



ANNUAL REPORT 2014



SYMPHONY

INTERNATIONAL TELECOM NETWORK PROVIDER



Excellent Experience

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Moving Forward

Connecting Global Network

Developing Asian Telecom Hub and Gateway





VISION

"With Innovation, Competency, Integrity and Happiness of our People, Symphony's heart is always strong and lively."

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."



Message from the Board of Directors

The Company is in the process of building the submarine cable networks with partner operators in neighboring countries, which is expected to be completed and available for service in 2016. The submarine cable networks will strengthen Symphony's capacity and competitiveness. Moreover, the submarine cable networks will be a fundamental infrastructure paving the way for Thailand to be the telecommunications hub of the Southeast Asia region in the future.

Dear Shareholders,

Today, Thailand's hi-speed communication networks service is being pushing forward by the government's digital economy policy, coupled with the expansion of internet use among the Thai people especially the popularity of social networks and convergence of voice, streaming and data as well as growing popularity of 3G mobile phone services. Board of Directors strongly believes that the Company is well prepared to support business opportunities that will emerge from the abovementioned factors with our extensive, advanced and efficient networks that move the Company forward to be the leader in the telecommunication infrastructure services. This will truly make Thailand the telecommunications hub of the region.

In 2014, many situations brought challenges and had an impact on the Company's business. These include political demonstrations since the end of 2013 which continued until May 2014 and had a negative impact on the country's economy and some of the Company's customers, as well as intense competition. Despite the challenges, the Company was able to maintain high revenue growth and premium services for our customers. In addition, the Company fully prepared itself to support the numerous business opportunities which will arise from the

government's digital economy policy and the establishment of the AEC. The Company has completed the construction of optical fiber cable networks connecting neighboring countries including Malaysia, Cambodia, Laos PDR and Myanmar, replacing leased networks from other operators. As a result, the Company is able to maintain the quality of its services, enhance confidence for customers and effectively control costs in the long run.

In addition, the Company is proud to receive the license from the Office of the National Broadcasting and Telecommunications Commission (NBTC) to expand the International Private Leased Circuit (IPLC) service via submarine cable networks. The Company is in the process of building the submarine cable networks with partner operators in neighboring countries, which is expected to be completed and available for service in 2016. The submarine cable networks will strengthen Symphony's capacity and competitiveness. Moreover, the submarine cable networks will be a fundamental infrastructure paving the way for Thailand to be the telecommunications hub of the Southeast Asia region in the future.

In 2015, the Company is highly confident that its revenues will continue to grow, mainly from IPLC, which is expected to be the Company's main revenue source in the future, and Private Network clients,



Mr. Woodtipong Moleechad

Mr. Woodtipong Moleechad
Chairman of the Board

Mr. Kranphol Asawasuwana

Mr. Kranphol Asawasuwana
Director / Chairman of the Executive Committee

which continue to grow steadily and help replace lost revenue from other services which have been affected by fierce competition amid the current market conditions.

Furthermore, the Board of Directors has a policy to closely monitor investments to achieve its target and timeline, enabling quick and good returns as well as effective cost control to enable long-term solid growth. Furthermore, to guarantee transparency and

enhance business sustainability. Currently, the Company has signed the Declaration of Intent to join Thailand's Private Sector Collective Action Coalition Against Corruption.

On behalf of the Board of Directors of Symphony Communication Public Company Limited, we would like to express sincere thanks to all shareholders for their continued support and constructive comments and advice for the Company's operations.



Message from the President



In 2014, the Company completed network expansion in the provinces as planned. As a result, the Company increased network service coverage in important economic areas in major cities as well as open gateways to neighboring countries including Malaysia, Cambodia, Laos PDR and Myanmar, which enabled the Company to expand its customer base. Even though investment in network expansion resulted in higher depreciation and affected the profit, the Company continued to record strong profit from operations. The Company believes this expansion network enables better satisfy customers' needs and efficient cost control in the long run as well as maintain high income growth.

Mr. Teerarat Pantarasutra
Director/President

It is generally known that reliability and efficiency of telecommunication network is a heart of communication to swiftly connect people from everywhere together. Symphony Communication Public Company Limited, as a telecom network service provider through fiber optic cable which is common infrastructure in telecommunication systems, recognizes this fact and has persistently pioneered and developed networks to be technologically-advanced in order to fulfill the needs of the digital society conveniently, rapidly, limitlessly and effectively. As a result, the Company has come to the forefront as one of the country's leading telecom network service provider and information technology that has received recognition of quality and standards from both local and international customers.

With our extensive experience and expertise, the Company has continually gained trust from our corporate customers. Apart from quality networks, the Company strives to maintain excellent standard of services for the highest customer satisfaction. Our Service Level Agreement (SLA), which guarantees 99.9% service reliability, is our promise to customers to ensure network reliability, systems maintenance, proactive service, and a 24-hour network center with skilled and experienced engineers.

In 2014, the Company completed network expansion in the provinces as planned. As a result, the Company increased network service coverage in important economic areas in major cities as well as open gateways to neighboring countries including Malaysia, Cambodia, Laos PDR and Myanmar, which

enabled the Company to expand its customer base. In 2014, the Company posted total revenues of Baht 1,275.39 million, jumping 25% year-on-year. Even though investment in network expansion resulted in higher depreciation and affected the profit, the Company continued to record strong profit from operations. Net profit was Baht 181.71 million, or a net profit margin of 14%. The Company believes this expansion network enables better satisfy customers' needs and efficient cost control in the long run as well as maintain high income growth while allow the Company to provide service standard above premium level which is fundamental for expanding the customer base in order to create income growth in the future. In addition, the extended network will prepare the Company for business opportunities which will arise from the government's digital economy policy and the establishment of the AEC in 2015.

In 2015, the Company is committed to operating its business to generate income and profit growth as in the previous years. The year 2015 marks the commencement of an important future project which is considered as Symphony's significant achievement. The Submarine Cable Network Malaysia-Cambodia-Thailand (MCT) Project was formed by collaboration of 3 telecom operators from Malaysia, Cambodia and Thailand, and stretches a total distance of around 1,300 kilometers. This project is another of the Company's greatest pride as the first Thai private company to have submarine cable network to support future market expansion and to become the hub and gateway of the ASEAN region. Furthermore, the Submarine Cable Network Project carries on our mission in the area of investment to support efficient communication with lower cost to meet the demands of customers in the future without any limit. The project is expected to be completed and ready for service in 2016.

Moreover, the year 2015 will be the year of preparation and laying a solid foundation for the Company's stable and sustained growth in line with our strategic plans to connect the world of communication in the future. The establishment of

the ASEAN Economic Community (AEC) will be beneficial for Thailand in terms of economy, trade, investment, creating opportunities and potential for Thailand in competing in the international arena, as well as driving greater demand for communication among ASEAN countries. The Company has prepared itself and improved operating standards in all areas to be more efficient and to be able to serve larger group of customers, from human resource development to be knowledgeable and virtuous, transparency and accountability in management, and improvement of internal systems and IT systems to increase productivity. The Company places emphasis on enhancing its competitiveness and efficient cost control in all units. Alongside operations improvement, the Company has also strengthened its corporate governance system. The Company has signed the Declaration of Intent to join the Private Sector Collective Action Coalition Against Corruption. The Company firmly believes that its good corporate governance policy will guide executives and employees to perform their duties with business ethics and responsibility to society and stakeholders, which will bring about business growth.

Lastly, on behalf of the Executives of Symphony Communication Public Company Limited, I wish to thank all stakeholders, including customers, business partners and shareholders, for their continued support of the Company's business, which has been integral to the Company's success and is testament to our leadership position in the optical fiber network service. I would also like to take this opportunity to express sincere appreciation to our employees for their devotion and tireless efforts in working with good corporate governance principles and social responsibility to support various projects through both public and private organizations in order to help develop people as well as improve Thai society. In the near future, the Company truly hopes that the results of everyone's joint efforts will lead the Company towards success, achieving the goal of our strategic plan, that is, "Symphony Communication Public Company Limited will continue to grow stably and sustainably".



Corporate Social Responsibility

Symphony Communication Public Company Limited has an important objective to build the Company into an effective organization, with excellent management steering the Company towards stable and sustained growth. Symphony is committed to being an organization with corporate social responsibility, integrity, respect for and compliance with the laws, transparency, accountability, and concern for all stakeholders, for the long-term success of the Company.

CSR-in-process

Operating the business with fairness

The Company provides telecommunications service with operating license from the government and is under the supervision of government agencies. In addition, the Company's business is considered as providing public service to the people. Therefore, the Company must operate its business with respect for and compliance with the laws, regulations, rules, orders, notifications and resolutions of related committees. The Company must also respect human rights as well as promote this understanding amongst all employees to respect and adhere to the laws, regulations, rules, orders, notifications and resolutions of related committees in performing their duties.

Responsibility to all stakeholder groups

The Company gives importance to all stakeholder groups as it recognizes that the support from all stakeholder groups contribute to the Company's competitiveness, which is key to the Company's long-term success. The Company has formulated the Code of Conduct as part of its corporate governance policy for all employees and executives to strictly follow in order to take care of all stakeholder groups, whether internal stakeholders such as the Company's employees and executives or external stakeholders such as customers, business partners, competitors, creditors, the government, communities and the environment, and other related organizations. The Code of Conduct is disseminated on the Company's website <http://www.symphony.net.th/csr/conduct.aspx>

Anti-corruption

The Company has signed the Declaration of Intent to join Thailand's Private Sector Collective Action Coalition Against Corruption and has a written "Anti-Corruption Policy" as a clear guideline in operating the business and developing the Company into a sustainable organization. The Anti-Corruption Policy covers scope of responsibility, regulations, and principles for appropriate action in order to prevent corruption in all of the Company's business activities and ensure that decisions and business transactions which may have risks related to corruption are prudently considered and implemented.

Responsibility to communities, society and the environment

The Company operates a business which provides public service to the people, a part of society which is inseparable. Thus the Company gives importance to preserving the environment, using natural resources and energy effectively and efficiently, being responsible to communities, and assisting and developing society.

In the past year, the Company continued to support the work of various foundations and organizations in improving society.



► The Company joined with the Rural Development Volunteer Club of Rajamangala University of Technology Thanyaburi to construct a school building (named Rajamangala Symphony Company 60th Anniversary Commemoration of HRH Princess Maha Chakri Sirindhorn Building) in Mae Sot District, Tak Province, following the Royal Project of HRH Princess Maha Chakri Sirindhorn. Mr. Teerarat Pantarasutra, President, was honored to welcome HRH Princess Maha Chakri Sirindhorn who presided over the opening ceremony of the building on 23 December 2014.



► Mr. Prasitt Hemwarapornchai, Deputy Chairman of the Board (right), Mr. Kranphol Asawasuwon, Chairman of the Executive Committee (2nd from the left), and Mr. Wanchai Somboonphon, Vice President of Government Relations (left) joined in congratulating the 56th anniversary of the establishment of the Metropolitan Electricity Authority (MEA) and donated Baht 10,000 to the Veterans General Hospital, the War Veterans Organization to buy medical equipment and to the Foundation for the Blind in Thailand under the Royal Patronage of H.M. the Queen to support education and occupational training for the blind at the MEA Head Office on 1 August 2014.



► Mr. Teerarat Pantarasutra, President, represented the Company in granting Kromma Luang Naradhiwas Rajanagarindra Teacher Awards 2014 (Class 6) to dedicated teachers in remote areas, who sacrifice their personal happiness for others. Nine awards were granted on 6 May 2013 at the Princess Mother's Medical Volunteer Foundation Building.

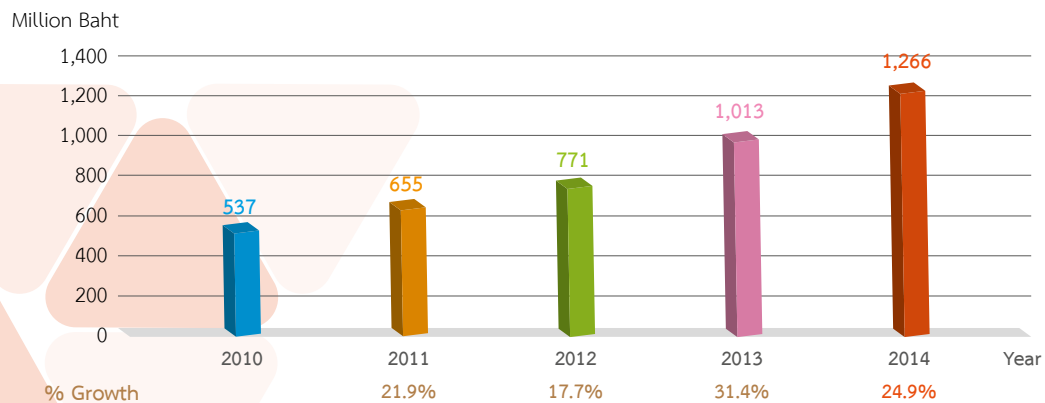


► On 7 October 2014, Mr. Kranphol Asawasuwon, Chairman of the Executive Committee, presented Baht 10,000 to Dr. Somchai Towanabut, President of the Neurological Society of Thailand, as part of the Ice Bucket Challenge for patients with Amyotrophic Lateral Sclerosis (ALS) in Thailand. The funds were donated to the Prasat Neurological Institute Foundation to purchase breathing equipment for underprivileged ALS sufferers.

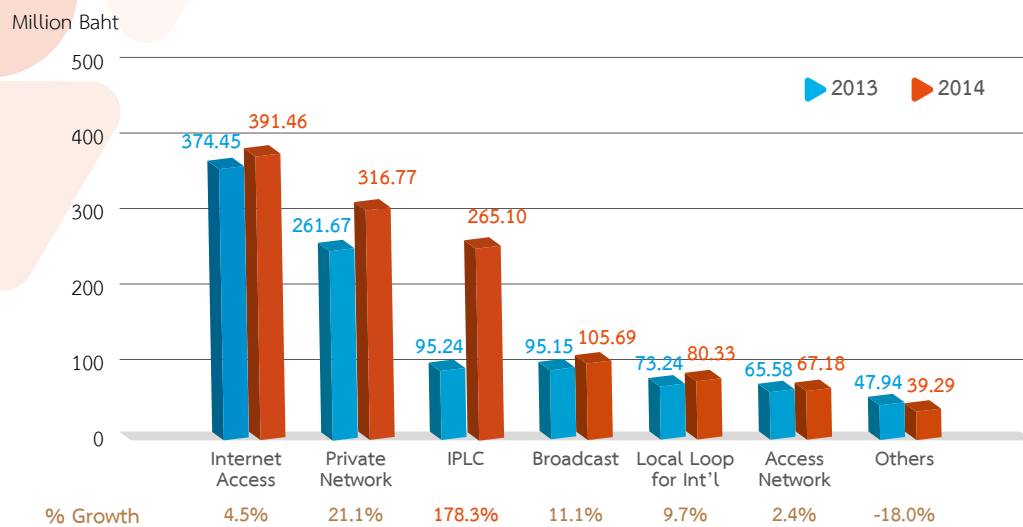


Financial Highlights

Service Income Growth

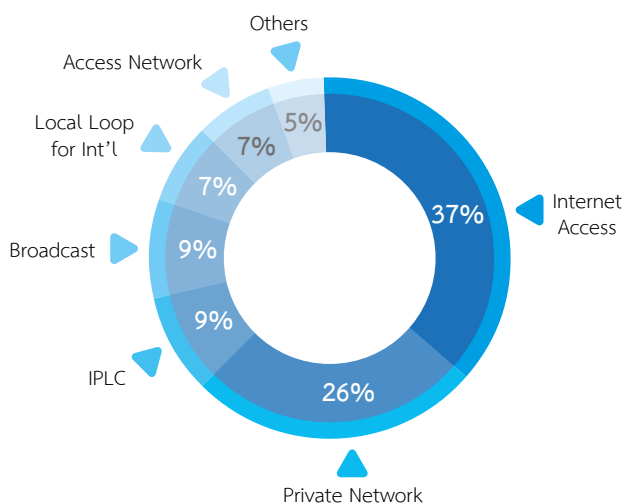


Service Income by Application

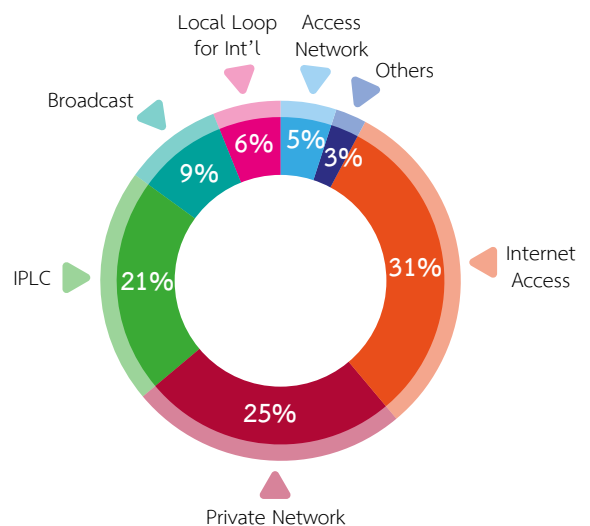


Portion of service income by application

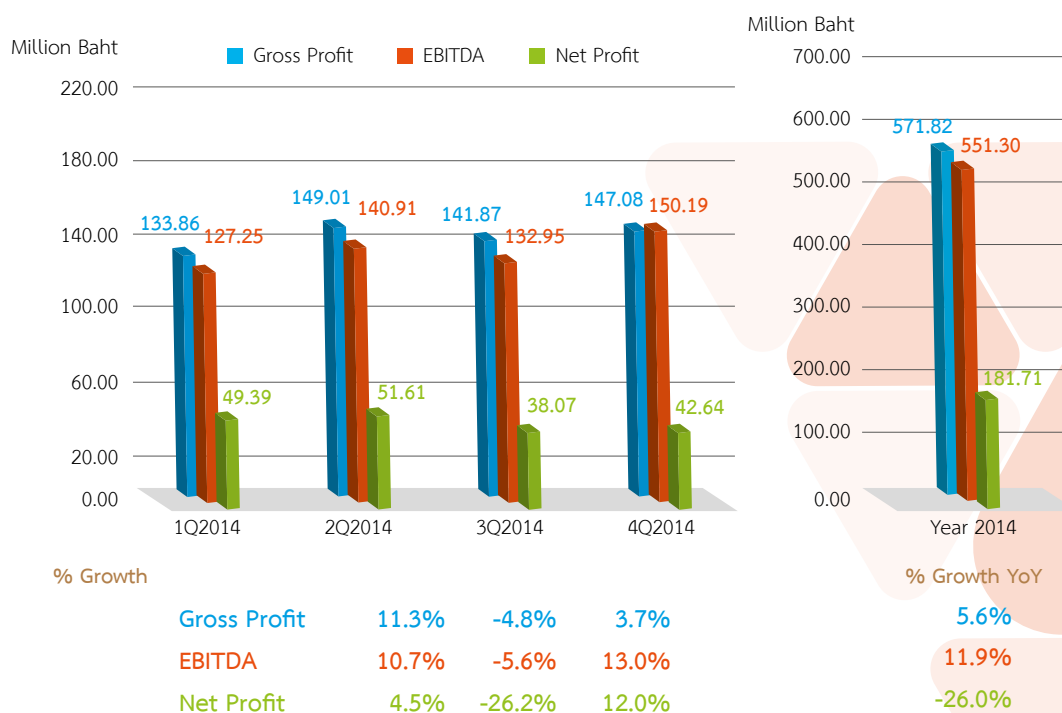
2013



2014



Profitability



Key Financial Figures

Description	Amount (Million Baht)			Growth (%)		
	2012	2013	2014	2012	2013	2014
Service Income	771.24	1,013.25	1,265.82	17.7%	31.4%	24.9%
Cost of Service and Sale*	323.92	475.48	696.72	32.5%	46.8%	46.5%
SG&A*	186.51	228.54	298.97	19.4%	22.5%	30.8%
Depreciation	174.61	174.91	271.61	46.1%	0.2%	55.3%
Financial Cost	0.34	9.27	50.12	61.9%	26.5%	40.7%
Gross Profit	483.99	541.61	571.82	8.0%	11.9%	5.6%
EBITDA	481.47	492.63	551.30	13.3%	2.3%	11.9%
Net Profit	234.25	245.58	181.71	10.3%	4.8%	-26.0%

* Include Depreciation



Business Policy and Overview

The Company is the premium hi-speed communication network service provider using optical fiber cable for its core network. The optical fiber network is common infrastructure of all kind of telecommunications and broadcasting service. It enables rapid, precise and reliable data transmission for all kind of telecommunication services for example transmission of video, voice streaming, international private leased circuits, intranet, inter-office data exchange, internet connection for large enterprises, digital broadcasting etc. The service can be customized to cater to 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 interruptions.

Optical Fiber Cable Network Applications

SYMC's Optical Fiber Cable Network



Internet Network

Connect local offices and overseas offices



Private Network

Connect head office and branches



Digital Broadcast Service

Connect Production Studio and Broadcast Station



Access Network

Connect Data Center's servers to customers



Internet Access

Connect ISP's customers to Internet

Optical Fiber Cable Network is COMMON INFRASTRUCTURE
of all kinds of telecommunications & broadcast service.

Business Policy

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.

Business Strategy

The company focuses on creating 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 hi-speed communication network (Network Service Provider Only) in order to provide fair service to all partners e.g. the Company will not offer internet service to compete with our ISP customers in the same market. As a result, the ISP partners prefer our hi-speed communication network service to other service providers who also provide internet service.

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 hi-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, our expert team and technicians have a regular schedule to check, monitor, maintain the cabling, equipments and the back-up system to ensure readiness for use at all the time. Aside from that, our after-sale service including one-stop call center that our experts and technicians are available 24-7 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. The Company has constantly reviewed the customers' satisfaction by conducting surveys to improve the service quality. In the event of 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 ISPs' customers. So they can recognize our brand and wish to continue their use of our network, even though they change their Internet 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 that differentiate our 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 seminars, trainings and activities for inter-department e.g. technology, sales, marketing or finance and accounting departments.

We also treat our sub-contractors as our own employees. As for the quality control, we made sure each step of our services meet our customers and partners' satisfactions. We believed the difference of our services has made our customers and partners trusted us and introduced our service to their organization, partners or even their end-users. As a result, our customers have increased steadily until now.

6. Service development and capture high potential market

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

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 hi-speed communication 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 and commercially launched its services since March 2007 under the “Symphony” brand. It 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 2011, the Company has obtained additional 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.

In 2013, the Company has obtained Internet Operation License Type I and Radio or Television Broadcasting Business License for the Radio or Television Network Services (Not using radio frequency). The Company has established a subsidiary, namely Diamond Line Services Company Limited, to provide installation and maintenance service for outside-plant networks and telecom equipments, and joint-invest with other companies. The Company holds 99.99% of share capital with the registered capital of Baht 5,000,000.

In 2014, the Company has obtained the extension scope of service for the telecom business license Type III for International Private Leased Circuit Service (IPLC) - Terrestrial Section by adding supplementary scope of International Private Leased Circuit Service (IPLC) - Submarine Section in order to build the Submarine Cable Network to support international communication traffic growth and developing SYMC business to be ASEAN telecom hub and gateway. In addition, the Company has launched pilot project for FTTx service - another hi-speed communication network service using Gigabit Passive Optical Network (GPON) technology on existing optical fiber cable networks with speed from 20 Mbps up to 1 Gbps. The service fee is lower to match the need of small and medium enterprises as an extended market to the Company.

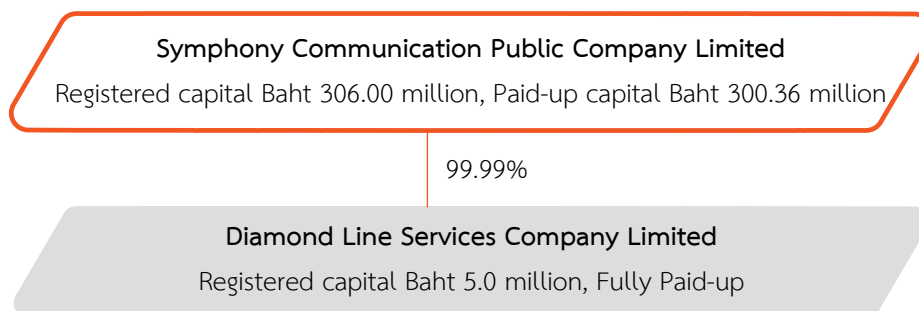
The following milestones are the Company’s major developments.

Month/Year	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”

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

Month/Year	Development
Nov 2012	Rated “Excellent” Corporate Governance Rating in the Corporate Governance Report of Thai Listed Companies 2012, which was surveyed and assessed by the Thai Institute of Directors Association (IOD), the Securities and Exchange Commission, and the Stock Exchange of Thailand and ranked in the Top Quartile of the companies with market capitalization between Baht 3,000-9,999 million
2012	Extended coverage areas to key major economic hubs e.g. 24 industrial estates, major cities e.g. Phuket, Chiang Mai, Udonthani, Khon Kaen, etc.
May 2013	Obtained the Telecommunication Service License for the Internet Operation Type I, for the contract period of 5 years
Jul 2013	Obtained the Radio or Television Broadcasting Business License for the Radio or Television Network Services (Not using radio frequency), for the contract period of 15 years
Oct 2013	Rated “Excellent” Corporate Governance Rating in the Corporate Governance Report of Thai Listed Companies 2013, which was surveyed and assessed by the Thai Institute of Directors Association (IOD), the Securities and Exchange Commission, and the Stock Exchange of Thailand and ranked in the Top Quartile of the companies with market capitalization between Baht 3,000-9,999 million for the 2 nd consecutive year
Nov 2013	Established a subsidiary, namely Diamond Line Services Company Limited, to provide installation and maintenance service for outside-plant networks and telecom equipments, and joint-invest with other companies. The Company holds 99.99% of share capital with the registered capital of Baht 5,000,000
Jul 2014	Obtained the extension scope of service for the telecom business license Type III for International Private Leased Circuit Service (IPLC) - Terrestrial Section by adding supplementary scope of International Private Leased Circuit Service (IPLC) - Submarine Section to build the Submarine Cable Network to support international communication traffic growth and developing SYMC business to be ASEAN telecom hub and gateway
Oct 2014	Rated “Good” Corporate Governance Rating in the Corporate Governance Report of Thai Listed Companies, which was assessed with the new assessment criterion by the Thai Institute of Directors Association (IOD)

Corporate structure





Nature of Business

The Company has core revenue from leased line service income and related services such as management and maintenance services. The revenue structures for the last 3 years are as follow:

Unit : Million Baht	2012		2013		2014	
Revenue	Amount	(%)	Amount	(%)	Amount	(%)
Lease line service income	771.24	94%	983.80	96%	1,250.38	98%
Management and maintenance service income - network	32.06	4%	29.44	3%	15.44	1%
Total service income	803.30	98%	1,013.25	99%	1,265.82	99%
Revenue from sales	4.62	1%	3.85	0%	2.73	0%
Other income	11.66	1%	4.66	0%	6.84	1%
Total Revenue	819.57	100%	1,021.75	100%	1,275.39	100%

The target customers can be categorized into 2 major groups:

1) Telecom Service Providers who lease company's communication network for commercial purposes e.g. Internet Service Provider (ISP), Data Center Service Provider, 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 retailers, commercial banks, international corporations, securities companies, hotels, etc.

Service income by application

Unit : Million Baht	2012		2013		2014	
	Amount	(%)	Amount	(%)	Amount	(%)
Internet Access	364.59	45%	374.45	37%	391.46	31%
Private Network	172.64	21%	261.67	26%	316.77	25%
IPLC	0.00	0%	95.24	9%	265.10	21%
Broadcast	68.38	9%	95.15	9%	105.69	8%
Local Loop for Int'l	74.59	9%	73.24	7%	80.33	6%
Access Network	69.93	9%	65.57	6%	67.18	5%
Others	53.17	7%	47.93	5%	39.29	3%
Total service income	803.30	100%	1,013.25	100%	1,265.82	100%

Hi-speed Communication Network Service Application

1) Internet Access : to connect ISP's customers to Internet. Customers in this segment are Internet Service Providers (ISPs) who offer internet service to end-users. They lease hi-speed communication network from the Company to save their investment cost. Such major internet service providers are CS Loxinfo Plc, KSC Commercial Internet Co., Ltd. or Internet Thailand Plc. (INET), etc.

2) Private Network : to connect the private network e.g. head office and branches. Customers in this segment, for example, are Telcos who lease hi-speed communication network from the Company to be their backbone networks or to provide telecom service to their end-users. There are also end-user customers who 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, etc. Examples of customers are CTH Plc., Government Saving Bank, Kasikorn Bank Plc, Siam Commercial Bank Plc, Bank of Ayudhaya Plc, Central Retail Corporation Plc, etc.

3) Digital Broadcast : to connect their production studios and broadcasting stations. Customers in this segment are TV program producers, Cable TV Operators, or IPTV operators, they lease hi-speed communication network from the Company to connect their production studios and broadcasting stations e.g. Thaicom uplink station or Digital TV broadcasting stations. Examples of customers are CTH Cable TV Co., Ltd., GMM Grammy Plc, RS Plc, BEC World Plc, Poly Telemedia Co. Ltd. (PSI), etc.

4) International Private Leased Circuit (IPLC) : to connect international communication networks or connect between local offices and oversea offices of local or multinational corporations. Such customers are also other Telcos e.g. the international carriers, local telecom operators who lease hi-speed communication network from the Company to be their backbone network or to connect between local and international networks in various countries for their customers. Such service providers are Singapore Telecommunications Co. Ltd., Verizon Business Co. Ltd., Hutchison Global Communication Co. Ltd., NTT Communications (Thailand) Co., Ltd. or KDDI (Thailand) Co. Ltd., etc

5) Local Loop for International Private Leased Circuit : domestic hi-speed communication network for IPLC service providers to provide IPLC service to their local end-users. Example of IPLC service providers are JasTel Network Co. Ltd., True International Gateway Co. Ltd., etc.

6) Access Network : to connect end-users to servers e.g. the connectivity from Data Center Service Providers who offer electronic data storage service and provides applications to their end-user or connectivity provided for data service providers such as Bloomberg. Such Data Center service providers do not have their own network, therefore, they need to lease our hi-speed communication network to connect with their customers' offices. Example of data center service provider are Metro System Corporation Public Company Limited, Datapro Computer System Co. Ltd., etc. who are the large Data Center service provider in Thailand and also offers one stop service for electronic data storage and Application Service Provider (ASP).

Hi - speed Network Service Technologies

Technologies used for network service can be categorized as follows:

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

1. Metro Ethernet (ME) is a hi - speed network service using optical fiber cable as the main networks on Ethernet technology platform to support large data transmissions. It offers 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 more than 80 leading commercial buildings. Therefore, installation to customers' premises can be done within 8 working days and the service can be offered at lower service rate than ME due to the cost of main network to the building can be shared to several customers. The network equipment are interconnected to the main optical trunk networks with protection routes of optical fiber cable to provide alternate routes in cases of any failure in the main route. Therefore, customers will get high reliability and stability services of hi - speed data at all times. Presently, the Company offers Ready Ethernet service from 1 Mbps up to 10 Gbps.

3. Time Division Multiplexing (TDM) is a hi-speed network on TDM technology platform, which is the technology used since the introduction stage among large organizations. The network infrastructure consists of optical fiber cable core networks with the last mile being copper wires connected to customers. TDM technology is suitable for 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, TDM is still a trusted service by customers due to its high reliability and short response time.

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

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

The expansion of services

New Service Type

The Company has launched a pilot project for FTTx service – another hi-speed communication network service using Gigabit Passive Optical Network (GPON) technology on existing optical fiber cable network with speed from 20 Mbps up to 1 Gbps. The service fee is lower to match the need of small and medium enterprises as an extended market to the Company.

Network Coverage Expansion

The Company has been determined to continually develop network service. As the demand for data connectivity has been growing along with the development of telecommunication technology and cross-borders trade and investment, the Company has expanded network coverage to catch up with increasing demand in the high potential areas that justify customers' needs and investment returns, especially the routes that connect neighboring countries which also cover major cities nationwide and 4 gateways to connect international networks. The investment for network coverage expansion has caused the increase in cost of service in term of higher depreciation, cable laying fee, expenses of network engineers and service centers.

The Company had started to build the network in provincial areas since 2013 and replaced the leased network from other operators. As a result, domestic network rental starts reducing from 2Q2014. In late 3Q2014, the Company completed the installation of backbone network in southern routes, and significantly reduced domestic network rental fee in 4Q2014. In the long run, the Company believes this investment decision should enable effective cost control and allow more flexibility and efficiency of network management that better support rapid traffic growth.

December 2013



December 2014



Current Coverage Area

Focus on high-potential business density areas

- ▶ Bangkok and vicinity
- ▶ 84 leading office towers
- ▶ 41 Industrial estates
- ▶ 43 Major provinces nationwide
- ▶ 17 Service centers nationwide

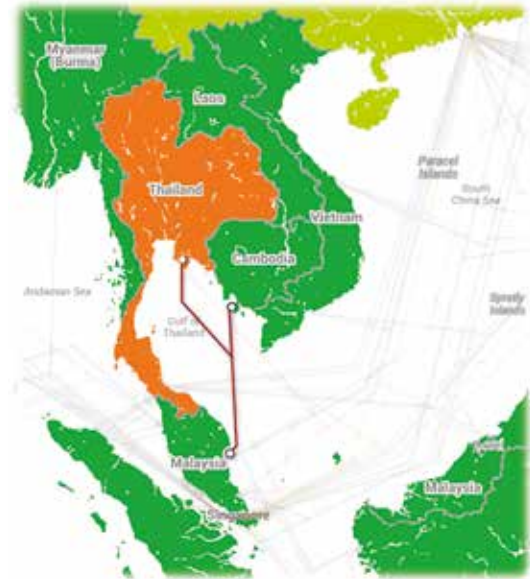
IPLC Gateways

- | | |
|--------------------|---------------------|
| ① Songkla (Hatyai) | to connect Malaysia |
| ② Sakaew | to connect Cambodia |
| ③ Nongkhai | to connect Lao |
| ④ Tak (Maesot) | to connect Myanmar |

MCT Submarine Cable System Project

The Company foresee business opportunity from international communication traffic growth, therefore, the Company applied the supplementary scope of service license for the telecom business license Type III for International Private Leased Circuit Service (IPLC) - Terrestrial Section by adding Submarine Section. This remarked the Company as the first private company in Thailand that authorized to own and operate submarine cable network. The Company plans to build the Submarine Cable Network under MCT Submarine Cable System Project, the collaboration of telecom companies from Malaysia, Cambodia and Thailand. This international project reflects the vision of management that visualizes international communication traffic growth and developing telecom business in Thailand to be on par with international counterparts.

MCT Submarine Cable System is an integrated high capacity fiber-optic system linking Malaysia, Cambodia and Thailand with the total distance of around 1,300 kilometers. The cable landing station in Thailand is located at Tambon Tapong, Ampur Muang, Rayong Province. The construction period will be approximately 18 months and expect to launch commercial service operation by 3rd quarter of 2016. This project will support international communication traffic growth and reduce international network rental fees of IPLC service. In addition, this will enhance SYMC business to be ASEAN telecom hub and gateway.



Source : www.submarinecablemap.com

Market Condition and Competition

The hi-speed communication network service market has continual demand growth from the increasing demand of business communication in various forms, both from domestic and international e.g. video and voice streaming, digital broadcasting, online applications of wireless devices or data center usages. All these factors drive demand for hi-speed communication network service in term of increasing numbers of circuits and higher bandwidth. The demand is more complex, the network service provider, therefore, need to develop competitive marketing strategies in all aspects e.g. service solutions, fast delivery, and competitive pricing.

For internet access market, the price competition amongst Internet service providers (ISP) is more intense, the Company needs to offer competitive prices and fast service delivery, as well as offer value added or one stop service e.g. managed firewall, routers and equipments.

For the end-user customers, the competition is more for the customer satisfaction than price. The Company needs to focus on service quality, after-sale service and comprehensive network monitoring, as well as service expertise in order to retain the customers.

In conclusion, we plan to catch up with growing demand, business growth, and adjust strategies to match the diverse needs in different market segments, from pricing, quality and after-sale service. The Company also opens to new business opportunities and adding service variety, for example, Wi-Fi, digital TV network, FTTx and submarine cable system to accommodate development of AEC and move forward to be a leader in telecom market from national to ASEAN regional field.

Operating Performance Overview for 2014

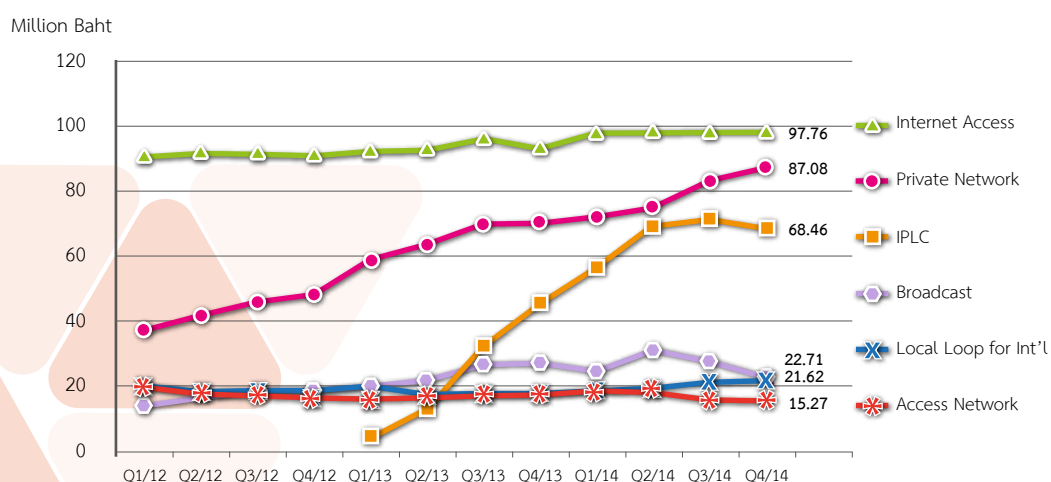
Revenue

The Company achieved continued revenue growth, total revenue in 2014 was Baht 1,275.39 million, increased by Baht 253.64 million or 25% YoY, derived from the core revenue from service income that was Baht 1,265.82 million, increased by Baht 252.58 million or 25% YoY. Demand for high speed communication network is continually increasing driven by demand growth of various business communication platforms in both domestic and international needs, and also the massive growth of online applications and data linkage of large organization. All these factors lead the demand leased line service. Although the price competition exist in some market segments. The expanded coverage added accessibility to reach more customers, especially the major cities along the route that connecting neighboring countries, and the differentiated service package have enable the Company to expand customer base from new customers as well as add more usage from existing customers.

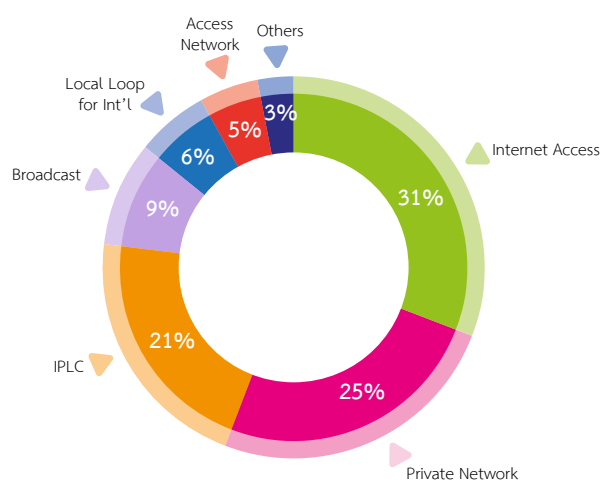
Service income : by application

Unit : Million Baht	2013		2014		Change	
	Amount	(%)	Amount	(%)	Amount	(%)
Internet Access	374.45	37%	391.46	31%	17.01	5%
Private Network	261.67	26%	316.77	25%	55.11	21%
IPLC	95.24	9%	265.10	21%	169.86	178%
Broadcast	95.15	9%	105.69	8%	10.54	11%
Local Loop for Int'l	73.24	7%	80.33	6%	7.09	10%
Access Network	65.57	6%	67.18	5%	1.60	2%
Others	47.93	5%	39.29	3%	-8.64	-18%
Total service income	1,013.25	100%	1,265.82	100%	252.58	25%

Quarterly Service Income : by Application



Revenue by Application : 2014



Revenue growth was mainly contributed by International Private Leased Circuit (IPLC). In 2014 revenue from IPLC was Baht 265.10 million, increased by Baht 169.86 million or 178% YoY, which contributed 21% of total service revenue comparing to 9% in 2013. This is due to the extensive coverage with 4 supporting gateways connecting international networks at Thai-Malaysia, Thai-Cambodia, Thai-Laos and Thai-Myanmar borders that well supported to customer demand.

Revenue from Private Network segment in 2014 was Baht 316.77 million, increased by Baht 55.11 million from last year or 21% YoY as the Company expanded the coverage areas and marketing pitch to the large organization that need connectivity for many branches.

Revenue from Internet Access still a main contributor to total service income, accounted for 31% of total service income. However, revenue from Internet Access just slightly increased due to increased number of customers while the average price was decreasing due to the price competition.

Revenue from Digital Broadcast segment in 2014 was Baht 105.69 million. Although strong revenue growth in 2Q2014 was achieved due to the opening of digital terrestrial TV but in 3Q-4Q2014 the revenue from Digital Broadcast declined due to broadcast suspension of some customers. Therefore, revenue from Digital Broadcast in 2014 increased from 2013 by only Baht 10.54 million or 11% YoY.

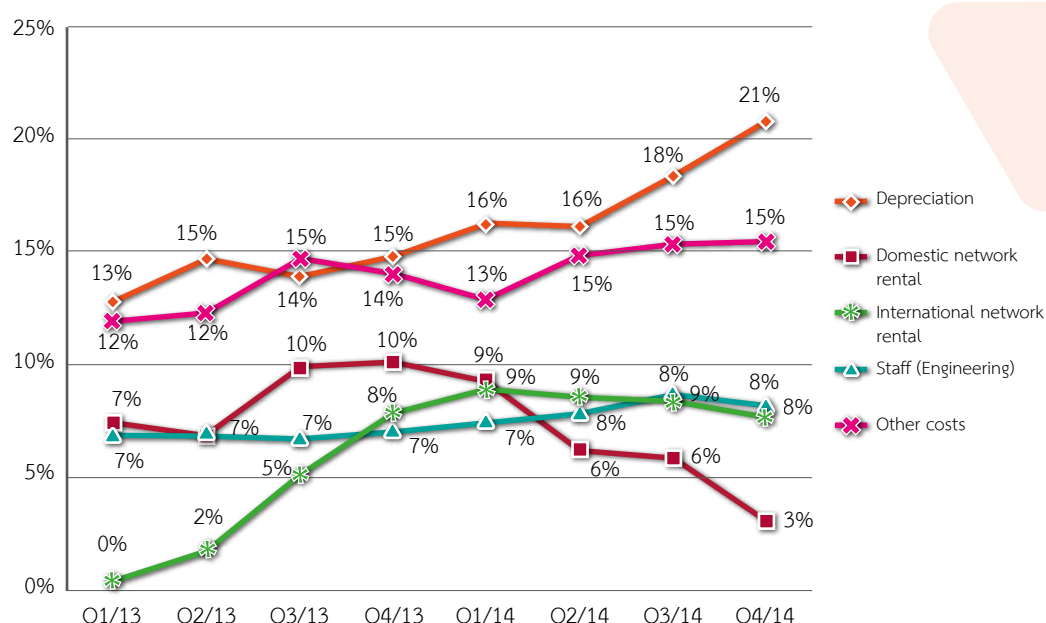
The revenue from Local Loop for International and Access Network in 2014 slightly changed.

Cost of Services and Sales

Cost of services and sales in 2014 was Baht 696.72 million, comparing to last year, increased by Baht 221.24 million or 47% YoY mainly resulting from intensive network expansion to capture the increasing demand. At present, the construction of backbone networks in provincial areas has been completed. The depreciation and amortization included in cost of service and sales in 2014 was Baht 226.96 million, increased Baht 82.79 million YoY. Domestic network rental in 2014 was Baht 76.57, comparing to last year decreased by Baht 11.61 million as the Company significantly reduced domestic network rental fee in 4Q2014.

There were other increased costs i.e. international network rental which was Baht 106.05 million, increased Baht 64.93 million YoY according to increased IPLC revenue; engineering staff costs resulting from more number of network engineers to support the extended coverage; increased license fees resulting from increased revenue, network installation fee and expenses of service centers, etc.

% of Cost Type to Total Service Income



Service Expenses

Service expenses in 2014 was Baht 62.19 million, increased Baht 20.28 million YoY mainly due to extraordinary expenses to initiate a long-term contract, customer relations activity expenses and employee expenses from addition sale representatives.

Administrative expenses

Administrative Expenses in 2014 was Baht 236.78 million, increased by Baht 50.16 million YoY, mainly resulting from higher employee expenses due to the increased number of employees. Other increases in administrative expenses were depreciation, additional office rental and expenses related to new service center offices in provincial areas.

Gross Profit, EBITDA and Net Profit

In 2014, the Company recorded Gross Profit in the amount of Baht 571.82 million, increased by Baht 30.22 million. Gross profit margin was 45%. EBITDA was Baht 551.30 million or EBITDA margin of 43%. EBITDA increased by Baht 58.67 million YoY.

Net profit in 2014 was Baht 181.71 million, decreased by Baht 63.87 million YoY due to increased cost of service, establishment of a subsidiary to provide efficient and timely service and increased financial cost resulting from borrowing. Net profit margin was 14% of total revenue.

Financial Position

As of 31 December 2014, the Company recorded total current assets in the amount of Baht 359.74 million, increased by Baht 126.82 million from 31 December 2013. Total non-current assets was Baht 2,734.53 million, increased by Baht 711.52 million from last year, mainly due to the increase of network equipment from service coverage expansion. Total network equipment, net of depreciation was Baht 2,385.29 million, increased by Baht 669.92 million from Year 2013.

Total current liabilities were Baht 736.28 million, increased by Baht 43.76 million from last year. Total non - current liabilities were Baht 1,802.96 million, increased by Baht 818.28 million from Year 2013 mainly due to the long-term borrowing from financial institutions to support network expansion projects. As of 31 December 2014, D/E ratio was 1.40x and Interest Bearing Debt to Equity ratio is 1.04x.

Key financial figures

	Unit	2012	2013	2014
Net Profit	MB	235.93	245.58	181.71
Total Revenue	MB	819.57	1,021.75	1,275.39
Total Assets	MB	1,518.80	2,255.93	3,094.27
Total Liabilities	MB	326.44	984.68	1,802.96
Total Shareholders' Equity	MB	1,192.36	1,271.25	1,291.32
Asset Turnover Ratio (Total Revenue/Avg. Total Assets)	Times	0.57	0.54	0.48
Financial Leverage (Avg. Total Assets/Avg. Equity)	Times	1.25	1.53	2.09
Debt to Equity Ratio	Times	0.27	0.77	1.40
Interest Bearing Debt to Equity Ratio	Times	0	0.32	1.04
Net Profit Margin	%	28.79%	24.04%	14.25%
Return on Assets	%	16.29%	13.01%	6.79%
Return on Equity	%	20.45%	19.94%	14.18%



Risk Factors

1 Risks from Competition in Hi-Speed data Communications Network Market and IPLC

At present, the Office of National Broadcasting and Telecommunication Commission (“NBTC”) has the authority to issue telecommunications business licenses to new operators based on the principle of free and fair competition. The Company cannot foresee the number of new operators that will be granted telecommunication business licenses. More operators will result in additional competition. However, the telecommunications business requires expertise and experience of management and employees as well as intensive capital. Hence, large business operators have competitive advantages over small, medium and new operators. At present, there is more price competition in some markets e.g. internet access market and competition from substitutable service e.g. broadband internet. Therefore, the Company 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 hi-speed data communications network service, including the launch of new service e.g. IP service launched in 4Q2013 in order to enhance its competitive advantages in the long run as well as expand network coverage to provincial economic hub to better serve customers’ need.

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

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 located overseas in the future.

3. 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 2001 states that, if the licensee needs to set up the post or wiring, piping or install other equipment necessary for the operations of telecommunication business and need to apply the right according to the section 39. The licensee shall propose NBTC for approval before any execution. Once NBTC approve, the licensee will entitle to the Right of Way of the proposed route. At present, the Company continually obtains Right of Way from NBTC for the constructed networks. For those owners of properties who had been unaware the right and duty of the licensee who obtained the Right of Way from NBTC, that licensee is legitimate to provide services in areas of such owners of the Right of Way and caused an impediment to the network expansion in certain areas such as some industrial estates. Nowadays, the Company and owner of the properties has reached more mutual understanding, the problems has been relieved, and the Company can expand to more industrial estates.

At present, Metropolitan Electricity Authority (MEA) starts to put the electricity wires to underground for some main roads in Bangkok CBD, effecting the cabling of the Company that currently being on electricity poles. Therefore, the Company has to reroute the networks to avoid service interruption. Meanwhile, the Company is co-operating with other related operators to wire the cable underground with MEA project to be the network protection routes and enhance network reliability.

Provincial Electricity Authority (PEA) has announced the critical routes that PEA does not allow additional communication wiring. PEA has informed all operators to avoid the wiring in critical routes for safety of public and passerby. This announcement caused the delayed installation on critical routes, however, not effect to service continuity. In this regards, the Company has been co-operative to PEA and work with other operators to re-organize the network wiring for better safety condition and corporate image.

Furthermore, the Company has networks that already been installed but in the process of obtaining approval from property owners e.g. government agents, utility providers according to their criterion. 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 system since such system must be stable at all the time to serve customers' needs. If there is any hold up in the working system especially in the provision of hi-speed communication network or core network, there could be a wide-spread impact on other systems.

For this reason, the Company preemptively created a contingency plan by setting up a Disaster Recovery Operation Center (DROC) which has been operated since 2Q2013 to ensure uninterrupted servicing. For the Company's internal working system, the Company minimizes operational risks from human errors by having access control system in all operation rooms of the Company that allow access only for trained and certified employees with specified qualifications.

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 reserved sets of equipment ready to be installed as soon as any malfunction to existing equipment occurs. As for the installation of optical fiber cable, the Company will install optical fiber cable in at least 2 non-replicated routes for core network in case any optical fiber cable malfunction occurred. Moreover, for systems related with end-users, the Company has a preventive policy to identify any flaws and promptly mend them before any errors occurred. Technical expert team will check cable nets, main equipment and other support equipment to ensure that all are in good working conditions.

4. Risks regarding Key Management Reliance

According to nature of business, the Company requires experts that specialized in complicated technology and regulations, with different experiences and skills to operate the business. The Company recruits various telecom experts to serve the Company's growth. The Company also gives 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 trained with institutions of good reputations in terms of professional skills and development of other working skills, employees will continue to improve from such developments and trainings to prepare employees for future business expansions. Additionally, the corporate structure emphasizes bottom-up working 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 functions and across business functions to competently resolve any issues that occurred.

5. 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 2014, collectively 50.09% 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.

6. Risks 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 terrorism. 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 levels and departments to perform in case of emergency 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 equipment and nodes. As major assets of the Company are network equipment that comprises node equipment and optical fiber cable that installed in private properties as well as installed in public areas. The equipment that installed in public areas (mainly optical fiber cable) is uninsurable.

Capital Structure

1) Ordinary shares

As of 31 December 2014, the Company has registered capital of Baht 306,000,000.- which comprises 300,600,000.- ordinary shares at par value of Baht 1 each, paid-up Baht 300,364,200.-

2) Warrants to purchase ordinary shares

On 22 April 2013, the Annual General Meeting of Shareholders 2013 approved the issuance and offering of 6,000,000 units of free warrant to directors, management and/or employees of the Company (ESOP-Warrants). The warrants have expiry date 4 years from the issuance date.

On 2 July 2013, the Company had issued and allocated all 6,000,000 units of free ESOP-warrants to directors, management and/or employees of the Company. The conversion ratio is 1 unit of warrant to 1 ordinary share at the exercise price of Baht 14.72 per share. ESOP-warrants can be exercised as following criteria:

Year 1 : Not more than 15% of the allocated units, exercisable on 20 November 2013 and 20 May 2014.

Year 2 : Not more than 25% of the allocated units, exercisable on 20 November 2014 and 20 May 2015.

Year 3 : Not more than 30% of the allocated units, exercisable on 20 November 2015 and 20 May 2016.

Year 4 : Not more than 30% of the allocated units, exercisable on 20 November 2016 and 20 May 2017 and 1 July 2017, the 4-year maturity date of these ESOP-Warrants.

As of 31 December 2014, there were 364,200 units of ESOP-warrants have been exercised.

Major Shareholders

Top 10 major shareholders as of the book closing date on 31 December 2014 are as follows:

	Number of shares	% of paid-up capital
1. Asawasuwan Group	49,076,240	16.34%
Mr. Kranphol Asawasuwan	48,976,240	16.31%
Ms. Kwandin Asawasuwan	100,000	0.03%
2. Pantarasutra Group	46,796,240	15.58%
Mr. Teerarat Pantarasutra	46,796,230	15.58%
Ms. Tounporn Pantarasutra	10	0.00%
3. Thanakijuntorn Group	24,523,740	8.16%
Mr. Pongthep Thanakijuntorn	24,423,740	8.13%
Ms. Srisamorn Threepetchsomkhun	100,000	0.03%
4. Srisuphakhanin Group	24,261,740	8.08%
Mr. Pathomkrit Srisuphakhanin	23,523,740	7.83%
Ms. Sumatthakan Srisuphakhanin	738,000	0.25%

	Number of shares	% of paid-up capital
5. Phatra Capital Public Company Limited	14,616,000	4.87%
6. Mr. Niphol Suwannachet	14,344,940	4.78%
7. Mr. Wanchai Somboonphon	12,785,201	4.26%
8. Mr. Manoch Youbunyong	9,439,319	3.14%
9. Ms. Bussakorn Jaruwachirathanakul	8,243,000	2.74%
10. Bualuang Long-Term Equity Fund	4,512,600	1.50%

Note : Investors can check the updated major shareholders before the Annual General Meeting of Shareholders at the Company's website (www.symphony.net.th).

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 Director and will be reported to shareholder in the forthcoming shareholder meeting.

Dividend Payment History

Year	2011	2012	2013	2014
Basic earnings per share (Baht/share)	0.71	0.79	0.82	0.61
Dividend payment per share (Baht/share)	0.53	0.58	0.58	0.43
Payout ratio (%)	74.9%	74.3%	70.7%	70.7%

Dividend policy for the subsidiary

Diamond Line Services Co., Ltd, the subsidiary that the Company hold 99.99% of total shares, has not determined its dividend policy. The dividend payment will be subject to its performance, business plan, liquidity, necessity and other suitability in the future.

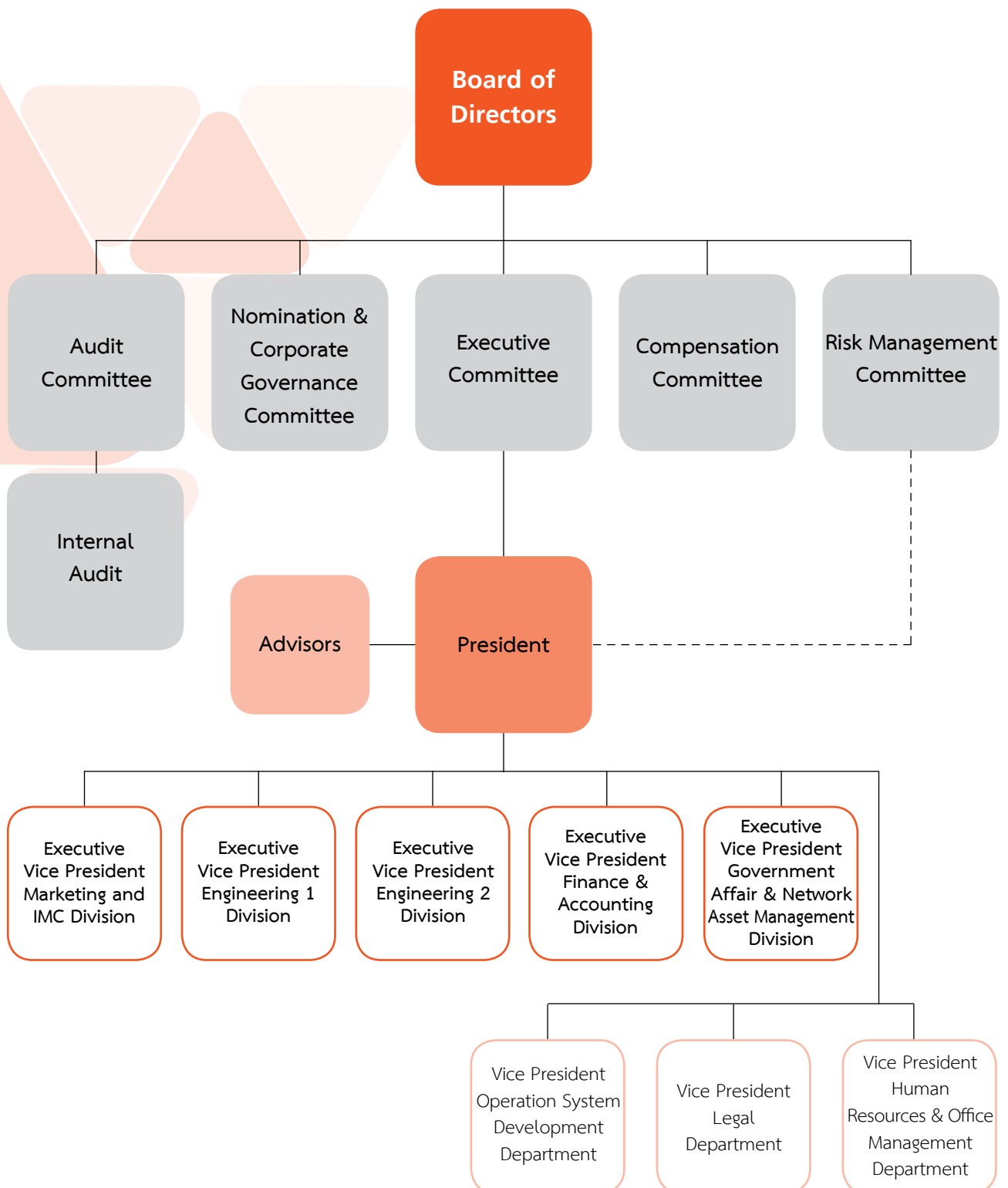
Shareholding of Directors and Management

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 are as follows:

Name	Title	31 December 2013 (Shares)	Change (Shares)	31 December 2014 (Shares)
1. Mr. Woodtipong Moleechad	Chairman of the Board/Chairman of Nomination and Corporate Governance Committee/Audit Committee Member/ Compensation Committee Member/Chairman of Independent Director	-	-	-
2. Mr. Prasitt Hemwarapornchai	Deputy Chairman of the Board/ Chairman of Compensation Committee/Nomination and Corporate Governance Committee Member/ Audit Committee Member/ Independent Director	-	-	-
3. Mr. Jitkasem Sangsingkeo	Chairman of the Audit Committee/Nomination and Corporate Governance Committee Member/ Compensation Committee Member/Independent Director	-	-	-
4. Mr. Kranphol Asawasuvan	Director/Nomination and Corporate Governance Committee Member/ Chairman of Executive Committee	49,076,240	-	49,076,240
5. Mr. Teerarat Pantarasutra	Director/Compensation Committee Member/President	46,796,240	-	46,796,240
6. Mr. Pongthep Thanakijsumtorn	Director/Executive Vice President	24,523,740	-	24,523,740
7. Mr. Pathomkrit Srisuphakhnanin	Director/Executive Vice President	24,261,740	-	24,261,740
8. Ms.Bussakorn Jaruwachirathanakul	Director/Executive Vice President	8,392,000	-149,000	8,243,000
9. Mr. Supornchai Chotputtikul	Director/Executive Vice President	-	30,000	30,000



Organization Structure



Effective from 16 January 2015



Director and Executive



1

Mr. Woodtipong Moleechad

Chairman of the Board/Chairman of Nomination and Corporate Governance Committee/Chairman of Independent Director Committee/Audit Committee Member/Compensation Committee Member

4

Mr. Kranphol Asawasuwan

Director/Nomination and Corporate Governance Committee Member/Authorized Director/Chairman of Executive Committee

2

Mr. Prasitt Hemwarapornchai

Deputy Chairman of the Board/Chairman of Compensation Committee/Independent Director/Audit Committee Member/Nomination and Corporate Governance Committee Member

5

Mr. Teerarat Pantarasutra

Director/Compensation Committee Member/Authorized Director/President

3

Mr. Jitkasem Sangsingkeo

Chairman of the Audit Committee/Independent Director/Compensation Committee Member/Nomination and Corporate Governance Committee Member



6

Mr.Pongthep Thanakijstorn

Director/Authorized Director/
Executive Vice President-Marketing & IMC

9

Mr.Supornchai Chotputtikul

Director/Authorized Director/
Executive Vice President-Engineering 1

7

Mr.Pathomkrit Srisuphakhanin

Director/Authorized Director/
Executive Vice President-Engineering 2

8

Ms. Bussakorn Jaruwachirathanakul

Director/Authorized Director/
Executive Vice President-Finance and
Accounting



Director and Executive Profile



▶ Mr. Woodtipong Moleechad

Chairman of the Board/Chairman of Nomination and Corporate Governance Committee/Chairman of Independent Director Committee/Audit Committee Member/ Compensation Committee Member

Age : 66 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 of the Board/Chairman of Nomination and Corporate Governance Committee/
Chairman of Independent Director Committee /
Audit Committee Member/
Compensation Committee Member/
Symphony Communication Public
Company Limited
- 2012-present Chairman of the Board
International Research Corporation Public
Company Limited
- 2012-present Director
L Solar 1 Company Limited
- 2009-present Director
Council Member, King Mongkut's Institute of
Technology Ladkrabang
- 2010-2013 Director, Audit Committee Member, Business
Relations Committee Member
Sukhumvit Asset Management Company Limited
- 2008-2014 Director
Banknote Management Committee,
Bank of Thailand
- 2007-2011 Chairman
The Communications Authority of Thailand
Savings Co-operative Limited
- 2003-2009 Senior Executive Vice President (Operations),
Thailand Post Company Limited

▶ Mr. Prasitt Hemwarapornchai

Deputy Chairman of the Board/Chairman of Compensation Committee/Independent Director/Audit Committee Member/Nomination and Corporate Governance Committee Member

Age : 66 years

Education :

- Advanced Certificate of Electrical Engineering, Chulalongkorn University
- Bachelor of Engineering (Communication, Electrical Power), Chulalongkorn University
- Director Certification Program (DCP 129/2010)
- Audit Committee Program (AC 32/2010)
- Role of Compensation Committee (RC 11/2010)
- Role of the Chairman Program (RC 25/2011)
- Monitoring the Quality of Financial Reporting (MFR 15/2012)
- Role of Nomination and Governance Committee (RNG 3/2012)
- Anti - Corruption for Executive Program (ACEP 8/2013)

Shareholding (%) : -

Personal Relationship with the Management : -

Work Experience (Over the Past 5 Years) :

2009-present Deputy Chairman of the Board/
Chairman of Compensation Committee/
Independent Director/Audit Committee
Member/Nomination and Corporate
Governance Committee Member
Symphony Communication Public Company
Limited

2013-present Chairman of Subcommittee to draft Standard in
Management of Safety, Occupational Health,
and Environment to work on Electricity,
Ministry of Labour

2013-present Chairman of Data Center Standard Subcommittee,
The Engineering Institute of Thailand, Under
H.M. the King's Patronage

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



2012-present Member of the senior professional Engineer
Subcommittee, Council of Engineer

2012-present Member of the professional Engineer
Subcommittee, Council of Engineer

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

2013-2014 Senior Electrical Advisor for Suvarnabhumi
Airport phase 2 Project, Span Company Limited,
Electrical Design and Consulting

2010-2012 Advisor to the "Engineering and IT Front Office
System for Siriraj Hospital"
ISOFT Company Limited

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

Mr.Jitkasem Sangsingkeo

**Chairman of the Audit Committee/Independent Director/
Compensation Committee Member/Nomination and
Corporate Governance Committee Member**

Age : 65 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
- Role of Compensation Committee 11/2010
- Role of the Chairman Program 25/2011
- Role of Nomination and Governance Committee (RNG 3/2012)
- Anti - Corruption for Executive Program (ACEP 8/2013)

Shareholding (%) : -

Personal Relationship with the Management : -

Work Experience (Over the Past 5 Years) :

- 2009-present Chairman of the Audit Committee/
Independent Director/Compensation Committee
Member/Nomination and Corporate Governance
Committee Member
Symphony Communication Public Company
Limited
- 2014-present Senior Advisor, Thai Resources and
Environmental Management Institute (TREMI)
- 2005-2013 Investment Board (SME Fund)
Aureos Advisers (Thailand) Limited
- 2005-2012 Member of the State Enterprise Performance
Appraisal Committee
Ministry of Finance
- 2010-2011 Advisor of Audit Committee
CAT Telecom Public Company Limited
- 2009-2011 Director
Metropolitan Waterworks Authority
- 2005-2010 Audit Committee Member
Prasit Patana Public Company Limited





▶ Mr. Kranphol Asawasuwan

Director/Nomination and Corporate Governance Committee Member/Authorized Director/Chairman of Executive Committee

Age : 51 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
- ASEAN Economic Community (AEC 3/2013), King Prajadhipok's Institute
- Anti - Corruption For Executive Program (ACEP 13/2014)

Shareholding (%) : 16.34

Personal Relationship with the Management : -

Work Experience (Over the Past 5 Years) :

2007-present Director/Nomination and Corporate Governance Committee Member/Authorized Director/Chairman of Executive Committee
Symphony Communication Public Company Limited

2007-2014 President
Symphony Communication Public Company Limited

2006-present Director
Synergy Net Holding Company Limited

2000-present Director
Global Crossing Systems Company Limited

2000-2008 Director
Global Crossing Services Company Limited

▶ Mr. Teerarat Pantarasutra

Director/Compensation Committee Member/Authorized Director/President

Age : 54 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)
- Anti - Corruption For Executive Program (ACEP 13/2014)

Shareholding (%) : 15.58

Personal Relationship with the Management : -

Work Experience (Over the Past 5 Years) :

2005-Present Director/Compensation Committee Member/Authorized Director/President
Symphony Communication Public Company Limited

2014-Present President
Symphony Communication Public Company Limited

2005-2014 Senior Executive Vice President
Symphony Communication Public Company Limited

2013-present Chairman, Director
Diamond Line Services Company Limited

2006-present Director, Managing Director
Global Crossing Systems Company Limited

2006-present Director
Synergy Net Holding Company Limited

2001-2006 Director, Legal Advisor
Global Crossing Services Company Limited



Mr.Pongthep Thanakijisuntorn

Director/Authorized Director/

Executive Vice President-Marketing & IMC

Age : 47 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 (%) : 8.16

Personal Relationship with the Management : -

Work Experience (Over the Past 5 Years) :

2005-present Director/Authorized Director/
Executive Vice President-Marketing & IMC
Symphony Communication Public Company
Limited

2006-present Director
Global Crossing Systems Company Limited

2006-present Director
Synergy Net Holding Company Limited

Mr.Pathomkrit Srisuphakhanin

Director/Authorized Director/

Executive Vice President-Engineering 2

Age : 49 years

Education :

- Master of Public and Private Management, 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 Accreditation Program 81/2009
- Director Certification Program 138/2010
- Successful Formulation & Execution of Strategy (SFE 14/2012)

Shareholding (%) : 8.08

Personal Relationship with the Management : -

Work Experience (Over the Past 5 Years) :

2007-present Director/Authorized Director/
Executive Vice President-Engineering 2
Symphony Communication Public
Company Limited

2013-present Director
Diamond Line Services Company Limited

2006-present Director
Global Crossing Systems Company Limited

2006-present Director
Synergy Net Holding Company Limited



Ms. Bussakorn Jaruwachirathanakul
Director/Authorized Director/
Executive Vice President-Finance and Accounting

Age : 49 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
- Executive Development Program 9/2011

Shareholding (%) : 2.74

Personal Relationship with the Management : -

Work Experience (Over the Past 5 Years) :

- 2007-present Director/Authorized Director/
 Executive Vice President-Finance and
 Accounting
 Symphony Communication Public
 Company Limited
- 2006-present Director
 Synergy Net Holding Company Limited
- 2004-present Director
 Global Crossing Systems Company Limited
- 2006-2011 Director
 Global Crossing Services Company Limited

Mr. Supornchai Chotputtikul
Director/Authorized Director/
Executive Vice President-Engineering 1

Age : 49 years

Education :

- Bachelor of Engineering, King Mongkut's Institute of Technology Ladkrabang
- Master of Business Administration, Thammasat University
- Director Accreditation Program 89/2011
- Director Certification Program 162/2012
- Success Formulation & Execution of Strategy (SFE 15/2012)

Shareholding (%) : 0.01

Personal Relationship with the Management : -

Work Experience (Over the Past 5 Years) :

- 2010-present Director/Authorized Director/
 Executive Vice President-Engineering 1
 Symphony Communication Public
 Company Limited
- 2013-present Director
 Diamond Line Services Company Limited
- 2002-2010 Project Director
 Alcatel-Lucent (Thailand) Limited



Management Structure

Board of Directors

The Board of Directors consists of nine directors, three of them are independent directors. All directors have received certificates from The Thai Institute of Directors Association. The list of directors and the role of independent directors in the subcommittees are as follows:

Name	Title	Meeting Attendance			
		Board of Directors	Audit Committee	Compensation Committee	Nomination and Corporate Governance Committee
1. Mr. Woodtipong Moleechad	Chairman of the Board/Chairman of Nomination and Corporate Governance Committee/ Audit Committee Member/ Compensation Committee Member/ Chairman of Independent Director	8/8	5/5	6/6	6/6
2. Mr. Prasitt Hemwarapornchai	Deputy Chairman of the Board/ Chairman of Compensation Committee/Nomination and Corporate Governance Committee Member/Audit Committee Member/ Independent Director	8/8	5/5	6/6	6/6
3. Mr. Jitkasem Sangsingkeo	Chairman of the Audit Committee/ Nomination and Corporate Governance Committee Member/ Compensation Committee Member/ Independent Director	8/8	5/5	6/6	6/6
4. Mr. Kranphol Asawasuwan	Director/Nomination and Corporate Governance Committee Member	8/8	-	-	6/6
5. Mr. Teerarat Pantarasutra	Director/Compensation Committee Member	8/8	-	6/6	-
6. Mr. Pongthep Thanakijuntorn	Director	8/8	-	-	-
7. Mr. Pathomkrit Srisuphakhanin	Director	8/8	-	-	-
8. Ms. Bussakorn Jaruwachirathanakul	Director	8/8	-	-	-
9. Mr. Supornchai Chotputtikul	Director	8/8	-	-	-

Ms. Nattaya Jungsawatmetha is the secretary of the Board of Directors and company secretary since 1 December 2014

Authorized Directors

Authorized directors pursuant to the Affidavit of the Company are Mr. Kranphol Asawasuwan, Mr. Teerarat Pantarasutra, Mr. Pathomkrit Srisuphakhanin, Mr. Pongthep Thanakijuntorn, Ms. Bussakorn Jaruwachirathanakul or Mr. Supornchai Chotputtikul. Any two of them may jointly sign their names and affix the corporate seal to legally bind the company.

Qualification of Board of Directors and term of office

The Board of Directors shall comprise of at least 5 directors, of which not less than half of total directors must be Thai residents. The Board of Directors must comprise executive directors, non-executive directors and independent directors. The Board of Directors comprises of three independent directors or not less than one-third (1/3) of total number of directors. The independent director must possess qualifications in compliance with the law on securities and stock exchange and the regulations of the Stock Exchange of Thailand. 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 term of office for director is 3 years. 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. The retiring directors may be reappointed to resume the positions. Independent directors shall not hold position longer than 9 consecutive years, except approved by nomination and corporate governance committee due to his/her contribution to the Company and no impact on his/her independency by the additional term. Moreover, the appointment shall be approved by Board of Directors and Shareholders. At present, none of independent directors holds his position longer than 9 years.

Qualification of Independent Director

The independent director must possess qualifications in compliance with the law on securities and stock exchange and the regulations of the Stock Exchange of Thailand as following details:

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 member of Board of Directors.

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.

Management Team

The Company's managements as defined by the Securities and Exchange Commission comprise of the following 5 members.

Name	Title
1. Mr. Teerarat Pantarasutra	President*
2. Mr. Pathomkrit Srisuphakhnin	Executive Vice President for Engineering 2
3. Mr. Pongthep Thanakijsumton	Executive Vice President for marketing and IMC
4. Ms. Bussakorn Jaruwachirathanakul	Executive Vice President for Finance and Accounting
5. Mr. Supornchai Chotputtikul	Executive Vice President for Engineering 1

*Mr. Teerarat Pantarasutra has been appointed to be President in replacement of Mr. Kranphol Asawasuwana since 19 August 2014.

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.

Company Secretary

Board of Directors has appointed a Company Secretary to support activities of Board of Directors, and assist Board of Directors and the Company for compliance matters in accordance with Good Corporate Governance Guidance set forth by the Stock Exchange of Thailand. The duties and responsibilities of Company Secretary are as follows:

1. Prepare and keep following documents:
 - a. Director registration
 - b. Invitation letters and minutes of Board of Directors meetings and Annual Reports
 - c. Invitation letters and minutes of Shareholders meetings
2. Keep the report of vest interests reported by directors and managements
3. Submit the copy of vest interest information reported by directors and managements or connected persons as defined by Section 89/14 of the Securities and Exchange Act B.E. 2551 to Chairman of the Company and Chairman of Audit Committee within 7 working days from receiving date and keep all disclosure documents that disclosed to shareholders or public for at least 5 years.
4. Perform other activities as defined by the Security Exchange Commission

Board of Directors had appointed Mr. Teerarat Pantarasutra to be the company secretary since 8 April 2010. As Mr. Teerarat Pantarasutra has been appointed as the President since 19 August 2014, therefore, in order that Mr. Teerarat Pantarasutra can concentrate to the duties of the President, Board of Directors has appointed Ms. Nattaya Jungsawatmetha to be the Company Secretary in replacement of Mr. Teerarat Pantarasutra, effective from 1 December 2014.

Background and qualification of company secretary

Ms. Nattaya Jungsawatmetha

Education	Master of Business Administration, Thammasat University Bachelor of Art (Economics), Thammasat University Bachelor Degree of Business Administration (Accounting), Sukhothaidhammadhirat University
Experience	2010-Present Investor Relations Manager, Symphony Communication Public Company Limited
Qualification	Knowledge of company business, SEC and SET rules, regulations and related laws regarding responsibilities of company secretary. Joined training courses relating to roles and responsibilities e.g. Company Secretary Program from Thai Institution of Directors, Smart Disclosure Program from SET etc.

Directors and Management Compensation

1) Compensation in cash

1.1) Directors Compensation

The Company has considered directors compensation which is separated into independent directors and executive directors as well as considering principle appropriate for the business, amount of payment and comparing with other companies listed in Stock Exchange of Thailand, responsibility, the Company's position, operating performance and the supervision of the Company to achieve the strategic execution and corporate objective including income growth and also considering external factors such as business competition, conditions and trend of the market as well as current economic environment and etc. The director compensation must be approved by shareholders' meeting.

The Annual General Meeting of Shareholders 2014, held on 25 April 2014, resolved to approve the Board of Directors' and Subcommittee Compensation for the year 2014, in the amount not over Baht 7.0 million per year and director bonus in the amount not exceeding Baht 3.0 million per year to be payable in proportion of 1% of total dividend payment (if paid).

1.1.1) Meeting allowance

Meeting allowance rate for Board of Directors meeting and subcommittee meeting are as follows:

Position	Meeting allowance (Baht/time)				Remarks
	Board of Directors	Compensation Committee	Nomination and Corporate Governance	Audit Committee	
Chairman	25,000	20,000	20,000	20,000	- Payable to participated members - Meeting allowance for subcommittee only paid to non-executive members - No meeting allowance for Executive Committee and Risk Management Committee as all members are executives
Member	20,000	15,000	15,000	15,000	

1.1.2) Salary

Salary for Board of Directors and Subcommittee are as follows:

- Board of Directors 20,000 per person per month
- Subcommittee 20,000 per person per month per subcommittee (paid to only non-executive members)

1.1.3) Director bonus

The Annual General Meeting of Shareholders 2014, held on 25 April 2014, resolved to approve director bonus in the amount not exceeding Baht 3,000,000 per year to be payable in proportion of 1% of total dividend payment (if paid). Board of Directors meeting No.2/2015, held on 19 February 2015 approved to propose the Annual General Shareholders' Meeting for the year 2015 to consider and approve dividend payment for operating performance of 2014 in total amount of Baht 129,135,711.- (One Hundred Twenty Nine Million One Hundred Thirty Five Thousand Seven Hundred Eleven Baht). Therefore, director bonus payable to 9 directors shall be Baht 143,480.- (One Hundred Forty Three Thousand Four Hundred Eighty Baht) per person or total Baht 1,291,320.- (One Million Two Hundred Ninety One Thousand Three Hundred Twenty Baht) or 1% of total dividend payment, to be paid on the same day as dividend payment date on 21 May 2015 if the Shareholders' Meeting approve the dividend payment as proposed.

In 2014, the compensation paid to directors according to above criterion are as follows:

Unit : Baht

Name	Title	Meeting Allowance				Salary	Total
		Board of Directors	Compensation Committee	Nomination and Corporate Governance Committee	Audit Committee		
1. Mr. Woodtipong Moleechad	Chairman of the Board/ Chairman of Nomination and Corporate Governance Committee/ Audit Committee Member/Compensation Committee Member/ Chairman of Independent Director	200,000	90,000	120,000	75,000	960,000	1,445,000
2. Mr. Prasitt Hemwarapornchai	Deputy Chairman of the Board/Chairman of Compensation Committee/Nomination and Corporate Governance Committee Member/Audit Committee Member/ Independent Director	160,000	120,000	90,000	75,000	960,000	1,405,000
3. Mr. Jitkasem Sangsingkeo	Chairman of the Audit Committee/Nomination and Corporate Governance Committee Member/Compensation Committee Member/ Independent Director	160,000	90,000	90,000	100,000	960,000	1,400,000
4. Mr. Kranphol Asawasuvan	Director/Nomination and Corporate Governance Committee Member	160,000	0	0	0	240,000	400,000
5. Mr. Teerarat Pantarasutra	Director/Compensation Committee Member	160,000	0	0	0	240,000	400,000
6. Mr. Pathomkrit Srisuphakhani	Director	160,000	0	0	0	240,000	400,000
7. Mr. Pongthep Thanakijuntorn	Director	160,000	0	0	0	240,000	400,000
8. Ms. Bussakorn Jaruwachirathanakul	Director	160,000	0	0	0	240,000	400,000
9. Mr. Supornchai Chotputtikul	Director	160,000	0	0	0	240,000	400,000
รวม		1,480,000	300,000	300,000	250,000	4,320,000	6,650,000

1.2) Management Compensation

In 2013 and 2014, management compensations are as follows:

Benefits	2013		2014	
	Number of executives	Amount (Baht)	Number of executives	Amount (Baht)
Salary and Bonus	6	22,056,678	7	24,690,445
Other remunerations such as contribution to social security fund, provident funds, etc.	6	1,538,029	7	1,816,874
Total	6	23,594,707	7	26,507,319

* Mr. Teerarat Pantarasutra has been appointed to be President in replacement of Mr. Kranphol Asawasuwana since 19 August 2014. Mr. Supot Tiarawut has resigned since 16 October 2014.

2) Other benefits

On 22 April 2013, the annual general meeting of shareholders 2013 approved the issuance and offering of 6,000,000 units of free warrant to directors, management and/or employees of the Company to motivate and reward directors, management and/or employees who are essential for the Company to achieve sustainability and stimulate higher business growth. The exercise ratio is 1 unit of warrant for 1 ordinary share at exercise price of 14.72 Baht/share. The warrants have expiry date 4 years from the issuance date. None of director, management and/or employees received allocation more than 5% of total issued warrants. Mr. Supornchai Chotputtikul is the only director/management who received allocation in the amount of 300,000 units or 5% of total issued ESOP-warrants.

Personnel

1) Number of Employees and Compensation

As of 31 December 2014, the total number of employees (exclude Directors and Management) was 362, which can be classified functions as follows:

Department	No. of Employees
Office of Managing Director	3
Consultant	1
Marketing and Information Technology	71
Engineering	226
Government Affair	15
Finance, Accounting and Administration	31

Department	No. of Employees
Human Resources	9
Legal	2
Operation System Development	4
Total	362

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 2013 and 2014, the compensation which the Company provided for its employees are as follows:

Employees' Compensation (Baht)	2013	2014
Salary and bonus	113,182,475	158,562,706
Other benefits such as commission, bonus, contribution to social security fund, contribution to provident fund, living expenses and other fringe benefits	39,252,754	62,925,560
Total	152,435,229	221,488,266

2) 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 desired core competencies are categorized into 5 following areas: Adaptability, Professionalism, Teamwork, Integrity and Service-Minded.

In addition, the nature of our business as a telecommunications network service provider requires specialized skills of employees, which varies depending on an individual's major responsibility, typically in engineering, accountancy and management. The company also adopts the leadership competency model in order to develop managerial skills for employees engaging in supervising or coaching roles. There are 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.

Summary of Training to employees of the Company and its subsidiary in 2014

In 2014, the Company properly provided for training courses for employees of the Company and its subsidiary, both in-house training and external training with professional training houses and accredited organizations. Most employees had total training hour over 18 hours per year which is higher than training hours required by the standard of the Department of Skill Development which required average minimum 6 hours per person per year.

Total training hours	6 hours	12 hours	More than 18 hours	Total
Number of employees	38 employees	75 employees	212 employees	325 employees

Regarding moral and virtue development, employees are encourages 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.



1. Corporate Governance Policy

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 and The Stock 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.

In 2014, the Company has revised Corporate Governance Policy and announced to all directors, managements and employees to put into practice in order to foster strong corporate governance culture among managements and employees. The Company also educate good governance practices as well as code of conducts to employees and include corporate governance development in annual action 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 follows:

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 and The Stock Exchange of Thailand. 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 cannot attend the meeting in person, they can appoint proxies or delegate their votes to any company's independent director in attendance by filling in the proxy form which is attached along with the meeting notices.

► Prior to the meeting, the shareholders can send their views, opinions, recommendations or questions to the Company. 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 the stakeholders' rights and interests, both inside and outside the Company that are customers, business partners, competitors, creditors, government, community and other concerned agencies. We also realized that the support we've received from our stakeholders will help boost our competitive potential and bolster our profits, thus fostering long term success to the Company. The Company has set Corporate Governance Policy and Code of Conducts for managements and employees to strictly put into practice.

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. The Company should prudently manage risks and regularly review the risk mitigation measures.

Customers

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

sustainable business. Moreover, we regularly conduct customer's satisfaction survey and provide convenient communicating channel for customers to send inquiries or submit suggestions and complaints, as well as provide proper security for data records.

Business partners

The Company considers fairness and committed to agreements, term of payments and mutual benefit between business partners. Therefore, the Company treats business partners on the same footing, based on regulated laws and business agreement and fairly select business partners by forbidding all employees from accepting benefits or gifts that may influence unfair business treat to any business partners.

Competitors

The Company supports fair and free competition policy within the scope of laws and business ethics. The company prohibit employees to disclose confidential information of competitors that violate laws, contract or any confidentiality agreements.

Creditors

The Company strictly complies with all terms and conditions of financial obligations and properly manage financial risks to ensure good financial position and ability to repay debt to creditors throughout the contracts.

Employees

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

Government

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

Community, social, environment, occupational health and safety

The Company attached utmost importance to natural resources, energy conservation and preserve the environment and be responsible for the community as a whole. Not only that, the Company also gives full support to the community's activities, including those living in the neighborhood of the Company's office. We train employees to be responsible to community, social and environment and set the policy on safety, occupational health, safety and environment that we put importance to the prevention of accident related to company's activities and services. The Company also mapped out the efficient plan to deal with emergency matters and participate in the drills frequently.

Mechanism of Participation for Stakeholders

The Company provides a channel 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 - 37th 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 in which the contact person for each department 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 The Stock Exchange of Thailand. This includes other crucial information that might affect the Company's share price and the decision of investors and stakeholders. Therefore, the Company's Board of Director has assigned the Audit Committee to audit the quality of our financial report and internal control system and disclose adequate information in the notice attached with the Company's financial statement and report it to the Board of Directors. The Company disseminates information to shareholders, investors and public through numerous channels such as SET and the Company's website, in order that all shareholders can get equal access to such information

Investor Relations

The Company realizes the importance of communication with investors, analysts and other concerned parties. Therefore, the Company has assigned the investor relations 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 Stock 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.

Section 5 Responsibilities of the Board of Directors

Board of Directors has complete authority to set corporate vision, direction, policy, importance action plan and monitor the business management to achieve target as well as align with long-term benefits to shareholders under framework of regulations and code of conducts. The Company also consider benefits of all stakeholders. Therefore, the Company has practices to achieve sustainable growth as follows:

1. The Structure of the Board of Directors

The Company's Board of Directors consists of qualified and capable personnel with various experiences that 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 3 of them are independent directors, which is amounted to one-third (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 5 subcommittees, namely Audit Committee, Compensation Committee, Nomination and Corporate Governance 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.

The Company has required that the Chairman of the Board of Directors and the Chairman of the Executive Committee are two distinct persons, in order to segregate policy-making and governing duties from those of day-to-day management.

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

Major roles and duties of Board of Director have been mentioned in management structure section. Moreover, Board of Directors take key roles to review important policies and guidance as follows:

▶ Corporate Governance Policy

The Company has defined Corporate Governance Policy in written form and issue the Corporate Governance handbook to publish as a guideline for the directors, management and employees and review it on annual basis.

▶ Business Code of Conduct

Board of Directors must promote and develop corporate governance and set code of conduct in written form for the Board of Directors, management and all employees to strictly observe, compile and set standard as a guidance to control and monitor actions of directors, managements and employees as well as define to punishment for those who misconduct.

▶ Respect to laws, human rights and intellectual properties

Business of the Company is to providing service to public, therefore, the Company shall conduct the business in compliance with laws, regulations, order and resolution of Board of Directors as well as respect to principle of human rights by avoiding any violation to human rights. The Company also set policy for employees at all level to hold on to code of conduct relating to human rights and respect to intellectual properties and use only legalized standard softwares.

▶ Anti - corruption Policy

The Company has "Anti-Corruption Policy" in written form in order to prudently make a decision on any course of action that could possibly lead to corruption and to serve as an apparent guideline in performing business and effectively developing to sustainable organization. Director, managements, and staff are disallowed to involve or accept every type of corruption both in direct or indirect manners covering every business activities. The Anti-Corruption Policy must be reviewed regularly, including with a

possible revision of such policy and implementation provision in order to accord with business changes, regulation, standard, and laws. The Company provide fairness and safeguard to staff who denies or informs corruption cases relating to the Company by applying Protection Policy for appellant or persons who incorporate with Anti-Corruption information as stated in the Whistleblower Policy.

► 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 meetings, except for necessity absence. The minutes of each meeting are properly documented and are filed for auditing purposes and for reference by directors and related persons.

In deliberation of each agenda item, the Chairman of the board, in which case the Chairman of the Meeting shall allow all directors to express their views 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 for effective execution.

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.

4) Director positions in other listed companies

Policy for directors to hold director positions in other listed companies

The Board of directors set a policy that directors shall not hold director positions in other listed companies more than 5 companies, in order that the director can dedicate and provide efficiency to their duties. At present, none of 9 directors holds director positions in other listed companies more than 5 companies, therefore, they can really contribute to the duties of directors.

Policy for the president regarding director positions in other companies

Board of directors set policy for the president regarding director positions in other companies. For the subsidiary, board of directors may appoint the president and/or senior managements of the Company to be directors of subsidiary in order to govern and set business direction in line with the Company. For other companies, the president needs to inform and gets approval from Board of Directors before taking any director positions in other companies.

5) Performance Evaluation of Directors

The Board of Directors conducts a self-assessment on their scope of duties on annual basis, whereby each director is free to evaluate and expresses his/her opinions to Board of Directors in order to improve efficiency of Board of Directors. The evaluation measures including qualifications, roles of regulating and monitoring, leadership, strategic directions and duties. In 2014, evaluation performance of Board of Directors was in “Good” level. All Directors also evaluate themselves by individual evaluation including assessment of knowledge, competence, duties and responsibilities. In 2014, evaluation performances of each director were in “Good” level. Board of Directors has analyzed the assessment results in all aspects for further efficiency improvement.

For subcommittee assessments, there were both self-assessment by individual director and subcommittees’ assessment, the evaluation results have been reported to Board of Directors. In 2014, average evaluation results of all subcommittees were in “Good” level.

Board of directors also set annual evaluation for the president, the evaluation includes vision, leadership, change management and target achievement for various aspects. Compensation committee then takes the evaluation results to consider the appropriate compensation to president.

6) Director and Executive Development

The Company values and fully supports the enrolment of 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 documents useful for the scope of duties of the new ones, including enrolling them in the useful and relevant training courses.

Subcommittees

1) 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 or Accounting.*

Qualifications of Audit Committee

The Audit Committee comprises of at least 3 independent directors who are able to devote sufficient time to the duty of Audit Committee, with at least one of independent director possess experiences in Finance or Accounting. The term of office of Audit Committee is 3 years, and may be appointed or removed by the Board of Directors or at the shareholders' meeting.

The scopes 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.

2) Compensation Committee

The Company's Compensation Committee consists of the following 4 members.

Name	Title
1. Mr. Prasitt Hemwarapornchai	Chairman of the Compensation Committee
2. Mr. Woodtipong Moleechad	Compensation Committee member
3. Mr. Jitkasem Sangsingkeo	Compensation Committee member
4. Mr. Teerarat Pantarasutra	Compensation Committee member

Ms. Natthanicha Chongvilai is the secretary of the Compensation Committee

Qualifications of Compensation Committee

The Compensation Committee shall be appointed by the Board of Directors, comprises of at least three directors, whereby majority of members shall be independent or non-executive directors, and appoint one of the independent director member to be the Chairman. The term of office of Compensation Committee is three years.

Scopes and responsibilities of the Compensation Committee

1. Review the structure and criteria of the remuneration for the Board of Directors, management and employees by reviewing suitability of the current remuneration package, comparing to the remuneration package of peers 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 and acknowledge the assessment of executives in the position of Executive Vice President or higher.
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, the Board of Director must proposed to the shareholders' meeting for approval.
6. Consider and endorse the issuance of securities under ESOP program to directors and employees of the Company, set out the attractive structure 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.
7. The Compensation Committee may appoint any consultant to provide opinion as deem necessary.
8. Perform other duties assigned by the Board of Directors.

3) Nomination and Corporate Governance Committee

The Company's Nomination and Corporate Governance Committee consists of the following 4 members as follows:

Name	Title
1. Mr. Woodtipong Moleechad	Chairman of the Nomination and Corporate Governance Committee
2. Mr. Prasitt Hemwarapornchai	Nomination and Corporate Governance Committee member
3. Mr. Jitkasem Sangsingkeo	Nomination and Corporate Governance Committee member
4. Mr. Kranphol Asawasuwana	Nomination and Corporate Governance Committee member

Mr. Teerarat Pantarasutra is the secretary of Nomination and Corporate Governance Committee

Qualifications of Nomination and Corporate Governance Committee

The Nomination and Corporate Governance Committee shall be appointed by the Board of Directors, comprises of at least three directors, whereby majority of members shall be independent or non-executive directors, and appoint one of the independent director member to be the Chairman. The term of office of Compensation Committee is three years.

Scopes and responsibilities of the Nomination and Corporate Governance Committee

Nomination Roles

1. Set out methodology and procedures in the nomination of the qualified candidates for the Board members by determining the qualifications that align with the Company's business, area of expertise of the members.
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 issue the nominated directors in the invitation for the shareholders' meeting for the appointment of such person.
7. Consider and review the appointment of executive in the position of Executive Vice President or higher to propose to the Board of Directors' consent.
8. Monitor the formulation of Succession Plan of the Director, President and Executive Vice President as well as other positions that vital for corporate sustainability.

Corporate Governance Role

1. Consider and draft the Corporate Governance Policy according to the updated framework of rules and regulations of related agencies e.g. the Stock Exchange of Thailand, Security Exchange Commission or other related agencies, set the guidance of Corporate Governance that in line with the universal best practices.
2. Propose the Draft of Corporate Governance Policy to the Board of Directors for consideration and implementation of best practices of Directors and Executives, and formulate the Corporate Governance Policy Statement.
3. Set out the policy for formulating of strategic plan, monitor the risk management and the internal control that in line with the laws and situation.

4. Monitor and instruct the Directors and Managements regarding their duties and responsibilities under the Corporate Governance Policy to maintain the effective Corporate Governance that meets expectation of all stakeholders.
5. Review the Corporate Governance Policy on annual basis to ensure that the Corporate Governance Policy is update and complies with universal standards and related rules and regulations.
6. Follow up and evaluate the performance of Directors and Management according to the best practices set forth in Corporate Governance Policy on the regular basis.
7. Introduce the best practises and business ethics to Directors, Managements and employees.
8. Appoint the working group to support the tasks of Corporate Governance as necessary.
9. Consider and set out the policy and guidance for Corporate Social Responsibility (CSR).
10. The Nomination and Corporate Governance Committee may appoint any consultant to provide opinion as deem necessary.
11. Perform other duties assigned by the Board of Directors.

4) The Risk Management Committee

The Risk Management Committee consists of the following 10 members.

Name	Title
1. Mr. Kranphol Asawasuan	Chairman of the Risk Management Committee
2. Mr. Pathomkrit Srisuphakhnanin	Deputy Chairman of the Risk Management Committee
3. Ms. Bussakorn Jaruwachirathanakul	Risk Management Committee member
4. Mr. Supornchai Chotputtikul	Risk Management Committee member
5. Ms. Wanrudee Tantayopin	Risk Management Committee member
6. Mr. Wanchai Somboonphon	Risk Management Committee member
7. Mr. Paisarn Trichavaroj	Risk Management Committee member
8. Mr. Apirath Wisitthiwong	Risk Management Committee member
9. Mr. Ruchitthep Boonyopakorn	Risk Management Committee member
10. Mr. Chakkrit Sangsawang	Risk Management Committee member

Ms. Warun Aumetanapan is the secretary of the Risk Management Committee.

The scopes 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.
6. Plan, develop and monitor the internal control process.
7. Risk Management Committee may appoint or outsource consultants to provide professional opinion as deem necessary.

5) Executive Committee

The Executive Committee consists of the following 4 members.

Name	Title
1. Mr. Kranphol Asawasuwana	Chairman of the Executive Committee
2. Mr. Teerarat Pantarasutra	Deputy Chairman of the Executive Committee
3. Mr. Pongthep Thanakijstorn	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.
16. Perform other duties assigned by the Board of Directors.

Authorizations granted 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.

Nomination of Directors and Top Executives

The Appointment of Director

The Board of Directors has appointed Nominating and Corporate Governance Committee, which comprise of 3 independent directors from 4 members, to select, and nominate suitable candidates for the position of Directors and Managements and must consider the composition of board of directors in accordance with Public Company Act B.E.2535, qualification, variety of experiences and contribution to the Company. The Nominating and Corporate Governance Committee also considers if there are qualified persons nominated from minority shareholders. Then, Nominating and Corporate Governance Committee nominate to board of directors to propose the annual general shareholders meeting to appoint director by votes according to the Company's regulations. The Company allow shareholders to vote for directors individually one by one. 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.

Appointment of the President and Succession Plan

Nomination and Corporate Governance Committee has the duty to consider and review the appointment of executive in the position of Executive Vice President or higher to propose to the Board of Directors' consent and monitor the formulation of Succession Plan of the Director, President and Executive Vice President as well as other positions that vital for corporate sustainability by developing and preparing successors to boost confident of shareholders, investors and staff that the Company business will be sustainable.

Governance and Control of Subsidiary

The Company has policy to appoint top executives of the Company to be the directors of subsidiary in order to drive the common objective and best interest of the Company. Board of Directors of the subsidiary is reported to Board of Directors of the Company on quarterly basis. The importance matters that required approval from Board of Directors of the Company, Board of Directors of the subsidiary must seek approval from Board of Directors of the Company before any implementation. However, the number of board seats in the subsidiary will be in the same proportion of shareholding.

Moreover, the Company has a policy that executives of the subsidiary must monitor and set regulations for related party transactions, asset acquisition and disposition and importance transactions completely, correctly and in line with the Company. Management of the subsidiary shall set the internal control and filing systems, as well as transparent and timely accounting procedure in order to consolidate with the Company.

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, management and all employees as follows:

- ▶ The directors, management and all employees of the Company must protect the Company's confidentiality and must not disclose it for their own or others' benefits whether directly or indirectly. They must not transfer or be transferred the Company's shares by using the Company's confidentiality and/or inside information and/or undertake any business transactions by using the Company's confidentiality and/or inside information, which would lead to financial loss to the Company whether directly or indirectly.
- ▶ The directors, management and employees who are aware of inside information that has not been disclosed to the public must not use such information and must avoid or refrain from buying, selling, transferring or being transfers company's shares within one 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 statements have been reviewed and audited by certified accountant according to the general accepted accounting standard to ensure that the financial statements are fairly presented. The Company's financial statements for the year 2014 have been audited by EY Office Limited. The audit firm has received its fee as detailed below:

1. Auditing fee according to the contract	1,060,000 Baht (for quarterly and annual financial statement)
2. Other expenses	10,777 Baht
Total	1,070,777 Baht



Audit Committee Report 2014 - Internal Control and Risk Management

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. Ms. Warun Aumetanapan, Internal Audit Manager serves as the secretary of Audit Committee.

In 2014, 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 5 meetings held in 2014, 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 for the year 2014 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 and 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 from outsource internal auditor. 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 audit committee meeting 5/2014, held on December 25th, 2014, appointed an independent internal auditor namely IVL auditing Co., Ltd. that assigned Ms. Valdee Sibunrueang 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. Moreover, the audit committee had assigned Internal control unit to cooperate with outsourced internal auditor. 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 external auditor and recommended their compensation for the year 2015 and presented to the Board of Directors to propose for final approval from the 2015 Annual General Meeting of Shareholders. The Audit Committee had considered performance, independence and appropriate compensation and, thus, has nominated following auditor (s); Ms. Rungnapa Lertsuwankul, Certified Public Accountant (Thailand) No. 3516 and/or Mr. Sophon Permsirivallop, Certified Public Accountant (Thailand) No. 3182 and/or Mr. Chayapol Suppasertanon, Certified Public Accountant (Thailand) No. 3972 from EY Office Limited as an auditor of the Company and its subsidiary in 2015 with the compensation of Baht 1,050,000.

The auditor has no relationship or interest with the Company and they have meeting (without the management team) with the audit committee one time.

8. The Audit Committee conducted the self-assessment on their scope of duties in the year 2014 by comparing to that stated in the Audit Committee Charter and the good practice. For 2014, it was found that the Committee had performed its duties in accordance with the Audit Committee Charter and the good practice.

9. Assessed the adequacy of the internal control system. The board of directors committee meeting 2/2015, held on February 19th, 2015 attended by all 3 independent director. The Board of Directors committee has assessed the internal control of the company by asking information from management and reviewing an evaluation report from the audit committee. The report has concluded the assessment in five different elements; Control Environment, Risk Assessment, Control Activities, Information & Communication and Monitoring Activities.

The Board of Directors committee has agreed that The Company's internal control system is adequate and appropriate. The Company has provided adequate personnel to operate the system effectively and can protect the assets of the Company and its subsidiaries also including transactions with persons who may have conflicts of interest and related party.

10. Reviewed the Audit Committee Charter in order to develop and revise the composition, term of office, scope of duty and responsibility and the self-assessment, in accordance to the good corporate governance principles and regulations of the Stock Exchange of Thailand and the Security Exchange Commission.

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 the Audit Committee



Mr. Jitkasem Sangsingkeo

Chairman of the Audit Committee

Symphony Communication Public Company Limited



Related Party Transaction

The Board of Directors carefully considers the conflict of interests and related party transactions 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 interests to the Company. The connected persons will be refrained from exercising their authority for and involvement in such transactions. Moreover, the approval of such transactions must be done solely for the Company's best interests and the information must be disclosed in the note of financial statement. The consolidated annual financial statements ending on 31 December 2014 published the related transaction in the Note no. 6.

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 interests shall not participate in the approval of transactions.



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, EY 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 2014 that all these financial statements have been prepared in accordance with generally accepted accounting principles and related regulations.

Mr. Woodtipong Moleechad

Chairman

Mr. Teerarat Pantarasutra

President

Report of Independent Auditor

To the Shareholders of Symphony Communication Public Company Limited

I have audited the accompanying consolidated financial statements of Symphony Communication Public Company Limited and its subsidiary, which comprise the consolidated statements of financial position as at 31 December 2014, and the related consolidated statements of comprehensive income, changes in shareholders' equity and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information, and have also audited the separate financial statements of Symphony Communication Public Company Limited for the same year.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

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 and its subsidiary and of Symphony Communication Public Company Limited as at 31 December 2014, and their financial performance and cash flows for the year then ended, in accordance with Thai Financial Reporting Standards.



Rungnapa Lertsuwankul

Certified Public Accountant (Thailand) No. 3516

EY Office Limited

Bangkok: 19 February 2015



Statement of financial position

Symphony Communication Public Company Limited and its subsidiary

As at 31 December 2014

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2014	2013	2014	2013
Assets					
Current assets					
Cash and cash equivalents	7	27,941,987	12,620,471	26,210,895	10,120,471
Trade and other receivables	8	253,140,083	162,221,387	253,140,083	162,221,387
Inventories		13,553,533	10,698,655	13,462,358	10,698,655
Prepaid expenses		13,915,231	13,721,110	13,915,231	13,721,110
Undue input VAT		43,369,158	28,733,842	43,363,936	28,733,842
Other current assets		7,823,628	4,932,494	7,739,050	5,002,738
Total current assets		359,743,620	232,927,959	357,831,553	230,498,203
Non-current assets					
Investment in subsidiary	9	-	-	4,999,600	2,499,800
Network equipment	10	2,385,285,718	1,715,365,564	2,385,285,718	1,715,365,564
Property, building and equipment	11	260,247,870	213,873,134	259,344,007	213,873,134
Intangible assets	12	22,547,598	19,588,674	22,529,639	19,588,674
Network equipment guarantees		29,432,115	22,969,849	29,432,115	22,969,849
Deposit of network equipment		-	28,138,544	-	28,138,544
Other guarantees and deposits		21,425,649	12,274,393	21,425,649	12,274,393
Deferred tax assets	22	5,335,697	4,179,457	5,123,307	4,179,457
Other non-current assets		10,254,322	6,617,303	10,127,722	6,617,303
Total non-current assets		2,734,528,969	2,023,006,918	2,738,267,757	2,025,506,718
Total assets		3,094,272,589	2,255,934,877	3,096,099,310	2,256,004,921

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



Statement of financial position (continued)

Symphony Communication Public Company Limited and its subsidiary

As at 31 December 2014

(Unit: Baht)

		Consolidated financial statements		Separate financial statements	
	Note	2014	2013	2014	2013
Liabilities and shareholders' equity					
Current liabilities					
Bank overdrafts and short-term					
loans from financial institutions	13	55,000,000	142,671,042	55,000,000	142,671,042
Trade and other payables	14	311,406,272	437,781,921	312,454,473	437,761,921
Current portion of deferred income					
and advance received from customers		27,975,160	30,013,314	27,975,160	30,013,314
Current portion of long-term loans	15	316,917,547	47,916,667	316,917,547	47,916,667
Income tax payable		6,349,600	22,748,429	6,349,600	22,748,429
Other current liabilities		18,634,754	11,391,696	18,563,711	11,391,496
Total current liabilities		736,283,333	692,523,069	737,260,491	692,502,869
Non-current liabilities					
Liabilities under hire purchase lease					
agreements, net of current portion	16	245,601	1,006,524	245,601	1,006,524
Deferred income and advance					
received from customers, net of					
current portion		81,959,554	64,834,940	81,959,554	64,834,940
Long-term loans, net of current					
portion	15	966,743,779	212,083,333	966,743,779	212,083,333
Provision for long-term employee					
benefits	17	17,724,750	14,233,344	17,724,750	14,233,344
Total non-current liabilities		1,066,673,684	292,158,141	1,066,673,684	292,158,141
Total liabilities		1,802,957,017	984,681,210	1,803,934,175	984,661,010

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



Statement of financial position (continued)

Symphony Communication Public Company Limited and its subsidiary

As at 31 December 2014

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2014	2013	2014	2013
Shareholders' equity					
Share capital					
Registered					
306,000,000 ordinary shares of Baht 1 each	18	306,000,000	306,000,000	306,000,000	306,000,000
Issued and paid up					
300,364,200 ordinary shares of Baht 1 each (2013: 300,000,000 ordinary shares of Baht 1 each)	18	300,364,200	300,000,000	300,364,200	300,000,000
Share premium	18	555,545,269	548,761,440	555,545,269	548,761,440
Capital reserve for share-based payment transactions	19	8,766,222	3,524,162	8,766,222	3,524,162
Retained earnings					
Appropriated - statutory reserve	20	30,600,000	30,600,000	30,600,000	30,600,000
Unappropriated		396,039,881	388,368,065	396,889,444	388,458,309
Total shareholders' equity		1,291,315,572	1,271,253,667	1,292,165,135	1,271,343,911
Total liabilities and shareholders' equity		3,094,272,589	2,255,934,877	3,096,099,310	2,256,004,921

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



Statements of comprehensive income

Symphony Communication Public Company Limited and its subsidiary
For the year ended 31 December 2014

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2014	2013	2014	2013
Revenues					
Lease line service income		1,250,378,494	983,802,669	1,250,378,494	983,802,669
Management and maintenance service income - network		15,442,800	29,442,800	15,442,800	29,442,800
Revenue from sales of network equipment		2,727,286	3,846,000	2,727,286	3,846,000
Other income		6,836,719	4,657,232	6,831,855	4,657,232
Total revenues		1,275,385,299	1,021,748,701	1,275,380,435	1,021,748,701
Expenses					
Cost of services and sales		696,723,783	475,482,616	697,733,146	475,482,616
Service expenses		62,191,440	41,915,681	62,191,440	41,915,681
Administrative expenses		236,783,239	186,620,592	234,797,874	186,530,348
Total expenses		995,698,462	704,018,889	994,722,460	703,928,645
Profit before finance cost and income tax expenses		279,686,837	317,729,812	280,657,975	317,820,056
Finance cost		(50,121,916)	(9,265,134)	(50,121,864)	(9,265,134)
Profit before income tax expenses		229,564,921	308,464,678	230,536,111	308,554,922
Income tax expenses	22	(47,859,810)	(62,884,804)	(48,071,681)	(62,884,804)
Profit for the year		181,705,111	245,579,874	182,464,430	245,670,118
Other comprehensive income:					
Actuarial gains (losses)		-	4,738,901	-	4,738,901
Income tax effect		-	(947,781)	-	(947,781)
Other comprehensive income for the year		-	3,791,120	-	3,791,120
Total comprehensive income for the year		181,705,111	249,370,994	182,464,430	249,461,238
Earnings per share	23				
Basic earnings per share					
Profit attributable to equity holders of the Company		0.61	0.82	0.61	0.82

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



Statement of changes in shareholders' equity

Symphony Communication Public Company Limited and its subsidiary
For the year ended 31 December 2014

(Unit: Baht)

		Consolidated financial statements					
		Issued and paid-up share capital	Share premium	Capital reserve for share - based payment transactions	Retained earnings		Total
					Appropriated - statutory reserve	Unappropriated	
Note							
Balance as at 1 January 2013		300,000,000	548,761,440	-	30,000,000	313,596,481	1,192,357,921
Profit for the year		-	-	-	-	245,579,874	245,579,874
Other comprehensive income for the year		-	-	-	-	3,791,120	3,791,120
Total comprehensive income for the year		-	-	-	-	249,370,994	249,370,994
Capital reserve for share-based payment transactions	19	-	-	3,524,162	-	-	3,524,162
Appropriated to statutory reserve	20	-	-	-	600,000	(600,000)	-
Dividend paid	26	-	-	-	-	(173,999,410)	(173,999,410)
Balance as at 31 December 2013		300,000,000	548,761,440	3,524,162	30,600,000	388,368,065	1,271,253,667
Balance as at 1 January 2014		300,000,000	548,761,440	3,524,162	30,600,000	388,368,065	1,271,253,667
Profit for the year		-	-	-	-	181,705,111	181,705,111
Other comprehensive income for the year		-	-	-	-	-	-
Total comprehensive income for the year		-	-	-	-	181,705,111	181,705,111
Issuance of ordinary shares during the year from the exercise of warrants	18	364,200	6,783,829	(1,787,005)	-	-	5,361,024
Capital reserve for share-based payment transactions	19	-	-	7,029,065	-	-	7,029,065
Dividend paid	26	-	-	-	-	(174,033,295)	(174,033,295)
Balance as at 31 December 2014		300,364,200	555,545,269	8,766,222	30,600,000	396,039,881	1,291,315,572

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



Statement of changes in shareholders' equity (continued)

Symphony Communication Public Company Limited and its subsidiary
For the year ended 31 December 2014

(Unit: Baht)

		Separate financial statements					
		Issued and paid-up share capital	Share premium	Capital reserve for share - based payment transactions	Retained earnings		Total
					Appropriated - statutory reserve	Unappropriated	
Note							
Balance as at 1 January 2013		300,000,000	548,761,440	-	30,000,000	313,596,481	1,192,357,921
Profit for the year		-	-	-	-	245,670,118	245,670,118
Other comprehensive income for the year		-	-	-	-	3,791,120	3,791,120
Total comprehensive income for the year		-	-	-	-	249,461,238	249,461,238
Capital reserve for share-based payment transactions	19	-	-	3,524,162	-	-	3,524,162
Appropriated to statutory reserve	20	-	-	-	600,000	(600,000)	-
Dividend paid	26	-	-	-	-	(173,999,410)	(173,999,410)
Balance as at 31 December 2013		300,000,000	548,761,440	3,524,162	30,600,000	388,458,309	1,271,343,911
Balance as at 1 January 2014		300,000,000	548,761,440	3,524,162	30,600,000	388,458,309	1,271,343,911
Profit for the year		-	-	-	-	182,464,430	182,464,430
Other comprehensive income for the year		-	-	-	-	-	-
Total comprehensive income for the year		-	-	-	-	182,464,430	182,464,430
Issuance of ordinary shares during the year from the exercise of warrants	18	364,200	6,783,829	(1,787,005)	-	-	5,361,024
Capital reserve for share-based payment transactions	19	-	-	7,029,065	-	-	7,029,065
Dividend paid	26	-	-	-	-	(174,033,295)	(174,033,295)
Balance as at 31 December 2014		300,364,200	555,545,269	8,766,222	30,600,000	396,889,444	1,292,165,135

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



Cash flow statement

Symphony Communication Public Company Limited and its subsidiary
For the year ended 31 December 2014

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
Cash flows from operating activities				
Profit before tax	229,564,921	308,464,678	230,536,111	308,554,922
Adjustments to reconcile profit before tax to net cash provided by (paid from) operating activities:				
Depreciation	265,624,236	171,598,515	265,498,612	171,598,515
Amortisation of intangible assets	5,900,489	4,272,427	5,898,549	4,272,427
Write-off of network equipment and equipment	1,088,229	1,047,331	1,088,229	1,047,331
Gain on sales of network equipment and equipment	(188,435)	(835,430)	(188,435)	(835,430)
Allowance for doubtful accounts	1,388,161	144,450	1,388,161	144,450
Unrealised (gain) loss on exchange rate	(390,335)	141,416	(390,335)	141,416
Expense for share-based payment transactions	7,029,065	3,524,162	7,029,065	3,524,162
Provision for long-term employee benefits	3,491,406	3,386,523	3,491,406	3,386,523
Interest income	(135,941)	(748,475)	(131,078)	(748,475)
Interest expenses	48,138,036	8,036,176	48,137,984	8,036,176
Profit from operating activities before changes in operating assets and liabilities	561,509,832	499,031,773	562,358,269	499,122,017
Operating assets decrease (increase)				
Trade and other receivables	(92,306,857)	(68,964,573)	(92,306,857)	(68,964,573)
Inventories	(2,854,878)	(6,112,708)	(2,763,703)	(6,112,708)
Prepaid expenses	(194,121)	(4,229,289)	(194,121)	(4,229,289)
Undue input VAT	(14,635,316)	(22,263,989)	(14,630,094)	(22,263,989)
Other current assets	(2,891,134)	53,004	(2,736,312)	53,004
Network equipment guarantees	(6,462,266)	(13,109,083)	(6,462,266)	(13,109,083)
Other guarantees and deposits	(9,151,256)	(3,242,414)	(9,151,256)	(3,242,414)
Other non-current assets	(3,637,019)	(1,953,153)	(3,510,419)	(1,953,153)
Operating liabilities increase (decrease)				
Trade and other payables	(2,600,200)	47,755,816	(1,531,998)	47,665,572
Deferred income and advance received from customers	15,086,460	16,359,484	15,086,460	16,359,484
Other current liabilities	3,710,848	3,012,762	3,640,522	3,012,562
Cash flows from operating activities	445,574,093	446,337,630	447,798,225	446,337,430
Cash paid for interest expenses	(49,199,140)	(7,739,999)	(49,199,088)	(7,739,999)
Cash paid for income tax	(65,414,360)	(59,661,347)	(65,414,360)	(59,661,347)
Net cash flows from operating activities	330,960,593	378,936,284	333,184,777	378,936,084

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



Cash flow statements (continued)

Symphony Communication Public Company Limited and its subsidiary
For the year ended 31 December 2014

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
Cash flows from investing activities				
Cash paid for investment in subsidiary	-	-	(2,499,800)	(2,499,800)
Cash paid for acquisition of network equipment	(998,397,762)	(616,465,888)	(998,397,762)	(616,465,888)
Cash paid for acquisition of property, building and equipment	(82,972,892)	(116,802,561)	(81,943,405)	(116,802,561)
Cash paid for acquisition of intangible assets	(6,415,417)	(9,429,688)	(6,395,517)	(9,429,688)
Increase in deposits of network equipment and building	-	(19,972,877)	-	(19,972,877)
Interest income	135,941	1,291,840	131,078	1,291,840
Proceed from sales of network equipment and equipment	919,461	1,787,542	919,461	1,787,542
Net cash flows used in investing activities	(1,086,730,669)	(759,591,632)	(1,088,185,945)	(762,091,432)
Cash flows from financing activities				
Increase (decrease) in bank overdraft and short-term loans from financial institutions	(87,671,042)	142,671,042	(87,671,042)	142,671,042
Cash paid for liabilities under finance lease agreements	(793,894)	(747,086)	(793,894)	(747,086)
Cash receipt from long-term loans	1,083,287,093	270,000,000	1,083,287,093	270,000,000
Cash paid for long-term loans	(55,000,000)	(10,000,000)	(55,000,000)	(10,000,000)
Dividend paid	(174,091,589)	(173,933,147)	(174,091,589)	(173,933,147)
Cash receipt from exercise of warrants	5,361,024	-	5,361,024	-
Net cash flows from financing activities	771,091,592	227,990,809	771,091,592	227,990,809
Net increase (decrease) in cash and cash equivalents	15,321,516	(152,664,539)	16,090,424	(155,164,539)
Cash and cash equivalents at beginning of year	12,620,471	165,285,010	10,120,471	165,285,010
Cash and cash equivalents at end of year (Note 7)	27,941,987	12,620,471	26,210,895	10,120,471
Supplement cash flows information:				
Non-cash item consist of				
Increase (decrease) in accounts payable - purchase of network equipment	(128,384,051)	193,063,547	(128,384,051)	193,063,547
Increase (decrease) in accounts payable - purchase of property, building and equipment	2,613,233	(5,515,227)	2,613,233	(5,515,227)
Increase (decrease) in accounts payable - purchase of intangible assets	2,443,997	(1,300,670)	2,443,997	(1,300,670)
Transfer of deposits of network equipment to network equipment	28,138,544	-	28,138,544	-

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



Notes to financial statements

Symphony Communication Public Company Limited and its subsidiary For the year ended 31 December 2014

1. General 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 Suntowers Building B, 35th-37th 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
Internet Operation License Type 2	10 June 2011	5 years
Telecom Operation License Type 3*	10 August 2011	15 years
Internet Operation License Type 1	2 May 2013	5 years
Radio or Television Broadcasting Business License For the Radio or Television Network Services (Not using radio frequency)	25 July 2013	15 years

* The Company obtained additional approval to provide International Private Leased Circuit Service (IPLC) - Submarine Section on 24 June 2014.

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

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

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

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

2.2 Basis of consolidation

- a) The consolidated financial statements include the financial statements of Symphony Communication Public Company Limited (“the Company”) and the subsidiary company (“the subsidiary”) which has detail as follow:

Company's name	Nature of business	Country of incorporation	Percentage of shareholding	
			2014	2013
Diamond Line Services Company Limited	Network equipment service	Thailand	100%	100%

- b) Subsidiary is fully consolidated, being the date on which the Company obtains control, and continue to be consolidated until the date when such control ceases.
- c) The financial statements of the subsidiary is prepared using the same significant accounting policies as the Company.
- d) Material balances and transactions between the Company and its subsidiary company have been eliminated from the consolidated financial statements.
- e) Non-controlling interests represent the portion of profit or loss and net assets of the subsidiary that are not held by the Company and are presented separately in the consolidated profit or loss and within equity in the consolidated statement of financial position.

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

3. New financial reporting standards

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

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

Conceptual Framework for Financial Reporting (revised 2014)

Accounting Standards:

TAS 1	(revised 2012)	Presentation of Financial Statements
TAS 7	(revised 2012)	Statement of Cash Flows
TAS 12	(revised 2012)	Income Taxes
TAS 17	(revised 2012)	Leases
TAS 18	(revised 2012)	Revenue
TAS 19	(revised 2012)	Employee Benefits
TAS 21	(revised 2012)	The Effects of Changes in Foreign Exchange Rates
TAS 24	(revised 2012)	Related Party Disclosures
TAS 28	(revised 2012)	Investments in Associates
TAS 31	(revised 2012)	Interests in Joint Ventures
TAS 34	(revised 2012)	Interim Financial Reporting

TAS 36 (revised 2012)	Impairment of Assets
TAS 38 (revised 2012)	Intangible Assets

Financial Reporting Standards:

TFRS 2 (revised 2012)	Share-based Payment
TFRS 3 (revised 2012)	Business Combinations
TFRS 5 (revised 2012)	Non-current Assets Held for Sale and Discontinued Operations
TFRS 8 (revised 2012)	Operating Segments

Accounting Standard Interpretations:

TSIC 15	Operating Leases - Incentives
TSIC 27	Evaluating the Substance of Transactions Involving the Legal Form of a Lease
TSIC 29	Service Concession Arrangements: Disclosures
TSIC 32	Intangible Assets - Web Site Costs

Financial Reporting Standard Interpretations:

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

Accounting Treatment Guidance for Stock Dividend

These financial reporting standards were amended primarily to align their content with the corresponding International Financial Reporting Standards. Most of the changes were directed towards revision of wording and terminology, and provision of interpretations and accounting guidance to users of the accounting standards. These financial reporting standards do not have any significant impact on the financial statements

(b) Financial reporting standards that will become effective in the future

The Federation of Accounting Professions has issued a number of revised and new financial reporting standards that become effective for fiscal years beginning on or after 1 January 2015. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards, with most of the changes directed towards revision of wording and terminology, and provision of interpretations and accounting guidance to users of accounting standards. The management of the Company believes they will not have any significant impact on the financial statements in the year in which they are adopted. However, some of these financial reporting standards involve changes to key principles, as discussed below:

TAS 19 (revised 2014) Employee Benefits

This revised standard requires that the entity recognise actuarial gains and losses immediately in other comprehensive income while the existing standard allows the entity to recognise such gains and losses immediately in profit or loss, or in other comprehensive income, or to recognise them gradually in profit or loss.

This revised standard does not have any impact on the financial statements as the Company and its subsidiary already recognised actuarial gains and losses immediately in other comprehensive income.

TFRS 10 Consolidated Financial Statements

TFRS 10 prescribes requirements for the preparation of consolidated financial statements and replaces the part dealing with consolidated financial statements as included in TAS 27 Consolidated and Separate Financial Statements. This standard changes the principles used in considering whether control exists. Under this standard, an investor is deemed to have control over an investee if it has rights, or is exposed, to variable returns from its involvement with the investee, and it has the ability to direct the activities that affect the amount of its returns, even if it holds less than half of the shares or voting rights. This important change requires the management to exercise a lot of judgement when reviewing whether the Company and its subsidiary have control over the investees and determine which entities have to be included for preparation of the consolidated financial statements.

The management of the Company and its subsidiary believes that this standard will not have any significant impact on the Company and its subsidiary's financial statements.

TFRS 11 Joint Arrangements

TFRS 11 supersedes TAS 31 Interests in Joint Ventures. This standard requires an entity to account for an investment in a jointly controlled entity using the equity method, while TAS 31 allows the entity to apply either the proportionate consolidation method or the equity method to account for such an investment.

TFRS 12 Disclosure of Interests in Other Entities

This standard stipulates disclosures relating to an entity's interests in subsidiaries, joint arrangements and associates, including structured entities. This standard therefore has no financial impact to the financial statements of the Company and its subsidiary.

TFRS 13 Fair Value Measurement

This standard provides guidance on how to measure fair value and stipulates disclosures related to fair value measurements. Entities are to apply the guidance under this standard if they are required by other financial reporting standards to measure their assets or liabilities at fair value. The effect of the change from the adoption of this standard is to be recognised prospectively.

Based on the preliminary analysis, the management of the Company and its subsidiary believes that this standard will not have any significant impact on the Company and its subsidiary's financial statements.

4. Significant accounting policies

4.1 Revenue recognition

Sales of goods

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

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.

4.2 Cash and cash equivalents

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

4.3 Trade and other receivables

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

4.4 Inventories

Inventories consist of supply and network equipment are value at the lower of cost (under the first-in, first-out method) and net realisable value.

4.5 Investments

Investment in subsidiary is accounted for in the separate financial statements using the cost method.

4.6 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 of 5 - 20 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 derecognised.

4.7 Property, building and equipment and depreciation

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

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

Buildings	20 years
Leasehold improvement	5, 9 years
Furniture and fixtures and office equipment	5 years
Vehicle	5 years

Depreciation is included in determining income.

No depreciation is provided on land and assets under construction.

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.

4.8 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.

	<u>Useful lives</u>
Computer software	5 years

4.9 Deferred financial fees

Financial expenses related to borrowings that are typically incurred on or before signing facility agreements and before actual draw down of the loans are recorded as deferred financial fees. A portion of deferred financial fees proportionate to the amount of the loan facility already drawn is presented as a deduction against the related loan account and amortised using the effective interest rate method over the term of the loans.

The amortisation of deferred financial fees is included in profit or loss.

4.10 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 and its subsidiary's operations.

4.11 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.

Leases of property, plant or equipment which do not transfer substantially all the risks and rewards of ownership are classified as operating leases. Operating lease payments are recognised as an expense in profit or loss on a straight line basis over the lease term.

4.12 Foreign currencies

The consolidated and separate financial statements are presented in Baht, which is also the Company's functional currency. Items included in the consolidated financial statements of each entity are measured using that functional currency.

Transactions in foreign currencies are translated into Baht at the exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated into Baht at the exchange rate ruling at the end of reporting period, with the exception of those covered by forward exchange contracts, which are translated at the contracted rates.

Gains and losses on exchange are included in determining income.

4.13 Impairment of assets

The Company and its subsidiary assess at each reporting date whether there is an indication that network equipment, property, building and equipment and other intangible assets may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company and its subsidiary estimate 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 determining 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 and its subsidiary 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 assets impairment if there is any indication that previously recognised impairment losses may no longer exist or may have decreased, the Company and its subsidiary estimate 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.

4.14 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.

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

4.15 Provisions

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

4.16 Income tax

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

Current tax

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

Deferred tax

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

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

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

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

4.17 Derivatives

Forward exchange contracts

Receivables and payables arising from forward exchange contracts are translated into Baht at the rates of exchange ruling at the end of reporting period. Unrecognised gains and losses from the translation are included in determining income. Premiums or discounts on forward exchange contracts are amortized on a straight-line basis over the contract periods.

4.18 Equity-settled share-based payment transactions

The Company recognises share-based payment transactions when services from employees are rendered, based on the fair value of the share options on the grant date. The expenses are recorded over the vesting period, in accordance with the conditions regarding length of service rendered by employees stipulated in the share-based payment plan, together with a corresponding increase in "Capital reserve for share-based payment transactions" in shareholders' equity.

Estimating fair value for share-based payment transactions requires management to exercise judgement, and to apply assumptions, including as to the expected life of the share options, share price volatility and dividend yield.

5. Significant accounting judgments and estimates

The preparation of financial statements in conformity with financial reporting standards at times requires management to make subjective judgements and estimates regarding matters that are inherently uncertain. These judgements and estimates affect reported amounts and disclosures; and actual results could differ from these estimates. Significant judgements and estimates are as 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, building and equipment, the management is required to make estimates of the useful lives and residual values of the Company's network equipment, building 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, property, building and 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.

Deferred tax assets

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

Post-employment benefits under defined benefit plans

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

Litigation

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

6. Related party transactions

6.1 Business transactions incurred during the years

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

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements		Pricing policy
	2014	2013	2014	2013	
Transactions with subsidiary					
Network maintenance fee	2	-	2	-	Market price

6.2 Outstanding balances at the end of the years

As at 31 December 2014 and 2013, the outstanding balances of the transactions between the Company and its related parties and persons can be summarised as follows:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
Trade and other receivables - related parties				
Subsidiary	1,203	-	1,203	-
	1,203	-	1,203	-

6.3 Directors and management's remuneration

During the years ended 31 December 2014 and 2013, the Company and its subsidiary had employee benefit expenses payable to their directors and management as below.

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
Short-term employee benefits	31,073	29,544	31,073	29,544
Post-employment benefits	1,081	899	1,081	899
Total	32,154	30,443	32,154	30,443

7. Cash and cash equivalents

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
Cash	1,368	11,878	1,353	9,378
Bank deposits	26,574	742	24,858	742
Total	27,942	12,620	26,211	10,120

As at 31 December 2014, bank deposits in saving accounts, and fixed deposits carried interests between 0.10% and 0.375% per annum (2013: between 0.125% and 0.50% per annum).

8. Trade and other receivables

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
Trade accounts receivable				
Aged on the basis of due dates				
Not yet due	135,695	119,303	135,695	119,303
Past due				
Up to 3 months	89,619	20,604	89,619	20,604
3 - 6 months	11,578	1,938	11,578	1,938
6 - 12 months	3,191	1,947	3,191	1,947
Over 12 months	2,501	1,116	2,501	1,116
Total	242,584	144,908	242,584	144,908
Less: Allowance for doubtful debts	(1,435)	(722)	(1,435)	(722)
Trade accounts receivable, net	241,149	144,186	241,149	144,186
Other receivables				
Accrued income	11,991	18,035	11,991	18,035
Other receivables	11,991	18,035	11,991	18,035
Trade and other receivables - net	253,140	162,221	253,140	162,221

9. Investment in subsidiary

Details of investment in subsidiary as presented in separate financial statements are as follows:

(Unit: Thousand Baht)

Company's name	Paid-up capital		Shareholding percentage		Separate financial statements			
					Cost		Dividend received during the year	
	2014	2013	2014	2013	2014	2013	2014	2013
			(%)	(%)				
Diamond Line Services Company Limited	5,000	5,000	100	100	5,000	2,500	-	-

During the year, the subsidiary called up an additional value of the ordinary shares amounting to Baht 2.5 million. The Company made payment for such shares on 28 August 2014.

10. Network equipment

(Unit: Thousand Baht)

	Consolidated and Separate financial statements		
	Network equipment	Network equipment under installation	Total
Cost			
1 January 2013	1,279,967	192,285	1,472,252
Additions	194,128	620,621	814,749
Write-off	(6,480)	-	(6,480)
Transfer in (out)	467,914	(467,914)	-
31 December 2013	1,935,529	344,992	2,280,521
Additions	249,605	648,758	898,363
Disposal/write-off	(2,107)	-	(2,107)
Transfer in (out)	652,388	(652,388)	-
31 December 2014	2,835,415	341,362	3,176,777
Accumulated depreciation			
1 January 2013	417,029	-	417,029
Depreciation for the year	144,175	-	144,175
Depreciation of write-off	(2,438)	-	(2,438)
31 December 2013	558,766	-	558,766
Depreciation for the year	226,963	-	226,963
Depreciation of disposal/write-off	(627)	-	(627)
31 December 2014	785,102	-	785,102
Allowance for impairment loss			
1 January 2013	1,768	4,621	6,389
31 December 2013	1,768	4,621	6,389
31 December 2014	1,768	4,621	6,389
Net book value			
31 December 2013	1,374,995	340,371	1,715,366
31 December 2014	2,048,545	336,741	2,385,286
Depreciation for the years			
2013 (included in cost of services and sales)			144,175
2014 (included in cost of services and sales)			226,963

As at 31 December 2014, the Company has network equipment with a net book value of Baht 12 million (2013: Baht 11 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 2014, the Company has network equipment with a net book value of Baht 21 million (2013: Baht 20 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.

As at 31 December 2014, certain network equipment items have been fully depreciated but are still in use. The gross carrying amount before deducting accumulated depreciation and allowance for impairment loss of those assets amounted to approximately Baht 154 million (2013: Baht 89 million).

11. Property, building and equipment

(Unit: Thousand Baht)

Consolidated financial statement						
	Land	Building and leasehold improvement	Furniture, fixtures and office equipment	Vehicles	Assets under construction	Total
Cost						
1 January 2013	7,537	64,952	69,774	9,592	27,824	179,679
Additions	2,170	90,132	42,466	270	(27,824)	107,214
Disposals/write-off	-	-	(77)	(521)	-	(598)
31 December 2013	9,707	155,084	112,163	9,341	-	286,295
Additions	17,100	18,499	49,469	408	110	85,586
Disposals/write-off	-	(46)	(814)	(513)	-	(1,373)
31 December 2014	26,807	173,537	160,818	9,236	110	370,508
Accumulated depreciation						
1 January 2013	-	9,389	32,699	4,405	-	46,493
Depreciation for the year	-	9,266	15,818	1,373	-	26,457
Depreciation on disposals/write-off	-	-	(7)	(521)	-	(528)
31 December 2013	-	18,655	48,510	5,257	-	72,422
Depreciation for the year	-	12,383	24,846	1,433	-	38,662
Depreciation on disposals/write-off	-	(6)	(305)	(513)	-	(824)
31 December 2014	-	31,032	73,051	6,177	-	110,260
Net book value						
31 December 2013	9,707	136,429	63,653	4,084	-	213,873
31 December 2014	26,807	142,505	87,767	3,059	110	260,248
Depreciation charges for the years						
2013 (included in administrative expenses)						26,457
2014 (included in administrative expenses)						38,662

(Unit: Thousand Baht)

Separate financial statement						
	Land	Building and leasehold improvement	Furniture, fixtures and office equipment	Vehicles	Assets under construction	Total
Cost						
1 January 2013	7,537	64,952	69,774	9,592	27,824	179,679
Additions	2,170	90,132	42,466	270	(27,824)	107,214
Disposals/write-off	-	-	(77)	(521)	-	(598)
31 December 2013	9,707	155,084	112,163	9,341	-	286,295
Additions	17,100	18,386	48,565	396	110	84,557
Disposals/write-off	-	(46)	(814)	(513)	-	(1,373)
31 December 2014	26,807	173,424	159,914	9,224	110	369,479
Accumulated depreciation						
1 January 2013	-	9,389	32,699	4,405	-	46,493
Depreciation for the year	-	9,266	15,818	1,373	-	26,457
Depreciation on disposals/write-off	-	-	(7)	(521)	-	(528)
31 December 2013	-	18,655	48,510	5,257	-	72,422
Depreciation for the year	-	12,374	24,730	1,433	-	38,537
Depreciation on disposals/write-off	-	(6)	(305)	(513)	-	(824)
31 December 2014	-	31,023	72,935	6,177	-	110,135
Net book value						
31 December 2013	9,707	136,429	63,653	4,084	-	213,873
31 December 2014	26,807	142,401	86,979	3,047	110	259,344
Depreciation charges for the years						
2013 (included in administrative expenses)						26,457
2014 (included in administrative expenses)						38,537

As at 31 December 2014, the Company had vehicles with net book values of Baht 1 million (2013: Baht 2 million) which were acquired under finance lease agreement.

As at 31 December 2014, 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 28 million (2013: Baht 21 million)

12. Intangible assets

The net book value of intangible assets as at 31 December 2014 and 2013 is presented below.

(Unit: Thousand Baht)

	Consolidated financial statement		
	Software computer	Software computer under installation	Total
As at 31 December 2014			
Cost	38,336	714	39,050
Less: Accumulated amortisation	(16,502)	-	(16,502)
Net book value	21,834	714	22,548
As at 31 December 2013			
Cost	26,930	3,260	30,190
Less: Accumulated amortisation	(10,601)	-	(10,601)
Net book value	16,329	3,260	19,589

(Unit: Thousand Baht)

	Separate financial statement		
	Software computer	Software computer under installation	Total
As at 31 December 2014			
Cost	38,316	714	39,030
Less: Accumulated amortisation	(16,500)	-	(16,500)
Net book value	21,816	714	22,530
As at 31 December 2013			
Cost	26,930	3,260	30,190
Less: Accumulated amortisation	(10,601)	-	(10,601)
Net book value	16,329	3,260	19,589

A reconciliation of the net book value of intangible assets for the years 2014 and 2013 is presented below.

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
Net book value at beginning of year	19,589	15,732	19,589	15,732
Acquisition during the year	8,860	8,129	8,839	8,129
Amortisation	(5,901)	(4,272)	(5,898)	(4,272)
Net book value at end of year	22,548	19,589	22,530	19,589

As at 31 December 2014, certain intangible assets have been fully depreciated but are still in use. The gross carrying amount before deducting accumulated amortisation of those assets amounted to approximately Baht 1.3 million (2013: Baht 1.0 million).

13. Bank overdraft and short-term loans from financial institutions

(Unit: Thousand Baht)

	Interest rate (% per annum)	Consolidated and Separate financial statements	
		2014	2013
Bank overdraft	7.5	-	2,671
Short-term loans from financial institutions	3.65 - 4.15	55,000	140,000
Total		55,000	142,671

Short-term loans from financial institutions are unsecured loans from a financial institution. The loans will be repaid between February 2015 and March 2015.

14. Trade and other payables

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statement	
	2014	2013	2014	2013
Trade accounts payable	244,564	399,328	245,767	399,328
Accrued expenses	58,090	35,644	58,017	35,624
Other payables for purchase of property, building and equipment	4,176	1,563	4,176	1,563
Other payables for purchase of intangible assets	2,692	248	2,692	248
Others	1,884	999	1,802	999
Total trade and other payables	311,406	437,782	312,454	437,762

15. Long-term loans

(Unit: Thousand Baht)

Loan	Interest rate (%)	Repayment schedule	Consolidated and Separate financial statements	
			2014	2013
1	5.39	Quarterly installments as from 30 November 2013 with the last installment in 31 August 2016	70,000	110,000
2*	5.88	Monthly installment as from 26 March 2014 with the last installment in 25 July 2017	21,666	30,000
3	5.63, 5.75	Monthly installment as from 30 November 2014 with the last installment in 25 July 2017	113,334	120,000
4	5.82	Quarterly installment as from 31 March 2015 with the last installment in 25 February 2019	300,000	-
5	5.05	Monthly installment as from 29 May 2015 with the last installment in 20 November 2019	98,287	-
6	5.25	Monthly installment as from 31 March 2015 with the last installment in 24 April 2019	685,000	-
Total long-term loans			1,288,287	260,000
Less: Deferred financial fee			(4,625)	-
Net			1,283,662	260,000
Less: Current portion			(316,918)	(47,917)
Long-term loans, net of current portion			966,744	212,083

* 31 December 2013: 6.00%

The outstanding balance represents unsecured long-term loans from three financial institutions.

The loan agreement contains certain covenants and restrictions imposed by the lender regarding such matters as require the Company to maintain certain debt to equity ratios according to the agreements.

As at 31 December 2014 the Company and its subsidiary have unused long-term loan facilities under the loan agreements amounting to Baht 517 million (2013: no unused long-term loan facilities under the loan agreements).

16. Liabilities under finance lease agreements

(Unit: Thousand Baht)

	Consolidated and Separate financial statements	
	2014	2013
Liabilities under finance lease	1,041	1,905
Less : Deferred interest expenses	(34)	(104)
Total	1,007	1,801
Less: Portion due within one year	(761)	(794)
Liabilities under finance lease agreements - net of current portion	246	1,007

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 4 and 5 years.

As at 31 December 2014 and 2013, future minimum lease payments of the Company required under the finance lease agreements were as follows:

(Unit: Thousand Baht)

	Consolidated and Separate financial statements					
	2014			2013		
	Less than 1 year	1-5 years	Total	Less than 1 year	1-5 years	Total
Future minimum lease payments	792	249	1,041	864	1,041	1,905
Deferred interest expenses	(31)	(3)	(34)	(70)	(34)	(104)
Present value of future minimum lease payments	761	246	1,007	794	1,007	1,801

17. Provision for long-term employee benefits

Provision for long-term employee benefits, which represents compensation payable to employees' after they retire from the Company, was as follows:

(Unit: Thousand Baht)

	Consolidated and Separate financial statements	
	2014	2013
Defined benefit obligation at beginning of year	14,233	15,585
Current service cost	2,872	2,782
Interest cost	620	605
Actuarial gain	-	(4,739)
Defined benefit obligation at end of year	17,725	14,233

Long-term employee benefit expenses included in the profit or loss consist of the following:

(Unit: Thousand Baht)

	Consolidated and Separate financial statements	
	2014	2013
Current service cost	2,872	2,782
Interest cost	620	605
Total expense recognised in profit or loss	3,492	3,387
Line items in profit or loss under which such expenses are included		
Cost of service and sales	925	1,054
Selling and administrative expenses	2,567	2,333

As at 31 December 2014, cumulative actuarial gains (net of actuarial losses), which were recognised in other comprehensive income of the Company and its subsidiary, amounted to Baht 4.7 million (2013: Baht 4.7 million).

Key actuarial assumptions used for valuation are as follows:

	Consolidated and Separate financial statements	
	2014 (% per annum)	2013 (% per annum)
Discount rate	4.35%	4.35%
Future salary increase rate	5.00%	5.00%
Staff turnover rate (depending on age)	0.00% - 12.00%	0.00% - 12.00%

Amounts of defined benefit obligation and experience adjustments for the current and previous four periods are as follows:

(Unit: Thousand Baht)

	Consolidated and Separate financial statements	
	Defined benefit obligation	Experience adjustments on the obligation
Year 2014	17,725	-
Year 2013	14,233	-
Year 2012	15,585	(50)
Year 2011	10,398	-
Year 2010	8,356	-

18. Share capital

On 22 April 2013, the Annual General Meeting of shareholders passed a resolution approving a Baht 6 million, made total registered share capital to Baht 306 million, increase in the Company's registered share capital to support the issue of warrant to purchase ordinary share allotted to directors and/or employees as discussed in Note 19.

During the year, movements in the number of ordinary shares, the paid-up share capital and premium on ordinary shares are as follows:

	Number of ordinary shares (Thousand Shares)	Paid-up capital (Thousand Baht)	Premium on ordinary shares (Thousand Baht)
Issued and paid-up share capital			
At the beginning of the year	300,000	300,000	548,761
Increase in capital from exercising of the rights of the warrants:			
ESOP (Note 19)	364	364	6,784
At the end of the year	300,364	300,364	555,545

On 26 May 2014 and 26 November 2014, the Company registered its paid-up share capital with the Ministry of Commerce according to the exercise of such warrants.

19. Warrants / Capital reserve for share - based payment transactions

On 2 July 2013, the Company issues and allocates of 6,000,000 warrants under the Employee Stock Option Plan (ESOP) to the directors, management and/or employees of the Company. Details are as follows:

Type	: Named and non-transferable
Offering price per unit	: Baht 0 ("zero") per unit
Maturity of warrants	: 4 years from the date of issuance of warrants
Exercise price	: Baht 14.72 per share
Conversion ratio	: 1 unit of warrant : 1 unit of ordinary share (warrant right adjustment is reserved)
Period and allotment of exercise	: Year 1 Not more than 15% of the allocated units, exercisable on 20 November 2013 and 20 May 2014. Year 2 Not more than 25% of the allocated units, exercisable on 20 November 2014 and 20 May 2015. Year 3 Not more than 30% of the allocated units, exercisable on 20 November 2015 and 20 May 2016. Year 4 Not more than 30% of the allocated units, exercisable on 20 November 2016 and 20 May 2017 and 1 July 2017, the 4-year maturity date of these ESOP-Warrants.

The estimated fair value of each share option granted is Baht 4.91. This was calculated using the Black-Scholes Model. The model inputs were the share price at price determination date of Baht 17.50, exercise price of Baht 14.72, expected volatility of 35.83%, expected dividend yield of 3.94%, life of share options of 4 years, average life of share options of 2.08 years, and a risk-free interest rate of 2.88%.

During the year, the Company recorded expenses of the ESOP amounting to Baht 7 million as personnel expenses, together with a corresponding increase in capital reserve for share-based payment transactions in shareholders' equity.

As at 31 December 2014, the Company has capital reserve for share-based payment transactions was Baht 9 million.

Movements in the number of warrants, ESOP during the year are as follows:

Number of warrants original issued	6,000,000	Units
Exercised	(364,200)	Units
Cancelled	<u>(88,500)</u>	Units
Outstanding number of warrants	<u>5,547,300</u>	Units

Up to 31 December 2014, the Company cancelled a total of 88,500 warrants to purchase ordinary shares of the Company that had been allocated to the directors and management of the Company, because the directors and management who held those warrants had resigned, thus breaching the conditions under which the warrants were received.

20. Statutory reserve

Pursuant to Section 116 of the Public Limited Companies Act B.E. 2535, the Company is required to set aside to a statutory reserve at least 5% 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. At present, the statutory reserve has fully been set aside.

21. Expenses by nature

Significant expenses classified by nature are as follows:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
Salaries and wages and other employee benefits	250,806	177,910	249,440	177,910
Depreciation and amortisation expenses	271,525	174,835	271,397	174,835
Service fee for network interconnection	48,366	40,340	48,366	40,340
Rental expense from operating lease agreements and service expenses	72,687	58,579	72,054	58,579
Rental expenses - network equipment	182,614	129,284	182,614	129,284
Professional fees	9,854	11,737	9,755	11,675

22. Income tax

Income tax expenses for the years ended 31 December 2014 and 2013 are made up as follows:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
Current income tax:				
Current income tax charge	49,016	63,521	49,016	63,521
Deferred tax:				
Relating to origination and reversal of temporary differences	(1,156)	(636)	(944)	(636)
Income tax expense reported in the statement of comprehensive income	47,860	62,885	48,072	62,885

The reconciliation between accounting profit and income tax expense is shown below.

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
Accounting profit before tax	229,565	308,555	230,536	308,555
Applicable tax rate	0 - 20%	0 - 20%	20%	20%
Accounting profit before tax multiplied by applicable tax rate	45,913	61,711	46,107	61,711
Effects of:				
Non-deductible expenses	2,328	1,481	2,328	1,481
Additional expense deductions allowed	(381)	(307)	(363)	(307)
Total	1,947	1,174	1,965	1,174
Income tax expenses reported in the statement of comprehensive income	47,860	62,885	48,072	62,885

The components of deferred tax assets and deferred tax liabilities are as follows:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	As at 31 December 2014	As at 31 December 2013	As at 31 December 2014	As at 31 December 2013
Deferred tax assets				
Allowance for doubtful debts	287	-	287	-
Allowance for asset impairment	1,278	1,278	1,278	1,278
Accumulated depreciation - Network equipment	13	55	13	55
Provision for long-term employee benefits	3,545	2,846	3,545	2,846
Unused tax loss	213	-	-	-
Total	5,336	4,179	5,123	4,179

23. 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.

Diluted earnings per share is calculated by dividing profit for the year (excluding other comprehensive income) by the weighted average number of ordinary shares in issue during the year plus the weighted average number of ordinary shares which would need to be issued to convert all dilutive potential ordinary shares into ordinary shares. The calculation assumes that the conversion took place either at the beginning of the year or on the date the potential ordinary shares were issued. However, no calculation of diluted earnings per share for the years ended 31 December 2014 and 2013 was required for warrant (ESOP), as disclosed in Note 19, since the aggregated amounts of the exercise price and the fair value of the warrant were higher than the average market price of the Company's ordinary shares.

The following table sets forth the computation of basic earnings per share:

	Consolidated financial statements					
	Profit for the year		Weighted average number of ordinary shares		Earnings per share	
	2014 (Thousand Baht)	2013 (Thousand Baht)	2014 (Thousand shares)	2013 (Thousand shares)	2014 (Baht)	2013 (Baht)
Basic earnings per share						
Profit attributable to equity holders	181,705	245,580	300,155	300,000	0.61	0.82

	Separate financial statements					
	Profit for the year		Weighted average number of ordinary shares		Earnings per share	
	2014 (Thousand Baht)	2013 (Thousand Baht)	2014 (Thousand shares)	2013 (Thousand shares)	2014 (Baht)	2013 (Baht)
Basic earnings per share						
Profit attributable to equity holders	182,464	245,690	300,155	300,000	0.61	0.82

24. Segment information

Operating segment information is reported in a manner consistent with the internal reporting the chief operating decision maker has received and regularly reviewed to make decisions about resources to be allocated to the segment and assess its performance.

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

- The render of communication high speed circuit services segment, which renders high speed circuit service via fiber optic cable as approved by NBTC.
- The network equipment services segment, which render preventive maintenance service and installation of network equipment.

No operating segments have been aggregated to form the above reportable operating segments.

Chief operating decision maker monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on operating profit or loss and is measured consistently with operating profit or loss in the financial statements. However, the Company and its subsidiary financing (including finance costs and finance income) and income taxes are managed on a Group basis and are not allocated to operating segments.

The basis of accounting for any transactions between reportable segments is consistent with that for third party transactions.

The following tables present revenue, profit and total assets information regarding the Company and its subsidiary's operating segments for the year ended 31 December 2014 and 2013, respectively.

(Unit: Thousand Baht)

	Render of communication high speed circuit service	Network equipment service	Total reportable segments	Adjustments and eliminations	Consolidated
Year ended 31 December 2014					
Revenue from external customers	1,265,821	-	1,265,821	-	1,265,821
Inter - segment revenue	-	1,987	1,987	(1,987)	-
Interest income	131	-	131	-	131
Interest expense	(48,855)	-	(48,855)	-	(48,855)
Depreciation and amortisation expense	(271,397)	(128)	(271,525)	-	(271,525)
Loss on sales of fixed asset	(2,410)	-	(2,410)	-	(2,410)
Income tax (expense) revenue	(48,072)	213	(47,859)	-	(47,859)
Segment profit (loss)	182,464	(759)	181,705	-	181,705
Segment total assets					
Additions (disposal) to non-current assets other than financial instruments and deferred tax assets	(6,514)	127	(6,387)	-	(6,387)

(Unit: Thousand Baht)

	Render of communication high speed circuit service	Network equipment service	Total reportable segments	Adjustments and eliminations	Consolidated
Year ended 31 December 2013					
Revenue from external customers	1,013,245	-	1,013,245	-	1,013,245
Interest income	748	-	748	-	748
Interest expense	(8,295)	-	(8,295)	-	(8,295)
Depreciation and amortisation expense	(174,835)	-	(174,835)	-	(174,835)
Loss on sales of fixed asset	(212)	-	(212)	-	(212)
Income tax (expense) revenue	(62,885)	-	(62,885)	-	(62,885)
Segment profit (loss)	245,670	(90)	245,580	-	245,580
Segment total assets					
Additions to non-current assets other than financial instruments and deferred tax assets	40,778	-	40,778	-	40,778

Geographic information

The Company and its subsidiary operate in Thailand only. As a result, all of the revenues and assets as reflected in these financial statements pertain exclusively to this geographical reportable segment.

Major customers

For the year 2014, the Company has revenue from two major customers in amount of Baht 253 million and Baht 196 million, respectively, arising from render of communication high speed circuit services segment (2013: Baht 235 million and Baht 103 million, respectively, derived from two major customers, arising from render of communication high speed circuit services segment).

Lease line service income, the Company's main revenues, can grouping by application into 7 groups as follow:

- Internet Access
- Private Network
- Digital Broadcast
- IPLC
- Local Loop For International
- Access Network
- Others

Revenue information from lease line service income by application for the years ended 31 December 2014 and 2013 are as follows:

(Unit: Thousand Baht)

	Consolidated and Separate financial statements	
	2014	2013
Internet Access	391,460	374,447
Private Network	316,773	261,666
Digital Broadcast	105,691	95,236
IPLC	265,095	95,150
Local Loop For International	80,329	73,235
Access Network	67,178	65,575
Others	39,295	47,936
Total	1,265,821	1,013,245

Revenue information from lease line service income by type of license for the years ended 31 December 2014 and 2013 are as follows:

(Unit: Thousand Baht)

	Consolidated and Separate financial statements	
	2014	2013
Telecom Operation License Type 2	967,029	918,800
Telecom Operation License Type 3	209,799	82,765
Radio or Television Broadcasting Business License For the Radio or Television Network Services (Not using radio frequency)	65,985	7,652
Internet Operation License Type 1	21,317	3,700
Internet Operation License Type 2	1,691	328
Total	1,265,821	1,013,245

25. 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 2014, the Company contributed Baht 4 million (2013: Baht 3 million) to the fund.

26. Dividends

(Unit: Baht)

Dividends	Approved by	Approved dividend per share	Interim dividend per share	Additional dividend paid per share	Total additional dividend paid
Final dividends for 2012	Annual General Meeting of the shareholders on 22 April 2013	0.58	0.15	0.43	128,999,785
Interim dividend from profit for the period as from 1 January 2013 to 30 June 2013	Board of Directors' meeting on 2 August 2013	0.15	-	0.15	44,999,625
Total dividends for 2013		0.73	0.15	0.58	173,999,410
Final dividends for 2013	Annual General Meeting of the shareholders on 25 April 2014	0.58	0.15	0.43	128,999,785
Interim dividend from profit for the period as from 1 January 2014 to 30 June 2014	Board of Directors' meeting on 7 August 2014	0.15	-	0.15	45,033,510
Total dividends for 2014		0.73	0.15	0.58	174,033,295

27. Commitments and contingent liabilities

27.1 Capital commitments

As at 31 December 2014, the Company had capital commitments of approximately Baht 242 million and JPY 232 million (2013: Baht 316 million and JPY 57 million) relating to purchase and installation of network equipment.

As at 31 December 2014, the Company had capital commitments of approximately Baht 2 million (2013: Baht 37 million) relating to purchase of equipments and construction agreement.

As at 31 December 2014, the Company had capital commitments of approximately Baht 4 million (2013: Baht 3 million) relating to purchase of program computer.

27.2 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)

	2014	2013
Lease and service agreement presented under cost of service		
Payable:		
In up to 1 year	129	78
In over 1 and up to 5 years	46	80
In over 5 years	-	42
Lease and service agreement presented under administrative expenses		
Payable:		
In up to 1 year	32	41
In over 1 and up to 5 years	21	59

27.3 Purchase supply and equipment commitments

As at 31 December 2014, the Company has outstanding future payment commitments of approximately Baht 1 million (2013: Baht 4 million) relating to purchase of supply and network equipment.

27.4 Bank guarantees

As at 31 December 2014, there were outstanding bank guarantees of approximately Baht 5 million (2013: Baht 4 million) issued by banks on behalf of the Company to guarantee fiber optic network use, space rental and other payable.

27.5 Other commitment

As at 31 December 2014, total credit facilities, both short-term and long-term, of the Company that could be drawn down amounted to Baht 812 million (2013: Baht 319 million).

27.6 Contingent liabilities

In 2011, a company transferred a quantity of fiber optic cable to the Company. The cable was already installed and in use in an underground cable conduit in Bangkok, belonging to the operator of a telecommunication business. Subsequently, in the first quarter of 2012, the Company received notification of the new rental rate for the underground cable conduit stipulated by the telecom operator, but no invoice has been issued to collect rental. Nevertheless, the Company has recorded a liability in respect of its rental obligations, estimated on the basis of the rental that was previously notified to the transferor of the fiber optic cable, which is lower than the new rental rate stipulated by the telecom operator. The Company's management believes that since the new rental rate for the underground cable conduit is considerably higher than the former rate, it is a rate stipulated by the telecom operator that is not in line with the principles and methods of determining network usage charges for licensees under the notification of the National Broadcasting and Telecommunications Commission (NBTC) on the use and interconnection of telecommunications networks B.E. 2549 ("IC notice"), since, in fact, these underground cable conduits were built and used by that telecom operator and had been used by the company that transferred the fiber optic cable to the company for least 10 years. They are thus existing assets of the telecom operator and have not required additional investment expenditure. The Company therefore believes that the new rental rate stipulated by the telecom operator is not in line with cost-based principles ("IC notice No.19") and the method of calculating the rental charge may not reflect the cost, as approved by NBTC ("IC Notice No.20"). In addition, if there

is to be any change in the rental rate the telecom operator, as the licensed network operator, is required to provide the Company, as a licensee requesting use of the network, with at least 90 days' notice, and evidence or reasons showing why the rate change is needed ("IC Notice No.21"). The telecom operator has not done this. Therefore, in order to move forward in accordance with legal principals and procedures, the Company submitted a letter asking the telecom operator to clarify the reasons for setting a new rental rate for the network and to provide the Company with evidence and the calculation method used to determine that rate. The Company also asked to exercise its right to negotiate a reduced, reasonable and fair, and legal rate with the telecom operator.

Subsequently, in July 2012, that telecom operator replied to the Company, confirming that the rental rate for the underground cable conduit stipulated by the telecom operator is the appropriate and notifying the Company to confirm the payment of rental fees for the underground cable conduit by 15 August 2012 so that it can proceed with collection of fees from the Company, and that there would be no adjustment of the rental rate disputed by the Company.

However, the Company announced that it would reduce usage of the underground cable conduit as from 1 April 2012 as necessary, and the telecom operator reviewed the information in August 2012 claimed additional rental for the underground cable conduit at a rate equal to the new rental rate.

As the rental rate has been confirmed by the telecom operator, the Company's management believe that the Company and the telecom operator remain in dispute over rights under the agreement for use of underground cable conduit. The Company therefore submitted a letter reserving its right to refuse to accept the amount specified by the telecom operator because they believe that it has been calculated based on an unfair rental rate that is unlawful in accordance with the IC notice, and its right to request time to verify the amount notified.

In addition, the Company has the right to request that NBTC to accept the dispute for dispute settlement procedures in accordance with the IC notice. Nevertheless, the Company has contingent liabilities with respect to the uncertainty regarding the outcome of negotiations to reduce the rental rate for the underground cable conduit, which it expects will not exceed Baht 33.6 million.

Subsequently, while the Company was preparing to request that NBTC intervene to provide a fair resolution, the management of the Company and the telecom operator entered into negotiations to resolve this issue. However, the telecom operator sued the Company as the second defendant through the civil courts, claiming payment for use of the conduit together with interest to the date of the lawsuit amounting to Baht 39.2 million, as well as interest at the rate of 7.5% per annum on principal of Baht 36.8 million. The Company received a copy of the lawsuit on 24 July 2013. Since the management of the telecom operator provided no prior notification or warning, it will be necessary for the Company to settle the dispute through court proceedings. The Company's management believe that the Company will win the case, since it should be resolved through dispute settlement procedures in accordance with the IC notice and is not within the authority of the civil courts. Moreover, the telecom operator did not proceed in compliance with the notification of the NBTC (IC notice).

The Company subsequently had the opportunity to negotiate with the management of the telecom operator to resolve the disputes. The initial results of these negotiations suggest that a resolution is possible, and the Company has submitted a compromise proposal to the telecom operator. Under this proposal the Company has requested the telecom operator to charge for underground cable conduit rental at the old rate from the date following the expiration date of the service contract between the telecom operator and the company that transferred the fiber optic cable to the Company, and the date that the Company received notification of the new

rental rate. After that, the new rental rate will be applied. This proposed compromise would significantly reduce rental liabilities. However, the Telecom Operator decided not to enter into a compromise agreement as proposed by the Company, because legal proceedings were already underway. The Company therefore proceeded with two courses of action.

The first course of action was to submit a petition to the NBTC to request a fair resolution bestowed upon it by telecoms law and the IC Notice to set of a correct rate for the underground cable conduit, and to provide protection to the Company to use the fiber optic cable from such conduit. The Company then followed its second course of action, which was to submit a statement of defence to the Civil Court that provides grounds to dispute both legal and factual aspects of the case, showing that the telecom operator had acted illegally and the Company had no legal obligation at all to pay the telecom operator the amounts being claimed under the lawsuit. The Company also filed a petition with the Court challenging the Court's jurisdiction over the case. Therefore, the Court issued an order to suspend the court proceedings, and pass the case to the Administrative Court. The Administrative Court is of the opinion that it has jurisdiction over the case, meaning there is a difference of opinion over the issue of court jurisdiction. Therefore, the matter has been forwarded to the Court Jurisdiction Commission for determining court jurisdiction, and a date of 29 April 2015 has been set to hear the commission's decision in this case. However, the management of the Company believes that the ultimate resolutions of this case is not likely to have a material effect on the Company's contingent liabilities arising from the case.

28. Financial instruments

28.1 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, trade and other receivables, bank overdrafts and short-term loans, trade and other payables, and long-term loan. 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 other receivables. 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, bank overdrafts, and short-term and long-term loans. 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 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 reprising date if this occurs before the maturity date.

(Unit: Million Baht)

As at 31 December 2014					
	Fixed interest rates within 1 year	Floating interest rate	Non- interest bearing	Total	Effective interest rate (% p.a.)
Financial assets					
Cash and cash equivalent	-	27	1	28	0.10-0.375
Trade and other receivable	-	-	253	253	-
	-	27	254	281	
Financial liabilities					
Short-term loan from financial institutions	55	-	-	55	3.65 - 3.68
Trade and other payables	-	-	311	311	-
Long-term loans	1,284	-	-	1,284	5.05 - 5.88
	1,339	-	311	1,650	

(Unit: Million Baht)

As at 31 December 2013					
	Fixed interest rates within 1 year	Floating interest rate	Non- interest bearing	Total	Effective interest rate (% p.a.)
Financial assets					
Cash and cash equivalent	-	1	12	13	0.125 - 0.50
Trade and other receivables	-	-	162	162	-
	-	1	174	175	
Financial liabilities					
Short-term loan from financial institutions	143	-	-	143	3.70 - 7.75
Trade and other payables	-	-	438	438	-
Long-term loans	260	-	-	260	5.39 - 6.00
	403	-	438	841	

Foreign currency risk

The Company's exposure to foreign currency risk arises mainly from trading transactions that are denominated in foreign currencies. The Company seeks to reduce this risk by entering into forward exchange contracts when it considers appropriate. Generally, the forward contracts mature within one year.

The balances of financial assets and liabilities denominated in foreign currencies are summarised below.

Foreign currency	Financial assets as at 31 December		Financial liabilities as at 31 December		Average exchange rate as at 31 December	
	2014 (Million)	2013 (Million)	2014 (Million)	2013 (Million)	2014	2013
	(Baht per 1 foreign currency unit)					
US dollar	-	0.2	-	-	-	33

Foreign exchange contracts outstanding are summarised below.

As at 31 December 2013					
Foreign currency	Bought amount (Million)	Sold amount (Million)	Contractual exchange rate		Contractual maturity date
			Bought	Sold	
			(Baht per 1 foreign currency unit)		
US dollar	1	-	32	-	26 February 2014

28.2 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.

29. 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 2014, the Company's debt- to-equity ratio was 1.40:1 (2013: 0.77:1).

30. Events after the reporting period

On 19 February 2015, the Company's Board of Directors passed resolutions as following

a) Propose to the Annual General Meeting of shareholders to be held in April 2015 to approve an additional dividend payment of Baht 0.28 per share to ordinary shareholders of the 300 million ordinary shares, or a total of Baht 84 million, in respect of the 2014 profit (total dividend payment from the 2014 profit made to ordinary shareholders is thus Baht 0.43 per share, or a total of Baht 129 million).

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

b) Approve the investment in Malaysia–Cambodia–Thailand (MCT) Submarine Cable System Project amounting to Baht 693 million to support international communication traffic growth.

31. Approval of the financial statements

These financial statements were authorised for issue by the Company's Board of Directors on 19 February 2015.



General Information

Ticker	SYMC (Listed in The Stock Exchange of Thailand)
Company	Symphony Communication Public Limited
Type of Business	Domestic Hi-speed Communication Network Service Provider
Head Office	123 Sun Towers Building B 35 th -37 th fl., Vibhavadee Rangsit Road, Chomphon, Chatuchak, Bangkok 10900
Warehouse	65/1 Phahonyothin Road, Klongluang, Pathumthai 12120
Branch office	<ol style="list-style-type: none">1) Amata Nakorn Branch Office 700/640, Moo 7, Donhuaror, Muang Chonburi, Chonburi 200002) Kabin Buri Service Center Branch 103, Moo 16, Muang Kao, Kabin Buri, Prachin Buri 252403) Hat yai Service Center Branch 1173, Moo 3, Bypass (Asia) Road, Khuanlang, Hat yai, Songkhla 901104) Laemchabang Service Center Branch 31/73, Moo 9, Aw Thong Soi 10, Thung sukhla, Sri Racha, Chonburi 202305) Nakorn Ratchasima Service Center Branch 19/47, Lampru 2 Nai Muang, Muang Nakorn Ratchasima, Nakorn Ratchasima 300006) Phuket Service Center Branch 46/125, Moo 6, Ratsada, Muang Phuket, Phuket 830007) Khon Kaen branch 108/138, Moo 14 Nai Muang, Muang Khon Kean, Khon Kean 400008) Phitsanulok Service Center Branch 362/5, Moo 3, Aranyik, Muang Phitsanulok, Phitsanulok 650009) Chiang Mai Service Center Branch 39/7, Tippanate Road, Haiya, Muang Chiang Mai 5000010) Ratchaburi Service Center Branch 154/327, Soi Sirichai 1, Sirichai Road, Nha muang, Muang Ratchaburi, Ratchaburi 7000011) Phra Nakorn Sri Ayuttaya Service Center Branch 89/5-6, Moo 3, Klong Suan Plu, Phra Nakorn Sri Ayuttaya, Phra Nakorn Sri Ayuttaya 1300012) Prachuap khiri khan Service Center Branch 208 Phachuapsiri Road, Prachuap khiri khan, Muang Prachuap khiri khan 77000

- 13) Mae Sot Service Center Branch
1086/3, Moo 1, Tha Sai Luat, Mae Sot, Tak 63110
- 14) Surat Thani Service Center Branch
96/4, Ratbamrung Road, Talad, Muang Surat Thani, Surat Thani 84000
- 15) Ubon Ratchathani Service Center Branch
48/10, Moo 12, Baan Wanarom, Moo 23, Kham Yai,
Muang Ubon Ratchathani, Ubon Ratchathani 34000
- 16) Nong Khai Service Center Branch
149/3, Moo 4, Meechai, Muang Nong Khai 43000
- No. 0107553000107
- www.symphony.net.th
- 66-2-101-1111
- 66-2-101-1133
- Bath 306,000,000.-
- 306,000,000 shares (Bath 1 each)
- 300,364,200 ordinary shares
- 1 January - 31 December

Company Registration

Home Page

Telephone

Fax

Registered Capital

Paid-up Capital

Voting Shares

Accounting period

Subsidiary

Diamond Line Services Company Limited (DLS) provides installation, repair and maintenance service of external interconnected networks and telecommunication equipment and may conduct joint investment with other companies. Currently, DLS has registered capital of 5,000,000 Baht of which the Company holds 99.99 percent of the shares. The office is located at 99/417 Nonsi Road, Chong Nonsi, Yannawa, Bangkok 10120.

Reference

Securities Registrar

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: <http://www.tsd.co.th>

Auditor

EY Office Limited
33rd floor, Lake Ratchada Office Building.
193/136-137, New Ratchadapisek Road, Klongtoey, Bangkok 10110
Tel: 66-2-264-0777 and 66-2-661-9190
Fax: 66-2-264-0789-90 and 66-2-661-9192



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Excellent Experience



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