under the trade symbol of "SYMC" on 26 November 2010. This fundraising enhances the Company's potential to expand and improve its network and service to support the increasing demand from customers.



Expand the Company's Right of Way, now serving customer in provincial and industrial estates

The Company is determined to strictly provide legitimate communication network service. Therefore, we strictly comply with every law and regulation concerning the use of right of way. The Company has always submitted the right of way permission to NBTC and to other concerned agencies legally. During the past year, we have submitted our right of way permission to Provincial Electricity Authority. Coupled with our strong financial potential, we are now able to expand our service area to more than 10 industrial estates. With our premium quality service, world-class equipment, and technology, our customers in those industrial estates can experience efficient access to information and smoothest communication.

Cooperation with Metropolitan Electricity Authority

The Company has signed the 12-year contract with Metropolitan Electricity Authority for utilization of optical fiber communication network, starting from August 2010, the result of which has earned the Company right of way to lay its optical fiber cables on MEA's electricity poles. Such practice will greatly enhance the Company's service capability to support wider range of its corporate clients in Bangkok.

Cooperation with CAT

The Company has cooperated with CAT Telecom Public Company Limited (CAT) to provide total marketing solutions (one-stop service) to CAT in order to facilitate CAT's telecommunication clients and expanding the Company's customer base.



Expand our service to cover digital broadcast customers

In light of the recent rave in satellite television, the sale of satellite dish and the number of program producers have dramatically increased. Therefore, the “voice and visual broadcasting” process is crucial for the success of satellite television. The Company has designed its customized service to serve the needs of content providers both in terms of “quality” and “convenience” to achieve the highest efficiency of their service, called “Digital Broadcast”. We aim to tap this new

market including those providing video broadcasting service. In the past, “television media” has been monopolized by only several key players who have virtually limitless capital investment. Nowadays, in the liberalization era, coupled with advanced technology and decreasing production cost, bringing an important step forward for satellite television business that rely on optical fiber network for their efficient broadcasting.

Risk Factors

1. Risks from the Reliance on Key Customers

The Company's revenue mainly comes from providing hi-speed data communications network services. In 2008, 2009 and 2010, revenues from top five key customers of each period accounted for over 50% of hi-speed data communication network services revenue with overall proportions of 54.47%, 55.04% and 54.37% respectively. The reduction or termination of the Company's services by these customers will have a direct and significant impact on the Company's revenue. The Company believes that it is the only service provider with a neutral business stance since it does not operate businesses that compete with its customers. Additionally, the Company offers services at reasonable price and therefore these customers should continue using its network services. Furthermore, the Company has set strategy to expand its customer base into new markets such as digital broadcasting and multinational companies that want to access international network in order to create new revenue base for the Company. This will reduce its dependence on the key customers mentioned above.

2. Risks from the Reliance on Supplier

The Company procures equipment and supplies required in providing hi-speed data communications network services from large and reputable suppliers. The Company procures all of its optical fiber cables from a single supplier namely, HBC Telecom Company Limited (formerly known as Hitachi Bangkok Cable Company Limited). Therefore, the delay or failure to deliver optical fiber cables on the supplier's part will affect the Company's operations as it may cause a hold up in network installations and servicing to new customers which will consequently affect the Company's revenue. However, if there is a problem with the delivery of HBC Telecom Company Limited, the Company can switch and procure optical fiber cables from others producers since there are several local and international optical fiber cable producers who qualified for International Telecommunication Union (ITU) standards, also the standard that the Company currently adheres to.

3. Risks from Competition in Hi-Speed data Communications Network Market

At present, Act on Organization for Allocating Broadcasting Frequency and Supervising Radio or Television Broadcasting and Telecommunication Businesses B.E. 2553 has been enforced (effective 20 December 2010). According to this Act, the Office of National Broadcasting and Telecommunications Commission (NBTC) has the authority to issue telecommunications business licenses to new operators based on the principle of free and fair competition. The Company cannot foresee the number of new operators that will be granted telecommunication business licenses. More operators will result in additional competition. In this regard, the Company's competitors are business operators with licenses issued when the government still used the concession system and other few operators with telecommunication business license type 2 and 3. However, the telecommunications business requires expertise and experience of management and employees as well as intensive capital. Hence, large business operators have competitive advantages over small and medium operators. For these reasons, the Company expects future competition not to be so severe. The Company is strategically prepared for such competition by emphasizing on its businesses strength and maintain its neutral business stance and focus on being a network provider only. Simultaneously, the Company continues to expand its hi-speed data communications network in order to expand network coverage and better serve customer's need as well as enhance its competitive advantages in the long run.

4. Risks from Technology Changes

Technology of communication and telecommunication network can be divided into two parts. The first part is technology related to the Last Mile, which is the last section of the network connecting from service providers to end-users such as WiMax technology, Wi-Fi technology or 3G. The second part is technology related to the Core Network, which is the infrastructure of the service providers. If there are any technology changes that affect both aspects and the Company cannot adapt to such changes in line with the industry, customers of the Company may switch to other operators that provide a more efficient service. Ultimately, this will have an effect on the customer base and revenue of the Company.

However, the Company provides services in the part of infrastructure with only slight technology changes and optical fiber cables network has the capacity to serve any future developments in ever-increasing speed signal transmission with a durable useful lifespan of more than 10 years. Therefore, technology of the network equipment for signal transmission that the Company currently uses can serve diverse and changing requirements of telecommunication services such as mobile phone systems including GSM, 3G, or LTE, wire and wireless internet providers. In regards to 3G technology, the Company may be affected in terms of a decreased demand for TDM circuit lease services from small organizations end-users that are price-sensitive and may select 3G system services as an option if 3G service fees are low.

It could be concluded that the Company as

a hi-speed network services provider which is the infrastructure of other telecommunication businesses, is the heart of business operation of other telecommunication services providers, will be only slightly affected by technology changes. However, the Company has teams of engineers and experts who constantly monitor and analyze updated technology in preparation and long-term planning to be able to appropriately employ updated technology in the future.

5. Risks from Legal Regulations and Government Policy regarding Telecommunication Business

(a) Modification of Regulators and Ambiguity of related Regulations

At present, the operations of telecommunication businesses falls under two main legal acts, namely Act on Organization for Allocating Broadcasting Frequency and Supervising Radio or Television Broadcasting and Telecommunication Businesses B.E. 2553 (2010) (Frequency Allocation Act) and Telecommunication Business Act B.E. 2544 (2001) (Telecommunication Business Act). The Frequency Allocation Act B.E. 2553 is the law that stipulates the basis, authority and responsibility of The Office of National Broadcasting and Telecommunications Commission or NBTC. The Telecommunication Business Act stipulates that telecommunication business operators must have an approval from and operate under the supervision of NBTC. The Board of NBTC has authority as stipulated by Telecommunication Business Act in determining policy and issuing regulations that may have significant impact upon telecom-

munication business in accordance with the Telecommunication Business Master Plan. However, such regulations can be amended in the future and as such the Company's business may be at risk if such regulatory amendments have negative impacts upon the Company's business. However, in practice, if the Board of NBTC has a policy to amend any regulation, the Board will inform operators in advance and arrange seminar meetings or public hearings to explain reasons for such amendment and listen to comments from operators, relevant organizations that will be affected, and including end-users in all areas. The Board of NBTC will specify an appropriate time period for the operators to prepare before the new regulation becomes effective.

(b) Review of Contracts or Agreements between the Company and Foreign Governments, International Organizations or Persons Residing Overseas.

Under the stipulation of section 54 of the Telecommunication Business Act and Notification of the NBTC Re: Approval of Contracts relating to Telecommunications Business to be made with Foreign Governments, International Organizations or Persons Residing Overseas B.E. 2549, the Company is obligated to submit any drafted contracts or drafted agreements concerning the operation and servicing of telecommunication with foreign governments, international organizations or persons residing overseas, including amendment or annulment of contracts or agreements for the approval of NBTC. There is an exemption if such contracts or agreements relate with normal procedures that comply with guidelines and conditions that NBTC stipulates.

However, the NBTC may request the Company to amend any such contracts or agreements in accordance with the conditions that NBTC stipulates. At present, the Company has a contract to provide circuit lease services to customers who are foreign companies and the Company still has plans to expand such business to providing services to international carriers located overseas. Hence, the stipulation of section 54 of the Telecommunication Business Act may place constraints in entering such contracts and therefore affect the business expansion plan and revenue that the Company may receive from the expansion of such customer base to foreign carriers locate overseas in the future.

6. Risks from Networks, Equipment, Working Systems, Computer Systems and Other Assets used in the Company's Operations

(a) Risk from Networks

Under the stipulation of section 39, paragraph 1 of the Telecommunication Business Act states that licensed holders that set up the post or wiring, piping or install other equipment necessary for the operations of telecommunication business in various areas must receive approval from NTC for the Right of Way. The Company already has NTC approval for the Right of Way in certain areas of Bangkok and the greater metropolitan area. However, some owners of the right of way still lack knowledge and understanding regarding the right and duty nor the right of legitimate telecommunication business license that allow the Company to provide services in the areas of the owners of the right of way once it has an

NTC approval. Consequently, the Company cannot expand network coverage in certain areas, such as industrial estates, as previously planed.

Furthermore, the Company has networks that already been installed but in the process of obtaining NTC approval. Once the Company has an approval for the Right of Way in the areas, the Company have to obtain an approval for setting up the post or wiring, piping or installing other equipment with relevant organizations such as government agents or utilities provider to comply with criteria and conditions required by such government agents or utilities provider. Thus, the Company may have an obligation to pay installation fee, maintenance fee or any additional processing fee that may increase the Company's cost of business and profitability.

(b) Risk from Equipment, Working Systems, Computer Systems and Other Assets used in the Company's Operation

As the Company's business has specific characteristic that relate with complex technology, business operations of the Company requires superior network management since such system must be stable at all time in order to serve customers' need. If there is any hold up in the working systems especially in the provision of hi-speed communication network or core network, there could be a wide-spread impact on other systems.

For this reason, the Company preemptively created a contingency plan by setting up a Disaster Recovery Operation Center (DROC) in case of disasters or emergencies so as to ensure uninterrupted servicing at all times. As for the Company's internal working system, the

Company minimizes operational risk by having access control system in all operation rooms of the Company that only allow access for trained and certified employees with qualifications as specified by the Company so as to minimize human error.

The Company strongly emphasizes the importance of equipment selection by selecting only fine optical fiber cables and adhering to international standards to ensure efficiency of servicing. In regards to essential equipment for the core network such as power supply and CPU, the Company has prepared reserve sets of equipments ready to be installed as soon as any malfunction to existing equipment occurs. As for the installation of optical fiber cables, the Company will install optical fiber cables in at least two non-replicated routes for core network in case any optical fiber cable malfunctions. Moreover, for systems related with end-users, the Company has a preventive policy to identify any flaws and promptly mend them before any errors occur. Teams of technical experts will check that cable nets, main equipments and other support equipments are in good working condition such as checking whether cable nets have any risks of causing danger, maintenance of air-conditioning in wire centers, and testing to check that main and relevant equipments are in good working condition.

7. Risk regarding Key Management Reliance

According to Nature of Business, the Company requires experts that specialized in complicated technology and regulations, with diverse experiences and skill to operate the business. In 2010, the Company recruited a telecom expert to join management team. The Company also give emphasis on the succession plan and human resources development by allocating budget for development and training to all level of employees. For example, the Company provides scholarships for undergraduate and post-graduate study in various fields such as business administration, information technology, and engineering. By offering employees an opportunity to be training with institutions of good reputation in terms of professional skills and development of other working skills, employees will continue to improve from such developments and trainings so as to prepare employees for future business expansions. Additionally, the corporate structure emphasizes bottom-up work styles to encourage employees, especially middle management, to participate in the process of brainstorming and setting operational guidelines. Moreover, the Company places emphasis on teams to work both within the business function and across business functions to competently resolve any issues that occur.

8. Risks from Employees Stock Option Program with discounted price from the public offering price

According to the resolution of the shareholders' meeting 2010 on 26 April 2010 which approved the Company to allot newly issued shares from the capital increase in the amount not exceeding 3 million shares, accounted for 1% of the total issued shares after this offering, to the Company's employees who are retail investors as defined by the Stock Exchange of Thailand. The objective is to motivate employees to advance their performance in order to generate added value for the shareholders in the long run and for the Company to be able to retain quality personnel. The Company offered shares to employees on 15-19 October 2010 at the offer price of Baht 3.50 per share and employees fully exercised their right to purchase such shares in the full amount. The aforementioned shares are subjected to one year silent period that such shares cannot be sold for a period of one year from the first trading day of the Company's shares on the SET, not more than 50% of the total amount can be sold after six months and the whole amount can be sold after one year. However, the price offered to employees is lower than the price offering to the public at Baht 8.80 per share during 17-19 November 2010. Investors may be affected if the trading price of the Company's shares on the SET is decreased as a result of the future sale of shares by such employees.

9. Risks from influences of major shareholders over the determination of policy and management of the Company

After this public offering, the existing shareholders of the Company before this offering will be major shareholders and management of the Company with a total shareholding of 75% of the paid-up capital. As a result, they can control the resolution of various agendas in the shareholders' meeting such that other shareholders may not be able to collect the voting to monitor or check-and-balance with major shareholders except for matters that relevant laws or the Company's regulation stipulates that it requires more than three-fourth of the voting from the shareholders' meeting and the matter in which major shareholders have conflict of interest such that they cannot vote on such matter.

Capital Structure

1. Registered Capital

At present, the Company has registered capital of Baht 300 million which comprises 300 million fully paid-up ordinary shares at par value of Baht 1 each.

2. Major Shareholders

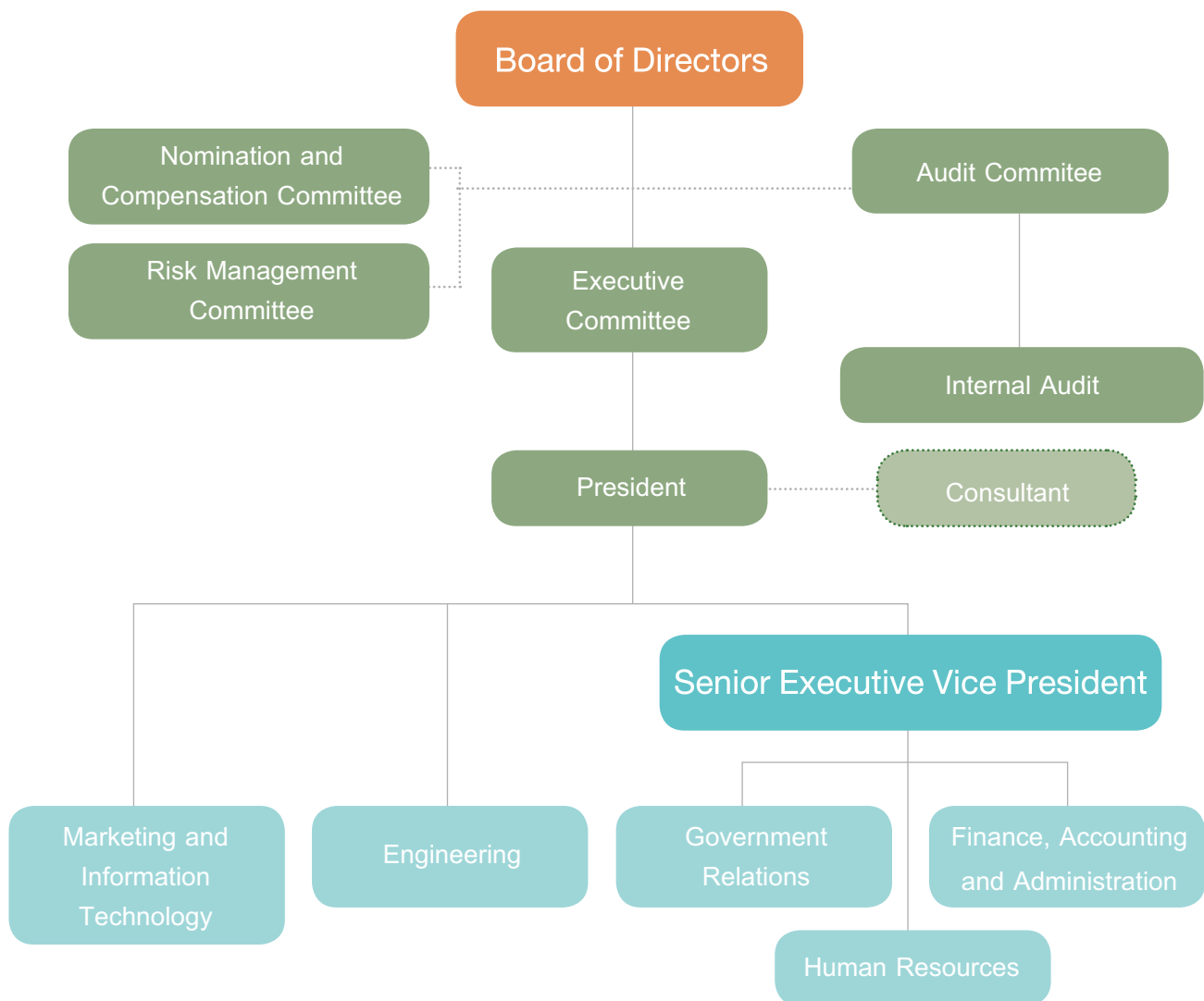
Top 10 major shareholders as of the book closing date on 22 November 2010 are as follows:

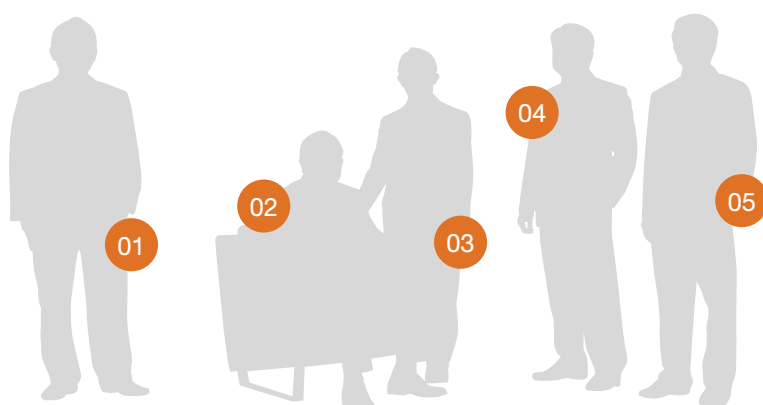
Name	No. of shares	% of paid-up capital
1. Pantarasutra Group	49,046,240	16.35
Mr. Teerarat Pantarasutra	49,046,230	16.35
Ms. Tounporn Pantarasutra	10	0.00
2. Asawasuwan Group	49,046,240	16.35
Mr. Kranphol Asawasuwan	48,946,240	16.32
Ms. Kwandin Asawasuwan	100,000	0.03
3. Mr. Niphol Suwannachet	24,523,740	8.17
4. Thanakijisuntorn Group	24,523,740	8.17
Mr. Pongthep Thanakijisuntorn	24,423,740	8.14
Ms. Srisamorn Threepetchsomkhun	100,000	0.03
5. Srisuphakhanin Group	24,523,740	8.17
Mr. Pathomkrit Srisuphakhanin	23,523,740	7.84
Ms. Sumatthakan Srisuphakhanin	1,000,000	0.33
6. Mr. Virachai Wongjirasak	14,714,760	4.90
7. Mr. Wanchai Somboonphon	14,714,760	4.90
8. Mr. Manoch Youbunyong	14,714,760	4.90
9. Ms. Bussakorn Jaruwachirathanakul	8,992,000	3.00
10. Phatra Securities Public Company Limited	1,500,000	0.50

3. Dividend Policy

The Company has a dividend payout policy of at least 40% of its net profit after deducting other reserves as per the Company's Articles of Association and governing law. This dividend payment is subject to changes based on the Company performance, business plan, liquidity, necessity and other suitability in the future. However, annual dividend payments of the Company must have been approved from shareholder, except interim dividend payment which can be approved by the Board of Director and will be reported to shareholder in the forthcoming shareholder meeting.

Organization Structure





Board of Directors

01 Mr. Niphol Suwannachet

Director

02 Mr. Woodtipong Moleechad

Chairman, Independent Director

03 Mr. Prasitt Hemwarapornchai

Deputy Chairman, Independent Director

04 Mr. Virachai Wongjirasak

Director

05 Mr. Jitkasem Sangsingkeo

Chairman of the Audit Committee,
Independent Director



06 Mr. Supornchai Chotputtikul

Executive Vice President – Engineering

07 Mr. Pongthep Thanakijuntorn

Director, Executive Vice President –
Marketing & IMC

08 Mr. Kranphol Asawasuan

Director, President

09 Dr. Bussakorn Jaruwachirathanakul

Executive Vice President – Finance,
Accounting and General Administration

10 Mr. Pathomkrit Srisuphakhnanin

Director, Executive Vice President –
Government Relations

11 Mr. Teerarat Pantarasutra

Director, Senior Executive Vice President

Director and Executive Profile

Name

Mr. Woodtipong Moleechad

Title

Chairman, Independent Director,
Audit Committee Member, Nomination and
Compensation Committee Member

Age

62 years

Education

- Bachelor of Art (Economics),
Thammasat University
- Director Certification Program 130/2010

Shareholding (%)

-

Personal Relationship with the Management

-

Work Experience (Over the Past 5 Years)

- **2009-present**
Chairman, Audit Committee Member,
Nomination and Compensation Committee
Member
Symphony Communication Public Company
Limited
- **2010-present**
Director
Sukhumvit Asset Management Co., Ltd.
- **2009-present**
Director
Council Member, King Mongkut's Institute of
Technology Ladkrabang
- **2008-present**
Director
Banknote Management Committee,
Bank of Thailand
- **2007-present**
Chairman
The Communications Authority of Thailand
Savings Co-operative Ltd.
- **2003-2009**
Executive Vice President (Operations),
Thailand Post Co., Ltd.

Name

Mr. Prasitt Hemwarapornchai

Title

Deputy Chairman, Independent Director, Audit
Committee Member, Chairman of Nomination
and Compensation Committee

Age

62 years

Education

- Bachelor of Engineering (Communication,
Electrical Power), Chulalongkorn University
- Director Certification Program 129/2010
- Audit Committee Program (AC 32/2010)
- Role of Compensation Committee
(RC 11/2010)

Shareholding (%)

-

Personal Relationship with the Management

-

Work Experience (Over the Past 5 Years)

- **2009-present**
Deputy Chairman, Audit Committee Member,
Chairman of Nomination and Compensation
Committee
Symphony Communication Public Company
Limited
- **2005-2009**
Deputy Governor (Information
Communication Technology)
Metropolitan Electricity Authority
- **2001-2005**
Assistant Governor
Metropolitan Electricity Authority

Name

Mr. Jitkasem Sangsingkeo

Title

Chairman of the Audit Committee, Independent Director , Nomination and Compensation Committee Member

Age

61 years

Education

- Master of Commerce (Hon.) University of Canterbury, Christchurch, New Zealand
- Bachelor of Science (Hon.) University of Canterbury, Christchurch, New Zealand
- Audit Committee Program 3/2004
- Director Accreditation Program 22/2004
- Director Certification Program 62/2005
- Improving the Quality of Financial Reporting 1/2006
- Advance Audit Committee Program 3/2010
- Roles of Compensation Committee 11/2010

Shareholding (%)

-

Personal Relationship with the Management

-

Work Experience (Over the Past 5 Years)

- 2009-present
Chairman of the Audit Committee,
Nomination and Compensation Committee
Member
Symphony Communication Public Company
Limited
- 2009-present
Director
Metropolitan Waterworks Authority
- 2005-present
Audit Committee Member
Prasit Patana Public Company Limited
- 2005-present
Investment Board (SME Fund)
Aureos Advisers (Thailand) Ltd.
- 2005-present
Member of the State Enterprise Performance
Appraisal Committee
Ministry of Finance

Name

Mr. Kranphol Asawasuwana

Title

Director, President

Age

47 years

Education

- Master of Business Administration,
Bangkok University
- Bachelor of Engineering (Electrical) with second
class honor, Kasetsart University
- Director Certification Program 129/2010
- Successful Formulation & Execution
of Strategy 6/2010
- Executive Development Program 7/2011

Shareholding (%)

16.35

Personal Relationship with the Management

-

Work Experience (Over the Past 5 Years)

- 2007-present
Director, President
Symphony Communication Public Company
Limited
- 2000-2008
Director, Managing Director
Global Crossing Services Co., Ltd.
- 2000-present
Director
Global Crossing System Co., Ltd.
- 2006-present
Director
Synergy Net Holding Co., Ltd.

Name

Mr. Teerarat Pantarasutra

Title

Director, Senior Executive Vice President

Age

50 years

Education

- M.A. (Public Affairs), Thammasat University
- Bachelor of Law, Ramkhamhaeng University
- Director Certification Program 137/2010
- Director Accreditation Program 81/2009

Shareholding (%)

16.35

Personal Relationship with the Management

-

Work Experience (Over the Past 5 Years)

- **2005-present**
Director, Senior Executive Vice President
Symphony Communication Public Company Limited
- **2001-2006**
Director, Legal Advisor
Global Crossing Services Co., Ltd.
- **2006-present**
Director
Global Crossing System Co., Ltd.
- **2006-present**
Director
Synergy Net Holding Co., Ltd.

Name

Mr. Pongthep Thanakijsumton

Title

Director, Executive Vice President – Marketing & IMC

Age

43 years

Education

- Master Degree of Business Administration (MBA) in Marketing Management, National Institute of Development Administration (NIDA)
- Bachelor Degree of Engineering in Computer Engineering, King Mongkut's Institute of Technology Ladkrabang
- Director Certification Program 129/2010

Shareholding (%)

8.17

Personal Relationship with the Management

-

Work Experience (Over the Past 5 Years)

- **2005-present**
Director, Executive Vice President
Symphony Communication Public Company Limited
- **2006-present**
Director
Global Crossing System Co., Ltd.
- **2006-present**
Director
Synergy Net Holding Co., Ltd.

Name

Mr. Niphol Suwannachet

Title

Director

Age

50 years

Education

- Master of Public Administration, Chulalongkorn University
- Bachelor of Art, Suan Sunandha Rajabhat University
- Director Certification Program 130/2010
- Director Accreditation Program 81/2009

Shareholding (%)

8.17

Personal Relationship with the Management

-

Work Experience (Over the Past 5 Years)

- 2005-present
Director
Symphony Communication Public Company Limited
- 2006-present
Director
Global Crossing System Co., Ltd.
- 2006-present
Director
Synergy Net Holding Co., Ltd.

Name

Mr. Virachai Wongjirasak

Title

Director

Age

47 years

Education

- Master of Economics (Development Economics - Finance), National Institute of Development Administration (NIDA)
- Bachelor of Accounting (General Accounting), Bangkok University
- Director Certification Program 130/2010
- Director Accreditation Program 81/2009

Shareholding (%)

4.90

Personal Relationship with the Management

-

Work Experience (Over the Past 5 Years)

- 2005-present
Director
Symphony Communication Public Company Limited
- 2002-present
Director
Global Crossing System Co., Ltd.
- 2000-present
Director
Synergy Net Holding Co., Ltd.

Name

Mr. Pathomkrit Srisuphakhanin

Title

Director, Executive Vice President – Government Relations

Age

44 years

Education

- Master of Public and Private Management (MPPM), National Institute of Development Administration (NIDA)
- Master of Business Administration (MBA), Rangsit University
- Bachelor of Engineering (Telecommunication), King Mongkut's Institute of Technology Ladkrabang (KMUTL)
- Bachelor of Law, Sukhothai Thammathirat Open University (STOU)
- Director Certification Program 138/2010
- Director Accreditation Program 81/2009

Shareholding (%)

8.17

Personal Relationship with the Management

-

Work Experience (Over the Past 5 Years)

- **2007-present**
Director, Executive Vice President
Symphony Communication Public Company Limited
- **2003-2006**
Deputy Managing Director
Global Crossing Services Co., Ltd.
- **2006-present**
Director
Global Crossing System Co., Ltd.
- **2006-present**
Director
Synergy Net Holding Co., Ltd.

Name

Dr. Bussakorn Jaruwachirathanakul

Title

Executive Vice President – Finance, Accounting and General Administration

Age

45 years

Education

- Doctoral of Business Administration, Information Systems, Edith Cowan University, Perth, Australia
- Master of Business Administration (Finance), Chulalongkorn University
- Bachelor of Business Administration (Accounting), Chulalongkorn University
- Director Certification Program 129/2010

Shareholding (%)

3.00

Personal Relationship with the Management

-

Work Experience (Over the Past 5 Years)

- **2004-present**
Executive Vice President
Symphony Communication Public Company Limited
- **2006-present**
Director
Global Crossing Services Co., Ltd.
- **2004-present**
Director
Global Crossing System Co., Ltd.
- **2006-present**
Director
Synergy Net Holding Co., Ltd.

Name

Mr.Supornchai Chotputtikul

Title

Executive Vice President – Engineering

Age

45 years

Education

- Master of Business Administration,
Thammasat University
- Bachelor of Engineering, King Mongkut's
Institute of Technology Ladkrabang (KMITL)

Shareholding (%)

-

Personal Relationship with the Management

-

Work Experience (Over the Past 5 Years)

- 2010-present
Executive Vice President
Symphony Communication Public Company
Limited
- 2002-2010
Project Director
Alcatel – Lucent (Thailand) Ltd.

Management Structure

The Company's Management Structure

The Company's management consists of the Board of Directors and four subcommittees, namely Audit Committee, Nomination and Compensation Committee, Risk Management Committee and Executive Committee, together with one management team.

Board of Directors

The Board of Directors consists of nine Directors, all of whom have received certificates from The Thai Institute of Directors Association.

Name	Title
1. Mr. Woodtipong Moleechad	Chairman of the Board/Independent Director
2. Mr. Prasitt Hemwarapornchai	Deputy Chairman / Independent Director
3. Mr. Jitkasem Sangsingkeo	Independent Director
4. Mr. Kranphol Asawasuwana	Director
5. Mr. Teerarat Pantarasutra	Director
6. Mr. Pathomkrit Srisuphakhnanin	Director
7. Mr. Pongthep Thanakijsumton	Director
8. Mr. Niphon Suwannachet	Director
9. Mr. Virachai Wongjirasak	Director

Dr. Bussakorn Jaruwachirathanakul is a secretary of the Board of Directors and Mr. Teerarat Pantarasutra is a company secretary.

Authorized Directors

Authorized directors pursuant to the Affidavit of the Company are Mr. Kranphol Asawasuwana, Mr. Teerarat Pantarasutra, Mr. Pathomkrit Srisuphakhnanin or Mr. Pongthep Thanakij-suntorn, any two of them may jointly sign their names and affix the corporate seal to legally bind the company.

The scope of power, duties and responsibilities of the Board of Directors

1. To perform duty with honesty, care and with full responsibility for the Company's best interests. Manage the Company according to the law, the Company's objectives, Articles of Association and lawful resolutions of the meeting of shareholders.

2. To determine the Company's vision, policies and direction including supervising the management team to effectively and efficiently conduct the business in accordance with the given business policy and action plan in order to maximize economic value and shareholder's wealth and foster sustainable growth.

3. To manage the Company with accountability to the shareholders and disclose full information in accordance with the Company's transparency policy.

4. The Board of Directors must possess knowledge, capability and experience deemed necessary to the Company's operation and concentrated in the Company's activity of which they are appointed as Directors.

5. To evaluate the performance of top executives and review their remunerations.

6. To set forth the business policies and objective with a clear and measurable

monitoring system as an operational guidance that reasonable and possible, also regularly review such policies and the adoption.

7. To promote the publication of the Company's business ethics handbook to help all directors, executives and employees understand and comply with the standard of business ethics.

8. To carefully review all transactions that may lead to conflicts of interest, ensure that they are at the best interest to the Company and shareholders, make sure that those who have conflict of interest are not in a part of decision making process and these transactions are completely disclosed and strictly comply with related laws and the regulations.

9. To recommend the thorough risk management policy for the entire organization and delegate the management team to execute such policy and regularly report to the Board of Directors as well as having regular evaluation and assessment or whenever the risk level seems deviate from the specified direction and precaution to any warning signal or irregularities.

10. To make decision on important matters such as policies, business plan, large scale investment, management authority, acquisition or disposal of assets or any transaction required by law.

11. To delegate business transaction approval authority to appropriate group or person in accordance with related law. Authorize the making of transaction handbook and review it on annual basis.

12. To set the reliable accounting, financial report and audit program, including the evaluation process of internal control. Appoint independent person or organization to perform

such audit. Such programs should be reviewed regularly.

13. To consider the auditor appointment and determine the annual auditor fee and propose to the shareholders' meeting for approval.

14. To report the responsibility of the Board of Directors for financial reporting, together with the report of auditor in the annual report, the content of which should cover important matters in accordance with code of conduct of the SET listed company's directors.

15. The Board of Directors may appoint subcommittee or any person to oversee, follow up, and operate the Company's business that is deemed necessary under directors' control of the Company, in compliance with the Company's charter, including the evaluation of its performance; or grant the powers to such subcommittee or person for a certain period of time or as it deems appropriate. The Board of Directors may remove such person or change the scope of power of such person. Such authorization shall not allow the authorized subcommittee or person to approve transaction that he/she has vested interest in or has conflict of interests (as set forth in the Company's Articles of Association and in the regulations of the Securities and Exchange Commission and the Stock Exchange of Thailand) with the Company or any subsidiary, except approvals of normal business transactions that have been clearly defined the scope and amount of money for each level. Therefore, there is no authorization in transaction approval that has no credit limit. In the event of authorizing manager or another person to act for and on behalf of the Board of

Directors, such authorization must be in written form or clearly recorded in a meeting minute. Furthermore, such authorization should clearly specify a scope of powers, duties and responsibilities of an authorized person.

16. The Board of Directors must perform self-assessment.

Therefore, the scope of power of the Board of Directors has to be under the law, the Company's Articles of Association and the regulations of the concerned agencies such as the Securities and Exchange Commission and the Stock Exchange of Thailand. In accordance with the Company's objectives and regulations and with the shareholders' meeting resolutions, the Directors, authorized person or any other persons who may have vested interest in the transaction being considered or have conflict of interests with the Company or any of the subsidiaries are not entitled to vote on transactions or matters being considered.

Audit Committee

The Audit Committee consists of three following independent directors.

Name	Title
1. Mr. Jitkasem Sangsingkeo *	Chairman of Audit Committee
2. Mr. Prasitt Hemwarapornchai	Member of Audit Committee
3. Mr. Woodtipong Moleechad	Member of Audit Committee

Miss Valdee Sibunruang from IVL Auditing Co., Ltd., who is an independent auditor, is the secretary of the Audit Committee

*Note: * The member with experiences in Finance & Accounting.*

The scope of power, duties and responsibilities of Audit Committee

1. To conduct audits of financial report to ensure the correctness and completeness thereof. Cooperate with outside auditor and responsible executives to publish financial report quarterly and annually. Disclose sufficient company's information prior to submission to the Board of Directors.

2. To conduct internal audit to ensure that the Company has a suitable and efficient internal control system; to ensure that the internal audit remains independent. Provide opinions on appointment, transfer and removal of the Head of Internal Audit Department or other persons responsible for internal audit. Therefore, the audit committee may suggest the auditor to audit certain transactions that are deemed necessary during the auditing process. It may suggest the Board of Directors any ideas that can improve the Company's internal auditing system or cooperate with outside auditor, internal auditing manager and with internal auditing consultant.

3. To conduct audits to ensure that the Company complies with the law on securities and stock exchange and the regulations of the Stock Exchange of Thailand and other applicable laws.

4. To nominate independent persons as the Company's auditor and propose remuneration thereto for approval at the shareholders' meeting; to coordinate with auditors in a matter concerning the objectives, scope, direction and plan of auditing process, including the problems occurring during such process; and to attend meetings with an auditor in the absence of the management, at least once a year.

5. To examine connected transactions or transactions with conflict of interests to ensure compliance with laws and the regulations of the Stock Exchange of Thailand; and to ensure their full disclosure and justification for the Company's maximum benefit.

6. To conduct audits to ensure that the Company has efficient and appropriate risk management system.

7. To report the audit committee's operation to the Board of Directors at least four times a year.

8. In performing its duty, the Audit Committee has an authority to invite management executives or the Company's employees to share their views, attend the meeting or submit document that deems necessary.

9. To have authority to appoint or outsource consultants abiding to the Company regulations to provide opinion as deem necessary.

10. To prepare an Audit Committee's report, signed by the Chairman of Audit Committee, which shall comprise, at least, of the following details.

- Opinions on the correctness, completeness and reliability of the Company's financial report.

- Opinions on the efficiency of the Company's internal control system.

- Opinions on the compliance with the law governing securities and stock exchange and the regulations of the Stock Exchange of Thailand and the other laws applicable to the Company's business.

- Opinions on the suitability of the auditor.

- Opinions on transactions that may involve conflict of interests.

- The number of meetings of the Audit Committee and the attendance of each member.

- Opinions or remarks on performance of duties pursuant to the Charter.

- Other transactions that the shareholders or investors should know, subject to the scope of duties and responsibilities as set forth by the Board of Directors.

11. To perform self-assessment and report the result including the problems and obstacles to the Board of Directors on annual basis.

12. To perform other duties assigned by the Board of Directors within the aforementioned scope of power and duties of the Audit Committee. In performing such duty, the Audit Committee is directly responsible for the Board of Directors, while the Board of Directors is responsible for the Company's operation.

Therefore, the independent directors and the Company's Audit Committee shall be appointed or removed at the Company's Board of Directors meeting or at the shareholders' meeting.

The qualifications of Audit Committee and independent directors

The qualifications of Audit Committee members and independent directors are as follow:

1. Must be appointed by the Board of Directors or at the shareholders' meeting.

2. Must possess qualifications in compliance with the law on securities and stock exchange and the regulations of the Stock Exchange of Thailand.

3. Must hold shares not exceeding one per cent of the total number of voting rights of the Company, its parent company, subsidiary, affiliate, principal shareholder or controlling person of the Company, including the shares held by related persons of the independent director.

4. Neither being nor having been an executive director, employee, staff, or advisor who receives salary, or a controlling person of the Company, its parent company, subsidiary, affiliate, same-level subsidiary, principal shareholder or controlling person of the Company unless the foregoing status has ended not less than two years prior to the date of appointment. Therefore, such prohibition does not include the director who used to be a civil servant or a consultant of the government organization that is the principal shareholder or has controlling power of the Company.

5. Must not have a business relationship with the Company, its parent company, subsidiary, affiliate, major shareholder or controlling person of the Company, in the manner which may interfere with his or her independent judgement, and neither being nor having been a principal shareholder or controlling person of any person having business relationship with the Company, its parent company, subsidiary, affiliate, major shareholder or controlling person of the Company unless the foregoing relationship has ended not less than two years prior to the date of appointment.

6. Neither being nor having been an auditor of the Company, its parent company, subsidiary, affiliate, major shareholder or controlling person of the Company, and not being a principal shareholder or controlling person, or partner of an audit firm which employs auditors of the Company, its parent company, subsidiary, affiliate, major shareholder or controlling person of the Company unless the foregoing relationship has ended not less than two years from the date of appointment.

7. Neither being nor having been any professional advisor including legal advisor or financial advisor who receives an annual service fee exceeding two million Baht from the Company, its parent company, subsidiary, affiliate, major shareholder or controlling person of the Company, and neither being nor having been a principal shareholder, controlling person or partner of the professional advisor unless the foregoing relationship has ended not less than two years from the date of appointment.

8. Must not be a person related by blood or registration under laws, such as father, mother, spouse, sibling, and child, including spouse of the children, executives, major shareholders, controlling persons, or persons to be nominated as executive or controlling persons of the Company or its subsidiary.

9. Must not be a director who has been appointed (both openly and secretly) as a representative of the Company's director, major shareholder or shareholders who are related to the major shareholder.

10. Must not operate any business which has the same nature as and is in significant competition with the business of the Company or subsidiary, or not being a principal partner in any partnership, or not being an executive director, employee, staff, or advisor who receives salary; or holding shares not exceeding one per cent of the total number of voting rights of any other company operating business which has the same nature as and is in significant competition with the business of the Company or subsidiary.

11. Must be a capable person who can express his/her opinion or report his/her duty independently without being controlled by the director or major shareholders of the Company, including their close relatives.

12. Must be respectable and widely accepted person.

13. Must devote sufficient time to their duty as members of the Audit Committee.

Nomination and Compensation Committee

The Company's Nomination and Compensation Committee consists of the following members.

Name	Title
1. Mr. Prasitt Hemwarapornchai	Chairman of the Nomination and Compensation Committee
2. Mr. Woodtipong Moleechad	Nomination and Compensation Committee member
3. Mr. Jitkasem Sangsingkeo	Nomination and Compensation Committee member

Ms. Ruengrong Ongpattanakit is the secretary of the Nomination and Compensation Committee.

The scope of power, duties and responsibilities of the Nomination and Compensation Committee

Nomination

1. Set out methodology and procedures in the nomination of the persons qualified for being appointed directors by determining the qualifications and the criteria in the nomination of the persons for such positions.

2. Nominate the candidates to fill the Board of Directors vacancies as and when they arise and submit the report to the Board of Directors for consideration. Such nomination could be reappointing any Directors who complete their term of service, encouraging shareholders or Directors to propose in advance the qualified candidates to be nominated for director position, or using external recruiting methods or considering from the list of Directors.

3. Consider the nomination and choose the persons possessing qualifications according to the formulated criteria for nomination.

4. To ensure that the nominated persons possess qualification according to the law and regulations of concerned agencies.

5. Approach the qualified persons and make sure that they are willing to accept the Company's director position after being appointed by the shareholders.

6. Nominate the name to the Board of Directors for consideration and ensure that it has been written in the invitation for the shareholders' meeting for the appointment of such person.

7. Consider the executive management nomination, as assigned by the Board of Directors .

Compensation

1. Set out criteria and review the structure of the remuneration for the Board of Directors and executive management, by reviewing the appropriateness of the current remuneration policy, considering the remuneration policy of other companies in the same industry, and by establishing remuneration principles fairly and decently to encourage enhanced performance. It should come in a form of reward for their contributions to the success of the Company.

2. To review all elements of remuneration such as retainer fee, incentive and attendance fee by considering the amount of money allocated and its appropriateness. Such policy should be in line with the remuneration for directors in other listed companies of the same industry and of similar size, as well as the Company's performance, business environment and overall economic condition. It should be in accordance with the duties and scope of responsibility of the Company's directors and managers.

3. To consider remuneration package in accordance with the criteria established by concerned government agencies.

4. To formulate criteria for the evaluation of the Company's Directors and President as assigned by the Board of Directors .

5. To establish the guidelines in determining the remuneration package on the annual basis of the Company's President and submit it to the Board of Directors for approval. As for the remuneration package of the Directors, it must be proposed at the shareholders' meeting for approval.

6. To consider and approve the allocation of securities under ESOP program to directors and employees of the Company to encourage them to create value added for the shareholders and keep qualified personnel with the Company in the long run. Therefore, such program should be attractive to employees and yet be fair to the shareholders.

The Nomination and Compensation Committee shall be appointed and removed at the Board meeting and at the shareholders' meeting.

The Risk Management Committee

The Risk Management Committee consists of the following members.

Name	Title
1. Mr. Kranphol Asawasuwana	Chairman of the Risk Management Committee
2. Mr. Teerarat Pantarasutra	Risk Management Committee member
3. Mr. Pathomkrit Srisuphakhanin	Risk Management Committee member
4. Mr. Pongthep Thanakijsumton	Risk Management Committee member
5. Dr. Bussakorn Jaruwachirathanakul	Risk Management Committee member
6. Mr. Supornchai Chotputtikul	Risk Management Committee member
7. Mr. Manoch Youbunyong	Risk Management Committee member
8. Mr. Wanchai Somboonphon	Risk Management Committee member

The scope of power, duties and responsibilities of Risk Management Committee

1. To define the policy framework and process for risk management.

2. To identify and analyze risk factors and evaluate the impact of such risks on the Company.

3. To implement the risk strategy and policy to ensure that the Company has sufficient

policies and procedures in place to govern and mitigate the risks that might have negative impact on the Company.

4. To support the Company's risk management policy across the entire Company; and develop the efficiency of the Company's risk management policy.

5. To monitor the risk management plan and report to the Board of Directors.

Executive Committee

The Executive Committee consists of the following members.

Name	Title
1. Mr. Kranphol Asawasuwana	Chairman of the Executive Committee
2. Mr. Teerarat Pantarasutra	Executive Director
3. Mr. Pathomkrit Srisuphakhani	Executive Director
4. Mr. Pongthep Thanakijsumton	Executive Director
5. Dr. Bussakorn Jaruwachirathanakul	Executive Director
6. Mr. Supornchai Chotputtikul	Executive Director

The scope of power, duties and responsibilities of Executive Committee

1. Must comprise of at least four Executive Directors.

2. To manage the Company's business operation in line with targets set by the Board of Directors. Therefore, every Executive Committee meeting shall have at least half of its members present and its resolution should be in accordance with the majority vote.

3. To set policies, guidelines, strategies and principles for business operation, including the management structure in line with targets set by the Board of Directors and submit it to the Board for consideration.

4. To consider granting appropriate approval authority for each level of management. Clearly separate the task that might have an opportunity for fraud and define the business transaction guidelines and procedures with the principal shareholders, directors, management or concerned persons in order to prevent the transfer of benefits or interests, then submit it to the Board of Directors for approval. After that, monitor such policies as set forth by the Company to ensure efficient performance.

5. To consider an annual budget allocation and submit it to the Board of Directors for approval. Monitor it closely to ensure efficient performance.

6. To consider business investment and set investment budget in accordance with the authority as defined in authorization handbook.

7. To consider signing the Company's conditional agreement in accordance with the authority as defined in authorization handbook.

8. To consider employee's salary structure and allocate rewards, prizes or remunerations, subject to approval of the Board of Directors.

9. Provide company's necessary information sufficiently to the Board of Directors and shareholders for their decision making process.

10. To examine the Company's profit or loss and propose an interim or annual dividend payment for submission to the Board of Directors for approval.

11. To consider conducting new business or closing business and submit it to the Board of Directors.

12. To formulate the reporting procedure for operating officers to submit to the Board of Directors in time when irregularity or wrongdoing occurs. In the event that such incident has significant impact on the Company's

operation, it must be reported to the Board of Directors so the remedial procedure shall be established on time.

13. To perform any acts in support of the Company operation as authorized by the Board of Directors.

14. After submitting the resolution and/or approval of the Board of Directors at the Executive Committee meeting, the Executive Committee has to report the Board of Directors in the next Board of Directors' meeting.

15. To perform other duties assigned from time to time by the Board of Directors.

Such authorization must be under the laws and the Company's Articles of Association and shall not allow the Executive Committee to approve any transaction that they or other persons have vested interests in or have conflict of interests with the Company or any of the subsidiaries, or undertake transaction concerning the procurement or selling of the Company's principal assets as set forth in the Company's Articles of Association, the regulations of the Securities and Exchange Commission and the Stock Exchange of Thailand.

Management Team

The Company's managements as defined by the Securities and Exchange Commission comprise of the following members.

Name	Title
1. Mr. Kranphol Asawasuwan	President
2. Mr. Teerarat Pantarasutra	Senior Executive Vice President
3. Mr. Pongthep Thanakijstorn	Executive Vice President for marketing and IMC
4. Dr. Bussakorn Jaruwachirathanakul	Executive Vice President for Finance, Accounting and Administration
5. Mr. Pathomkrit Srisuphakhanin	Executive Vice President for Government Relations
6. Mr. Supomchai Chotputtikul	Executive Vice President for Engineering

The scope of power, duties and responsibilities of President

1. Operate, plan and manage day-to-day business.

2. Make decision on important matters. Set missions, objectives, guidelines and policies for the Company's business operation and control the management of each department.

3. Has an authority to supervise, contact, order, sign agreements, orders or announcements as defined in authorization handbook.

4. Has an authority to hire, appoint, remove, transfer, promote, demote, reduce or increase salary or wages, provide fringe benefit or bonus, take disciplinary action against employees as well as dismiss the employees as defined in authorization handbook.

5. Has an authority to set the trade condition for the Company's benefit.

6. To consider signing agreement related to the Company's normal business, new business venture or the closure of some business for submission to Executive Committee and/or the Board of Directors.

7. To approve and appoint the consultant in the area that is deemed necessary.

8. To act according to the assignment from Executive Committee and/or the Board of Directors.

9. Has been authorized to manage the Company's business in accordance with objectives, regulations, policies, Articles of Association, order and the resolution of the shareholders' meeting and/or Executive Committee and the Board of Directors.

10. Has an authority to appoint and manage working groups for efficient and transparent management and to assign the power of attorney and/or delegate specific tasks to other persons, provided that it complies with the document concerning the power of attorney and/or rules, regulations or directives of the Board of Directors of the Company.

11. Has an authority to order, regulate, make announcement to ensure efficient performance in accordance with the policy and Articles of Association for the best benefit of the Company.

Such authorizations shall not allow the President or any person who has been assigned the power of attorney to be his representative to approve the transactions that he has vested interests in (as set forth in the Company's Articles of Association, the regulations of the Securities and Exchange Commission and the Stock Exchange of Thailand.) or has conflict of interests with the Company or any subsidiary, except an approval of a normal

business transaction that has been clearly defined its limitation.

Nomination of Directors and Executives

The appointment and dismissal of the Directors shall be in line with the principles and methods defined in the Company's Articles of Association, the contents of which are as follows:

1. The shareholders' meeting shall appoint Directors in accordance with these methods and principles

a) For an election of one Director, the number of votes that each shareholder may cast shall be equal to the number of shares that he holds.

b) Each shareholder may cast all of his votes according to Item (a) to elect one person or many persons as the Director, but he may not cast his vote more or less for anyone.

c) The persons who have received the highest votes in descending order shall be appointed the Directors in the number that the Meeting of Shareholders has to choose at that time. In the event of a tie between or among the persons in the next order exceeding the number of the persons to be chosen at the meeting, the Chairman of the Meeting shall cast a ruling vote.

2. At every Annual Ordinary Meeting of Shareholders, one-third of the Directors shall vacate their office; if the number is indivisible by three, the nearest number shall apply. In the first and second years subsequent to the Company registration, which the Directors shall vacate their office shall be decided by a draw. In the subsequent years, the Directors who

remained in office for the longest time shall vacate their office. The Director whose office term has ended may be reappointed.

3. Aside from leaving the office when his/her term ends as defined in this regulation, the Directors shall leave their office when

- a) Die
- b) Resign
- c) Being dismissed by the resolution of shareholders' meeting in accordance with the Company's Articles of Association.
- d) Being deprived of quality or having possessed prohibition, as defined by law or the Company's regulation.
- e) The court orders him/her to leave the office.

4. Any director wishing to resign may submit a resignation letter to the Company. The resignation is to be effective on the date that the Company receives the letter, according to the content in the first paragraph. Such Director shall notify his/her resignation to the registrar.

5. In the event that the whole office of the Board of Directors is vacant, the Board of Directors who have left the office shall stay on duty to operate the Company's business as necessary until the new office takes position, except the court orders otherwise.

The vacating Board of Directors shall organize the shareholders' meeting to elect the new Board of Directors within one (1) month after their term ends. The invitation for the meeting should be sent out at least fourteen (14) days prior to the meeting.

6. Under the article 20 of the Company's Articles of Association, in the event that an office of the Directors is vacant for reasons other than end of office term, the Board of

Directors, shall, at the next Board Meeting, appoint as a Director a person who has no undesirable qualities as set forth in the Public Company Act, Securities and Exchange Act, Telecommunications Business Act and other concerning Act, unless the remaining office term is less than two (2) months. The resolution of the Directors as defined in the first paragraph must consist of at least three quarters (3/4) of all the votes of the remaining Directors.

The newly appointed Director shall be in office for the remaining office term of the person he/she replaces.

7. In the event that the number of vacating Directors is outnumbered that of current Directors to be ineligible to form a quorum, the remaining Directors shall act on behalf of the whole office only to hold the shareholders' meeting to select the Directors to replace the vacating ones.

Such meeting according to the first paragraph shall be held within one (1) month after the number of the remaining Directors is less than that to be eligible to hold the meeting.

The newly appointed Director shall be in office for the remaining office term of the person he/she replaces.

8. By majority vote of at least three quarters of all the votes of the shareholders present and eligible to vote, whose shares are not less than half of the shares held by the shareholders present and eligible to vote, the Meeting of Shareholders may remove any Director from office before the end of his office term.

9. The Board of Directors shall hold the meeting at least every three (3) months at the venue specified by them. The Chairman or the

person who has been assigned to act on behalf of the chairman is eligible to call a meeting.

At least two (2) Directors may ask the Chairman to call a meeting. In the event of being asked by at least two (2) directors, the Chairman or the person who has been assigned to act on behalf of the chairman shall set the date of the meeting within fourteen (14) days since the day of being asked.

10. The Board of Directors meeting shall be held at the place where the Company's headquarter situated or in the nearby province.

11. In the event of calling a meeting, the Chairman or the person who has been assigned to act on behalf of the Chairman shall send out the invitation for meeting to the Directors at least seven (7) days prior to the meeting, except in the case of emergency when upholding the rights and benefits of the Company is concerned. Such invitation of meeting shall be sent out the other way and the meeting date shall be set sooner than the aforementioned timeframe.

12. The meeting of the Board of Directors shall have the directors present at least half (1/2) of its total number.

The Chairman of the Board of Directors shall be the Chairman of the Meeting. In the event of his absence or his duties cannot be performed, the Deputy-Chairman shall be the Chairman of the Meeting. In the event of the Deputy-chairman's absence or his duties cannot be performed, the directors present shall elect one to perform the duty of the Chairman of the Meeting.

13. All resolutions of the Directors' meeting shall be judged by the majority votes with one vote for one director. In the event of a tie, the Chairman of the Meeting shall cast a ruling vote.

14. Be responsible for the Company's operation and has an authority to act honestly within the scope of law, the Company's objectives, the Articles of Association and the resolution of the shareholders' meeting for the benefit of the Company.

The Board of Directors shall assign one (1) or many director(s) to perform any action on behalf of the Board of Directors.

15. Two (2) Directors as defined in the Company's certificate registration may jointly sign their names and affix the corporate seal to legally bind the Company.

The shareholders' meeting or the Board of Directors shall consider identifying or changing the name and/or number of the Directors that have authority to sign their names and affix the corporate seal to legally bind the Company.

16. The Company prohibits any payment either in the form of money or assets to the Directors, except their fees.

The Directors has rights to receive fees from the Company, which comes in the form of salary, attendance fee, bonus or other forms of fringe benefit in accordance with the Company's regulation or with the resolution of the shareholders' meeting which may clearly define in the form of money or principles.

The content in the previous paragraph shall not affect the rights of Company's employee and personnel who have been appointed as the Directors, to receive benefits and fees as the Company's employee or personnel.

The payment stated in the first and second paragraphs shall not contradict with the qualification of independent directors as defined by Securities and Exchange Act.

Directors and Management Compensation

1) Compensation in cash

1. Directors

The Annual General Meeting of Shareholders 2010, held on 26 April 2010, resolved to approve the Board of Directors' and Subcommittee Compensation for the year 2010, in the amount not over Baht 5.0 million per year, effective from 1 January 2010, the details are as follows:

(1) Meeting Allowance (for attended directors)

Unit : Baht / person / time	Board of Directors	Audit Committee	Nomination and Compensation Committee	Independent Director Committee	Executive Committee	Risk Management Committee
Chairman	30,000	30,000	30,000	15,000	-	-
Member	20,000	20,000	20,000	10,000	-	-

Note: Executive Committee and Risk Management Committee are not entitled to meeting allowance.

(2) Monthly Retainer Fee

The Company has a policy to pay monthly retainer fee to each Board of Directors member in the amount of Baht 10,000 per month. However, members of Audit Committee, Nomination and Compensation Committee, Independent Director Committee, Executive Committee and Risk Management Committee are not entitled to monthly retainer fee.

(3) Director Bonus

The Nomination and Compensation Committee may consider director bonus in an appropriate amount. However, the total amount of compensation, including director bonus, meeting allowance and retainer fee, for the Board of Directors and Subcommittees must not over the approved amount at Baht 5.0 million per year.

In 2010, the Directors' compensations are as follows:

Name	Title	Board of Directors	Meeting Allowance			Retainer Fee	Bonus	Total
			Nomination and Compensation Committee	Audit Committee	Independent Director Committee			
1. Mr. Woodtipong Moleechad	Chairman, Independent Director, Audit Committee Member, Nomination and Compensation Committee Member	270,000	120,000	140,000	15,000	120,000	240,285	905,285
2. Mr. Prasitt Hemwarapornchai	Deputy Chairman, Independent Director, Audit Committee Member, Chairman of the Nomination and Compensation Committee	180,000	180,000	140,000	10,000	120,000	240,285	870,285
3. Mr. Jitkasem Sangsingkeo	Chairman of the Audit Committee, Independent Director , Nomination and Compensation Committee Member	180,000	120,000	210,000	10,000	120,000	240,285	880,285
4. Mr. Kranphol Asawasuwana	Director	180,000	0	0	0	120,000	94,024	394,024
5. Mr. Teerarat Pantarasutra	Director	180,000	0	0	0	120,000	94,024	394,024
6. Mr. Pathomkrit Srisuphakhanin	Director	160,000	0	0	0	120,000	83,577	363,577
7. Mr. Pongthep Thanakijsumton	Director	180,000	0	0	0	120,000	94,024	394,024
8. Mr. Niphol Suwannachet	Director	180,000	0	0	0	120,000	94,024	394,024
9. Mr. Virachai Wongjirasak	Director	180,000	0	0	0	120,000	94,024	394,024
Total		1,690,000	420,000	490,000	35,000	1,080,000	1,274,552	4,989,552

2. Executives

In 2009 and 2010, the Executives' compensations are as follows:

Benefits	2009		2010	
	Number of executives	Amount (Baht)	Number of executives	Amount (Baht)
Salary and Bonus	5	11,815,130	6	12,905,200
Other remunerations such as contribution to provident funds, etc.	5	309,696	6	341,976
Total	5	11,787,776	6	13,247,176

2) Other benefits

-None

Personnel

Number of Employees and Compensation

As of 31 December 2010, the total number of employees (exclude Directors and Executives) is 124, which can be categorized as follows:

Department	No. of Employees
Office of Managing Director	2
Consultant	1
Marketing and Information Technology	29
Engineering	67
Government Relations	2
Finance, Accounting and Administration	19
Human Resources	4
Total	124

The Company has a compensation policy which provides fair and attractive compensation to employees by considering the compensation policy of other companies in the same industries to motivate and enhance employee performance in the long run. In 2009 and 2010, the compensation which the Company provided for its employees are as follows:

Employees' Compensation (Baht)	2009	2010
Salary and bonus	55,555,246	55,091,174
Other benefits such as commission, bonus, contribution to social security fund, contribution to provident fund, living expenses and other fringe benefits	13,596,869	14,276,755
Total	69,152,115	69,367,929

Other compensation

According to the resolution of the shareholders' meeting 2010 on 26 April 2010 which approved the Company to allot newly issued shares from the capital increase in the amount not exceeding 3 million shares, accounted for 1% of the total issued shares after IPO, to the Company's employees who are retail investors as defined by the Stock Exchange of Thailand. The objective is to motivate employees to advance their performance in order to generate added value for the shareholders in the long run and for the Company to be able to retain quality personnel. The Company offered shares to employees on 15-19 October 2010 at the offer price of 3.50 Baht and employees fully exercised their right to purchase such shares in the full amount. The aforementioned shares are subjected to one year silent period that such shares cannot be sold for a period of one year from the first trading day of the Company's shares on the SET, not more than 50% of the total amount can be sold after six months and the whole amount can be sold after one year.

Personnel Development Policy

The Company put emphasis on human resources and personnel development in order to increase overall operating performance. Therefore, we lay strong foundation on personnel development and training, we believe in following policies:

1. To promote creativity and encourage the bottom-up management to listen to all ideas from employees.

2. To foster employees' service mind and customer centric attitude.

3. To provide suitable training courses in accordance with position and responsibility, which can be categorized into two levels as follows:

3.1 Operating staff and chief level

The Company will focus on improving their technical skills, human relations, customer service and service mind.

3.2 Managerial level

The Company will focus on enhancing their managerial technical skills, and problem solving and decision making.

4. To provide scholarship, training course or observation trip for employees.

5. To organize activities to foster good relationships among the Company's employees and instill good attitude toward the Company, such activities are New Year party, other parties and various trips.

Good Corporate Governance

The Company has realized the importance of good corporate governance and its contribution to achieving excellent performance, sustainable growth, and gaining confidence amongst the shareholders, investors and all concerned parties. As such, the Company is determined to strictly conduct business in accordance with the principles of good corporate governance, laws and regulations of the Securities and Exchange Commission (SEC) and the Stock Exchange of Thailand (SET). Therefore, the Company has continuously encouraged its management and employees to acknowledge the Company's Code of Conduct and strictly put into practice.

The Company continually develops the good corporate governance practice and publishes its principles in the Company's annual operation plan, so its business practice should be in line with the good corporate governance set by The Stock Exchange of Thailand. Its main content can be divided into five sections as follow:

Section 1 Shareholders' Rights

The Company realizes and gives importance to shareholders' rights equally such as rights to buy, sell and transfer shares that the person is holding, rights to receive dividend from the Company, rights to attend the shareholders' meeting, rights to express opinion, rights to make decision on the Company's important matters, for instance, the dividend allocation, the election or dismissal of the Directors, the approval of important transactions that affect

the Company's business direction, the amendment of Memorandum of Association or the Company's Articles of Association. Aside from that, the Company has policies to support and facilitate the exercise of the shareholders' rights that are as follows:

- Delivering meeting notices together with details of agenda and accompanying documents supplementary detailing rights of the shareholders to attend the meeting, and rights to vote for resolution of the shareholders' meeting, prior to the meeting in compliance with the related laws or regulations of the Securities and Exchange Commission (SEC) and the Stock Exchange of Thailand (SET). Posting such information on the Company's website prior to the mailing.

- For those shareholders who cannot attend the meeting in person, they can appoint proxies or delegate their votes to any Company's independent director in attendance by filling in the proxy form which is attached along with the meeting notices.

- Prior to the meeting, the shareholders can send their views, opinions, recommendations or questions to the Company.

- During the meeting, the Company will provide adequate time for all attendants to express opinions or recommendations and ask questions freely before voting. The Chairman and the management are to address and answer all questions clearly and precisely. All these will be recorded with written summary in the minutes of the meeting.

Section 2 Equitable treatment of Shareholders

The Company has a policy to treat every shareholder equally and fairly especially minority shareholders, for example, they are entitled to propose or add meeting agenda items prior to the meetings and nominate directors. The Company delegates independent directors to take responsibility for them; therefore they can express opinion or recommendations through those directors to deliberate agenda items that could be useful to the Company. As for the agenda, the Company should not add an agenda item without notifying the shareholders in advance, especially the one that the shareholders need special time to deliberate.

Section 3 Roles of the Stakeholders

The Company has placed importance on the stakeholders' rights and interests, both inside and outside the Company that are customers, business partners, competitors, creditors, government, community and other concerned agencies. We also realized that the support we have received from our stakeholders will help boost our competitive potential and bolster our profits, thus fostering long term success to the Company.

For the shareholders: The Company is committed to be a qualified representative and to running commercial business for the long term profits and sound returns for the stakeholders' maximum satisfaction. We are committed to transparently disclose reliable information to the public. The Company should prudently manage risks and regularly review the risk mitigation measures.

For the customers : The Company is committed to create highest customers' satisfaction and foster healthy relationship based on mutual benefits through offering value added services at fair prices. We are committed to promptly respond to customers' complaint, as defined in the Company's Code of Conduct. Aside from that, we fully and adequately disclose our product and service information and provide consultation service so the customers would understand and utilize them effectively. We also fully cooperate with our customers in problem solving process to minimize negative impact and in product development procedure to foster sustainable business. Moreover, we regularly conduct customer's satisfaction survey.

For business partners: The Company has realized the importance of business neutrality, and mutual benefit between business partners. Therefore, the Company treats business partners on the same footing, based on regulated laws and business agreement. Also conduct the business partner selection process fairly.

For competitors: The Company supports fair and free competition policy within the scope of laws and business ethics.

For creditors: The Company strictly complies with the terms and conditions of financial obligations with the creditors.

For employees: The Company fully supports its personnel's potential development and provides fair employment term as well as good and safe work environment.

For the government: The Company strictly complies with the laws and regulations of the concerned agencies.

For community: The Company attached utmost importance to environment and safety and be responsible for the community as a whole. We oversee and fine-tune our environmental and safety projects to the highest of their efficiency. Not only that, the Company also gives full support to the community's activities, including those living in the neighborhood of company's office. We have outlined the policy on safety, occupational health and environment and given importance to the prevention of accident related to the Company's activities, service and products. The Company also mapped out the efficient plan to deal with emergency matters and drills it frequently.

Aside from that, the stakeholders such as shareholders, customer and communities can express ideas, recommendations or ask questions through the Company's website, in which the contact person and communication channels have already been specified.

Section 4 Disclosure of Information and Transparency

The Company's Board of Directors has placed importance on correct, accurate, transparent and timely disclosure of information, both in terms of financial report and general information, in compliance with the regulations set by the Securities and Exchange Commission and the Stock Exchange of Thailand. This includes other crucial information that might affect the Company's share price and the decision of investors and stakeholders. Therefore, the Company's Board of Director has assigned the Audit Committee to audit the quality of our financial report and

internal control system and disclose adequate information in the notice attached with the Company's financial statement and report it to the Board of Directors. The Company disseminates information to shareholders, investors and public through numerous channels such as SET and the Company's website, in order that all shareholders can get equal access to such information.

Investor Relations

The Company places great importance to the communication with investors, analysts and other concerned parties. Therefore, the Company has assigned the financial management department to be responsible for investor relations task. Such responsibilities concern the disclosure of information in accordance with the regulations set by the Securities and Exchange Commission and the Stock Exchange of Thailand. The department will act as the Company's representative to communicate and publicize other information that might be useful for investors, analysts and other concerned people. The Company will provide opportunities for investors to ask questions and receive information through various channels such as the Company's website, investor and analyst meetings which attended by high-level executives. The interested persons may contact the Company directly at Tel. 0-2101-1111 ext. 36312 or e-mail: nattaya@symphony.net.th

Section 5 Responsibilities of the Board of Directors

1. The Structure of the Board of Directors

The Company's Board of Directors consists of qualified and capable personnel possessing

wealth of experience useful for the Company's business operation. The Board of Directors plays an important role in defining policies, targets, business plan and financial budget of the Company, including governing the management team to observe such policies efficiently and effectively.

At present, the Board of Directors consists of nine directors, of which divided into four executive directors and five non-executive directors. The number of directors that qualified to be independent directors is three, which amounted to one-third of the total directors, thus, can adequately exercise check-and-balance power in the deliberation and voting of agenda. Aside from that, the Company appointed four teams of subcommittee that are Audit Committee, Nomination and Compensation Committee, Risk Management Committee and Executive Committee. The Company also clearly defined the scope of power and responsibility of these subcommittees in the Board of Directors' Charter. To segregate policy-making and governing duties from those of day-to-day management, the Company has required that the Chairman of the Board of Directors and the Chairman of the Executive Committee are two distinct persons.

Moreover, the Company appointed the secretary of the Board of Directors to be responsible for the Company's Board of Directors meeting and shareholders' meeting. The Company also appointed corporate secretary whose main duty is to provide information on the Company's laws and regulations that the Board of Directors is supposed to know and oversee the Board of Directors' activities, to ensure that all

resolutions of the Board of Directors will be strictly observed.

2. Roles, Duties and Responsibilities of the Board of Directors

The Board of Directors is responsible for the shareholders in terms of the Company's business operation, identifying policies and directions of business operation, including governing the Company's management in accordance with the target and direction set for long term benefit of the shareholders, and under the laws and business ethics for the best benefits of all stakeholders.

- Corporate Governance Policy

The Company has defined Corporate Governance Policy in written form and submitted it before the Board of Directors' meeting for approval. Moreover, the Corporate Governance handbook has been published to be the guideline for the directors, management and employees to observe. The Board of Directors will review it on annual basis.

- Code Business Conduct

To show the Company's intention to conduct business with transparency, ethics and with responsibility to stakeholders, society and the environment, the Company has issued a code of conduct in written form for the Board of Directors, management and all employees to strictly observe. Its principles are

- Code of conduct of the responsibility for shareholders
- Code of conduct of customer relations
- Code of conduct of partner, competitor and creditor relations
- Code of conduct of the responsibility for employees
- Code of conduct of the responsibility for society and the environment

- Conflict of Interests

The Company is determined to restrict the conflict of interests within an organization at high level of integrity and independency, considering the framework of business ethics and for the Company's best interests. Any party having conflict of interests to the Company's concerning matter must disclose their relationship and define possible conflict of interest to the Company. Such person will be refrained from the concerned decision making and not authorized for the approval of such transactions.

Such policy for the related transaction or the transactions having conflict of interests has been issued in compliance with the laws and regulations of SEC and SET. The Company has disclosed such information in the Company's annual report and annual disclosure (form 56-1).

- Internal Control

The Company places importance on setting up an effective internal control system. The internal control regulations handbook has been published as a guideline for this matter, the contents of which clearly segregate the responsibilities and operating power of operating team from those of management in the matters concerning the Company's assets, the approval of transactions, the documentation of accounting and financial information. Moreover, they clearly segregate the duties of operating team, monitoring team and evaluation team to enhance an adequate check-and-balance system.

- Risk Management

The Company places supreme importance on the risk management of the entire organization. Therefore, the Company appointed the risk management team to directly oversee and manage such risks that are financial risk, operating risk and business risk. The risk management team will report to the Audit Committee on quarterly basis or whenever necessary for deliberation before submission to the Board of Directors.

3. Board of Directors meetings

Board of Directors meetings are planned for the entire year on quarterly basis, with additional meetings called to discuss special agenda items if necessary. Prior to the meeting, the meeting notice along with the meeting agenda must be issued to each director, except only in the case of emergency, to deliberate it in advance. The Company stipulates that the directors have duty to attend every Board of Directors meeting, except in the case of necessity. The minutes of each meeting are properly documented and are filed for auditing purposes and for reference by directors and related persons.

In deliberation of each agenda item, the Chairman of the board, in which case the Chairman of the Meeting shall allow all directors to express their view freely and openly. In some cases, the concerned high-level executives might attend the meeting to provide more necessary information and acknowledge the policy themselves in order to execute it effectively.

In 2010, each director attended the Company's board meetings and subcommittee meetings as detailed below.

Name	Title	No. of attendance			
		Board of Directors	Nomination and Compensation Committee	Audit Committee	Independent Director
1. Mr. Woodtipong Moleechad	Chairman, Nomination and Compensation Committee Member, Audit Committee Member, Chairman of Independent Director	9/9	6/6	7/7	1/1
2. Mr. Prasitt Hemwarapornchai	Deputy Chairman, Independent Director, Audit Committee Member, Chairman of Nomination and Compensation Committee	9/9	6/6	7/7	1/1
3. Mr. Jitkasem Sangsingkeo	Chairman of the Audit Committee, Independent Director, Nomination and Compensation Committee Member	9/9	6/6	7/7	1/1
4. Mr. Kranphol Asawasuwana	Director	9/9	-	-	-
5. Mr. Teerarat Pantarasutra	Director	9/9	-	-	-
6. Mr. Pathomkrit Srisuphakhanin	Director	8/9	-	-	-
7. Mr. Pongthep Thanakijsumton	Director	9/9	-	-	-
8. Mr. Niphon Suwannachet	Director	9/9	-	-	-
9. Mr. Virachai Wongjirasak	Director	9/9	-	-	-

4. Director and Executive Development

The Company values and fully supports the enrollment of its directors and executives in the development training courses or seminars relevant to their scope of duties. In the case of change in directors or executives, the Company will provide necessary document useful for the scope of duties of the new ones, including enrolling them in the useful and relevant training courses.

Use of Inside Information

For transparency purpose and to prevent the use of inside information that has not been disclosed to the public for personal benefits and avoid criticism of inappropriate sale and purchase of company's shares by its personnel, the Company has issued regulations to directors, executives and all employees as follows:

- The directors, executives and all employees of the Company must protect the Company's confidentiality and must not disclose it for their own or others' benefits

whether directly or indirectly. They must not transfer or be transferred the Company's shares by using the Company's confidentiality and/or inside information and/or undertake any business transactions by using the Company's confidentiality and/or inside information, which would lead to financial loss to the Company whether directly or indirectly.

- The directors, executives and employees who are aware of inside information that has not been disclosed to the public must not use such information and must avoid or refrain from buying, selling, transferring or being transfers the Company's shares within one month before the disclosure of the quarterly financial statement and annual financial statement to the public.

- All the Company's directors and management must report any changes in their company's share ownership to SEC under section 59 of the Securities and Exchange Act B.E. 2535 within three days from the date of sale, purchase, disposal or receipt of such share and submit a copy to the Company as reference.

Auditor's Fee

The Company's financial statement of the year 2010 has been reviewed and audited by Ernst and Young Office Limited. The audit firm has received its fee total 915,561 Baht as detailed below:

1. Auditing fee according to the contract 900,000 Baht (for quarterly and annual financial statement)
2. Other expenses 15,561 Baht (for financial statement report binding, travelling expenses and etc.)

The shareholding of Board of Directors (as of 31 December 2010)

Name	Title	No. of Shares
1. Mr. Woodtipong Moleechad	Chairman	-
2. Mr. Prasitt Hemwarapornchai	Deputy Chairman	-
3. Mr. Jitkasem Sangsingkeo	Director	-
4. Mr. Kranphol Asawasuwana	Director	49,046,240*
5. Mr. Teerarat Pantarasutra	Director	49,046,240*
6. Mr. Pathomkrit Srisuphakhani	Director	24,523,740*
7. Mr. Pongthep Thanakijsumton	Director	24,523,740*
8. Mr. Niphon Suwannachet	Director	24,523,740
9. Mr. Virachai Wongjirasak	Director	14,714,760

Note: The total number of the share ownership of the directors is included share hold by related person (s) in compliance with Section 258 of Securities and Exchange Act B.E. 2535

Social Responsibility

Apart from the Company's commitment to improve its service and maintain its status as premium hi-speed communication network service provider, another mission that Symphony Communication Plc. is determined to continue is to strengthen the quality of life of people in the society, to be responsible for the environment, and to conduct business with social responsibility.

During the past year, we have organized various activities to support and promote society in terms of education, sports and religion. It is the Company's best intention to play a part in providing benefits for community and society, together hand-in-hand we will grow sustainably and with stability. Such activities are as follows.

Provide relief for flood victims

Last year, the massive deluge – the worst of its kind in many decades – resulted from the torrents of rain which continued for days without stop, had completely devastated life and property of Thai people in many areas all over the country. Various organizations such as government, state enterprise and private business, had joined hands to help those flood victims. Symphony Communication Plc. was no exception. To ease their hardship, we donated necessary things such as dry food and medicine through Family News – Channel 3 at Maleenont Building, Rama 4 Road.

Promote sports activities

Symphony Communication Plc. teaming up with KSC Commercial Internet Co., Ltd. organized friendship sports tournament at Ratchayothin Football Club, the objective of which is to support friendship and promote health awareness within both organizations. Moreover, we donated sports equipment to those needy boys at Pakkred Home for Boys in order to foster sports potential in youth.





Symphony share – extend happiness to disadvantaged children

Another important mission of Symphony Communication Plc. is to provide opportunity for disadvantaged children so they would grow up to be qualified citizens. Nowadays, the number of neglected children who are left roaming the streets has alarmingly increased. Symphony Communication Plc. has realized their importance which is why we organize luncheon for them frequently. In cooperation with our customers, we provided luncheon for children at Ban Nok Kamin Foundation so as to strengthen their morale and return good things to the society.

Extend the communication network to all parts of the society

As a network communication provider, it is our duty to provide limitless connection for all parts of the society. Unfortunately, there are certain groups of people who have limited ability, the blind for instance. Symphony Communication Plc. has realized their importance. Therefore, we provide assistance for “Thailand Association of the Blind” by setting up hi-speed communication network for use in hi-speed internet connection for free of charge. At first, the speed started at 128 KB; now it has been upgraded to 1.5 MB. This would help facilitate their communication both within and outside the association.



Furthermore, to support the access to information and improve the quality of life of the disadvantaged, the Company has signed the Memorandum of Understanding for “The expansion of DAISY information system through Computer Telephony Integration and Internet systems 2010” and “Computer and Information Technology Training for the Blind Nationwide 2010” projects.



Carry on and maintain religious belief

To maintain and uphold Buddhism belief and practice, Symphony Communication Plc. in cooperation with the “Red Carpet” customers organized merit making excursion, starting from Wat Phra Rup, Wat Pratu san, Wat Pa Laylai, City Pillar shrine, Wat Phra Sri Ratana Mahathat, Wat Khae, Wat Saraphi, Wat Phra Loi and Wat Phra Non – nine temples altogether, with history guide from Faculty of Arts, Silpakorn University. Such an uplifting tour was ended with excursion around the old Sam Chuk Market in Suphan Buri Province, so as to savor the traditional way of life of Thai people.

For the forthcoming year, the Company is committed to grow with stability, both in terms of business profits and social responsibility, under the Company’s philosophy “Sustainable social growth is a part of our success”.

Related Party Transaction

The Board carefully considers the conflict of interests and connected transaction by clearly issuing policies, guidelines and practices in compliance with the Company's Articles of Association, laws and regulations of SEC and SET, and the principles of good governance. Those with conflict of interests or related businesses must report their relationship and connection with a possible conflict of interest to the Company. The connected persons will be refrained from exercising their authority for and involvement in such transactions. Moreover, the approval of such transaction must be done solely for the Company's best interests and the information must be disclosed in the note of financial statement. The Company's annual financial statement ending on 31 December 2010 published the related transaction in the Note no. 6.

Policy and Tendency of Related Party Transaction in the Future

The Company's future related transactions would be only normal business transaction; or the acquisition of assets from a connected company. At present, Global Crossing Services Co., Ltd. (GCSV), a connected party, which is a domestic leased line service provider, is in the process of purchasing the network that has

been transferred to CAT. If such purchase accomplishes, the GCSV's principal shareholders will agree to sell that network to the Company at cost and the Company will submit it to the Audit Committee for their opinion, and propose to the Board of Director for approval. For the best benefits of the shareholders and all stakeholders, the related transaction policy will be done at fair price and with appropriateness and sound reasons. The Company will strictly observe the principles of good governance and the regulations of SEC and SET concerning the related transaction. Therefore, the directors with conflict of interests are not allowed to attend the meeting and vote for such agenda.

As for the loan policy with related person, the Company will not providing loan to the connected person.

Related Party Transactions in 2010

The Company's related party transactions for the accounting period ended 31 December 2009 and 2010 were as follows;

Related parties		Global Crossing Services Co., Ltd. (GCSV)		
Relationship		Having common major shareholders		
		(Million Baht)		Rationale / Necessity
Type of transactions		2009	2010	
Network Service Income		3.12	1.30	The Company invested in its own backbone network. Both the major shareholders of GCSV and the Company had a policy to reduce redundant investments. Therefore, the Company leased out the network to GCSV.
Other income: Site rental		0.41	0.21	The Company rent the site area from third parties and GCSV shared the site area. Therefore, the Company had to charge the site rental fee from GCSV.
Other income: Office rental income		0.96	0.31	The Company rent office building space from a third party and GCSV shared the space in the building. Therefore, the Company had to charge the office rental fee and service fee from GCSV.
Other Income: Service Fee		0.84	0.27	
Management income		3.92	0.61	GCSV shared human resources with the Company and the Company realized the expense as a management fee. However, currently, such expense no longer occurs.
Account receivables and accrued income		0.16	0.00	
Cost of services and sales (optical fiber cables lease)		14.40	14.40	Because the Company could not construct networks in some areas, the Company had to lease parts of GCSV's network.
Acquisition of network equipment		0.31	0.37	The Company purchased network equipment from GCSV at the net book value.

Related parties		Global Crossing System Co., Ltd. (GCS)		
Relationship		Having common major shareholders and Board of Directors		
		(Million Baht)		Rationale / Necessity
Type of transactions		2009	2010	
Other income: Office rental income		0.20	0.15	The Company rent office building space from a third party and GCS shared the space in the building. Therefore, the Company had to charge the office rental fee and service rental fee from GCS.
Other income: Office service income		0.18	0.14	
Other income: Maintenance fee		0.17	0.14	GCS entered into agreement with the Expressway Authority of Thailand (EXAT) which GCS had to guarantee the operations of equipment provided to EXAT for two years. Therefore, GCS hired the Company to service the aforementioned equipment for the period of the agreement. However, the aforementioned agreement term ended in October 2010, therefore this transaction no longer occurs.

Cost of services and sales	2.76	-	GCS leased out some equipments to the Company so as to reduce redundant investments.
Management Fee	1.60	0.41	The Company shared fixed asset utilization with GCS, so the Company had to share expenses with GCS.
Acquisition of network equipment	0.00	2.59	The Company purchased network equipments from GCS at the net book value.

Related parties **Mr. Teerarat Pantarasutra**
Relationship **Major shareholder, Executive and directors**

(Million Baht)			
Type of transactions	2009	2010	Rationale / Necessity
Consultant fee	1.70	-	Mr. Teerarat Pantarasutra received consultant fees for the position of legal and regulatory consultant while he was also a director of the Company in 2009 which the Company did not pay any director remuneration. The Company needed legal expert's consultancy regarding Telecommunication Laws which required more intense working time than the position of director. Currently, he is not the Company's consultant.
Short - term loans and accrued interest expenses from related parties	-	-*	In the period of the transaction, the Company had liquidity shortages and therefore borrowed from Mr. Teerarat Pantarasutra at the interest rate of 2%

* Short - term loans and accrued interest expenses from related parties as disclosed in financial statements

Unit : Baht	Balance as at 31 December 2009	Increase	Decrease	Balance as at 31 December 2010
Director of the Company				
Loan	-	7,000,000	(7,000,000)	-
Interest payable	-	16,493	(16,493)	-
Total	-	7,016,493	(7,016,493)	-

Related parties **Mr. Virachai Wongjirasak**
Relationship **Major shareholder and directors**

(Million Baht)			
Type of transactions	2009	2010	Rationale / Necessity
Consultant fee	1.36	0.93	In the years of 2007-2010, Mr. Virachai Wongjirasak as the Company's financial consultant got the consultant fee while he also was a director of the Company. However, when he was a director between the years of 2007-2009, he did not receive any compensation as a director.

Related parties Mr. Niphol Suwannachet
Relationship Major shareholder and Board of Directors

(Million Baht)			
Type of transactions	2009	2010	Rationale / Necessity
Consultant fee	-	1.50	Mr. Niphol Suwannachet as a deputy managing director of engineering department resigned from his position in 2010. While searching for a replacement, the Company appointed Mr. Kranphol Asawasuwana to be the acting deputy managing director of the department. Since Mr. Kranphol is also the managing director of the Company, he is unable to perform his duties fully and therefore the Company hired Mr. Niphol Suwannachet as an engineering consultant until the Company may find a suitable candidate to fill the position of deputy managing director of the engineering department.

Related parties Shareholders/Directors/Executives
1. Mr. Teerarat Pantarasutra
2. Mr. Kranphol Asawasuwana
3. Mr. Pathomkrit Srisuphakhani
4. Mr. Pongthep Thanakijuntorn
5. Mr. Niphol Suwannachet
6. Mr. Virachai Wongjirasak
7. Mr. Manoch Youbunyong
8. Mr. Wanchai Somboonphon
9. Dr. Bussakorn Jaruwachirathanakul
Relationship No. 1 - 6 are shareholders and Board of Directors of the Company.
No. 7 - 8 are shareholders and
No. 9 is a shareholder and Executive of the Company.

(Million Baht)			
Type of transactions	2009	2010	Rationale / Necessity
Guaranteed the loan of the Company with a fixed deposit in total amount of 60 MB belonging shareholder on a pro-rata basis of shareholding prior to the Company's listing on the SET without guarantee fees until the end of the loan term.	-	Credit line 60.00	The Company need supported financial liquidity for operation but had no collateral. Therefore, the shareholders/directors provided collateral for the loans. However, in November 2010, the Company already repaid the loan, cancelled credit facility and withdraw the collaterals.

Financial Position and Operating Performance

(1) Summary of Financial Information

The Auditor who conducted the auditing of the Company's Financial Statements for the Year ended 31 December 2008 was Mr. Amorn Ungsakulpreecha, Certified Public Accountant, Registration Number 4154, Auditing Vision Service. The Auditor who conducted the auditing of the Company's Financial Statements for the Year ended 31 December 2009 and 2010 was Ms. Pimjai Manitkajohnkit, Certified Public Accountant, Registration Number 4521, Ernst & Young Office Limited.

Report of Independent Auditors for the year 2008, 2009 and 2010 expressed, with unqualified opinion, that the Company's financial statements present fairly, in all material respects, the financial position of the Company, the results of its operations and cash flows for the years end of the three years have been prepared in accordance with generally accepted accounting principles on regular basis.

Summary of Income Statement, Balance Sheet, the Statement of Cash flows and Financial Ratio for the last three years

Income Statement

	2008		2009		2010	
	MB	%	MB	%	MB	%
Revenue						
Leased line service income*	413.41	74.00	477.89	87.66	536.04	92.83
Revenue from sales	104.52	18.71	23.61	4.33	3.13	0.54
Management and maintenance service income - network	2.50	0.45	30.00	5.50	30.00	5.20
Income from related companies**	34.91	6.25	9.84	1.80	3.11	0.54
Other revenue*	3.31	0.59	3.82	0.70	5.15	0.89
Total Revenue	558.65	100.00	545.16	100.00	577.43	100.00
Expense						
Cost of Sales and Services	188.80	33.80	161.62	29.65	179.69	31.12
Gross Profit	369.85	66.20	383.54	70.35	397.74	68.88
Service Expenses	34.51	6.18	20.08	3.68	25.68	4.45
General & Administrative Expense	63.89	11.44	66.99	12.29	75.59	13.09
Management & Director Benefits	-	-	15.12	2.77	20.76	3.60
EBIT	271.45	48.59	281.35	51.61	275.71	47.75
Depreciation & Amortization	36.87	6.60	53.63	9.84	79.63	13.79
EBITDA	308.31	55.19	334.98	61.45	355.34	61.54
Interest Expense	7.26	1.30	3.39	0.62	0.38	0.07
EBT	264.19	47.29	277.96	50.99	275.32	47.68
Corporate Income Tax	79.30	14.20	85.72	15.72	77.01	13.34
Net Income	184.88	33.09	192.24	35.26	198.31	34.34
Basic Earning per Share	6.16		2.46		0.85	
Weighted Average						
Number of Shares***	30,000,000		78,004,980		233,498,630	
Diluted Earning per share	6.16		0.85		0.66	
Total Number of Shares	30,000,000		225,000,000		300,000,000	

Note: * Excluded income from related companies

** In audited Financial Statement, shown in Leased line service income and Other revenue

*** Ordinary meeting of company's shareholders on 26 April 2010 passed resolution to change par value of ordinary share from 10 Baht to 1 Baht. In order to make the financial statement comparable, the Company shows weighted average number of shares assuming 1 Baht par value.

Balance Sheet

	31-Dec-08		31-Dec-09		31-Dec-10	
	MB	%	MB	%	MB	%
Assets						
<u>Current Asset</u>						
Cash and Cash Equivalent	54.60	11.97	8.57	1.76	351.46	27.91
Short-term Investments	-	-	-	-	301.00	23.91
Accounts Receivable, Net	88.74	19.45	64.52	13.28	69.80	5.54
Work in Process	-	-	3.32	0.68	1.82	0.14
Other Current Assets	7.73	1.70	8.32	1.71	9.53	0.76
Total current asset	151.07	33.12	84.73	17.44	733.62	58.26
<u>Non-current Asset</u>						
Collateralized Cash	-	-	1.00	0.21	2.17	0.17
Equipment for Service, Net	277.04	60.73	369.53	76.05	449.96	35.73
Property, Plant and Equipment, Net	22.13	4.85	20.99	4.32	53.09	4.22
Intangible Asset, Net	0.84	0.18	5.08	1.05	10.15	0.81
Other Non-current Assets	5.09	1.12	4.57	0.94	10.18	0.81
Total non-current asset	305.10	66.88	401.17	82.56	525.54	41.74
Total Asset	456.16	100.00	485.91	100.00	1,259.16	100.00
Liabilities						
<u>Current Liabilities</u>						
Account Payable	50.05	10.97	35.35	7.28	52.09	4.14
Short-term Liabilities from Subsidiary	70.26	15.40	-	-	-	-
Long-term loans due within one year	0.95	0.21	-	-	-	-
Advance from customers	0.43	0.09	32.74	6.74	36.54	2.90
Other Current Liabilities						
Corporate Income Tax Payable	46.77	10.25	37.71	7.76	25.10	1.99
Deferred income	19.63	4.30	21.05	4.33	20.87	1.66
Others	6.45	1.41	7.04	1.45	12.37	0.98
Total current liabilities	194.53	42.65	133.90	27.56	146.96	11.67
<u>Non-current Liabilities</u>						
Loans from Intercompanies and Others	2.86	0.63	-	-	-	-
Total non-current liabilities	2.86	0.63	-	-	-	-
Total Liabilities	197.40	43.27	133.90	27.56	146.96	11.67
<u>Shareholders' Equity</u>						
Issued and Paid-up Capital	30.00	6.58	225.00	46.31	300.00	23.83
Premium on Share Capital	-	-	-	-	548.76	43.58
Retained Earning						
- Appropriated - Statutory Reserved	3.00	0.66	22.50	4.63	30.00	2.38
- Unappropriated	225.77	49.49	104.50	21.51	233.44	18.54
Total Shareholders' equity	258.77	56.73	352.00	72.44	1,112.20	88.33
Total Liabilities & Shareholders' Equity	456.16	100.00	485.91	100.00	1,259.16	100.00

Statement of Cash flows

	2008	2009	2010
	MB	MB	MB
Beginning Cash	23.80	54.60	8.57
Cash flow from Operation	166.19	292.37	265.20
Cash flow from Investing Activities	-154.49	-165.58	-484.20
Cash flow from Financing Activities	19.11	-172.82	561.89
Ending Cash	54.60	8.57	351.46

Financial Ratio

		2008	2009	2010
<u>Liquidity Ratio</u>				
Current Ratio	Times	0.78	0.63	4.99
Quick Ratio	Times	0.74	0.55	4.91
<u>Financial Ratio</u>				
D/E Ratio	Times	0.76	0.38	0.13
Debt Ratio	Times	0.43	0.28	0.12
Interest Coverage Ratio	Times	42.46	98.89	929.29
Interest Bearing Debt/Equity	Times	0.28	0.00	0.00
Book value per share	(B/share)	8.63	1.56	3.71
<u>Profitability Ratio</u>				
Gross Profit Margin	%	66.20	70.35	68.88
Operating Profit Margin	%	48.59	51.61	47.75
Net Profit Margin	%	33.09	35.26	34.34
Return on Asset	%	50.39	40.81	22.73
Return on Fixed Asset	%	73.76	54.44	42.80
Return on Equity	%	101.95	62.95	27.09

(2) Management Discussion and Analysis for 2010 Performance

The Company is a domestic hi-speed data communications network service provider and provides related service, for example, last mile network management and installation service. The Company's major source of income derives from leased line service which has been growing over the past years due to its strategies to position as "Neutral Premium Telecom Network Service Provider" (Network Provider Only), not competing with its customers, focusing on hi-end market and service customization to meet various requirements from customers. The Company also gives emphasis to after sale services to all customers and keeps up high quality standard of service to retain its customer base.

In 2010, the Company offered new shares to employees (ESOP) on 19 October 2010, at the price of 3.50 Baht/ share, for 3 million shares, amount of proceeds totaled Baht 10.50 million; and the initial public offering (IPO) during 17-19 November 2010, at the price of 8.80 Baht/share, for 72 million shares, net amount of proceeds totaled Baht 613.26 million after the deduction of the offering expenses. The amount of proceeds from increased capital totaled Baht 623.76 million. The proceeds from increased capital strengthen the Company's financial position, and enhance its capacity to expand network service to high potential areas. The Company has expanded the network service and commercially launched in six industrial estates, for example; Rojana Industrial Estate, Hi-tech Industrial Estate, Bang Pa-in Industrial Estate, etc. and plans to cover other five industrial estates within 2013, and expanded Ready Ethernet services to cover 150 hi-rise building within 2013 to serve rising demand from corporate sector.

Operating Performance

	2010		2009		+ / -	
	MB	%	MB	%	MB	%
Leased line service income	536.04	92.83	477.89	87.66	58.15	12.17%
- Metro Ethernet	270.27	46.81	222.04	40.73	48.23	21.72%
- Ready Ethernet	43.55	7.54	33.91	6.22	9.64	28.43%
- TDM	97.42	16.87	112.31	20.60	-14.89	-13.26%
- SDH	38.43	6.66	47.36	8.69	-8.93	-18.86%
- EoSDH	6.04	1.05	0.55	0.10	5.49	998.18%
- Dark Fiber	60.32	10.45	50.20	9.21	10.12	20.16%
- Last Mile Network Mgt and Equipment	20.01	3.47	11.52	2.11	8.49	73.70%
Revenue from sales	3.13	0.54	23.61	4.33	-20.48	-86.74%
Management and maintenance service income- network	30.00	5.20	30.00	5.50	0.00	0.00%
Income from related companies	3.11	0.54	9.84	1.80	-6.73	-68.39%
- Management fee income	0.61	0.11	3.92	0.72	-3.31	-84.44%
- Network Service Income*	1.30	0.23	3.12	0.57	-1.82	-58.33%
- Rental Fee and Other Income	1.20	0.21	2.80	0.51	-1.60	-57.14%
Other revenue	5.15	0.89	3.82	0.70	1.33	34.82%
Total revenues	577.43	100.00	545.16	100.00	32.27	5.92%
Expenses						
Cost of services and sales	179.69	31.12	161.62	29.65	18.07	11.18%
Gross Profit	397.74	68.88	383.54	70.35	14.20	3.70%
Service expenses	25.68	4.45	20.08	3.68	5.60	27.92%
Administrative expenses	75.59	13.09	66.99	12.29	8.60	12.84%
Management benefit expenses	20.76	3.60	15.12	2.77	5.64	37.31%
EBIT	275.71	47.75	281.35	51.61	-5.64	-2.01%
Depreciation & Amortization	79.63	13.79	53.63	9.84	26.00	48.49%
Finance cost	0.38	0.07	3.39	0.62	-3.00	-88.71%
EBITDA	355.34	61.54	334.98	61.45	20.36	6.08%
Income before corporate income tax	275.32	47.68	277.96	50.99	-2.64	-0.95%
Corporate income tax	77.01	13.34	85.72	15.72	-8.71	-10.16%
Net Income	198.31	34.34	192.24	35.26	6.07	3.16%

* Included in Leased line service income in audited financial statement

Service Income

Leased Line Service Income

Leased Line Service Income in 2009 and 2010 were Baht 477.89 million and Baht 536.04 million respectively, increased by 12.17% comparing to the last year due to increasing income from Metro Ethernet and Ready Ethernet, thanks to increasing demand of Ethernet, both in term of bandwidth and number of circuits coupled with the expansion of network coverage area. Ethernet technology is widely used and cost effective. Therefore, it gains popularity over the years among corporate clients. Income from Metro Ethernet Service in 2009 and 2010 were Baht 222.04 million and Baht 270.27 million respectively, increased by 21.72% comparing to the last year. Income from Ready Ethernet Service in 2009 and 2010 was Baht 33.91 million and Baht 43.55 million respectively, increased by 28.43% comparing to the last year.

Income from Dark Fiber Service (Optical Fiber Network Connection) in 2009 and 2010 were Baht 50.20 million and Baht 60.32 million respectively, increased by 20.10% comparing to the last year. Due to the increasing awareness of business continuity, Disaster Recovery Center (DRC) becomes indispensable for today businesses, hence, increasing demand for Dark Fiber to connect between Head Office and the DRC.

Income from TDM Service in 2009 and 2010 were Baht 112.31 million and Baht 97.42 million respectively, decreased by 13.26% comparing to the last year. Due to the limited capacity of the copper wired last mile, some customers shifted to other service such as Ethernet service.

Revenue from Sales and Management and Maintenance Service Income – Network

Revenue from sales in 2009 and 2010 were Baht 23.61 million and Baht 3.18 million respectively. The decrease was due to equipments sold to a major ISP client in 2009 for network installation, in which, that client granted the Company a long-term contract to manage that network & equipments with a monthly fee of Baht 2.50 million, therefore, the Company recorded Management and maintenance service income - network in 2009 and 2010 in the amount of Baht 30.00 million per year.

Income from Related Companies

Income from related companies in 2009 and 2010 were Baht 9.84 million and Baht 3.11 million respectively, which comprised Management Fee Income, Network Service Income, Rental Fee and other income. Global Crossing Services Co., Ltd., “GCSV” has common shareholders with the Company, operated under a Build-Transfer-Operate (BTO) concession with CAT to provide telecommunication services, had utilized the Company's network backbone, site, office space as both major shareholders of GCSV and the Company had a policy to reduce redundant investments. The Company charged GCSV at agreed service rate that was fair and reasonable. However, GCSV's concession license already expired since 5 June 2010, and its operation has been terminated. Therefore, GCSV discontinued the utilization of those facilities and no more Income from related company occurs since middle of the year 2010.

Other Income

Other Income in 2009 and 2010 were Baht 3.82 million and Baht 5.15 million respectively, derives from rebate of equipment from supplier, interest income, etc.

Cost of Services and Sales

Cost of Services and Sales in 2010 was Baht 179.69 million, comparing to the last year, increased by Baht 18.06 million or an increase of 11.18%, resulting from network coverage expansion and increasing number of

clients. The increased amount of equipment & network investment resulted in increased amount of depreciation that was Baht 70.36 million in 2010, comparing to the last year, increased by Baht 23.99 million.

Cost of Goods Sold in 2010 decreased by Baht 15.97 million, comparing to 2009 due to the equipment sold to a major ISP in 2009 as mentioned before.

Other increase in Cost of Services and Sales were related to the increased revenue, for example, Universal Service Obligation (USO) fee at the rate of 4% of service income, initial fee to commercial buildings for in-building equipment installation, site rental, engineers' salary, etc.

Service Expenses

Service Expenses in 2010 was Baht 25.68 million, comparing to the last year, increased by Baht 5.60 million due to commission paid to marketing partner, increased number of sales representatives, marketing expenses and a corporate magazine "Enjoy" for public relations purpose.

Administrative Expenses

Administrative Expense in 2010 was Baht 75.59 million, comparing to the last year, increased by Baht 8.60 million resulting from extraordinary expenses in the amount of Baht 7.88 million, which comprised IPO-related expenses, e.g., Financial Advisor Fee, Legal Advisor Fee, PR expenses, publication of prospectus, SET and SEC fees, HR Advisor Fee for employee benefit evaluation project, asset write-off due to the political chaos and office relocation.

Other increase in administrative expenses were due to increase in office supplies and office rental as the previous office common facility system doesn't match the Company's requirement and couldn't expand the office space to serve business expansion.

Administrative expenses that decreased were bad debt write-off, other operating expenses that has been controlled to a suitable level, management fee to a related company for utilization of common assets.

Management Benefit Expenses

Management benefit expenses in 2010 was Baht 20.76 million, comparing to the last year, increased by Baht 5.64 million resulting from increased number of managements and directors to achieve a proper management structure as a listed company. Management benefit expenses for the year 2010 was Baht 5.00 million, this expense has never been paid before.

Finance Cost

Finance cost in 2010 was Baht 0.38 million, comparing to the last year, decreased by Baht 3.01 million due to the decreased amount of loans and shorter period of borrowing.

Gross Profit, Operating Profit and Net Profit

In 2010, the Company recorded Gross Profit in the amount of Baht 397.74 million, or a gross profit margin of 68.88%, increased by Baht 14.20 million or 3.70% from 2009 which gross profit was Baht 383.54 million. The major factor that drove the profit was expansion of customer base and network coverage area, coupled with service quality control. The Company also gear up for new business opportunities which has lower price competition as well as implementing efficient cost control measure.

Operating Profit in 2010 was Baht 275.71 million, or an operating profit margin of 47.75%, decreased by Baht 5.64 million or a decrease of 2.01% from last year that operating profit was Baht 281.35 million due to the extraordinary expenses in the amount of Baht 7.88 million, increased office rental and management benefit expenses in 2010.

Corporate income tax in 2010 was Baht 77.01 million, decreased by Baht 8.71 million from last year due to the IPO underwriting fee which considered as a tax expense item while it has been recorded as net amount in share-premium in Balance Sheet. Net Profit in 2010 was Baht 198.31 million or a net profit margin of 34.34%, increased by Baht 6.07 million or an increase of 3.16% from last year which net profit was Baht 192.23 million.

Financial Position

Asset

Total assets at the end of 2010 was totaled Baht 1,259.16 million, increased by Baht 773.25 million from the end of last year that total assets was Baht 485.91 million. The major reason was resulting from the amount of proceeds from increased capital totaled Baht 623.76 million.

Current Assets

- Cash and Cash Equivalents and Short-term Investments: the proceeds from ESOP & IPO that is not yet invested in network expansion, the Company has invested in form of short-term bills of exchange. At the end of 2010, the Company recorded Cash and Cash Equivalents and Short-term Investments in totaled amount of Baht 652.47 million Baht, increased by Baht 643.89 million from the end of 2009.

- Accounts Receivable, accrued income – net: at the end of 2010, the total amount was Baht 69.80 million, increased by Baht 5.28 million from at the end of last year, which is in line with increased revenue.

Fixed Assets

- Network Equipment and Equipment – net: the Company used the proceeds from capital increase and operating cash flow to invest in network expansion, therefore, Network Equipment and Equipment – net, at the end of 2010, was Baht 503.05 million increased by Baht 112.53 million from the end of 2009, which Network Equipment and Equipment – net was Baht 390.52 million. The Company has expanded network backbone to six industrial estates and plans to cover other five industrial estates within 2013, and expanded Ready Ethernet services to 30 hi-rise building and plans to add more 53 buildings within 2011.

Liabilities and Shareholders' Equity

Liabilities

Total Liabilities at the end of 2010 was totaled Baht 146.96 million, increased by Baht 13.16 million from the end of last year that total Liabilities was Baht 133.90 million. The whole amount of liabilities was current liabilities, mainly account payable, advance from customers and tax payable. The Company doesn't have any interest bearing debt or loan outstanding.

Shareholders' Equity

Shareholders' Equity at the end of 2010 was totaled Baht 1,112.20 million, increased by Baht 760.19 million from the end of last year that total Shareholders' Equity was Baht 352.00 million, due to following reasons:

- The Share Capital Increase: by offering of new shares to employees (ESOP) at the price of Baht 3.50 per share, for 3 million shares, and the initial public offering (IPO) at the price of Baht 8.80 per share, for 72 million shares, therefore, the registered capital increased by Baht 75 million to Baht 300.00 million, and the Company recorded share premium in the amount of Baht 548.76 million according to the offering price over par value.

- Dividend Payment for 2009 Operating Results: Board of Directors had a resolution on 16 March 2010 for dividend payment to shareholders at the rate of Baht 2.75 per share, totaled Baht 61.88 million.

- Operating Profit: The Company recorded net profit for the year 2010 in the amount of Baht 198.31 million, after increasing in legal reserve in the amount of Baht 7.50 million, the appropriated retain earning at the end of 2010 recorded at Baht 30.00 million, unappropriated retained earning recorded at Baht 233.44 million, increased by Baht 128.93 million from the end of last year.

Statement of Cash Flow

At the end of 2010, the Company's cash and cash equivalent was Baht 351.46 million, increased by Baht 342.89 million from at the end of last year, mainly due to net cash flows from operating activities in the amount of Baht 264.91 million. Cash paid for investing activities was Baht 484.20 million, resulting from investment for network expansion totaled Baht 175.60 million and short-term investment in Financial Institution's bill of exchange with duration not longer than one year in the amount of Baht 301.00 million. The net cash flow from financing activities was Baht 561.89 million which mainly resulting from the proceeds from capital increase totaled Baht 623.76 million and the dividend payment in the amount of Baht 61.88 million.

The Company generated strong cash flow from operation, coupled with proceeds from the capital increase, the Company has strong financial position and ready to expand service network to high potential areas. Nevertheless, the Company will prudently invest in order to achieve sustainable growth.

AUDIT COMMITTEE REPORT 2010

To The Shareholders of Symphony Communication Public Company Limited

The Audit Committee of Symphony Communication Public Company Limited consists of three independent directors whose qualifications fully comply with requirements of the Securities and Exchange Commission, namely Mr. Jitkasem Sangsingkeo, as Chairman of the Audit Committee, Mr. Woodtipong Moleechad and Mr. Prasitt Hemwarapornchai, both, as Audit Committee members. Ms. Valdee Sibunruang from IVL Auditing Co., Ltd., who is an independent auditor, is the secretary of the Audit Committee.

In 2010, the Audit Committee has performed with total responsibility in compliance with the Audit Committee Charter approved by the Board of Directors. Meetings of the Audit Committee have been held at least once in every quarter. The Audit Committee has seven meetings held in 2010, in which all Audit Committee members have fully attended all the meetings, together with executives, auditors and internal auditors as appropriated, which is summarized as follows:

1. Review quarterly and annual financial statements prior to proposing to the Board of Directors for approval. The Audit Committee has inquired management and auditor for the accuracy, completeness of the financial statements, the adequacy of disclosures. The Audit Committee is of the opinion that the Company's financial statements are prepared in accordance with legal requirements and generally accepted accounting principles.

2. Review the internal control system to evaluate suitability and efficiency of current internal control system. The Audit Committee has reviewed the planned quarterly audit reports. There is no significant deficiency and the Company has proper asset control. The Audit Committee is of the opinion that the Company has efficient, adequate and suitable internal controls in the acceptable criteria. Its internal control system is regularly reviewed and evaluated. The Company also outsources an internal auditor to review, suggest and independently audit on a regular basis.

3. Review the internal audit system. The Company outsources an independent internal auditor to conduct internal audit activities and evaluate adequacy of internal control system. The independent internal auditor has directly reported the result to the Audit Committee on quarterly basis. The Audit Committee has considered the independence of Internal Auditor, the scope of internal auditing and their responsibilities and functions. The Audit Committee is of the opinion that the internal auditing is sufficient, suitable and regularly reviewed.

4. Review the compliance with the law. The Audit Committee has assigned Corporate Secretary to monitor the compliance to the rules and regulations of Securities and Exchange Commission and the Stock Exchange of Thailand or other laws relating to its business as well as corporate agreement with external parties, which has an opinion that the Company has complied with the Securities and Exchange Law, regulations of the Stock Exchange of Thailand, or other laws relating to its business and its agreement to external parties.

5. Review the risk management system. The Audit Committee has reviewed the risk management system, considering its linkage to internal control, risk management policy and guidance as well as risk management progress. The Audit Committee is of the opinion that the Company has efficient risk management system that is constantly reviewed in accordance with the Company's risk management guidance handbook and at acceptable risk level.

6. Review the connected transactions and its disclosure in the notes of audited financial statements. The Audit Committee has common opinion with the independent auditor that the connected transactions were done on normal course of business and of the Company's interest, and completely disclosed.

7. Nominate and recommend compensation of external auditor for the year 2011 and present to the Board of Directors for final approval from the 2011 Annual General Meeting of Shareholders. The Audit Committee has considered performance, independence and appropriate compensation and, thus, has nominated the auditor(s) from Office of Ernst & Young as an auditor of the Company in 2011 with the compensation of Baht 900,000.- If the nominated auditor is appointed for the year 2011, the year in office will be the third consecutive year, however, the auditor has no relationship or interest with the Company.

8. Self-Assessment. The Audit Committee conducted the self-assessment on their scope of duties in the year 2010 by comparing to that stated in the Audit Committee Charter and the good practice. For 2010, it was found that the Committee had performed its duties in accordance with the Audit Committee Charter and the good practice.

In conclusion, the Audit Committee has performed its complete duties set forth in the Audit Committee Charter approved by the Board of Directors. The Company has reviewed aforementioned activities and fully complied with

On behalf of Audit Committee



Mr. Jitkasem Sangsingkeo

Chairman of the Audit Committee

Symphony Communication Public Company Limited

Board of Directors' Responsibility for Financial Reporting

The Board of Directors is responsible for Symphony Communication Public Company Limited's financial statements, including the financial information presented in this annual report. The aforementioned financial statements are prepared in accordance with generally accepted accounting principles, using careful judgement and the best estimation. Important information is adequately and transparency disclosed in the notes to financial statements for the Company shareholders and investors.

The Board of Directors has provided and maintained risk management system and appropriate and efficient internal control system to ensure that accounting records are accurate, reliable and adequate to protect its assets and uncover any weakness that may be present in order to prevent fraud or materially irregular operations.

In this regard, the Board of Directors has appointed an Audit Committee to be responsible for reviewing the accounting policy, quality of financial reports, review internal controls, internal audit and risk management system. The Audit Committee has also reviewed a disclosure of related party transactions. All their comments on these issues have included in the Audit Committee Report, which presented in this annual report.

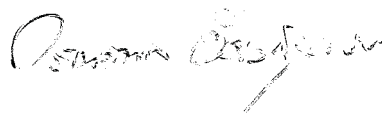
The financial statements of the Company have been audited by an external auditor, ERNST & YOUNG OFFICE LIMITED. The Board of Directors facilitated all the Company's records and related data as the Auditor requested. The auditor's opinion is presented in the auditor's report as part of this annual report.

In this regard, the Board of Directors is of the opinion that the Company's internal control system is proven satisfactory and contributes the credibility of the Company's financial statements as of 31 December 2010 that all these financial statements have been prepared in accordance with generally accepted accounting principles and related regulations.



Mr. Woodtipong Moleechad

Chairman



Mr. Kranphol Asawasuwana

President

Report of Independent Auditor

To the Shareholders of Symphony Communication Public Company Limited
(Formerly known as “Symphony Communication Company Limited”)

I have audited the balance sheets of Symphony Communication Public Company Limited as at 31 December 2010 and 2009, and the related statements of income, changes in shareholders’ equity and cash flows for the years then ended. These financial statements are the responsibility of the Company’s management as to their correctness and the completeness of the presentation. My responsibility is to express an opinion on these financial statements based on my audits.

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

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Symphony Communication Public Company Limited as at 31 December 2010 and 2009, and the results of its operations and cash flows for the years then ended, in accordance with generally accepted accounting principles.

Ms. Pimjai Manitkajohnkit

Certified Public Accountant (Thailand) No. 4521

Ernst & Young Office Limited

Bangkok: 25 February 2011

Symphony Communication Public Company Limited

Balance sheets

As at 31 December 2010 and 2009

(Unit: Baht)

	Note	2010	2009
Assets			
Current assets			
Cash and cash equivalents	7	351,460,679	8,574,511
Short-term investments	8	301,004,950	-
Trade accounts receivable and accrued income, net	6, 9	69,796,901	64,521,245
Inventories		1,823,981	3,317,002
Other current assets		9,529,725	8,319,050
Total current assets		733,616,236	84,731,808
Non-current assets			
Restricted deposits at financial institution	10	2,169,279	1,000,000
Network equipment, net	11	449,960,318	369,529,260
Equipment, net	12	53,086,206	20,988,216
Intangible assets, net	13	10,146,706	5,083,161
Other non-current assets		10,179,978	4,573,561
Total non-current assets		525,542,487	401,174,198
Total assets		1,259,158,723	485,906,006
Liabilities and shareholders' equity			
Current liabilities			
Trade accounts payable		52,094,483	35,353,058
Deferred income and advance received from customers		36,544,105	32,744,515
Other current liabilities			
Corporate income tax payable		25,096,947	37,714,240
Accrued expenses		20,868,674	21,050,104
Others		12,356,126	7,040,429
Total current liabilities		146,960,335	133,902,346
Total liabilities		146,960,335	133,902,346
Shareholders' equity			
Share capital	14		
Registered			
300,000,000 ordinary shares of Baht 1 each			
(2009: 22,500,000 ordinary shares of Baht 10 each)		<u>300,000,000</u>	<u>225,000,000</u>
Issued and paid up			
300,000,000 ordinary shares of Baht 1 each			
(2009: 22,500,000 ordinary shares of Baht 10 each)		300,000,000	225,000,000
Share premium		548,761,440	-
Retained earnings			
Appropriated - statutory reserve	15	30,000,000	22,500,000
Unappropriated		233,436,948	104,503,660
Total shareholders' equity		1,112,198,388	352,003,660
Total liabilities and shareholders' equity		1,259,158,723	485,906,006

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

Symphony Communication Public Company Limited
Income statements
For the years ended 31 December 2010 and 2009

			(Unit: Baht)
	Note	2010	2009
Revenues			
Lease line service income		537,326,921	481,008,726
Revenue from sales		3,130,652	23,612,600
Management and maintenance service income - network		30,000,000	30,000,000
Management fee income		610,723	3,916,081
Other income		6,356,516	6,621,126
Total revenues		577,424,812	545,158,533
Expenses			
Cost of services and sales		179,689,724	161,623,761
Service expenses		25,680,353	20,075,619
Administrative expenses		75,589,935	66,921,540
Management benefit expenses	6	20,762,616	15,187,424
Total expenses		301,722,628	263,808,344
Income before finance cost and corporate income tax		275,702,184	281,350,189
Finance cost		(382,374)	(3,387,359)
Income before corporate income tax		275,319,810	277,962,830
Corporate income tax		(77,011,522)	(85,724,525)
Net income for the year		198,308,288	192,238,305
Earnings per share	17		
Basic earnings per share		0.85	2.46
Weighted average number of ordinary shares (shares)		233,498,630	78,004,980

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

Symphony Communication Public Company Limited
Statements of changes in shareholders' equity
For the years ended 31 December 2010 and 2009

(Unit: Baht)

	Note	Issued and paid-up share capital	Share premium	Retained earnings		Total
				Appropriated - Statutory reserve	Unappropriated	
Balance as at 31 December 2008		30,000,000	-	3,000,000	225,765,355	258,765,355
Net income for the year		-	-	-	192,238,305	192,238,305
Dividend paid	20	-	-	-	(294,000,000)	(294,000,000)
Unappropriated retained earnings transferred to statutory reserve	15	-	-	19,500,000	(19,500,000)	-
Share capital issue		195,000,000	-	-	-	195,000,000
Balance as at 31 December 2009		225,000,000	-	22,500,000	104,503,660	352,003,660
Balance as at 31 December 2009		225,000,000	-	22,500,000	104,503,660	352,003,660
Net income for the year		-	-	-	198,308,288	198,308,288
Dividends paid	20	-	-	-	(61,875,000)	(61,875,000)
Unappropriated retained earnings transferred to statutory reserve	15	-	-	7,500,000	(7,500,000)	-
Share capital issued	14	75,000,000	-	-	-	75,000,000
Share premium	14	-	548,761,440	-	-	548,761,440
Balance as at 31 December 2010		300,000,000	548,761,440	30,000,000	233,436,948	1,112,198,388

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

Symphony Communication Public Company Limited
Cash flow statements
For the years ended 31 December 2010 and 2009

		(Unit: Baht)
	2010	2009
Cash flows from operating activities		
Net income before tax	275,319,810	277,962,830
Adjustments to reconcile net income before tax to net cash provided by (paid from) operating activities:		
Depreciation	79,195,842	53,367,264
Amortization of intangible assets	434,171	260,316
Write-off of fixed assets	3,676,950	155,106
Allowance for doubtful accounts	-	1,069,657
Loss (gain) on sales of fixed assets	313,406	(112,747)
Allowance for impairment of fixed assets (reversal)	(1,213,600)	1,882,856
Write-off of other assets	1,414,480	-
Interest income	(905,194)	(246,738)
Interest expenses	233,982	3,225,361
Income from operating activities before changes in operating assets and liabilities	358,469,847	337,563,905

Symphony Communication Public Company Limited
Cash flow statements (Continued)
For the years ended 31 December 2010 and 2009

(Unit: Baht)

	2010	2009
Operating assets decrease (increase)		
Trade accounts receivable and accrued income	(5,275,656)	23,144,444
Inventories	1,493,021	(3,317,002)
Other accounts receivable	1,469,920	-
Other current assets	(2,337,640)	(697,270)
Other non-current assets	(5,481,347)	514,825
Operating liabilities increase (decrease)		
Trade accounts payable	3,850,234	(1,011,288)
Deferred income and advance received from customers	3,799,590	32,318,959
Accrued expenses	(181,430)	1,416,239
Other current liabilities	(1,030,052)	590,204
Cash flows from operating activities	354,776,487	390,523,016
Cash paid for interest expenses	(233,982)	(3,486,184)
Cash paid for corporate income tax	(89,628,815)	(94,663,236)
Net cash flows from operating activities	264,913,690	292,373,596
Cash flows from investing activities		
Increase in restricted deposits at financial institution	(1,169,279)	(1,000,000)
Increase in short-term investments	(301,004,950)	-
Cash paid for acquisition of network equipment	(139,016,352)	(153,762,026)
Cash paid for acquisition of equipment	(36,297,985)	(6,676,457)
Acquisition of intangible assets	(5,497,716)	(4,508,159)
Increase in deposits of network equipment	(1,539,550)	-
Interest income	562,239	246,738
Proceed from sales of fixed assets	49,631	117,500
Net cash flows used in investing activities	(483,913,962)	(165,582,404)
Cash flows from financing activities		
Decrease in short-term loan from related parties	-	(70,000,000)
Repayment of long-term loan	-	(3,815,075)
Proceed from increase in share capital	623,761,440	195,000,000
Dividend paid	(61,875,000)	(294,000,000)
Net cash flows from (used in) financing activities	561,886,440	(172,815,075)
Net increase (decrease) in cash and cash equivalents	342,886,168	(46,023,883)
Cash and cash equivalents at beginning of year	8,574,511	54,598,394
Cash and cash equivalents at end of year (Note 7)	351,460,679	8,574,511
Supplement cash flows information:		
Increase (decrease) in accounts payable - purchase of network equipment	13,272,518	(14,063,767)
Increase in accounts payable - purchase of equipment	5,964,422	381,327

The accompanying notes are an integral part of the financial statements

Notes to financial statements

For the years ended 31 December 2010 and 2009

1. General information

1.1 Corporate information

Symphony Communication Company Limited ("the Company") is a limited company incorporated and domiciled in Thailand. The Company is principally engaged in the render of communication hi - speed circuit services. The registered office of the Company is at 3300/85 Elephant Tower, Tower B 15th Floor, Phahonyothin Road, Chomphon, Chatuchak, Bangkok. As at 31 December 2010, the Company has one branch.

The Company registered with the Ministry of Commerce for the change of its status to a public company limited under the Public Limited Company Act and also registered the change of its name from "Symphony Communication Company Limited" to "Symphony Communication Public Company Limited" on 6 May 2010.

On 5 October 2010, the Company registered to change its address to locate at Sun Towers Building B, 35th-36th Floor, 123 Vibhavadee Rangsit Road, Chomphon, Chatuchak, Bangkok.

The Company was awarded an International Direct Dialing License from The National Broadcasting and Telecommunications Commission (NBTC) (formerly known as "The National Telecommunications Commission" (NTC)) to provide telecommunication services as follows:

Type of license	Issue date	Period
Telecom Operation License Type 2	15 June 2006	15 years
Telecom Operation License Type 1	23 December 2008	5 years

The Company is committed to comply with conditions stipulated under the license and pay fees in compliance with the Notifications of NBTC; re Temporary Telecommunication Business Licensing Fees and re Criteria and Procedure for the Provision of Universal Basic Telecommunications and Social Services.

The Company currently provides services only under the Telecom Operation License Type 2. Although the Company is not yet able to provide service under the Telecom Operation License Type 1, the Company's management has conducted an assessment and concluded that the fact that the Company does not yet provide these services does not cause the Company to have obligations from the Telecom Operation License Type 1. The Company has therefore not recognized a contingent liability on these obligations in its accounts.

2. Basis of preparation

The financial statements have been prepared in accordance with accounting standards enunciated under the Accounting Professions Act B.E. 2547 and their presentation has been made in compliance with the stipulations of the Notification of the Department of Business Development dated 30 January 2009, 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.

3. Adoption of new accounting standards

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

a) Accounting standards that are effective for fiscal years beginning on or after 1 January 2011 (except Framework for the Preparation and Presentation of Financial Statements, which is immediately effective):

Framework for the Preparation and Presentation of Financial Statements (revised 2009)

TAS 1 (revised 2009)	Presentation of Financial Statements
TAS 2 (revised 2009)	Inventories
TAS 7 (revised 2009)	Statement of Cash Flows
TAS 8 (revised 2009)	Accounting Policies, Changes in Accounting Estimates and Errors
TAS 10 (revised 2009)	Events after the Reporting Period
TAS 11 (revised 2009)	Construction Contracts
TAS 16 (revised 2009)	Property, Plant and Equipment
TAS 17 (revised 2009)	Leases
TAS 18 (revised 2009)	Revenue
TAS 19	Employee Benefits
TAS 23 (revised 2009)	Borrowing Costs
TAS 24 (revised 2009)	Related Party Disclosures
TAS 26	Accounting and Reporting by Retirement Benefit Plans
TAS 27 (revised 2009)	Consolidated and Separate Financial Statements
TAS 28 (revised 2009)	Investments in Associates
TAS 29	Financial Reporting in Hyperinflationary Economies
TAS 31 (revised 2009)	Interests in Joint Ventures
TAS 33 (revised 2009)	Earnings per Share
TAS 34 (revised 2009)	Interim Financial Reporting
TAS 36 (revised 2009)	Impairment of Assets
TAS 37 (revised 2009)	Provisions, Contingent Liabilities and Contingent Assets
TAS 38 (revised 2009)	Intangible Assets
TAS 40 (revised 2009)	Investment Property
TFRS 2	Share-Based Payment
TFRS 3 (revised 2009)	Business Combinations
TFRS 5 (revised 2009)	Non-current Assets Held for Sale and Discontinued Operations
TFRS 6	Exploration for and Evaluation of Mineral Resources
TFRIC 15	Agreements for the Construction of Real Estate
b) Accounting standards that are effective for fiscal years beginning on or after 1 January 2013:	
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

The Company's management believes that these accounting standards will not have any significant impact on the financial statements for the year when they are initially applied, except for the following accounting standards which management expects the impact on the financial statements in the year when they are adopted.

TAS 19 Employee Benefits

This accounting standard requires employee benefits to be recognized as expense in the period in which the service is performed by the employee. In particular, an entity has to evaluate and make a provision for post-employment benefits or liabilities arising from other defined benefit plans using actuarial techniques. Currently, the Company accounts for such employee benefits when they are incurred.

At present, the management is evaluating the impact on the financial statements in the year when this standard is adopted.

TAS 12 Income Taxes

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

At present, the management is evaluating the impact on the financial statements in the year when this standard is adopted.

4. Significant accounting policies

4.1 Revenue recognition

Sales of goods

Sales of goods are recognized 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.

Rendering of services

Lease line and installation services income and management and maintenance service income are recognized when services have been rendered.

Interest income

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

4.2 Cash and cash equivalents

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

4.3 Trade accounts receivable and allowance for doubtful accounts

Trade accounts receivable are stated at the net realizable 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 experiences and analysis of debt aging.

4.4 Inventories

Inventories consist of supply and network equipment are value at the lower of cost and net realizable value.

4.5 Network equipment

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

Depreciation is calculated by reference to their costs on the straight-line basis, over the estimated useful lives 5-10 years.

Depreciation is included in determining income.

No depreciation is provided on assets under installation.

An item of network equipment is derecognized 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 (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the income statement when the asset is derecognized.

4.6 Equipment and depreciation

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

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

Improvement of leasehold right	5, 9 years
Furniture and fixtures	5 years
Office equipment	5 years
Computer	5 years
Vehicles	5 years

Depreciation is included in determining income.

An item of equipment is derecognized 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 (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the income statement when the asset is derecognized.

4.7 Intangible assets and amortization

Acquired intangible assets are measured at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and any accumulated impairment losses.

Intangible assets with finite lives are amortized on a systematic basis over the economic useful life and tested for impairment whenever there is an indication that the intangible asset may be impaired. The amortization period and the amortization method of such intangible assets are reviewed at least at each financial year end. The amortization expense is charged to the income statement.

The intangible assets with finite useful lives are as follows.

Computer software	=	$\frac{\text{Useful lives}}{5 \text{ years}}$
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4.8 Related party transactions

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

They also include associated companies and individuals which directly or indirectly own a voting interest in the Company that gives them significant influence over the Company, key management personnel, directors and officers with authority in the planning and direction of the Company's operations.

4.9 Long-term leases

Operating lease payments are recognized as an expense in the income statement on a straight line basis over the lease term.

4.10 Impairment of assets

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's fair value less costs to sell and its value in use. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, an appropriate valuation model is used. These calculations are corroborated by a valuation model that based on information available, reflects the amount that the Company could obtain, from the disposal of the asset in an arm's length transaction between knowledgeable, willing parties, after deducting the costs of disposal.

Impairment losses are generally recognized in the income statement.

In the assessment of asset impairment if there is any indication that previously recognized impairment losses may no longer exist or may have decreased, the Company estimates the asset's recoverable amount. A previously recognized impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognized. The increased carrying amount of the asset attributable to a reversal of an impairment loss shall not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in the income statement unless the asset is carried at a revalued amount, in which case the reversal, which exceeds the carrying amount that would have been determined, is treated as a revaluation increase.

4.11 Employee benefits

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

4.12 Provisions

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

4.13 Income tax

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

5. Significant accounting judgements and estimates

The preparation of financial statements in conformity with generally accepted accounting principles at times requires management to make subjective judgements 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 judgements and estimates are as follows:

Leases

In determining whether a lease is to be classified as an operating lease or finance lease, the management is required to use judgement regarding whether significant risk and rewards of ownership of the leased asset has been transferred, taking into consideration terms and conditions of the arrangement.

Allowance for doubtful accounts

In determining an allowance for doubtful accounts, the management needs to make judgement and estimates based upon, among other things, past collection history, aging profile of outstanding debts and the prevailing economic condition.

Depreciation and amortization

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

In determining amortization of intangible assets, the management is required to make estimates of the useful lives of the Company's intangible assets and to review estimate useful lives when there are any changes.

In addition, the management is required to review network equipment, equipment and intangible assets for 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.

6. Related party transactions

During the years, the Company 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 bases agreed upon between the Company and those related parties.

	2010	2009	(Unit: Million Baht) Transfer pricing policy
<u>Transaction with related parties</u>			
Rental and service income	2.5	5.9	Contract price
Management income	0.6	3.9	At a rate of 20% of the revenue before deducting expenses
Interest income	-	0.1	Interest rate of 2% per annum
Rental and service expenses	14.4	17.2	Contract price
Management expenses	0.5	1.6	Approximates cost
Acquisition of network equipment and intangible assets	3.3	-	Approximates cost
Interest expenses	-	2.9	Interest rate of 8.5% per annum
Dividends paid	53.8	272.9	As declared
Management benefit expenses	20.8	15.2	Rate as stipulated in agreements/ the approval of Annual General Meeting of the shareholders

Management benefit expenses consist of salaries, bonuses, meeting allowances and gratuities to directors, managements and consultants.

The relationships between the Company and their related parties are summarized below:

<u>Name of related parties</u>	<u>Relationship</u>
Global Crossing Services Co., Ltd.	Common shareholder

As at 31 December 2010 and 2009, the balances of the accounts between the Company and those related companies are as follows:

	2010	2009
Trade accounts receivable and accrued income		
<u>Related company</u>		
Global Crossing Services Company Limited	-	164,282

The Company had loans from related party which its movement during the year were as follows:

	Balance as at 31 December 2009	Increase	Decrease	Balance as at 31 December 2010
Short-term loan from and interest payable to related party				
Director of the Company				
Loan	-	7,000,000	(7,000,000)	-
Interest payable	-	16,493	(16,493)	-
Total	-	7,016,493	(7,016,493)	-

Short-term loans from related party is subject to interest at a rate of 2% per annum. And is due at call. The Company has already paid for this loan during this year.

7. Cash and cash equivalents

	(Unit: Baht)	
	<u>2010</u>	<u>2009</u>
Cash	50,000	50,000
Bank deposits	71,410,679	8,524,511
Bills of exchange	280,000,000	-
Total	351,460,679	8,574,511

As at 31 December 2010, bank deposits in saving accounts, fixed deposits and bills of exchange carried interests between 0.25% and 2.05% per annum (2009: between 0.25% and 0.50% per annum).

8. Current investments

As at 31 December 2010, the Company's current investments are bills of exchange and fixed deposits of Baht 200 million and Baht 101 million, respectively. These carried interests between 0.65% and 2.40% per annum.

9. Trade accounts receivable and accrued income

Trade accounts receivable and accrued income as at 31 December 2010 and 2009 consisted of:

	(Unit: Baht)	
	<u>2010</u>	<u>2009</u>
Trade accounts receivable		
Other parties	66,493,436	62,999,079
Accrued income		
Related party	-	164,282
Other parties	4,373,121	2,427,540
Total	4,373,121	2,591,822
Total trade accounts receivable and accrued income	70,866,557	65,590,901
Less: Allowance for doubtful debts	(1,069,656)	(1,069,656)
Trade accounts receivable and accrued income, net	69,796,901	64,521,245

The outstanding balances of trade accounts receivable as at 31 December 2010 and 2009 are aged, based on due date, as follows:

	(Unit: Baht)	
	<u>Trade accounts receivable - other parties</u>	
	<u>2010</u>	<u>2009</u>
Age of receivables		
Not yet due		
Past due		
Up to 3 months	6,115,838	6,688,924
3 - 6 months	1,030,421	436,461
6 - 12 months	875,830	47,508
Over 12 months	1,085,065	998,106
Total	66,493,436	62,999,079

10. Restricted deposits at financial institution

These represent fixed deposits pledged at financial institution to secure for guarantee fiber optic network use.

11. Network equipment

	(Unit: Baht)		
	Network equipment	Network equipment under installation	Total
Cost			
31 December 2009	408,573,853	50,752,497	459,326,350
Additions	45,090,176	107,198,694	152,288,870
Write-off	(1,848,529)	-	(1,848,529)
Transfer in (out)	105,937,721	(105,937,721)	-
31 December 2010	557,753,221	52,013,470	609,766,691
Accumulated amortization			
31 December 2009	89,127,834	-	89,127,834
Depreciation for the year	70,364,937	-	70,364,937
Depreciation of write-off	(355,654)	-	(355,654)
31 December 2010	159,137,117	-	159,137,117
Allowance for impairment loss			
31 December 2009	669,256	-	669,256
31 December 2010	669,256	-	669,256
Net book value			
31 December 2009	318,776,763	50,752,497	369,529,260
31 December 2010	397,946,848	52,013,470	449,960,318
Depreciation for the years			
2009 (included in cost of services and sales)			46,376,675
2010 (included in cost of services and sales)			70,364,937

As at 31 December 2010, the Company has network equipment with a net book value of Baht 17.7 million that is installed on the premises of a counterparty. The ownership of the network equipment will be transferred to the counterparty at the end of the agreement. Moreover, the Company has granted the right to use the equipment to the counterparty and has committed to share revenue generated from some of the equipment at a rate stipulated in the agreement annually, for the term of the agreement. The Company also agrees to provide to the counterparty the minimum guaranteed shared revenue amount stated in the agreement.

As at 31 December 2010, the Company has network equipment with a net book value of Baht 16.1 million that is covered by a Memorandum of Understanding concerning joint construction and management made with another party. The ownership of the network equipment is to be transferred to the counterparty at the end of the term of the Memorandum of Understanding at a mutually agreed price.

However, the above network equipment is only part of the core network equipment of the Company per the network construction plans set by the Company.

12. Equipment

	(Unit: Baht))					
	Assets improvements	Furniture and fixtures	Office equipment	Computer	Vehicles	Total
Cost						
31 December 2009	6,551,865	3,606,460	14,323,873	9,255,639	3,271,219	37,009,056
Additions	30,809,057	4,277,951	4,025,938	2,803,667	345,794	42,262,407
Disposals/write-off	(6,551,865)	(1,867,181)	(175,724)	(1,800)	-	(8,596,570)
31 December 2010	30,809,057	6,017,230	18,174,087	12,057,506	3,617,013	70,674,893
Accumulated depreciation						
31 December 2009	3,769,511	1,556,842	4,782,755	3,162,549	1,535,583	14,807,240
Depreciation for the year	1,896,545	841,716	3,306,177	2,109,490	676,977	8,830,905
Depreciation on disposals/ write-off	(4,860,819)	(1,103,296)	(83,919)	(1,424)	-	(6,049,458)
31 December 2010	805,237	1,295,262	8,005,013	5,270,615	2,212,560	17,588,687
Allowance for impairment loss						
31 December 2009	1,213,600	-	-	-	-	1,213,600
Decrease during the year(1,213,600)		-	-	-	-	(1,213,600)
31 December 2010	-	-	-	-	-	-
Net book value						
31 December 2009	1,568,754	2,049,618	9,541,118	6,093,090	1,735,636	20,988,216
31 December 2010	30,003,820	4,721,968	10,169,074	6,786,891	1,404,453	53,086,206
Depreciation charges for the years						
2009 (included in administrative expenses)						6,990,589
2010 (included in administrative expenses)						8,830,905

13. Intangible assets

Details of intangible assets which are computer software are as follows:

	(Unit: Baht))		
	Software computer	Software computer under installation	Total
Cost			
31 December 2009	1,308,725	4,219,637	5,528,362
Additions	2,437,784	3,059,932	5,497,716
Transfer in (out)	375,000	(375,000)	-
31 December 2010	4,121,509	6,904,569	11,026,078
Accumulated amortization			
31 December 2009	445,201	-	445,201
Amortization for the year	434,171	-	434,171
31 December 2010	879,372	-	879,372
Net book value			
31 December 2009	863,524	4,219,637	5,083,161
31 December 2010	3,242,137	6,904,569	10,146,706
Amortization charges for the years			
2009 (included in administrative expenses)			260,316
2010 (included in administrative expenses)			434,171

14. Share capital

14.1 On 26 April 2010, the Annual General Meeting of the Company's shareholders passed the following significant resolutions: -

- a) Approved to change the status of the Company to be a public company limited.
- b) Approved the Company to list its shares on the Stock Exchange of Thailand.
- c) Approved to change the par value of the Company's shares from Baht 10 per share to Baht 1 per share, such that the Company's share capital of Baht 225 million would comprise 225 million ordinary shares at par value of Baht 1 each.

d) Approved an increase in the Company's registered share capital from Baht 225 million to Baht 300 million through the issue of 75 million ordinary shares, with a par value of Baht 1 each, to be allotted as follows:

- Up to 3 million shares are to be allotted to the Company's employee (ESOP).
- 72 million shares and shares remaining after the ESOP allotment are to be allotted to a public offering (IPO).

14.2 The Company registered the increase of its share capital to Baht 300 million and the change in the par value of the Company's ordinary share with the Ministry of Commerce on 6 May 2010.

14.3 On 26 October 2010, the Company registered with the Ministry of Commerce the increase in its paid-up share capital as a result of the offering of 3 million ordinary shares to the Company's employee (ESOP) at an offer price of Baht 3.5 each, totaling Baht 10.5 million.

14.4 On 22 November 2010, the Company issued an initial public offering of 72 million ordinary shares at the price of Baht 8.80 per share. Total proceed from the Company's newly share offering was Baht 633.6 million, with a share premium of Baht 548.8 million, net of related expenses incurred in making the offering. The Company registered the change in its paid-up share capital to be Baht 300 million with the Ministry of Commerce on 23 November 2010.

15. 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% of its net income after deducting accumulated deficit brought forward (if any), until the reserve reaches 10% of the registered capital. The statutory reserve is not available for dividend distribution.

16. Expenses by nature

Significant expenses by nature are as follows:

	2010	2009
		(Unit: Baht)
Salary and wages and other employee benefits	82,615,105	81,276,941
Depreciation and amortization expenses	79,630,013	53,627,580
Service fee for network interconnection	22,653,356	20,820,642
Rental expense from operating lease agreements and service expenses	19,214,383	14,737,984
Rental expenses - network equipment	23,205,838	24,316,858
Professional fees	9,842,984	5,457,869

17. Earnings per share

Basic earnings per share is calculated by dividing net income for the years by the weighted average number of ordinary shares in issue during the years, after adjusting the number of ordinary shares of the prior years to equivalence with the number of shares following the change in par value. The previous years' reported earnings per share is also restated to incorporate this adjustment.

18. Segment information

The Company operate in the single industry segment of the render of communication hi - speed circuit services in the single geographic area of Thailand. As a result, all of the revenues, operating profits and assets as reflected in these financial statements pertain to the aforementioned industry segment and geographic area.

19. Provident fund

The Company and its employees have jointly established a provident fund in accordance with the Provident Fund Act B.E. 2530. Both employees and the Company contributed to the fund monthly at the rate of 3% of basic salary. The fund, which is managed by Bank of Ayudhya Public Company Limited, will be paid to employees upon termination in accordance with the fund rules. During the year 2010, the Company contributed Baht 1.5 million (2009: Baht 1.3 million) to the fund.

20. Dividends

(Unit: Baht)			
Dividends	Approved by	Total dividends	Dividend per share
Final dividends from net income for 2008	Annual General Meeting of the shareholders on 30 April 2009	36,000,000	12.00
Interim dividend from retained earnings and net income for the period as from 1 January 2009 to 30 June 2009	Board of Directors' meeting on 7 October 2009	258,000,000	32.25
Total dividends declared in 2009		294,000,000	44.25
Final dividends from net income for 2009	Annual General Meeting of the shareholders on 26 April 2010	61,875,000	2.75
Total dividends declared in for 2010		61,875,000	2.75

21. Commitments and contingent liabilities

21.1 Capital commitments

As at 31 December 2010, the Company had capital commitments of approximately Baht 62.6 million relating to purchase and installation of network equipment.

As at 31 December 2010, the Company had capital commitments of approximately Baht 1.5 million relating to purchase of equipments.

As at 31 December 2010, the Company had capital commitments of approximately Baht 4.6 million relating to purchase of program computer (2009: Baht 2.7 million).

21.2 Lease and service agreement commitments

The Company has entered into several lease agreements in respect of the lease of office building space and equipment and service agreements. The terms of the agreements are generally between 1 and 12 years.

Future minimum rentals payable under these leases and service payments required under these lease and service agreements were as follows.

(Unit: Million Baht)		
	2010	2009
Lease and service agreement presented under cost of service		
Payable within:		
1 year	19.2	10.0
2 to 5 years	57.7	7.8
6 to 12 years	80.3	-

On 31 August 2010, the Company amended the term of the fiber optic network use agreement from 3 years to 12 years.

	(Unit: Million Baht)	
	<u>2010</u>	<u>2009</u>
Lease and service agreement presented under administrative expenses		
Payable within:		
1 year	21.7	13.2
2 to 5 years	25.9	8.2

During the year, the Company entered into an office rental agreement with an initial term of 3 years, renewable for two further terms of 3 years each.

21.3 Bank guarantees

As at 31 December 2010, there were outstanding bank guarantees of approximately Baht 2.1 million (2009: Baht 1 million) issued by banks on behalf of the Company to guarantee fiber optic network use.

21.4 Purchase supply and equipment commitments

As at 31 December 2010, the Company has outstanding future payment commitments of approximately Baht 3.3 million relating to purchase of supply and network equipment.

21.5 Other commitment

The Company has commitments in respect of survey and cable laying costs to be charged by the Metropolitan Electricity Authority at a rate per electricity pole per year. This will not be billed until the compensation for the cable laying and electricity poles is approved by the Metropolitan Electricity Authority. However, the Company's management believes that there will be no material impact to the Company, and has not recognized a contingent liability in its accounts.

22. Financial instruments

22.1 Financial risk management

The Company's financial instruments, as defined under Thai Accounting Standards No. 107 "Financial Instruments: Disclosure and Presentations", principally comprise cash and cash equivalents, short-term investments, trade accounts receivable and accrued income and trade accounts payable. The financial risks associated with these financial instruments and how they are managed is described below.

Credit risk

The Company is exposed to credit risk primarily with respect to trade accounts receivable and accrued income. The Company manages the risk by adopting appropriate credit control policies and procedures and therefore does not expect to incur material financial losses. In addition, the Company does not have high concentrations of credit risk since it has a large customer base. The maximum exposure to credit risk is limited to the carrying amounts of receivables as stated in the balance sheet.

Interest rate risk

The Company's exposure to interest rate risk relates primarily to its cash and cash equivalents and short-term investments. However, since most of the Company's financial assets bear floating interest rates or fixed interest rates which are close to the market rate, the interest rate risk is expected to be minimal.

Significant financial assets and liabilities as at 31 December 2010 classified by type of interest rate are summarized in the table below, with those financial assets and liabilities that carry fixed interest rates further classified based on the maturity date, or the reprising date if this occurs before the maturity date.

	(Unit: Million Baht)				
	Fixed interest rates within 1 year	Floating interest rate	Non- interest bearing	Total	Effective interest rate (% p.a.)
Financial assets					
Cash and cash equivalent	280.0	71.4	-	351.4	0.25 - 2.05
Short-term investments	301.0	-	-	301.0	0.65 - 2.40
Trade accounts and accrued income, net	-	-	69.8	69.8	-
Restricted deposits at financial institution	2.2	-	-	2.2	0.75 - 1.00
	583.2	71.4	69.8	724.4	
Financial liability					
Trade accounts payable	-	-	52.1	52.1	-
	-	-	52.1	52.1	

Foreign currency risk

The Company has determined that they are not exposed to foreign currency risk because they have no foreign currency transactions as at 31 December 2010.

22.2 Fair values of financial instruments

Since the majority of the Company's financial instruments are short-term in nature or bear floating interest rates, their fair value is not expected to be materially different from the amounts presented in the balance sheets.

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.

23. 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.

According to the balance sheet as at 31 December 2010, the Company's debt- to-equity ratio was 0.13:1 (2009: 0.38:1).

24. Subsequent events

On 25 February 2011, the Company's Board of Directors passed a resolution to propose to the Annual General Meeting of shareholders to be held in April 2011 to adopt a resolution to pay a dividend of Baht 0.53 per share for ordinary shareholders or a total of Baht 159 million, to the shareholders in respect of the 2010 income.

Such dividend will be paid and recorded after it is approved by the Annual General Meeting of the Company's shareholders.

25. Approval of the financial statements

These financial statements were authorized for issue by the Company's Board of Directors on 25 February 2011.

General Information

Ticker	SYMC (Listed in The Stock Exchange of Thailand)
Company Name	Symphony Communication Public Company Limited
Type of Business	Domestic Hi-speed Communication Network Service Provider
Head Office	123 Sun Towers Building B, 35 th - 36 th fl., Vibhavadee Rangsit Rd., Chomphon, Chatuchak, Bangkok 10900
Factory Location	65/1 Phahonyothin Rd., Khlong Luang, Pathum Thani 12120
Company Registration No.	0107553000107
Home Page	www.symphony.net.th
Telephone	(66) 2101-1111
Fax	(66) 2101-1133
Registered Capital	Baht 300,000,000.-
Paid-up Capital	300,000,000 shares (Baht 1 each)
Voting Shares	300,000,000 ordinary shares
Accounting Period	1 January - 31 December

Reference

Securities Registrar	Thailand Securities Depository Company Limited Capital Market Academy Building, 2 nd Floor, The Stock Exchange of Thailand 2/7 Mu 4, Northpark Project, Thung Song Hong, Laksi, Bangkok 10210 Tel: (66) 2596-9000, (66) 2596-9302-11 Fax: (66) 2832-4994-6
Auditor	Ernst and Young Office Limited 33 rd Floor, Lake Ratchada Office Building, 193/136-137, New Ratchadaphisek Road, Khlong Toei, Bangkok 10110 Tel: (66) 2264-0777, (66) 2661-9190 Fax: (66) 2264-0789-90, (66) 2661 9192



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