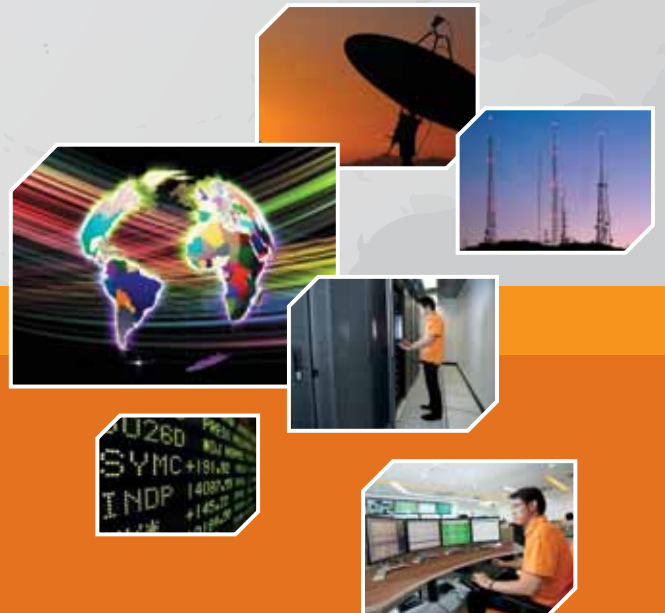


*Excellent  
Experience*

**ANNUAL** REPORT  
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# THE NEUTRAL PREMIUM TELECOM NETWORK SERVICE PROVIDER

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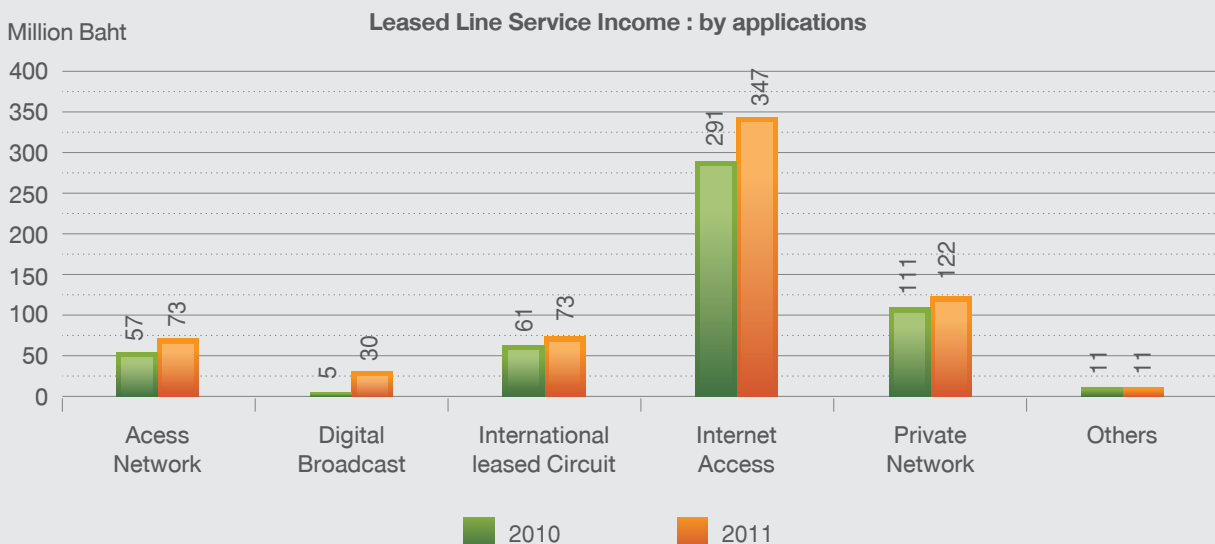
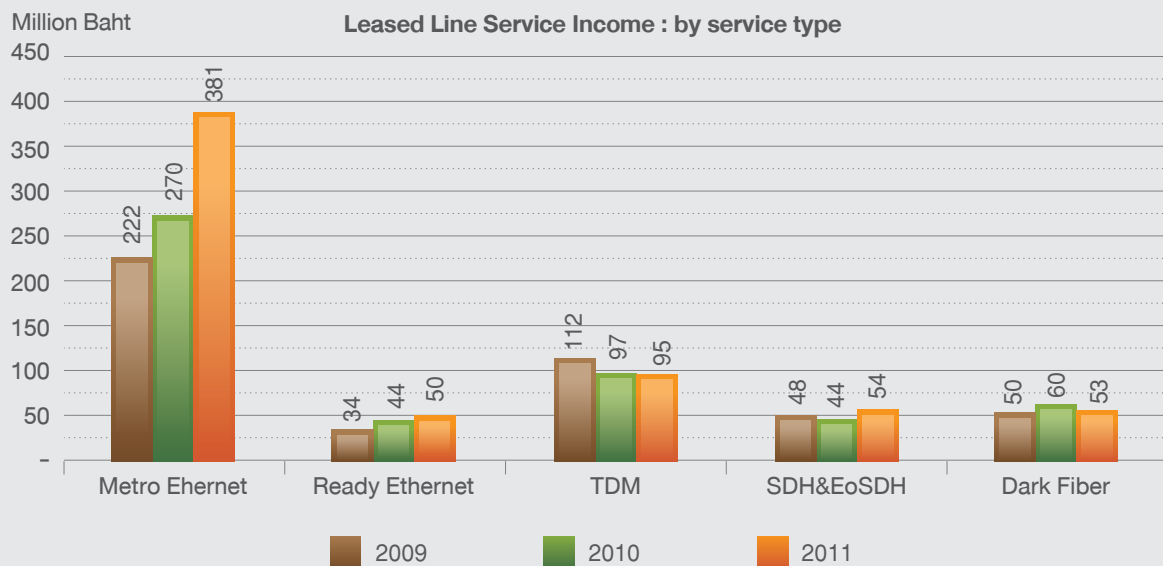
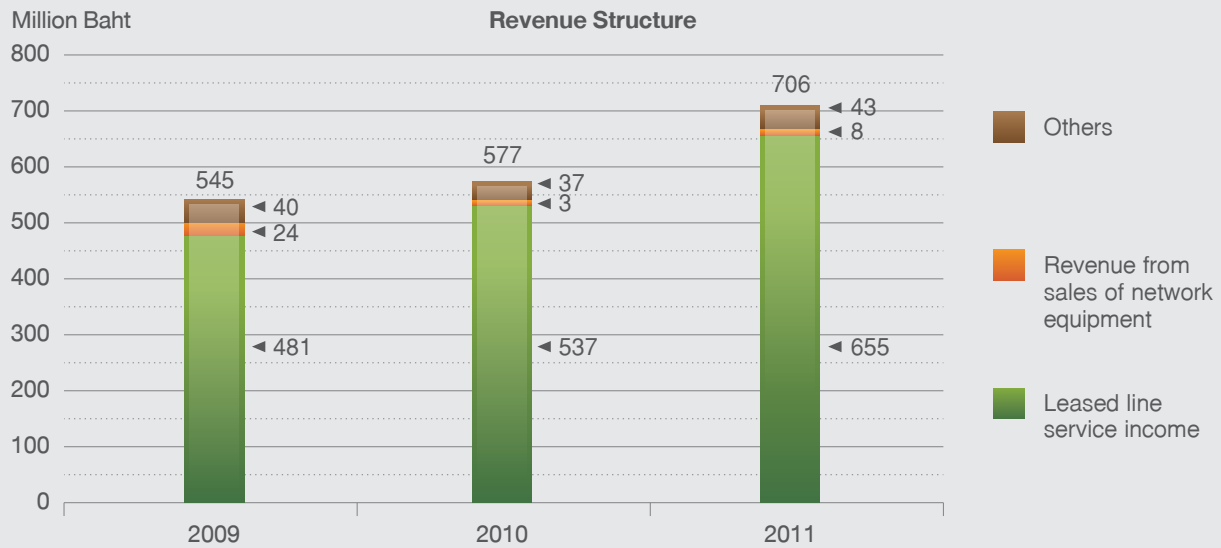
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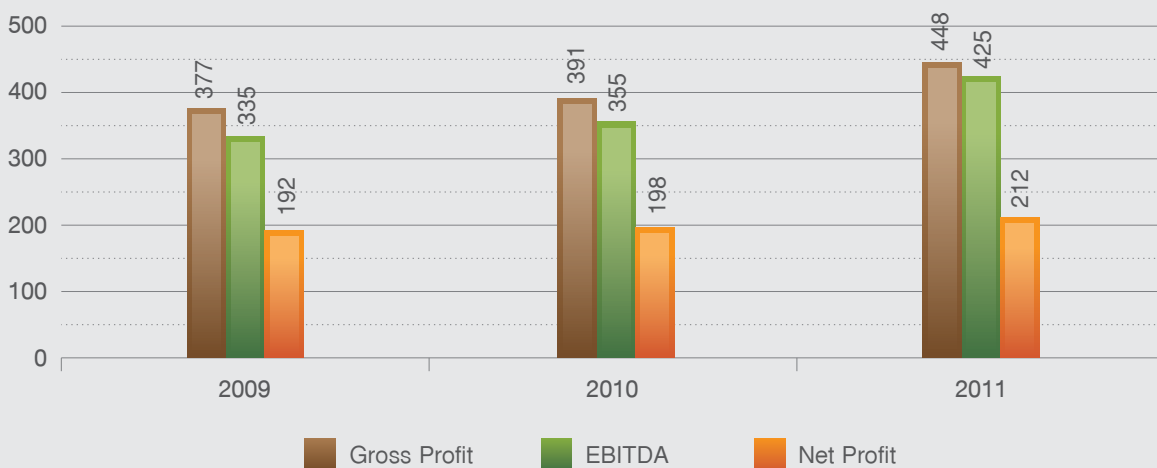


# Financial Highlight



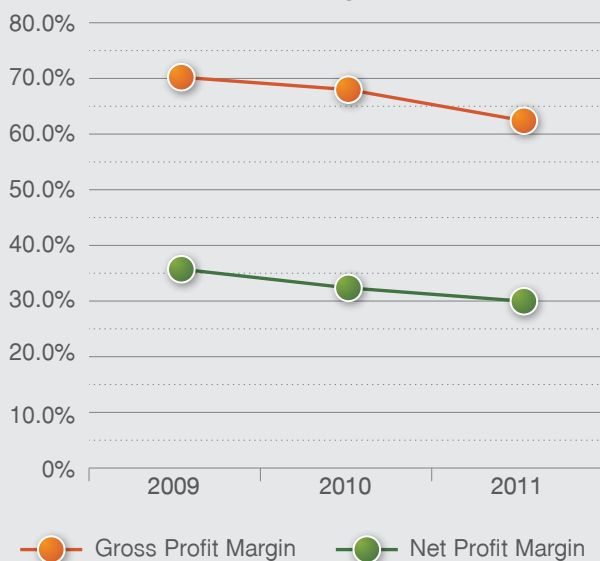
Million Baht

## Operating Performance



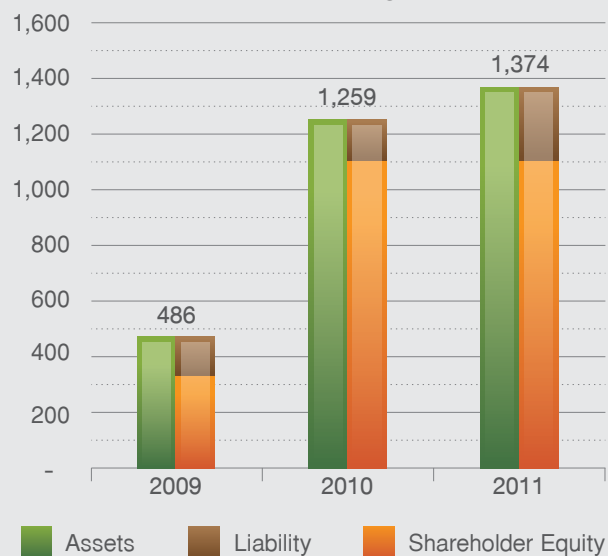
Million Baht

## Profit Margin



Million Baht

## Financial Strength



	2009	2010	2011
Leased Line Service Income	481.01 MB	537.33 MB	655.19 MB
EBITDA	334.98 MB	355.33 MB	424.78 MB
Net Profit	192.24 MB	198.31 MB	212.34 MB
Cash Flow from Operation	292.37 MB	329.49 MB	353.38 MB
Return on Asset (ROA)	42.14. %	15.75%	15.45%
Return on Equity (ROE)	54.61%	17.83%	19.09%
Debt to Equity Ratio	0.54X	0.13X	0.24X

## VISION

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“With Innovation, Competency, Integrity and Happiness of our People, Symphony’s heart is always strong and lively”

## MISSION

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“To provide the Neutral and High-Reliable Telecommunication and Information Technology Infrastructure Service to local and international market with fairness, efficiency, integrity and ethic of our happy people. We will grow with our customers and create sustainable returns to stakeholders.”

# MOVING FORWARD CONNECTING GLOBAL NETWORK

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## Developing Asian Telecom Hub and Gateway

We continually develop our high speed communication networks, and moving forward to becoming International Network Service Provider with the new telecommunication business licenses approved by NBTC :

**IPLC, IP-VPN License Type III** : connect to world-wide networks

**IIG/NIX Type II** : connect to world-wide internet service providers



## Message from the Board of Directors



• Mr. Woodtipong Moleechad  
Chairman

Mr. Kranphol Asawasuwana •  
President

2011 was another successful year for Symphony Communication Public Company Limited in terms of growth and development to become Thailand's and ASEAN's premium high speed telecommunication network service provider, together with good corporate governance and neutral services as the core business philosophy. We are strongly committed to our mission "To provide the neutral and high-reliable telecommunication and information technology infrastructure service to local and international market with fairness, efficiency, integrity and ethic of our happy people. We will grow with our customers and create sustainable returns to stakeholders".

In 2011, we successfully accomplished our goal of expanding the service coverage areas to several industrial estates and many high-rise buildings, which has high growth potential. Our expansion has expanded the customer base and allowed the penetration to the new markets, for example, Digital Broadcasting, Data Center and International Private Leased Circuit (IPLC) which will pave the way for sustainable revenue growth. Our services have received good market response, reflecting customer confidence in our high quality standards and excellent services.

Providing telecommunication service in this globalization era, we expedite our actions to fulfill the demand of our targeted customers for example Internet Service Providers (ISPs), Telecommunications Companies, multinational companies and etc. We are prompt to launch the IPLC service under the new licenses obtained from the Office of the National Broadcasting and Telecommunications Commission (NBTC) in 2011 as follows: International Private Leased Circuit (IPLC) License, IP - Virtual Private Network (IP-VPN) License type III, International Internet Gateway (IIG) License and National Internet Exchange (NIX) License type II.

Our 2012 investment plan will enable the connections of our telecommunication network with the international networks at the borders e.g. Cambodia, Malaysia, Myanmar and Laos in order to meet the rapid growth in international telecommunication network service market and gear up for the upsurge regional trade and investment due to the commencement of the Asean Economic Community (AEC) in near future.



We are proud of our business role that plays a part in economic and social development. We offer high-reliable telecommunications infrastructure service with operational neutrality that would reduce investment redundancy and create fair competition in telecommunication industry. We will continue our service quality improvement to excel in our business and enhance the efficiency of communication for corporations to save time and energy as well as to reduce global warming.

Apart from the excellent services, “human resource” is another key factor that distinguishes Symphony to stand out. We emphasize human resource management as an important driver that leads the Company to sustainable achievement by reinforcing efficient teamwork, service mind and expertise among our staff. We provide our staff with good welfare, trainings and career path to promote their potential, ethic and happiness. We also encourage them to participate in various Corporate Social Responsibility (CSR) projects, such as, donating money and necessary things to flood victims in Thailand, earthquake and tsunami victims in Japan, and providing free communication system services to Thailand Association of the Blind, and etc.


In addition, Symphony recognizes the importance of good corporate governance as a foundation for achieving sustainable business growth and maximizing benefits for our shareholders, and all business partners. Thus, the company strictly manages its business in accordance with the good corporate governance principles prescribed by the laws and regulations of the Securities and Exchange Commission (SEC) and the Stock Exchange of Thailand (SET). As a result, in 2011, Symphony achieved the “Very Good” Corporate Governance Rating in the Corporate Governance Report of Thai Listed Companies 2011, which was surveyed and assessed by the Thai Institute of Directors Association (IOD), the Securities and Exchange Commission, and the Stock Exchange of Thailand.

Lastly, on behalf of Symphony Communication Public Company Limited’s Board of Directors, we would like to take this opportunity to thank all our customers, shareholders, staff and all other stakeholders for their good supports all through these years. We will continuously improve our services and operational quality, and fully committed to the principles of corporate governance to move forward to become leading international telecommunication service provider.



**Mr. Woodtipong Moleechad**

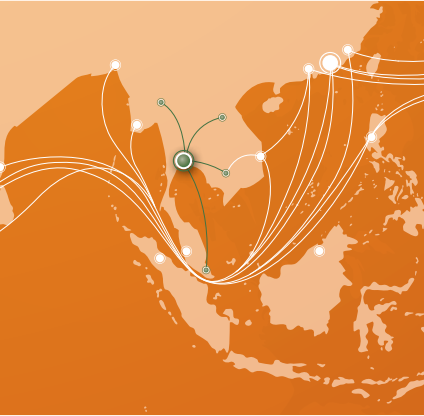
Chairman



**Mr. Kranphol Asawasuwana**

President

## Achievement in 2011



### Network Coverage Expansion : Revenue Growth

These days, trade and commerce is globally connected by telecommunication technologies, thus high speed communication networks as the infrastructure of all kinds of telecommunication play an important part to business's success. We always prudently invest by looking ahead to catch up with the future trend and invest our high speed communication networks to fulfill business's need of effective communication and yield the fruitful return to shareholders as well as contributable to country's economic development.

In 2011, we successfully expanded our network as planned, whether in the industrial estates areas or the high-rise buildings which considered the high potential areas, resulting in strong revenue growth.

### New Licenses : International Private Leased Circuit Service Provider

The Company has obtained the new licenses from the National Broadcasting and Telecommunications Commission (NBTC) as follows: International Private Leased Circuit (IPLC) License, IP - Virtual Private Network (IP-VPN) License type III, effective from August 2011. International Internet Gateway (IIG) License and National Internet Exchange (NIX) License type II, effective from June 2011. With these licenses, the Company can provide better solutions to serve customer need in this borderless world of communications and become the International Private Leased Circuit Service Provider.

The Company believes good corporate governance and transparency contribute the sustainable growth, and gaining confidence amongst the shareholders, investors and all concerned parties. SYMC achieved the “Very Good” CG Rating in The Corporate Governance Report of Thai Listed Companies 2011, which was surveyed and assessed by The Thai Institute of Directors (IOD), The Securities and Exchange Commission (SEC) and The Stock Exchange of Thailand (SET). The Company was rated “Very Good” in Corporate Governance (CG) from the first year of its assessment after the listing in 2010 and was among 145 listed companies that receive “Very Good” in 2011, that received higher scoring than the industry average.

**Corporate Governance**  
: Rated “Very Good”  
CG scoring



The Company is determined to provide premium quality network and excellent service to achieve highest customer satisfaction. We are committed to providing the high reliable communication network with SLA 99.9% per circuit. Our Network Operation Center runs 24/7 by our service minded specialists that are prompt to provide technical supports and consultations to customers.

**High reliable service**  
**in time of crisis :**  
**Premium networks**  
**with excellent service**

In 2011, Thailand faced one of the most disastrous floods in our history, which caused devastation in vast area. However, the Company managed to provide the smooth service with a proper Precautionary Flood Damage Prevention/Mitigation Plan.

The Company has been generating strong operating cash flows in line with the business expansion. In 2011, the Company generated Baht 353 million operating cash flow and rewarded shareholders with dividend payment for the year 2010 at the rate of 0.53 Baht/share and interim dividend payment in 2011 at the rate of 0.15 Baht/share while keeping the investment plan on track in order to balance the returns to shareholders and sustainable growth

**Strong Operating**  
**Cashflow**

The Company received financial supports from 4 financial institutions that approved Uncollateralized Credit Facilities in the form of Letter of Guarantee Credit Lines totaled Baht 60 million, Overdraft, Promissory Note Credit Lines totaled Baht 160 million to support the day-to-day operation and future expansion. This reflects the Company’s financial strength and the flexibility to capitalize on opportunities as and when they arise.

**Financial Support**  
**Facilities : Enhance the**  
**investment capability**

## Corporate Social Responsibility

Not only pursuing the continuous quality development to be on par with international counterpart, Symphony put Corporate Social Responsibility to its priority to improve the quality of live for the employees and society as we believe the Company growth is sustainable when it grow in tandem with the community. In 2011, there were number of natural disasters that affected employees as well as people in Thailand and other parts of the world. Therefore, Symphony keeps on the supports to relieve those who faced the difficulty as we believe that we need to take part in sustainable social and environment development.



### Symphony Communication helped Earthquake Victims in Japan

The earthquake and Tsunami caused major devastation to people in many parts of Japan. Symphony and staff extended our sympathy to the earthquake and Tsunami victim in Japan by donating via Krobkruakao 3, Thai Television Channel 3 (TV3).



### Symphony helped Flood Victims

The climate change caused unusual heavy rainfall in southern Thailand and major flood disaster that affected many people in the area. Symphony made financial donation via ModernineTV (MCOT-TV9) to help those flood victims all over affected area in southern Thailand.

### Symphony helped flood victims in Chainat province

Symphony and Staff personally lend their helping hands and donated money and necessary things to their colleagues and other flood victims in Amphur Muang, Chainat Province. Even though the donation might not cover the entire loss that these people had to suffer, we firmly believe that the good-will of Thai people will help all flood victims brave through the monstrous calamity they faced.







### Symphony provided “Welcome Bag” to flood victims after the flood subsided

Khun Kranphol Asawasuwat, President, donated drinking water, instant noodles and money worth Baht 100,000 to the flood victims via Thai PBS news channel. Right after the serious flood subsided, the Company presented “Welcome Bag”, containing necessary cleaning and disinfectant kit, to its staff, customers as well as people living near Bangkradi Industrial Estate - one of the service areas of the Company, to ease the difficulty for those whose house and property had been ravaged by the flood. Though the flood caused huge damages, we are inspired to take part in the restoration, both physically and mentally.

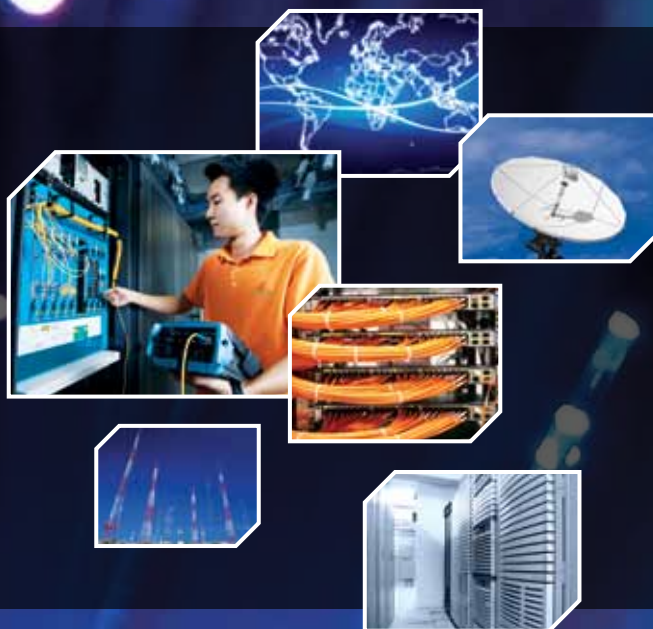


### Donation for Watsuthi Wararam School to build the auditorium

Khun Supornchai Chotputtikul, Executive Vice President Engineering Division, presented the donation to Khun Sunanwit Ploykhao, Director of Watsuthi Wararam School in order to build the auditorium which is on 10 Fl., Chalermprakiat Rama IX Building, in the occasion of 100th anniversary of the establishment of Watsuthi Wararam School.



# LEADERSHIP WORLDWIDE NETWORK



The Company is the domestic high 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 data 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. It enables the rapid, precise and reliable data transmission. The service can be customized to cater to the diverse needs of customers by qualified and highly experienced experts. Moreover, the network is monitored by state-of-the-art computerized control system, that our experts can promptly detect any interruptions.

At present, we expand our core network from the business area of Bangkok and vicinity to the provincial business areas e.g. industrial estates namely Rojana, Hi-tech, Bangpa-in, Bangplee, Bangkadi, Ladkrabang, Gemopolis, Bangpu, Wellgrow and Bangchan and also the Thai - Cambodian border at Rongglue, Srakeaw province to connect to the international networks.

## Target Customers

The target customers can be categorized into 2 major groups:

- 1) Telecom Service Providers that use company's communication network for commercial purposes e.g. Internet Service Provider (ISP), Data Center, Mobile Phone Operator, International Carrier etc.
- 2) End-user customers e.g. business organization, juristic entity, other telecommunication service providers, using company's communication network for massive and rapid data transmission such as TV program producers with digital broadcasting system, Modern-trade Retailer, commercial banks, international corporations, securities companies, hotels and etc.

### 1) Telecom Service Providers that use company's communication network for commercial purposes.

Such 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 high speed communication network. Such major internet service providers are CS Loxinfo Plc, KSC Commercial Internet Co., Ltd. or Internet Thailand Plc. (INET), etc.
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), a major provider who provides one stop service on electronic data storage and Application Service Provider (ASP).
3. Mobile Phone Operators: though they have their own networks, it is necessary for them to lease the Company's network as their back-bone to expand their service area to fully cover their customers (end-users), as well as to connect with other mobile phone operators. Such company is Total Access Communication Plc. (DTAC) which is one of the major 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 inter-link between local and overseas offices of end-use. 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 the 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 : this type of customers is the telecommunication system provider and installer who provides such service to both government and private organizations. They will tender an offer concerning the provision of hardware and software, including the installation of communication network in connection with such hardware and software. In the event concerning the high speed communication network provider, the installer will lease the high speed communication circuit from the qualified company and provide other related services for its customer. Such system installers are Advance Information Technology Plc., Samart Corporation Plc., 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 headquarters and its branches of large organizations such as Banks, or Modern-trade Retailers or the network connection between the importer/exporter and the customs department or between the television producers and Thaicom Satellite Station, etc. 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 Co., Ltd., Bualuang Securities Plc., Deithelm Co., Ltd., Grammy Entertainment Plc., BEC World Plc. etc.

These customers need quality service, and more concern 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 on international customers by expanding to industrial estates since they are quality oriented customers.

## Service Characteristics

The Company's core business is rendering leased line service and related services such as management and maintenance services. Leased 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 high speed network service using optical fiber cable as the main networks on Ethernet technology platform to support large data transmissions. It offers high stability, efficiency and also cost-effective 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. The provided speed for Metro Ethernet service are from 1 Mbps up to 20 Gbps and adjustable to higher speeds on request. The service customization can be done by the Network Management System, with the choice of extra-protection route to enhance the reliability on request.

**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 case of any failure in the main route. Therefore, customers will get high reliability and stability services of high 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 high 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 real-time 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 groups of customers due to the limited capacity 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 high 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.

#### Revenue Structure

	2010		2011		Change	
	Amount (MB)	(%)	Amount (MB)	(%)	Amount (MB)	(%)
<b>Revenue</b>						
Service Income	537.33	93.06%	655.19	92.82%	117.87	21.94%
• Metro Ethernet	270.27	46.81%	381.11	53.99%	110.82	41.01%
• Ready Ethernet	43.55	7.54%	49.56	7.02%	6.01	13.80%
• TDM	97.42	16.87%	95.21	13.49%	-2.21	-2.27%
• SDH & EosDH	44.47	7.70%	54.40	7.71%	9.93	22.33%
• Dark Fiber	60.32	10.45%	52.53	7.44%	-7.79	-12.91%
• Last Mile Network Mgt and Equipment Installation	21.30	3.69%	22.38	3.17%	1.08	5.07%
Sales Income	3.13	0.54%	7.59	1.07%	4.45	142.28%
Management and maintenance service income - network	30.00	5.20%	30.00	4.25%	0.00	0.00%
Management Fee Income	0.61	0.11%	0.00	0.00%	-0.61	-100.00%
Other revenue	6.36	1.10%	13.10	1.86%	6.74	106.08%
<b>Total Revenue</b>	<b>577.43</b>	<b>100.00%</b>	<b>705.88</b>	<b>100.00%</b>	<b>128.45</b>	<b>22.25%</b>

#### Service income by applications

	2010		2011		Change	
	Amount (MB)	(%)	Amount (MB)	(%)	Amount (MB)	(%)
Access Network	56.70	10.55%	73.04	11.15%	16.34	28.82%
Digital Broadcast	5.14	0.96%	30.28	4.62%	25.14	489.11%
International Leased Circuit	61.46	11.44%	73.06	11.15%	11.60	18.87%
Internet Access	291.33	54.22%	346.50	52.89%	55.17	18.94%
Private Network	111.38	20.73%	121.75	18.58%	10.37	9.31%
Others	11.32	2.11%	10.56	1.69%	-0.76	110.44%
<b>Total Service Income</b>	<b>537.33</b>	<b>100.00%</b>	<b>655.19</b>	<b>100.00%</b>	<b>117.87</b>	<b>21.94%</b>

## Summary of Service Characteristics

Service Type	Speed*	Last Mile	Attractive Features	Limitation	Service Application
ME	1 Mbps - 20 Gbps	Optical Fiber	<ul style="list-style-type: none"> <li>• High speed</li> <li>• Lower price than TDM**</li> </ul>	<ul style="list-style-type: none"> <li>• Longer response time than TDM</li> </ul>	<ul style="list-style-type: none"> <li>• Inter-office connection</li> <li>• Internet connection</li> <li>• IPTV connection</li> <li>• 3G, WIMAX networks</li> <li>• Connection between customer and Data Center</li> <li>• Connection to overseas offices</li> </ul>
RE	1 Mbps - 10 Gbps	Optical Fiber	<ul style="list-style-type: none"> <li>• High speed</li> <li>• Lower price than ME</li> <li>• High reliability</li> <li>• ติดตั้งได้รวดเร็ว</li> </ul>	<ul style="list-style-type: none"> <li>• Longer response time than TDM</li> </ul>	
TDM	64 kbps - 2 Mbps	Copper Wire	<ul style="list-style-type: none"> <li>• Short Response Time (suitable for Real-time data transmission)</li> </ul>	<ul style="list-style-type: none"> <li>• Limited capacity</li> <li>• High price</li> <li>• Point-to-point connection</li> </ul>	<ul style="list-style-type: none"> <li>• Inter-office connection</li> <li>• Internet connection</li> </ul>
SDH	34 Mbps - 10 Gbps	Optical Fiber	<ul style="list-style-type: none"> <li>• Extra-high speed</li> <li>• Extra-high reliability</li> </ul>	<ul style="list-style-type: none"> <li>• High price</li> </ul>	<ul style="list-style-type: none"> <li>• Core Network of Telcos</li> </ul>
EoSDH	2 Mbps - 10 Gbps	Optical Fiber	<ul style="list-style-type: none"> <li>• Extra-high speed</li> <li>• Extra-high reliability</li> <li>• Save investment on SDH interface equipment</li> </ul>	<ul style="list-style-type: none"> <li>• Limited service area</li> <li>• Wider speed upgrade range</li> </ul>	<ul style="list-style-type: none"> <li>• Connection to overseas offices</li> </ul>
Dark Fiber	N/A***	Optical Fiber	<ul style="list-style-type: none"> <li>• Customer can choose speed and equipment at their own choice</li> </ul>	<ul style="list-style-type: none"> <li>• Limited service area</li> <li>• No equipment or maintenance provided</li> </ul>	<ul style="list-style-type: none"> <li>• Core Network of Telcos</li> <li>• Connection between Head Office and DRC</li> </ul>

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

## The expansion of services

The Company aims to expand the networks as well as enhance the applications in order to better serve customer demand, especially the demand for international high speed circuits. Therefore the Company has obtained the new telecom business licenses as follows : International Private Leased Circuit (IPLC) License, IP - Virtual Private Network (IP-VPN) License type III, International Internet Gateway (IIG) License and National Internet Exchange (NIX) License type II.

The Company is expanding the networks to connect to Global Networks via neighboring countries at the borders, which are the gateways to the international networks all over the world e.g. Asia, Europe, America and etc. The Company will customize the service to suit the customers' requirements both the telecom service providers and end-user customers.

The new services are as follows:

### 1. International Private Leased Circuit Service : IPLC

#### Service Applications

- IPLC service is the private leased circuit service for the enterprises such as financial institutions, manufacturing factories or multinational companies that need to inter-connect the data system between the offices in Thailand and overseas.
- The service is also applicable for the telecom service providers to use as the Backbone Networks connecting to the node stations in other countries

#### Technology

IPLC service requires high reliability, therefore SDH technology is used for the core networks , which needed end-to-end monitoring and uncomplicated network management.

### 2. Internet Protocol Virtual Private Network Service : IP-VPN)

#### Service Applications

- IP-VPN service is the leased circuit service for general enterprises, both small or large organizations such as corporations, manufacturing factories or multinational companies that need to inter-connect the data system between the offices in Thailand and overseas.
- The service is also applicable for the radio or digital television broadcasters that need circuits to connect the broadcast station to the satellite station or overseas content producers.

#### Technology

IP-VPN service applies Internet Protocol Technology on the Ethernet network (ME or RE) in the networks management.

### 3. International Internet Gateway : IIG and IP Transit)

#### Service Applications

- IIG service, generally known as "IP Port", is the international network link between local ISP and major international ISP or foreign websites e.g. Google, Facebook, Yahoo and etc.
- IP Transit is the networks link between overseas ISPs using the networks in Thailand as a hub.

### Technology

IIG and IP Transit are the networks that link ISPs in different countries together, the technologies used can be either SDH or Ethernet according to customer's preference.

## The Coverage Expansion

The Company has expanded its service coverage to fully cover the entire area of Bangkok and its vicinity as well as the connection to international circuits in order to develop Thailand as a telecommunication hub for the northern of South-East Asia in addition to Malaysia and Singapore.

- The Company has expanded its Ready Ethernet service from 28 buildings to 83 (as of January 2012)
- The Company has expanded its service area to 10 industrial estates and plans to expand to those industrial estates in the eastern zone.
- The Company plans to expand the optical fiber networks at Thailand's borders e.g. Thai-Cambodia, Malaysia, Myanmar, Lao in preparation to connect to the Global Carrier in further parts e.g. Asia, America and Europe via the local operators in these neighboring countries.

## Marketing Strategy

It is the company's aspiration to create the long-term competitiveness by providing best service to our valued customers without focusing on price competition. Therefore, the company formulates marketing strategy and business policy as follows:

### 1. Business Neutrality

The company strictly adheres to the business neutrality policy, which means we focus mainly on leasing our high 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 networks with Service Level Agreement (SLA) at 99.9%

The Company guarantees the quality of networks with Service Level Agreement (SLA) at 99.9% to ensure the Company's premium quality. 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 arise, we can promptly detected and 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 high speed communication network service to ensure stability and smooth communication for customers. We offer service customization to meet diverse customers' requirements and welcome customers' opinion in customized circuit design process. Furthermore, the Company has provided the preventive measure, for instance, the team of experts, technicians, has regular schedule to check, monitor, maintain the cabling, equipments and the back-up 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 assist or give consultations when needed.

#### 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 service quality. 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 value on "Symphony" brand all along by creating "Symphony" brand image and customers' perception upon the service quality of "Symphony" beyond premium level and being the leader of innovative technology adoptions, including differentiated service from others e.g. development of new services that more advance than customer's expectation, the continual improvement of service both in terms of technology and management such as providing the preventive measure; fostering good relationship with customers and partners by organizing inter-department seminars and trainings e.g. for technology, sales, marketing or even the finance and accounting departments.

#### 6. Service development and capture high potential market

The Company keeps an eye on the advanced innovation and development of telecommunication technologies as well as its market trend. In order to lead customer expectation and capture the new opportunity by developing new service in quality-focused market e.g. the international leased circuits, digital broadcasting, etc.

### Market Condition and Competition

The competition in the high 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, Private Network, the connection of the headquarters and branches or Disaster Recovery Center (DRC) and international circuits that the demand still in the upward trend.

Considering the growth potential of International Private Leased Circuit Market, the Company has obtained the new telecom business licenses as follows : International Private Leased Circuit (IPLC) License, IP - Virtual Private Network (IP-VPN) License type III, International Internet Gateway (IIG) License and National Internet Exchange (NIX) License type II in order to serve the increasing demand for international circuits, including the demand for out-bound connections from local enterprises and the demand for in-bound connections from overseas enterprises or the connection via Thailand to neighboring countries.



### 1. Risks from the Reliance on Key Customers

The Company's revenue mainly comes from providing high speed data communications network services. In 2009, 2010 and 2011, revenues from top five key customers of each period accounted for over 50% of high speed data communication network services revenue with overall proportions of 55.04%, 54.37% and 55.83% 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. However, 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 and also plan to launch the International Private Leased Circuit (IPLC) service, 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 high 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 (ITU) standards, also the standard that the Company currently adheres to.

### 3. Risks from Competition in High Speed data Communications Network Market

At present, the Office of National Broadcasting and Telecommunication Commission ("NBTC") has the authority to issue telecommunication business licenses to new operators bases 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 may result in a more intense 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 II and III. However, the telecommunication 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 providing the network service only. Simultaneously, the Company continues to expand its high speed data communications network, including the launch of IPLC service within 2Q2012 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 2 parts. The first part is technology related to the Core Network, which is the infrastructure of the service providers. The second 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. 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.

As the Company provides services in the part of infrastructure using optical fibre cable for its Core Network. The technology of Telecommunication Infrastructure has only slightest changes over the time and Optical Fibre Cable is considered the best available transmission media. It has 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 deploys has capacity to serve diversified and changing requirements of those telecommunication service providers such as mobile phone systems including GSM, 3G, or LTE, wire and wireless internet providers. Regarding the upcoming introduction of 3G technology, which is the Last Mile technology, would not cause any negative effect to the Company.

For the Time Division Multiplexing (TDM) network service that technology used since the introduction stage on TDM technology platform. The network infrastructure consists of optical fiber cable core networks with the copper wires last mile connected to customers. The Copper wire has limitation in term of transmission speed that the Company offers TDM at speeds ranged from 64 Kbps up to 2 Mbps which is the same level as the Asynchronous Digital Subscriber Line (ADSL). Currently, the high market competition in ADSL market significantly push down the service rate. As a result, some TDM customers diverted to ADSL. However, TDM is the private leased circuit while ADSL is the shared transmission with other users that resulting in lower reliability. Therefore, TDM remains a preferred choice for customers that need high reliability for the data transmission.

It could be concluded that the Company as a high 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 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 telecommunication 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 area. 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 NBTC for the Right of Way. The Company already has NBTC 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 NBTC approval. Consequently, the Company cannot expand network coverage in certain areas, such as industrial estates, as previously planned.

Furthermore, the Company has networks that already been installed but in the process of obtaining NBTC 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 high 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 2 non-replicated routes for core network in case any optical fiber cables 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 skills to operate the business. In 2011, the Company recruited a telecom expert in IPLC business 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 brain-storming 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 influences of major shareholders over the determination of policy and management of the Company

The group of major shareholders, directors and management as defined by SEC have the shareholding at 31 December 2011, collectively 52.06% of the total paid-up shares. As a result, they can control the resolution of various agendas in the Shareholders' Meeting by forming the majority votes that other shareholders may not be able to collect the voting to monitor for check-and-balance reason. However, the major shareholders will refrain from voting on the matter that has conflict of interest.

## 9. Risk from natural disaster, riot and terrorism

The global climate change has resulted in many natural disasters. Moreover, the economic and political uncertainties triggered the civilian unrest, riots and terrorisms. These events may have an impact on business operation of the Company. Therefore, the Company includes these possible matters into the Enterprise Risk Management and develop the Business Continuity Plan as a principle for employees at every level and department to perform in case of emergency in order to ensure the smoothest service for customers. The Company's standard network design also provides redundant route to enhance stability of communication networks. Moreover, the Company has insurance policies cover against the risk of damage to network equipments and nodes.

As major assets of the Company are network equipments that comprises node equipments and optical fiber cable that installed in private properties as well as installed in public areas. The equipments that installed in public areas (mainly optical fiber cable) is uninsurable asset.

## Company Background and Major Development

Symphony Communication Public Company Limited was found by the management team with over 20 years experience in telecom business. 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 high speed data communications network service provider using optical fiber cable for its core network and provides related service for example last mile network management and installation service.

The Company was the first licensee of the Telecommunication Service License Type II (with network ownership) since 15 June 2006 for the contract period of 15 years. The Company commercially launched its services since March 2007 under the “Symphony” brand. 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”.

In order to better serve demand of international high speed communication circuits, in 2011, the Company has obtained the new telecom business licenses as follows : International Private Leased Circuit (IPLC) License, IP - Virtual Private Network (IP-VPN) License type III, International Internet Gateway (IIG) License and National Internet Exchange (NIX) License type II and also the permission to adopt Wi-Fi technology in addition to the existing license type II.

The following 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 high speed data communication and Ethernet over SDH (EoSDH) service to corporate customers.

## Development

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 Baht 80 million with 8 million shares outstanding at par value of Baht 10 each.
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 Baht 225 million with 22.5 million shares outstanding at par value of Baht 10 each.
May 2010	Converted into a public company limited and increased registered capital to Baht 300 million with 300 million shares outstanding at par value of Baht 1 each.
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 4 consecutive years.
Jun 2011	SYMC stock has been included in FTSE SET Shariah Index calculation
Jun 2011	Obtained the Telecommunication Service License Type II to operate International Internet Gateway (IIG) and National Internet Exchange (NIX) services, for the contract period of 5 years.
Aug 2011	Obtained the Telecommunication Service License Type III to International Private Leased Circuit (IPLC) and IP - Virtual Private Network (IP-VPN) service, for the contract period of 15 years.
Dec 2011	Rated "Very Good" Corporate Governance Rating in the Corporate Governance Report of Thai Listed Companies 2011, which was surveyed and assessed by the Thai Institute of Directors Association (IOD), the Securities and Exchange Commission, and the Stock Exchange of Thailand.



# 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

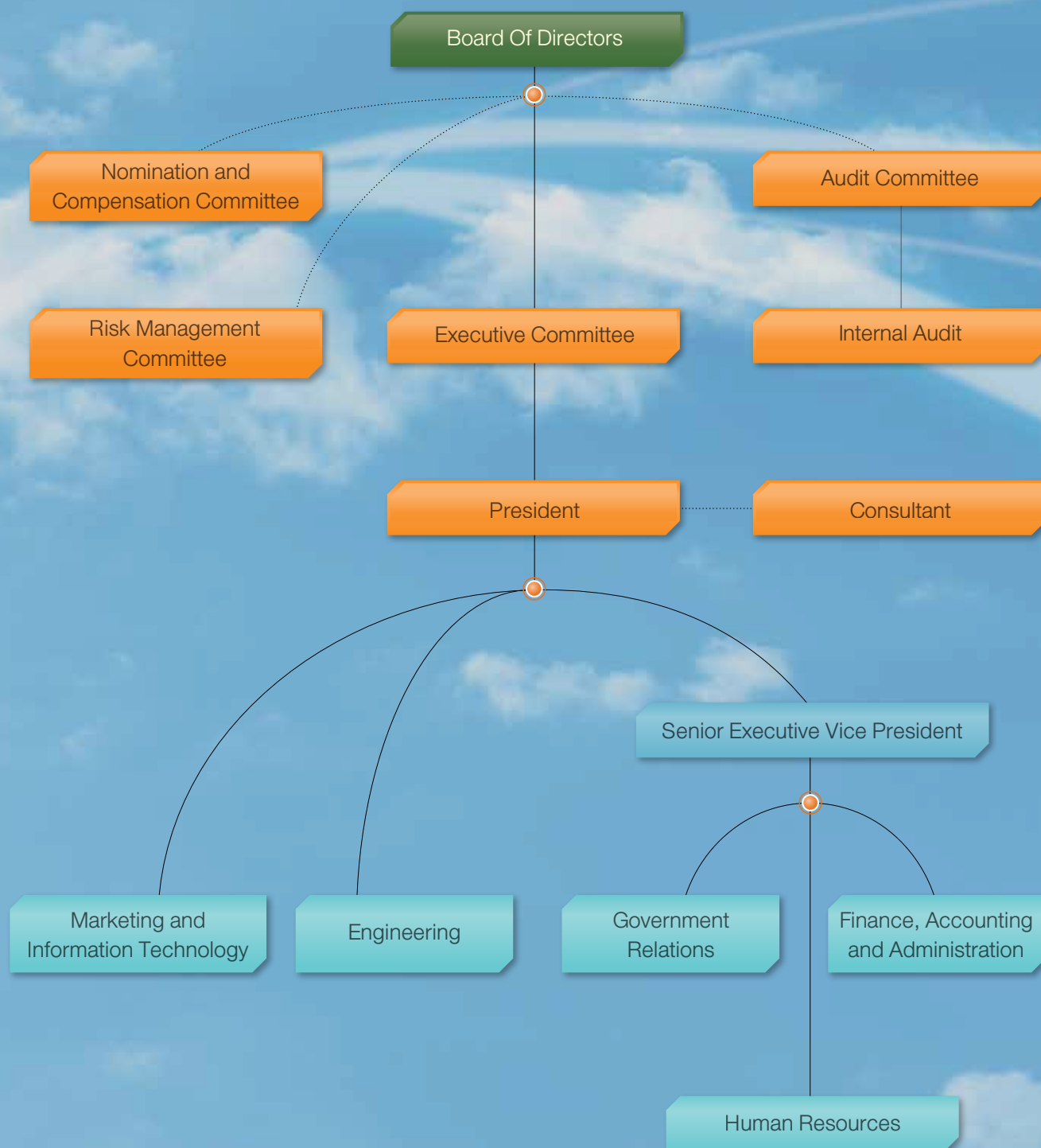
Top 10 major shareholders as of the book closing date on 31 December 2011 are as follows:

	Number of shares	% of paid-up capital
1. Asawasuwan Group	49,076,240	16.36
Mr. Kranphol Asawasuwan	48,976,240	16.33
Ms. Kwandin Asawasuwan	100,000	0.03
2. Pantarasutra Group	49,046,240	16.35
Mr. Teerarat Pantarasutra	49,046,230	16.35
Ms. Tounporn Pantarasutra	10	0.00
3. Srisuphakhanin Group	24,541,740	8.18
Mr. Pathomkrit Srisuphakhanin	23,523,740	7.84
Ms. Sumatthakan Srisuphakhanin	1,018,000	0.34
4. Thanakijsumton Group	24,523,740	8.17
Mr. Pongthep Thanakijsumton	24,423,740	8.14
Ms. Srisamorn Threepetchsomkhun	100,000	0.03
5. Mr. Niphol Suwannachet	20,732,240	6.91
6. Mr. Wanchai Somboonphon	13,722,360	4.57
7. Mr. Manoch Youbunyong	13,644,760	4.55
8. Mr. Virachai Wongjirasak	10,683,160	3.56
9. Ms. Bussakorn Jaruwachirathanakul	8,992,000	3.00
10. Phatra Capital Public Company Limited	7,434,300	2.48

## 3. Dividend Policy

The Company has a dividend payout policy of at least 40% of its net profit after deducting of all 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 Directors and will be reported to shareholders in the forthcoming shareholder meeting.

## Organization Structure



## Board of Directors

- **Mr. Prasitt Hemwarapornchai**

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

- **Mr. Woodtipong Moleechad**

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

- **Mr. Jitkasem Sangsingkeo**

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

- **Mr. Kranphol Asawasuwan**

Director, President





● **Mr. Pongthep Thanakijstorn**

Director, Executive Vice President - Marketing & IMC

● **Dr. Bussakorn Jaruwachirathanakul** ●

Director, Executive Vice President - Finance,  
Accounting and General Administration

● **Mr. Supornchai Chotputtikul** ●

Director, Executive Vice President - Engineering

● **Mr. Pathomkrit Srisuphakanin**

Director, Executive Vice President -  
Government Relations

● **Mr. Teerarat Pantarasutra**

Director, Senior Executive  
Vice President



## Director and Management Profile



### Mr. Woodtipong Moleechad

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

- **Age :** 63 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, Independent Director, Audit Committee Member, Nomination and Compensation Committee Member  
Symphony Communication Public Company Limited

**2012-present :** Director  
L Solar 1 Co., Ltd

**2010-present :** Director, Audit Committee Member, Business Relations Committee Member  
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

**2007-2011 :** Chairman  
The Communications Authority of Thailand  
Savings Co-operative Ltd.

**2003-2009 :** Senior Executive Vice President (Operations),  
Thailand Post Co., Ltd.



### Mr. Prasitt Hemwarapornchai

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

• **Age :** 63 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, Independent Director, Audit Committee Member, Chairman of Nomination and Compensation Committee Symphony Communication Public Company Limited

**2010-present :** Chairman of Senior Engineer Committee, Executive Committee Member The Engineering Institute of Thailand, Under H.M. the King's Patronage

**2010-present :** Advisor, Engineering and IT Front Office System for Siriraj Hospital, ISOFT Co.,Ltd.

**2009-present :** Advisor, Electrical System Rose Garden Hotel (2511) Co.,Ltd.

**2005-2009 :** Deputy Governor (Information Communication Technology) Metropolitan Electricity Authority

**2001-2005 :** Assistant Governor Metropolitan Electricity Authority



### Mr. Jitkasem Sangsingkeo

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

• **Age :** 62 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, Independent Director, Nomination and Compensation Committee Member Symphony Communication 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

**2009-2011 :** Director Metropolitan Waterworks Authority

**2005-2010 :** Audit Committee Member Prasit Patana Public Company Limited



### Mr. Kranphol Asawasuwana

Director, President

- **Age :** 48 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
  - Capital Market Academy 13/2011
- **Shareholding (%) :** 16.36
- **Personal Relationship with the Management :** -
- **Work Experience (Over the Past 5 Years) :**
  - 2007-present :** Director, President  
Symphony Communication Public Company Limited
  - 2006-present :** Director  
Synergy Net Holding Co., Ltd.
  - 2000-present :** Director  
Global Crossing Systems Co., Ltd.
  - 2000-2008 :** Director, Managing Director  
Global Crossing Services Co., Ltd.



### Mr. Teerarat Pantarasutra

Director, Senior Executive Vice President

- **Age :** 51 years
- **Education :**
  - M.A. (Public Affairs), Thammasat University
  - Bachelor of Law, Ramkhamhaeng University
  - Director Certification Program 137/2010
  - Director Accreditation Program 81/2009
  - Fundamental Practice for Corporate Secretary (FPCS) 23/2011
- **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
  - 2006-present :** Director  
Global Crossing Systems Co., Ltd.
  - 2006-present :** Director  
Synergy Net Holding Co., Ltd.
  - 2001-2006 :** Director, Legal Advisor  
Global Crossing Services Co., Ltd.





### Mr. Pathomkrit Srisuphakhnanin

Director, Executive Vice President - Government Relations

- **Age :** 45 years
- **Education :**
  - Master of Public and Private Management (MPPM), National Institute of Development Administration
  - Master of Business Administration, Rangsit University
  - Bachelor of Engineering (Telecommunication), King Mongkut's Institute of Technology Ladkrabang
  - Bachelor of Law, Sukhothai Thammathirat Open University
  - Director Certification Program 138/2010
  - Director Accreditation Program 81/2009
- **Shareholding (%) :** 8.18
- **Personal Relationship with the Management :** -
- **Work Experience (Over the Past 5 Years) :**
  - 2007-present :** Director, Executive Vice President  
Symphony Communication Public Company Limited
  - 2006-present :** Director  
Global Crossing Systems Co., Ltd.
  - 2006-present :** Director  
Synergy Net Holding Co., Ltd.



### Mr. Pongthep Thanakijstorn

Director, Executive Vice President - Marketing & IMC

- **Age :** 44 years
- **Education :**
  - Master Degree of Business Administration in Marketing Management, National Institute of Development Administration
  - Bachelor Degree of Engineering in Computer Engineering, King Mongkut's Institute of Technology Ladkrabang
  - Director Certification Program 129/2010
  - Executive Development Program 8/2011
- **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 Systems Co., Ltd.
  - 2006-present :** Director  
Synergy Net Holding Co., Ltd.



### Dr. Bussakorn Jaruwachirathanakul

Director, Executive Vice President – Finance, Accounting and General Administration

- **Age :** 46 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 :** Director, Executive Vice President  
Symphony Communication Public Company Limited
  - 2006-present :** Director  
Synergy Net Holding Co., Ltd.
  - 2004-present :** Director  
Global Crossing Systems Co., Ltd.
  - 2006-2011 :** Director  
Global Crossing Services Co., Ltd.



### Mr. Supornchai Chotputtikul

Director, Executive Vice President – Engineering

- **Age :** 46 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 :** Director, Executive Vice President  
Symphony Communication Public Company Limited
  - 2002-2010 :** Project Director  
Alcatel - Lucent (Thailand) Ltd.

## Shareholding of Directors and Management

The shareholding of directors and management include shareholding of related person (s) as defined by Section 258 of Securities and Exchange Act B.E. 2535 and the calculation of percent shareholding is based on the total paid-up shares of 300,000,000 shares.

Name	Title	30 December 2010		30 December 2011	
		Number of Shares	%	Number of Shares	%
1. Mr. Woodtipong Moleechad	Chairman, Independent Director, Audit Committee Member, Nomination and Compensation Committee Member	-	-	-	-
2. Mr. Prasitt Hemwarapornchai	Deputy Chairman, Independent Director, Audit Committee Member, Chairman of the Nomination and Compensation Committee	-	-	-	-
3. Mr. Jitkasem Sangsingkeo	Chairman of the Audit Committee, Independent Director, Nomination and Compensation Committee Member	-	-	-	-
4. Mr. Kranphol Asawasuwan	Director / President	49,046,240	16.35	49,076,240	16.36
5. Mr. Teerarat Pantarasutra	Director / Senior Executive Vice President	49,046,240	16.35	49,046,240	16.35
6. Mr. Pathomkrit Srisuphakhani	Director / Executive Vice President	24,523,740	8.17	24,541,740	8.18
7. Mr. Pongthep Thanakijuntorn	Director / Executive Vice President	24,523,740	8.17	24,523,740	8.17
8. Ms. Bussakorn Jaruwachirathanakul	Director / Executive Vice President	8,992,000	3.00	8,992,000	3.00
9. Mr. Supornchai Chotputtikul	Director / Executive Vice President	-	-	-	-

# 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.

## 1. 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 Srisuphakhanin	Director
7. Mr. Pongthep Thanakijisuntorn	Director
8. Ms. Bussakorn Jaruwachirathanakul	Director
9. Mr. Supornchai Chotputtikul	Director

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

### Authorized Directors

Authorized directors pursuant to the Affidavit of the Company are Mr. Kranphol Asawasuwana, Mr. Teerarat Pantarasutra, Mr. Pathomkrit Srisuphakhanin or Mr. Pongthep Thanakijisuntorn, 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. 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. 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. 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. Evaluate the performance of top executives and review their remunerations.
6. 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. 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. 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. 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. 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. Delegate business transaction approval authority to appropriate group or persons in accordance with related laws, establish authority of approval handbook and review it on annual basis.
12. 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. Consider the auditor appointment and determine the annual auditor fee and propose to the shareholders' meeting for approval.
14. 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, and 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. The Company shall propose the shareholder meeting for approval of connected transaction, the requisition or disposition of significant assets 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. The party with conflict of interest shall not eligible to approve or vote for the transaction. The grant of approval authority for normal business transactions must be clearly defined the scope and approval limit for each level. Therefore, there is no authorization in transaction approval that has no approval 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.

## 2. 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

Ms. Warun Aumetanapan 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. Review financial statements 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. Review internal control system and internal audit system to ensure that the Company has a suitable and efficient internal control; 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. Review the compliance with the law on securities and stock exchange and the regulations of the Stock Exchange of Thailand and other applicable laws.
4. 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. Review connected transactions or transactions with conflict of interests, ensure the disclosure in compliance with laws and the regulations of the Stock Exchange of Thailand; and to ensure the justification and the maximized benefits to the Company.
6. Review the risk management policy to ensure that the Company has appropriate risk management system.
7. 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 according 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 reports.
- 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.

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 follows:

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 more 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 judgment, 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 more 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 more 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 more 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 of Audit Committee.

### 3. 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

#### Scope and responsibilities of the Nomination and Compensation Committee

##### Nomination

1. Set out methodology and procedures in the nomination of the qualified candidates for the Board members 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 propose 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 managements, by reviewing the suitability of the current remuneration package, comparing to the remuneration package of other companies in the same industry, and establishing appropriate remuneration that is fair and commensurate to their contribution to the Company's achievement.

2. Review all elements of remuneration such as retainer fee, incentive and attendance fee and set the appropriate payment of each element that 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 and business environment and commensurate with their duties and scope of responsibility.
3. Consider remuneration package in accordance with the criteria established by concerned government agencies.
4. Formulate criteria for the evaluation of the Company's Directors and President as assigned by the Board of Directors.
5. Establish the guidelines in determining the remuneration package of the Company's Directors and President on the annual basis 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. Consider and approve the allocation of securities under ESOP program to directors and employees of the Company to motivate them to create value added for the shareholders and retain 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 or removed at the Company's Board of Directors meeting or at the shareholders' meeting.

#### 4. The Risk Management Committee

The Risk Management Committee consists of the following members.

Name	Title
1. Mr. Teerarat Pantarasutra	Chairman of the Risk Management Committee
2. Mr. Pathomkrit Srisuphakhnin	Deputy Chairman of the Risk Management Committee
3. Ms. Bussakorn Jaruwachirathanakul	Risk Management Committee member
4. Mr. Supornchai Chotputtikul	Risk Management Committee member
5. Mr. Manoch Youbunyong	Risk Management Committee member
6. Mr. Wanchai Somboonphon	Risk Management Committee member

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

1. Define the policy framework and process for risk management.
2. Identify and analyze risk factors and evaluate the impact of such risks on the Company.
3. 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. Communicate the risk management measure across the entire organization and support the efficiency development of the Company's risk management policy.
5. Monitor the risk management plan and report to the Board of Directors.

### 5. Executive Committee

The Executive Committee consists of the following members.

Name	Title
1. Mr. Kranphol Asawasuan	Chairman of the Executive Committee
2. Mr. Teerarat Pantarasutra	Deputy Chairman of the Executive Committee
3. Mr. Pongthep Thanakijsumton	Executive Director
4. 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. Manage the Company's business operation in line with targets set by the Board of Directors and report the company's performance to the Board of Directors. The quorum of Executive Committee meeting shall have at least half of its members present and its resolution should be in accordance with the majority vote.
3. 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. Set appropriate approval authority for each level of management and ensure segregation of duty for approval of such transaction that might lead to fraud and define the business transaction guidelines and procedures with the major shareholders, directors, management or connected persons in order to prevent the transfer of benefits or interests, then submit it to the Board of Directors for approval and ensure such approved policies as set forth are duly put into practice.

5. Review annual budget allocation as well as budget control procedure, propose to the Board of Directors for approval and monitor the budget utilization after the approval.
6. Review and approve investment budget in accordance with the authority as defined in authorization handbook.
7. Ensure any agreement or contracted that abide the Company signed by authorized person in accordance with the authority as defined in authorization handbook.
8. Set employee remuneration structure and policy to propose the compensation committee for consideration prior to propose for the approval from the Board of Directors.
9. Be responsible for providing sufficient information for the Board of Directors and shareholders for their decision making as well as reliable and transparent financial reports according to the generally accepted standard.
10. Consider the Company's profit or loss and propose the dividend payment to the Board of Directors.
11. Consider the new business venture or the closure of some business and submit to the Board of Directors for approval.
12. Set the reporting procedure of the irregularity or wrongdoing for operating officers to report the events to Executive Committee in due time. 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 in due time.
13. Take any actions to support the aforementioned activities according to the opinion or authority granted by the Board of Directors.
14. The resolution and/or approval of the Executive Committee must be reported to the Board of Directors in the next Board of Directors' meeting.
15. Perform the duties assigned by the Board of Directors.

Such authorization grant to the Executive Committee as mentioned earlier, must be complied with 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. Any connected transactions or the acquisition or disposition of significant assets of the Company or any of the subsidiaries must be complied with the regulations set forth by the Securities and Exchange Commission and the Stock Exchange of Thailand.

## 6. Management Team

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

Name	Title
1. Mr. Kranphol Asawasuwana	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. Supornchai 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. Authorized to supervise, contact, command, sign agreements, orders or announcements as defined in authorization handbook.
4. Authorized to hire, appoint, transfer, as well as define scope of duties and appropriate remuneration including salary, bonus, fringe benefits for employees, take disciplinary action against employees as well as dismiss the employees as defined in authorization handbook.
5. Authorized to set the trade condition for the Company's benefit.
6. 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. 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. Authorized to appoint and manage working groups for efficient management and transparency 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 approved by the Board of Directors.
11. Authorized to order, regulate, issue announcement to ensure that overall operation is done according to the policy and 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 be related agencies), 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 limit.

#### Nomination of Directors and Executives

The Board of Directors has appointed Nominating & Compensation Committee to select, and nominate appropriate candidates for the position of Directors and Managements 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 General 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. A shareholder meeting may pass a resolution removing any director from office prior to retirement as a result of the expiration of the director's term of office, by a vote of not less than three quarters (3/4) of the number of shareholders attending the meeting and having the right to vote and the total number of shares being not less than half (1/2) of the number of shares held by the shareholders attending the meeting and having the right to vote.
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

### Compensation in cash

#### 1. Directors

The Annual General Meeting of Shareholders 2011, held on 19 April 2011, resolved to approve the Board of Directors and Subcommittee Compensation for the year 2011, in the amount not over Baht 5.0 million per year, the details of Compensation paid in 2011 are as follows:

Name	Title	Meeting Allowance			Retainer Fee	Bonus	Total
		Board of Directors	Nomination & Compensation committee	Audit Committee			
1. Mr. Woodtipong Moleechad	Chairman, Independent Director, Audit Committee Member, Nomination and Compensation Committee Member	265,000	105,000	95,000	300,000	142,300	907,300
2. Mr. Prasitt Hemwarapornchai	Deputy Chairman, Independent Director, Audit Committee Member, Chairman of the Nomination and Compensation Committee	200,000	150,000	95,000	300,000	142,300	887,300
3. Mr. Jitkasem Sangsingkeo	Chairman of the Audit Committee, Independent Director, Nomination and Compensation Committee Member	200,000	105,000	130,000	300,000	142,300	877,300
4. Mr. Kranphol Asawasuan	Director	200,000	0	0	120,000	64,680	384,680
5. Mr. Teerarat Pantarasutra	Director	200,000	0	0	120,000	64,680	384,680
6. Mr. Pathomkrit Srisuphakhani	Director	200,000	0	0	120,000	64,680	384,680
7. Mr. Pongthep Thanakijsumton	Director	200,000	0	0	120,000	64,680	384,680
8. Ms. Bussakorn Jaruwachirathanakul *	Director	140,000	0	0	90,000	45,280	275,280
9. Mr. Supornchai Chotputtikul *	Director	140,000	0	0	90,000	45,280	275,280
10. Mr. Niphol Suwannachet**	Director	60,000	0	0	40,000	19,410	119,410
11. Mr. Virachai Wongjirasak**	Director	60,000	0	0	40,000	19,410	119,410
<b>Total</b>		<b>1,865,000</b>	<b>360,000</b>	<b>320,000</b>	<b>1,640,000</b>	<b>815,000</b>	<b>5,000,000</b>

\* Have been appointed as Directors pursuant to the resolution of the 2011 Annual General Meeting of Shareholders, held on 19 April 2011

\* Retired by rotation pursuant to the resolution of the 2011 Annual General Meeting of Shareholders, held on 19 April 2011

## 2. Management

In 2010 and 2011, management compensations are as follows:

Benefits	2010		2011	
	Number of executives	Amount (Baht)	Number of executives	Amount (Baht)
Salary and Bonus	6	15,332,800	6	19,600,000
Other remunerations such as contribution to provident funds, etc.	6	429,816	6	1,886,202
<b>Total</b>	<b>6</b>	<b>15,762,616</b>	<b>6</b>	<b>21,486,202</b>

### Other benefits

-None

## Employees and Compensation

### Number of Employees and Compensation

As of 31 December 2011, the total number of employees (exclude Directors and Management) is 159, which can be classified functions as follows:

Department	No. of Employees
Office of Managing Director	4
Consultant	1
Marketing and Information Technology	34
Engineering	88
Government Relations	4
Finance, Accounting and Administration	24
Human Resources	4
<b>Total</b>	<b>159</b>

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 retained qualified personnel in the long run. In 2010 and 2011, the compensation which the Company provided for its employees are as follows:

Employees' Compensation (Baht)	2010	2011
Salary and bonus	49,964,224	65,090,726
Other benefits such as commission, bonus, contribution to social security fund, contribution to provident fund, living expenses and other fringe benefits	14,188,915	25,646,318
<b>Total</b>	<b>64,153,139</b>	<b>90,737,044</b>

#### Other benefits

-None

### Human Resource Development Policies

The Company realizes the importance of human resource development to enhance capability of employees, so the Company has set fundamental policies for human resources development and training plans, as follows:

The human resource development strategies need to be aligned with our visions, missions, goals, strategic plans, and fulfill the desired employee competencies. Our core competencies are categorized into 5 following areas: Adaptability, Professionalism, Teamwork, Integrity and Service-Minded.

In addition, the nature of our business as a telecommunication network service provider requires specialized skills of employees, which varies depending on an individual's major responsibility, typically in engineering, accounting and management. The company also adopts the leadership competency model in order to develop managerial skills for employees engaging in supervising or coaching roles, These 3 crucial skills including: Analytical skills, Coaching skills, Problem solving & Decision making skills.

The mentioned competency management system will lead to implementation of individual development plan, career path development plan and succession plan in the near future.

Regarding moral and virtue development, employees are encouraged to take part in various activities such as, religious ceremonies and CSR activities e.g. donation to natural disaster victims, to develop the recognition of merit making, sharing and ethic. The Company also cultivates employees to develop a service mind with customer centric approach in the corporate culture and servicing process. For instance, the staff is encouraged to assist customers to solve technical glitch, even though the problem was due to the customer's equipment malfunctioning, or not caused by the Company.

Regarding to other human resource development activities, we promote employees' creativity through many idea contests, involving areas of engineering and operational process improvement. In addition, we adopt the Bottom-up management style by which our top executives are widely open to all opinions on management process. The Company also provides training programs in the areas related to the business and invite some experts to share their useful working experiences with staff. Moreover, many other activities are arranged as the tools to improve relationship between staff, such as, New Year party, banquets, sport day and travel programs, in order to create team spirit in parallel with positive attitude toward the Company.



## 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 Securities and Exchange Commission (SEC) and Securities Exchange of Thailand. 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 5 sections as follow:

### Section 1 Shareholders' Rights

The Company realizes and gives importance on the rights of shareholders by giving equitable treatment to the shareholders and encourages the shareholders to fully exercise their rights such as rights to buy, sell and transfer shares that the person is holding, rights to receive the information of the Company or operating performance, right 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 or assign the proxy in case that they cannot attend the meeting by themselves.

#### Shareholder Meeting

- Delivering meeting notices prior to the meeting in compliance with the related laws or regulations of Securities and Exchange Commission (SEC) and Security Exchange of Thailand (SET). The notices are available in Thai and English, together with details of agenda, objective of each agenda, Board of Directors' opinion and accompanying documents supplementary detailing rights of the shareholders to attend the meeting, and rights to vote for resolution of the shareholders' meeting, the documents required to present for meeting registration that use bar-code scanning. Posting such information on company's website at least 30 days prior to the mailing and advertising the notice in daily newspaper for 3 consecutive days prior to the meeting at least 14 days.
- For those shareholders who can not 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. Moreover, the Company gives opportunity to shareholders to propose the additional agenda and nominate candidates for the election of directors prior to the meeting. The Company also set the communication channels for investor contact via the Stock Exchange of Thailand and the Company's Investor Relations Websites.
- 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.



- After the meeting the Company will provide the complete and accurate minutes of the meeting in both Thai and English, include full information of directors attending the meeting, details of question-and-answer session, voting method, detailed results of the votes in each agenda. The Company will disclose such minutes of the meetings via the Stock Exchange of Thailand and the Company's Investor Relations Websites within 14 days after 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.

The Company has policy for the equal access to the information and set the policy regards the Use of Internal Information which describes in this annual report, section "Supervision on the Use of Internal Information".

## Section 3 Roles of the Stakeholders

The Company has placed importance on rights and benefits of all stakeholders, that are customers, business partners, competitors, creditors, government, community and other concerned agencies. We realized that the support from each stakeholders should enhance our competitiveness and bolster our long term benefits and success to the Company.

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

**Customer :** The Company is committed to create highest customers' satisfaction and foster healthy relationship based on mutual benefits by 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.

<b>Businesses partners :</b>	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.
<b>Competitors :</b>	The Company supports fair and free competition policy within the scope of laws and business ethics.
<b>Creditors :</b>	The Company strictly complies with the terms and conditions of financial obligations with the creditors.
<b>Employees :</b>	The Company fully supports its personnel's potential development and provides fair employment term as well as good and safe work environment.
<b>Government :</b>	The Company strictly complies with the laws and regulations of the concerned agencies.
<b>Community :</b>	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 company's activities, service and products. The Company also mapped out the efficient plan to deal with emergency matters and drills it frequently.

#### Mechanism of Participation for Stakeholders

The Company provides channels for all stakeholders e.g. shareholders, customers, community to express ideas, recommendations or ask questions. The stakeholders can submit their concerned issues by mail to Symphony Communication Plc. 123 Sun Towers Building B, 35th - 36th Floor, Vibhavadee Rangsit Road., Chomphon, Chatuchak, Bangkok 10900 or Telephone : 66-(0)-2101-1111, Fax : 66-(0)-2101-1133 or through the Company's website, [www.symphony.net.th](http://www.symphony.net.th) in which the contact person and communication channels have already been specified.

In case the stakeholders would like to report misconduct or complaint over illegal acts, fraud, negligence of directors, managements, staff, incorrect financial disclosure, or deficiency of internal control, they can directly submit their concerns to Board of Directors or Audit Committee by above mailing address. The Board of Directors will treat such information seriously and will maintain utmost confidentiality. If the misconduct is founded, the Board will prudently resolve in due time.

#### 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 Securities and Exchange Commission and Securities 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 realize the importance of communication with investors, analysts and other concerned parties. Therefore, the Company has assigned the financial management department to be responsible for investor relations activities. Such responsibilities concern the disclosure of information in accordance with the regulations set by Securities and Exchange Commission and the Security Exchange of Thailand. The department will act as company's representative to communicate and publicize other information that 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 senior executives. The interested persons may contact the Company directly at 02-101-1111 ext. 36312 or at email: [ir@symphony.net.th](mailto:ir@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 9 directors, of which divided into 3 of them are independent directors, which is amounted to 1/3 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 4 teams of sub-committee 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 sub-committees 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 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.

- Business Code of 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

- 1) Code of conduct of the responsibility for shareholders
- 2) Code of conduct of customer relations
- 3) Code of conduct of partner, competitor and creditor relations
- 4) Code of conduct of the responsibility for employees
- 5) 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 to deliberate it in advance, except only in the case of emergency. 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 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. Furthermore, the non-executive directors will convene the meeting without the attendance of management at least once a year to consider the business operation and performance of executive directors.



In 2011, each director attended the Company's board meetings and sub-committee 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, Independent Director, Audit Committee Member, Nomination and Compensation Committee Member	10/10	6/6	6/6	1/1
2. Mr. Prasitt Hemwarapornchai	Deputy Chairman, Independent Director, Audit Committee Member, Chairman of the Nomination and Compensation Committee	10/10	6/6	6/6	1/1
3. Mr. Jitkasem Sangsingkeo	Chairman of the Audit Committee, Independent Director, Nomination and Compensation Committee Member	10/10	6/6	6/6	1/1
4. Mr. Kranphol Asawasuwat	Director	10/10	-	-	-
5. Mr. Teerarat Pantarasutra	Director	10/10	-	-	-
6. Mr. Pathomkrit Srisuphakhanin	Director	10/10	-	-	-
7. Mr. Pongthep Thanakijstorn	Director	10/10	-	-	-
8. Ms. Bussakorn Jaruwachirathanakul *	Director	3/3	-	-	-
9. Mr. Supornchai Chotputtikul *	Director	3/3	-	-	-
10. Mr. Niphon Suwannachet**	Director	7/7	-	-	-
11. Mr. Virachai Wongjirasak**	Director	7/7	-	-	-

\* Have been appointed as Directors pursuant to the resolution of the 2011 Annual General Meeting of Shareholders, held on 19 April 2011

\* Retired by rotation pursuant to the resolution of the 2011 Annual General Meeting of Shareholders, held on 19 April 2011

#### 4. Performance Evaluation of Directors

The Board of Directors conducted the self-assessment on their scope of duties on annual basis, including the evaluation of Board of Directors performance by individual director, evaluation of individual director and evaluation of the Board's secretary with the evaluation that in line with the guidance of the Stock Exchange of Thailand. The evaluation result is considered and used to further improve the Board's performance and Corporate Governance Standard.

#### 5. Director and Executive Development

The Company values and fully supports the enrolment 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.



## The Control of Inside Information Usage

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 receive 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 for their own benefits and must avoid or refrain from buying, selling, transferring or receiving company's shares within 1 month before the disclosure of the quarterly financial statement and annual financial statement to the public.
- All 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 3 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 2011 has been reviewed and audited by Ernst and Young Office Limited.

The audit firm has received its fee as detailed below

1. Auditing fee according to the contract	900,000	Baht	(for quarterly and annual financial statement)
2. Other expenses	23,665	Baht	(for financial statement report binding, travelling expense and etc.)
Total	<u>923,665</u>	Baht	

## Related Party Transaction

The Board carefully considers the conflict of interests and connected transaction and set forth in the policies, guidelines and practices in compliance with the Company's Articles of Association, laws, the principles of good governance and regulations of SEC and SET. Those with conflict of interests or related businesses must report their relationship and interest 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 2011 published the related transaction in the Note no. 8.

### Policy and Future Related Party Transaction

The Company may have related party transactions in the future as appropriate based on normal business operation. If the transaction is not the normal business operation, the Company must propose the Audit Committee for the consideration of appropriateness and must comply with the step of approval for related transactions. The Company will consider the necessity and soundness of such transaction. The prices and conditions shall be set on arm's length basis for the best interest of all stakeholders and complied with the regulations set by the Stock Exchange of Thailand (SET) and Security and Exchange Commission (SEC). Meanwhile, the directors, management and the stakeholders who have conflict of interest shall not participate in the approval of transactions.

## Related Party Transactions in 2011

The Company's related party transactions for the accounting period ended 31 December 2010 and 2011 were as follows;

**Related parties** Global Crossing Services Co., Ltd. (GCSV)

**Relationship** : Having common major shareholders

Type of Transactions	2010 (MB)	2011 (MB)	Rationale / Necessity
1) Network Service Income	1.30	0.00	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. However, such transaction no longer occurs.
2) Other income : Site rental	0.21	0.00	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. However, such transaction no longer occurs.
3) Other income : Office rental income	0.31	0.00	The Company rent office building space from a third party and GCSV shared the space in the building, therefore,
4) Other Income : Service Fee	0.27	0.00	the Company had to charge the office rental fee and service fee from GCSV. However, such transaction no longer occurs.
5) Management income	0.61	0.00	GCSV shared human resources with the Company and the Company realized the expense as a management fee. However, currently, such expense no longer occurs.
6) Cost of services and sales (optical fiber cables lease)	14.40	9.60	In the past, the Company could not construct networks in some areas, then, had to lease parts of GCSV's network. However, since 1 September 2011, the Company has bought the network assets from GCSV, therefore, the transaction no longer occurs.
7) Acquisition of network equipment	0.37	11.80	The Company purchased network assets from GCSV as mentioned in item 6)

## Related parties Global Crossing Systems Ltd. (GCS)

Relationship : Having common major shareholders and board of directors

Type of Transactions	2010 (MB)	2011 (MB)	Rationale / Necessity
1) Other income : Office rental income	0.15	0	The Company rent office building space from a third party and GCS shared the space in the building, therefore, the
2) Other income : Office service income	0.14	0	Company had to charge the office rental fee and service rental fee from GCS. However, the transaction no longer occurs.
3) Other income : Maintenance fee	0.14	0.00	GCS entered into agreement with the Expressway Authority of Thailand (EXAT) which GCS had to guarantee the operations of equipment provided to EXAT for 2 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.
4) Management Fee	0.41	0.00	The Company shared fixed asset utilization with GCS, so the Company had to share expenses with GCS. However, the transaction no longer occurs.
5) Acquisition of network equipment	2.59	0.00	The Company purchased network equipments from GCS at the net book value. However, the transaction no longer occurs.

## Related parties Mr. Virachai Wongjirasak

Relationship : Director (Retired by rotation since 19 April 2011)

Type of Transactions	2010 (MB)	2011 (MB)	Rationale / Necessity
1) Consultant fee	0.93	0	In the year of 2007-2010, Mr. Virachai Wongjirasak received compensation as the Company's financial consultant while he also was a director. However, during 2007 - 2009 he did not receive any compensation as a director and at present, the transaction no longer occurs.

**Related parties Mr. Niphol Suwannachet**

Relationship : Major shareholder and director (Retired by rotation since 19 April 2011)

Type of Transactions	2010 (MB)	2011 (MB)	Rationale / Necessity
1) Consultant fee	1.50	0.00	Mr. Niphol Suwannachet was 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. No transaction occurred in 2011.

**Related parties Shareholders/Directors/Executives**

- |                                      |                             |                                  |
|--------------------------------------|-----------------------------|----------------------------------|
| 1. Mr. Teerarat Pantarasutra         | 2. Mr. Kranphol Asawasuwana | 3. Mr. Pathomkrit Srisuphakhanin |
| 4. Mr. Pongthep Thanakijuntorn       | 5. Mr. Niphol Suwannachet   | 6. Mr. Virachai Wongjirasak      |
| 7. Ms. Bussakorn Jaruwachirathanakul | 8. Mr. Manoch Youbunyong    | 9. Mr. Wanchai Somboonphon       |

Relationship : No. 1-7 are shareholders and Directors of the Company No. 8 - 9 are shareholders

Type of Transactions	2010 (MB)	2011 (MB)	Rationale / Necessity
1) Guaranteed the loan of the Company with a fixed deposit in total amount of 60 MB, the guarantee amount of each person calculated 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 needed to borrow for business operation but had no collateral. Therefore, the shareholders / directors pledged their personal funds as the collateral for the loan. In November 2010, the Company has paid back the loan in full amount and cancelled the credit facility as well as redeemed the guarantees.

# Management Discussion and Analysis Year 2011

## Operating Highlights

- Achieved strong growth in all aspects; Revenue, EBITDA, Net Profit and Operating Cash Flow
- Leased Line Service Income in 2011 was Baht 655.19 million, grew 21.94%
- EBITDA in 2011 was Baht 424.78 million, grew 19.55%
- Impact of flood crisis on 2011 operating results was around Baht 12 million
- Net Profit in 2011 was Baht 212.34 million, grew 7.08%
- Generated strong operating cash flow of Baht 353.38 million, increased by 33.39%
- Successfully accessed new markets i.e. Digital Broadcasting, Access Network, Private Network, Data Center and International Leased Circuit
- Extended services to 10 industrial estates and expanded RE coverage in additional 55 buildings, now RE service available in 83 buildings
- To launch IPLC service in 2Q2012
- Leased line service market continues to grow, given ICT market will continue to be in the upward trend with support growth factors from increasing usage of Smart Devices, Cloud Computing and DROC
- Government announced Corporate Income Tax Rate reduction from 30% to 23% in 2012 and to 20% from 2013 onward

## 2011 Operating Performance Overview

In 2011, the Company achieved strong growth in all aspects of Revenue, EBITDA, Net Profit and Operating Cash Flow. Total revenues in 2011 were Baht 705.88 million, increased by Baht 128.45 million or 22.25%. EBITDA in 2011 was Baht 424.78 million, increased by Baht 69.45 million or 19.55%. Net Profit in 2011 was Baht 212.34 million, increased by Baht 14.03 million or 7.08% and the Company generated strong operating cash flow of Baht 353.38 million, increased by Baht 88.47 million driven by extensive service coverage expansion that after the IPO, the Company has strong financial capability. The Company has expanded coverage areas in 10 industrial estates and RE service coverage from 28 buildings at the end of 2010, to 83 buildings at the end of 2011 to better serve demand from customers that continue to grow both in term of numbers of circuits and bandwidth. The Company also successfully accessed new markets. Previously, customer base was concentrated in ISP market, the Company has accessed new potential markets i.e. Digital Broadcasting, Access Network, Private Network, Data Center and International Leased Circuit.

In 4Q2011, Thailand was hard hit by flood crisis, however, the Company managed to maintain the smooth service as most of our customers are located in Bangkok's Central Business District or high-rise buildings that were safe from the flood damage. For those customers that located in severely affected areas, we had tried our best to provide continuous service, for example rerouting the circuits to their temporary offices, or data center etc. From this crisis, some of our customers had temporarily halted their operations, thus affected 4Q2011 revenue from service fee waiver and also extra cost from protection



and maintenance of network equipments as well as financial assistance to affected employees. The impact of flood crisis to 2011 operation results was around Baht 12 million. At present, most of affected customers have resumed the operations. Nevertheless, this flood crisis generated increased demand for data center usage.

## Statements of Comprehensive Income

	2010		2011		Change	
	Amount (MB)	(%)	Amount (MB)	(%)	Amount (MB)	(%)
<b>Revenue</b>						
Service Income	537.33	93.06%	655.19	92.82%	117.87	21.94%
• Metro Ethernet	270.27	46.81%	381.11	53.99%	110.85	41.01%
• Ready Ethernet	43.55	7.54%	49.56	7.02%	6.01	13.80%
• TDM	97.42	16.87%	95.21	13.49%	-2.21	-2.27%
• SDH & EoSDH	44.47	7.70%	54.40	7.71%	9.93	22.33%
• Dark Fiber	60.32	10.45%	52.53	7.44%	-7.79	-12.91%
• Last Mile Network Mgt and Equipment Installation	21.30	3.69%	22.38	3.17%	1.08	5.07%
Sales Income	3.13	0.54%	7.59	1.07%	4.45	142.28%
Management and maintenance service income - network	30.00	5.20%	30.00	4.25%	0.00	0.00%
Management Fee Income	0.61	0.11%	0.00	0.00%	-0.61	-100.00%
Other revenue	6.36	1.10%	13.10	1.86	6.74	106.08%
<b>Total Revenue</b>	<b>577.43</b>	<b>100.00%</b>	<b>705.88</b>	<b>100.00%</b>	<b>128.45</b>	<b>22.25%</b>
<b>Expense</b>						
Cost of Services and Sales	179.69	31.12%	244.44	34.63%	64.75	36.03%
<b>Gross Profit</b>	<b>391.38</b>	<b>67.78%</b>	<b>448.34</b>	<b>63.52%</b>	<b>56.96</b>	<b>14.55%</b>
Service Expenses	25.68	4.45%	28.46	4.03%	2.78	10.83%
General & Administrative Expense	96.35	16.69%	127.73	18.10%	31.38	32.57%
<b>EBIT</b>	<b>275.70</b>	<b>47.75%</b>	<b>305.25</b>	<b>43.24%</b>	<b>29.54</b>	<b>10.72%</b>
Depreciation & Amortization	79.63	13.79%	119.54	16.93%	39.91	50.11%
<b>EBITDA</b>	<b>355.33</b>	<b>61.54%</b>	<b>424.78</b>	<b>60.18%</b>	<b>69.45</b>	<b>19.55%</b>
Interest Expense	0.38	0.07%	0.21	0.03%	-0.17	-45.18
<b>EBT</b>	<b>275.32</b>	<b>47.68%</b>	<b>305.04</b>	<b>43.21%</b>	<b>29.72</b>	<b>10.79%</b>
Corporate Income Tax	77.01	13.34%	92.70	13.13%	15.66	20.37%
<b>Net Income</b>	<b>198.31</b>	<b>34.34%</b>	<b>212.34</b>	<b>30.08%</b>	<b>14.03</b>	<b>7.08%</b>

## Service fee by applications

	2010		2011		Change	
	Amount (MB)	(%)	Amount (MB)	(%)	Amount (MB)	(%)
Access Newtork	56.70	10.55%	73.04	11.15%	16.34	28.82%
Digital Broadcast	5.14	0.96%	30.28	4.62%	25.14	489.11%
International Leased Circuit	61.46	11.44%	73.06	11.15%	11.60	18.87%
Internet Access	291.33	54.22%	346.50	52.89%	55.17	18.94%
Private Network	111.38	20.73%	121.75	18.58%	10.37	9.31%
Others	11.32	2.11%	10.56	1.61%	-0.76	-6.74%
<b>Total Service Income</b>	<b>537.33</b>	<b>100.00%</b>	<b>655.19</b>	<b>100.00%</b>	<b>117.87</b>	<b>21.94%</b>

## Revenue

Total revenues in 2011 were Baht 705.88 million, increased by Baht 128.45 million or 22.25% comparing to 2010 that was Baht 577.42 million driven by growing Leased Line Service Income that grew 21.94% from Baht 537.33 million in 2010 to Baht 655.19 million in 2011. The demand grew both in term of number of circuits and bandwidth as well as strong emerging demand in Digital Broadcast, Private Network, Data Center, International Private Leased Circuit, etc. In addition, the network capacity has increased as a result of network coverage expansion and continuous quality development.

Revenue from sales in 2011 was Baht 7.59 million, increased by Baht 4.46 million comparing to 2010 that was Baht 3.13 million. Revenue from sales was derived from equipments sold and network installation.

Management and maintenance service income - network was derived from a long-term contract to manage the network & equipments for a customer with a monthly fee of Baht 2.50 million, therefore, the Company recorded Management and maintenance service income - network in 2010 and 2011 in the amount of Baht 30.00 million per year.

There was no Income from related companies in 2011 while in 2010 Income from related companies was Baht 3.11 million, which comprised Management Fee Income, Network Service Income, Rental Fee and other income from Global Crossing Services Co., Ltd., (GCSV). 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 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 in 2011 was Baht 13.10 million, increased by Baht 6.14 million comparing to 2010 that was Baht 6.96 million, mainly due to interest receive from Bank Deposit and Short-term B/E.

### Cost of Services and Sales

Cost of Services and Sales in 2011 was Baht 244.44 million, increased by Baht 64.75 million YoY or 36.03% mainly resulting from the network expansion and increased number of customers, thus increased related cost e.g. depreciation of network and equipment, initial fee for in-building equipment installation, site rental, right of way permission fee and etc. The major cost of service and sales was depreciation, which was Baht 104.08 million in 2011, increased by Baht 33.72 million from 2010. Other increased cost of service and sales were Salary expense of Engineer department, due to increased number of engineers to support the expansion as well as adjusted benefits to match the market situation according to the employee benefit evaluation project, and increased Universal Service Obligation (USO) fee that calculated at the rate of 4% of service income.

### Service Expenses

Service Expenses in 2011 was Baht 28.46 million, increased by Baht 2.78 million YoY due to expense for market research and customer relations activities.

### Administrative expenses

Administrative Expenses in 2011 was Baht 127.73 million, increased by Baht 31.38 million YoY mainly resulting from higher Employee expenses as the Company has adjusted the structure of employee and management benefits to match the market situation according to the employee benefit evaluation project, in order to motivate and retain talented personnel, also the provision for long-term employee benefits that required by new accounting standard and employee related expenses e.g. training, overseas field trip, employee activities, etc. Other increases in administrative expenses were due to increase in depreciation of leasehold improvement and office rental resulting from office relocation to serve business expansion, increased software depreciation due to the upgrading to serve the expansion.

Administrative Expenses that decreased YoY were IPO-related expenses e.g. Financial Advisor Fee, Legal Advisor Fee, and other operating expenses that has been controlled to a suitable level, and management fee to a related company for utilization of common assets but no longer occur.

## Gross Profit, EBITDA and Net Profit

**Gross Profit :** In 2011, the Company recorded Gross Profit in the amount of Baht 448.38 million, increased by Baht 56.96 million or 14.55% YoY comparing to 2010 that was Baht 391.38 million.

**EBITDA :** In 2011, EBITDA was Baht 424.78 million, increased by Baht 69.45 million or an increase of 19.55% YoY. The growth of EBITDA mainly resulted from expansion of network coverage area and customer base as well as maintaining service quality control at premium level. The Company also gear up for new business opportunities which has lower price competition as well as implementing efficient cost control measure.

**Corporate Income Taxes :** In 2011, Corporate Income Taxes was Baht 92.70 million, increased by Baht 15.68 million due to higher income before tax and in 2010 there was IPO underwriting fee which was a taxable expense, while accounting wise, is a non-expense item that recorded as a deduction of premium on share in Balance Sheet. The Company paid corporate income tax rate at 30%.

**Net Profit :** In 2011, Net Profit was Baht 212.34 million, increased by Baht 14.03 million or 7.08% YoY comparing to 2010 that was Baht 198.31 million.

## Statement of Financial Position

	31 Dec 2010		31 Dec 2011		Change	
	Amount (MB)	(%)	Amount (MB)	(%)	Amount (MB)	(%)
<b>Asset</b>						
<u>Current Asset</u>						
Cash and Cash Equivalent	351.46	27.91%	171.32	12.47%	-180.14	-51.25%
Short-term Investment	301.00	23.91%	220.00	16.01%	-81.00	-26.91%
Trade and other receivables	70.14	5.57%	98.11	7.14%	27.97	39.88%
Inventories	1.82	0.14%	3.91	0.28%	2.09	114.35%
Other current Assets	9.19	0.73%	12.44	0.91%	3.25	35.39%
<b>Total current asset</b>	<b>733.62</b>	<b>58.26%</b>	<b>505.78</b>	<b>36.80%</b>	<b>-277.83</b>	<b>-31.06%</b>
<u>Non Current Asset</u>						
Restricted deposits all financial institution	2.17	0.17%	0.00	0.00%	-2.17	-100.00%
Network equipment	449.96	35.73%	773.39	56.28%	323.43	71.88%
Equipment	53.09	4.22%	54.60	3.97%	1.52	2.86%
Intangible assets	10.15	0.81%	15.49	1.13%	5.35	52.69%
Other Non-current Assets	10.18	0.81%	25.03	1.82%	14.85	145.92%
<b>Total non current asset</b>	<b>525.54</b>	<b>41.74%</b>	<b>868.52</b>	<b>63.20%</b>	<b>342.98</b>	<b>65.26%</b>
<b>Total Asset</b>	<b>1,259.16</b>	<b>100.00%</b>	<b>1,374.30</b>	<b>100.00%</b>	<b>115.14</b>	<b>9.14%</b>
<b>Liabilities</b>						
<u>Current Liabilities</u>						
Trade and other payables	81.01	6.43%	126.49	9.20%	45.48	56.14%
Deferred income and advance received from customers	36.54	2.90%	81.38	5.92%	44.83	122.68%
Corporate Income Tax Payable	25.10	1.99%	36.22	2.64%	11.12	44.33%
Other current liabilities	4.31	0.34%	6.35	0.46%	2.04	47.33%
<b>Total current liabilities</b>	<b>146.96</b>	<b>11.67%</b>	<b>250.44</b>	<b>18.22%</b>	<b>103.48</b>	<b>70.41%</b>
<u>Non current Liabilities</u>						
Loans from Intercompanies and Others-Net	0.00	0.00%	0.87	0.06%	0.87	-
Loans from Intercompanies and Others-Net	0.00	0.00%	10.40	0.76%	10.40	-
<b>Total non current liabilities</b>	<b>0.00</b>	<b>0.00%</b>	<b>11.27</b>	<b>0.82%</b>	<b>11.27</b>	<b>-</b>
<b>Total Liabilities</b>	<b>146.96</b>	<b>11.67%</b>	<b>261.71</b>	<b>19.04%</b>	<b>114.75</b>	<b>78.08%</b>
<u>Shareholders's equity</u>						
Issued and Paid-up Capital	300.00	23.83%	300.00	21.83%	0.00	0.00%
Premium on Share Capital	548.76	43.58%	548.76	39.93%	0.00	0.00%
Retained Earning						
• Appropriated - Statutory Reserved	30.00	2.38%	30.00	2.18%	0.00	0.00%
• Unappropriated	233.44	18.54%	233.83	17.01%	0.40	0.17%
<b>Total Shareholders' equity</b>	<b>1,112.20</b>	<b>88.33%</b>	<b>1,112.59</b>	<b>80.96%</b>	<b>0.40</b>	<b>0.04%</b>
<b>Total Liabilities &amp; Shareholders' Equity</b>	<b>1,259.16</b>	<b>100.00%</b>	<b>1,374.30</b>	<b>100.00%</b>	<b>115.14</b>	<b>9.14%</b>

## Assets

Total assets as at 31 December 2011 was totaled Baht 1,374.30 million, increased by Baht 115.14 million from 31 December 2010 that Total Assets was Baht 1,259.16 million mainly due to increase in network equipment that increased by Baht 323.43 million due to the investment of network expansion while cash and short-term investment reduced according to the investment and also dividend payment in 2011 in the total amount of Baht 203.97 million. However, the cash, cash equivalent and short-term investment to support the investment projects and day-to-day operation at the end of 2011 were total Baht 391.32 million.

## Liabilities and Shareholders' Equity

### Liabilities

Total Liabilities as of 31 December 2011 was totaled Baht 261.71 million, increased by Baht 114.75 million from the end of last year that Total Liabilities was Baht 146.96 million mainly due to Trade and other payables that increased by Baht 45.48 million from the end of last year mainly resulting from increase in network and equipment purchase. Deferred income and advance received from customers increased by Baht 44.83 according to the increase in advance receive from long-term contracts that the company gradually recognizes the revenue over the contract period. Deferred income tax increased by Baht 11.12 resulting from increase profit in 2011. Provision for long-term employee benefits increased by Baht 10.40 million due to the adoption of a new accounting standard regards employee benefits in 2011.

### Shareholders' Equity

Shareholders' Equity as of 31 December 2011 was totaled Baht 1,112.59 million, increased by Baht 0.40 million from the end of last year that total Shareholders' Equity was Baht 1,112.20 million, due to the net profit of 2011, offset by dividend payment and the adjustment of Provision for long-term employee benefits.

The Company has strong financial position, having cash, cash equivalent and short-term investment at the end of 2011 totaled Baht 391.32 million with low D/E ratio at 0.24x. Moreover, the Company received financial supports from financial institutions that approved Uncollateralized Credit Facilities in the form of Letter of Guarantee Credit Lines totaled Baht 60 million, Overdraft, Promissory Note Credit Lines totaled Baht 160 million to support the day-to-day operation and future expansion. As at 31 December 2011, there was no loan outstanding. This reflects the Company's financial strength and the flexibility to capitalize on opportunities as and when they arise.

## Statement of Cash flow

In 2011, the Company's generating strong cash flows from operating activities in the amount of Baht 353.38 million, increased from that of operating year 2010 by Baht 88.47 million. Cash paid for investing activities was Baht 329.49 million, mainly due to investment for network expansion. The Company paid dividend to shareholders totaled Baht 203.97 million. Therefore, cash and cash equivalents at the end of period was Baht 171.32 million, decreased from at the end of last year by Baht 180.14 million. At the end of the period, the Company has short-term investment in the form of bill of exchange and fixed deposit in the total amount of Baht 350.00 million, available for the investment need to expand network coverage in high potential areas. Nevertheless, the Company will prudently invest in order to achieve sustainable growth.



## Board of Directors' Responsibility for Financial Reporting

### 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 judgment 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 2011 that all these financial statements have been prepared in accordance with generally accepted accounting principles and related regulations.



Woodtipong Moleechad

Chairman



Kranphol Asawasuwana

President

# Audit Committee Report 2011

To The Shareholders of Symphony Communication Public Company Limited

The Audit Committee of Symphony Communication Public Company Limited comprises three independent directors whose qualifications fully comply with requirements of the Securities and Exchange Commission, namely Mr. Jitkasem Sangsingkeo, Chairman of the Audit Committee, Mr. Woodtipong Moleechad and Mr. Prasitt Hemwarapornchai, members of the Audit Committee. The secretary of Audit Committee is Ms. Warun Aumetanapan.

In 2011, the Audit Committee performed its duties in compliance with the Audit Committee Charter approved by the Board of Directors. The Audit Committee held at least once every quarter, total six meetings held in 2011, 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. Reviewed 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 were prepared in accordance with legal requirements and generally accepted accounting principles.

2. Reviewed the internal control system to evaluate suitability and efficiency of current internal control system. The Audit Committee reviewed the planned quarterly audit reports. There was 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 independent internal auditor to review, suggest and independently audit on a regular basis.

3. Reviewed the internal audit system. The Company outsources an independent internal auditor to review internal audit activities and evaluate adequacy of internal control system. The independent internal auditor had directly reported the result to the Audit Committee on quarterly basis. The Audit Committee had 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. Reviewed 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. Reviewed the risk management system. The Audit Committee had 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.

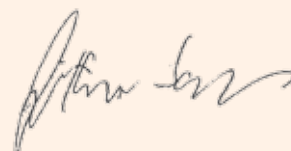
6. Reviewed the connected transactions and its disclosure in the notes of audited financial statements. The Audit Committee has common opinion with the independent auditor that the connected transactions were done on normal course of business and of the Company's interest, and completely disclosed.

7. Nominated and recommended compensation of external auditor for the year 2012 and presented to the Board of Directors for final approval from the 2012 Annual General Meeting of Shareholders. The Audit Committee had 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 2012 with the compensation of Baht 945,000. If the nominated auditor is appointed for the year 2012, the year in office will be the fourth 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 2011 by comparing to that stated in the Audit Committee Charter and the good practice. For 2011, 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 that consistent with the Good Corporate Governance Practice.

On behalf of Audit Committee



Mr. Jitkasem Sangsingkeo

Chairman of the Audit Committee

Symphony Communication Public Company Limited

# Report of Independent Auditor

To the Shareholders of Symphony Communication Public Company Limited

I have audited the statements of financial position of Symphony Communication Public Company Limited as at 31 December 2011 and 2010, and the related statements of comprehensive 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 2011 and 2010, and the results of its operations and cash flows for the years then ended, in accordance with generally accepted accounting principles.

Without qualifying my opinion on the above financial statements, I draw attention to the matter as discussed in Notes 3 and 5 to the financial statements, during the current year, the Company adopted the new accounting standard issued by the Federation of Accounting Professions, and applied it in its preparation and presentation of the financial statements.



Pimjai Manitkajohnkit

Certified Public Accountant (Thailand) No. 4521

Ernst & Young Office Limited

Bangkok: 16 February 2012

# Financial Statements

## Symphony Communication Public Company Limited

### Statements of financial position

As at 31 December 2011 and 2010

		(Unit: Baht)	
	Note	2011	2010
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents	9	171,322,996	351,460,679
Short-term investments	10	220,000,000	301,004,950
Trade and other receivables	11	98,113,244	70,139,856
Inventories		3,909,732	1,823,981
Other current assets		12,437,639	9,186,770
<b>Total current assets</b>		<b>505,783,611</b>	<b>733,616,236</b>
<b>Non-current assets</b>			
Restricted deposit at financial institution	12	-	2,169,279
Network equipment	13	773,388,654	449,960,318
Equipment	14	54,602,562	53,086,206
Intangible assets	15	15,492,716	10,146,706
Other non-current assets		25,034,335	10,179,978
<b>Total non-current assets</b>		<b>868,518,267</b>	<b>525,542,487</b>
<b>Total assets</b>		<b>1,374,301,878</b>	<b>1,259,158,723</b>

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

## Symphony Communication Public Company Limited

## Statements of financial position (continued)

As at 31 December 2011 and 2010

		(Unit : Baht)	
	Note	2011	2010
<b>Liabilities and shareholders' equity</b>			
<b>Current liabilities</b>			
Trade and other payables	16	126,493,958	81,011,909
Deferred income and advance received from customers		81,375,646	36,544,105
Corporate income tax payable		36,221,769	25,096,947
Other current liabilities	17	6,346,189	4,307,374
<b>Total current liabilities</b>		<b>250,437,562</b>	<b>146,960,335</b>
<b>Non-current liabilities</b>			
Liabilities under finance lease agreements, net of			
current portion	17	871,332	-
Provision for long-term employee benefits	18	10,398,320	-
<b>Total non-current liabilities</b>		<b>11,269,652</b>	<b>-</b>
<b>Total liabilities</b>		<b>261,707,214</b>	<b>146,960,335</b>
<b>Shareholders' equity</b>			
Share capital			
Registered			
300,000,000 ordinary shares of Baht 1 each		300,000,000	300,000,000
Issued and paid up			
300,000,000 ordinary shares of Baht 1 each		300,000,000	300,000,000
Share premium		548,761,440	548,761,440
Retained earnings			
Appropriated - statutory reserve	19	30,000,000	30,000,000
Unappropriated		233,833,224	233,436,948
<b>Total shareholders' equity</b>		<b>1,112,594,664</b>	<b>1,112,198,388</b>
<b>Total liabilities and shareholders' equity</b>		<b>1,374,301,878</b>	<b>1,259,158,723</b>

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



## Symphony Communication Public Company Limited

## Statements of comprehensive income

For the years ended 31 December 2011 and 2010

(Unit : Baht)

	Note	2011	2010
<b>Revenues</b>			
Lease line service income		655,194,608	537,326,921
Revenue from sales of network equipment		7,585,000	3,130,652
Management and maintenance service income - network		30,000,000	30,000,000
Management fee income		-	610,723
Other income		13,099,515	6,356,516
<b>Total revenues</b>		<b>705,879,123</b>	<b>577,424,812</b>
<b>Expenses</b>			
Cost of services and sales		244,439,783	179,689,724
Service expenses		28,462,032	25,680,353
Administrative expenses		127,730,510	96,352,551
<b>Total expenses</b>		<b>400,632,325</b>	<b>301,722,628</b>
<b>Profit before finance cost and corporate income tax</b>		<b>305,246,798</b>	<b>275,702,184</b>
Finance cost		(209,608)	(382,374)
<b>Profit before corporate income tax</b>		<b>305,037,190</b>	<b>275,319,810</b>
Corporate income tax		(92,696,076)	(77,011,522)
<b>Profit for the year</b>		<b>212,341,114</b>	<b>198,308,288</b>
<b>Other comprehensive income:</b>			
Other comprehensive income for the year		-	-
<b>Total comprehensive income for the year</b>		<b>212,341,114</b>	<b>198,308,288</b>
<b>Basic earnings per share</b>	21		
<b>Profit for the year</b>		<b>0.71</b>	<b>0.85</b>
<b>Weighted averaged number of ordinary shares (shares)</b>		<b>300,000,000</b>	<b>233,498,630</b>

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

## Symphony Communication Public Company Limited

### Statements of cash flows

For the years ended 31 December 2011 and 2010

	(Unit : Baht)	
	2011	2010
<b>Cash flows from operating activities</b>		
Profit before tax	305,037,190	275,319,810
Adjustments to reconcile profit before tax to net cash provided by (paid from) operating activities:		
Depreciation	117,444,287	79,195,842
Amortisation of intangible assets	2,091,204	434,171
Write-off of fixed assets	1,409,335	3,676,950
Loss on sales of fixed assets	582,189	313,406
Allowance for impairment of fixed assets (reversal)	2,300,000	(1,213,600)
Write-off of other assets	-	1,414,480
Provision for long-term employee benefits	2,451,442	-
Interest income	(12,493,507)	(905,194)
Interest expenses	18,463	233,982
Income from operating activities before changes in operating assets and liabilities	418,840,603	358,469,847
Operating assets decrease (increase)		
Trade and other receivables	(27,924,233)	(3,805,736)
Inventories	(2,085,751)	1,493,021
Other current assets	(3,250,869)	(2,337,640)
Other non-current assets	(15,811,621)	(5,481,347)
Operating liabilities increase (decrease)		
Trade and other payables	18,619,428	3,668,804
Deferred income and advance received from customers	44,831,541	3,799,590
Other current liabilities	1,752,143	(1,030,052)
Cash flows from operating activities	434,971,241	354,776,487
Cash paid for interest expenses	(18,463)	(233,982)
Cash paid for corporate income tax	(81,571,254)	(89,628,815)
<b>Net cash flows from operating activities</b>	<b>353,381,524</b>	<b>264,913,690</b>

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

## Symphony Communication Public Company Limited

## Statements of cash flows (continued)

For the years ended 31 December 2011 and 2010

(Unit : Baht)

	2011	2010
<b>Cash flows from investing activities</b>		
Decrease (increase) in current investments	81,004,950	(301,004,950)
Decrease (increase) in restricted deposits at financial institution	2,169,279	(1,169,279)
Cash paid for acquisition of network equipment	(400,554,505)	(139,016,352)
Cash paid for acquisition of equipment	(19,131,125)	(36,297,985)
Acquisition of intangible assets	(7,185,094)	(5,497,716)
Decrease (increase) in deposits of network equipment	957,264	(1,539,550)
Interest income	12,444,352	562,239
Proceed from sales of fixed assets	801,772	49,631
<b>Net cash flows used in investing activities</b>	<b>(329,493,107)</b>	<b>(483,913,962)</b>
<b>Cash flows from financing activities</b>		
Cash paid for liabilities under finance lease agreements	(59,555)	-
Proceed from increase in share capital	-	623,761,440
Dividend paid	(203,966,545)	(61,875,000)
<b>Net cash flows from (used in) financing activities</b>	<b>(204,026,100)</b>	<b>561,886,440</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>(180,137,683)</b>	<b>342,886,168</b>
Cash and cash equivalents at beginning of year	351,460,679	8,574,511
<b>Cash and cash equivalents at end of year (Note 9)</b>	<b>171,322,996</b>	<b>351,460,679</b>
<b>Supplement cash flows information:</b>		
Non-cash item consist of		
Increase in accounts payable - purchase of network equipment	30,718,441	13,272,518
Increase (decrease) in accounts payable - purchase of equipment	(4,139,355)	5,964,422
Increase in accounts payable - purchase of intangible assets	252,120	-
Increase in liabilities under finance lease agreement	1,217,559	-

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 2011 and 2010

(Unit : Baht)

	Note	Issued and paid-up share capital	Share premium	Retained earnings		Total
				Appropriated Statutory reserve	Unappropriated	
Balance as at 31 December 2009		225,000,000	-	22,500,000	104,503,660	352,003,660
Share capital issued		75,000,000	-	-	-	75,000,000
Share premium		-	548,761,440	-	-	548,761,440
Dividend paid	24	-	-	-	(61,875,000)	(61,875,000)
Total comprehensive income		-	-	-	198,382,288	198,382,288
Unappropriated retained earnings transferred to statutory reserve	19	-	-	7,500,000	(7,500,000)	-
<b>Balance as at 31 December 2010</b>		<b>300,000,000</b>	<b>548,761,440</b>	<b>30,000,000</b>	<b>233,436,948</b>	<b>1,112,198,388</b>
Balance as at 31 December 2010		300,000,000	548,761,440	30,000,000	233,436,948	1,112,198,388
Cumulative effect of changes in accounting policy for employee benefits	5	-	-	-	(7,946,878)	(7,946,878)
Dividend paid	24	-	-	-	(203,997,960)	(203,997,960)
Total comprehensive income for the year		-	-	-	212,341,114	212,341,114
<b>Balance as at 31 December 2011</b>		<b>300,000,000</b>	<b>548,761,440</b>	<b>30,000,000</b>	<b>233,833,224</b>	<b>1,112,594,664</b>

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

## Symphony Communication Public Company Limited

### Notes to financial statements

For the years ended 31 December 2011 and 2010

## 1. General information

### 1.1 Corporate information

Symphony Communication Public Company Limited (“the Company”) is a public company incorporated and domiciled in Thailand. The Company is principally engaged in the render of communication high speed circuit services. The registered office of the Company is at 123 Sun Towers Building B, 35th-36th Floor, Vibhavadee Rangsit Road, Chomphon, Chatuchak, Bangkok.

The Company was awarded an International Direct Dialing License from the National Broadcasting and Telecommunications Commission (NBTC) 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
Internet Operation License Type 2	10 June 2011	5 years
Telecom Operation License Type 3	10 August 2011	15 years

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 recognised a contingent liability on these obligations in its accounts.

As the Company was awarded an Internet Operation Business Type 2 license and an Telecom Operation License Type 3 on 10 June 2011 and 10 August 2011, respectively. The Company is in the process of preparing to provide service.

The Company is committed to comply with conditions stipulated under the licenses 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.

## 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 28 September 2011, issued under the Accounting Act B.E. 2543.

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

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

### 3. Adoption of new accounting standards during the year

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

#### Accounting standards:

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

#### Financial reporting standards:

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

## Financial Reporting Standard Interpretations:

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

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

**TAS 19 Employee Benefits**

This accounting standard requires employee benefits to be recognised 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 using actuarial techniques. The Company previously accounted for such employee benefits when they were incurred.

The Company has changed this accounting policy in the current year and recognise the liability in the transition period through an adjustment to the beginning balance of retained earnings in the current year. The change has the effect of decreasing the profit of the Company for the year ended 31 December 2011 by Baht 2.5 million (Baht 0.008 per share). The cumulative effect of the changes in the accounting policy has been presented in Note 5.

**4. New accounting standards issued during the years not yet effective**

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

## Accounting standards:

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

## Accounting Standard Interpretations:

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

The 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 standard.

**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.



## 5. Cumulative effect of changes in accounting policies due to the adoption of new accounting standards

During the current year, the Company made the changes to its significant accounting policies described in Note 3, as a result of the adoption of new accounting standard. The cumulative effect of the changes in the accounting policies has been separately presented in the statements of changes in shareholders' equity.

The amounts of adjustments affecting the statement of financial position as at 1 January 2011 are summarised below.

	(Unit: Thousand Baht)	
	As restated	As previously reported
<b>Statements of financial position</b>		
Provision for long-term employee benefits	7,947	-
Unappropriated retained earnings	225,490	233,437

## 6. Significant accounting policies

### 6.1 Revenue recognition

#### Sales of goods

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

#### Rendering of services

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

#### Interest income

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

### 6.2 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.

### 6.3 Trade and other receivables and allowance for doubtful accounts

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

### 6.4 Inventories

Inventories consist of supply and net work equipment are value at the lower of cost and net realisable value.

### 6.5 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 derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on disposal of an asset is included in profit or loss when the asset is derecognized.

### 6.6 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 derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on disposal of an asset is included in profit or loss when the asset is derecognised.

### 6.7 Intangible assets and amortisation

Acquired intangible assets are measured at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses (if any).

Intangible assets with finite lives are amortised 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 amortisation period and the amortisation method of such intangible assets are reviewed at least at each financial year end. The amortisation expense is charged to profit or loss.

The intangible assets with finite useful lives is as follows.

	Useful lives
Computer software	5 years

## 6.8 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.

## 6.9 Long-term leases

Leases of equipment which transfer substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the lower of the fair value of the leased assets and the present value of the minimum lease payments. The outstanding rental obligations, net of finance charges, are included in long-term payables, while the interest element is charged to profit or loss over the lease period. The assets acquired under finance leases is depreciated over the useful life of assets.

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

## 6.10 Impairment of assets

At the end of each reporting period, 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.

An impairment losses is recognised in profit or loss.

In the assessment of asset impairment if there is any indication that previously recognised impairment losses may no longer exist or may have decreased, the Company estimates the asset's recoverable amount. A previously recognised 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 recognised. 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 recognised for the asset in prior years. Such reversal is recognised in profit or loss 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.

### 6.11 Employee benefits

#### Short-term employee benefits

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

#### Post-employment benefits

##### Defined contribution plans

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

##### Defined benefit plans

The Company has obligations in respect of the severance payments it must make to employees upon retirement under labor law. The Company treats these severance payment obligations as a defined benefit plan.

The obligation under the defined benefit plan is determined based on actuarial techniques, using the projected unit credit method.

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

### 6.12 Provisions

Provisions are recognised 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.

### 6.13 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.

## 7. Significant accounting judgments and estimates

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

#### 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 amortisation

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

In determining amortisation 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.

### Post-employment benefits under defined benefit plans

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

## 8. 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 of the Company and were concluded on commercial terms and bases agreed upon between the Company and those related parties.

(Unit : Million Baht)

	2011	2010	Transfer pricing policy
<b>Transaction with related parties</b>			
Rental and service income	-	3	Contract price
Management income	-	1	At a rate of 20% of the revenue before deducting expenses
Rental and service expenses	10	14	Contract price
Management expenses	-	1	Approximates cost
Acquisition of network equipment and intangible assets	12	3	Approximates cost
Dividends paid	-	54	As declared
Management benefit expenses	26	21	Rate as stipulated in agreements / the approval of Annual General Meeting of the shareholders

### Directors and management's benefits

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

	(Unit : Million Baht)	
	2011	2010
Short-term employee benefits	25	21
Post-employment benefits	1	-
Total	26	21

## 9. Cash and cash equivalents

	(Unit : Thousand Baht)	
	2011	2010
Cash	50	50
Bank deposits	141,273	71,411
Bills of exchange	30,000	280,000
Total	171,323	351,461

As at 31 December 2011, bank deposits in saving accounts, fixed deposits and bills of exchange carried interests between 0.50% and 3.30% per annum (2010: between 0.25% and 2.05% per annum).

## 10. Current investments

As at 31 December 2011, the Company's current investments are bills of exchange and fixed deposits of Baht 220 million (2010: Baht 301 million). These carried interests between 3.70% and 4.15% per annum (2010: 0.65% and 2.40% per annum).

## 11. Trade accounts receivable and accrued income

	(Unit : Thousand Baht)	
	2011	2010
<b>Trade receivables</b>		
Aged on the basis of due dates		
Not yet due	85,913	57,386
Past due		
Up to 3 months	9,455	6,116
3 - 6 months	-	1,030
6 - 12 months	-	876
Over 12 months	711	1,085
Total	96,079	66,493
Less : Allowance for doubtful debts	(578)	(1,069)
Trade accounts receivable, net	95,501	65,424
<b>Other receivables</b>		
Interest receivable	392	343
Accrued income	2,220	4,373
Other receivables	2,612	4,716
Trade and other receivables - net	98,113	70,140

## 12. Restricted deposit at financial institution

These represent fixed deposit pledged at financial institution to secure for guarantee fiber optic network use. The Company now uses bank guarantee instead.



### 13. Network equipment

(Unit : Thousand Baht)

	Network equipment	Network equipment under installation	Total
<b>Cost</b>			
1 January 2010	408,574	50,752	459,326
Additions	45,090	107,199	152,289
Write-off	(1,849)	-	(1,849)
Transfer in (out)	105,938	(105,938)	-
31 December 2010	557,753	52,013	609,766
Additions	92,380	338,893	431,273
Write-off	(1,892)	-	(1,892)
Transfer in (out)	240,675	(240,675)	-
31 December 2011	888,916	150,231	1,039,147
<b>Accumulated amortisation</b>			
1 January 2010	89,128	-	89,128
Depreciation for the year	70,365	-	70,365
Depreciation of write-off	(356)	-	(356)
31 December 2010	159,137	-	159,137
Depreciation for the year	104,135	-	104,135
Depreciation of write-off	(483)	-	(483)
31 December 2011	262,789	-	262,789
<b>Allowance for impairment loss</b>			
1 January 2010	669	-	669
31 December 2010	669	-	669
Increase during the year	2,300	-	2,300
31 December 2011	2,969	-	2,969
<b>Net book value</b>			
31 December 2010	397,947	52,013	449,960
31 December 2011	623,158	150,231	773,389
<b>Depreciation for the years</b>			
2010 (included in cost of services and sales)			70,365
2011 (included in cost of services and sales)			104,135

As at 31 December 2011, the Company has network equipment with a net book value of Baht 15 million (2010: Baht 18 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 2011, the Company has network equipment with a net book value of Baht 19 million (2010: Baht 16 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.

## 14. Equipment

(Unit : Thousand Baht)

	Assets Improvements	Furniture and fixtures	Office equipment	Computer	Vehicles	Total
<b>Cost</b>						
1 January 2010	6,552	3,606	14,324	9,256	3,271	37,009
Additions	30,809	4,278	4,026	2,804	346	42,263
Disposals/write-off	(6,552)	(1,867)	(176)	(2)	-	(8,597)
31 December 2010	30,809	6,017	18,174	12,058	3,617	70,675
Additions	555	794	5,555	4,370	4,935	16,209
Disposals/write-off	-	(92)	(421)	(199)	(1,270)	(1,982)
31 December 2011	31,364	6,719	23,308	16,229	7,282	84,902
<b>Accumulated depreciation</b>						
1 January 2010	3,769	1,557	4,783	3,162	1,536	14,807
Depreciation for the year	1,897	842	3,306	2,109	677	8,831
Depreciation on disposals/ write-off	(4,861)	(1,103)	(84)	(1)	-	(6,049)
31 December 2010	805	1,296	8,005	5,270	2,213	17,589
Depreciation for the year	3,927	1,262	4,248	2,845	1,027	13,309
Depreciation on disposals/ write-off	-	(85)	(282)	(174)	(57)	(598)
31 December 2011	4,732	2,473	11,971	7,941	3,183	30,300
<b>Net book value</b>						
31 December 2010	30,004	4,721	10,169	6,788	1,404	53,086
31 December 2011	26,632	4,246	11,337	8,288	4,099	54,602
<b>Depreciation charges for the years</b>						
2010 (included in administrative expenses)						8,831
2011 (included in administrative expenses)						13,309

As at 31 December 2011, the Company had vehicles under finance lease agreements with net book values amounting to Baht 2 million.

As at 31 December 2011, certain equipment items have been fully depreciated but are still in use. The gross carrying amount before deducting accumulated depreciation of those assets amounted to approximately Baht 2 million.

## 15. Intangible assets

The net book value of intangible assets as at 31 December 2011 and 2010 is presented below.

	(Unit : Thousand Baht)		
	Software computer	Software computer under installation	Total
As at 31 December 2011			
Cost	15,692	2,772	18,464
Less: Accumulated amortisation	(2,971)	-	(2,971)
Net book value	12,721	2,772	15,493
As at 31 December 2010			
Cost	4,122	6,904	11,026
Less: Accumulated amortisation	(879)	-	(879)
Net book value	3,243	6,904	10,147

A reconciliation of the net book value of intangible assets for the years 2011 and 2010 is presented below.

	(Unit : Thousand Baht)	
	2011	2010
Net book value at beginning of year	10,147	5,083
Acquisition during the year	7,437	5,498
Amortisation	(2,091)	(434)
Net book value at end of year	15,493	10,147

## 16. Trade and other payables

	(Unit : Thousand Baht)	
	2011	2010
Trade payables	102,505	52,094
Accrued expenses	20,181	20,869
Other payables for purchase of equipments and intangible assets	2,459	6,346
Others	1,349	1,703
Total trade and other payables	126,494	81,012

## 17. Liabilities under finance lease agreements

	(Unit : Thousand Baht)	
	2011	2010
Liabilities under finance lease agreements	1,264	-
Less : Deferred interest expenses	(106)	-
Total	1,158	-
Less : Portion due within one year	(287)	-
Liabilities under finance lease agreements - net of current portion	871	-

The Company has entered into the finance lease agreements with leasing companies for rental of motor vehicles for use in its operation, whereby it is committed to pay rental on a monthly basis. The terms of the agreements are generally between 1 and 4 years.

As at 31 December 2011, Future minimum lease payments required under the finance lease agreements were as follows:

	(Unit : Thousand Baht)		
	Less than 1 year	1-5 years	Total
Future minimum lease payments	334	930	1,264
Deferred interest expenses	(47)	(59)	(106)
Present value of future minimum lease payments	287	871	1,158

## 18. Provision for long-term employee benefits

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

	(Unit : Thousand Baht)
Cumulative effect of change in accounting policy for employee benefits adjusted against beginning balance of retained earnings (Note 5)	7,947
Current service cost	2,027
Interest cost	424
Balance at end of year	10,398

Long-term employee benefit expenses included in the profit or loss for the year ended 31 December 2011 amounted to Baht 3 million.

Principal actuarial assumptions at the valuation date were as follows:

	2011 (% per annum)
Discount rate	4.25%
Future salary increase rate	5.00%
Staff turnover rate (depending on age)	0% - 10%

## 19. Statutory reserve

Pursuant to Section 116 of the Public Limited Companies Act B.E. 2535, the Company is required to set aside to a statutory reserve at least 5% of its profit for the year 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.

## 20. Expenses by nature

Significant expenses by nature are as follow:

	(Unit: Thousand Baht)	
	2011	2010
Salary and wages and other employee benefits	114,551	82,615
Depreciation and amortisation expenses	119,535	79,630
Service fee for network interconnection	27,454	22,653
Rental expense from operating lease agreements and service expenses	35,232	21,584
Rental expenses - network equipment	29,649	23,206
Professional fees	4,942	9,843

## 21. Earnings per share

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

## 22. Segment information

The Company operate in the single industry segment of the render of communication high 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.

## 23. 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 2011, the Company contributed Baht 2 million (2010: Baht 1 million) to the fund.

## 24. Dividends

Dividends	Approved by	Total dividends (Million Baht)	Dividend per share (Baht)
Final dividends from the operating results of 2009	Annual General Meeting of the shareholders on 26 April 2010	62	2.75
Total dividends paid in 2010		62	2.75
Final dividends from the operating results of 2010	Annual General Meeting of the shareholders on 19 April 2011	159	0.53
Interim dividend from the operating results for the period as from 1 January 2011 to 30 June 2011	Board of Directors' meeting on 11 August 2011	45	0.15
Total dividends paid in 2011		204	0.68

## 25. Commitments and contingent liabilities

### 25.1 Capital commitments

As at 31 December 2011, the Company had capital commitments of approximately Baht 69 million (2010: Baht 63 million) relating to purchase and installation of network equipment.

As at 31 December 2011, the Company had capital commitments of approximately Baht 7 million (2010: Baht 2 million) relating to purchase of equipments.

As at 31 December 2011, the Company had capital commitments of approximately Baht 5 million relating to purchase of program computer (2010: Baht 5 million).

### 25.2 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)	
	2011	2010
<b>Lease and service agreement presented under cost of service</b>		
Payable within:		
1 year	26	19
	65	58
6 to 12 years	70	80
<b>Lease and service agreement presented under administrative expenses</b>		
Payable within:		
1 year	21	22
2 to 5 years	9	26

### 25.3 Purchase supply and equipment commitments

As at 31 December 2011, the Company has outstanding future payment commitments of approximately Baht 1 million (2010: Baht 3 million) relating to purchase of supply and network equipment.

### 25.4 Bank guarantees

As at 31 December 2011, there were outstanding bank guarantees of approximately Baht 4 million (2010: Baht 2 million) issued by banks on behalf of the Company to guarantee fiber optic network use, space rental and other payable.

### 25.5 Other commitment

As at 31 December 2011, total credit facilities, both short-term and long-term, of the Company that could be drawn down amounted to Baht 216 million.

### 25.6 Contingent liabilities

During the year, a company transferred an amount of fiber optic cable to the Company. The cable was already installed and in use in an underground conduit in Bangkok, belonging to the operator of a telecommunication business. To date, there have been no negotiations between this telecom operator and the Company on an agreement to rent the underground conduit and no invoice has been issued to collect rental. However, the Company has recorded a liability in respect of rental obligations, estimated on the basis of the rental that was previously notified to the transferor of the fiber optic cable, which was lower than the new rate stipulated by the telecom operator and used to determine charges to other customers. The Company's management believes that the service charges announced by the telecom operator are inappropriate and unfair, in accordance with the notification of the National Broadcasting and Telecommunications Commission (NBTC) on the use and interconnection of telecommunications networks B.E. 2549, and that the Company has sufficient grounds to

negotiate an appropriate and fair rate with the above company. Nevertheless, the Company has contingent liabilities with respect to the uncertainty regarding the outcome of negotiations to reduce the rental rate for the underground conduit, which it expects will not exceed Baht 10 million.

## 26. Financial instruments

### 26.1 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 and other receivables and trade and other payables. 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 statements of financial position.

#### 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 2011 classified by type of interest rate are summarised in the table below, with those financial assets and liabilities that carry fixed interest rates further classified based on the maturity date, or the repricing date if this occurs before the maturity date.

(Unit : Million Baht)

	Fixed interest rates within 1 year	Non-interest bearing	Total	Effective interest rate (% p.a.)
<b>Financial assets</b>				
Cash and cash equivalent	171	-	171	0.50 - 3.30
Short-term investments	220	-	220	3.70 - 4.15
Trade and other receivables	-	98	98	-
	391	98	489	
<b>Financial liabilities</b>				
Trade and other payables	-	126	126	-
	-	126	126	

### 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 2011.

### 26.2 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 statements of financial position.

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

## 27. Capital management

The primary objective of the Company's capital management is to ensure that it has appropriate capital structure in order to support its business and maximise shareholder value. As at 31 December 2011, the Company's debt- to-equity ratio was 0.24:1 (2010: 0.13:1).

## 28. Events after the reporting period

- 28.1 On 24 January 2012, the Company submitted a letter to the National Broadcasting and Telecommunications Commission (NBTC) to request it be allowed to discontinue provision of service under its Telecom Operation License Type 1; Resale of International Private Leased Circuit (IPLC), before the license expires, since no party has currently been awarded a licence by the NBTC to wholesale IPLC to the Company so that it can provide resale services in compliance with the conditions stipulated under the license. In addition, the Company now has a license to provide IPCL service under a Telecom Operation License Type 3 and is in the process of preparing to provide IPLC service by 2012.
- 28.2 On 16 February 2012, the Company's Board of Directors passed a resolution to propose to the Annual General Meeting of shareholders to be held in April 2012 that an additional dividend of Baht 0.38 per share be paid to ordinary shareholders of the 300 million ordinary shares or a total of Baht 114 million, in respect of the 2011 profit (a total dividend payment from the 2011 profit made to ordinary shareholders of the 300 million ordinary shares is Baht 0.53 per share, or a total of Baht 159 million).  
  
Such dividend payment will be made and recorded after it is approved by the Annual General Meeting of the Company's shareholders.

## 29. Reclassification

Certain amounts in the financial statements for the year ended 31 December 2010 have been reclassified to conform to the current year's classification, following the adoption of presentation of the financial statements in accordance with the stipulations of the Notification of the Department of Business Development described in Note 2, and the adoption of new accounting standards described in Note 3 and Note 5.

	(Unit : Thousand Baht)	
	As reclassified	As previously reported
Trade and other receivables	70,140	-
Trade accounts receivable and accrued income	-	69,797
Other current assets	9,186	9,529
Trade and other payables	81,012	-
Trade accounts payable	-	52,094
Other current liabilities	4,307	-
Other current liabilities - accrued expenses	-	20,869
Other current liabilities - others	-	12,356

The reclassifications had no effect to previously reported profit or shareholder's equity.

## 30. Approval of the financial statements

These financial statements were authorised for issue by the Company's Board of Directors on 16 February 2012.

## General Information

### General Information

<b>Ticker</b>	: SYMC (Listed in The Stock Exchange of Thailand)
<b>Company Name</b>	: Symphony Communication Public Company Limited
<b>Type of Business</b>	: Domestic High speed Communication Network Service Provider
<b>Head Office</b>	: 123 Sun Towers Building B 35 <sup>th</sup> - 36 <sup>th</sup> fl. Vibhavadee Rangsit Rd., Chomphon, Chatuchak, Bangkok 10900
<b>Factory Location</b>	: 1) 65/1 Phahonyothin Rd., Klongluang, Pathumthai 12120 2) 103 Moo 16, Muang Kao, Kabinburi, Prachinburi 25240
<b>Company Registration No.</b>	: 0107553000107
<b>Home Page</b>	: <a href="http://www.symphony.net.th">www.symphony.net.th</a>
<b>Telephone</b>	: (66) 2-101-1111
<b>Fax</b>	: (66) 2-101-1133
<b>Registered Capital</b>	: Baht 300,000,000.-
<b>Paid-up Capital</b>	: 300,000,000 shares (Baht 1 each)
<b>Voting Shares</b>	: 300,000,000 ordinary shares
<b>Accounting Period</b>	: 1 January - 31 December

### Reference

<b>Securities Registrar</b>	: Thailand Securities Depository Company Limited 62 The Stock Exchange of Thailand Building, Rachadapisek Road, Klongtoey, Bangkok 10110, Thailand Tel: (66) 2-229-2800 Fax: (66) 2-359-1259 Website: <a href="http://www.tsd.co.th">http://www.tsd.co.th</a>
<b>Auditor</b>	: Ernst and Young Office Limited 33 <sup>rd</sup> Floor, Lake Ratchada Office Building, 193/136-137, New Ratchadaphisek Road, Klongtoey, Bangkok 10110 Tel: (66) 2-264-0777 Fax: (66) 2-264-0789-90





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