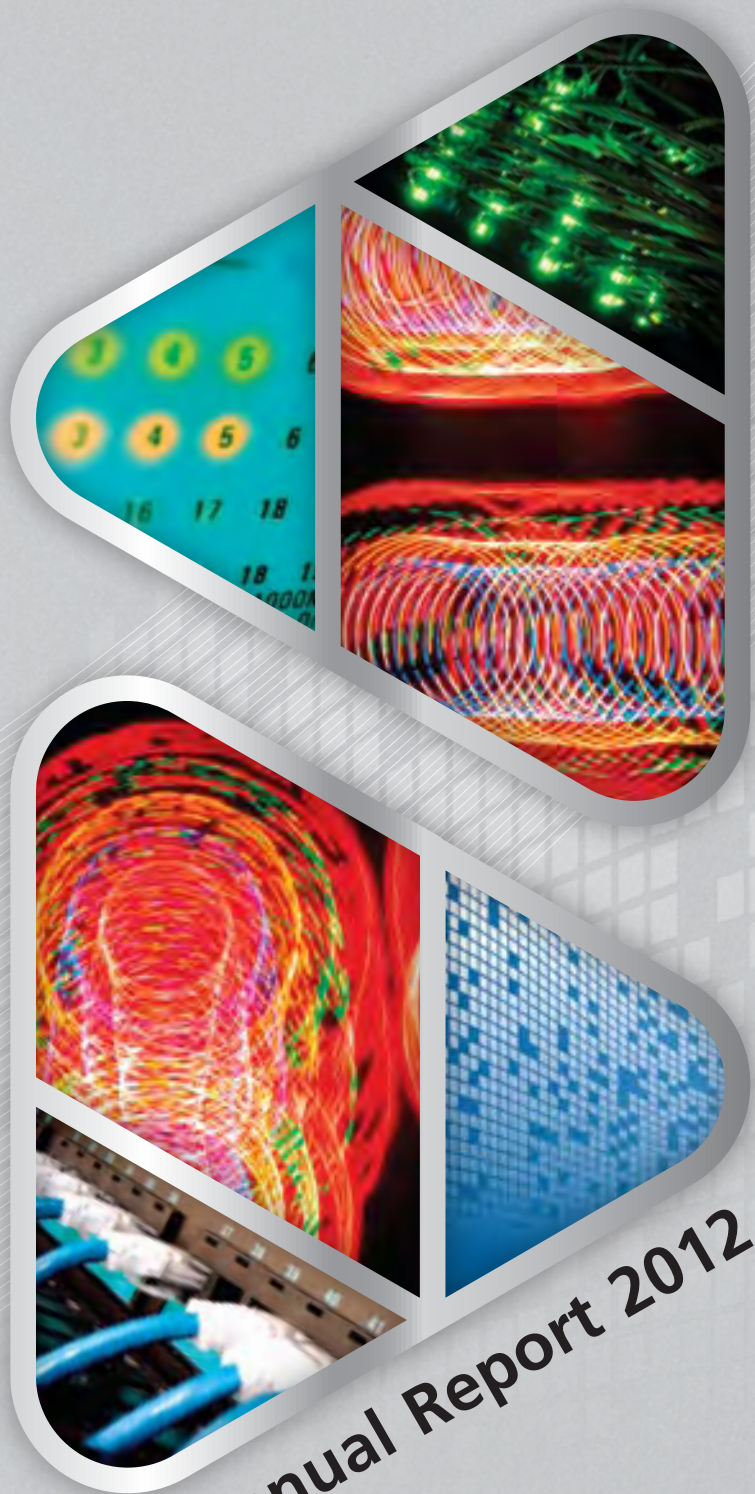




SYMPHONY



**Excellent
Experience**

Annual Report 2012

THE NEUTRAL PREMIUM TELECOM NETWORK SERVICE PROVIDER

Symphony Communication Public Company Limited



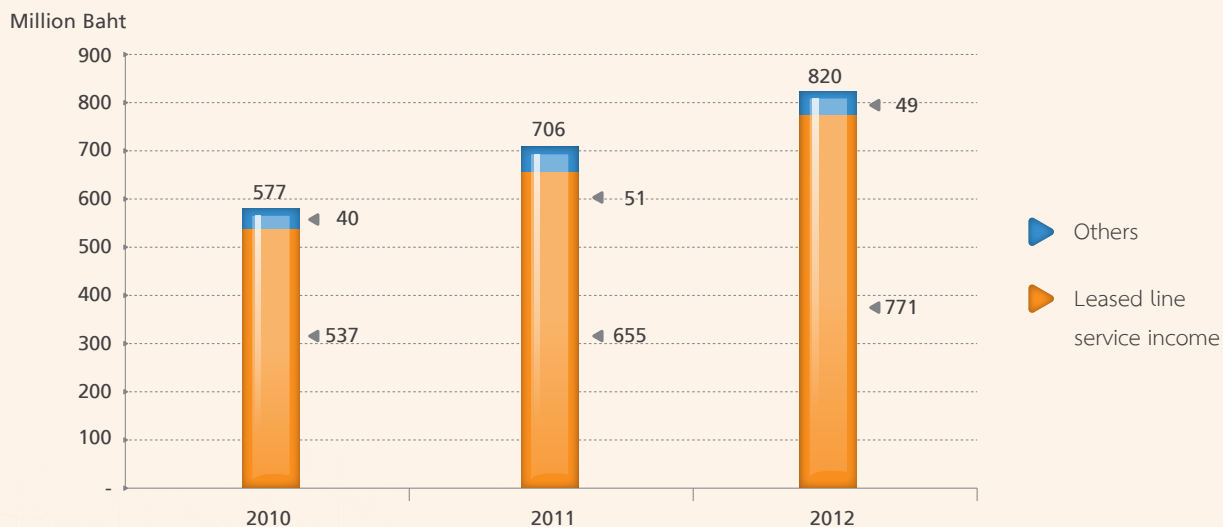
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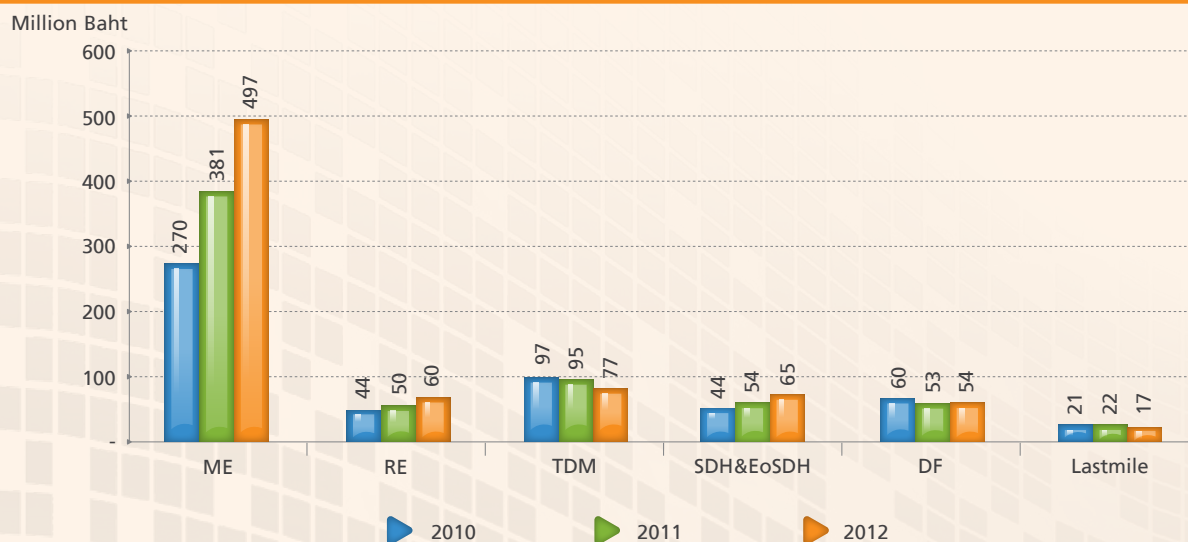


Financial Highlight

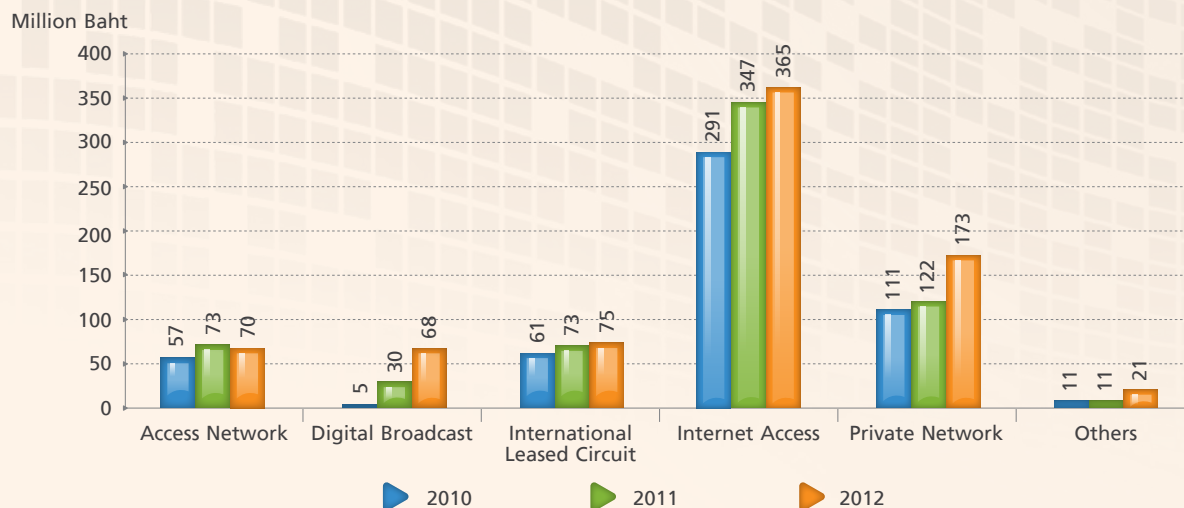
Revenue Structure



Leased line service income : by service type

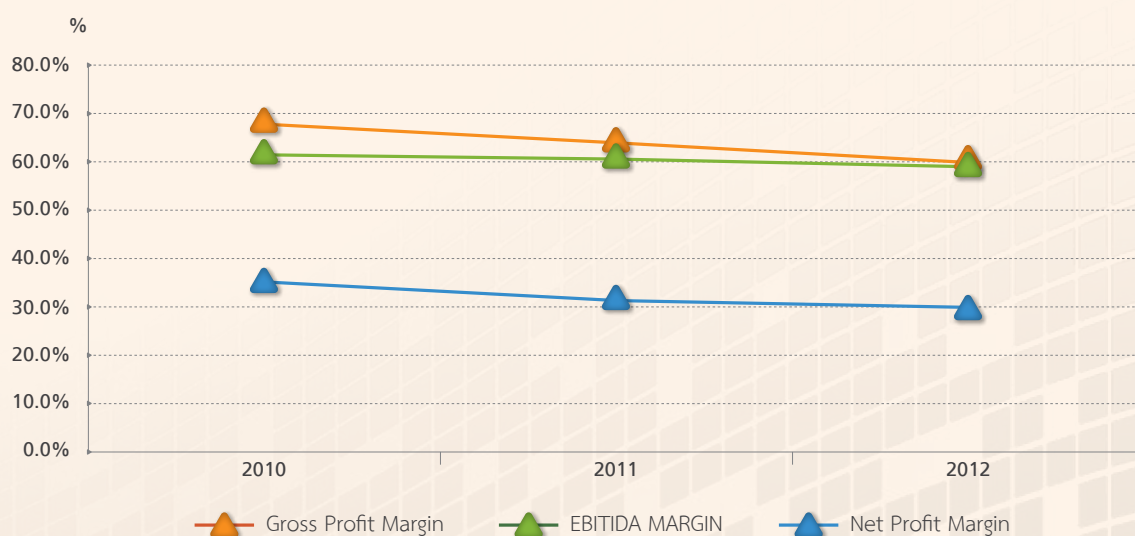


Leased Line Service Income : by applications



Profitability

Million Baht



Financial Ratio

Net Profit
Total Revenue
Average Total Fixed Assets
Avg Total Assets
Avg Total Shareholders Equity
Asset Turnover Ratio
(Total Revenue/Avg. Total Assets)
Financial Leverage
(Avg.Total Assets/Avg.Equity)
Debt to Equity Ratio
Net Profit Margin
Return on Fixed Assets
Return on Assets
Return on Equity

Unit	2011	2012
MB	212.34	234.25
MB	705.88	819.57
MB	697.03	1,049.00
MB	1,316.73	1,444.30
MB	1,112.40	1,150.23
Times	0.54	0.57
Times	1.18	1.26
Times	0.24	0.27
%	30.08%	28.58%
	30.46%	22.33%
%	16.13%	16.22%
%	19.09%	20.37%



► 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.

**Excellent
Experience**



Moving Forward

Connecting Global Network

Developing Asian Telecom Hub and Gateway



Message from the Board of Directors



• Mr. Woodtipong Moleechad
Chairman of the Board



• Mr. Kranphol Asawasuwon
Director / President

2012 was another progressive year for Symphony Communication Public Company Limited in pursuing our mission to be the regional premium high speed telecommunication network service provider and move forward to be “the ASEAN telecommunication high way”. We uphold our strength in premium quality along with neutral business stance to achieve the goal to be the leading service provider of optical fiber cable networks, which is the infrastructure for all kinds of telecommunication and digital broadcast, that fulfills every customer need. We thank all the support and trust that proves our success all these years.

Amid the intensified competition in the internet access market, we have foreseen the need and opportunity to penetrate new potential markets. We are proud that in the past 2 years, we have been successful in expanding customer base in private network and digital broadcast segments. Our accomplishment is significantly contributed by dedication of staff that constantly develop our service quality. not only to meet customers’ need but to surpass their expectation, which become a crucial milestone for us in rendering service and strengthening our reputation that pave the way to become the real leader in telecommunication and information technology infrastructure service business.

In late 2012, Symphony have signed a 3-year agreement to join hands with the Cable Thai Holding Public Company Limited (CTH), a cable TV service provider. to provide hi-speed communication backbone networks for broadcasting to major provinces in Thailand, for example Phuket, Chiang Mai, UdonThani, and Khonkaen. This marks a crucial milestone to penetrate new markets in provincial areas with high economic potential. The

Company plans to speed up the customer base expansion for Private Network market, especially for those corporations that need communication connectivity between headquarters and their subsidiaries or branches, in order to effectively utilize the Company's network backbone and create accessibility to larger groups of customers, to achieve sustainable growth in the long run.

In 2013, we keep on developing the International Private Leased Circuit market, which will become a highly potential market growing hand by hand with regional trade and investment due to the commencement of the ASEAN Economic Community (AEC). In addition, the upcoming formal launch of a 3G network in Thailand will be another key factor to accelerate the use of data transfer via mobile phones that boost demand among mobile service operators for internet connectivity bandwidth to access local and overseas websites. Meanwhile, the Company is also gearing up for new business opportunities in International Digital Broadcast markets, that content providers, media channels, TV program producers in various platform e.g. cable TV and satellite TV service providers are keen on exchanging medias with neighboring countries. All these factors are positive for the International Connectivity.

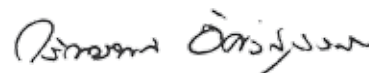
For the Digital Broadcasting segment, the Company plans to develop the multi-platform broadcasting for customers that are TV program producers or the owners of contents, to be able to broadcast on various platform e.g. TV, computers or mobile phones, to emphasize our leadership in Digital Broadcast market especially in this era of "Media Convergence"

Apart from our commitment in service development to optimally serve customers' need, the Company has been regularly undertaking various Corporate Social Responsibility (CSR) activities, such as, donating money to philanthropic foundations. We also place high emphasis on staff's welfare according to our business philosophy "happy employees deliver best customer service". We also adhere to the good corporate governance principles, as a result, Symphony achieved the "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). We can assure you that we are committed to sustain our excellence along with consistent service improvements in order to bring us forward to proudly stand out amongst ASEAN peers in the future.

Lastly, on behalf of Symphony Communication Public Company Limited's Board of Directors, we would like to take opportunity to thank all our customers, business partners and shareholders for their good supports all through these years, and all employees for their strong commitment and dedication in their duties. We are committed to working together under the good governance principles and strategic plans to move forward to achieving excellence in high speed telecommunication network service in return for customers' and shareholders' long-standing trust.



Mr. Woodtipong Moleechad
Chairman of the Board



Mr. Kranphol Asawasuwana
Director / President



Achievement in 2012



Expanding high speed telecommunication network coverage areas to major economic hubs of Thailand and connecting with the international networks

High speed telecommunication network is the essential infrastructure of all kinds of telecommunications, playing an significant role in facilitating communication between businesses. We always prudently invest by looking ahead to catch up with the future trend and invest our high - speed communication networks to fulfills business's need of effective communication and yield the fruitful return to shareholders as well as contributable to country's sustainable economic development.

In 2012, the Company was successful in expanding our network service coverage areas as targeted, including several industrial estates. As a result, our service is currently accessible by 24 of industrial estate, such as Bangpa-in Industrial Estate, Rojana Industrial Estate, Ladkrabang Industrial Estate, Bangpu Industrial Estate, Wellgrow Industrial Estate, Bangkadi Industrial Estate, TFD Industrial Estate, Leam Chabang Industrial Estate, Map Ta Phut Industrial Estate and Eastern Seaboard Industrial Estate. Additionally, we are continuously expanding our service coverage to fully cover major provincial economic hubs in Thailand, with objectives to prepare for growing business sector in these major provinces such as, Ayuthaya, Choburi, Chachoengsao, Samutsakhon, Prachinburi, Sakeaw, Chiangmai, Phitsanulok, Khonkaen, Nakhorn Ratchasima, Petchaburi and Phuket. We are now planning to expand our network service to other provinces in addition to those in which service is already launched.

Apart from enhancing local network service to meet the need of customers all over Thailand, Symphony is continuing our missions in enabling the connectivity of our telecommunication network with the international

networks at the border: Thailand-Cambodia, Thailand-Malaysia and Thailand-Lao PDR. This enhances the efficiency of our services to be better responsive to client needs and pave the way for Thailand to step forward to be the regional hub of telecommunication that meets international standards. All of our aforementioned network expanding projects cover the high potential areas that would deliver sustainable revenue growth.

Collaboration with the Cable Thai Holding Public Company Limited : to serve growing demand of cable TV business



The Cable Thai Holding Public (CTH) places confidence in Symphony and chose Symphony as the main high speed telecommunication network to facilitate the connectivity and CTH's plan to expand its cable TV broadcasting network nationwide. Currently, CTH has more than 3 million subscribers all over the country with target to reach 10 million subscribers by the next 3 years. This collaboration marks a significant move to reform Thailand's telecommunication and TV broadcast services to be more aligned with the Digital-era and also a milestone to lead Symphony to become the leader of the telecommunication network market. Furthermore, this collaboration agreement is also in accordance with the Company's strategic expansion plan to cover provincial economic hubs and connect to ASEAN countries.

Good Corporate Governance : Rated "Excellence"

Symphony believes good corporate governance and transparency are key factors to help the Company achieve sustainable growth along with long-standing confidence amongst shareholders, investors and all relevant parties. The Company is therefore committed to strictly follow the good corporate governance principles.

As a result of our efforts, Symphony achieved the “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 (SEC) and the Stock Exchange of Thailand (SET) (improved from “Very Good” rating from the 2011 assessment). Moreover, the Company was listed in the Top Quartile Companies amongst those with market capitalization of Baht 3,000-9,999 million.

In addition, Symphony achieved “Excellence” for the Annual General Meeting (AGM) Quality Assessment 2012 conducted by the Thai Investor Association, the Securities and Exchange Commission, the Stock Exchange of Thailand, and the Thai Listed Companies Association.

Premium Quality Network and Excellence Service : high reliable service for all circumstances

The Company is strongly determined to develop its networks to reach higher standards and excellence service to ensure highest level of our customers’ satisfaction. We offer smooth network connectivity with SLA 99.9% per circuit. Currently, 8 Network Operation Centers are in operation to expand our service to key provincial areas across Thailand, such as Prachinburee, Ratchaburi, Phitsanulok, Nakhorn Ratchasima, Khonkaen, Chiangmai, Phuket and Hadyai. All of our Network Operation Center runs 24/7 by service minded specialists who are prompt to provide customers with technical supports, consultations and professional solutions.

In order to build a solid trust for our service, Symphony is establishing our new Disaster Recovery Operation Center

(DROC) at Data Park Zone located in Amata Nakorn, Chonburi, expected to commence operation in 2013. The center will ensure that the Company is well-prepared for every unpredictable natural disaster and prompt to provide uninterrupted service with spared systems in every coverage area as well as 2 un-identical optical fiber cable route connecting from outside according to our Business Continuity Plan (BCP) which also enhances the continuity of our customers’ businesses. Moreover, this center serves as the Eastern Branch Office for customers in the eastern part of Thailand which have high potential for continued growth in industrial sector.

Strong Operating Cashflow

The Company has been generated positive cashflow due to our expansion and steady growth all these years. In 2012, the Company generated Baht 422 million operating cashflow and rewarded shareholders with dividend payment for the year 2012 at the rate of 0.58 Baht per share while keeping the investment plan on track in order to balance the returns to shareholders and long-term growth.

Financial Supports : Enhancing the investment capability

The Company obtained financial supports from commercial banks that approved Uncollateralized Credit Facilities totaled Baht 437.5 million in the form of Overdraft, Promissory Note Credit Lines and Letter of Guarantee Credit Lines as the Company’s working capital to support the day-to-day operation and future expansion. This reflects the Company’s investment capability which will generate better business opportunities in the future. As of 31 December 2012, there was no loan outstanding.





Corporate Social Responsibility

Apart from our commitment to pursuing the neutrality and network quality development in order to move forward to be on par with ASEAN peers, Corporate Social Responsibility (CSR) has been another important mission we adhere to. In accordance with our vision, we highly emphasize the morality and happiness of people that must be sustained and growing hand in hand with the development of new technology.

In 2012, to help create social equality and peaceful society, Symphony took part in various activities to promote and provide financial supports to several philanthropic foundations through which humanitarian assistance can be accessible to disadvantaged people. The Company is committed to consistently play a part in contributing to social and environment.

▶ **Symphony donated used calendars to the Thailand Association of the Blind**

Recognizing the significance of the message presented in the saying of “Great little things”, used calendars were accumulated and donated to “Patitintungtor Kao Kong Khun Mee Ka Ya Ting”, the project organized by the Thailand Association of the Blind under the Royal Patronage of Her Majesty the Queen, through which all used calendars will be applied as Braille cards and learning materials for blind students at the Home for Children with Multiple Handicaps (Phayathai). In addition to experiencing happiness in the act of giving, we have also realized that even a little thing done can make a big difference for many of those whose opportunities are limited.



▶ **Symphony as the representative bestowed the Krom Luang Naradhiwas Rajanagarindra Teacher Award 2012 upon the laureates**

Mr. Kranphol Asawasuwana, President, and Mr. Teerarat Pantarasutra, Senior Executive Vice President represented Symphony Communication Public Company Limited to confer the 4th Krom Luang Naradhiwas Rajanagarindra Teacher Award 2012 to the laureates as recognition of their altruistic and dedicated works in undeveloped areas. The ceremony took place at the building of the Princess Mother's Medical Volunteer Foundation (PMMV).



► **Symphony hosted a charity bowling event**

The prize money received by the participants of the “SYMC Charity Bowling 2012” hosted by Symphony at the Blu-O Rhythm & Bowl - Esplanade Ratchadaphisek was contributed to various foundations, including the Phrabatnampu’s Environmental Fund Foundation, the Home for Handicapped Animals Foundation, and the Foundation for Children with Disability (FCD). Not only valuable time spent on the event, our clients also shown their supports in making additional financial donation to the Home for Handicapped Animals Foundation. Our charity event obviously reflected that in spite of the intense competition in modern society, the heart of giving still remains and will always be.

► **Symphony made financial donation to the Home for Handicapped Animals Foundation**

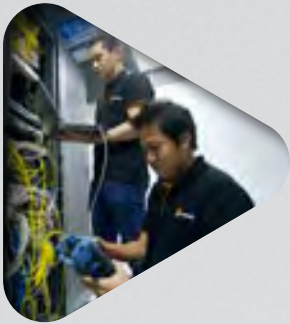
Symphony Communication Public Company Limited with our clients from the “SYMC Charity Bowling 2012” paid a visit in order to bestow financial donation upon the Home for Handicapped Animals Foundation (Pakkred), which provides essential care to handicapped or injured or deserted animals. We are content that even a small amount of money can make a big change in the world we are living, and through our generosity, together we will make the world a better place for all.



► **Symphony provided financial support to the “Lor Luen Peur Kon Pi Kan” Project**

Mr. Pathomkrit Srisuphakhnanin, Executive Vice President of Government Relations represented Symphony Communication Public Company Limited, to provide financial assistance of 40,000 Baht to Miss Kruewan Hongthamrong, the representative of the “Lor Luen Peur Kon Pi Kan” Project under the Thai with Disability Foundation, which focuses on disabled people’s rehabilitation and quality of life improvement.

LEADERSHIP WORLDWIDE NETWORK





Nature of Business

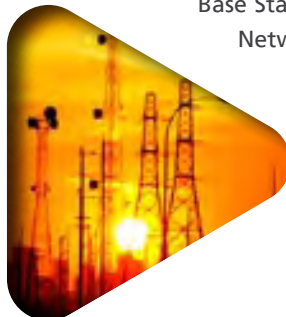
The Company is the premium hi-speed communication network service provider using optical fiber cable for its core network. The optical fiber network is being considered as a highly efficient infrastructure of telecommunication and data transmission such as intranet, inter-office data exchange, internet connection for large enterprises, circuit links between base stations of other telecommunication companies e.g 3G mobile phone operators, digital broadcasting etc. It enables the rapid, precise and reliable data transmission. The service can be customized to cater to the diverse needs of customers by qualified and highly experienced experts. Moreover, the network is monitored by state-of-the-art computerized control system, that our experts can promptly detect any interruptions.

Optical Fiber Cable Network Applications

Internet Access



Base Station Network



International Network



Data Center Network



Private Network



Digital Broadcast Service





At present, we expanded our core network from the business area of Bangkok and vicinity to major provincial business hubs including more than 24 industrial estates e.g. Rojana, Hi-tech, Bangpa-in, Bangplee, Bangkadi, Ladkrabang, Gemopolis, Bangpu, Wellgrow, Laem Chabang, Map Ta Phut, etc. and also major cities e.g. Pathumthani, Phanakornsri Ayudhaya, Samut Sakorn, Chiang Mai, Pitsanulok, Khon Kaen, Nakornratchasima, Petchburi, Phuket, Songkhla, Chonburi, etc.

Target Customers

The target customers can be categorized into 2 major groups:

1) Telecom Service Providers that use company's communication network for commercial purposes e.g. Internet Service Provider (ISP), Data Center, Mobile Phone Operator, International Carrier etc.

2) End-user customers e.g. business organization, juristic entity, other telecommunication service providers, using company's communication network for massive and rapid data transmission such as TV program producers with digital broadcasting system, Modern-trade Retailer, commercial banks, international corporations, securities companies, hotels and etc.

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

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

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

- 1. The Internet Service Provider (ISP)** offers internet service to end-users by using the company's hi-speed communication network. Such major internet service providers are CS Loxinfo Plc, KSC Commercial Internet Co., Ltd. or Internet Thailand Plc. (INET), etc.
- 2. Data Center Service Provider** offers electronic data storage service and provides applications for end-user. Such Data Center service providers do not have their own network, therefore, they need to use our hi-speed communication network to connect with their customers' offices in the same manner as the ISP. Example of data center service provider are TCC Technology Co., Ltd. (TCCT) which is the largest Data Center service provider in Thailand and also offers one stop service for electronic data storage and Application Service Provider (ASP) or Metro System Corporation Plc., etc.
- 3. Mobile Phone Operators** Though they have numerous networks of their own, it is necessary for them to lease the company's hi-speed communication network as their back-bone one in addition to their own mobile phone service network to expand their service area and fully cover their customers (end-users). Moreover, they also use our network to connect with other mobile phone operators. Such company is Total Access Communication Plc. (DTAC) which is one of the largest mobile phone operators in Thailand.
- 4. International Private Leased Circuit Service Provider (IPLC)** such IPLC service providers have international worldwide network connection. They connect their international network to domestic network in order to inter-link between local and overseas offices of end-use. Such providers are JasTel Network Co., Ltd., True International Gateway Co., Ltd.





5. **International Carrier Service Provider** is the provider of cross-border communication services, mostly overseas telcos. The international carrier provides international communication services from the headquarters of their customers to their affiliate's offices in the country. Such providers will connect their overseas circuits with IPLC service provider in the country, and from IPLC center to local office of end-users. As such, the international carrier can provide communication services from the beginning point overseas to the end-point in the country. Such service providers are Singapore Telecommunications Co.,Ltd, Verizon Business Co.,Ltd, Hutchison Global Communication Co.,Ltd, NTT Communications (Thailand) Co.,Ltd or KDDI (Thailand) Co.,Ltd., etc.
6. **System Integrator** this type of customers is the telecommunication system provider and installer who provides such service to both government and private organizations. They will tender an offer concerning the provision of hardware and software, including the installation of communication network in connection with such hardware and software. In the event concerning the hi-speed communication network provider, the installer will lease the hi-speed communication circuit from the qualified company and provide other related services for its customer. Such system installers are Advance Information Technology Plc., Samart Corporation Plc., Datacraft (Thailand) Co., Ltd.
7. **Subscription Based or Pay Television Operator** this type of customers broadcast the TV programs from the studios to the relay stations by using our hi-speed communication networks. Such Television Operators are Cable Thai Holding Plc. (CTH), GMM Grammy Plc., RS Plc., BEC World Plc., Poly Telemedia Co.,Ltd (PSI), etc.

2) End-user customers

The end-user customers are business corporations that need massive and rapid data transmission for their business operation, for instance the communication network between headquarters and its branches of large organizations such as Banks, or Modern-trade Retailers or the network connection between the importer/

exporter and the customs department or between the television producers and Thaicom Satellite Station, etc. The examples of company's end-user customers are HSBC (Thailand), Citibank N.A., Kasikorn Bank Plc., Siam Commercial Bank Plc., Bualuang Securities Plc., Chevron Thailand Co., Ltd. PTTEP Plc., Toyota Motor Thailand Co., Ltd., Berli Jucker Co., Ltd., DKSH (Thailand) Co., Ltd., CPALL Plc. etc.

Service Characteristics

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

1. Metro Ethernet Service (ME)
2. Ready Ethernet Service (RE)
3. Time Division Multiplexing Service (TDM)
4. Synchronous Digital Hierarchy Service (SDH)
5. Ethernet over Synchronous Digital Hierarchy Service (EoSDH)
6. 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. However, TDM is still a trusted service by customers due to its high reliability and short response time.

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

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

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

Revenue Structure

	2011		2012		Change	
	Amount (MB)	(%)	Amount (MB)	(%)	Amount (MB)	(%)
Revenue						
Service Income	655.19	92.82%	771.24	94.10%	116.05	17.71%
• Metro Ethernet	381.11	53.99%	497.44	60.70%	116.32	30.52%
• Ready Ethernet	49.56	7.02%	60.10	7.33%	10.54	21.27%
• TDM	95.21	13.49%	76.96	9.39%	-18.25	-19.17%
• SDH & EoSDH	54.40	7.71%	65.43	7.98%	11.03	20.27%
• Dark Fiber	52.53	7.44%	54.38	6.64%	1.85	3.52%
• Last Mile Network Mgt and Equipment Installation	22.38	3.17%	16.93	2.07%	-5.45	-24.34%
Sales Income	7.59	1.08%	4.62	0.56%	-2.97	-39.13%
Management and maintenance service income - network	30.00	4.25%	32.06	3.91%	2.06	6.85%
Other revenue	13.10	1.86%	11.66	1.42%	-1.44	-11.03%
Total Revenue	705.88	100.00%	819.57	100.00%	113.69	16.11%

Service Income by applications

	2011		2012		Change	
	Amount (MB)	(%)	Amount (MB)	(%)	Amount (MB)	(%)
Access Network	73.04	11.15%	69.93	9.07%	-3.11	-4.26%
Digital Broadcast	30.28	4.62%	68.38	8.87%	38.10	125.84%
International Leased Circuit	73.06	11.15%	74.59	9.67%	1.53	2.09%
Internet Access	346.50	52.89%	364.59	47.27%	18.09	5.22%
Private Network	121.75	18.58%	172.64	22.38%	50.89	41.80%
Others	10.56	1.61%	21.12	2.74%	10.56	99.98%
Total Service Income	655.19	100.00%	771.24	100.00%	116.05	17.71%

Summary of Service Characteristics

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

Note : * Higher speed or service customization can be provided

** Lower service rate comparing to TDM at the same capacity offered

*** Depend on customer's network management

The expansion of services

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

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

Our international services are as follows:

1. International Private Leased Circuit Service : IPLC

Service Applications

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

Technology

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

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

Service Applications

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

Technology

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

3. International Internet Gateway : IIG and IP Transit)

Service Applications

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

Technology

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

The Coverage Expansion

The Company has continually expanded its service coverage including Bangkok and its vicinity as well as international connectivity in order to develop Thailand as a telecommunication hub for the northern of South-East Asia in addition to Malaysia and Singapore.

► The Company has expanded its service area in the industrial estates both in the central and eastern parts of Thailand, at present the service is available in 24 industrial estates and plans to expand to those industrial estates in the major cities according to the Company's investment plan.

► The Company plans to expand the optical fiber networks at Thailand's borders e.g. Thai-Cambodia, Malaysia, Myanmar, Lao in preparation to connect to the Global Carrier in further parts e.g. Asia, America and Europe via the local operators in these neighboring countries.

Marketing Strategy

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

1. Business Neutrality

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

2. Guarantee the quality of 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 24 hours 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 customers.

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 maintenance, for instance, the team of engineers, technicians, has regular schedule

to check, monitor, maintain the cabling, equipments and the back-up ready for use at all times. Aside from that, our after-sale service including the one-stop call center that our engineers and technicians are available to assist or give consultations 24 hrs everyday.

4. Provide consultation and profound analysis

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

5. Strengthening brand image

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

6. Service development and capture high potential market

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

Market Condition and Competition

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

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



1. Risks from the Reliance on Key Customers

The Company's revenue mainly comes from providing hi-speed data communications network services. In 2010 and 2011, revenues from top five key customers of each period accounted for over 50% of services revenue with overall proportions of 54.37% and 55.83% respectively. The Company is fully aware that any reduction or termination of the Company's services by these customers will have a direct and significant impact on the Company's revenue. Therefore, the Company has set strategy to expand its customer base into new markets such as digital broadcast and multinational companies that need to access international network and also launched the International Private Leased Circuit (IPLC) service, moreover, the Company has expanded the service coverage to key provincial economic hubs. This effort reduce the level of dependency on the key customers mentioned above. In 2012, the Company successfully expanded customer base in these new markets, as a result, the percentage of revenues from top five key customers was reduced to 48.9% of service revenue.

2. Risks from the Reliance on Supplier

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

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

At present, the Office of National Broadcasting and Telecommunication Commission ("NBTC") has the authority to issue telecommunications business licenses to new operators bases on the principle of free and fair competition. The Company cannot foresee the number of new operators that will be granted telecommunication business licenses. More operators will result in additional competition. In this regard, the Company's competitors are business operators with licenses issued when the government still used the concession system and other few operators with telecommunication business license type 2 and 3. However, the telecommunications business requires expertise and experience of management and employees as well as intensive capital. Hence, large business operators have competitive advantages over small and medium operators. For these reasons, the Company expects future competition not to be so severe. The Company is strategically prepared for such competition by emphasizing on its businesses strength and maintain its neutral business stance and focus on providing the network service only. Simultaneously, the Company continues to expand its hi-speed data communications network, including the launch of IPLC service within 2Q2012 in order to expand network coverage and better serve customer's need as well as enhance its competitive advantages in the long run.

4. Risks from Technology Changes

Technology of communication and telecommunication network can be divided into 2 parts. The first part is technology related to the Core Network, which is the infrastructure of the service providers. The second part is technology related to the Last Mile, which is the last section of the network connecting from service providers to end-users such as WiMax technology, Wi-Fi technology or 3G. If there are any technology changes that affect both aspects and the Company cannot adapt to such changes in line with the industry, customers of the Company may switch to other operators that provide a more efficient service. Ultimately, this will have an effect on the customer base and revenue of the Company.

As the Company provides services in the part of infrastructure using optical fibre cable for its Core Network. The technology of Telecommunication Infrastructure has only slightest changes over the time and Optical Fibre Cable is considered the best available transmission media. It has capacity to serve any future developments in ever-increasing speed signal transmission with a durable useful lifespan of more than 10 years. Therefore, technology of the network equipment for signal transmission that the Company currently deploys has capacity to serve diversified and changing requirements of those telecommunication service providers such as mobile phone systems including GSM, 3G, or LTE, wire and wireless internet providers. Regarding the upcoming introduction of 3G technology, which is the Last Mile technology, would not cause any negative effect to the Company.

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

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

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

(a) Modification of Regulators and Ambiguity of related Regulations

At present, the operations of telecommunication businesses falls under two main legal acts namely, Act on Organization for Allocating Broadcasting Frequency and Supervising Radio or Television Broadcasting and Telecommunication Businesses B.E. 2553 (2010) (“Frequency Allocation Act”) and Telecommunication Business Act B.E. 2544 (2001) (“Telecommunication Business Act”). The Frequency Allocation Act B.E. 2553 is the law that stipulates the basis, authority and responsibility of NBTC. The Telecommunication Business Act stipulates

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

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

Under the stipulation of section 54 of the Telecommunication Business Act and Notification of the NBTC Re: Approval of Contracts relating to Telecommunications Business to be Made with Foreign Governments, International Organizations or Persons Residing Overseas B.E. 2549, the Company is obligated to submit any drafted contracts or drafted agreements concerning the operation and servicing of telecommunication with foreign governments, international organizations or persons residing overseas, including amendment or annulment of contracts or agreements for the approval of NBTC. There is an exemption if such contracts or agreements relate with normal procedures that comply with guidelines and conditions that NBTC stipulates. However, the NBTC may request the Company to amend any such contracts or agreements in accordance with the conditions that NBTC stipulates. At present, the Company has a contract to provide circuit lease services to customers who are foreign companies and the Company still has plans to expand such business to providing services to international carriers located overseas. Hence, the stipulation of section 54 of the Telecommunication Business Act may place constraints in entering such contracts and therefore affect the business expansion plan and revenue that the Company may receive from the expansion of such customer base to foreign carriers located overseas in the future.

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

(a) Risk from Networks

Under the stipulation of section 39, paragraph 1 of the Telecommunication Business Act 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. However, some owners of the properties still lack knowledge and understanding regarding the right and duty of the licensee whose already obtained the Right of Way that licensee is legitimate to provide services in the areas of the owners of the Right of Way once it has an NBTC approval. Consequently, the Company cannot expand network coverage in certain areas, such as industrial estates, as previously planned.

Furthermore, the Company has networks that already been installed but in the process of obtaining approval from owner of properties e.g. government agents, utility providers according to the criterias set by such government agents or utilities providers. Thus the Company may have an obligation to pay installation fee, maintenance fee or any additional processing fee that may increase the Company's cost of business and profitability.

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

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

For this reason, the Company preemptively created a contingency plan by setting up a Disaster Recovery Operation Center (DROC) in case of disasters or emergencies so as to ensure uninterrupted servicing at all times. As for the Company's internal working system, the Company minimizes operational risk by having access control system in all operation rooms of the Company that only allow access for trained and certified employees with qualifications as specified by the Company so as to minimize human error.

The Company strongly emphasizes the importance of equipment selection by selecting only fine optical fiber cables and and adhering to international standards to ensure efficiency of servicing. In regards to essential equipment for the core network such as power supply and CPU, the Company has prepared reserve sets of equipments ready to be installed as soon as any malfunction to existing equipment occurs. As for the installation of optical fiber cables, the Company will install optical fiber cables in at least 2 non-replicated routes for core network in case any optical fiber cables cable malfunctions. Moreover, for systems related with end-users, the Company has a preventive policy to identify any flaws and promptly mend them before any errors occur. Teams of technical experts will check that cable nets, main equipments and other support equipments are in good working condition such as checking whether cable nets have any risks of causing danger, maintenance of air-conditioning in wire centers, and testing to check that main and relevant equipments are in good working condition.

7. Risk regarding Key Management Reliance

According to Nature of Business, the Company requires experts that specialized in complicated technology and regulations, with diverse experiences and skill to operate the business. The Company also give emphasis on the succession plan and human resources development by allocating budget for development and training to all level of employees. For example, the Company provides scholarships for undergraduate and post-graduate study in various fields such as business administration, information technology, and engineering. By offering

employees an opportunity to be training with institutions of good reputation in terms of professional skills and development of other working skills, employees will continue to improve from such developments and trainings so as to prepare employees for future business expansions. Additionally, the corporate structure emphasizes bottom-up work styles to encourage employees, especially middle management, to participate in the process of brain-storming and setting operational guidelines. Moreover, the Company places emphasis on teams to work both within the business function and across business functions to competently resolve any issues that occur.

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

The group of major shareholders, directors and management as defined by SEC have the shareholding at 31 December 2012, collectively 51.02% of the total paid-up shares. As a result, they can control the resolution of various agendas in the Shareholders' Meeting by forming the majority votes that other shareholders may not be able to collect the voting to monitor for check-and-balance reason. However, the major shareholders will refrain from voting on the matter that has conflict of interest.

9. Risk from natural disaster, riot and terrorism

The global climate change has resulted in many natural disasters. Moreover, the economic and political uncertainties triggered the civilian unrest, riots and 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 level and department to perform in case of emergency in order to ensure the smoothest service for customers. The Company's standard network design also provides redundant route to enhance stability of communication networks. Moreover, the Company has insurance policies cover against the risk of damage to network equipments and nodes.

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



Company Background and Major Development

Symphony Communication Public Company Limited was found by the management team with over 20 years experience in telecom business. The Company was established on 24 November 2005 and has been converted to a Public Company Limited since 6 May 2010. The Company is a hi-speed data communications network service provider using optical fiber cable for its core network and provides related service for example last mile network management and installation service.

The Company was the first licensee of the Telecommunication Service License Type II (with network ownership) since 15 June 2006 for the contract period of 15 years. The Company commercially launched its services since March 2007 under the “Symphony” brand. 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 order to better serve demand of international hi-speed communication circuits, in 2011, the Company has obtained the new telecom business licenses as follows : International Private Leased Circuit (IPLC) License, IP - Virtual Private Network (IP-VPN) License type III, International Internet Gateway (IIG) License and National Internet Exchange (NIX) License type II and also the permission to adopt Wi-Fi technology in addition to the existing license typell.

The following milestones are the Company’s major developments.

Development

Nov 2005	▶ Established with the initial registered capital of 1 million Baht.
Jun 2006	▶ Obtained the Telecommunication Service License Type II, permitted by The National Telecommunications Commission (NTC) for the contract period of 15 years.
Mar 2007	▶ Launched Ready Ethernet, Metro Ethernet and TDM services under the brand “Symphony”.
Oct 2007	▶ Obtained the telecommunication services license and was the first operator who secured the permission for Right of Way in accordance with Article 39 Section 1 of the Telecommunications Business Act (B.E. 2544).
Nov 2007	▶ Bangkok Mass Transit System Public Company Limited (BTS) authorized the Company to install optical fiber cables and equipments on elevated rail throughout BTS’s service route.
Mar 2008	▶ Launched SDH hi-speed data communication and Ethernet over SDH (EoSDH) service to corporate customers.

Sep 2008	▶ Obtained the Right of Way to place optical fiber cables along electric posts permitted by Metropolitan Electricity Authority.
Jan 2009	▶ Bangkok Metropolitan Authority (BMA) permitted the Company to install optical fiber cables solely beneath the pedestrian walkways along the BTS routes.
Jun 2009	▶ Increased registered capital to 80 million Baht with 8 million shares outstanding, 10 Baht par value per share.
Jul 2009	▶ The Company attained the qualified standards of technology deployment for Metro Ethernet networks from Metro Ethernet Forum and recognized as a qualified service provider to connect to other international carriers.
Sep 2009	▶ Increased registered capital to 225 million Baht with 22.5 million shares outstanding, 10 Baht par value per share.
May 2010	▶ Converted into a public company limited and increased registered capital to 300 million Baht with 300 million shares outstanding, 1 Baht par value per share.
Aug 2010	▶ Made an agreement with Metropolitan Electricity Authority (MEA) to use its optical fiber cable network for the period of 12 years starting from Aug 2010, which also permitted the Company to place optical fiber cables along electric posts.
Nov 2010	▶ Listed in the Stock Exchange of Thailand, with the ticker symbol “SYMC”.
Dec 2010	▶ Was short-listed as a finalist in the Metro Awards for the Asia-Pacific Carrier Ethernet Service Provider of the Year for 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.
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 nationwide e.g. 24 industrial estates, major cities e.g. Phuket, Chiang Mai, Udonthani, Khon Kaen, etc.

1. Registered Capital

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

2. Major Shareholders

Top 10 major shareholders as of the book closing date on 31 December 2012 are as follows:

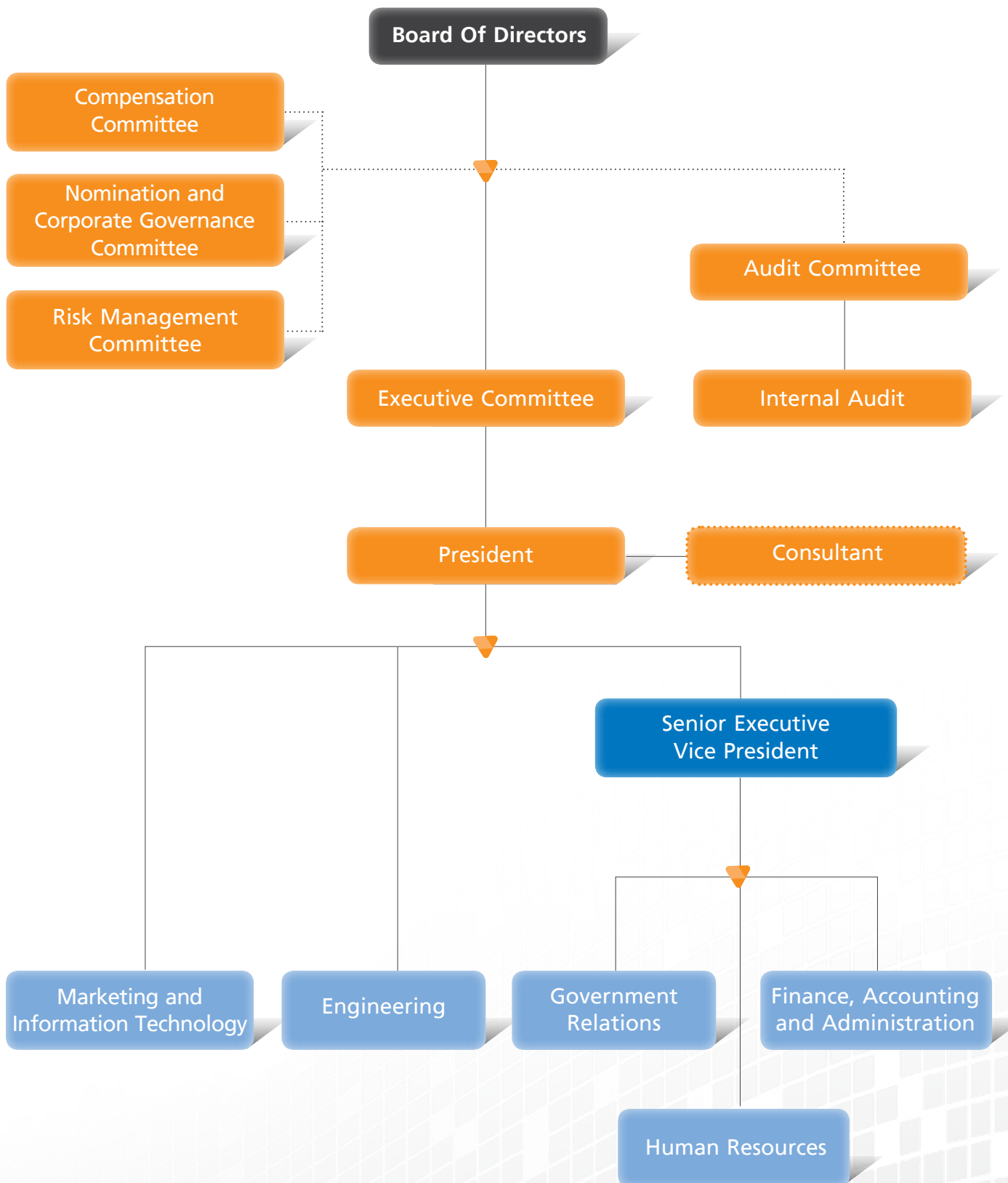
	Number of shares	% of paid-up capital
1. Asawasuwan Group	49,076,240	16.36
Mr. Kranphol Asawasuwan	48,976,240	16.33
Ms. Kwandin Asawasuwan	100,000	0.03
2. Pantarasutra Group	46,796,240	15.60
Mr. Teerarat Pantarasutra	46,796,230	15.60
Ms. Tounporn Pantarasutra	10	0.00
3. Thanakijuntorn Group	24,523,740	8.17
Mr. Pongthep Thanakijuntorn	24,423,740	8.14
Ms. Srisamorn Threepetchsomkhun	100,000	0.03
4. Srisuphakhanin Group	24,261,740	8.09
Mr. Pathomkrit Srisuphakhanin	23,523,740	7.84
Ms. Sumatthakan Srisuphakhanin	738,000	0.25
5. Phatra Capital Public Company Limited	14,616,000	4.87
6. Mr. Niphon Suwannachet	14,344,940	4.78
7. Mr. Wanchai Somboonphon	13,094,760	4.36
8. Mr. Manoch Youbunyong	11,984,660	3.99
9. Ms. Bussakorn Jaruwachirathanakul	8,392,000	2.80
10. Mr. Virachai Wongjirasak	4,455,960	1.49

3. Dividend Policy

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



Organization Structure





Director and Management Profile

▶ Mr. Woodtipong Moleechad

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

Mr. Prasitt Hemwarapornchai ◀

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

▶ Mr. Kranphol Asawasuwan

Director / Nomination and Corporate Governance Committee Member / President

Mr. Jitkasem Sangsingkeo ◀

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



▶ **Mr. Pongthep Thanakijsumton**

Director / Executive Vice President -
Marketing & IMC

Mr. Supornchai Chotputtikul ◀

Director / Executive
Vice President - Engineering

▶ **Mr. Pathomkrit Srisuphakhnanin**

Director / Executive
Vice President - Government Relations

Mr. Teerarat Pantarasutra ◀

Director / Compensation Committee Member /
Senior Executive Vice President

▶ **Dr. Bussakorn Jaruwachirathanakul**

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





Director and Management Profile



▶ Mr. Woodtipong Moleechad

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

Age : 64 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, Audit Committee Member, Compensation Committee Member, Chairman of Independent Director Committee
Symphony Communication Public Company Limited
- 2012-present : Director
L Solar 1 Company Limited
- 2012-present : Audit Committee Member
International Research Corporation Public Company Limited
- 2010-present : Director, Audit Committee Member, Business Relations Committee Member
Sukhumvit Asset Management Company Limited
- 2009-present : Director
Council Member, King Mongkut's Institute of Technology Ladkrabang
- 2008-present : Director
Banknote Management Committee,
Bank of Thailand
- 2007-2011 : Chairman
The Communications Authority of Thailand
Savings Co-operative Limited
- 2003-2009 : Senior Executive Vice President (Operations),
Thailand Post Company Limited



▶ **Mr. Prasitt Hemwarapornchai**
Deputy Chairman of the Board / Chairman of
Compensation Committee / Nomination and
Corporate Governance Committee Member /
Audit Committee Member / Independent Director

Age : 64 years

Education :

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

Shareholding (%) : -

Personal Relationship with the Management : -

Work Experience (Over the Past 5 Years) :

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

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

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

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

2001-2005 : Assistant Governor Metropolitan Electricity Authority



▶ **Mr. Jitkasem Sangsingkeo**
Chairman of the Audit Committee / Nomination
and Corporate Governance Committee Member /
Compensation Committee Member / Independent
Director

Age : 63 years

Education :

- Master of Commerce (Hon.) University of Canterbury, Christchurch, New Zealand
- Bachelor of Science (Hon.) University of Canterbury, Christchurch, New Zealand
- Audit Committee Program 3/2004
- Director Accreditation Program 22/2004
- Director Certification Program 62/2005
- Improving the Quality of Financial Reporting 1/2006
- Advance Audit Committee Program 3/2010
- Roles of Compensation Committee 11/2010
- Role of the Chairman Program 25/2011
- Role of Nomination and Governance Committee (RNG) 3/2012

Shareholding (%) : -

Personal Relationship with the Management : -

Work Experience (Over the Past 5 Years) :

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

2005-present : Investment Board (SME Fund) Aureos Advisers (Thailand) Ltd.

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 Asawasuwat**

Director / Nomination and Corporate Governance
Committee Member / President

Age : 49 years

Education :

- Master of Business Administration, Bangkok University
- Bachelor of Engineering (Electrical) with second class honor, Kasetsart University
- Director Certification Program 129/2010
- Successful Formulation & Execution of Strategy 6/2010
- Executive Development Program 7/2011
- Capital Market Academy 13/2011

Shareholding (%) : 16.36

Personal Relationship with the Management : -

Work Experience (Over the Past 5 Years) :

2007-present : Director, Nomination and Corporate
Governance Committee Member, President
Symphony Communication Public Company
Limited

2006-present : Director
Synergy Net Holding Company Limited

2000-present : Director, Managing Director
Global Crossing System Company Limited

2000-2008 : Director
Global Crossing Services Company Limited



▶ **Mr. Teerarat Pantarasutra**

Director / Compensation Committee Member /
Senior Executive Vice President

Age : 52 years

Education :

- M.A. (Public Affairs), Thammasat University
- Bachelor of Law, Ramkhamhaeng University
- Director Certification Program 137/2010
- Director Accreditation Program 81/2009
- Fundamental Practice for Corporate Secretary (FPCS)
23/2011

Shareholding (%) : 15.60

Personal Relationship with the Management : -

Work Experience (Over the Past 5 Years) :

2005-present : Director / Compensation Committee
Member / Senior Executive Vice President
Symphony Communication Public Company
Limited

2006-present : Director
Global Crossing System Company Limited

2006-present : Director
Synergy Net Holding Company Limited

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



▶ **Mr. Pongthep Thanakijuntorn**
Director / Executive Vice President -
Marketing & IMC

Age : 45 years

Education :

- Master Degree of Business Administration (MBA) in Marketing Management, National Institute of Development Administration (NIDA)
- Bachelor Degree of Engineering in Computer Engineering, King Mongkut's Institute of Technology Ladkrabang
- Director Certification Program 129/2010
- Executive Development Program 8/2011

Shareholding (%) : 8.17

Personal Relationship with the Management : -

Work Experience (Over the Past 5 Years) :

2005-present : Director, Executive Vice President
Symphony Communication Public Company
Limited

2006-present : Director
Global Crossing System Company Limited

2006-present : Director
Synergy Net Holding Company Limited



▶ **Mr. Pathomkrit Srisuphakhani**
Director / Executive Vice President -
Government Relations

Age : 46 years

Education :

- Master of Public and Private Management (MPPM), National Institute of Development Administration (NIDA)
- Master of Business Administration (MBA), Rangsit University
- Bachelor of Engineering (Telecommunication), King Mongkut's Institute of Technology Ladkrabang (KMITL)
- Bachelor of Law, Sukhothai Thammathirat Open University (STOU)
- Director Certification Program 138/2010
- Director Accreditation Program 81/2009
- Successful Formulation & Execution of Strategy (SFE) 14/2012

Shareholding (%) : 8.09

Personal Relationship with the Management : -

Work Experience (Over the Past 5 Years) :

2007-present : Director, Executive Vice President
Symphony Communication Public Company
Limited

2006-present : Director
Global Crossing System Company Limited

2006-present : Director
Synergy Net Holding Company Limited



▶ **Mr. Supornchai Chotputtikul**
Director / Executive Vice President - Engineering

Age : 47 years

Education :

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

Shareholding (%) : -

Personal Relationship with the Management : -

Work Experience (Over the Past 5 Years) :

2010-present : Director / Executive Vice President
Symphony Communication Public Company Limited

2002-2010 : Project Director
Alcatel - Lucent (Thailand) Limited



▶ **Dr. Bussakorn Jaruwachirathanakul**
Director / Executive Vice President - Finance, Accounting and General Administration

Age : 47 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 (%) : 2.80

Personal Relationship with the Management : -

Work Experience (Over the Past 5 Years) :

2004-present : Director / Executive Vice President
Symphony Communication Public Company Limited

2006-present : Director
Synergy Net Holding Company Limited

2004-present : Director
Global Crossing System Company Limited

2006-2011 : Director
Global Crossing Services Company Limited



Shareholding of Directors and Management

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

Name	Title	31 December 2011		31 December 2012	
		Number of Shares	% of Total Issued Shares	Number of Shares	% of Total Issued 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 Committee	-	-	-	-
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 Asawasuwat	Director / President / Nomination and Corporate Governance Committee Member	49,076,240	16.36	49,076,240	16.36
5. Mr. Teerarat Pantarasutra	Director / Senior Executive Vice President / Compensation Committee Member	49,046,240	16.35	46,796,240	15.60
6. Mr. Pongthep Thanakijsumton	Director / Executive Vice President	24,541,740	8.18	24,523,740	8.17
7. Mr. Pathomkrit Srisuphakhanin	Director / Executive Vice President	24,523,740	8.17	24,261,740	8.09
8. Ms. Bussakorn Jaruwachirathanakul	Director / Executive Vice President	8,992,000	3.00	8,392,000	2.80
9. Mr. Supornchai Chotputtikul	Director / Executive Vice President	-	-	-	-



The Company's Management Structure

The Company's management consists of the Board of Directors and 5 subcommittees, namely Audit Committee, Compensation Committee, Nomination and Corporate Governance Committee, Risk Management Committee and Executive Committee, together with one management team.

1) Board of Directors

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

Name	Title
1. Mr. Woodtipong Moleechad	Chairman of the Board / Independent Director
2. Mr. Prasitt Hemwarapornchai	Deputy Chairman / Independent Director
3. Mr. Jitkasem Sangsingkeo	Independent Director
4. Mr. Kranphol Asawasuwana	Director
5. Mr. Teerarat Pantarasutra	Director
6. Mr. Pathomkrit Srisuphakhani	Director
7. Mr. Pongthep Thanakijsumton	Director
8. Ms. Bussakorn Jaruwachirathanakul	Director
9. Mr. Supornchai Chotputtikul	Director

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

Authorized Directors

Authorized directors pursuant to the Affidavit of the Company are Mr. Kranphol Asawasuwana, Mr. Teerarat Pantarasutra, Mr. Pathomkrit Srisuphakhani, Mr. Pongthep Thanakijsumton, 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.

Independent Director

The Board of Directors comprises of 3 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 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.

2) Audit Committee

The Audit Committee consists of three following independent directors.

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

Ms. Warun Aumetanapan is the secretary of the Audit Committee

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

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 1 member possess experiences in Finance & 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 scope of power, duties and responsibilities of Audit Committee

1. Review financial statements to ensure the correctness and completeness thereof. Cooperate with outside auditor and responsible executives to publish financial report quarterly and annually. Disclose sufficient company's information prior to submission to the Board of Directors.
2. Review internal control system and internal audit system to ensure that the Company has a suitable and efficient internal control; to ensure that the internal audit remains independent. Provide opinions on appointment, transfer and removal of the Head of Internal Audit Department or other persons responsible for internal audit. Therefore, the audit committee may suggest the auditor to audit certain transactions that are deemed necessary during the auditing process. It may suggest the Board of Directors any ideas that can improve the Company's internal auditing system or cooperate with outside auditor, internal auditing manager and with internal auditing consultant.

3. Review the compliance with the law on securities and stock exchange and the regulations of the Stock Exchange of Thailand and other applicable laws.
4. Nominate independent persons as the Company's auditor and propose remuneration thereto for approval at the shareholders' meeting; to coordinate with auditors in a matter concerning the objectives, scope, direction and plan of auditing process, including the problems occurring during such process; and to attend meetings with an auditor in the absence of the management, at least once a year.
5. Review connected transactions or transactions with conflict of interests, ensure the disclosure in compliance with laws and the regulations of the Stock Exchange of Thailand; and to ensure the justification and the maximized benefits to the Company.
6. Review the risk management policy to ensure that the Company has appropriate risk management system.
7. Report the audit committee's operation to the Board of Directors at least four times a year.
8. In performing its duty, the Audit Committee has an authority to invite management executives or the Company's employees to share their views, attend the meeting or submit document that deems necessary.
9. To have authority to appoint or outsource consultants according to the Company regulations to provide opinion as deem necessary.
10. To prepare an Audit Committee's report, signed by the Chairman of Audit Committee, which shall comprise, at least, of the following details:
 - Opinions on the correctness, completeness and reliability of the Company's financial reports.
 - Opinions on the efficiency of the Company's internal control system.
 - Opinions on the compliance with the law governing securities and stock exchange and the regulations of the Stock Exchange of Thailand and the other laws applicable to the Company's business.
 - Opinions on the suitability of the auditor.
 - Opinions on transactions that may involve conflict of interests.
 - The number of meetings of the Audit Committee and the attendance of each member.
 - Opinions or remarks on performance of duties pursuant to the Charter.
 - Other transactions that the shareholders or investors should know, subject to the scope of duties and responsibilities as set forth by the Board of Directors.
11. To perform self-assessment and report the result including the problems and obstacles to the Board of Directors on annual basis.
12. To perform other duties assigned by the Board of Directors within the aforementioned scope of power and duties of the Audit Committee. In performing such duty, the Audit Committee is directly responsible for the Board of Directors, while the Board of Directors is responsible for the Company's operation.

3) 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

Human Resource Development Manager 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 3 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 3 years.

Scope and responsibilities of the Compensation Committee

1. Review the structure and criteria of the remuneration for the Board of Directors, managements and employee by reviewing the 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. To perform other duties assigned by the Board of Directors

4) Nomination and Corporate Governance Committee

The Company's Nomination and Corporate Governance Committee consists of the following 4 members and 1 expert 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 Asawasuwan	Nomination and Corporate Governance Committee member
5. Mr. Yongyuth Peerapongpipat	Expert

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 3 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 Nomination and Corporate Governance Committee is 3 years.

Scope 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

9. 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.
10. To propose the Draft of Corporate Governance Policy to the Board of Directors for consideration and implementation of best practices of Directors and Executives, and to formulate the Corporate Governance Policy Statement.
11. 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.
12. 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.

13. 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.
14. 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.
15. Introduce the best practises and business ethics to Directors, Managements and employees.
16. Appoint the working group to support the tasks of Corporate Governance as necessary.
17. Consider and set out the policy and guidance for Corporate Social Responsibility (CSR)
18. To perform other duties assigned by the Board of Directors

5) The Risk Management Committee

The Risk Management Committee consists of the following 5 members.

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

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

1. Define the policy framework and process for risk management.
2. Identify and analyze risk factors and evaluate the impact of such risks on the Company.
3. Implement the risk strategy and policy to ensure that the Company has sufficient policies and procedures in place to govern and mitigate the risks that might have negative impact on the Company.
4. Communicate the risk management measure across the entire organization and support the efficiency development of the Company's risk management policy.
5. Monitor the risk management plan and report to the Board of Directors.
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.

6) 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 Thanakijsumton	Executive Director
4. Mr. Supornchai Chotputtikul	Executive Director

The scope of power, duties and responsibilities of Executive Committee

1. Must comprise of at least 4 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. To perform other duties assigned by the Board of Directors

Such authorization grant to the Executive Committee as mentioned earlier, must be complied with the laws and the Company's Articles of Association and shall not allow the Executive Committee to approve any transaction that they or other persons have vested interests in or have conflict of interests with the Company or any of the subsidiaries. Any connected transactions or the acquisition or disposition of significant assets of the Company or any of the subsidiaries must be complied with the regulations set forth by the Securities and Exchange Commission and the Stock Exchange of Thailand.

7) Management Team

The Company's managements as defined by the Securities and Exchange Commission comprise of the following 6 members.

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

The scope of power, duties and responsibilities of President

1. Operate, plan and manage day-to-day business.
2. Make decision on important matters. Set missions, objectives, guidelines and policies for the Company's business operation and control the management of each department.
3. Authorized to supervise, contact, command, sign agreements, orders or announcements as defined in authorization handbook.
4. Authorized to hire, appoint, transfer, as well as define scope of duties and appropriate remuneration including salary, bonus, fringe benefits for employees, take disciplinary action against employees as well as dismiss the employees as defined in authorization handbook.
5. Authorized to set the trade condition for the Company's benefit.
6. Consider signing agreement related to the Company's normal business, new business venture or the closure of some business for submission to Executive Committee and/or the Board of Directors.
7. To approve and appoint the consultant in the area that is deemed necessary.
8. To act according to the assignment from Executive Committee and/or the Board of Directors.
9. Authorized to manage the Company's business in accordance with objectives, regulations, policies, Articles of Association, order and the resolution of the shareholders' meeting and/or Executive Committee and the Board of Directors.
10. Authorized to appoint and manage working groups for efficient management and transparency and to assign the power of attorney and/or delegate specific tasks to other persons, provided that it complies with the document concerning the power of attorney and/or rules approved by the Board of Directors.
11. Authorized to order, regulate, issue announcement to ensure that overall operation is done according to the policy and best benefit of the Company.

Such authorizations shall not allow the President or any person who has been assigned the power of attorney to be his representative to approve the transactions that he has vested interests in (as set forth be related agencies), or has conflict of interests with the Company or any subsidiary, except an approval of a normal business transaction that has been clearly defined its limit.

Nomination of Directors and Executives

The Board of Directors has appointed Nominating & Corporate Governance Committee to select, and nominate appropriate candidates for the position of Directors and Managements The appointment and dismissal of the Directors shall be in line with the principles and methods defined in the Company's Articles of Association, the contents of which are as follows:

1. The shareholders' meeting shall appoint Directors in accordance with these methods and principles
 - a) For an election of one Director, the number of votes that each shareholder may cast shall be equal to the number of shares that he holds.
 - b) Each shareholder may cast all of his votes according to Item (a) to elect one person or many persons as the Director, but he may not cast his vote more or less for anyone.
 - c) The persons who have received the highest votes in descending order shall be appointed the Directors in the number that the Meeting of Shareholders has to choose at that time. In the event of a tie between or among the persons in the next order exceeding the number of the persons to be chosen at the meeting, the Chairman of the Meeting shall cast a ruling vote.
2. At every Annual General Meeting of Shareholders, one-third of the Directors shall vacate their office; if the number is indivisible by three, the nearest number shall apply. In the first and second years subsequent to the Company registration, which the Directors shall vacate their office shall be decided by a draw. In the subsequent years, the Directors who remained in office for the longest time shall vacate their office. The Director whose office term has ended may be reappointed.
3. Aside from leaving the office when his/her term ends as defined in this regulation, the Directors shall leave their office when
 - a) Die
 - b) Resign
 - c) Being dismissed by the resolution of shareholders' meeting in accordance with the Company's Articles of Association.
 - d) Being deprived of quality or having possessed prohibition, as defined by law or the Company's regulation.
 - e) The court orders him/her to leave the office.
4. Any director wishing to resign may submit a resignation letter to the Company. The resignation is to be effective on the date that the Company receives the letter, according to the content in the first paragraph. Such Director shall notify his/her resignation to the registrar.
5. In the event that the whole office of the Board of Directors is vacant, the Board of Directors who have left the office shall stay on duty to operate the Company's business as necessary until the new office takes position, except the court orders otherwise.

The vacating Board of Directors shall organize the shareholders' meeting to elect the new Board of Directors within one (1) month after their term ends. The invitation for the meeting should be sent out at least fourteen (14) days prior to the meeting.
6. Under the article 20 of the Company's Articles of Association, in the event that an office of the Directors is vacant for reasons other than end of office term, the Board of Directors, shall, at the next Board Meeting, appoint as a Director a person who has no undesirable qualities as set forth in the Public Company Act, Securities and Exchange Act, Telecommunications Business Act and other concerning Act, unless the remaining office term is less than two (2) months. The resolution of the Directors as defined in the first paragraph must consist of at least three quarters (3/4) of all the votes of the remaining Directors. The newly appointed Director shall be in office for the remaining office term of the person he/she replaces.
7. In the event that the number of vacating Directors is outnumbered that of current Directors to be ineligible to form a quorum, the remaining Directors shall act on behalf of the whole office only to hold the shareholders' meeting to select the Directors to replace the vacating ones.

Such meeting according to the first paragraph shall be held within one (1) month after the number of the remaining Directors is less than that to be eligible to hold the meeting. The newly appointed Director shall be in office for the remaining office term of the person he/she replaces.

8. A shareholder meeting may pass a resolution removing any director from office prior to retirement as a result of the expiration of the director's term of office, by a vote of not less than three quarters (3/4) of the number of shareholders attending the meeting and having the right to vote and the total number of shares being not less than half (1/2) of the number of shares held by the shareholders attending the meeting and having the right to vote.
9. The Board of Directors shall hold the meeting at least every three (3) months at the venue specified by them. The Chairman or the person who has been assigned to act on behalf of the chairman is eligible to call a meeting.

At least two (2) Directors may ask the Chairman to call a meeting. In the event of being asked by at least two (2) directors, the Chairman or the person who has been assigned to act on behalf of the chairman shall set the date of the meeting within fourteen (14) days since the day of being asked.
10. The Board of Directors meeting shall be held at the place where the Company's headquarter situated or in the nearby province.
11. In the event of calling a meeting, the Chairman or the person who has been assigned to act on behalf of the Chairman shall send out the invitation for meeting to the Directors at least seven (7) days prior to the meeting, except in the case of emergency when upholding the rights and benefits of the Company is concerned. Such invitation of meeting shall be sent out the other way and the meeting date shall be set sooner than the aforementioned timeframe.
12. The meeting of the Board of Directors shall have the directors present at least half (1/2) of its total number. The Chairman of the Board of Directors shall be the Chairman of the Meeting. In the event of his absence or his duties cannot be performed, the Deputy Chairman shall be the Chairman of the Meeting. In the event of the Deputy Chairman's absence or his duties cannot be performed, the directors present shall elect one to perform the duty of the Chairman of the Meeting.
13. All resolutions of the Directors' meeting shall be judged by the majority votes with one vote for one director. In the event of a tie, the Chairman of the Meeting shall cast a ruling vote
14. Be responsible for the Company's operation and has an authority to act honestly within the scope of law, the Company's objectives, the Articles of Association and the resolution of the shareholders' meeting for the benefit of the Company.

The Board of Directors shall assign one (1) or many director(s) to perform any action on behalf of the Board of Directors.
15. Two (2) Directors as defined in the Company's certificate registration may jointly sign their names and affix the corporate seal to legally bind the Company.

The shareholders' meeting or the Board of Directors shall consider identifying or changing the name and/or number of the Directors that have authority to sign their names and affix the corporate seal to legally bind the Company.
16. The Company prohibits any payment either in the form of money or assets to the Directors, except their fees.

The Directors has rights to receive fees from the Company, which comes in the form of salary, attendance fee, bonus or other forms of fringe benefit in accordance with the Company's regulation or with the resolution of the shareholders' meeting which may clearly define in the form of money or principles. The content in the previous paragraph shall not affect the rights of Company's employee and personnel who have been appointed as the Directors, to receive benefits and fees as the Company's employee or personnel.

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

Directors and Management Compensation

1) Compensation in cash

1. Directors

The Annual General Meeting of Shareholders 2012, held on 27 April 2012, resolved to approve the Board of Directors' and Subcommittee Compensation for the year 2012, in the amount not over Baht 6.0 million per year, the details of Compensation paid in 2012 are as follows:

Name	Title	Meeting Allowance				Retainer Fee	Bous	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 Committee	250,000	135,000	20,000	75,000	390,000	432,210	1,302,210
2. Mr. Prasitt Hemwarapornchai	Deputy Chairman of the Board, Chairman of Compensation Committee, Nomination and Corporate Governance Committee Member, Audit Committee Member, Independent Director	200,000	180,000	15,000	75,000	390,000	432,210	1,292,210
3. Mr. Jitkasem Sangsingkeo	Chairman of the Audit Committee, Nomination and Corporate Governance Committee Member, Compensation Committee Member, Independent Director	200,000	135,000	15,000	100,000	390,000	432,210	1,272,210
4. Mr. Kranphol Asawasuwan	Director / Nomination and Corporate Governance Committee Member	200,000	0		0	120,000	39,550	359,550
5. Mr. Teerarat Pantarasutra	Director / Compensation Committee Member	200,000	0		0	120,000	39,550	359,550
6. Mr. Pongthep Thanakijsumton	Director	200,000	0		0	120,000	39,550	359,550
7. Mr. Pathomkrit Srisuphakhani	Director	200,000	0		0	120,000	39,550	359,550
8. Ms. Bussakorn Jaruwachirathanakul	Director	200,000	0		0	120,000	39,550	359,550
9. Mr. Supornchai Chotputtikul	Director	180,000	0		0	120,000	35,600	335,600
Total		1,830,000	450,000	50,000	250,000	1,890,000	1,529,980	5,999,980

2. Management

In 2011 and 2012, management compensations are as follows:

Benefits	2011		2012	
	Number of executives	Amount (Baht)	Number of executives	Amount (Baht)
Salary and Bonus	6	19,600,000	6	20,139,075
Other remunerations such as contribution to provident funds, etc.	6	1,886,202	6	1,891,372
Total	6	21,486,202	6	22,030,447

2) Other benefits

-None

8) Personnel

Number of Employees and Compensation

As of 31 December 2012, the total number of employees (exclude Directors and Management) is 198, which can be classified functions as follows:

Department	Number of Employees
Office of Managing Director	4
Consultant	1
Marketing and Information Technology	37
Engineering	117
Government Relations	9
Finance, Accounting and Administration	25
Human Resources	5
Total	198

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 2011 and 2012, the compensation which the Company provided for its employees are as follows:

Employees' Compensation (Baht)	2011	2012
Salary and bonus	65,090,726	84,373,088
Other benefits such as commission, bonus, contribution to social security fund, contribution to provident fund, living expenses and other fringe benefits	25,646,318	32,707,226
Total	90,737,044	117,080,314

Other benefits

-None

Human Resource Development Policies

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

The human resource development strategies need to be aligned with our visions, missions, goals, strategic plans, and fulfill the desired employee competencies. Our 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.

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.



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

The Company's effort to develop the good corporate governance has shown its success, the Company achieved "Excellence" (5 stars) Corporate Governance rating in the Corporate Governance Report of Thai Listed Companies 2012, and ranked in the Top Quartile of the companies with market capitalization between Baht 3,000 - 9,999 million

The Company continually develops the good corporate governance practice and publishes its principles in the Company's annual operation plan so its business practice should be in line with the good corporate governance set by The Stock Exchange of Thailand. Its main content can be divided into 5 sections as follow:

Section 1 Shareholders' Rights

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

Shareholder Meeting

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

- ▶ During the meeting, the Company will provide adequate time for all attendants to express opinions or recommendations and ask questions freely before voting. The Chairman and the management are to address and answer all questions clearly and precisely. All these will be recorded with written summary in the minutes of the meeting.
- ▶ After the meeting the Company will provide the complete and accurate minutes of the meeting in both Thai and English, include full information of directors attending the meeting, details of question-and-answer session, voting method, detailed results of the votes in each agenda. The Company will disclose such minutes of the meetings via the Stock Exchange of Thailand and the Company's Investor Relations Websites within 14 days after the meeting.

Section 2 Equitable treatment of Shareholders

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

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

Section 3 Roles of the Stakeholders

The Company has placed importance on 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.

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

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

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

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

Mechanism of Participation for Stakeholders

The Company provides 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 Suntowers Building B, 35th - 37th Floor, Vibhavadee Rangsit Road., Chomphon, Chatuchak, Bangkok 10900 or Telephone : 66-2-101-1111, Fax : 66-2-101-1133 or through the Company's website, www.symphony.net.th in which the contact person and communication channels have already been specified.

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

Section 4 Disclosure of Information and Transparency

The Company's Board of Directors has placed importance on correct, accurate, transparent and timely disclosure of information, both in terms of financial report and general information, in compliance with the regulations set by Securities and Exchange Commission and Securities Exchange of Thailand. This includes other crucial information that might affect the Company's share price and the decision of investors and stakeholders. Therefore, the Company's Board of Director has assigned the Audit Committee to audit the quality of our financial report and internal control system and disclose adequate information in the notice attached with the Company's financial statement and report it to the Board of Directors. The Company disseminates information to shareholders, investors and public through numerous channels such as SET and the Company's website, in order that all shareholders can get equal access to such information



Investor Relations

The Company realize the importance of communication with investors, analysts and other concerned parties. Therefore, the Company has assigned the financial management department to be responsible for investor relations activities. Such responsibilities concern the disclosure of information in accordance with the regulations set by Securities and Exchange Commission and the Security Exchange of Thailand. The department will act as company's representative to communicate and publicize other information that useful for investors, analysts and other concerned people. The Company will provide opportunities for investors to ask questions and receive information through various channels such as the Company's website, investor and analyst meetings which attended by senior executives. The interested persons may contact the Company directly at 66-2-101-1111 ext. 36312 or at email: ir@symphony.net.th

Section 5 Responsibilities of the Board of Directors

1. The Structure of the Board of Directors

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

At present, the Board of Directors consists of 9 directors, of which 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

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

- Corporate Governance Policy

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

- Business Code of Conduct

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

- 1) Code of conduct of the responsibility for shareholders
- 2) Code of conduct of customer relations
- 3) Code of conduct of partner, competitor and creditor relations
- 4) Code of conduct of the responsibility for employees
- 5) Code of conduct of the responsibility for society and the environment

- Conflict of Interests

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

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

- Internal Control

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

- Risk Management

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

3. Board of Directors meetings

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

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

Furthermore, the non-executive directors will convene the meeting without the attendance of management at least once a year to consider the business operation and performance of executive directors.

In 2012, each director attended the Company's board meetings and sub-committee meetings as detailed below

Name	Title	Meeting Attendance				
		Board of Directors	Audit Committee	Nomination and Compensation 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 Committee	10/10	5/5	6/6	3/3	1/1
2. Mr. Prasitt Hemwarapornchai	Deputy Chairman of the Board / Chairman of Compensation Committee / Nomination and Corporate Governance Committee Member / Audit Committee Member / Independent Director	10/10	5/5	6/6	3/3	1/1
3. Mr. Jitkasem Sangsingkeo	Chairman of the Audit Committee / Nomination and Corporate Governance Committee Member / Compensation Committee Member / Independent Director	10/10	5/5	6/6	3/3	1/1
4. Mr. Kranphol Asawasuwana	Director / Nomination and Corporate Governance Committee Member	10/10	-	-	-	1/1
5. Mr. Teerarat Pantarasutra	Director / Compensation Committee Member	10/10	-	-	3/3	-
6. Mr. Pongthep Thanakijsumton	Director	10/10	-	-	-	-
7. Mr. Pathomkrit Srisuphakhanin	Director	10/10	-	-	-	-
8. Ms.Bussakorn Jaruwachirathanakul	Director	10/10	-	-	-	-
9. Mr. Supornchai Chotputtikul	Director	9/10	-	-	-	-

* Board of Director Meeting No 7/2012, held on 24 September 2012 approved to restructure the subcommittee, from "Nomination and Compensation Committee" to "Compensation Committee" and "Nomination and Corporate Governance Committee"

4. Performance Evaluation of Directors

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

5. Director and Executive Development

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



The Control of Inside Information Usage

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

▶ The directors, executives and all employees of the Company must protect the Company's confidentiality and must not disclose it for their own or others' benefits whether directly or indirectly. They must not transfer or be transferred the Company's shares by using the Company's confidentiality and/or inside information and/or undertake any business transactions by using the Company's confidentiality and/or inside information, which would lead to financial loss to the Company whether directly or indirectly.

▶ The directors, executives and employees who are aware of inside information that has not been disclosed to the public must not use such information and must avoid or refrain from buying, selling, transferring or being transfers company's shares within 1 month before the disclosure of the quarterly financial statement and annual financial statement to the public.

▶ All company's directors and management must report any changes in their company's share ownership to SEC under section 59 of the Securities and Exchange Act B.E. 2535 within 3 days from the date of sale, purchase, disposal or receipt of such share and submit a copy to the Company as reference.



Auditor's Fee

The Company's financial statement 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 2012 have been audited by Ernst and Young Office Limited. The audit firm has received its fee as detailed below

1. Auditing fee according to the contract	945,000 Baht (for quarterly and annual financial statement)
2. Other expenses	14,924 Baht
Total	959,924 Baht



Related Party Transaction

The Board 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 interest to the Company. The connected persons will be refrained from exercising their authority for and involvement in such transactions. Moreover, the approval of such transaction must be done solely for the Company's best interests and the information must be disclosed in the note of financial statement. The Company's annual financial statement ending on 31 December 2012 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 interest shall not participate in the approval of transactions.

Related Party Transactions in 2012

The Company's related party transactions for the accounting period ended 31 December 2011 and 2012 were as follows;

Related parties **Global Crossing Services Co., Ltd. (GCSV)**
Relationship **Having common major shareholders**

Type of transactions	2011 (MB)	2012 (MB)	Rationale / Necessity
1) Rental and Service Fee (optical fiber cables lease)	9.60	0	In the past, the Company could not construct networks in some areas, then, had to lease parts of GCSV's network. However, since 1 September 2011, the Company has bought the network assets from GCSV, therefore, the transaction no longer occurs.
2) Acquisition of network equipment	11.80	0	The Company purchased network assets from GCSV as mentioned in item 1)



Management Discussion and Analysis Year 2012

Operating Highlights

- ▶ Achieved continual growth in all aspects; Revenue, EBITDA, Net Profit and Operating Cash Flow
- ▶ Leased Line Service Income in 2012 was Baht 771.24 million, grew 17.71%
- ▶ Growing revenue led by Digital Broadcast and Private Network segments
- ▶ Extended services to key provincial economic hubs e.g. Phuket, Chiang Mai, Nakornratchasima, Udonrthani, Khon Kaen, etc.
- ▶ Constructing Eastern Branch Office, Disaster Recovery Operation Center (DROC), and 8 Network Service Centers nation-wide to serve the expansion in provincial areas
- ▶ EBITDA in 2012 was Baht 481.47 million, grew 13.35%
- ▶ Net Profit in 2012 was Baht 234.25 million, grew 10.32%
- ▶ Generated strong operating cash flow of Baht 422.01 million, increased by 19.42%

2012 Operating Performance Overview

In 2012, the Company achieved continual growth in all aspects of Revenue, EBITDA, Net Profit and Operating Cash Flow. Total revenues in 2012 were Baht 819.57 million, increased by Baht 113.69 million or 16.11%. EBITDA in 2012 was Baht 481.47 million, increased by Baht 56.69 million or 13.35%. Net Profit in 2012 was Baht 234.25 million, increased by Baht 21.91 million or 10.32% and the Company generated strong operating cash flow of Baht 422.01 million, increased by Baht 68.63 million driven by extensive service coverage expansion and new market penetration. The demand from customers also continued to grow both in term of numbers of circuit and bandwidth especially Digital Broadcast and Private Network Segments which are the high-end markets that more concern on quality of service than price.

The Company has continually expanded service coverage areas, at present, the service coverage areas cover Bangkok, vicinity and 24 industrial estates. In addition, in late 2012, we extended services to key provincial economic hubs nation-wide e.g. Chonburi, Rayong, Phuket, Chiang Mai, Nakornratchasima, Udonrthani, Khon Kaen and etc. This strategic move aims to better serve our customers and sustain long-term growth. Furthermore, we are constructing Eastern Branch Office, Disaster Recovery Operation Center (DROC), and 8 Network Service Centers nation-wide to serve the expansion in provincial areas and keep up our service standard at premium level.

Summary of 2012 Key Investment Projects

1. Strategic Expansion : including the network coverage expansion and extend scope services
 - 1.1 Expansion in Industrial Estate Areas : the industrial estate areas are high potential areas where many factories and manufacturers are located. Currently, the service areas cover 24 industrial estates as follows:

Name	Province	Name	Province
1. Bangpa-in Industrial Estate	Ayudhaya	13. 304 Industrial Park 1	Prachinburi
2. Rojana Industrial Park	Ayudhaya	14. 304 Industrial Park 2	Chachengsao
3. Hi-Tech Industrial Park	Ayudhaya	15. Gateway City	Chachengsao
4. Ladkrabang Industrial Estate	Bangkok	16. Map Ta Phut Industrial Estate	Rayong
5. Bangplee Industrial Estate	Samutprakarn	17. Asia Industrial Estate	Rayong
6. Bangpu Industrial Estate	Samutprakarn	18. Laem Chabang Industrial Estate	Chonburi
7. Gemopolis Industrial Estate	Bangkok	19. Kabinburi Industrial Estate	Prachinburi
8. Bangchan Industrial Estate	Bangkok	20. Sahaphat Group Industrial Estate	Chonburi
9. Bangkadi Industrial Estate	Pathumthani	21. Hitech Kabin Industrial Park	Prachinburi
10. Wellgrow Industrial Estate	Chachengsao	22. Bortong Industrial Estate	Prachinburi
11. Navanakorn Industrial Estate	Pathumthani	23. Pinthong 1	Chonburi
12. TFD Industrial Estate	Chachengsao	24. Pinthong 2	Chonburi

(Item 11-24 were opened in 2012)

At present, we are accumulating customers in these industrial estates for example, TPT Petrochemical Plc. in Map Ta Phut Industrial Estate, Thai Kajima Co.,Ltd in Navanakorn Industrial Estate, Siam Kubota Metal Technology Co.,Ltd in 304 Industrial Park 2, etc.

1.2 Provincial Area : in late 2012, the Company expanded the network service in 10 major cities in addition to existing coverage (service will be available in 2013) as follows:

- | | |
|-----------------------|---------------------|
| 1. Pathumthani | 6. Pitsanulok |
| 2. Songkhla (Had Yai) | 7. Khonkean |
| 3. Petchburi | 8. Nakornratsima |
| 4. Chonburi | 9. Phuket |
| 5. Chiangmai | 10. Ubonratchathani |

At present, the networks have been completely installed and ready for service in 1Q2013. This expansion enables the Company to serve the corporations that have office branches in these areas which the Company already has some customers signed up for service such as Cable Thai Holding Plc, Government Saving Bank, The Mall Department Stores chains, etc. In addition, we have invested in 8 Network Service Centres nation-wide, including Prachinburi, Ratchaburi, Pitsanulok, Nakornratsima, Khonkean, Chiang Mai, Phuket and Hat Yai to serve the expansion in provincial areas and keep up our service standard at premium level.

1.3 International Private Leased Circuit (IPLC) Networks by building the gateway networks at Thailand's borders, including Thai-Cambodia, Thai-Malaysia and Thai-Lao. The Company has launched service since 2Q2012. The customer base still small but we believe IPLC market has potential to grow in relation to the development of Asean Economic Community (AEC). In addition, the complete launch of 3G in Thailand would drive the demand of mobile data transmission and internet access from mobile operators to those domestic and international websites.

2. Construction of Eastern Branch Office and Disaster Recovery Operation Center (DROC) : the construction of a 2-storey building with total utility space around 1,000 sqm. in the Data Park Zone, Amata Nakorn Industrial Estate. This building will serve as the Eastern branch Office and Service Center to support the coverage expansion to those industrial estates in the eastern part of Thailand. Furthermore, this building will be used as the Disaster Recovery Operation Center (DROC) according to the Business Continuity Plan (BCP), to ensure the smoothest, uninterrupted service in case any emergency circumstances arise. The construction started since 3Q2012 with target completion in 1Q2013.

These investment projects enhance the capability to respond customer needs as well as support the demand growth in leased circuit market. The funding source for these projects will be from cash and the internal operating cash flow. Moreover, the Company received financial supports from financial institutions that approved Uncollateralized Credit Facilities in the form of Letter of Guarantee Credit Lines, Overdraft, Promissory Note Credit Lines totaled Baht 437.5 million to support the day-to-day operation and these investment projects. As at 30 December 2012, there was no loan outstanding.

Statements of Comprehensive Income

	2011		2012		Change	
	Amount (MB)	(%)	Amount (MB)	(%)	Amount (MB)	(%)
Revenue						
Service Income	655.19	92.82%	771.24	94.10%	116.05	17.71%
• Metro Ethernet	381.11	53.99%	497.44	60.70%	116.32	30.52%
• Ready Ethernet	49.56	7.02%	60.10	7.33%	10.54	21.27%
• TDM	95.21	13.49%	76.96	9.39%	-18.25	-19.17%
• SDH & EoSDH	54.40	7.71%	65.43	7.98%	11.03	20.27%
• Dark Fiber	52.53	7.44%	54.38	6.64%	1.85	3.52%
• Last Mile Network Mgt and Equipment Installation	22.38	3.17%	16.93	2.07%	-5.45	-24.34%
Sales Income	7.59	1.08%	4.62	0.56%	-2.98	-39.13%
Management and maintenance service income - network	30.00	4.25%	32.06	3.91%	2.06	6.85%
Other revenue	13.10	1.86%	11.66	1.42%	-1.44	-11.03%
Total Revenue	705.88	100.00%	819.57	100.00%	113.69	16.11%
Expense						
Cost of Services and Sales	244.44	34.63%	323.92	39.52%	79.48	32.52%
Gross Profit	448.34	63.52%	483.99	59.05%	35.65	7.95%
Service Expenses	28.46	4.03%	41.49	5.06%	13.03	45.78%
General & Administrative Expense	127.73	18.10%	147.29	17.97%	19.56	15.31%
EBIT	305.25	43.24%	306.87	37.44%	1.62	0.53%
Depreciation & Amortization	119.54	16.93%	174.61	21.30%	55.07	46.07%
EBITDA	424.78	60.18%	481.47	58.75%	56.69	13.35%
Interest Expense	0.21	0.03%	0.34	0.04%	0.13	61.59%
EBT	305.04	43.21%	306.53	37.40%	1.49	0.49%
Corporate Income Tax	92.70	13.13%	72.28	8.82%	-20.42	-22.03%
Net Income	212.34	30.08%	234.25	28.58%	21.91	10.32%

Service income by applications

	2011		2012		Change	
	Amount (MB)	(%)	Amount (MB)	(%)	Amount (MB)	(%)
Access Network	73.04	11.15%	69.93	9.07%	-3.11	-4.26%
Digital Broadcast	30.28	4.62%	68.38	8.87%	38.10	125.84%
International Leased Circuit	73.06	11.15%	74.59	9.67%	1.53	2.09%
Internet Access	346.50	52.89%	364.59	47.27%	18.09	5.22%
Private Network	121.75	18.58%	172.64	22.38%	50.89	41.80%
Others	10.56	1.61%	21.12	2.74%	10.56	99.98%
Total Service Income	655.19	100.00%	771.24	100.00%	116.05	17.71%

Revenue

Total revenues in 2012 were Baht 819.57 million, increased by Baht 113.69 million or 16.11% comparing to 2011 that was Baht 705.88 million driven by growing Leased Line Service Income that grew 17.71% from Baht 655.19 million in 2011 to Baht 771.24 million in 2012. The Company has invested for the network capacity expansion and continuous quality development to better serve customer demand that is on the increasing trend, especially in Digital Broadcast and Private Network segments which grew 125.84% and 41.80% respectively. For the Internet Access segment, the market competition was intensified, however, the number of customers as well as bandwidth was increased. As a result, revenue from Internet Access segment grew 5.22%.

Revenue from sales in 2012 was Baht 4.62 million, derived from equipments sold and network installation. Management and maintenance service income - network was Baht 32.06 million, derived from a long-term contract to manage the network & equipments for customers.

Other Income in 2012 was Baht 11.66 million, mainly due to interest receive from Bank Deposit.

Cost of Services and Sales

Cost of Services and Sales in 2012 was Baht 323.92 million, increased by Baht 79.48 million YoY. The percentage of Cost of Services and Sales to Services and Sales Revenue in 2012 and 2011 were 39.52% and 34.63% respectively. The rising percent of cost to revenue mainly resulted from the key investment project as mentioned earlier that the cost has not matched revenue in 2012 as some part of investment is ready for service in 2013. The major cost of service and sales was depreciation, which was Baht 154.70 million in 2012, increased by Baht 50.57 million from 2011. Salary expense of Engineer department was Baht 51.20 million in 2012, increased by Baht 14.64 million from 2011. Other increased cost of service and sales were network rental fee, initial fee for in-building equipment installation, site rental, right of way permission fee and also Universal Service Obligation (USO) fee that calculated at the rate of 3.75% of service income.

Service Expenses

Service Expenses in 2012 was Baht 41.49 million, increased by Baht 13.03 million YoY. The percentage of Service Expenses to Services and Sales Revenue in 2012 and 2011 were 5.06% and 4.03% respectively. The increase was due to salary expense of sales staff and customer relations activities.

Administrative expenses

Administrative Expenses in 2012 was Baht 147.29 million, increased by Baht 19.56 million YoY. The percentage of Administrative Expenses to Services and Sales Revenue, however, was slightly decreased. In 2012 and 2011 the percentage were 17.97% and 18.10% respectively. The increase mainly resulting from higher employee expenses, consultant fee, increased depreciation of office equipment and software.

Gross Profit, EBITDA and Net Profit

Gross Profit : In 2012, the Company recorded Gross Profit in the amount of Baht 483.99 million, increased by Baht 35.65 million or 7.95% YoY.

EBITDA : In 2012, EBITDA was Baht 479.87 million, increased by Baht 55.09 million or 12.97% YoY. The growth of EBITDA mainly resulted from expansion of network coverage area and customer.

Corporate Income Taxes : In 2012, Corporate Income Taxes was Baht 72.28 million, decreased by Baht 20.42 million due to the corporate income tax rate is reduced from 30% to 23% in this year.

Net Profit : In 2012, Net Profit was Baht 234.25 million, increased by Baht 21.91 million or 10.32% YoY comparing to 2011 that was Baht 212.34 million.

Statement of Financial Position

	31-Dec-11		31-Dec-12		Change	
	Amount (MB)	(%)	Amount (MB)	(%)	Amount (MB)	(%)
Assets						
<u>Current Asset</u>	-	-	-	-	-	-
Cash and cash equivalents	171.32	12.47%	165.29	10.91%	-6.04	-3.52%
Short-term investments	220.00	16.01%	-	0.00%	-220.00	-100.00%
Trade and other receivables	98.11	7.14%	93.94	6.20%	-4.17	-4.25%
Inventories	3.91	0.28%	4.59	0.30%	0.68	17.30%
Other current assets	12.44	0.91%	21.02	1.39%	8.58	68.98%
Total current asset	505.78	36.80%	284.83	18.81%	-220.95	-43.68%
<u>Non Current Asset</u>						
Network equipment	773.39	56.28%	1,048.83	69.26%	275.45	35.62%
Property, building and equipment	54.60	3.97%	133.19	8.80%	78.58	143.92%
Intangible assets	15.49	1.13%	15.73	1.04%	0.24	1.54%
Other Non-current Assets	25.03	1.82%	31.72	2.09%	6.69	26.71%
Total non current asset	868.52	63.20%	1,229.47	81.19%	360.96	41.56%
Total Asset	1,374.30	100.00%	1,514.31	100.00%	140.00	10.19%
Current Liabilities						
Trade and other payables	126.49	9.20%	203.64	13.45%	77.15	60.99%
Current portion of deferred income and advance received from customers	13.05	0.95%	12.10	0.80%	-0.95	-7.28%
Corporate Income Tax Payable	36.22	2.64%	18.89	1.25%	-17.33	-47.85%
Other current liabilities	6.35	0.46%	8.05	0.53%	1.70	26.79%
Total current liabilities	182.11	13.25%	242.67	16.03%	60.56	33.26%
<u>Non Current Liabilities</u>						
Liabilities under hire purchase lease agreements, net of current portion	0.87	0.06%	1.79	0.12%	0.92	105.46%
Deferred income and advance received from customers, net of current portion	68.33	4.97%	66.39	4.38%	-1.94	-2.83%
Provision for long-term employee benefits	10.40	0.76%	15.59	1.03%	5.19	49.89%
Total non current liabilities	79.60	5.79%	83.77	5.53%	4.17	5.24%
Total Liabilities	261.71	19.04%	326.44	21.56%	64.73	24.74%
<u>Shareholders' equity</u>						
Issued and Paid-up Capital	300.00	21.83%	300.00	19.81%	0.00	0.00%
Premium on Share Capital	548.76	39.93%	548.76	36.24%	0.00	0.00%
Retained Earning						
• Appropriated - Statutory Reserved	30.00	2.18%	30.00	1.98%	0.00	0.00%
• Unappropriated	233.83	17.01%	309.10	20.41%	75.27	32.19%
Total Shareholders' equity	1,112.59	80.96%	1,187.87	78.44%	75.27	6.77%
Total Liabilities & Shareholders' Equity	1,374.30	100.00%	1,514.31	100.00%	140.01	10.19%

Assets

Total assets as at 31 December 2012 was totaled Baht 1,514.31 million, increased by Baht 140.01 million from 31 December 2011, mainly due to increase in network equipment that increased by Baht 275.45 million, property, building and equipment increased by Baht 78.58 million due to the network expansion, investment in network service centers and branch offices. Cash and short-term investment reduced according to the investment projects and also dividend payment in 2012 in the total amount of Baht 158.94 million.

Liabilities and Shareholders' Equity

Liabilities

Total Liabilities as of 31 December 2012 was totaled Baht 326.44 million, increased by Baht 64.73 million from the end of last year, mainly due to increase in trade and other payables resulting from increase in network and equipment purchase, increase in USO fee payable and provision for long-term employee benefits. Corporate income tax payable decreased by Baht 17.33 million resulting from reduced corporate income tax.

Shareholders' Equity

Shareholders' Equity as of 31 December 2012 was totaled Baht 1,187.87 million, increased by Baht 75.27 million from the end of last year due to the net profit of 2012, offset by dividend payment and the adjustment of Provision for long-term employee benefits.

Statement of Cash flow

In 2012, the Company's generating strong cash flows from operating activities in the amount of Baht 422.01 million, increased from that of operating year 2011 by Baht 68.63 million, in line with the revenue growth. Cash paid for investing activities was Baht 268.03 million mainly due to the payment of investment projects for the network expansion, construction of network service centers and branch offices, in total amount of Baht 499.02 million while the short-term investment in fixed deposit decreased by Baht 220 million. Cash paid for financing activities was Baht 160.02 million, mainly due to the dividend payment totaled Baht 158.94 million. Therefore, cash and cash equivalents at the end of period was Baht 165.29 million, decreased by Baht 6.04 million from at the end of last year.

Financial Ratio

	Unit	2011	2012
Net Profit	MB	212.34	234.25
Total Revenue	MB	705.88	819.57
Average Total Fixed Assets	MB	697.03	1,049.00
Avg Total Assets	MB	1,316.73	1,444.30
Avg Total Shareholders Equity	MB	1,112.40	1,150.23
Asset Turnover Ratio (Total Revenue/Avg. Total Assets)	Times	0.54	0.57
Financial Leverage (Avg.Total Assets/Avg.Equity)	Times	1.18	1.26
Debt to Equity Ratio	Times	0.24	0.27
Net Profit Margin	%	30.08%	28.58%
Return on Fixed Assets		30.46%	22.33%
Return on Assets	%	16.13%	16.22%
Return on Equity	%	19.09%	20.37%



Audit Committee Report 2012

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 2012, 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 2012, 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 2012 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. There was no significant deficiency and the Company has proper asset control. The Audit Committee is of the opinion that the Company has efficient, adequate and suitable internal controls in the acceptable criteria. Its internal control system is regularly reviewed and evaluated. The Company also outsources an independent internal auditor to review, suggest and independently audit on a regular basis.

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

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

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

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

7. Nominated and recommended compensation of external auditor for the year 2013 and presented to the Board of Directors for final approval from the 2013 Annual General Meeting of Shareholders. The Audit Committee had considered performance, independence and appropriate compensation and, thus, has nominated the auditor (s) from Office of Ernst & Young as an auditor of the Company in 2013 with the compensation of Baht 970,000. If the nominated auditor is appointed for the year 2013, the year in office will be the fifth consecutive year, however, the auditor has no relationship or interest with the Company.

8. The Audit Committee conducted the self-assessment on their scope of duties in the year 2012 by comparing to that stated in the Audit Committee Charter and the good practice. For 2012, it was found that the Committee had performed its duties in accordance with the Audit Committee Charter and the good practice.

9. 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



Board of Directors' Responsibility for Financial Reporting

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

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

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

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

In this regard, the Board of Directors is of the opinion that the Company's internal control system is proven satisfactory and contributes the credibility of the Company's financial statements as of 31 December 2012 that all these financial statements have been prepared in accordance with generally accepted accounting principles and related regulations.

on behalf of the Board of Directors

Woodtipong Moleechad
Chairman

Kranphol Asawasuwana
President

Symphony Communication Public Company Limited



Report of Independent Auditor

To the Shareholders of Symphony Communication Public Company Limited

I have audited the accompanying financial statements of Symphony Communication Public Company Limited, which comprise the statements of financial position as at 31 December 2012, and the related 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.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my 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 as at 31 December 2012, and its financial performance and cash flows for the year then ended, in accordance with Thai Financial Reporting Standards.

Pimjai Manitkajohnkit

Certified Public Accountant (Thailand) No. 4521

Ernst & Young Office Limited

Bangkok: 26 February 2013



Statements of financial position

Symphony Communication Public Company Limited

As at 31 December 2012

(Unit : Baht)

	Note	2012	2011
Assets			
Current assets			
Cash and cash equivalents	7	165,285,010	171,322,996
Short-term investments	8	-	220,000,000
Trade and other receivables	9	93,944,628	98,113,244
Inventories		4,585,947	3,909,732
Other current assets		21,017,416	12,437,639
Total current assets		284,833,001	505,783,611
Non-current assets			
Network equipment	10	1,048,834,013	773,388,654
Property, building and equipment	11	133,185,874	54,602,562
Intangible assets	12	15,732,083	15,492,716
Other non-current assets		31,722,562	25,034,335
Total non-current assets		1,229,474,532	868,518,267
Total assets		1,514,307,533	1,374,301,878

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



Statements of financial position (Continued)

Symphony Communication Public Company Limited

As at 31 December 2012

(Unit : Baht)

	Note	2012	2011
Liabilities and shareholders' equity			
Current liabilities			
Trade and other payables	13	203,641,020	126,493,958
Current portion of deferred income and advance received from customers		12,095,496	13,045,195
Corporate income tax payable		18,889,182	36,221,769
Other current liabilities		8,046,140	6,346,189
Total current liabilities		242,671,838	182,107,111
Non-current liabilities			
Liabilities under hire purchase lease agreements, net of current portion	14	1,790,226	871,332
Deferred income and advance received from customers, net of current portion		66,393,274	68,330,451
Provision for long-term employee benefits	15	15,585,721	10,398,320
Total non-current liabilities		83,769,221	79,600,103
Total liabilities		326,441,059	261,707,214
Shareholders' equity			
Share capital			
Registered			
300,000,000 ordinary shares of Baht 1 each		300,000,000	300,000,000
Issued and paid up			
300,000,000 ordinary shares of Baht 1 each		300,000,000	300,000,000
Share premium		548,761,440	548,761,440
Retained earnings			
Appropriated - statutory reserve	16	30,000,000	30,000,000
Unappropriated		309,105,034	233,833,224
Total shareholders' equity		1,187,866,474	1,112,594,664
Total liabilities and shareholders' equity		1,514,307,533	1,374,301,878

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



Statements of comprehensive income

Symphony Communication Public Company Limited

For the year ended 31 December 2012

(Unit : Baht)

	Note	2012	2011
Revenues			
Lease line service income		771,242,683	655,194,608
Revenue from sales of network equipment		4,615,000	7,585,000
Management and maintenance service income - network		32,055,900	30,000,000
Other income		11,655,221	13,099,515
Total revenues		819,568,804	705,879,123
Expenses			
Cost of services and sales		323,923,247	244,439,783
Service expenses		41,491,921	28,462,032
Administrative expenses		147,287,137	127,730,510
Total expenses		512,702,305	400,632,325
Profit before finance cost and income tax expenses		306,866,499	305,246,798
Finance cost		(338,722)	(209,608)
Profit before income tax expenses		306,527,777	305,037,190
Income tax expenses	18	(72,276,107)	(92,696,076)
Profit for the year		234,251,670	212,341,114
Other comprehensive income:			
Other comprehensive income for the year		-	-
Total comprehensive income for the year		234,251,670	212,341,114
Basic earnings per share	19		
Profit for the year		0.78	0.71

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



Statement of changes in shareholders' equity

Symphony Communication Public Company Limited

For the year ended 31 December 2012

(Unit : Baht)

	Note	Issued and paid-up share capital	Share premium	Retained earnings		Total
				Appropriated - statutory reserve	Unappropriated	
Balance as at 1 January 2011		300,000,000	548,761,440	30,000,000	225,490,070	1,104,251,510
Dividend paid	22	-	-	-	(203,997,960)	(203,997,960)
Total comprehensive income for the year		-	-	-	212,341,114	212,341,114
Balance as at 31 December 2011		<u>300,000,000</u>	<u>548,761,440</u>	<u>30,000,000</u>	<u>233,833,224</u>	<u>1,112,594,664</u>
Balance as at 1 January 2012		300,000,000	548,761,440	30,000,000	233,833,224	1,112,594,664
Dividend paid	22	-	-	-	(158,979,860)	(158,979,860)
Total comprehensive income for the year		-	-	-	234,251,670	234,251,670
Balance as at 31 December 2012		<u>300,000,000</u>	<u>548,761,440</u>	<u>30,000,000</u>	<u>309,105,034</u>	<u>1,187,866,474</u>

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



Cash flow statement

Symphony Communication Public Company Limited

For the year ended 31 December 2012

(Unit : Baht)

	2012	2011
Cash flows from operating activities		
Profit before tax	306,527,777	305,037,190
Adjustments to reconcile profit before tax to net cash provided by (paid from) operating activities:		
Depreciation	171,248,230	117,444,287
Amortisation of intangible assets	3,358,287	2,091,204
Write-off of network equipment and equipment	283,207	1,409,335
Loss (gain) on sales of network equipment and equipment	(556,083)	582,189
Allowance for impairment of network equipment	3,420,021	2,300,000
Provision for long-term employee benefits	5,187,401	2,451,442
Interest income	(9,767,646)	(12,493,507)
Interest expenses	98,151	18,463
Profit from operating activities before changes in operating assets and liabilities	479,799,345	418,840,603
Operating assets decrease (increase)		
Trade and other receivables	4,319,871	(27,924,233)
Inventories	(676,215)	(2,085,751)
Other current assets	(8,579,777)	(3,250,869)
Other non-current assets	(7,627,032)	(15,811,621)
Operating liabilities increase (decrease)		
Trade and other payables	46,135,811	18,619,428
Deferred income and advance received from customers	(2,886,876)	44,831,541
Other current liabilities	1,229,346	1,752,143
Cash flows from operating activities	511,714,473	434,971,241
Cash paid for interest expenses	(98,151)	(18,463)
Cash paid for corporate income tax	(89,608,694)	(81,571,254)
Net cash flows from operating activities	422,007,628	353,381,524

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



Cash flow statement (Continued)

Symphony Communication Public Company Limited

For the year ended 31 December 2012

(Unit : Baht)

	2012	2011
Cash flows from investing activities		
Decrease in current investments	220,000,000	81,004,950
Decrease in restricted deposits at financial institution	-	2,169,279
Cash paid for acquisition of network equipment	(401,274,653)	(400,554,505)
Cash paid for acquisition of property, building and equipment	(87,872,391)	(19,131,125)
Cash paid for acquisition of intangible assets	(2,301,301)	(7,185,094)
Increase in deposits of land leasehold right	(5,143,750)	-
Decrease (increase) in deposits of network equipment and building	(2,439,631)	957,264
Interest income	9,616,391	12,444,352
Proceed from sales of network equipment and equipment	1,384,977	801,772
Net cash flows used in investing activities	(268,030,358)	(329,493,107)
Cash flows from financing activities		
Cash paid for liabilities under finance lease agreements	(1,075,502)	(59,555)
Dividend paid	(158,939,754)	(203,966,545)
Net cash flows used in financing activities	(160,015,256)	(204,026,100)
Net decrease in cash and cash equivalents	(6,037,986)	(180,137,683)
Cash and cash equivalents at beginning of year	171,322,996	351,460,679
Cash and cash equivalents at end of year (Note 7)	165,285,010	171,322,996
Supplement cash flows information:		
Non-cash item consist of		
Increase in accounts payable - purchase of network equipment	24,803,392	30,718,441
Increase (decrease) in accounts payable - purchase of property, building and equipment	4,871,401	(4,139,355)
Increase in accounts payable - purchase of intangible assets	1,296,352	252,120
Increase in liabilities under finance lease agreement	2,465,000	1,217,559
Adjustment of reserve for long-term employee benefits with the beginning balance of retained earnings	-	7,946,878
Transfer other assets to network equipment	8,522,186	-

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



Notes to financial statements

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 Sun Towers 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
Telecom Operation License Type 1	23 December 2008	5 years
Internet Operation License Type 2	10 June 2011	5 years
Telecom Operation License Type 3	10 August 2011	15 years

The Company 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.

On 24 January 2012, the Company submitted a letter to the National Broadcasting and Telecommunications Commission (NBTC) to request it be allowed to discontinue provision of service under its Telecom Operation License Type 1; Resale of International Private Leased Circuit (IPLC), before the license expires, since no party has currently been awarded a licence by the NBTC to wholesale IPLC to the Company so that it can provide resale services in compliance with the conditions stipulated under the license.

Subsequently, on 15 March 2012, a meeting of the National Telecommunications Commission (NTC), which is empowered to act on behalf of the National Broadcasting and Telecommunications Commission (NBTC) as licensor and regulator for use of radio frequencies and telecommunications equipment by telecom operators, passed a resolution approving the Company’s request to discontinue provision of service under its Telecom Operation License Type 1 in accordance with the letter submitted by the Company.

2. Basis of preparation

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

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

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

3. New accounting standards not yet effective

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

Accounting standards:	
TAS 12	Income Taxes
TAS 20 (revised 2009)	Accounting for Government Grants and Disclosure of Government Assistance
TAS 21 (revised 2009)	The Effects of Changes in Foreign Exchange Rates
Financial Reporting Standard:	
TFRS 8	Operating Segments
Accounting Standard Interpretations:	
SIC 10	Government Assistance - No Specific Relation to Operating Activities
SIC 21	Income Taxes - Recovery of Revalued Non-Depreciable Assets
SIC 25	Income Taxes - Changes in the Tax Status of an Entity or its Shareholders

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

TAS 12 Income Taxes

This accounting standard requires an entity to identify temporary differences, which are differences between the carrying amount of an asset or liability in the accounting records and its tax base, and to recognize deferred tax assets and liabilities under the stipulated guidelines. The management of the Company expects the adoption of this accounting standard to have the effect of increasing the Company of the year 2013 by approximately Baht 5 million.

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

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

The management of the Company has assessed the effect of these standards and believes that Accounting Treatment Guidance for Transfers of Financial Assets, SIC 29, TFRIC 4 and TFRIC 12 are not relevant to the business of the Company. Management is still evaluating the first-year impact to the financial statements of the adoption of the adoption of TFRIC 13 and has yet to reach a conclusion.

4. Significant accounting policies

4.1 Revenue recognition

Sales of goods

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

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

4.5 Network equipment

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

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

Depreciation is included in determining income.

No depreciation is provided on assets under installation.

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

4.6 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
Improvement of leasehold right	5, 9 years
Furniture and fixtures and office equipment	5 years
Computer	5 years

Depreciation is included in determining income.

No depreciation is provided on land and assets under construction and installation.

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.

4.7 Intangible assets and amortisation

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

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

The intangible assets with finite useful lives is as follows.

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

4.8 Related party transactions

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

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

4.9 Long-term leases

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.

4.10 Foreign currencies

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

Gains and losses on exchange are included in determining income.

4.11 Impairment of assets

The Company assesses 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 estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's fair value less costs to sell and its value in use. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In 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 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 estimates the asset's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The increased carrying amount of the asset attributable to a reversal of an impairment loss shall not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in profit or loss unless the asset is carried at a revalued amount, in which case the reversal, which exceeds the carrying amount that would have been determined, is treated as a revaluation increase.

4.12 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 profit or loss.

4.13 Provisions

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

4.14 Income tax

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

5. Significant accounting judgments and estimates

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

Leases

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

Allowance for doubtful accounts

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

Depreciation and amortisation

In determining depreciation of network equipment, 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.

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.

6. Related party transactions

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

(Unit : Million Baht)

	2012	2011	Transfer pricing policy
Transaction with related parties			
Rental and service expenses	-	10	Contract price
Acquisition of network equipment and intangible assets	-	12	Approximates cost
Management benefit expenses	28	26	Rate as stipulated in agreements/ the approval of Annual General Meeting of the shareholders

Directors and management's benefits

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

(Unit : Million Baht)

	2012	2011
Short-term employee benefits	27	25
Post-employment benefits	1	1
Total	28	26

7. Cash and cash equivalents

(Unit : Thousand Baht)

	2012	2011
Cash	4,244	50
Bank deposits	25,881	141,273
Bills of exchange	135,160	30,000
Total	165,285	171,323

As at 31 December 2012, bank deposits in saving accounts, fixed deposits and bills of exchange carried interests between 0.125% and 3.20% per annum (2011: between 0.50% and 3.30% per annum).

8. Short-term investments

As at 31 December 2011, the outstanding balances of short-term investments are bills of exchange and fixed deposits of Baht 220 million. These carried interests between 3.70% and 4.15% per annum.

9. Trade and other receivables

(Unit : Thousand Baht)

	2012	2011
Trade accounts receivables		
Aged on the basis of due dates		
Not yet due	77,855	85,913
Past due		
Up to 3 months	7,360	9,455
3 - 6 months	393	-
6 - 12 months	262	-
Over 12 months	971	711
Total	86,841	96,079
Less: Allowance for doubtful debts	(578)	(578)
Trade accounts receivable, net	86,263	95,501
Other receivables		
Interest receivable	543	392
Accrued income	7,138	2,220
Other receivables	7,681	2,612
Trade and other receivables - net	93,944	98,113

10. Network equipment

(Unit : Thousand Baht)

	Network equipment	Network equipment under installation	Total
Cost			
1 January 2011	557,753	52,013	609,766
Additions	92,380	338,893	431,273
Write-off	(1,892)	-	(1,892)
Transfer in (out)	240,675	(240,675)	-
31 December 2011	888,916	150,231	1,039,147
Additions	87,222	338,856	426,078
Disposal/write-off	(1,495)	-	(1,495)
Transfer in (out)	305,324	(296,802)	8,522
31 December 2012	1,279,967	192,285	1,472,252
Accumulated amortisation			
1 January 2011	159,137	-	159,137
Depreciation for the year	104,135	-	104,135
Depreciation of write-off	(483)	-	(483)
31 December 2011	262,789	-	262,789
Depreciation for the year	154,701	-	154,701
Depreciation of disposal/write-off	(461)	-	(461)
31 December 2012	417,029	-	417,029
Allowance for impairment loss			
1 January 2011	669	-	669
Increase during the year	-	2,300	2,300
31 December 2011	669	2,300	2,969
Increase during the year	1,099	2,321	3,420
31 December 2012	1,768	4,621	6,389
Net book value			
31 December 2011	625,458	147,931	773,389
31 December 2012	861,170	187,664	1,048,834
Depreciation for the years			
2011 (included in cost of services and sales)			104,135
2012 (included in cost of services and sales)			154,701

As at 31 December 2012, the Company has network equipment with a net book value of Baht 13 million (2011: Baht 15 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 2012, the Company has network equipment with a net book value of Baht 22 million (2011: Baht 19 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 2012, 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 78 million (2011: Nil).

11. Property, building and equipment

(Unit : Thousand Baht)

	Land	Building and asset improvements	Furniture, fixtures and office equipment	Vehicles	Assets under construction and installation	Total
Cost						
1 January 2011	-	30,809	36,249	3,617	-	70,675
Additions	-	555	10,719	4,935	-	16,209
Disposals/write-off	-	-	(712)	(1,270)	-	(1,982)
31 December 2011	-	31,364	46,256	7,282	-	84,902
Additions	7,537	33,588	23,629	2,631	27,824	95,209
Disposals/write-off	-	-	(111)	(321)	-	(432)
31 December 2012	7,537	64,952	69,774	9,592	27,824	179,679
Accumulated depreciation						
1 January 2011	-	805	14,571	2,213	-	17,589
Depreciation for the year	-	3,927	8,355	1,027	-	13,309
Depreciation on disposals/write-off	-	-	(541)	(57)	-	(598)
31 December 2011	-	4,732	22,385	3,183	-	30,300
Depreciation for the year	-	4,657	10,385	1,505	-	16,547
Depreciation on disposals/write-off	-	-	(71)	(283)	-	(354)
31 December 2012	-	9,389	32,699	4,405	-	46,493
Net book value						
31 December 2011	-	26,632	23,871	4,099	-	54,602
31 December 2012	7,537	55,563	37,075	5,187	27,824	133,186
Depreciation charges for the years						
2011 (included in administrative expenses)						13,309
2012 (included in administrative expenses)						16,547

As at 31 December 2012, the Company had vehicles under finance lease agreements with net book values amounting to Baht 3 million (2011: Baht 2 million).

As at 31 December 2012, 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 12 million (2011: Baht 2 million)

12. Intangible assets

The net book value of intangible assets as at 31 December 2012 and 2011 is presented below.

(Unit : Thousand Baht)

	Software computer	Software computer under installation	Total
As at 31 December 2012			
Cost	19,118	2,943	22,061
Less: Accumulated amortisation	(6,329)	-	(6,329)
Net book value	12,789	2,943	15,732
As at 31 December 2011			
Cost	15,692	2,772	18,464
Less: Accumulated amortisation	(2,971)	-	(2,971)
Net book value	12,721	2,772	15,493

A reconciliation of the net book value of intangible assets for the years 2012 and 2011 is presented below.

(Unit : Thousand Baht)

	2012	2011
Net book value at beginning of year	15,493	10,147
Acquisition during the year	3,597	7,437
Amortisation	(3,358)	(2,091)
Net book value at end of year	15,732	15,493

13. Trade and other payables

(Unit : Thousand Baht)

	2012	2011
Trade accounts payables	163,490	102,505
Accrued expenses	30,427	20,181
Other payables for purchase of property, building and equipment	7,078	2,207
Other payables for purchase of intangible assets	1,548	252
Others	1,098	1,349
Total trade and other payables	203,641	126,494

14. Liabilities under finance lease agreements

(Unit : Thousand Baht)

	2012	2011
Liabilities under finance lease	2,756	1,264
Less : Deferred interest expenses	(209)	(106)
Total	2,547	1,158
Less: Portion due within one year	(757)	(287)
Liabilities under finance lease agreements - net of current portion	1,790	871

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

As at 31 December 2012 and 2011, future minimum lease payments of the Company required under the finance lease agreements were as follows:

(Unit : Thousand Baht)

	2012			2011		
	Less than 1 year	1-5 years	Total	Less than 1 year	1-5 years	Total
Future minimum lease payments	863	1,893	2,756	334	930	1,264
Deferred interest expenses	(106)	(103)	(209)	(47)	(59)	(106)
Present value of future minimum lease payments	757	1,790	2,547	287	871	1,158

15. Provision for long-term employee benefits

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

(Unit : Thousand Baht)

	2012	2011
Defined benefit obligation at beginning of year	10,398	7,947
Current service cost	2,432	2,027
Interest cost	490	424
Actuarial loss	2,265	-
Defined benefit obligation at end of year	15,585	10,398

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

(Unit : Thousand Baht)

	2012	2011
Current service cost	2,432	2,027
Interest cost	490	424
Actuarial loss recognised during the year	2,265	-
Total expense recognized in profit or loss	5,187	2,451
Line items under which such expenses are included in profit or loss		
Cost of service and sales	1,905	264
Selling and administrative expenses	3,282	2,187

Principal actuarial assumptions at the valuation date were as follows:

	2012 (% per annum)	2011 (% per annum)
Discount rate	3.87%	4.25%
Future salary increase rate	5.00%	5.00%
Staff turnover rate (depending on age)	0.00% - 12.00%	0.00% - 10.00%

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

(Unit : Thousand Baht)

	Defined benefit obligation	Experience adjustments arising on the plan liabilities
Year 2012	15,585	(50)
Year 2011	10,398	-
Year 2010	8,356	-
Year 2009	6,730	-
Year 2008	5,408	-

16. 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.

17. Expenses by nature

Significant expenses by nature are as follow:

(Unit : Thousand Baht)

	2012	2011
Salary and wages and other employee benefits	141,244	114,551
Depreciation and amortisation expenses	174,607	119,535
Service fee for network interconnection	30,616	27,454
Rental expense from operating lease agreements and service expenses	41,042	35,232
Rental expenses - network equipment	29,842	29,649
Professional fees	7,984	4,942

18. Income tax

Corporate income taxes for the years 2012 and 2011 have been calculated at the rates of 23% and 30%, respectively, of taxable profits.

19. 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.

20. Segment information

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

21. 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 2012, the Company contributed Baht 2 million (2011: Baht 2 million) to the fund.

22. Dividends

Dividends	Approved by	Approved dividend per share (Baht)	Interim dividend per share (Baht)	Additional dividend paid per share (Baht)	Total additional dividend paid (Thousand Baht)
Final dividends for 2010	Annual General Meeting of the shareholders on 19 April 2011	0.53	-	0.53	158,998
Interim dividend from profit for the period as from 1 January 2011 to 30 June 2011	Board of Directors' meeting on 11 August 2011	0.15	-	0.15	45,000
Total for 2011		0.68	-	0.68	203,998
Final dividends for 2011	Annual General Meeting of the shareholders on 27 April 2012	0.53	0.15	0.38	113,980
Interim dividend from profit for the period as from 1 January 2012 to 30 June 2012	Board of Directors' meeting on 9 August 2012	0.15	-	0.15	45,000
Total for 2012		0.68	0.15	0.53	158,980

23. Commitments and contingent liabilities

23.1 Capital commitments

As at 31 December 2012, the Company had capital commitments of approximately Baht 139 million and JPY 159 million (2011: Baht 69 million) relating to purchase and installation of network equipment.

As at 31 December 2012, the Company had capital commitments of approximately Baht 57 million (2011: Baht 7 million) relating to purchase of equipments and construction agreement.

As at 31 December 2012, the Company had capital commitments of approximately Baht 5 million relating to purchase of program computer (2011: Baht 5 million).

23.2 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)		
	2012	2011
Lease and service agreement presented under cost of service		
Payable:		
In up to 1 year	47	26
In over 1 and up to 5 years	69	65
In over 5 years	57	70
Lease and service agreement presented under administrative expenses		
Payable:		
In up to 1 year	31	21
In over 1 and up to 5 years	41	9

23.3 Purchase supply and equipment commitments

As at 31 December 2012, the Company has outstanding future payment commitments of approximately Baht 7 million (2011: Baht 1 million) relating to purchase of supply and network equipment.

23.4 Bank guarantees

As at 31 December 2012, there were outstanding bank guarantees of approximately Baht 3 million (2011: Baht 4 million) issued by banks on behalf of the Company to guarantee fiber optic network use, space rental and other payable.

23.5 Other commitment

As at 31 December 2012, total credit facilities, both short-term and long-term, of the Company that could be drawn down amounted to Baht 302 million (2011: Baht 216 million).

23.6 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 note 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 28 million.

Subsequently, while the Company was preparing to request intervention to provide a fair solution from NBTC, the management of the Company and the telecom operator entered into negotiations to resolve this problem without resort to legal measures. The outcome of these negotiations was that the Company and the telecom operator agreed that they should be able to reach an agreement, since this case involved the rental of pre-existing assets of the telecom operator, which the Company wishes to rent in high volume. In practice, the telecom operator has previously agreed special rental rates with other companies. Moreover, the Company has offered a long-term rental of the underground cable conduit and in return offered the telecom operator rental of the assets of the Company in which the telecom operator has installed the communications equipment through which it provides services to many customers in an industrial estate. The management believe that there is the opportunity to reach agreement on renting the underground cable conduit from the telecom operator at a rental rate lower than the new rate, and the issue with contingent liabilities relating to rental for the underground cable conduit should be resolved.

24. Financial instruments

24.1 Financial risk management

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

(Unit : Million Baht)

	As at 31 December 2012				
	Fixed interest rates within 1 year	Floating interest rate	Non- interest bearing	Total	Effective interest rate (% p.a.)
Financial assets					
Cash and cash equivalent	135	26	4	165	0.125 - 3.20
Trade and other receivables	-	-	94	94	-
	<u>135</u>	<u>26</u>	<u>98</u>	<u>259</u>	
Financial liabilities					
Trade and other payables	-	-	203	203	-
	<u>-</u>	<u>-</u>	<u>203</u>	<u>203</u>	

(Unit : Million Baht)

	As at 31 December 2011				
	Fixed interest rates within 1 year	Floating interest rate	Non- interest bearing	Total	Effective interest rate (% p.a.)
Financial assets					
Cash and cash equivalent	150	21	-	171	0.50 - 3.30
Short-term investments	220	-	-	220	3.70 - 4.15
Trade and other receivables	-	-	98	98	-
	<u>370</u>	<u>21</u>	<u>98</u>	<u>489</u>	
Financial liabilities					
Trade and other payables	-	-	126	126	-
	<u>-</u>	<u>-</u>	<u>126</u>	<u>126</u>	

Credit risk

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

Interest rate risk

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

Significant financial assets and liabilities 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.

24.2 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.

25. 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 2012, the Company's debt- to-equity ratio was 0.27:1 (2011: 0.24:1).

26. Events after the reporting period

On 26 February 2013, the Company's Board of Directors passed resolutions to propose the following to the Annual General Meeting of shareholders to be held in April 2013:

26.1 Approve an additional dividend payment of Baht 0.43 per share to ordinary shareholders of the 300 million ordinary shares, or a total of Baht 129 million, in respect of the 2012 profit (total dividend payment from the 2012 profit made to ordinary shareholders of the 300 million ordinary shares is thus Baht 0.58 per share, or a total of Baht 174 million).

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

26.2 Approve the issuance and allotment 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:

No. of securities offered	: 6,000,000 units
No. of shares reserved for exercise	: 6,000,000 shares
Term	: 4 years from the issue date of warrants
Offering price	: 0 Baht
Exercise ratio	: 1 ordinary share per 1 warrant, subject to change in accordance with the conditions for adjustment of rights.
Exercise price	: 14.72 Baht per share
Offering date	: To be determined after approval from the Annual General Meeting of shareholders
Offering Period	: Within one year after the shareholders approve allotment of warrants under the Employee Stock Option Plan (ESOP)
Period and allotment method	: Directors, management and/or employees of the Company can exercise the warrants based on the following amounts: Year 1 Not more than 15% of the allocated units, exercisable on November 20th, 2013 and May 20th, 2014. Year 2 Not more than 25% of the allocated units, exercisable on November 20th, 2014 and May 20th, 2015. Year 3 Not more than 30% of the allocated units, exercisable on November 20th, 2015 and May 20th, 2016. Year 4 Not more than 30% of the allocated units, exercisable on November 20th, 2016 and May 20th, 2017 and July 1st, 2017, the 4-year maturity date of these ESOP-Warrants.

26.3 Approve an increase in the registered share capital of 6,000,000 ordinary shares, with Baht 1 par value, to be reserved for the exercise of the warrants issued under the Employee Stock Option Program (ESOP) by the directors, management and/or employees of the Company.

27. Approval of the financial statements

These financial statements were authorised for issue by the Company's Board of Directors on 26 February 2013.



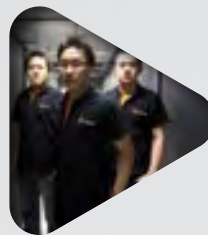
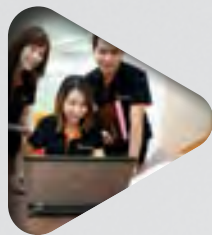
General Information

General Information

Ticker	▶ SYMC (Listed in The Stock Exchange of Thailand)
Company Name	▶ Symphony Communication Public Company Limited
Type of Business	▶ Domestic Hi-speed Communication Network Service Provider
Head Office	▶ 123 Sun Towers Building B 35 th - 37 th fl. Vibhavadee Rangsit Rd., Chomphon Chatuchak, Bangkok 10900
Warehouse	▶ 65/1 Phahonyothin Rd., Klongluang, Pathumthai 12120
Branch office and service center	▶ 1) Amata nakorn branch office 700/640, Moo 7, Donhuaror, Mueng Chonburi, Chonburi 20000 2) Kabin Buri Service center branch 103, Moo 16, Mueng kao, Kabin Buri, Prachin Buri 25240 3) Hat Yai branch 1173, Moo 3, Bypass (Asia) Rd., Khuanlang, Hat yai, Songkhla 90110 4) Laemchabang branch 31/73, Moo 9, Thung sukhla, Sri Racha, Chonburi 20230 5) Nakhon Ratchasima branch 19/47, Nai mueng, Mueng, Nakhon Ratchasima 30000 6) Phuket branch 46/125, Moo 6, Ratsada, Mueng, Phuket 83000 7) Khon Kaen branch 108/138, Moo 14, Nai mueng, Mueang Khon Kaen, Khon Kaen 40000 8) Phitsanulok branch 362/5, Moo 3, Aranyik, Mueang Phitsanulok, Phitsanulok 65000 9) Chiang Mai branch 39/7, Tippanat Rd., Haiya, Mueang Chiang Mai, Chiang Mai 50000
Company Registration No.	▶ 0107553000107
Home Page	▶ www.symphony.net.th
Telephone	▶ 66-2-101-1111
Fax	▶ 66-2-101-1133
Registered Capital	▶ Baht 300,000,000.-
Paid-up Capital	▶ 300,000,000 shares (Baht 1 each)
Voting Shares	▶ 300,000,000 ordinary shares
Accounting Period	▶ 1 January - 31 December

Reference

Securities Registrar	▶ Thailand Securities Depository Company Limited 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	▶ Ernst and Young Office Limited 33 rd Floor, Lake Ratchada Office Building, 193/136-137, New Ratchadaphisek Road, Klongtoey, Bangkok 10110 Tel: 66-2-264-0777 Fax: 66-2-264-0789-90





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