



บริษัท จัสมิน เทเลคอม ซิสเต็มส์ จำกัด (มหาชน)
Jasmine Telecom Systems Public Company Limited

รายงานประจำปี 2551
Annual Report 2008





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Financial Summary

Operating Results of Consolidated Financial Statement ('000 Baht)

	2008	2007	2006
Sales and services	1,563,120	1,545,321	2,850,595
Total revenue	1,609,514	1,607,658	2,919,779
Cost of sales and services and Selling, servicing and administrative	1,550,662	1,429,525	2,450,792
Gross profit *	217,962	299,304	580,705
Net profit	7,114	103,811	313,407
Total assets	3,253,312	3,515,953	4,074,826
Total liabilities	1,602,236	1,701,045	2,243,975
Shareholder's Equity	1,651,076	1,814,908	1,830,851

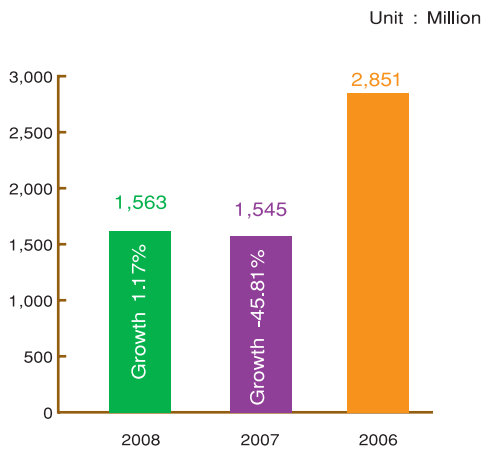
Financial Ratio

	2008	2007	2006
Current ratio (times)	1.70	1.88	2.05
Debt to equity (times)	0.97	0.94	1.23
Return on assets (%)	0.21%	2.74%	9.54%
Return on equity (%)	0.41%	5.69%	21.15%

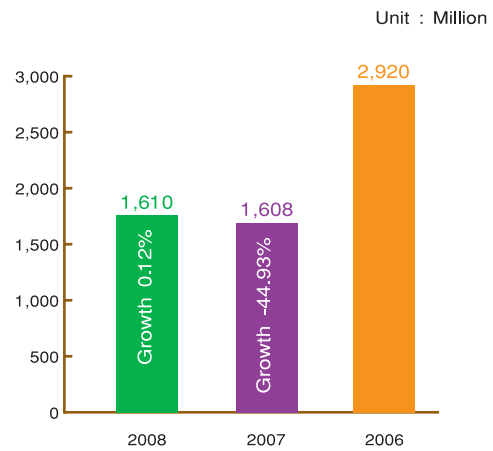
Per Share Data (Baht)

	2008	2007	2006
Net earning (loss) per share	0.01	0.15	0.54
Weighted average number of ordinary shares (million shares)	702,622,951	701,663,014	578,380,822
Book value	2.35	2.59	2.61
Par value	1.00	1.00	1.00
Paid up capital shares (million shares)	702,950,000	702,000,000	701,000,000

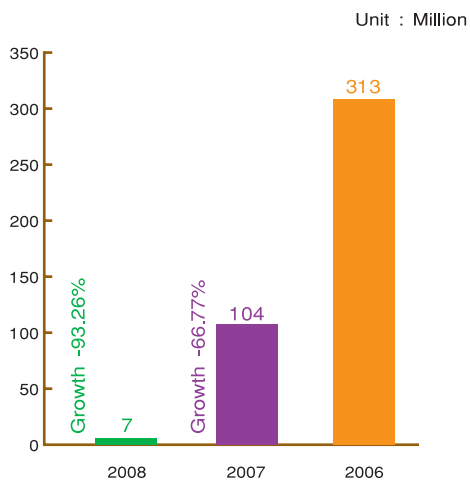
* Gross profit is a result of sales and service income minus sales and service cost



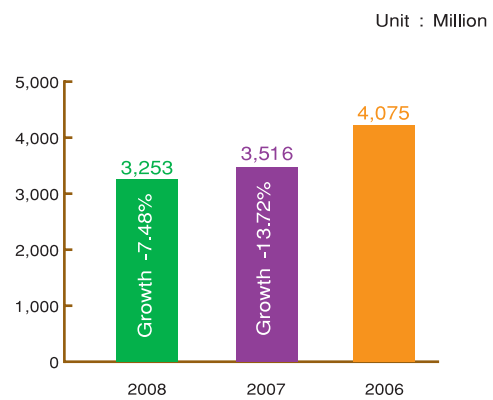
Sale and Service



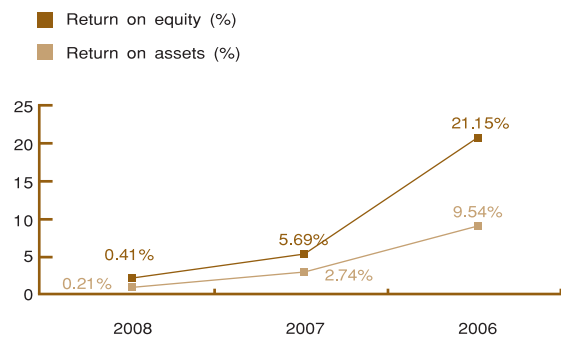
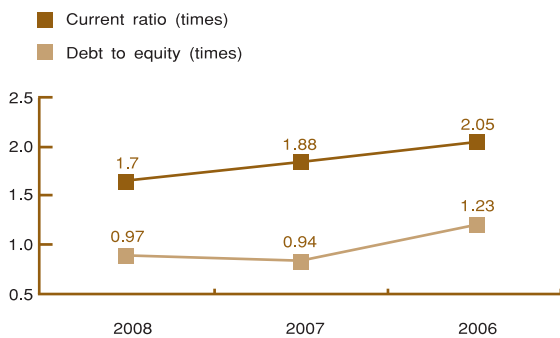
Total Revenue



Net Profit



Total Asset



General Information

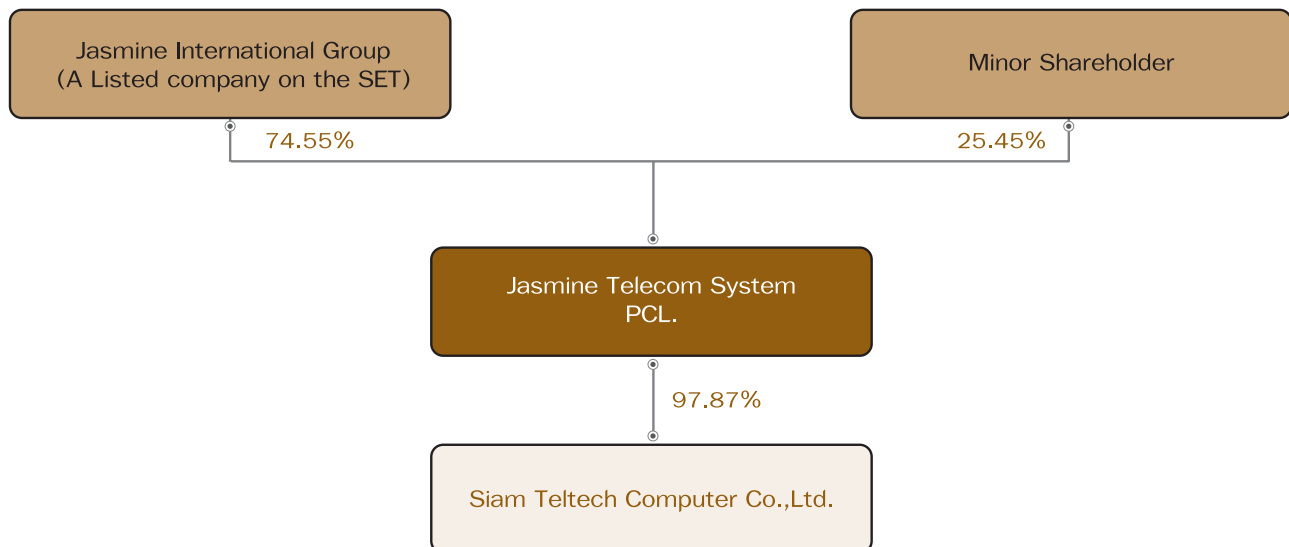
Detailed of Company

Company name : Jasmine Telecom Systems PCL.
Registration : 0107547000109
Head office Address : 200 Moo 4, 9th Fl. Jasmine International Tower,
Chaengwattana Road, Tambon Pakkret,
Amphoe Pakkret, Nonthaburi, 11120
Tel. (66)-021008300
Fax. (66) 025023363
Home Page : <http://www.jts.co.th>
Nature of Business : Information & Communication Technology

Total Amount and Type of issued share

Registered ordinary share : 726,250,000 Shares
Paid up ordinary share : 702,950,000 Shares
Par Value : 1 Baht
Total : 702,950,000 Baht

The Company Structure at December 31st 2008



Message From The Board Of Directors

Dear Shareholders,

Jasmine Telecom Systems Public Company Limited would like to report the 2008 annual operation of the Company as the followings.

The Company and its subsidiary's total revenue for 2008 was Baht 1,609 million, 0.12% increased from 2007 and net profit for 2008 was 93.15% decreased from 2007. Total asset of the Company and its subsidiary was Baht 3,253 million, 7.47% decreased from 2007. Total liability for 2008 was Baht 1,602 million, 5.81% decreased from 2007.

In 2008, there were many unstable and stressed situations in Thailand concerning the political conflicts and the economic recession, which effected dominantly in 2008 year end. These led to the government and private sectors to concern and defer their expenditures or investing. These situations affect the ICT market due to less mega projects and more competition and resulted in our slightly revenue increase with lower profit compare to year 2007. However, the Company has dedicated and attempted to work out with our major customers including the telecom operators who obtained or being obtained the licenses from NTC and have good relations with by supporting them to improve and prepare their networks for the coming technologies and the necessary for the network investment in broadband internet services which consumer demand has been extended.

The Company would like to express our gratitude to our shareholders, our business partners, our clients, our employees and other individuals including our financial corporate who have been supporting our work so enthusiastically. The Board of Directors wishes to assure every party that the Company shall do their duty and work in full capacity and intention for the extreme benefits of all parties and shall continue to develop our capabilities to wares the goals of sustainable growth.



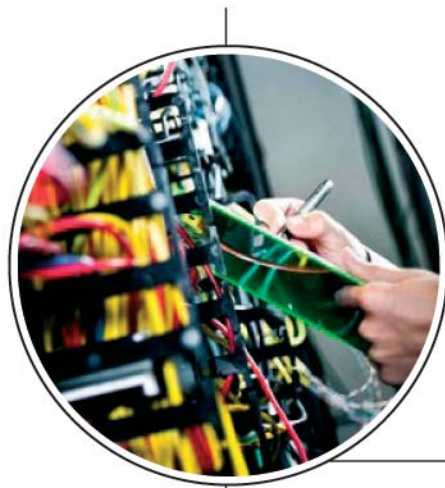
(Mr. Pete Bodharamik)

Chairman



(Mr. Terasak Jerauswapong)

President



Business of the Company and Subsidiary

The company and its subsidiary provide turnkey telecommunication, IT systems integration and other related services. In addition, the Company distributes imported communication devices, leases public payphones and provides security system. Followings are the details of each business of the Company.



1. Telecom Systems Integration

Telecom systems integration involves the distribution of telecommunication equipment and the provision of other related services, such as the supply, design, selection and tests and installation of telecom equipment for customer, both the government and private sector, including TOT, CAT Telecom, Provincial Electricity Authority, Government Savings Bank, TT&T, True Move and Triple T Broadband. Telecom systems integration is operated as a project with a purchase and installation agreement. The major distribution channels for the Company's System Integration business categorized into 2 channels. The first is bidding for projects of the government and private sector, and the second is being subcontracted from other winning bidders.

The Company engages in five types of telecom system services, as follows:

1. Access Network - The Company supplies and installs access network equipment which connect a central office to the premises of the customer. There are several solutions, such as Digital Data Network (DDN) offering leased line Internet connectivity, and Broadband Connections over Digital Subscriber Lines (xDSL) offering hi-speed Internet service.

In addition, the Company provides terminal equipment for hi-speed Internet or network connections, such as ADSL Modems, and other required network equipment.

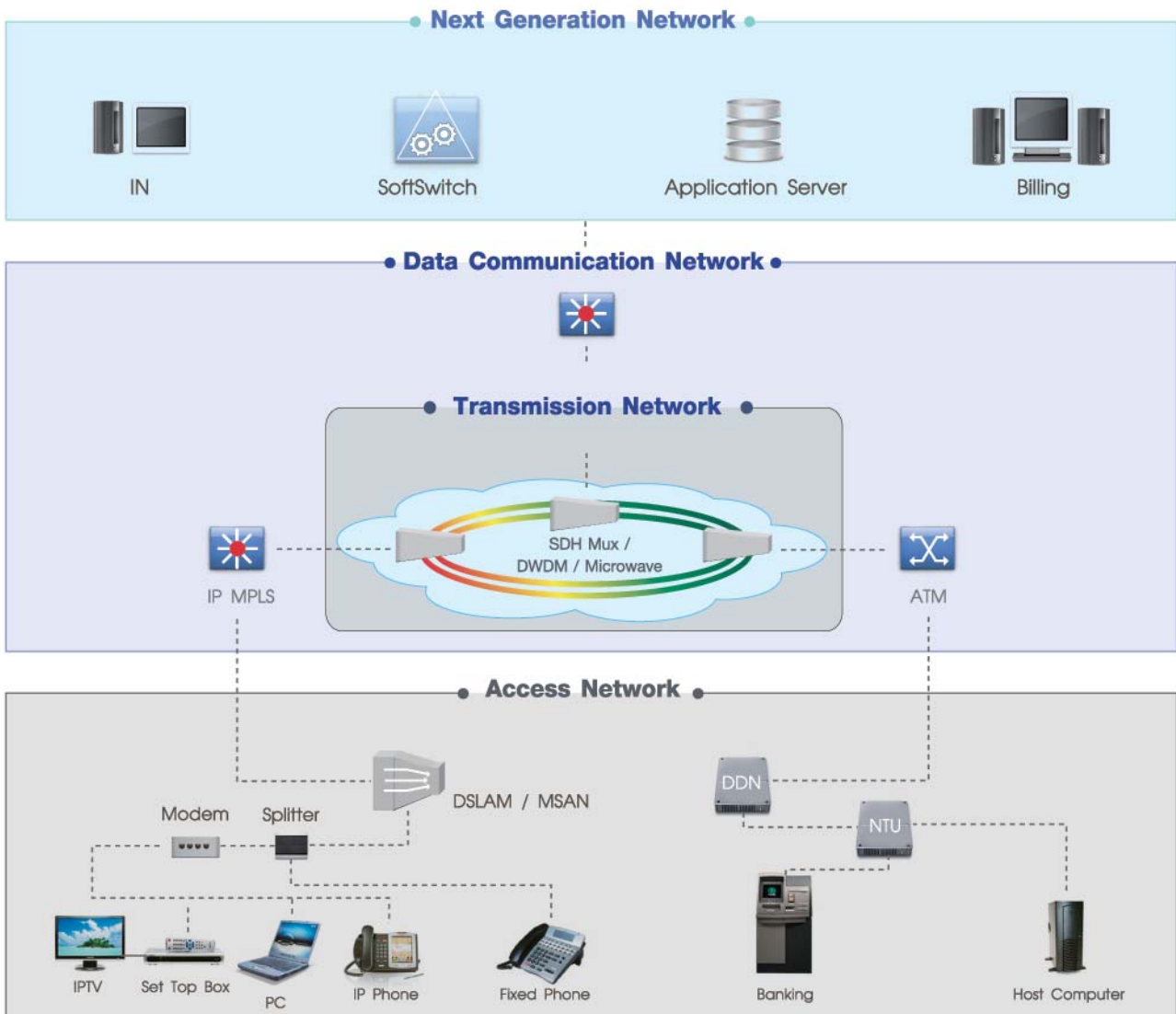
2. Transmission Network - The Company supplies and installs transmission network equipment which connects between the exchange and the other telecom providers. The networks link exchanges in the same province, among provinces or regions and transmit the data to the destination exchange based on the selected solution platform, such as Dense Wavelength Division Multiplexing (DWDM) or Synchronous Digital Hierarchy Multiplexer (SDH MUX) or Microwave Radio devices.

3. Data Communication Network - The Company supplies and installs data communication network equipment which supports the transmission of data or connects equipment to link various networks using the IP protocol and/or ATM, such as connecting terminal networks which are linked to a customer to support Broadband services. The Company offers various solutions, such as IP Core Routing Switches equipment (IP-MPLS), Asynchronous Transfer Mode Switch equipment (ATM) and Metro LAN Solution equipment.

4. Next Generation Network - The Company offers new generation solutions to fixed-line telephone operators who have already installed and launched networks. The Company develops, improves or adds some service features, such as voice, data and video in order to enhance the operating efficiency of these operators. Examples of these are intelligent network equipment (IN) and Next Generation Network equipment (NGN).

5. Wireless Communication Network - The communication channel transmitting via electromagnetic wave, which are divided into frequency bands or channels and assigned for various communication services, including Radio frequency band (RF), Microwave band, Infrared band and etc. The Company plans to propose the wireless communication network solutions for telecom operators and other customers, to meet their requirements, such as WiFi/ WiMAX Network, Mobile Telephone Network

Telecom network systems engaged in by JTS





2. Payphone

The Company has engaged in payphone business since 2001 by agreement to lease 10,000 public payphone units the BKK Metropolitan and central areas to TOT and later in 2004 another two agreements to lease 20,000 public payphone units in BKK Metropolitan and north-east areas and south areas have been agreed.

Based on the agreement, the Company leases public payphones to TOT, a fixed-line telephone operator, which then provides public phone services to the general public. The Company procures and installs public payphones, phone booths and other related equipment, and also performs testing and repair and maintenance.

As of 31st December 2008, the Company has installed total of 11,944 payphones: 4,532 phones in the Bangkok and metropolitan area, 4,552 phones in the central area, 1,273 phones in the South and 1,587 phones in the North-East.

In the past, the Company was faced with a delay in the installation and delivery of payphones, as the TOT had an insufficient supply of telephone numbers and lines. The Company informed TOT in writing of the delay, and on 29th April 2004, 19th May 2006, and 22nd May 2006, TOT issued letters extending the installation period and waving the penalty fee pursuant to the three agreements until TOT could manage to assign the telephones lines and numbers.

In 2007, the Company received license type one from NTC to operate 10,000 Payphones in nationwide. Regarding to this license, the Company can provide the payphone service by rental network and facilities from Wireline and Wireless Operators.

With high expertise and powerful resources, the Company has expanded the service to other telecom operators by offering managed service and outsourcing service such as installation, supervision and maintenance the telecom networking including payphone network.



3. Test Equipment Business

The Company is an authorize distributor of the Telecommunication Test Equipment in Thailand, such as transmission line tester, mobile/ microwave antenna and Radio Frequency (RF) test equipment. The Company is a distribution agent for test equipment of the Anritsu Group, under the “Anritsu” brand.



Test equipment is used to measure and maintain telecommunications equipment, which includes devices to measure RF signals, incoming and outgoing signals, such as handheld antenna analysers, RF measuring instruments, mobile communication measuring instruments, or fibre optic measuring instruments and SDH measuring instruments. The Company distributes four types of test equipment categorised by communication mode, as follows:

1. Measuring instruments for mobile phone and microwave systems
2. Fibre optic measuring instruments
3. Digital data measuring instruments
4. RF signal measuring instruments

The test equipment business supports the bidding of projects of the Telecom Systems Integration business in the sense that the Company can simultaneously offer systems integration services as well as test equipment in order to meet customer requirements.

4. Computer Systems Integration Business

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



STCC specialises in the telecom industry and infrastructure. It engages in three types of systems, as follows:

1. Customer Care Systems involve all customer service systems, which consist of several sub-systems, e.g. telephone service activation, billing and payment systems.
2. Data Intelligence Systems include data warehouse systems which accompany business intelligence systems, such as the development of applications for data storage of client information of commercial banks. The data is analysed for the purpose of developing marketing plans or plans to launch new products
3. Enterprise Resource Planning Systems is a back office system which supports the internal operations of an organisation, such as an accounting system, inventory management system, and so on.

5. Security System Business

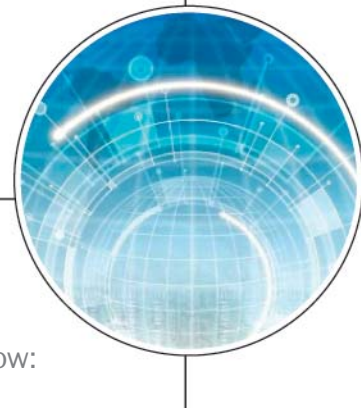
The Security Business involves turnkey project for equipment procuring, system design and implementation for internal security system, ranging from CCTV system, Access Control System, Intrusion System, Fire Alarm System to the customers include state enterprises, government and private sectors. In addition, the Company also provides procuring, design and integrating the GIS System project for the Local Government Authorities.



The Business strategy is focus on the clearcut information providing and suitable product selection by the team of certified engineers and selling representatives. The Company also emphasizes on convenient and shortcut After Sale Services, continually updates the product and technology for the customers. The Company also implemented the Customer Relationship Management Program in order to retain the customers to be the represent of our premium services.



Revenue Structure the Company and Subsidiary

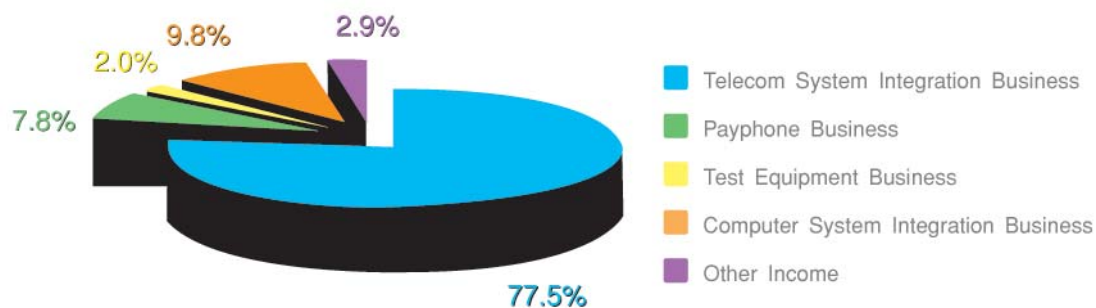


Revenue structure of the company and subsidiary was as follow:

Business	Operated by	Consolidated statement of Revenue					
		2006		2007		2008	
		Million Baht	%	Million Baht	%	Million Baht	%
Telecom Systems Integration Business	Company	2,242.21	76.79	1,138.12	70.79	1,247.68	77.52
Payphone Business	Company	201.80	6.92	165.39	10.29	126.26	7.84
Test Equipment Business	Company	41.77	1.43	75.29	4.68	31.94	1.98
Computer Systems Integration Business	Subsidiary	364.82	12.49	166.52	10.36	157.24	9.77
Net Sales		2,850.60	97.63	1,545.32	96.12	1,563.12	97.12
Other Income	Company	69.18	2.37	62.34	3.88	46.39	2.88
Total		2,919.78	100.00	1,607.66	100.00	1,609.51	100.00

Note : 1) Security Business Revenue was included in Telecom Systems Integration Business Revenue.

Sale and Service Revenue Structure The company and Subsidiary Year 2008





Major Event In Year 2008

JTS Acquired New Contracts in 2008

- On 21 May 2008, JTS got the contract from Provincial Electrical Authority (PEA) for the turnkey project of PEA Field Device Interfaces Group A (Northern area), in the PEA's Distribution System Dispatching Center Project 2nd Stage. The contract signed between The Consortium of Jasmine Telecom Systems and Siemens and the PEA.
- On 14 July 2008, JTS signed the agreements with Italian-Thai Development Public Company Limited for equipment and services for UHF Communications with respect to the PEA's System Dispatching Center Project 2nd Stage. This project would operate under the turnkey project between The Consortium of Italian-Thai Development Public Company Limited, PSI AG and Data Radio COR Ltd and the PEA.

JTS the 1st SI Awarded a Contract for New Technology

- On 11 June 2008, JTS got the contract from Mae Fah Luang University for the turnkey project of Mae Fah Luang Pilot Project of Tele-Center of Distance Education for Rural Education and Development to commemorate the 80th Birthday Anniversary of His Majesty the King (using WiMAX technology). The contract signed between The Consortium of Jasmine Telecom Systems, TT&T Subscriber Services and Triple T Broadband and Mae Fah Luang University. This is the first project in Thailand which apply WiMAX in real application. The project budget was approved and acquired the frequency band 2.5 GHz license from the NTC.

The Contract of Previous Project Expansion

- On 16 December 2008, JTS get the contract from Triple T Broadband Public Company Limited for the purchasing network equipment, system design and implementation for broadband internet network. This project is the expansion phase from previous contract which was started in 2006.



Risk Factors

- **Risk relating to reliance on major customers** : The Company's revenue are principally generated from sales and services mostly in form of projects from our main clients who engage in telecom business, namely, TT&T, Triple T Broadband, TOT and CAT Telecom having 64.05% of total sales and services. In case the mentioned clients slow their investment down or reduce their budget or do not have new projects, the Company's revenue would be directly affected. However, we have been seeking for another client in different field such as Provincial Electricity Authority, Bank and Bangkok Metropolitan.
- **Risk relating to reliance on major suppliers** : Major suppliers are the Huawei and Alcatel-Lucent, both of which are well known in telecom area. In case where the Company cannot obtain equipment from these suppliers or where these suppliers engage in bidding themselves, the Company's operations would be affected. However, the Company believes there are still other suppliers with a similar quality. In order to mitigate the risk of a heavy reliance on any single supplier, the Company has established a good relationship with many leading world-class suppliers.
- **Risk relating to the delivery of projects** : The normal duration for project implementations are three months to two years, or an average of eight months, depending on the project size. In the event the Company is unable to complete and deliver its work in agreed time, the Company's credibility would be affected and/or would have to pay a penalty. Hence, the margin for the project might decline.
- **Risk relating to the change of technology** : Due to the rapid change in communications and telecommunications technologies, the Company must therefore closely monitor technological advancements and related information, as well as the development of equipment manufacturers so that it can provide needed services to customers in due time.
- **Risk relating to the exchange rate** : The Company imports equipment for its operations but does not store it as inventory. For the telecom systems integration and test equipment units, the Company purchases equipment only when a project is awarded or an order is received. The following policies shall be used to hedge against foreign exchange exposure that may arise from the purchase of imported equipment: 1) in a case in which a contract made with a customer is denominated in Baht, a forward contract shall be purchased from financial institutions to mitigate the risk; and 2) in a case in which a contract made with a customer is denominated in foreign currency, the company shall apply a back-to-back policy by using the same exchange rate used with its suppliers and customers in order to offset its position.
- **Risk relating to the Payphones** : The Company entered into 3 contracts for rent public telephones to TOT. The Company has abilities to install and deliver the public telephone units to TOT but TOT has insufficient telephone numbers to support. Besides, the liberalization of the telecom industry pursuant to an agreement made with the WTO allowed more foreign operations to enter into the Thai market, which later caused serious competition in price reducing and the payphones business is affected.

Industry Overview

1. Telecom Regulation

In 2008, there are significant movements in Thailand Communications and Telecommunications regulation as follows:

- The issuance of new licenses

In 2008, The National Telecom Commission (NTC) has issued service licenses for totally 68 telecom operators and organizations. The license issued decreased comparing to 151 licenses in 2007. The details of service license issued are in the table below:

License Type	The Number of Operators
Type One License	60
Internet service provider (ISP)	26
Resale service of international private leased circuit (IPLC)	1
Resale service provider	2
Store & retrieve value-added service	2
Payphone service provider	2
Resale service of payphone service	1
International calling card and payphone service provider	1
International calling card provider	24
Electronics facsimile service provider	1
Type Two License	5
IIG & NIX	3
International Private Leased Circuit provider (IPLC)	1
Service Provider	1
Type Three License	3
Network Provider & Service Provider	3

Source : Thailand ICT Market 2008 & Outlook 2009 by SIPA & NECTEC

- NTC Master Plan, 2nd issue (2008-2010)

The NTC Master Plan issue 2008-2010 was unenforceable since 31 March 2008, and the NTC Master Plan 2nd issue has taken place as the current route map for the NTC. According to this master plan, the NTC should govern the telecom operators and corporations in necessary, should regulate them according to the rules and telecommunication business act, in order to reinforce fair competition, while concerning the benefits for the people and the country as a whole.

- National Broadcast and Television Business Act (2008)

This Act defines the broadcast business and television business, both with radio frequency band and without radio frequency channel, networks, network owners, broadcast stations, funds and financials, Master plan of broadcast and television business, frequency bands, the committee and administrators.

2. Industry Situation and Competition in 2008, and Trend 2009

In 2008, there are many fluctuating situations in Thailand, including the political conflicts and economic recession which effected dominantly in 2008 year end. These situations lead to the government sector concerning and being rigid on investment, then effect the ICT market in Thailand. According to the Thailand ICT market research by Software Industry Promotion Agency (SIPA) and National Electronics and Computer Technology Center (NECTEC) with allied organizations, in 2008 (Table 1) Thailand expenditure in ICT products and services is totally Baht 542,854 million, increasing from year 2007 for 8.3 percent, which was slightly lower than the forecasted figure 13.1 percent. However, the trend of expenditure distribution is same as previous year. The maximum portion expenditure was invested in Communication section for 69.9 percent, equals to Baht 379,216 million. The next expenditure portions are in computer hardware, computer software and computer services, which were equal to 13.9 percent, 11.6 percent and 4.6 percent accordingly, or equal to Baht 75,720 million, Baht 62,937 million and Baht 24,981 million. The research forecasts that in 2009 the ICT market will expand from 2008 with lower percentage, approximately 5.1 percent, which would be the lowest expansion rate in 10 years. It is not only results from normal decrease in product prices, but also results from economic recession both in Thailand and other countries, which were declined since 2008 and continuing descent in early 2009. Furthermore, the research forecasts that, in 2009, the computer services market would be expand with the highest rate, and the next market would be communications and computer software consecutively, while the computer hardware market would not expand in 2009.

Table 1 ICT Market value in Thailand, year 2007 - 2008 and forecast in 2009

ICT Market	Market Value (Million Baht)			Growth (%)		ICT Market Portion (%)		
	2007	2008	2009f	07/08	08/09	2007	2008	2009f
1. Computer Hardware	68,159	75,720	75,435	11.1	-0.4	13.6	13.9	13.3
2. Computer Software	56,616	62,937	66,117	11.2	5.1	11.3	11.6	11.6
3. Computer Services	21,425	24,981	28,521	16.6	14.2	4.3	4.6	5.0
4. Communications	355,117	379,216	400,534	6.8	5.6	70.8	69.9	70.2
Total	501,317	542,854	570,607	8.3	5.1	100	100	100

Source : Thailand ICT Market 2008 & Outlook 2009 by SIPA & NECTEC

Year 2008 the market size of communications is Baht 379,216 million, and the growth rate is 6.8 percent. The major driving factors come from the communication services. The research forecasts that the market size of communications in 2009 growth rate would be slightly lower, 5.6 percent, or Baht 400,534 million. In section Data Communication Equipment market (Table 2), which is the part of communications market that JTS business focus on, the market shall be divided into Wired Line and Wireless section, covering the network carrier equipment and network station equipment such as TDM Switching, IP Core Networks, LAN, Cable and Fiber Optic. According to survey research in 2008, the Data Communication market size was Baht 59,868 million, increasing 11.8 percent compare to 2008. The research forecasts that the growth rate would be slightly lower, increase 11.1 percent, or Baht 66,531 million market value.

The maximum expenditure section in Data Communication market is the telecom operator section, with 64.7 percent of total market, equal to Baht 38,759 million. The maximum portion of these expenditures is spent in the wireless equipment, which major results from the investment to expand the broadband internet network by the operators. The second expenditure section is corporate customers, with 33.3 percent, or equal to Baht 19,917 million. The Wired Line communication equipment is the most expenditure by users in all section.

Table 2 Communication Market in 2007-2009

Unit : Million Baht

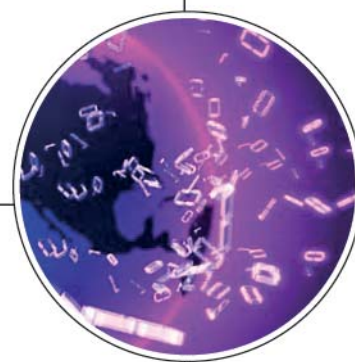
Categories	2007	2008	2009	Growth (%)	
				YTY (07/08)	YTY (08/09)
Total voice Comm. Equip.	64,842	67,094	67,562	3.5	0.7
1.1 Telephone Handset	2,698	2,759	2,771	2.3	0.4
- Traditional Handset	1,189	1,114	1,026	-6.3	-7.9
- IP Phone	984	1,095	1,184	11.2	8.1
- Fax	525	550	561	4.9	2.0
1.2 Mobile Handset	54,448	57,540	58,655	5.7	1.9
- Traditional Handset	37,920	38,830	37,109	2.4	-4.4
- Smart Phone	12,240	13,400	14,850	9.5	10.8
- PDA Phone	4,288	5,310	6,696	23.8	26.1
1.3 PBX/PABX	7,696	6,795	6,136	-11.7	-9.7
- Traditional PBX	6,870	5,800	5,010	-15.6	-13.6
- IP PBX	826	995	1,126	20.4	13.2
Total Data Comm. Equip.	53,569	59,868	66,531	11.8	11.1
2.1 Wired Line	33,287	36,953	40,067	11.0	8.5
2.2 Wireless	20,282	22,933	26,464	13.1	15.4
Communication Equip. Market	118,411	126,962	134,093	7.20	5.6

Source : Thailand ICT Market 2008 & Outlook 2009 by SIPA & NECTEC

3. Technology Trend in 2009

Even though the Communication market in 2009 tends to grow with lower percentage compare to previous year - due to the global financial crisis, lower investor confident and lower consumer confident, the communication market is forecasted slightly effected because the communication operators and large business corporations need to invest in network, in order to support the continuous change of technologies, and also need to invest in new system to support new services. According to the survey research of ICT market by SIPA & NECTEC, it suggested that the technology trends in 2009, which would be the critical factor to stimulate the growth in ICT market, are 3G Network technologies and WiMAX. These technology trends will encourage the service expansions to other products and services include computer hardware, i.e. Mobile Internet Device, and other value added services. The other communication technologies that expected more popularity in 2009 are Navigation technologies, which will encourage popularity of the GPS supported equipment, Unified Communications between intranet and mobile communication system, Network Security Equipment, Multiple SSID, and Roaming Network Equipment WiFi Mesh. The services that would stimulate the growth in ICT market, in this economic recession situation, would be Video Conference service and CCTV system. The technology trends which would be more roles in the next couple years are Internet connection via optical fiber cable (FTTx) and Internet connection through power line cable (Broadband Power Line).

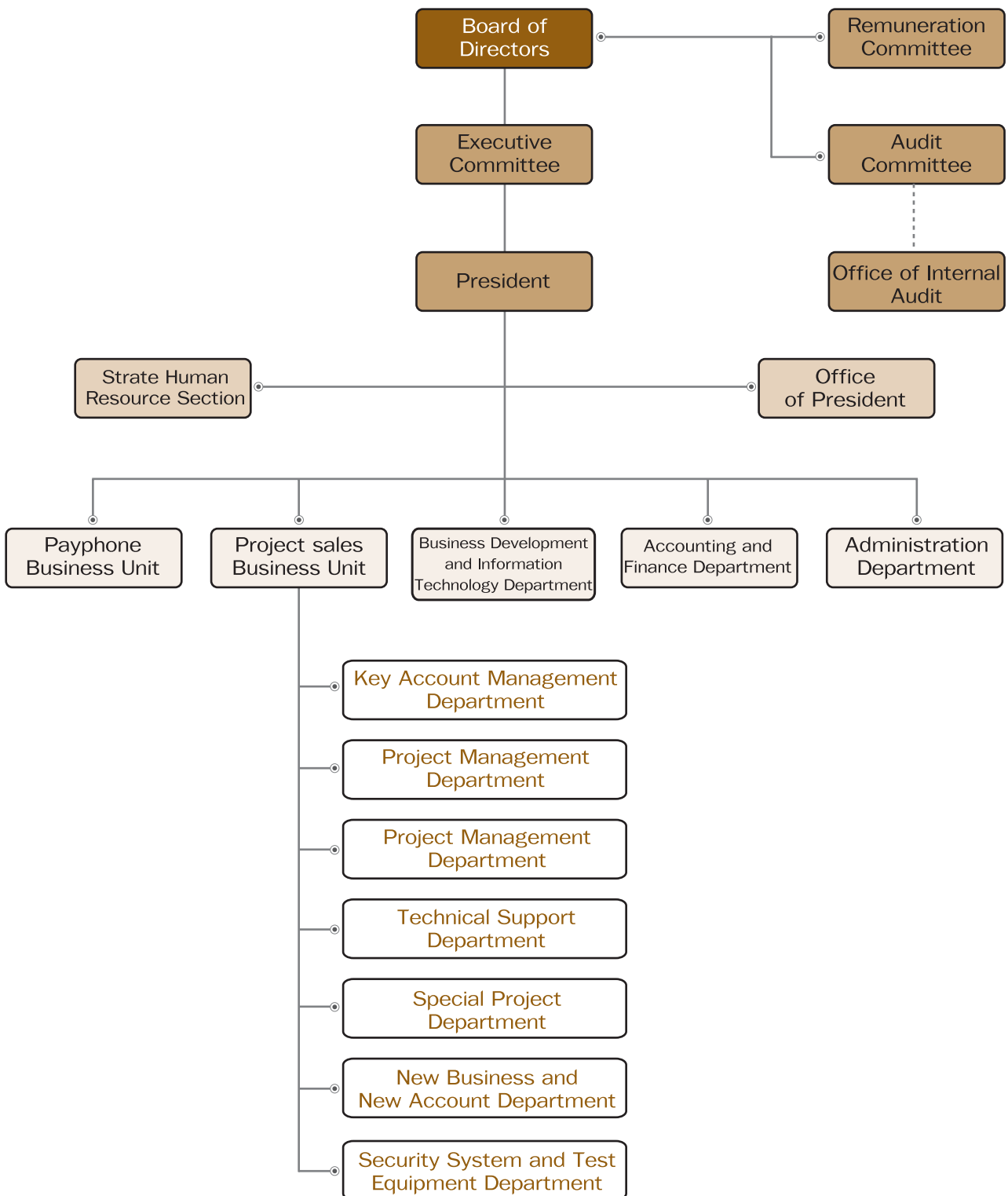
Shareholding Structure



List of top 10 major shareholders and shareholding structure as at October 9, 2008

	Name of Shareholders	Number of Share	% of Total Shares
1.	Jasmine International Public Company Limited	399,997,200	56.90
2.	ACeS Regional Service Co., Ltd.	64,027,700	9.11
3.	T.J.P. Engineering Co., Ltd.	60,000,000	8.54
4.	Thai NVDR Co., Ltd.	10,627,300	1.51
5.	TSFC Securities Limited	8,500,000	1.21
6.	Mr. Chaiya Wongwattaporn	4,076,000	0.58
7.	Mrs. Raweevan Wongsantiwanich	2,785,000	0.40
8.	Mr. Kanchit Bunajinda	2,764,100	0.39
9.	Mr. Kirin Narular	2,600,000	0.37
10.	Ms. Penpannee Horrungreung	2,220,000	0.32

Organization Chart





Management

The Company has the Board of Directors and three committees i.e. Audit Committee, Executive Committee and the Remuneration Committee.

The Board of Directors

1. Mr. Pete	Bodharamik	Chairman of the Board
2. Mr. Somboon	Patcharasopak	Vice Chairman of the Board
3. Mr. Pleumjai	Sinarkorn	Director
4. Mr. Terasak	Jerauswapong	Director and President
5. Mr. Subhoj	Sunyabhisithkul	Director
6. Mr. Arporn	Kengpol	Independent Director
7. Mr. Annop	Suthakavatin	Independent Director
8. Mr. Monton	Sudprasert	Independent Director
9. Available (see Note)		

Note : On August 1, 2008, Mr. Somsak Padhana-anek resigned from the director of the Company and a new director to replace such available seat has been nominating.

Corporate Secretary

Mr. Terasak Jerauswapong Corporate Secretary

Authorized Directors and Conditions

1. Mr. Pete Bodharamik and Mr. Somboon Patcharasopak both of them affix their signatures together with the Company seal; or,
2. Mr. Pete Bodharamik or Mr. Somboon Patcharasopak, either one affixes his signature with Mr. Subhoj Sunyabhisithkul or Mr. Terasak Jerauswapong together with the Company seal.

Scopes of Authority and Duties of the Board of Directors

The Directors shall honestly and prudently perform their duties in accordance with the laws of Thailand, the objectives and the Articles of Association of the Company as well as the legal resolutions or the recommendations of the shareholders' meetings. The scopes of authority and duties of the Board of Directors are summarized as per the followings.

1. Convene an annual general shareholders' meeting within four months of the last day of the fiscal year of the Company
2. Convene a meeting of the Board of Directors at least once every three months
3. Provide the preparation of the audited balance sheet and the profit and loss statement of the fiscal year of the Company for submission to the shareholders' meeting for consideration and approval
4. May delegate their authority to any director or directors or other person to take any action on behalf of and under the supervision of the Board, or empower such person as the Board considers appropriate and within the time the Board considers appropriate. The Board may cancel, withdraw, change or amend the said authority whenever it deems appropriate.

The Board of Directors may grant the Executive Committee the authority to supervise the normal operations of the Company, which was already described in the duties and authorities of the Executive Committee. However, such authorization shall not include transactions in which any director or member of management has a material interest, directly or indirectly, or has a conflict of interest with the Company or its subsidiary, except where the transactions are in accordance with policies and measures which were already approved by the Board or where guidelines have already been established.

5. Determine the Company's objective, policy, business plan and budget, as well as supervise and monitor the management of the Executive Committee to ensure that they conform to the Company's policy, with the exception of the following matters which require the approval of a shareholders' meeting: a capital increase, capital reduction, debenture issuance, the entire disposal or transfer of the business or a significant part thereof to other parties, the purchase or transfer of other businesses, and an amendment of the Memorandum of Association or Articles of Association.

Furthermore, the Board of Directors shall supervise and monitor the Company to ensure it complies with the regulations of the SEC and SET, i.e. connected transactions, the disposal or acquisition of assets, or other related legislation, etc.

6. Determine the management structure, appointment of the Executive Committee, the President and other committees as appropriate
7. Monitor the Company's performance so as to compare with the overall business plan and budget
8. No director shall engage in any business which has the same nature as and is in competition with the business of the Company or become a partner in an ordinary partnership or become a director of a private Company or any other Company operating a business which has the same nature as and is in competition with the business of the Company, either for his or her own benefit or for the benefit of other persons, unless he or she notifies the shareholders' meeting prior to the resolution of his or her appointment.
9. A director shall notify the Company without delay when he has a direct or indirect interest in any contract which is made by the Company, or when he or she holds shares or debentures of the Company or an affiliated company, and shall indicate any increase or decrease in the number of the director's total number of shares.

Authorized Financial Operating Duties of the Chairman of the Board of Directors

The Chairman of the Board of Directors shall approve expenditures, purchases, procurements, rentals and leasing related to the Company's normal business operations and investments within a credit limit of Baht 30 million or equivalent or an amount the Company's Board of Directors assigned for each transaction. Also, the Chairman of the Board of Directors shall approve bidding for projects and/or a consortium with a partner within a project value limit of Baht 200 million or an equivalent amount for each project.

The authority of the Chairman of the Board of Directors shall not include empowering and/or delegating authority for the approval of transactions which may cause a conflict of interest with the Company according to the SET's regulations. The approval of said transactions is required to be proposed to the Board of Directors and/or Shareholders of the Company for their consideration and approval in accordance with the Company's Articles of Association or relevant laws, except for the approval of transactions in the normal course of business which is already covered by existing guidelines approved by the Board.

Besides, the Board of Directors has granted the Executive Committee, the Chairman of the Executive Committee and the President their authorities to supervise the normal operations and investments of the Company. The scopes of authority and credit limit of each of these three levels of management are clearly determined. No authority is granted without a credit limit determined.

Audit Committee

- | | | |
|---------------|--------------|---------------------------------|
| 1. Mr. Arporn | Kengpol | Chairman of the Audit Committee |
| 2. Mr. Annop | Suthakavatin | Audit Committee |
| 3. Mr. Monton | Sudprasert | Audit Committee |

Scopes of Authority and Duties of the Audit Committee

1. To verify the Company's financial statements for accuracy and adequacy
2. To oversee both the Company's internal control system and internal audit system to ensure their appropriateness and efficiency aside from considering independence of the internal audit department, approving the appointment, the transfer, and the dismissal of the head of the internal audit department as well as the heads of any other departments responsible for internal auditing

3. To oversee and ensure the Company's conformity to the law regarding securities and stock exchange in addition to the regulations of the Stock Exchange of Thailand and the laws relevant to the Company's business
4. To consider, select and appoint persons who are independent to be the Company's external auditors and propose their remuneration in addition to having a meeting with such auditors at least once a year without the presence of the management
5. To consider the related transactions as well as the transactions which may cause conflicts of interest and make sure that such transactions are reasonable and in compliant with the related law and the regulations of the Stock Exchange of Thailand for the maximum benefit of the Company
6. To prepare the Audit Committee report which is disclosed in the Annual Report of the Company ; the report must be certified by the signature of the Chairman of the Audit Committee and must include at least the following information :
 - 6.1 The opinion on accuracy, completion, and creditability of the Company's financial report
 - 6.2 The opinion on adequacy of the Company's internal control system
 - 6.3 The opinion on compliance with the law regarding securities and stock exchange in addition to the regulations of the Stock Exchange of Thailand and the laws relevant to the Company's business
 - 6.4 The opinion on appropriateness of the external auditors
 - 6.5 The opinion on the transactions which may have conflicts of interest
 - 6.6 The number of Audit committee meetings and the attendance of each Audit Committee member
 - 6.7 The opinion or overall remarks the Audit Committee obtains during performing duties in line with the charter
 - 6.8 Other information deemed appropriate for the acknowledgement of the shareholders and investors under the scope of duties and responsibilities authorized by the Board of Directors
7. To oversee the Company's risk management to ensure their appropriateness and efficiency
8. Any other tasks assigned by the Board of Directors with the consent of the Audit Committee

The Audit Committee has a 3-year term in the office. In case of vacancy for any reason other than at the expiry of his term, the Board of Directors shall, to fulfill the Audit Committee as stipulated, elect and appoint a qualified person to fill in the vacancy. Such new member of the Audit committee shall retain his office only for the remaining term of the office of the Audit Committee member whom he replaces.

Executive Committee

1. Mr. Subhoj	Sunyabhisithkul	Chairman of the Executive Committee
2. Mr. Terasak	Jerauswapong	Executive Director
3. Mr. Pleumjai	Sinarkorn	Executive Director
4. Mrs. Busakorn	Jongsaksawat	Vice President - Accounting and Finance and Executive Director

Scopes of Authority and Duties of the Executive Committee

1. Determine the Company's business policies and strategy, and propose this to the Board of Directors for its consideration and approval
2. Determine the Company's business plan, delegate management authority and prepare an annual expenditure budget and annual business investment budget, and propose these to the Board of Directors of the Company for its consideration and approval
3. Determine the organisation structure and management system, which shall be suitable for the current business environment to ensure that the Company's business operations are efficient
4. Determine the salary and wage structure, and prepare regulations in regard to remuneration on a cash and non-cash basis and a regulation concerning increases in salary and bonuses which are suitable for the Company's situation each year
5. Evaluate, appoint, remove and relieve Company's employees who have a position lower than President down to Assistant Vice President
6. Audit the Company's operating results to ensure they comply with the business plan approved by the Company's Board of Directors

7. Approve expenditures, purchasing, procurements, rent and leasing related to the Company's normal business operations and investments within a credit limit of Baht 200 million or an equivalent amount the Company's Board of Directors assigned for each transaction
8. Approve loans and credit lines for the Company's normal business operations within a credit limit of Baht 200 million or an equivalent or any amount that the Company's Board of Directors assigned for each transaction
9. Approve the opening of bank accounts for all types of accounts and determine the Company's signing conditions for bank account payments
10. Perform other duties which are assigned by the Company's Board of Directors in each time period
11. Approve expenditures, purchasing, procurements, rent and leasing related to the Company's business operations and investments which are not normal within a credit limit of Baht 50 million or an equivalent amount for each transaction. In case the credit limit is exceeded, the Executive Committee is required to propose this to the Board of Directors of the Company for its consideration.
12. Approve the bidding for projects and/or a consortium with a partner within a project value limit of Baht 500 million or an equivalent amount for each project. In case the credit limit is exceeded, the Executive Committee is required to propose this to the Board of Directors of the Company for its consideration.

Authorized Financial Operating Duties of the Chairman of the Executive Committee

The Chairman of the Executive Committee shall approve expenditures, purchases, procurements, rentals and leasing related to the Company's normal business operations and investments within a credit limit of Baht 30 million or equivalent or an amount the Company's Board of Directors assigned for each transaction. Also, the Chairman of the Executive Committee shall approve bidding for projects and/or a consortium with a partner within a project value limit of Baht 200 million or an equivalent amount for each project.

The authority of the Executive Committee and the Chairman of the Executive Committee shall not include empowering and/or delegating authority for the approval of transactions which may cause a conflict of interest with the Company according to the SET's regulations. The approval of said transactions is required to be proposed to the Board of Directors and/or Shareholders of the Company for their consideration and approval in accordance with the Company's Articles of Association or relevant laws, except for the approval of transactions in the normal course of business which is already covered by existing guidelines approved by the Board.

Remuneration Committee

- | | | |
|-----------------|---------------|----------------------------------------|
| 1. Mr. Arporn | Kengpol | Chairman of the Remuneration Committee |
| 2. Mr. Somboon | Patcharasopak | Remuneration Committee |
| 3. Mr. Pleumjai | Sinarkorn | Remuneration Committee |

Scopes of Authority and Duties of the Remuneration Committee

1. Determine the remuneration policy for the Board of Directors, President, and any committees appointed by the Board of Directors
2. Determine the annual remuneration and other benefits for the Board of Directors and any committees appointed by the Board of Directors
3. Evaluate the performance and determine the annual remuneration and other benefits for the President
4. Consider the allocation of the Employee Securities Option Plan adhere to regulations and conditions relating to the issuance of related securities

The Remuneration Committee is directly responsible to the Board of Directors. In addition, the Chairman and members of the Remuneration Committee have a term of three years. However, the Chairman and members of the Remuneration Committee may be re-appointed to their positions after the expiration of their terms.

The authority of the Remuneration Committee shall not include the authority to approve transactions which may cause a conflict of interest with the Company or any transaction in which members of the Remuneration Committee or their connected persons have an interest or benefit that causes a conflict of interest according to the SET's regulations. The approval of said transactions is required to be proposed to the Board of Directors and/or Shareholders of the Company for their consideration and approval in accordance with the Company's Articles of Association or relevant laws, except for the approval of transactions in the normal course of business which are already covered by existing guidelines approved by the Board.

Executives

1. Mr. Terasak	Jerauswapong	President
2. Mr. Monchai	Manepairoj	Senior Vice President - Project Sales Business Unit
3. Mr. Prasert	Towiwat	Vice President - Payphone Business Unit
4. Mr. Wichai	Tanjariyaporn	Vice President - Project Sales Business Unit
5. Mr. Sukawat	Nachaiyasit	Vice President - New Business and New Account Department
6. Mrs. Busakorn	Jongsaksawat	Vice President - Accounting and Finance Department

Scopes of Authority and Duties of the President

1. To manage and control the Company's normal business operations and act pursuant to assignments by the Board of Directors and the Board of Executive Directors as well as assign a suitable person to manage and perform as the representative of the President in necessary and suitable issues under the consideration of the President in accordance with the Company's Articles of Association or relevant laws
2. To approve expenditures, purchasing, procurement, rent and leasing according to the annual budget which is approved by the Board of Directors, as well as expenditures, purchasing, procurement, rent and leasing related to the Company's normal business operations and investments within a credit limit of Baht 5 million or equivalent or complies with the Company's Board of Directors assigned for each transaction
3. To evaluate, appoint, remove and relieve the Company's employees which have a position lower than the Assistant Vice President
4. Approve bidding for projects or consortium with a partner within a project value limit of Baht 100 million or an equivalent amount for each project

The delegation of authority to the President as well as the assigning of a suitable person to act as a representative under the consideration of the President does not include the authority to approve a transaction which may have a conflict of interest with the Company or any transactions which may have a conflict of interest according to the SET's regulations. The approval of said transactions will be required to be proposed to a Board of Directors' meeting and/or Shareholders' meeting in accordance with the Company's Articles of Association or relevant laws, except for normal business transactions already covered by existing guidelines approved by the Board.

Selection of Directors and Executives

The Company has not appointed the Nominating Committee; therefore, the Board of Directors is responsible for selecting persons with proper qualifications, experiences and sufficient time to contribute their roles to the Company. The selected persons shall be proposed to the shareholders' meeting for election which shall be supported by no less than the total shareholders present and eligible for the voting. Each shareholder shall exercise all of his votes to elect either one or several persons as a director or directors. The persons who receive the highest number of votes in their respective order of the votes in a number not exceeding the number of directors to be elected at the meeting shall be elected as the director(s). At an annual ordinary shareholders' meeting, one-third of the directors must retire from the office by rotation.

For the executives at the assistant vice president level to the level lower than the President, the Executive Committee is responsible for.

Directors and Executives Remuneration

The Company has remunerated the directors and executives base on the industry standard and reflect level. The remuneration for the Board of Directors shall be considered by the Remuneration Committee to be proposed to the Board of Director then to the shareholders for approval. A remuneration for an executive shall be consider from the Company's operation results and accountability of an executive including his qualifications, knowledge, experience and his contribution.

For the year 2008, the Board of Directors and the executives received money remuneration and other remuneration as follows.

Money Remuneration

The remunerations for the Audit Committee, a chairman and two directors, at the total of Baht 1.32 million.

The remunerations for the directors and management at total of Baht 15.85 million as salary, bonus and provident fund

Other Remuneration

With respect to the Employee Securities Option Plan (ESOP Scheme) approved by the Company's extraordinary general shareholders' meeting No. 1/2005 convened on March 9, 2005, the ESOP share at the amount of 300,000 common shares from one million shares were allotted to the directors of the Company, except the three independent directors, and the ESOP warrant at the amount of 5.10 million units were issued and offered to every director. For the executives, the ESOP share at 97,000 common shares and the ESOP warrant at 1,958,500 units were allocated to the executives.

Board of Directors



Mr. Pete Bodharamik*
Chairman of the Board
Age 36 years

Date of Birth :	29 October 1972		
Education :	Bachelor of Management Science London School of Economic, England		
Shareholder (Shares) :	-		
ESOP Warrant (Units) :	-		
Working Experiences :	2008-Present	Chairman of the Board	JTS
	2008-Present	Director, President and Chief Executive Officer	Jasmine International Pcl. Group of Jasmine International Pcl.
	2007-Present	Director	Triple T Internet Co., Ltd.
	2006-Present	Chairman of the Board	Triple T Broadband Pcl.
	2005-Present	Director	Premium Asset Co., Ltd.
	2001-Present	Director	TT& T Pcl.
	1997-Present	Chairman of the Board	Group of Mono Generation Co., Ltd.

Note : * Authorised director



Mr. Pleumjai Sinarkorn
 Director and Executive Director
 Age 75 years

Date of Birth : 25 January 1933

Education : - MMP Chulalongkorn University
 - Bachelor of Electrical Engineering, Rajamongkol University
 - Directors Certification Program (DCP) Class No. 41/2004, Thai Institutions of Directors Association (IOD)

Shareholder (Shares) : 150,000

ESOP Warrant (Units) : 600,000

Working Experiences :

2008-Present	Director	Jasmine International Pcl.
	Director	Triple T Global Net Co., Ltd.
	Director	Triple T Telecom Co., Ltd.
2007-Present	Advisor	Thai Long Distance Telecommunications Co., Ltd
	Director	TT&T Subscriber Services Co., Ltd.
2004-Present	Director and Executive Director	JTS
2002-2006	Executive Director	TT& T Pcl.
1998-2006	Advisor to Executive Committee	Jasmine International Pcl.
1994-Present	Director	TT& T Pcl.
1992-1998	Deputy Managing Director	Thai Telephone and Telecommunication Pcl.
1960-1992	Assistant Vice President, Project	TOT



Mr. Somboon Patcharasopak*
 Vice Chairman of the Board
 Age 48 years

Date of Birth : 2 February 1960

Education :

- M.B.A. Kasetsart University
- Bachelor of Electrical Engineering, Chulalongkorn University
- Directors Certification Program (DCP) Class No. 35/2003, Thai Institute of Directors Association (IOD)
- Certificate of Senior Executive Management Class No. 3, Capital Market Academy
- Diploma in Operation Psychology Management Section Class No. 99, Applied Psychology Institute
- Diploma in Public Economy Management for High - Level Administrators Class No. 4, King Prajadhipok's Institute

Shareholder (Shares) : 150,400

ESOP Warrant (Units) : 600,000

Working Experiences :

2008-Present	Director and Chief Executive Officer	TT&T Pcl.
	Director and President	Triple T Global Net Co., Ltd.
	Director and President	TT&T Subscriber Services Co., Ltd.
	Director and President	Triple T Telecom Co., Ltd.
	Director	Triple T Internet Co., Ltd.
2007-Present	Director and Chairman of Executive Committee	Triple T Broadband Pcl.
2006-Present	President	Acumen Co., Ltd.
2005-Present	Director	Premium Asset Co., Ltd.
2005-2007	Chairman of Executive Committee	JTS
2002-Present	Director	Chaengwatana Planner Co., Ltd.
	Director	Telecom KSC Co., Ltd.
2001-Present	Director	Siam Teltech Computer Co., Ltd.
2000-Present	Director	T.J.P. Engineering Co., Ltd.
	Director	Compunet Corporation Co., Ltd.
	Director	Jasmine Cyberworks Co., Ltd.
1997-Present	Director	Internet Knowledge Service Center Co., Ltd.
	Director	ACeS (Thailand) Co., Ltd.
1995-Present	Director	JTS
	Director	ACeS Regional Services Co., Ltd.
	Director	Premium Real Estate Co., Ltd.
1994-Present	Director	Jasmine Smart Shop Co., Ltd.
1991-Present	Director	Jasmine Submarine Telecommunications Co., Ltd.
1988-Present	Director	Acumen Co., Ltd.
1982-Present	Director	Jasmine International Plc.

Note : * Authorised director



Mr. Terasak Jerauswapong*
 President and Executive Director
 Age 47 years

Date of Birth :	3 December 1961		
Education :	- Bachelor of Electrical Engineering (Telecommunications), King Mongkut's Institute of Technology, Ladkrabang - Directors Certification Program (DCP) Class No. 42/2004, Thai Institute of Directors Association (IOD)		
Shareholder (Shares) :	150,000		
ESOP Warrant (Units) :	600,000		
Working Experiences :	2008-Present	Senior Executive Vice President	TT&T Pcl.
	2007-Present	President	JTS
		Director and Executive Director	Siam Teltech Computer Co., Ltd.
	2006-Present	Director	Jas Tel Network Co., Ltd.
	2005-Present	Director	Premium Asset Co., Ltd.
		Director	ACeS (Thailand) Co., Ltd.
		Director	Pakkret Planner Co., Ltd.
	2001-Present	Director	ACeS Regional Services Co., Ltd.
	2000-Present	Director	JTS
		Director	Jasmine International Plc.
		Director	Smart Highway Co., Ltd.
		Director	Jasmine International Oversea Co., Ltd.
		Director	Jasmine Smart Shop Co., Ltd.
	1996-Present	President	Jasmine Submarine Telecommunications Co., Ltd.
		Director	Thai Long Distance Telecommunications Co., Ltd.

Note : * Authorised director



Mr. Subhoj Sunyabhisithkul*
 Director and Chairman of Executive Committee
 Age 40 years

Date of Birth : 16 March 1968

Education : - Bachelor of Electrical Engineering, Chulalongkorn University
 - Directors Certification Program (DCP) Class No. 42/2004, Thai Institute of Directors association (IOD)

Shareholder (Shares) : 150,000

ESOP Warrant (Units) : 1,050,000

Working Experiences :

2007-Present	Chairman of Executive Committee	JTS
	Director and President	Triple T Broadband Pcl.
2005-Present	Director	Siam Teltech Computer Co., Ltd.
	Executive Director	Siam Teltech Computer Co., Ltd.
2002-Present	Director	TT& T Plc.
2000-Present	Director	Compunet Corporation Co., Ltd.
	Director	Jasmine Cyberworks Co., Ltd.
1999-Present	Director	Acumen Co., Ltd.
	Director	Jasmine Submarine Telecommunications Co., Ltd.
	Director	Thai Long Distance Telecommunications Co., Ltd.
	Director	Jasmine International Overseas Co., Ltd.
	Director	ACeS Regional Services Co., Ltd.
	Director	ACeS (Thailand) Co., Ltd.
	Director	Jasmine Internet Co., Ltd.
1999-2006	Executive Director	Jasmine International Plc.
1998-Present	Executive Director	JTS
	Director	Jasmine International Plc.
1997-Present	Director	JTS
	Director	Mobile Communication Services Co., Ltd.
1997-2007	President	JTS

Note : * Authorised director



Mr. Arporn Kengpol
Independent Director and
Chairman of Audit Committee
Age 79 years

Date of Birth : 1 February 1929

Education : - Bachelor of Electrical Engineering, Chulalongkorn University
 - M.S. in E.E. (Texas)
 - Directors Accreditation Program (DAP) Class No. 28/2004, and Director Certification Program (DCP) Class No. 101/2008 Thai Institute of Directors association (IOD)
 - Audit Committee Program (ACP) Class No. 7/2005, Thai Institute of Directors association (IOD)

Shareholder (Shares) : -

ESOP Warrant (Units) : 200,000

Working Experiences :

2006-Present	Advisor	Council of Engineers
2004-Present	Independent Director and Chairman of Audit Committee	JTS
2002-2006	Subcommittee	Council of Engineers
1997-2002	Board Member and Subcommittee	Member of the Professional Engineer Control Board, Ministry of Interior
1977-1990	Director, Broadcasting Station, Chulalongkorn University	Office the President, Chulalongkorn University
1953-1990	Professor	Engineering Faculty, Chulalongkorn University



Mr. Annop Suthakavatin
Independent Director
and Member of Audit Committee
Age 66 years

Date of Birth : 28 April 1942

Education : - Bachelor of Accounting, Thammasat University
- National Defence Collage (Government and Private Sector 388)
- Directors Accreditation Program (DAP) Class No. 1/2003 and Director Certification Program (DCP) Class No. 51/2004, Thai Institute of Directors association (IOD)
- Audit Committee Program (ACP) Class No. 7/2005, Thai Institute of Directors association (IOD)

Shareholder (Shares) : -

ESOP Warrant (Units) : 200,000

Working Experiences :	2004-Present	Independent Director and Audit Committee	JTS
	2004-Present	Director	Chao Praya Insurance Plc.
	2003-Present	Audit Committee Director	Professional West Technology (1999) Plc. Rent A-V Co., Ltd.
	2001-Present	Audit Committee	Royal Orchid Hotel (Thailand) Plc.
	2000-Present	Advisor	Krung Thai Tractor Co., Ltd.
	1998	Acting for Managing Director	Bangkok Asian Finance Ltd.
	1997	Vice President, Audit and Analysis Department	Bangkok Motor Works Co, Ltd.
	1993-1997	Director and Deputy Managing Director	Bangkok Asian Finance Ltd.
	1971-1992	Auditor, Shareholders, Director	Bancheekij Auditing Co.,Ltd.



Mr. Monton Sudprasert
Independent Director
and Member of Audit Committee
Age 48 years

Date of Birth : 11 July 1960
 Education : - Master of Public Administration, Chulalongkorn University
 - Master of Engineering Chulalongkorn University
 - Directors Accreditation Program (DAP) Class No. 28/2004, and Director Certification Program (DCP) Class No. 101/2008 Thai Institute of Directors association (IOD)
 - Audit Committee Program (ACP) Class No. 11/2006, Thai Institute of Directors association (IOD)

Shareholder (Shares) : -

ESOP Warrant (Units) : 200,000

Working Experiences :	2005-Present	Professional Engineer Level 9	Department of Public Works and Town & Country Planning, Ministry of Interior
	2004-Present	Independent Director and Audit Committee	JTS
	2003-Present	Secretary, Engineer Level 8	Department of Public Works and Town & Country Planning, Ministry of Interior
	2001-2003	Professional Engineer Level 8	Department of Public Works and Town & Country Planning, Ministry of Interior
	2000	Professional Engineer Level 7	Department of Public Works and Town & Country Planning, Ministry of Interior
	1998-2000	Engineer Level 7	Public Works, Ministry of Interior
	1995-1998	Engineer Level 6	Public Works, Ministry of Interior
	1992-1994	Engineer Level 5	Public Works, Ministry of Interior
	1987-1992	Engineer Level 4	Public Works, Ministry of Interior
	1985-1986	Engineer Level 3	Public Works, Ministry of Interior
	1985	Engineer Level 3	Town & Country Planning, Ministry of Interior

Corporate Governance

Corporate Governance

The Company's Board of Directors is entitled to set up Corporate Governance which encompasses 5 major principles to be in line with the guideline of the Stock Exchange of Thailand, the details of which are as the followings.

1. The Rights of Shareholders

The Company is well aware that all the fundamental rights of the shareholders both as investors and company owners must be significantly recognized. Such rights include the right to sell, purchase or transfer the securities they hold, the right to receive the Company's profits sharing, the right to adequately receive the Company's information, the right to attend the shareholders' meeting wherein they can express their opinions and vote on resolutions on the Company's significant matters; for instance, the dividend payment, the appointment or dismissal of a director, the appointment of the external auditors, the approval of any crucial transaction which might affect the directions of the Company's operation, the amendment on Memorandum of Association or Articles of Association and so on.

Moreover, to support and facilitate the shareholders in exercising their rights as follows;

1. The Company manages to arrange the Shareholders' Annual General Meeting within the first 4 months of the Company's fiscal year. As for the so called "Extraordinary Shareholders' Meeting", each will be called for only when it is deemed appropriate.

Invitation letters together with the meeting agenda and related documents with adequate fact(s), reason(s) and opinion(s) of the Board of Directors will be distributed for the shareholders to consider 7 or 14 days prior to the meeting date, depending on the subjects. The Company will also advertise the Meeting notice in the press 3 days consecutively before the date of meeting.

2. Provided that a shareholder is unable to attend the meeting in person, the Company allows him/her to assign an independent director or any person to attend and vote on his/her behalf. To this regard, the shareholder as the Proxy Grantor must inform the Company in writing by filling in one of the proxy forms attached with the meeting invitation letter or downloaded from the Company's website.
3. During the meeting, the Company provides equal opportunities for the shareholders to make enquiries or to express their views. Therein, all the Company's directors and relevant management are present to be acknowledged of the shareholders' opinions as well as to answer the questions raised. Every question-and-answer issue and all the significant opinions are recorded in the minutes of meeting to facilitate the shareholders' scrutiny.
4. After the meeting finished, the Company shall arrange the minutes that present the complete and accurate information for the shareholders to review.

2. The Equitable Treatment of Shareholders

The Company has a policy to treat all the shareholders equally whether the major shareholders, minor shareholders, institutional investors or foreign investors. Independent directors are assigned by the Company to be responsible for looking after the minor shareholders.

The shareholders' meeting is properly conducted according to the scheduled agenda in respect of the Company's Articles of Association. Related information is clearly presented. No un-informed agenda is introduced to the meeting neither is an important agenda which the shareholders need some time to make a prudent study before making a decision. In case that a shareholder is unable to attend the meeting in person, the Company allows him/her to assign an independent director or any person to attend and vote on his/her behalf. To this regard, the shareholder as the Proxy Grantor must inform the Company in writing by filling in one of the proxy forms attached with the meeting invitation letter or downloaded from the Company's website.

Voting process is transparent with regard to the order of agenda items. During the meeting, the shareholders are entitled to cast the vote to express their agreement or disagreement or even to abstain from voting on such issues as related transactions, the acquisition or the disposal of the Company's assets and so on. The agenda on director election provides the shareholders with the chance to elect the directors as individual persons to replace the ones who retire by rotation.

The Company has business ethics for the employees, stipulating the importance of keeping the information of both the Company and its subsidiaries in confidence. It has also set up penalty for any staff who makes use of the inside information for his/her own benefits or implement the same in the manner that may damage the Company's reputation. Additionally, the trading or transferring of the Company's securities by using confidential information and / or inside information is prohibited in the like manner as the conduct of juristic act, using the Company's confidential information and / or inside information since such doing may cause damage to the Company either directly or indirectly.

The Company has set up a measure to prevent the improper "Insider Trading" by relevant persons who are directors, executives, and staff working in the department related to the inside information (including their spouses and minors). According to the measure, such relevant persons are not allowed to trade the Company's securities a month before the disclosure of the quarterly and annual financial statements. The Company has informed its directors and executives not only of their duty to report their holding of the Company's securities but also the penalty according to the Securities and Exchange Act of B.E.2535 and the regulations of the Stock Exchange of Thailand. In case that the directors or executives trade the Company's securities which they hold, they are obliged to report changes in the possession of their own securities, spouses and minors to the Office of Securities Exchange Commission to comply with Section 59 of the Securities and Exchange Act of B.E.2535 within 3 working days so that it is further disclosed to the public.

Pertaining to this matter, the Company has set up the disciplinary penalty to apply to any relevant person who discloses or makes use of the Company's inside information for seeking his / her own personal interests. The degree of penalty varies, according to the case, from verbal warning, written warning to probation or dismissal.

3. The Role of Stakeholders

The Company equally respects the rights of all the stakeholders whether they are the inside stakeholders such as the Company's employees and management or outside-party stakeholders such as creditors and customers, etc. It also realizes that the support and suggestions from every group of its stakeholders are valuable and beneficial to both the operation and business development. Therefore, it will perform the duty to comply with the law and other related regulations to ensure that all the rights of the stakeholders are handled with proper care. Moreover, for the Company's stability, the cooperation between the Company and all the groups of stakeholders are strongly supported. With respect to this, the Company follows the directions below to appropriately treat each stakeholder group.

- Shareholders** : With the aim to bring about the highest satisfaction to its shareholders, the Company intends to be their ever efficient and trustworthy business representatives, taking into account the long term growth of its value and the emphasis on transparent and honest information disclosure.
- Employees** : The Company regards employees as its precious resources. So, it focuses on supporting human resources development which consequently leads to its maximum benefit. Besides, it encourages the employees to play a part in creating a good organization culture, strong teamwork and safe and pleasant working atmosphere.
- Competitors** : The Company commercially contends with other trade competitors on the fair and ethical competition basis.
- Customers** : The Company is committed to responding and providing quality services for the highest satisfaction and confidence of the customers.
- Trade Counterparts and Creditors** : The Company has the policy to treat both the counterparts and the creditors fairly in compliance with trading conditions and / or terms in the mutual contracts to enhance good business relationship, beneficial to all parties.
- Community and Public** : On the regular basis, the Company joins and sponsors socially constructive projects and activities as exemplified by financial and material donations to several foundations and organizations.

Environment : The Company recognizes the importance of environment is concerned about the impact of pollutions on communities. However, the Company's nature of business does not jeopardize the environment.

The Company will conduct its business to be in line with the law and other related regulations to assure the shareholders of the best protection of their rights.

4. Disclosure and Transparency

The Company's Board of Directors takes as its obligation the disclosure of the Company's financial and other Company-related information to be complete, accurate, and transparent in compliant with the regulations of the Office of Securities Exchange Commission and the Stock Exchange of Thailand. Additionally, it discloses other significant information which may affect the price of the Company's securities which in turn impacts on the decision of the Company's investors and stakeholders. Such information is accessible to the Company's shareholders, investors and the public via the channels and media of the Stock Exchange of Thailand as well as the Company's website.

For Investor Relations, the Company has an IR Team to represent the Company in communicating with institutional investors, shareholders, analysts and relevant state organizations; whereas, the Corporate Secretary Section is accountable for corporate reports.

The Company's Board of Directors is responsible for the consolidated financial statements of the Company and its subsidiaries as well as any financial-related information presented in the Company's Annual Report. Such financial statements are prudently prepared pursuant to the accounting principles generally accepted country-wide based on the appropriate accounting policy to which the Company regularly conforms. The Audit Committee is obliged to verify the quality of the Company's financial reports and internal control system, including the adequacy of the disclosure of important information in notes to the financial statements prior to submitting all to the Board of Directors' and the Shareholders' meetings respectively.

5. Responsibilities of the Board of Directors

1. Structure of the Board of Directors

The Board of Directors of the Company is made up of individuals recognized for their knowledge and capabilities. It plays the vital role in setting up the corporate policy and image besides independently overseeing, auditing, and assessing the Company's performance to be in accordance with the Business Plan.

The Board of Directors totally comprises 9 directors, 3 of whom are independent directors. The appointment of the independent directors in such adequate and proper proportion enables the balance of power in the Board of Directors. The Company's administration is finally examined by the Audit Committee which consists of 3 accredited independent members.

According to the Company's Articles of Association, at every Shareholders' Annual General Meeting, one-third of the directors who have the longest terms shall retire. Nevertheless, provided that the number of the directors is not a multiple of three, then the number nearest to one-third shall retire from office. The retirement of the directors in the first and the second year after the listing of the Company on the Stock Exchange of Thailand is based on the method of lot-drawing. As for the later years, the directors who serve the longest terms shall retire. The Company's Articles of Association also prescribes that the retired directors are eligible for the re-election. Furthermore, whether a director or a committee member can continuously remain in office without break for the longest period will be determined by the Company by taking into account his / her individual qualifications and appropriateness.

The Board of Directors has approved to embrace the disclosure of the number of other companies in which each director has his/her position as a significant criterion for the Board of Directors election. The Company; thus, discloses the information of all the directors who also are directors of other companies in details. At present, 6 directors of the Company's Board of Directors are holding the positions of director in other companies. However, since those directors have sufficiently devoted their time carrying out the Company's tasks with all their efforts, the holding of their positions in other companies does not affect their performance at all ; moreover, they regularly join the Board of Directors' meetings of the Company and always provide practical opinions for the Company therein.

2. Committee

To bring about efficiency in corporate governance, the Company established 3 sets of committee, namely the Audit Committee, the Executive Committee and the Remuneration Committee. It has also set up distinct scopes of authority, duty and responsibility for the members of such committees.

3. Role, Duty, and Responsibility of the Board of Directors

The Company's Board of Directors is made up of individuals who are knowledgeable, proficient, expert and well equipped with beneficial experiences in various fields apart from distinguished leadership. They collectively set visions, missions, strategies and business directions in addition to providing efficacious oversight of the Company's operation to fully comply with all the relevant laws and to correspond to the objectives and regulations of the Company as well as the resolutions of the shareholders' meeting. They also set up committees to monitor and supervise the Company's operation.

Business Ethics

The Company has the business ethics as an essential guideline for the Board of Directors, the management and employees of all levels to adhere so as to conduct their missions and serve all the groups of stakeholders fairly and honestly. Besides, the Company has announced such business ethics including punishment, and acknowledged them to the employees for strict compliance.

Conflict of Interest

The Company's Board of Directors has set up the policy on conflicts of interest based on the principle that any decision on business conduct must be made with respect to the highest interests of the Company only. Any action which might lead to conflicts of interest must be avoided. It is specified that any person relevant or related to the subject to be considered is obliged to acknowledge the Company of his / her relationship or relevance to the matter. He / She is not permitted to join the party which judges the case and does not have the power to authorize that particular case and others. No conditions or regulations are specially set for such case. It is also stipulated that the Office of Internal Audit and the Audit Committee are responsible for taking care of and solving the conflicts of interest. However, to date, the Company has not experienced the problem related to the conflict of interest.

The Audit Committee will report the carefully considered related party transaction and the matter containing a conflict of interest to the Board of Directors in compliance with the regulations of the Stock Exchange of Thailand. Such information is disclosed in the Company's Annual Report and the Updated Registration Statement (56-1 Form).

Whenever changes in the securities holding of the Board of Directors and the management of the Company, including their spouses and minors occur, they must be informed to the Company and reported to the Office of Securities Exchange Commission, respectively according to Section 59 of the Securities and Exchange Act of B.E.2535 within 3 working days after the date of purchase, sale or transfer. Besides, to prevent the improper usage of the Company's inside information, the directors, executives and departments having an access to the Company's inside information are forbidden from disclosing such information to the outside parties and anyone who does not involve in the Company's securities trading a month prior to the disclosure of the Company's financial statements.

Internal Control System

Realizing the importance of the efficient internal control system of both the management and the operation levels, the Company has specified the scopes of the duty and the authority for its executives and employees clearly in writing. It also conducts the control of assets usage. In addition, the duties of the staff and those of the monitoring and assessment officers are segregated from each other. The Audit Committee has been set up by the Company to oversee and monitor such control system to be appropriate and efficient.

Risks Management

The Company evaluates the adequacy of its internal control system on a yearly basis in order to find the way to properly improve the task operation to be increasingly effective.

Report of the Board of Directors

Audit Committee is accountable for the review of the financial report. Quarterly, such report will be presented to the Board of Directors by the Accounting and Finance Department. The joint meeting between the relevant staff and the management of the Accounting and Finance Department and the Company's auditors is scheduled at least once a year. The Board of Directors is responsible for the consolidated financial statements of the Company and its subsidiaries as well as the financial information (the report on the Board of Directors' responsibilities for financial matters) presented in the Annual Report. Such financial statements are prepared in accordance with the accounting principles certified and verified with prudence by the Company's auditors. The disclosure of significant financial-related or non-financial related information is completely and regularly done on the factual basis.

4. Board of Directors' Meeting

The Company's Board of Directors' meeting is scheduled to be convened once every 3 months. However, a special meeting can be called if it is deemed necessary. The agenda items for each meeting are clear and specific. Documents concerned are sent to the directors prior to the meeting date in order to provide them with sufficient time of study, except for the emergency case. The meeting is recorded in writing. The minutes as well as other certified documents are kept for references and all must be examinable in the following meeting. The Chairman and the President of the Company jointly consider the issues to be included in the meeting agenda. To this regard, each director can also suggest issues for the Chairman and the President to consider for agenda preparation.

During the meeting, the Company's Chairman, as the Chairman of the Board of Directors' meeting, will provide opportunities for the directors to independently express their opinions. Sometimes, the Company's senior executives are invited to join the meeting for the provision of additional useful information for some particular agendas. On this occasion also that they can be directly acknowledged of the policy and put it into practice accordingly and efficiently. Decisions are based on a majority vote of the Board members attending the meeting ; one director is eligible for one vote. However, a director who has some interests in the matter under consideration shall not join the meeting and / or abstain from voting for it. In case of tie, the Chairman has the casting vote.

In Board of Directors' meeting, the President shall be the Secretary to the Board of Directors and shall take the minutes. The minutes shall be proposed to the chairman of the meeting to be considered and signed for certification and shall be submitted for verification as the first agenda in the following meeting of the Board of Directors.

The meeting documents and minutes are kept with respect to the related law by the corporate secretary section.

5. Board of Directors' Self Assessment

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

Connected Transactions

As at 31st December 2008, the Company had connected transactions with persons who might have a conflict of interest, as follows:

A The Company and persons who might have a conflict of interest

Parties having a potential conflict of interest	Relationship	Description of the transaction	Amount (Baht Million) 31 Dec 2008	Audit Committee's comment and the importance and reasonableness of the transactions
1. Jasmine International PCL. ("JAS")	<p>1. JAS is a major shareholder of the Company holding 56.90 percent of total paid-up capital.</p> <p>2. The Company and JAS have 5 common directors, as follows:</p> <p>1. Mr. Pete Bodharamik</p> <p>2. Mr. Somboon Patcharasopak</p> <p>3. Mr. Terasak Jerauswapong</p> <p>4. Mr. Subhoj Sunyabhisithkul</p> <p>5. Mr. Pleumjai Sinarkorn</p>	<p>1. JAS appointed the Company to manage RSR Signalling and Telecommunications Double Track Railway Project-Package ST 1 (Project SRT-10) of the State Railway of Thailand.</p> <p>The first contract was effective on 10th January 2003 and valid until 31st December 2004 in which JTS charged a management fee of Baht 19 million. The second contract will be effective from 2005 to 2006 in which JTS charges a management fee of Baht 50 million, which shall be paid within 30 days after the project is delivered to the State Railway of Thailand. The service was delivered in the third quarter of 2005. Payment shall be made after SRT issues a final certificate and makes payment to JAS. In addition, JTS charges a maintenance fee of Baht 20 million, which shall be paid in eight installments for a period of two years after the delivery of the first lot of work as specified in the contract.</p> <p>As at 30th December 2008, JAS had not received some payment from SRT, as SRT was examining the final work. JAS expects to be paid and to make payment to the Company within year 2009.</p> <p>- Fee Income</p> <p>- Trade accounts receivable</p>	<p>-</p> <p>8.16</p>	<p>After JAS was restructured as a holding company, it transferred its communications engineering business to the Company. Hence, the Company co-ordinated with JAS and a foreign supplier in preparing the bidding documents. After the bid was won, JAS appointed the Company to manage the project.</p> <p>JAS and a foreign supplier were bidders for the project, as JAS has experience with the State Railway of Thailand. Therefore, such transactions are a normal course of business and are thus considered to be a reasonable business practice. Moreover, the management fee was clearly specified, which accounted for 10 per cent of the total cost of the project.</p>

Parties having a potential conflict of interest	Relationship	Description of the transaction	Amount (Baht Million) 31 Dec 2008	Audit Committee's comment and the importance and reasonableness of the transactions
1. Jasmine International Plc. ("JAS") (continued)		<p>2. The Company entered into rental and service contracts with JAS to lease office space on the 9th floor of Jasmine International Tower totalling 1,417 square metres. The monthly rental rate is Baht 105 per square metre and service rate is Baht 245 per square metre. The tenure is 3 years from 1st August 2007 to 31st July 2010 at the same rate. The contract is further extendable upon its expiration at the same rental rate.</p> <p>- Rental and service fee</p> <p>3. Other expenses and service fee charged between JAS and the Company, such as warehouse rental, staff training, advertising expense, Internet service and travel expense.</p> <p>- Other expenses</p> <p>- Accrued expenses</p> <p>- Other revenue (training)</p>	<p>5.95</p> <p>0.55</p> <p>0.27</p> <p>0.018</p>	<p>The Company rents office space on the 9th floor from JAS based in the normal course of business in which the rental terms and conditions and service fee are the same as those charged to other companies in the group and comparable to those charged to other companies. Compared to other office buildings situated in the same area, the rate is lower than the market rate.</p> <p>The transactions are considered to be a normal course of business in which expenses or fees charged between JAS and the Company are equivalent to those charged to other companies in the group and are lower than the Company could obtain, such as arranging its own training programmes and job vacancy advertisements.</p> <p>The Company normally settles payment within the same quarter or in the following quarter.</p>
2. Premium Assets Co.,Ltd. ("Premium Assets")	<p>1. JAS is the parent company of Acumen and JSTC holding 100 percent stake. Acumen and JSTC holds a 53.85 percent and 46.15 percent stake of Premium Assets.</p> <p>2. Premium Assets and the Company have 3 common director, namely,</p> <p>1. Mr. Pete Bodharamik</p> <p>2. Mr. Somboon Patcharasopak</p> <p>3. Mr. Terasak Jerauswamong</p>	<p>1. The Company entered into the following rental and service agreements:</p> <p>- 450 square metres of office space on the 5th floor (Room 513) of Jasmine International Tower at a monthly rental rate and service rate of Baht 83.49 and Baht 194.81 per square metre, respectively. The contract period is from 16th June 2006 to 15th June 2008 but on 10th March 2008 decreased space from 450 square metres to 105.52 square metres and continue period contract to 15th June 2010 After the expiration date, the Company may extend the contract.</p>		<p>On 16th November 2005, Premium Real Estate transferred the rental and service contracts to Premium Assets. The Company rents office space from Premium Assets based in the normal course of business in which the rental terms and conditions and service fee are the same as those charged to other companies in the group and are comparable to those charged to other companies. Compared to other office buildings situated in the same area, the rate is lower than the market rate.</p>

Parties having a potential conflict of interest	Relationship	Description of the transaction	Amount (Baht Million) 31 Dec 2008	Audit Committee's comment and the importance and reasonableness of the transactions
2. Premium Assets Co.,Ltd. ("Premium Assets") (continued)		<p>- 35 square metres of space on the 5th floor (Room 517) at a monthly rental rate and service rate of Baht 96.20 and Baht 224.45 per square metre, respectively. The contract period is from 16th October 2007 to 15th October 2008. The Company extended the contract for another 1 years effective from 16th October 2008 to 15th October 2010. After the expiration date, the Company may extend the contract.</p> <p>- 100 square metres of space on the 5th floor (Room 505) at a monthly rental rate and service of Baht 96.41 and Baht 224.97 per square metre, respectively. The contract period is from 1st October 2007 to 30th September 2008. The Company extended the contract for another 1 years effective from 1st October 2008 to 30th September 2010. After the expiration date, the Company may extend the contract.</p> <p>- 61.37 square metres of space on the 5th floor (Room 504) at a monthly rental rate and service rate of Baht 83.49 and Baht 194.81 per square metre, respectively. The contract period is from 10th March 2008 to 15th June 2008. The company extended the contract period of 16th June 2008 to 15th June 2010 in new rental rate and service rate of Baht 87.66 and Baht 204.55 per square metre, respectively. After the expiration date, the Company may extend the contract.</p> <p>- .68 square metres of space on the 5th floor (Room 503) at a monthly rental rate and service rate of Baht 87.66 and Baht 204.55 per square metre, respectively. The contract period is from 1st September 2008 to 31st August 2010. After the expiration date, the Company may extend the contract.</p>		

Parties having a potential conflict of interest	Relationship	Description of the transaction	Amount (Baht Million) 31 Dec 2008	Audit Committee's comment and the importance and reasonableness of the transactions
2. Premium Assets Co.,Ltd. ("Premium Assets") (continued)		<p>2. The Company rents warehouse space on G floor in Jasmine International Tower. The total area is 33 square metres at a monthly rental rate of Baht 280 per square metre. The contract started from 1st April 2007 to 31st March 2008. The Company extended the contract for another 1 year effective from 1st April 2008 to 31st March 2009 at the same rate. After the expiration date, the Company may extend the contract further.</p> <p>3. The Company rents warehouse space on P10 floor in Jasmine International Tower. The total area is 13.40 square metres at a monthly rental rate of Baht 390 per square metre. The contract started from 1st October 2008 to 5th October 2010. After the expiration date, the Company may extend the contract further.</p> <p>- Rental fee - Other expenses, such as electricity and telephone - Accrued utility expense</p> <p>4. The Company rented an advertisement signboard 0.95 x 1.65 metres for Baht 18,691.59 per board per year. The contract was from 1st August 2007 to 31st July 2008 The Company extended the contract effective from 1st August 2008 to 31st July 2010 After the expiration date, the Company may extend the contract further.</p> <p>- Advertising expense</p>	<p>1.41</p> <p>2.96</p> <p>0.25</p> <p>0.019</p>	<p>On 16th November 2005, the contract was transferred from Premium Real Estate to Premium Assets. Under this contract, the Company rents the signboard located at the entrance of Jasmine International Tower from Premium. The rental fee is considered to be a normal operating expense in which the terms and conditions of the rental fee are the same as those charged to other companies in the group and are comparable to those charged to other companies.</p>

Parties having a potential conflict of interest	Relationship	Description of the transaction	Amount (Baht Million) 31 Dec 2008	Audit Committee's comment and the importance and reasonableness of the transactions
2. Premium Assets Co.,Ltd. ("Premium Assets") (continued)		5. The Company entered into a cleaning service contract with a monthly fee of Baht 16,000. The contract period was from 1 st January 2008 to 31 st December 2008 and 1 st June 2008 have increased serviced fee from 16,000 to Baht 17,300. In addition, the Company entered into a security service contract with a monthly service fee of Baht 26,500. The contract period was from 1 st February 2007 to 31 st January 2008 and 1 st February 2008 to 31 January 2009 have increased serviced fee from 26,500 to Baht 27,825 After the expiration date, the Company may extend these contracts.		On 16 th November 2005, the contract was transferred from Premium Real Estate to Premium Assets. The Company appointed Premium Assets to render cleaning and security services. Premium Assets provides these services to all tenants in Jasmine International Tower with the same service fee. Hence, such transaction is considered to be a normal business transaction.
		- Service fee	0.54	
		6. The Company sold cable OFC to Premium Assets.		
		- Sales and services	0.90	
		- Trade accounts receivable	0.00	
		7. The Company charged training expense to Premium Assets.		
		- Other income	0.042	

Parties having a potential conflict of interest	Relationship	Description of the transaction	Amount (Baht Million) 31 Dec 2008	Audit Committee's comment and the importance and reasonableness of the transactions
3. Jasmine Submarine Telecommunications Co.,Ltd. ("JSTC")	1. JAS, the parent company, holds a 100 percent stake of Jasmine Submarine. 2. JSTC and the Company have 4 common directors, namely : 1. Mr. Pete Bodharamik 2. Mr. Somboon Patcharasopak 3. Mr. Terasak Jerauswpong 4. Mr. Subhoj Sunyabhisithkul	1. JSTC and the Company co-ordinate to engage in repair and maintenance projects for CAT's fibre optic cable network. According to the agreement, the Company must submit a performance bond to the project owner. Therefore, JSTC and the Company both share expenses and deposits incurred for the issuance of the performance bond. In this regard, the Company has requested the bank to issue a performance bond for which it will make repayment of the deposit to JSTC. - Deposit payable	0.57	This transaction is reasonable and represents a business co-ordination for the best interests of both parties. The Company was awarded the repair and maintenance project by CAT and subcontracted JSTC (a specialist in fibre optic cable networks) to operate the project. The project duration is 24 months, which ended in September 2005. The Company and JSTC, based on their proportion of revenue sharing, share the deposit payment for the issuance of the performance bond.
		2. The Company appointed JSTC to provide fibre optic cable network maintenance services for CAT. The first project, with details as mentioned in No. (1), is for 24 months, which ended in September 2005. The second project (No.2) with 24-month duration, will end in June 2007. The Company extended the contract for the third project (No.3) with 24-month effective from 11 st June 2007 to 11 st June 2009. - Cost of sales and services - Accounts payable		22.87 0.00
		3. The Company sells telecom equipment to JSTC. - Sales and services - Trade accounts receivable - Advance received - Advance to related parties	1.23 2.38 0.09 1.26	This is considered to be a normal business transaction with the price stated at the market price.

Parties having a potential conflict of interest	Relationship	Description of the transaction	Amount (Baht Million) 31 Dec 2008	Audit Committee's comment and the importance and reasonableness of the transactions
4. Acumen Co., Ltd. ("Acumen")	1. JAS, the parent company, holds a 100 percent stake of Acumen.	1. Acumen purchases telecom equipment from the Company. - Sales and services	-	This is a normal business transaction with the price stated at the market price.
	2. The Company and Acumen have 4 common directors, namely: 1. Mr. Pete Bodharamik 2. Mr. Somboon Patcharasopak 3. Mr. Subhoj Sunyabhisithkul 4. Mr. Terasak Jerauswapong	2. The company appointed Acumen to provide consultant and shipping service for import goods and equipment - Services	0.60	
		- Accrued expense	0.05	
		3. The company charged training expense and others expense - Other Income	0.011	
5. TT&T Plc. ("TT&T")	1. JAS, the parent company, holds a 30.68 percent stake of TT&T.	1. TT&T purchases telecom equipment from the Company. - Sales & Services	0.00	This is considered to be a normal business transaction in which the price is stated at the market price or bid price.
		- Trade accounts receivable	211.96	
		- Advance received from related parties - Unbilled receivable	0.00	
	2. JTS and STCC hold a 0.37 percent stake of TT&T.	2. Rent equipment of SDH ANALYZER - Cost of sales and service - Trade accounts payable	0.00	
			0.13	
		3. Interest of delay payment from TT&T - Interest Income - Advance payable	7.71 15.88	
3. The Company and TT&T have 4 common directors, namely : 1. Mr. Pete Bodharamik 2. Mr. Somboon Patcharasopak 3. Mr. Subhoj Sunyabhisithkul 4. Mr. Pleumjai Sinarkorn				

Parties having a potential conflict of interest	Relationship	Description of the transaction	Amount (Baht Million) 31 Dec 2008	Audit Committee's comment and the importance and reasonableness of the transactions
6. ACeS Regional Services Co.,Ltd. ("ARS")	<p>1. JAS, the parent company, holds a 43.52 percent stake of ARS which held indirectly through JO a 75.44 percent and Aces Thailand a 98.04 percent stake, respectively. And ARS holds a 9.11 percent stake of JTS.</p> <p>2. The Company and ARS have 4 common directors, namely :</p> <p>1. Mr. Pete Bodharamik</p> <p>2. Mr. Somboon Patcharasopak</p> <p>3. Mr. Subhoj Sunyabhisithkul</p> <p>4. Mr. Terasak Jerauswapong</p>	<p>1. The Company purchased IP Phone from ARS.</p> <p>- Cost of sales and service</p> <p>- Accrued expense</p>	<p>0.06</p> <p>-</p>	<p>This is a normal business transaction in which the rental/ service rate is charged at the same rate as that charged to all companies in the group.</p>
7. Smart Highway Co.,Ltd. ("SMH")	<p>1. Acumen, a subsidiary of JAS, holds 67.40 per cent of SMH.</p> <p>2. The Company and SMH have 3 common directors, namely :</p> <p>1. Mr. Pete Bodharamik</p> <p>2. Mr. Somboon Patcharasopak</p> <p>3. Mr. Terasak Jerauswapong</p>	<p>1. The Company sold LAN Switch Model SR624F</p> <p>- Sales</p> <p>- Accounts receivable</p>	<p>0.00</p> <p>-</p>	<p>This is a normal business transaction with the price stated at the market price.</p>

Parties having a potential conflict of interest	Relationship	Description of the transaction	Amount (Baht Million) 31 Dec 2008	Audit Committee's comment and the importance and reasonableness of the transactions
8. Jasmine Internet Co.,Ltd. ("JI-NET")	<p>1. JAS, the parent company, holds a 65 percent stake of JI-NET.</p> <p>2. The Company and JI-NET have 3 common directors, namely:</p> <p>1. Mr. Pete Bodharamik</p> <p>2. Mr. Somboon Patcharasopak</p> <p>3. Mr.Subhoj Sunyabhisithkul</p>	<p>1. The Company sales equipment to JI-NET.</p> <p>- Sales & Service</p> <p>2. The Company charged training expense and others</p> <p>- Other income</p>	<p>0.04</p> <p>0.0025</p>	This is a normal business transaction with the price stated at the market price.
9. TJP Engineering Co.,Ltd. ("TJP")	<p>1. JAS, the parent company, holds a 100 percent stake, 80 percent of which is held directly, and the remainder is held indirectly through Acumen. and TJP hold a 8.54 percent direct to the company</p> <p>2. The Company and TJP have 2 common directors, namely :</p> <p>1. Mr. Somboon Patcharasopak</p> <p>2. Mr. Terasak Jerauswapong</p>	<p>1. The Company sold a conduit for the transfer of underground cable to TJP.</p> <p>- Sales of equipment</p> <p>- Trade accounts receivable</p> <p>- Unbill receivables</p>	<p>6.84</p> <p>25.95</p> <p>64.86</p>	This is a normal business transaction with the price stated at the market price.
10. Triple T Broadband Co.,Ltd. ("TTTBB")	<p>1. JAS, the parent company of Acumen and TT&T holds a 100 percent and 30.68 percent stake, respectively, which Acumen and TT&T holds a 90.91 percent and 9.09 percent stake, respectively of TTTBB</p>	<p>1. The Company sold a Broadband equipment.</p> <p>- Sales of equipment</p> <p>- Trade accounts receivable's period receive within 1 year</p> <p>- Long term trade accounts receivable</p> <p>- Advance receivable</p>	<p>396.71</p> <p>680.22</p> <p>0.00</p> <p>0.008</p>	This is a normal business transaction with the price stated at market price.

Parties having a potential conflict of interest	Relationship	Description of the transaction	Amount (Baht Million) 31 Dec 2008	Audit Committee's comment and the importance and reasonableness of the transactions
10. Triple T Broadband Co.,Ltd. ("TTTBB") (continued)	2. The Company and TTTBB have 3 common directors, namely : 1. Mr. Pete Bodharamik 2. Mr. Somboon Patcharasopak 3. Mr. Subhoj Sunyabhisithkul	2. The Company used 200 number of the fixed line phones. - Telephone expense - Accrued expense 3. The Company charged others service to TTTBB - Others income - Advance to related parties	0.32 0.033 0.02 0.04	
11. TT&T Subscriber Services Co.,Ltd. ("TT&TSS") (hold by TT&T a 100 percent)	1. JAS, the parent company, holds 30.68 percent stake of TT&T. 2. The Company and TT&T have 3 common directors, namely : 1. Mr. Pete Bodharamik 2. Mr. Somboon Patcharasopak 3. Mr. Pleumjai Sinarkorn	1. The Company sells telecom equipment to TT&TSS, and joined in and won the bid for TT&TSS projects. - Sales and services. - Trade accounts receivable 2. The Company uses the Internet services of TT&TSS - Internet expense - Accrued expense	1.66 0.00 0.27 0.00	This is considered to be a normal business transaction in which the price is stated at the market price or bid price.
12. Jastel Network Co.,Ltd. ("JASTEL")	1. Jasmine Submarine., the Subsidiary of JAS, holds a 100 percent stake of JASTEL. 2. JASTEL and the Company have 4 common directors, namely: 1. Mr. Pete Bodharamik 2. Mr. Somboon Patcharasopak 3. Mr. Subhoj Sunyabhisithkul 4. Mr. Terasak Jerauswapong	1. The Company sells and installed of SDH equipment to JASTEL. - Sales and services. - Trade accounts receivable - Advance receivable	37.24 18.00 1.01	This is considered to be a normal business transaction in which the price is stated at the market price or bid price.

Parties having a potential conflict of interest	Relationship	Description of the transaction	Amount (Baht Million) 31 Dec 2008	Audit Committee's comment and the importance and reasonableness of the transactions
13. Triple T Internet Co.,Ltd. ("TTTI")	<p>1. JAS the parent company of Acumen and TT&T holds a 100 percent and 30.68 percent stake, respectively, which Acumen and TT&T holds a 90.91 percent and 9.09 percent stake, respectively of TTTBB</p> <p>2. TTTBB holds a 100 percent of TTTI.</p> <p>3. The Company and TTTI have 3 common directors, namely :</p> <p>1. Mr. Pete Bodharamik</p> <p>2. Mr. Somboon Patcharasopak</p> <p>3. Mr. Subhoj Sunyabhisithkul</p>	<p>1. The Company sales equipment of ADSL to TTTI</p> <p>- Sales & Service 5.95</p> <p>- Trade accounts receivable 6.37</p> <p>2. The Company used internet with TTTI</p> <p>- Service charge 0 .025</p> <p>- Accrued expense 0.027</p>		
14. Triple T Global Net Company Limited ("TTTGN")	<p>1. JAS, the parent company, holds a 30.68 percent stake of TT&T.</p> <p>2. The Company and TT&T have 3 common directors, namely :</p> <p>1. Mr. Pete Bodharamik</p> <p>2. Mr. Somboon Patcharasopak</p> <p>3. Mr. Pleumjai Sinarkorn</p>	<p>1. The Company sales equipment of SDH, DDN, to TTTGN</p> <p>- Sales & Service 85.60</p> <p>- Trade accounts receivable's period received within 1 year 61.47</p> <p>- Long term trade accounts receivable 22.12</p> <p>- Advance receivable 0.09</p>		This is a normal business transaction with the price stated at market price.

B The subsidiary and persons who might have a conflict of interest

Parties having a potential conflict of interest	Relationship	Description of the transaction	Amount (Baht Million) 31 Dec 2008	Audit Committee's comment and the importance and reasonableness of the transactions
1. Jasmine Telecom Systems Plc. ("JTS")	<p>1. JTS is a major shareholder of STCC who holds 97.87 percent.</p> <p>2. JTS and STCC have 4 common directors, namely :</p> <p>1. Mr. Pete Bodharamik</p> <p>2. Mr. Somboon Patcharasopak</p> <p>3. Mr. Subhoj Sunyabhisithkul</p> <p>4. Mr. Terasak Jerauswapong</p>	<p>1. Other expenses and service fee charged between JTS and STCC, such as newyear parties, staff training.</p> <p>- Accrued expense</p>	-	This is considered to be a normal business transaction in which the price is stated at the market price.
2. Jasmine International Plc. ("JAS")	<p>1. JAS is a major shareholder in JTS who holds 56.90 percent, while JTS is a major shareholder of STCC who holds 97.87 percent.</p> <p>2. STCC and JAS have 4 common directors, namely :</p> <p>1. Mr. Pete Bodharamik</p> <p>2. Mr. Somboon Patcharasopak</p> <p>3. Mr. Subhoj Sunyabhisithkul</p> <p>4. Mr. Terasak Jerauswapong</p>	<p>1. The Company entered into rental and service contracts with JAS to lease office space on the 10th floor of Jasmine International Tower totalling 1,162 square metres. The monthly rental rate is Baht 105 per square metre and service rate is Baht 245 per square metre. The tenure is 2 years 7 mths from 1st January 2008 to 31st July 2010. The contract is further extendable upon its expiration at the same rental rate, but the service rate will increase by at least 5 percent per extension.</p> <p>- Rental and service expense</p> <p>- Accrued Payable</p> <p>2. Other expenses and service fee charged between JAS and STCC, such as staff training, advertising expense, internet service and travel expense.</p> <p>- Other expenses</p> <p>- Accrued expense</p>	<p>4.69</p> <p>6.27</p> <p>0.19</p> <p>0.53</p>	<p>STCC rents office space on the 10th floor from JAS based on the normal course of business in which the rental terms and conditions and service fee are the same as those charged to other companies in the group and comparable to those charged to other companies. Compared to other office buildings situated in the same area, the rate are lower than the market rate.</p> <p>The transactions are considered to be a normal course of business in which expenses or fees charged between JAS and STCC are equivalent to those charged to other companies in the group and are lower than STCC could obtain such as arranging its own training programmes. STCC normally settles payment within the accounting period or in the following period. All expenses are charged at the market rate.</p>

Parties having a potential conflict of interest	Relationship	Description of the transaction	Amount (Baht Million) 31 Dec 2008	Audit Committee's comment and the importance and reasonableness of the transactions
3. Premium Assets Co.,Ltd. ("Premium Assets")	<p>1. JAS is the parent company of Acumen and JSTC holding 100 percent stake. Acumen and JSTC holds a 53.85 percent and 46.15 percent stake of Premium Assets.</p> <p>2. Premium Assets and the Company have 3 common director, namely,</p> <p>1. Mr. Pete Bodharamik</p> <p>2. Mr. Somboon Patcharasopak</p> <p>3. Mr. Terasak Jerauswapong</p>	<p>1. Service Charge as follow:</p> <ul style="list-style-type: none"> - Cleaning Contract amount of 8,650 Baht per month started 1st January 2008 to 31st December 2008 - Pest Control amount of 1,455 baht per month started 1st January 2007 to 31st December 2007. and year 2008 non-charged from Premium Assets - Security Contract amount of 27,825 Baht per month started 1st February 2008 to 31st January 2009. - Service - Accrued expense 	<p>3.03</p> <p>0.22</p>	This is considered to be a normal business transaction in which the price is stated at the market price or the bid price.
4. TT&T Plc. ("TT&T") and TT&T Subscriber Services Co.,Ltd., a wholly-owned by TT&T	<p>1. JAS (a major shareholder of JTS) holds 30.68 percent of shares in TT&T.</p> <p>2. JTS and STCC collectively hold a 0.37 percent stake of TT&T.</p> <p>3. STCC and TT&T have 3 common director, namely,</p> <p>1. Mr. Pete Bodharamik</p> <p>2. Mr. Somboon Patcharasopak</p> <p>3 Mr. Subhoj Sunyabhisithkul</p>	<p>1. STCC entered into a contract to provide computer equipment, installation and computer maintenance services.</p> <ul style="list-style-type: none"> - Sales and Services - Accounts Receivable - Unbill Receivable - Advance Receivable 	<p>20.24</p> <p>227.49</p> <p>96.81</p> <p>2.54</p>	This is considered to be a normal business transaction in which the price is stated at the market price or the bid price.

Parties having a potential conflict of interest	Relationship	Description of the transaction	Amount (Baht Million) 31 Dec 2008	Audit Committee's comment and the importance and reasonableness of the transactions
5. ACes Regional Service Co.,Ltd. ("ARS")	<p>1. JAS (a major shareholder of JTS) holds 43.52 percent of shares in ARS which is held indirectly through JO and Aces Thailand a 75.44 percent and 98.04 percent stake respectively.</p> <p>2. STCC and ARS have 4 common directors, namely :</p> <p>1. Mr. Pete Bodharamik</p> <p>2. Mr. Somboon Patcharasopak</p> <p>3. Mr. Subhoj Sunyabhisithkul</p> <p>4. Mr. Terasak Jerauswapong</p>	<p>1. STCC rents/borrows audio equipment from ARS.</p> <p>- Expenses</p> <p>- Accrued Expense</p>	<p>0.0027</p> <p>0.00</p>	This is a normal business transaction in which the rental/ service rate is charged at the same rate as that charged to all companies in the group.
6. Jasmine Internet Co.,Ltd. ("JI-NET")	<p>1. JAS (a major shareholder of JTS) holds 65 percent of share in JI-NET.</p> <p>2. STCC and JI-NET have 3 common director, namely :</p> <p>1. Mr. Pete Bodharamik</p> <p>2. Mr. Somboon Patcharasopak</p> <p>3. Mr. Subhoj Sunyabhisithkul</p>	<p>1. STCC used internet service from JI-NET</p> <p>- Cost of sales & service</p> <p>- Internet expenses and other service</p> <p>- Accrued Expense</p>	<p>0.20</p> <p>0.13</p> <p>0.06</p>	This is considered to be a normal business transaction in which the price is stated at the market price.

Parties having a potential conflict of interest	Relationship	Description of the transaction	Amount (Baht Million) 31 Dec 2008	Audit Committee's comment and the importance and reasonableness of the transactions
7. Acumen Co.,Ltd. ("Acumen")	<p>1. JAS, the parent company, holds a 100 per cent stake of Acumen.</p> <p>2. The Company and Acumen have 4 common directors, namely :</p> <p>1. Mr. Pete Bodharamik</p> <p>2. Mr. Somboon Patcharasopak</p> <p>3. Mr. Subhoj Sunyabhisithkul</p> <p>4. Mr. Terasak Jerauswapong</p>	<p>1. The company sales equipment of computer to Acumen</p> <p>- Sales & Service</p> <p>- Accounts Receivable</p>	<p>7.18</p> <p>0.00</p>	This is considered to be a normal business transaction in which the price is stated at the market price.
8. TT&T Subscriber Services Co.,Ltd., a wholly-owned by TT&T ("TT&TSS")	<p>1. JAS, the parent company, holds a 30.68 percent stake of TT&T.</p> <p>2. The Company and TT&T have 2 common directors, namely:</p> <p>1. Mr. Pete Bodharamik</p> <p>2. Mr. Somboon Patcharasopak</p>	<p>1. The Company sells telecom equipment to TT&TSS.</p> <p>- Sales and services</p> <p>- Trade accounts receivable</p> <p>- Unbill receivable</p>	<p>16.87</p> <p>0.27</p> <p>14.95</p>	This is considered to be a normal business transaction in which the price is stated at the market price or the bid price.

Parties having a potential conflict of interest	Relationship	Description of the transaction	Amount (Baht Million) 31 Dec 2008	Audit Committee's comment and the importance and reasonableness of the transactions
9. Triple T Broadband Co.,Ltd. ("TTTBB")	1. JAS the parent company of Acumen and TT&T holds a 100 percent and 30.68 percent stake, respectively, which Acumen and TT&T holds a 90.91 percent and 9.09 percent stake, respectively of TTTBB 2. The Company and TTTBB have 3 common directors, namely : 1. Mr. Pete Bodharamik 2. Mr. Somboon Patcharasopak 3. Mr. Subhoj Sunyabhisithkul	1. The Company sold printer to STCC. - Sales and Services - Trade accounts receivable	1.38 0.00	This is considered to be a normal business transaction in which the price is stated at the market price.
10. Triple T Global Net Company Limited ("TTTGN")	1. JAS is a major shareholder in TT&T who holds 30.68 percent of TTT GN 2. STCC and TTT GN have 2 common directors, namely : 1. Mr. Pete Bodharamik 2. Mr. Somboon Patcharasopak	1. The company sales Cisco Network to TTT GN - Sales & Service	10.70	This is considered to be a normal business transaction in which the price is stated at the market price or the bid price.

Necessity and rationality of the transactions

The related transactions have been undertaken in the Company's normal course of business or follow normal practices of other businesses in the same industry. Therefore, the transactions were reasonable. The price, compensation, fee or expenses were charged at the market price or fair price. The Audit Committee has reviewed these transactions and rendered their opinion as aforementioned.

Rules and procedures for approving connected transactions

In the past, related transactions represented normal business activities of the Company with standard terms and conditions and were engaged in for the best interests of the Company. Thus, all related transactions were to be approved by the Company's Board of Directors, management or authorised persons according to their respective authority.

After the Company lists on the SET, it shall comply with the rules and regulations of the SEC and SET in regard to approving connected transactions. Related persons, such as Directors or persons who might have a conflict of interest with the Company through a particular transaction, must abstain from voting on such transactions except where there is an exemption according to the rules and regulations of the SEC or SET.

Policy in regard to possible future connected transactions

1. The Company established a policy in regard to present and possible future connected transactions in which the terms and conditions shall be based on a fair and normal course of business, prevent the transfer of benefits, and comply with rules and regulations. The Company is likely to continue engaging in related transactions in the future, which are normal businesses, such as sales and services, office rental, issuance of corporate guarantees, and other expenses. In this regard, the Company has appointed an Audit Committee which will monitor, render the opinion in regards to reasonableness of transactions and disclose the connected transactions or transactions which may cause a conflict of interest to ensure that they are complete and accurate and comply with the rules and regulations of the SEC and SET Re: Connected Transactions and Acquisitions and the Disposal of Assets, and accounting principles of the Institute of Certified Accountants and Auditors of Thailand. In the case where the Audit Committee does not have experience in a particular connected transaction, the Company shall appoint an independent professional, such as the Company's Auditor, independent appraiser, legal advisor or an independent expert to provide an opinion on the transaction.

However, the Company shall not engage in other transactions that are not normal business transactions, such as the issuance of corporate guarantees to other companies, in which case the Company shall propose to the Board of the Audit Committee approval indicating the reasons and necessity of the transactions.

In addition, for related transactions that might occur in the future, the Board of Directors shall strictly follow the rules and regulations of the SET as well as the regulation Re: Disclosure of Connected Transactions and Acquisitions and the Disposal of Assets. In this regard, the Audit Committee and the Auditor of the Company or an independent professional (if any) shall examine and render their opinion on the necessity and reasonableness of the transactions and disclose complete and correct information in respect to such related transactions or any transactions that might create a conflict of interest as required by the regulations.

2. To date, the Company has entered into the following subcontract agreements with companies in JAS group:

1) SRT-10 Maintenance Service Contract of SRT made between JAS and the Company

JAS was the bidder, since it possesses the required qualifications and has bidding experience with projects of SRT.

JAS subcontracted the Company to operate the projects for a period of two years ending in 2006. In the future, The Company shall engage in bidding.

2) Repair and Maintenance Projects for CAT's Submarine Fibre Optic Cable Network made between JSTC and the Company
The Company was the bidder, since it has experience and a strong relationship with CAT. JSTC was subcontracted to engage in this project. The current status of this project is completed. In the future, JSTC shall be the bidder in the repair and maintenance of submarine fibre optic cable of CAT.

3) The construction of an optical fibre cable system between TJP and the Company
Since TJP, which was awarded the construction project of an optical fibre cable system from TOT, already ceased operations, the project was subcontracted to the Company. The project must be completed in 2009.

3. JAS has established a policy in respect to conducting connected transactions with companies in the JAS group and JTS group
Re: Subcontract for Installation and Trading of Equipment in order to prevent a potential conflict of interest and create transparency. The policy is summarised below:

- 1) The nature of the transactions are normal business activities between the JAS group and the JTS Group (which comprises JTS and STCC), which relates to the installation or trading of goods.
- 2) Buyer's Code of Conduct
 - a. The employer or buyer shall arrange an open bid in the same manner as a purchase from other suppliers and sellers. At least 3 short-listed bidders must be selected.
 - b. Selection criteria
 - In case where all bidders are equally qualified : The bidder who passes the technical aspects and offers the lowest bid will be selected.
 - In case some bidders are more qualified : The bidder who passes the technical aspects whose offer is close to the average bid price of all bidders who pass the technical aspects will be selected.
- 3) The seller's code of conduct specifies that a company which wishes to sell or provide a service must submit its bid in an open bidding. Based on normal practices, the bid price must derive from its cost plus the target margin.

Investor protective measures

It is stated clearly in the Articles of Association of the Company regarding connected transactions, acquisitions and the disposal of assets that Directors or persons who might have a conflict of interest with the Company must abstain from voting on such connected transactions. In addition, the Audit Committee will provide an opinion regarding the necessity and reasonableness of the transactions, and such transactions will be disclosed in the annual report of the Company.

In the case the Audit Committee does not have experience in a particular connected transaction, the Company shall appoint an independent professional or the Company's Auditor to provide an opinion on that particular transaction in order to support the decision-making of the Board and/or the shareholders of the Company, as the case may be.

Finalcial Status and Operating Results

Overall Operating Results

In 2008, the company and its subsidiary have the total revenue of Baht 1,563 million and net profit of Baht 7 million.

The Company and its subsidiary have the total revenue of Baht 1,563 million and increase by Baht 18 million or 1.15% from 2007 and have net profit of Baht 7 million and decrease by Baht 97 million or 93.15% from 2007

Revenue Structure and Operating Results

Unit : Million Baht

Type of Business	Consolidated		Changed	% Changed
	2008	2007		
Telecom Systems Integration*	1,247.68	1,138.12	109.56	9.63
Payphone	126.26	165.39	(39.12)	(23.66)
Test Equipment	31.94	75.29	(43.34)	(57.57)
Computer Systems Integration	157.24	166.53	(9.29)	(5.58)
Total Sales and Services	1,563.12	1,545.32	17.80	1.15
Other Income	46.39	62.34	(15.94)	(25.57)
Total Revenue	1,609.51	1,607.66	1.86	0.12
Gross Profit**	217.96	299.30	(81.34)	(27.18)
Net Profit	7.11	103.81	(96.70)	(93.15)
weighted average number of ordinary shares (million shares)	702.62	701.55	0.96	0.14
Earning per Share (Baht/Share)	0.01	0.15	(0.138)	(93.16)

Remarks : * Security Business Revenue was included in Telecom Systems Integration Business Revenue.

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

Revenue Structure

In 2008, the company and its subsidiary have the total revenue of Baht 1,563 million and increase by Baht 18 million or 1.15% from 2007. This comprised from sales and services telecom systems integration of Baht 1,248 million or 77.53%, payphones of Baht 126 million or 7.84%, test equipment of Baht 32 million or 1.98%, computer systems integration of Baht 157 million or 9.77%, other revenue Baht 46 million or 2.88% its comprises gain on exchanged rate of Baht 17 million and other income of Baht 29 million which comprised of interest received Baht 15 million

The most of totaling of revenue generated from sales and services of telecom systems integration by 80% of totaling sales and services.

Operating Results

In 2008, the company and its subsidiary have net profit at Baht 7 million decreasing from that of the previous year by Baht 97 million or 93.15%

Expense

Unit : Million Baht

Items	Consolidated		Changed	% Changed
	2008	2007		
Cost of sales and services	1,345.16	1,246.02	99.14	7.96
Selling and service expense	38.97	32.38	6.59	20.35
Administrative expense	129.60	151.03	(21.43)	(14.19)
Other expense	0.34	0.09	0.25	260.64
Loss on impairment of investment in available-for-sale securities	36.59	-	36.59	100.00
Total of expense	1,550.66	1,429.53	121.14	8.47

Cost of Sales and Services

In 2008, the company and its subsidiary have cost of sales and services amounted to Baht 1,345 million, decreasing from that of the previous year by Baht 99 million or 7.96% due to decreasing of sales and services telecom systems integration and some projects are during bidding stage,.

Selling, Servicing and Administrative Expense

In 2008, the company and its subsidiary have selling and service expense amounted to Baht 39 million increasing from that of the previous year by Baht 7 million or 20.35% due to increasing entertained expense and have selling and service expense amounted to Baht 130 million decreasing from that of the previous year by Baht 21 million or 14.19% due to decreasing staff benefits by Baht 3 million and on 22 April 2008, TT&T filed a petition for business rehabilitation with the Central Bankruptcy Court for the purpose of restructuring its debt, and on 24 April 2008, the Central Bankruptcy Court accepted the petition for rehabilitation, so for reasons of prudence, the company and its subsidiary therefore recorded loss on impairment of investment in TT&T amounted to Baht 37 million in the consolidated financial statements (Baht 24 million in the company) by used the fair value of investment in TT&T as at the date that TT&T filed the rehabilitation petition as the basis for recognition.

Interest Expense

In 2008, the company and its subsidiary have interest expense Baht 35 million decreasing from that of the previous year by Baht 1 million or 3.77% due to used some loan and overdraft for working capital.

Gain and Loss on Exchange Rate

In 2008, the company and its subsidiary have gain on exchange rate Baht 17 million increasing from that of the previous year by Baht 15 million due to its subsidiary have confirmed fixed exchange rate with customer in CC&B Project and have gain on exchange rate by Baht 9 million.

Financial Status

Assets

Unit : Million Baht

Items	Consolidated		Changed	% Changed
	2008	2007		
Current Assets	2,722.91	2,564.59	158.32	6.17
Non-Current Assets	530.41	951.36	(420.95)	(44.25)
<i>Long-term trade accounts and notes receivable from related company</i>	22.12	332.79	(310.67)	(93.35)
<i>Property, plant and equipment-net</i>	432.30	530.28	(97.98)	(18.48)
<i>Others non-current assets</i>	75.99	88.29	(12.30)	(13.93)
Total Assets	3,253.31	3,515.95	(262.64)	(7.47)

As at the end of the fiscal year 2008, the company and its subsidiary have total assets amount to Baht 3,253 million decreasing by Baht 263 million or 7.47%. This was mainly due to increasing of account receivable by Baht 314 million or 23.33%, inventory increase by Baht 21 million or 29.27%, other current assets increased by Baht 337 million or 82.31%

Liabilities

Unit : Million Baht

Items	Consolidated		Changed	% Changed
	2008	2007		
Current Liabilities	1,602.24	1,365.21	237.03	17.36
Non-Current Liabilities	-	335.83	(335.83)	(100.00)
<i>Long Term Loans</i>	-	-	0.00	0.00
<i>Long-term trade accounted and notes payable-nrelated parties</i>	-	335.83	(335.83)	(100.00)
Total liabilities	1,602.24	1,701.04	(98.80)	(5.81)

As at the end of the fiscal year 2008, the company and its subsidiary have total liabilities amount to Baht 1,602 million decreasing by Baht 99 million or 5.81%. This was mainly due to increasing of current liabilities by Baht 237 million, this comprised from trust receipts of project sales increased by Baht 133 million, accrued project cost increased by Baht 43 million and advance received from customer increased by Baht 71 million, non current assets decreased by Baht 336 million, this comprised from long term trade accounts and notes payable - unrated parties amounted by Baht 336 million which transfer to current portion of long term loan. (record by trade accounts and note payable).

Shareholders' Equity

Unit : Million Baht

Items	Consolidated		Changed	% Changed
	2008	2007		
Paid up Capital Shares	702.95	702.00	0.95	0.14
Share Premium	418.81	418.81	0.00	0.00
Retained Earning	528.10	722.65	(194.55)	(26.92)
<i>Legal Reserve</i>	56.69	55.54	1.15	2.06
<i>Un-appropriated</i>	471.42	667.11	(195.69)	(29.33)
Total Shareholders' Equity	1,651.08	1,814.91	(163.83)	(9.03)
Book Valued	2.35	2.59	(0.24)	(9.15)

As at the end of the fiscal year 2008, the company and its subsidiary have total shareholders' equity amount to Baht 1,651 million decreasing by Baht 164 million or 9.03%. This was mainly due to operating results in year 2008 was Baht 7 million ; beside that on 28th April 2008 had an dividend payment from year operating results of year 2007 in dividend rate of Baht 0.087 per share totaling by Baht 61.07 million of existing shareholders 702 million shares and on 24th September 2008 paid interim dividend of Baht 0.20 per share from the retained earning as at 30th June 2008 of existing shareholders 702.95 million shares equal to by Baht 140.59

Liquidity

Cash flow

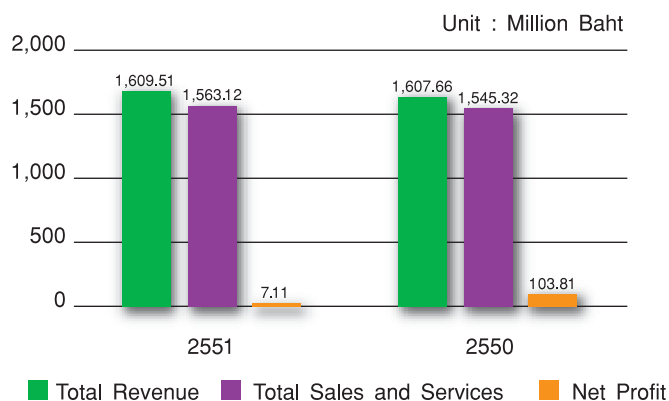
In 2008, the company and its subsidiary have net cash flow from (used in) operating activities amount to Baht (450) million. This was mainly due to paid account payable of broadband service project and others project, beside that had invested to purchased equipment for operating in beginning of year 2009 and net cash flow from (used in) investing activities by Baht 3 million and net cash flow from (used in) financing activities by Baht 76 million due to dividend payment Baht 201.66 million by the company. As at 31st December 2008, the company and its subsidiary had net decrease in cash and cash equivalents by Baht 523 million from year 2007, as a result, cash and cash equivalents at end of year amount to Baht 206 million. its excluded fixed deposit for pledge facilities lines by Baht 66 million.

Liquidity and Capital Structure

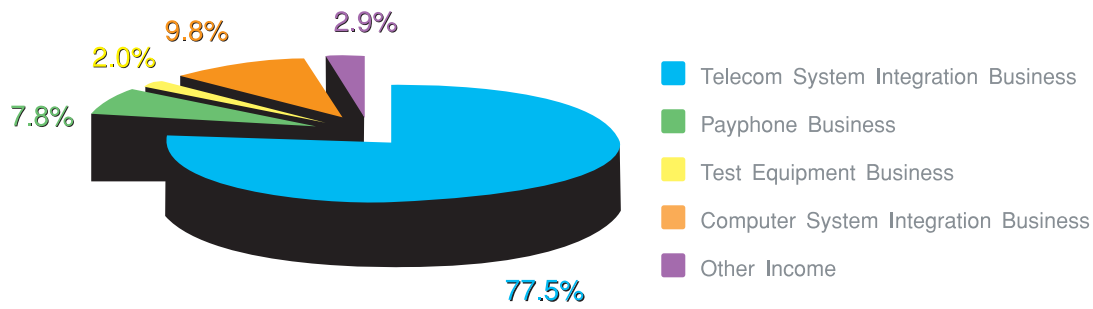
	2008	2007
Liquidity Ratio		
Current Ratio (times)	1.70	1.88
Quick Ratio (times)	1.16	1.52
Capital Structure		
Debt to Equity (times)	0.97	0.94

As at 31st December 2008 and 2007, the current ratio was 1.70 times and 1.88 times, respectively, and the quick ratio was 1.16 times and 1.52 times, respectively, which was a result of trade account receivable was increase by baht 314 million and current liabilities increased by Baht 133 million. (Trust receipts)

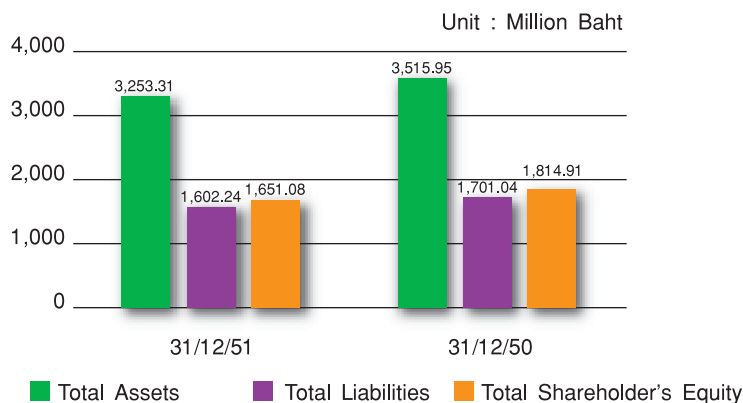
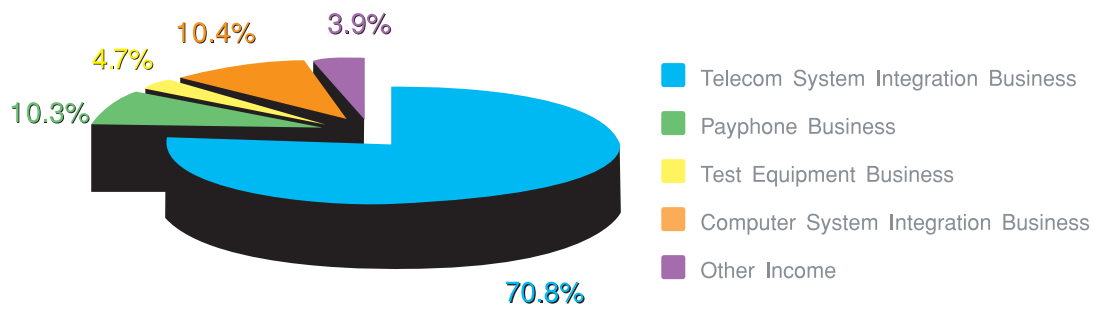
As at 31st December 2008 and 2007, the debt to equity was 0.97 times and 0.94 times, respectively The capital structure as at 31st December 2008 comprised the total liabilities Baht 1,602 million and the shareholder's equity of Baht 1,651 million (On 31st December 2007 had the total liabilities Baht 1,701 million and the shareholder's equity of Baht 1,815 million)



Sale and Service Revenue Structure The company and Subsidiary Year 2008



Sale and Service Revenue Structure The company and Subsidiary Year 2007



Report of Audit Committee

The Audit Committee of The Jasmine Telecom Systems Public Co., Ltd. consists of three independent directors from outside organization as follows:

- | | | |
|---------------|--------------|---------------------------------|
| 1. Mr. Arporn | Kengpol | Chairman of the Audit Committee |
| 2. Mr. Annop | Suthakavatin | Member of Audit Committee |
| 3. Mr. Monton | Sudprasert | Member of Audit Committee |

The Audit Committee has performed its duties by adhering to the Board of Directors' assignments and supporting the Company's good corporate governance on accountability, risk management evaluation, audit of internal control system, and internal audit.

In 2008, the Audit Committee arranged twelve meetings with executives, external auditors and internal auditors whose responsibilities are related to the agenda. The Audit Committee's performances can be concluded as follows:

Financial Statement :

The Audit Committee reviewed quarterly financial statements and audited the 2008 financial statement with the management and notes to the financial statements by the external auditors to ensure that the financial statements of the Company, subsidiaries and affiliated companies were correctly prepared with adequate information disclosure and compliance with generally accepted accounting standards. Moreover, the Audit Committee made observations and recommendations to solve problems for the Company's benefits.

Connected Transactions

The Audit Committee reviewed the disclosure of connected transactions that may create conflict of interests with the Company to ensure that these were actual transactions incurred during a normal course of business, with which the Company complied based on the government's requirements, the Stock Exchange of Thailand's regulations and corporate governance policy.

Internal Control System

The Audit Committee reviewed the 2008 audit plan and recommended the Office of Internal Audit for more effective and efficient operation and follow-up continuously revised the significant result of the audit reports to ensure that all departments of the Company had good control system and prevent or mitigate possible risks. The scope of auditing was expanded to subsidiaries and affiliated companies.

Risk Management

The Audit Committee reviewed risk management policy and progress of risk management as operated by the Risk Management Working Group with regards to policy, operating plan, cooperation, as well as in-charge personnel from related work units, so as to build up efficiency and linkage with internal control.

Compliance with the government's rules and regulations

The Audit Committee reviewed compliance results to be in line with The Stock Exchange of Thailand (SET), Securities and Exchange Commission (SEC) regulations, and other relevant business law. To ensure that the Company correctly complied with all related rules and regulations.

Good Corporate Governance

The Company has committed to operate business in accordance with Good Corporate Governance. The Audit Committee reviewed that information was adequately and accurately disclosed to ensure good governance, transparency, and ethics, so as to create confidence among shareholders, investors, employees and other stakeholders.

Selection of the External Auditor

Based on audit fee, reputation, scope, and auditor's volume of work, the Audit Committee proposed to the Board of Directors to secure an approval from shareholders to re-appoint Ernst & Young Office Ltd., as the Company's accounting auditor for the 2009 accounting period.

The Audit Committee considered that the Company paid attention to good corporate governance. The efficiency of its internal control system was adequate with no significant mistake. It has efficient risk management and the Company's financial statement and information disclosure were completed and correct in accordance with generally accepted accounting standards. The Company completely and accurately disclosed information concerning connected transactions that might lead to conflict of interests and adhered to related laws, and regulations.

On behalf of the Audit Committee --



(Mr. Arporn Kengpol)

Chairman of the Audit Committee

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

The Board of Directors is responsible for ensuring that the financial statements of Jasmine Telecom Systems Public Company Limited and the consolidated financial statement of the Company's and its subsidiary are made in accordance with the principles of accounting accepted in general. The accounting policies chosen are suitable and adhered consistently. The information is sufficiently disclosed the notes attached to the financial statements for the benefit of the shareholders and investors.

The consolidated financial statement and the Company's financial statement are made in accordance with principles of accounting generally accepted and are reviewed, audited and given financial opinion by the Audit Committee and trustworthy and independent auditor. The Company's internal control has been evaluated to ensure the sufficiency and to determine whether any fraud or irregularities occurred by the Audit Committee.

The Board of Director is convinced that the consolidated financial statement and the Company's financial statement for the year 2008 present the Company's financial situation and operation results in a reliable and accurate manner.



(Mr. Pete Bodharamik)
Chairman



(Mr. Terasak Jerauswapong)
President

JASMINE TELECOM SYSTEMS PUBLIC COMPANY LIMITED
AND ITS SUBSIDIARIES
REPORT AND CONSOLIDATED FINANCIAL STATEMENTS
ENDED 31 DECEMBER 2006 TO 2008

Balance Sheets

Jasmine Telecom System Public Company Limited and Its Subsidiary
As at 31 December 2006 to 2008

(Unit : Thousand baht)

	Separate Financial Statements						Consolidated Financial Statements					
	2008		2007		2006		2008		2007		2006	
	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%
ASSETS												
CURRENT ASSETS												
Cash and cash equivalents	163,364	5.87	654,095	21.49	731,507	20.05	205,903	6.33	728,586	20.72	762,524	18.71
Current investment-restricted bank deposits	358	0.01	279	0.01	6,922	0.19	1,120	0.03	1,112	0.03	8,316	0.20
Trade accounts and notes receivable												
Related parties	1,014,501	36.48	701,764	23.05	641,289	17.58	1,242,255	38.18	873,231	24.84	771,598	18.94
Unrelated parties	409,813	14.74	445,970	14.65	495,853	13.59	415,508	12.77	470,902	13.39	563,302	13.82
Total trade account and note receivable	1,424,314	51.22	1,147,733	37.70	1,137,143	31.17	1,657,763	50.96	1,344,133	38.23	1,334,901	32.76
Amount due from related parties	17,183	0.62	8,170	0.27	151	0.00	17,183	0.53	8,170	0.23	1	0.00
Inventories - net	94,094	3.38	68,400	2.25	516,446	14.15	94,146	2.89	72,831	2.07	516,827	12.68
Total other current assets	486,493	17.50	156,103	5.13	164,147	4.50	747,047	22.96	409,761	11.65	413,412	10.15
Total current assets	2,185,806	78.61	2,034,781	66.84	2,556,315	70.06	2,723,162	83.70	2,564,594	72.94	3,035,981	74.51
NON-CURRENT ASSETS												
Restricted bank deposits	56,056	2.02	60,473	1.99	57,203	1.57	66,106	2.03	72,159	2.05	71,162	1.75
Long-term trade accounted and notes receivable from related party	22,115	0.80	332,789	10.93	405,332	11.11	22,115	0.68	332,789	9.47	405,332	9.95
Investments in subsidiary	83,899	3.02	83,899	2.76	83,899	2.30	0	-	0	-	0	-
Other long-term investments available for sale securities	2,340	0.08	5,692	0.19	6,324	0.17	4,425	0.14	10,763	0.31	11,959	0.29
Property , plant and equipment - net	426,942	15.35	523,026	17.18	536,464	14.70	432,302	13.29	530,281	15.08	545,735	13.39
Deposits	3,521	0.13	3,463	0.11	2,995	0.08	5,203	0.16	5,366	0.15	4,657	0.11
TOTAL NON-CURRENT ASSETS	594,873	21.39	1,009,341	33.16	1,092,218	29.94	530,150	16.30	951,358	27.06	1,038,845	25.49
TOTAL ASSETS	2,780,679	100.00	3,044,122	100.00	3,648,533	100.00	3,253,312	100.00	3,515,953	100.00	4,074,826	100.00

Balance Sheets (continued)

Jasmine Telcom System Public Company Limited and Its Subsidiary
As at 31 December 2006 to 2008

(Unit : Thousand baht)

	Separate Financial Statements						Consolidated Financial Statements					
	2008		2007		2006		2008		2007		2006	
	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%
LIABILITIES AND SHAREHOLDERS' EQUITY												
CURRENT LIABILITIES												
Shorts-term bank loans	0	-	19,675	0.65	33,756	0.93	293,985	9.04	301,722	8.58	244,194	5.99
Trust receipts	136,556	4.91	3,755	0.12	126,156	3.46	136,556	4.20	3,755	0.11	126,156	3.10
Trade accounts and notes payable	-	-	-	-	-	-	-	-	-	-	-	-
Related parties	134	0.00	7,450	0.24	0	-	134	0.00	7,450	0.21	0	-
Unrelated parties	758,497	27.28	764,547	25.12	700,843	19.21	780,531	23.99	782,675	22.26	713,853	17.52
Total trade accounts and notes payable	758,631	27.28	771,997	25.36	700,843	19.21	780,665	24.00	790,125	22.47	713,853	17.52
Amount due to related parties	1,203	0.04	1,246	0.04	1,172	0.03	8,283	0.25	4,141	0.12	2,496	0.06
Current portion of long-term loans	0	-	0	-	50,400	1.38	0	-	0	-	50,400	1.24
Total other current liabilities	213,306	7.67	83,403	2.74	147,777	4.05	382,747	11.76	265,468	7.55	343,792	8.44
TOTAL CURRENT LIABILITIES	1,109,695	39.91	880,075	28.91	1,060,105	29.06	1,602,236	49.25	1,365,211	38.83	1,480,893	36.34
NON-CURRENT LIABILITIES												
Long-term trade accounts and notes payable-unrelated parties	0	-	335,834	11.03	714,714	19.59	0	-	335,834	9.55	714,714	17.54
Long-term loans net of current portion	0	-	0	-	48,368	1.33	0	-	0	-	48,368	1.19
Other	0	-	0	-	0	-	0	-	0	-	0	-
TOTAL-NON CURRENT LIABILITIES	0	-	335,834	11.03	763,082	20.91	0	-	335,834	9.55	763,082	18.73
TOTAL LIABILITIES	1,109,695	39.91	1,215,909	39.94	1,823,187	49.97	1,602,236	49.25	1,701,045	48.38	2,243,975	55.07
SHAREHOLDERS' EQUITY												
Share capital												
Authorised share capital	726,250		726,250		726,250		726,250		726,250		726,250	
Issued and fully paid up	702,950	25.28	702,000	23.06	701,000	19.21	702,950	21.61	702,000	19.97	701,000	17.20
Share premium	418,812	15.06	418,812	13.76	418,812	11.48	418,812	12.87	418,812	11.91	418,812	10.28
Difference between the purchase price of investment in subsidiary under common control and its net book value	0	0	0	0	0	0	8,158	0.25	8,158	0.23	8,158	0.20
Unrealised gain (loss) on change in value of investment in available for sale securities	(4,364)	(0.16)	(24,980)	(0.82)	(24,348)	(0.67)	(8,309)	(0.26)	(38,215)	(1.09)	(37,031)	(0.91)
Retained earnings												
Appropriated-statutory reserve	56,685	2.04	55,542	1.82	49,458	1.36	56,685	1.74	55,542	1.58	49,458	1.21
Unappropriated	496,901	17.87	676,840	22.23	680,424	18.65	471,418	14.49	667,108	18.97	688,550	16.90
EQUITY ATTRIBUTABLE TO THE COMPANY'S SHAREHOLDERS	1,670,984	60.09	1,828,213	60.06	1,825,346	50.03	1,649,713	50.71	1,813,405	51.58	1,828,947	44.88
Minority interest - equity attributable to minority shareholders of subsidiaries	-	-	-	-	-	-	1,363	0.04	1,504	0.04	1,904	0.05
TOTAL SHAREHOLDERS' EQUITY	1,670,984	60.09	1,828,213	60.06	1,825,346	50.03	1,651,076	50.75	1,814,908	51.62	1,830,851	44.93
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	2,780,679	100.00	3,044,122	100.00	3,648,533	100.00	3,253,312	100.00	3,515,953	100.00	4,074,826	100.00

Income Statements

Jasmine Telecom System Public Company Limited and Its Subsidiary
For the years ended 31 December 2006 to 2008

(Unit : Thousand baht)

	Separate Financial Statements						Consolidated Financial Statements					
	2008		2007		2006		2008		2007		2006	
	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%
REVENUES												
Sales and service income	1,405,884	97.68	1,378,794	96.45	2,485,775	97.50	1,563,120	97.12	1,545,321	96.12	2,850,595	97.63
Gain on sale of investments in available-for sale-securities	0	-	0	-	16,516	0.65	0	-	0	-	16,516	0.57
Exchange gains	8,463	0.59	17,547	1.23	23,819	0.93	17,254	1.07	2,746	0.17	10,419	0.36
Other income	24,957	1.73	33,132	2.32	23,416	0.92	29,140	1.81	59,591	3.71	42,249	1.45
TOTAL REVENUES	1,439,304	100.00	1,429,473	100.00	2,549,526	100.00	1,609,514	100.00	1,607,658	100.00	2,919,779	100.00
EXPENSES												
Cost of sales and services	1,227,501	85.28	1,120,269	78.37	1,953,660	76.63	1,345,157	83.58	1,246,018	77.51	2,269,890	77.40
Selling and Servicing expenses	33,824	2.35	21,702	1.52	24,641	0.97	38,968	2.42	32,447	2.02	34,435	1.18
Administrative expenses	99,733	6.93	111,834	7.82	112,948	4.43	129,604	8.05	149,277	9.29	141,707	4.85
Other expenses	339	0.02	94	0.01	295	0.01	339	0.02	1,783	0.11	319	0.01
Loss on impairment of investments in available for sale securities	23,968	1.67	-	-	-	-	36,594	2.27	-	-	-	-
TOTAL EXPENSES	1,385,364	96.25	1,253,899	87.72	2,091,544	82.04	1,550,662	96.34	1,429,525	88.92	2,446,351	83.79
PROFIT BEFORE INTEREST AND INCOME TAX	53,940	3.75	175,574	12.28	457,983	17.96	58,852	3.66	178,133	11.08	473,427	16.21
Finance Cost	(13,934)	(0.97)	(13,005)	(0.91)	(22,344)	(0.88)	(35,084)	(2.18)	(33,811)	(2.10)	(36,758)	(1.26)
Corporate income tax	(17,140)	(1.19)	(40,899)	(2.86)	(123,240)	(4.83)	(17,140)	(1.06)	(40,899)	(2.54)	(123,240)	(4.22)
Net earning before minority interest	22,865	1.59	121,669	8.51	312,399	12.25	6,628	0.41	103,423	6.43	313,429	10.73
Minority interest	0	-	0	-	0	-	486	0.03	389	0.02	(22)	(0.00)
Net earning for the period	22,865	1.59	121,669	8.51	312,399	12.25	7,114	0.44	103,812	6.46	313,407	10.73
Basic earnings per share - weight average (at par Baht 1)	0.03		0.17		0.54		0.01		0.15		0.54	

Report of Independent Auditor

To the Shareholders of Jasmine Telecom Systems Public Company Limited

I have audited the accompanying consolidated balance sheets of Jasmine Telecom Systems Public Company Limited and its subsidiary as at 31 December 2008 and 2007, the related consolidated statements of income, changes in shareholders' equity and cash flows for the years then ended, and the separate financial statements of Jasmine Telecom Systems Public Company Limited for the same periods. These financial statements are the responsibility of the management of the Company and its subsidiary as to their correctness and the completeness of the presentation. My responsibility is to express an opinion on these financial statements based on my audits.

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

- A) As described in Note 6 to the financial statements, as at 31 December 2008, the Company and its subsidiary had outstanding balances receivable from a related company amounting to approximately Baht 552 million. The balances are recorded under the captions of "Trade accounts and notes receivable - related parties", "Amounts due from related parties", and "Unbilled receivable from related parties" in the consolidated balance sheet (approximately Baht 228 million in the separate balance sheet). Most of the balances are long outstanding. In considering the collectability of the outstanding balances, the management of the Company and its subsidiary received cash flow projections, which had been prepared by the related company. They show that the related company will have sufficient future cash flows to make full payment. On 22 April 2008, the related company filed a petition for business rehabilitation with the Central Bankruptcy Court and the Court accepted the petition. However, up to the reporting date, the Court has not yet ordered the appointment of a rehabilitation planner for the related company and the rehabilitation plan is still required to be approved by the creditors and the Court. The adequacy of the allowance for the outstanding balances is dependent upon the rehabilitation, and the management of the Company and its subsidiary cannot determine the appropriate amount at this stage. I was unable to audit or apply other procedures to satisfy myself as to the adequacy of the allowance for doubtful accounts, and this constitutes a limitation imposed by circumstance. The Company and its subsidiary also had outstanding balances receivable from the subsidiaries of the related company amounting to approximately Baht 99 million and those subsidiaries of the related company also had outstanding balances receivable from the related company. These circumstances described may have a significant impact on the collectability of the outstanding balances receivable.
- B) As described in Note 21 to the financial statements, the Company has disclosed its financial information by business segment in accordance with Accounting Standard No. 24 "Segment Reporting", except for its operating results which the Company is unable to disclose by business segment for reasons as described in that note.

In my opinion, except for any adjustments that might be required to the financial statements of the year 2008 as a result of the matters discussed in paragraph A) and non-disclosure of information described in paragraph B), the financial statements referred to above present fairly, in all material respects, the financial position of Jasmine Telecom Systems Public Company Limited and its subsidiary and of Jasmine Telecom Systems Public Company Limited as at 31 December 2008 and 2007, the results of their operations, and cash flows for the years then ended in accordance with generally accepted accounting principles.



Supachai Phanyawattano
Certified Public Accountant (Thailand) No. 3930

Ernst & Young Office Limited
Bangkok: 23 February 2009

Balance sheets

Jasmine Telecom Systems Public Company Limited and its subsidiary
As at 31 December 2008 and 2007

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2008	2007	2008	2007
Assets					
Current assets					
Cash and cash equivalents		205,902,869	728,585,918	163,363,971	654,095,315
Current investments - restricted bank deposits		1,120,229	1,112,430	357,639	278,580
Trade accounts and notes receivable					
Related parties	6,7	1,242,254,710	873,230,565	1,014,500,952	701,763,744
Unrelated parties	7	415,508,239	470,902,405	409,813,352	445,969,618
Total trade accounts and notes receivable		1,657,762,949	1,344,132,970	1,424,314,304	1,147,733,362
Amounts due from related parties	6	17,182,967	8,170,412	17,182,967	8,170,412
Inventories - net	8	94,146,407	72,831,256	94,094,001	68,400,360
Other current assets					
Prepaid project cost		316,956,720	54,698,885	265,434,672	34,692,531
Unbilled receivable from related parties	6	176,625,544	205,567,374	64,862,781	60,098,296
Unbilled receivable from unrelated parties		23,963,098	16,690,801	11,079,105	10,826,124
Others		229,501,303	132,804,085	145,116,223	50,485,685
Total other current assets		747,046,665	409,761,145	486,492,781	156,102,636
Total current assets		2,723,162,086	2,564,594,131	2,185,805,663	2,034,780,665
Non-current assets					
Restricted bank deposits		66,105,036	72,158,840	56,056,218	60,472,814
Long-term trade account and note receivable from related party	6	22,115,001	332,789,480	22,115,001	332,789,480
Investment in subsidiary	9	-	-	83,899,210	83,899,210
Long-term investments in available-for-sale securities	10	4,424,700	10,762,764	2,339,898	5,691,623
Property, plant and equipment - net	11	432,302,376	530,281,248	426,941,980	523,025,614
Deposits		5,203,284	5,366,074	3,521,125	3,462,518
Total non-current assets		530,150,397	951,358,406	594,873,432	1,009,341,259
Total assets		3,253,312,483	3,515,952,537	2,780,679,095	3,044,121,924

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

Balance sheets (continued)

Jasmine Telecom Systems Public Company Limited and its subsidiary
As at 31 December 2008 and 2007

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2008	2007	2008	2007
Liabilities and shareholders' equity					
Current liabilities					
Short-term bank loans	12	293,985,258	301,722,403	-	19,675,356
Trust receipts	13	136,556,217	3,754,603	136,556,217	3,754,603
Trade accounts and notes payable					
Related parties	6	134,178	7,449,783	134,178	7,449,783
Unrelated parties	14	780,530,879	782,674,921	758,496,567	764,547,158
Total trade accounts and notes payable		780,665,057	790,124,704	758,630,745	771,996,941
Amounts due to related parties	6	8,282,704	4,141,309	1,202,719	1,245,621
Other current liabilities					
Accrued project cost		242,473,566	199,458,562	80,134,140	24,188,154
Advance received from related parties	6	3,734,515	717,859	1,198,764	717,859
Advance received from unrelated parties		114,516,900	46,489,120	114,516,900	46,489,120
Corporate income tax payable		-	89,827	-	89,827
Others		22,021,858	18,712,604	17,455,702	11,917,728
Total other current liabilities		382,746,839	265,467,972	213,305,506	83,402,688
Total current liabilities		1,602,236,075	1,365,210,991	1,109,695,187	880,075,209
Non-current liabilities					
Long-term trade accounts and notes payable - unrelated parties	14	-	335,833,588	-	335,833,588
Total non-current liabilities		-	335,833,588	-	335,833,588
Total liabilities		1,602,236,075	1,701,044,579	1,109,695,187	1,215,908,797
Shareholders' equity					
Share capital					
Registered					
726,250,000 ordinary shares of Baht 1 each		726,250,000	726,250,000	726,250,000	726,250,000
Issued and fully paid-up					
702,950,000 ordinary shares of Baht 1 each					
(2007: 702,000,000 ordinary shares of Baht 1 each)	15	702,950,000	702,000,000	702,950,000	702,000,000
Share premium		418,811,778	418,811,778	418,811,778	418,811,778
Unrealised gain (loss)					
Difference between the purchase price of investment in subsidiary under common control and its net book value	2.2	8,157,637	8,157,637	-	-
Unrealised loss on changes in value of investments in available-for-sale securities		(8,308,755)	(38,215,011)	(4,363,593)	(24,980,010)
Retained earnings					
Appropriated - statutory reserve	18	56,685,113	55,541,853	56,685,113	55,541,853
Unappropriated		471,417,612	667,108,048	496,900,610	676,839,506
Equity attributable to the Company's shareholders		1,649,713,385	1,813,404,305	1,670,983,908	1,828,213,127
Minority interest - equity attributable to minority shareholders of subsidiary		1,363,023	1,503,653	-	-
Total shareholders' equity		1,651,076,408	1,814,907,958	1,670,983,908	1,828,213,127
Total liabilities and shareholders' equity		3,253,312,483	3,515,952,537	2,780,679,095	3,044,121,924

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

Income statements

Jasmine Telecom Systems Public Company Limited and its subsidiary
For the years ended 31 December 2008 and 2007

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2008	2007	2008	2007
Revenues					
Sales and service income		1,563,119,521	1,545,321,038	1,405,884,063	1,378,794,206
Exchange gains		17,254,399	2,746,057	8,462,852	17,546,759
Other income		29,140,007	59,590,987	24,956,917	33,131,986
Total revenues		1,609,513,927	1,607,658,082	1,439,303,832	1,429,472,951
Expenses					
Cost of sales and services		1,345,157,165	1,246,017,525	1,227,500,620	1,120,268,583
Selling and servicing expenses		38,968,377	32,447,375	33,823,616	21,702,464
Administrative expenses		129,603,626	149,277,037	99,732,928	111,834,256
Other expenses		339,015	1,783,149	338,876	93,979
Loss on impairment of investments in available-for-sale securities	10	36,593,991	-	23,968,142	-
Total expenses		1,550,662,174	1,429,525,086	1,385,364,182	1,253,899,282
Income before finance cost and corporate income tax		58,851,753	178,132,996	53,939,650	175,573,669
Finance cost		(35,083,855)	(33,810,812)	(13,934,254)	(13,005,062)
Income before corporate income tax		23,767,898	144,322,184	40,005,396	162,568,607
Corporate income tax		(17,140,189)	(40,899,275)	(17,140,189)	(40,899,275)
Net income for the year		6,627,709	103,422,909	22,865,207	121,669,332
Net income attributable to:					
Equity holders of the parent		7,113,667	103,811,558	22,865,207	121,669,332
Minority interests of the subsidiary		(485,958)	(388,649)		
		<u>6,627,709</u>	<u>103,422,909</u>		
Earnings per share					
20					
Basic earnings per share					
Net income attributable to equity holders of the parent		0.01	0.15	0.03	0.17
Weighted average number of ordinary shares (shares)		<u>702,622,951</u>	<u>701,663,014</u>	<u>702,622,951</u>	<u>701,663,014</u>
Diluted earnings per share					
Net income attributable to equity holders of the parent		0.01	0.15	0.03	0.17
Weighted average number of ordinary shares (shares)		<u>702,622,951</u>	<u>709,847,694</u>	<u>702,622,951</u>	<u>709,847,694</u>

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

Statements of changes in shareholders' equity

Jasmine Telecom Systems Public Company Limited and its subsidiary

For the years ended 31 December 2008 and 2007

(Unit: Baht)

	Consolidated financial statements								
	Equity attributable to the parent's shareholders								
	Issued and fully paid-up		Difference between the purchase price of investment in subsidiary under common control and its net book value		Unrealised loss on changes in value of investments in available-for-sale securities		Retained earnings		Minority interest - equity attributable to minority shareholders
	share capital	Share premium	book value	securities	Appropriated	Unappropriated	Total equity attributable to the parent's shareholders	of subsidiary	Total
Balance as at 31 December 2006	701,000,000	418,811,778	8,157,637	(37,031,128)	49,458,387	688,549,956	1,828,946,630	1,904,304	1,830,850,934
Expense recognised directly in equity:									
Investment in available-for-sale securities									
Loss recognised in shareholders' equity	-	-	-	(1,183,883)	-	-	(1,183,883)	(12,002)	(1,195,885)
Net expense recognised directly in equity	-	-	-	(1,183,883)	-	-	(1,183,883)	(12,002)	(1,195,885)
Net income for the year	-	-	-	-	-	103,811,558	103,811,558	(388,649)	103,422,909
Total income and expenses for the year	-	-	-	(1,183,883)	-	103,811,558	102,627,675	(400,651)	102,227,024
Dividend paid (Note 23)	-	-	-	-	-	(119,170,000)	(119,170,000)	-	(119,170,000)
Unappropriated retained earnings									
transferred to statutory reserve (Note 18)	-	-	-	-	6,083,466	(6,083,466)	-	-	-
Share capital issued (Note 15)	1,000,000	-	-	-	-	-	1,000,000	-	1,000,000
Balance as at 31 December 2007	702,000,000	418,811,778	8,157,637	(38,215,011)	55,541,853	667,108,048	1,813,404,305	1,503,653	1,814,907,958

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

Statements of changes in shareholders' equity (continued)

Jasmine Telecom Systems Public Company Limited and its subsidiary
For the years ended 31 December 2008 and 2007

(Unit: Baht)

	Consolidated financial statements								
	Equity attributable to the parent's shareholders								
	Issued and fully paid-up		Difference between the purchase price of investment in subsidiary under common control and its net book value	Unrealised loss on changes in value of investments in available-for-sale securities	Retained earnings		Total equity attributable to the parent's shareholders	Minority interest - equity attributable to minority shareholders of subsidiary	Total
	share capital	Share premium			Appropriated	Unappropriated			
Balance as at 31 December 2007	702,000,000	418,811,778	8,157,637	(38,215,011)	55,541,853	667,108,048	1,813,404,305	1,503,653	1,814,907,958
Expenses recognised directly in equity:									
Investment in available-for-sale securities									
Transferred to income statements (Note 10)	-	-	-	36,184,961	-	-	36,184,961	409,030	36,593,991
Loss recognised in shareholders' equity	-	-	-	(6,278,705)	-	-	(6,278,705)	(63,702)	(6,342,407)
Net expenses recognised directly in equity	-	-	-	29,906,256	-	-	29,906,256	345,328	30,251,584
Net income for the year	-	-	-	-	-	7,113,667	7,113,667	(485,958)	6,627,709
Total income and expenses for the year	-	-	-	29,906,256	-	7,113,667	37,019,923	(140,630)	36,879,293
Dividend paid (Note 23)	-	-	-	-	-	(201,660,843)	(201,660,843)	-	(201,660,843)
Unappropriated retained earnings									
transferred to statutory reserve (Note 18)	-	-	-	-	1,143,260	(1,143,260)	-	-	-
Share capital issued (Note 15)	950,000	-	-	-	-	-	950,000	-	950,000
Balance as at 31 December 2008	702,950,000	418,811,778	8,157,637	(8,308,755)	56,685,113	471,417,612	1,649,713,385	1,363,023	1,651,076,408

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

Statements of changes in shareholders' equity (continued)

Jasmine Telecom Systems Public Company Limited and its subsidiary
For the years ended 31 December 2008 and 2007

(Unit: Baht)

	Separate financial statements						
	Issued and fully paid-up		Difference between the purchase price of investment in subsidiary under common control and its net book value	Unrealised loss on changes in value of investments in available-for-sale securities	Retained earnings		Total
	share capital	Share premium			Appropriated	Unappropriated	
Balance as at 31 December 2006	701,000,000	418,811,778	-	(24,347,585)	49,458,387	680,423,640	1,825,346,220
Expense recognised directly in equity:							
Investment in available-for-sale securities							
Loss recognised in shareholders' equity	-	-	-	(632,425)	-	-	(632,425)
Net expense recognised directly in equity	-	-	-	(632,425)	-	-	(632,425)
Net income for the year	-	-	-	-	-	121,669,332	121,669,332
Total income and expenses for the year	-	-	-	(632,425)	-	121,669,332	121,036,907
Dividend paid (Note 23)	-	-	-	-	-	(119,170,000)	(119,170,000)
Unappropriated retained earnings transferred to statutory reserve (Note 18)	-	-	-	-	6,083,466	(6,083,466)	-
Share capital issued (Note 15)	1,000,000	-	-	-	-	-	1,000,000
Balance as at 31 December 2007	702,000,000	418,811,778	-	(24,980,010)	55,541,853	676,839,506	1,828,213,127
Balance as at 31 December 2007	702,000,000	418,811,778	-	(24,980,010)	55,541,853	676,839,506	1,828,213,127
Expense recognised directly in equity:							
Investment in available-for-sale securities							
Transferred to income statements (Note 5)	-	-	-	23,968,142	-	-	23,968,142
Loss recognised in shareholders' equity	-	-	-	(3,351,725)	-	-	(3,351,725)
Net expense recognised directly in equity	-	-	-	20,616,417	-	-	20,616,417
Net income for the year	-	-	-	-	-	22,865,207	22,865,207
Total income and expenses for the year	-	-	-	20,616,417	-	22,865,207	43,481,624
Dividend paid (Note 23)	-	-	-	-	-	(201,660,843)	(201,660,843)
Unappropriated retained earnings transferred to statutory reserve (Note 18)	-	-	-	-	1,143,260	(1,143,260)	-
Share capital issued (Note 15)	950,000	-	-	-	-	-	950,000
Balance as at 31 December 2008	702,950,000	418,811,778	-	(4,363,593)	56,685,113	496,900,610	1,670,983,908

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

Cash flow statements

*Jasmine Telecom Systems Public Company Limited and its subsidiary
For the years ended 31 December 2008 and 2007*

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2008	2007	2008	2007
Cash flows from operating activities				
Net income before tax	23,767,898	144,322,184	40,005,396	162,568,607
Adjustments to reconcile net income before tax to net cash provided by (paid from) operating activities:				
Depreciation	103,003,103	99,790,457	100,164,289	96,705,092
Loss on impairment of investment in available-for-sale securities	36,593,991	-	23,968,142	-
Loss (gain) on sales of equipment	(89,933)	366,314	(89,933)	385,047
Unrealised gain on exchange	(2,314,239)	(10,725,416)	(3,152,148)	(20,912,593)
Withholding tax written off	-	(56,890)	-	-
Interest income	(14,847,866)	(25,380,698)	(13,728,144)	(22,328,028)
Interest expenses	30,080,379	32,050,651	9,159,978	11,544,647
Minority interest in loss on impairment of investments in available-for-sale securities	(4,343)	-	-	-
Income from operating activities before changes in operating assets and liabilities	176,188,990	240,366,602	156,327,580	227,962,772
Operating assets (increase) decrease				
Trade accounts and notes receivable	18,900,328	19,133,798	55,717,405	35,198,935
Amounts due from related parties	(1,299,077)	(724,202)	(1,299,077)	(574,843)
Inventories	(15,008,151)	443,995,956	(19,386,641)	448,045,887
Other current assets	(334,610,205)	5,334,615	(327,730,286)	7,403,521
Other assets	162,790	(708,986)	(58,607)	(467,142)
Operating liabilities increase (decrease)				
Trade accounts and notes payable	(363,715,709)	(247,707,211)	(367,618,947)	(260,061,563)
Amounts due to related parties	4,141,395	1,645,155	(42,902)	73,950
Other current liabilities	116,152,258	(19,152,004)	129,842,767	(5,192,981)
Cash flows from (used in) operating activities	(399,087,381)	442,183,723	(374,248,708)	452,388,536
Cash paid for interest expenses	(29,930,501)	(31,503,668)	(9,010,100)	(11,006,722)
Cash paid for corporate income tax	(21,194,049)	(101,715,598)	(21,120,157)	(99,491,790)
Net cash flows from (used in) operating activities	(450,211,931)	308,964,457	(404,378,965)	341,890,024

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

Cash flow statements (continued)

Jasmine Telecom Systems Public Company Limited and its subsidiary
For the years ended 31 December 2008 and 2007

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2008	2007	2008	2007
Cash flows from investing activities				
Decrease (increase) in current investments - restricted bank deposits	(7,799)	7,203,256	(79,059)	6,642,940
Decrease (increase) in restricted bank deposits	6,053,804	(996,353)	4,416,596	(3,269,515)
Interest income	8,370,549	18,532,331	7,192,391	15,523,731
Acquisition of equipment	(11,650,831)	(86,194,538)	(10,707,255)	(85,082,366)
Proceeds from sales of equipment	409,533	364,198	409,533	303,391
Net cash flows from (used in) investing activities	3,175,256	(61,091,106)	1,232,206	(65,881,819)
Cash flows from financing activities				
Increase (decrease) in bank overdrafts and short-term bank loans	(7,737,145)	57,528,078	(19,675,356)	(14,080,521)
Increase (decrease) in trust receipts	132,801,614	(122,401,836)	132,801,614	(122,401,836)
Repayment of long-term loans	-	(98,768,000)	-	(98,768,000)
Proceeds from increase in share capital	950,000	1,000,000	950,000	1,000,000
Dividend paid	(201,660,843)	(119,170,000)	(201,660,843)	(119,170,000)
Net cash flows used in financing activities	(75,646,374)	(281,811,758)	(87,584,585)	(353,420,357)
Net decrease in cash and cash equivalents	(522,683,049)	(33,938,407)	(490,731,344)	(77,412,152)
Cash and cash equivalents at beginning of year	728,585,918	762,524,325	654,095,315	731,507,467
Cash and cash equivalents at end of year	205,902,869	728,585,918	163,363,971	654,095,315

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

Notes to consolidated financial statements

*Jasmine Telecom Systems Public Company Limited and its subsidiary
For the years ended 31 December 2008 and 2007*

1. General information

1.1 Corporate information

Jasmine Telecom Systems Public Company Limited (“the Company”) is a public company incorporated and domiciled in Thailand. Its parent company is Jasmine International Public Company Limited, which was incorporated in Thailand. The Company is principally engaged in the design and installation of telecommunication systems, rental of public telephones, and other businesses and its registered address is 200 Moo 4, 9th Floor, Jasmine International Tower, Chaengwatana Road, Pakkred, Nonthaburi.

On 22 November 2007, the National Telecommunications Commission (“NTC”) granted a type one license (Public Telephone Service) to the Company, for the period of 1 year from date of issue. In 2008, the Company extended this license for another 1 year (expiring in 2009). The Company is to pay an annual license fee, frequency allocation license fee (if any), numbering fee (if any) or other fee as the board of NTC established. The Company is obliged to comply with certain conditions as stated in the license.

1.2 Economic crisis

The financial crisis experienced by the United States of America over the past year has had a far reaching adverse effect on the global economy as evidenced by sharp falls in share prices worldwide, a tight squeeze on credit including interbank lending, failures of large financial institutions and reduced consumer confidence. The crisis has substantially affected the business and financial plans of Thailand enterprises and asset value. Despite efforts made by governments of many countries to contain the crisis, it remains uncertain as to when the global economy will return to normalcy. These financial statements have been prepared on the bases of facts currently known to the Company, and on estimates and assumptions currently considered appropriate. However, they could be adversely affected by an array of future events.

2. Basis of preparation

2.1 The financial statements have been prepared in accordance with accounting standards enunciated under the Accounting Profession 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 14 September 2001, 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 such financial statements in Thai language.

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

2.2 Basis of consolidation

a) The consolidated financial statements include the financial statements of Jasmin Telecom Systems Public Company Limited (“the Company”) and a subsidiary company, Siam Teltech Computer Company Limited, which was incorporated in Thailand. The subsidiary company is principally engaged in the system and software development and sales of computer products, detailed below.

Company's name	Percentage of shareholding		Assets as a percentage to the consolidated total assets as at 31 December		Revenues as a percentage to the consolidated total revenues for the year ended 31 December	
	2008	2007	2008	2007	2008	2007
	Percent	Percent	Percent	Percent	Percent	Percent
Siam Teltech Computer Co.,Ltd.	97.87	97.87	17.1	15.8	10.1	12.0

(b) Subsidiary is fully consolidated as from the date of acquisition, being the date on which the Company obtains control, and continue to be consolidated until the date when such control ceases.

(c) The financial statements of the subsidiary are prepared for the same reporting period as the parent company, using consistent significant accounting policies.

- d) Material balances and transactions between the Company and its subsidiary company have been eliminated from the consolidated financial statements.
- e) Minority interests represent the portion of net income or loss and net assets of the subsidiary that are not held by the Company and are presented separately in the consolidated income statement and within equity in the consolidated balance sheet.

The Company purchased investment in the subsidiary company, Siam Teltech Computer Company Limited, at a price of Baht 8.2 million lower than the attributable net asset value of the subsidiary company. The Company recorded this difference under the caption of "Difference between the purchase price of investment in subsidiary under common control and its net book value" in shareholders' equity in the balance sheet.

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

3. Adoption of new accounting standards

3.1 Accounting standards which are effective for the current year

The Federation of Accounting Professions has issued Notification No. 9/2550, 38/2550 and 62/2550 mandating the use of the following new accounting standards as follows:

TAS 25 (revised 2007)	Cash Flow Statements
TAS 29 (revised 2007)	Leases
TAS 31 (revised 2007)	Inventories
TAS 33 (revised 2007)	Borrowing Costs
TAS 35 (revised 2007)	Presentation of Financial Statements
TAS 39 (revised 2007)	Accounting Policies, Changes in Accounting Estimates and Errors
TAS 41 (revised 2007)	Interim Financial Reporting
TAS 43 (revised 2007)	Business Combinations
TAS 49 (revised 2007)	Construction Contracts
TAS 51	Intangible Assets

These accounting standards will become effective for the financial statements for fiscal years beginning on or after 1 January 2008. The management of the Company and the subsidiary has assessed the effect of these standards and believes that TAS 29, TAS 43 and TAS 51 are not relevant to the business of the Company and its subsidiary, while TAS 25, TAS 31, TAS 33, TAS 35, TAS 39, TAS 41 and TAS 49 do not have any significant impact on the financial statements for the current year.

3.2 Accounting standards which are not effective for the current year

The Federation of Accounting Professions has also issued Notification No. 86/2551 mandating the use of the following new accounting standards:

TAS 36 (revised 2007)	Impairment of Assets
TAS 54 (revised 2007)	Non-current Assets Held for Sale and Discontinued Operations

These accounting standards will become effective for the financial statements for fiscal years beginning on or after 1 January 2009. The management has assessed the effect of these standards and believes that they will not have any significant impact on the financial statements for the year in which they are initially applied.

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.

Revenue from design and installation of telecommunication systems

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

Revenue from installment sales

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

Rendering of maintenance services

Maintenance service revenue is recognised when service is rendered.

Public telephone rental income

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

4.2 Cash and cash equivalents

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

4.3 Trade accounts and notes receivable

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

4.4 Inventories

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

4.5 Investments

- a) Investments in available-for-sale securities are stated at fair value. Changes in the carrying amounts of securities are recorded as separate items in shareholders' equity until the securities are sold, when the changes are then included in determining income. In addition, the Company and its subsidiary treat available-for-sale investments as impaired when the management judges that there has been a significant or prolonged decline in the fair value below their cost or where other objective evidence of impairment exists.
- b) Investment in subsidiary company is accounted for in the separated financial statements using the cost method.

The fair value of marketable securities is based on the latest bid price of the last working day of the year as quoted on the Stock Exchange of Thailand.

The weighted average method is used for computation of the cost of investments.

In the event the Company and its subsidiary reclassify investments in securities, such investments are adjusted to their fair value as at the reclassification date. Differences between the carrying amount of the investments and their fair value on that date are included in determining income or recorded as surplus (deficit) from changes in the value of investments in shareholders' equity, depending on the type of investment which is reclassified.

4.6 Property, plant and equipment / Depreciation

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

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

Buildings	-	20	years
Public telephones	-	10	years but not more than the remaining term of their rental contracts
Buildings and leasehold improvements	-	5	years
Furniture, fixtures and office equipment	-	3, 5, 10	years
Motor vehicles	-	5	years

Depreciation is included in determining income.

No depreciation is provided on land and assets under installation.

4.7 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.

4.8 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 balance sheet date.

Gains and losses on exchange are included in determining income.

4.9 Impairment of assets

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

4.10 Employee benefits

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

4.11 Provisions

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

4.12 Income tax

Income tax is provided in the accounts based on taxable profits determined in accordance with tax legislation.

4.13 Derivatives

Forward exchange contracts

Receivables and payables arising from forward exchange contracts are translated into Baht at the rates of exchange ruling at the balance sheet date. Gains and losses from the translation are included in determining income. Premiums or discounts on forward exchange contracts are amortised on a straight-line basis over the contract periods.

5. Use of accounting estimates

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

Allowance for doubtful accounts

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

Impairment of equity investments

The Company treats available-for-sale investments as impaired when the management judges that there has been a significant or prolonged decline in the fair value below their cost or where other objective evidence of impairment exists. The determination of what is “significant” or “prolonged” requires judgement.

Property plant and equipment/Depreciation

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

In addition, the management is required to review property, plant and equipment for impairment on a periodical basis and record impairment losses in the period when it is determined that their recoverable amount is lower than the carrying amount. This requires judgements regarding forecast of future revenues and expenses relating to the assets subject to the review and discounting them 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.

6. Related party transactions

During the years, the Company and its subsidiary had significant business transactions with related parties, which have been concluded on commercial terms and bases agreed upon in the ordinary course of businesses between the Company and those companies. Below is a summary of those transactions.

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements		Transfer Pricing Policy
	2008	2007	2008	2007	
<u>Transactions with parent company</u>					
Office rental and service expenses	10.6	11.3	6.0	6.0	Contract price or at prices normally charged to other customers
Other expenses	0.7	0.9	0.6	0.7	Contract price or at prices normally charged to other customers
<u>Transactions with related companies</u>					
Sales and service income	592.6	876.3	536.2	777.1	Contract price or at prices normally charged to other customers or cost plus margin
Interest income	7.8	7.4	7.8	7.4	MLR per annum
Cost of sales and services	23.1	14.7	22.9	14.6	Contract price or at prices normally charged to other customers
Office rental and service expenses	1.4	3.2	1.4	3.2	Contract price or at prices normally charged to other customers
Other expenses	7.9	8.1	4.7	4.9	Contract price or at prices normally charged to other customers

The balances of the accounts as at 31 December 2008 and 2007 between the Company and those related companies are as follows:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2008	2007	2008	2007
<u>Trade accounts and notes receivable - related parties</u>				
<u>Parent company</u>				
Jasmine International Plc.	8,156	16,050	8,156	16,050
<u>Related companies</u>				
TT&T Plc.	439,447	425,357	211,959	256,125
Triple T Broadband Plc.	680,223	383,845	680,223	383,837
Triple T Global Net Co., Ltd.	61,470	-	61,470	-

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2008	2007	2008	2007
T.J.P. Engineering Co., Ltd.	25,949	24,101	25,949	24,101
Jastel Network Co., Ltd.	18,001	6,785	18,001	6,785
Triple T Internet Co., Ltd.	6,367	-	6,367	-
Jasmine Submarine Telecommunications Co., Ltd.	2,376	13,075	2,376	13,075
TT&T Subscriber Services Co., Ltd.	266	1,604	-	1,604
Premium Assets Co., Ltd.	-	187	-	187
Acumen Co., Ltd.	-	2,227	-	-
Total trade accounts and notes receivable - related companies	1,234,099	857,181	1,006,345	685,714
Total trade accounts and notes receivable - related parties	1,242,255	873,231	1,014,501	701,764
Amounts due from related parties				
Parent company				
Jasmine International Plc.	-	1	-	1
Related companies				
TT&T Plc.	15,883	8,169	15,883	8,169
Jasmine Submarine Telecommunications Co., Ltd.	1,260	-	1,260	-
Triple T Broadband Plc.	40	-	40	-
Total amounts due from related parties	17,183	8,170	17,183	8,170
Unbilled receivable from related parties				
Related companies				
TT&T Plc.	96,813	145,821	-	352
T.J.P. Engineering Co., Ltd.	64,863	59,746	64,863	59,746
TT&T Subscriber Services Co., Ltd.	14,950	-	-	-
Total unbilled receivable from related parties	176,626	205,567	64,863	60,098
Long-term trade accounts and notes receivable from related party				
Related companies				
Triple T Global Net Co., Ltd.	22,115	-	22,115	-
Triple T Broadband Plc.	-	332,789	-	332,789
Total long-term trade accounts and notes receivable from related party	22,115	332,789	22,115	332,789
Trade accounts and notes payable - related parties				
Related companies				
TT&T Plc.	134	134	134	134
Jasmine Submarine Telecommunications Co., Ltd.	-	7,316	-	7,316
Total trade accounts and notes payable - related parties	134	7,450	134	7,450
Amounts due to related parties				
Parent company				
Jasmine International Plc.	7,069	2,451	268	205
Related companies				
Jasmine Submarine Telecommunications Co., Ltd.	575	575	575	575
Premium Assets Co., Ltd.	469	877	250	305
Jasmine Internet Co., Ltd.	60	74	-	-
Triple T Broadband Plc.	33	80	33	80

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	<u>2008</u>	<u>2007</u>	<u>2008</u>	<u>2007</u>
Triple T Internet Co., Ltd.	27	-	27	-
TT&T Subscriber Services Co., Ltd.	-	27	-	27
Aces Regional Service Co., Ltd.	-	3	-	-
Acumen Co., Ltd.	50	54	50	54
Total amounts due to related companies	1,214	1,690	935	1,041
Total amounts due to related parties	8,283	4,141	1,203	1,246
Advance received from related parties				
Related companies				
TT&T Plc.	2,536	106	-	106
Jastel Network Co., Ltd.	1,007	-	1,007	-
Triple T Global Net Co., Ltd.	94	-	94	-
Jasmine Submarine Telecommunications Co., Ltd.	90	90	90	90
Triple T Broadband Plc.	8	522	8	522
Total advance received from related parties	3,735	718	1,199	718

As at 31 December 2008, the Company and its subsidiary company had outstanding balances receivable from TT&T Plc. (TT&T), a related company amounting to approximately Baht 552 million. The balances are recorded under the captions of "Trade accounts and notes receivable - related parties", "Amounts due from related parties", and "Unbilled receivable from related parties" in the consolidated balance sheet (approximately Baht 228 million in the separate balance sheet). Most of the balances are long outstanding. In considering the collectability of the outstanding balances, the management of the Company and its subsidiary received cash flow projections, which had been prepared by TT&T. They show that TT&T will have sufficient future cash flows to make full payment. On 22 April 2008, TT&T filed a petition for business rehabilitation with the Central Bankruptcy Court and the Court accepted the petition. However, up to the present, the Court has not yet ordered the appointment of a rehabilitation planner for TT&T and the rehabilitation plan is still required to be approved by the creditors and the Court. The adequacy of the allowance for the outstanding balances is dependent upon the rehabilitation, and the management of the Company and its subsidiary cannot determine the appropriate amount at this stage.

Trade accounts and notes receivable - related parties

The Company sold goods to Triple T Broadband Plc. and Triple T Global Net Co., Ltd. (related companies). Sales proceeds will be received over a period of 3 years. The balances of such transactions as at the balance sheet date, classified based on due dates, are as follows:

	(Unit: Baht)	
	<u>2008</u>	<u>2007</u>
Trade accounts and notes receivable from related party due within 1 year (presented under the caption of "Trade accounts and notes receivable - related parties" in the balance sheet)	375,502,236	375,626,432
Trade accounts and notes receivable from related party due over 1 year (presented under the caption of "Long-term trade accounts and notes receivable from related part" in the balance sheet)	22,115,001	332,789,480
Total	<u>397,617,237</u>	<u>708,415,912</u>
Fair value	<u>397,617,237</u>	<u>668,266,043</u>

Directors and management's remuneration

In 2008, the Company and its subsidiary paid salaries, bonus, meeting allowances and gratuities to their directors and management totaling Baht 31 million (Separate financial statements: Baht 14.5 million) (2007: Baht 37.7 million, Separate financial statements: Baht 22.7 million).

7. Trade accounts and notes receivable

The balances of trade accounts and notes receivable as at 31 December 2008 and 2007, aged on the basis of due dates, are summarised below.

(Unit: Baht)

Age of receivables	Consolidated financial statements		Separate financial statements	
	2008	2007	2008	2007
<u>Related parties</u>				
Not yet due	572,520,317	600,138,667	566,657,915	429,108,192
Past due				
Up to 3 months	131,779,485	48,837,260	131,738,050	48,400,914
3 - 6 months	67,747,531	70,883,439	67,747,531	70,883,439
6 - 12 months	248,290,748	103,362,572	55,979,582	103,362,572
Over 12 months	221,916,629	50,008,627	192,377,874	50,008,627
Total	1,242,254,710	873,230,565	1,014,500,952	701,763,744
<u>Unrelated parties</u>				
Not yet due	291,152,302	303,530,239	287,148,824	286,135,058
Past due				
Up to 3 months	33,520,519	76,733,055	32,971,989	69,199,079
3 - 6 months	20,269,550	41,226,254	19,130,301	41,226,254
6 - 12 months	12,983,138	2,983,250	12,983,138	2,983,250
Over 12 months	57,582,730	46,429,607	57,579,100	46,425,977
Total	415,508,239	470,902,405	409,813,352	445,969,618
Total trade accounts and notes receivable	1,657,762,949	1,344,132,970	1,424,314,304	1,147,733,362

Included in trade accounts and notes receivable from unrelated parties as at 31 December 2008 and 2007, were amounts receivable from the companies majority-owned by the government as follows:

(Unit: Baht)

Age of receivables	Consolidated financial statements		Separate financial statements	
	2008	2007	2008	2007
Not yet due	281,752,768	197,814,014	278,201,365	180,470,193
Past due				
Up to 3 months	33,447,188	63,648,877	32,898,658	56,114,900
3 - 6 months	1,139,249	36,859,272	-	36,859,272
6 - 12 months	-	2,876,250	-	2,876,250
Over 12 months	57,279,178	46,141,357	57,279,178	46,141,357
Total	373,618,383	347,339,770	368,379,201	322,461,972

The Company has assigned its rights to receive payments from certain accounts receivable to banks, to secure credit facilities obtained from those banks. The subsidiary company has assigned its rights to receive payments from the majority of its accounts receivable to banks, to secure short-term loans with those banks.

8. Inventories

(Unit: Baht)

	Consolidated financial statements					
	Cost		Allowance for inventory obsolescence		Inventory-net	
	2008	2007	2008	2007	2008	2007
Finished goods	90,847,850	74,363,308	(2,210,190)	(2,210,190)	88,637,660	72,153,118
Spare parts	5,508,747	678,138	-	-	5,508,747	678,138
Total	96,356,597	75,041,446	(2,210,190)	(2,210,190)	94,146,407	72,831,256

(Unit: Baht)

	Separate financial statements			
	Cost		Inventory-net	
	2008	2007	2008	2007
Finished goods	88,585,254	67,722,222	88,585,254	67,722,222
Spare parts	5,508,747	678,138	5,508,747	678,138
Total	94,094,001	68,400,360	94,094,001	68,400,360

9. Investment in subsidiary

These represent investment in ordinary shares of Siam Teltech Computer Company Limited (the subsidiary company).

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

10. Investments in available-for-sale securities

This represents an investment in ordinary shares of TT&T Plc. as per the following details:

	(Unit: Baht)			
	Consolidated financial statements		Separate financial statements	
	2008	2007	2008	2007
Investments in available-for-sale securities, at cost	55,843,250	55,843,250	30,671,633	30,671,633
Less: Allowance for loss on impairment of investment	(43,052,186)	-	(23,968,142)	-
Less: Unrealised loss on changes in value of investments in available-for-sale securities	(8,366,364)	(45,080,486)	(4,363,593)	(24,980,010)
Investments in available-for-sale securities - net	4,424,700	10,762,764	2,339,898	5,691,623

11. Property, plant and equipment

(Unit: Thousand Baht)

	Consolidated financial statements							Total
	Land	Buildings	Public telephones	Buildings and leasehold improvement	Furniture, fixtures and office equipment	Motor vehicles	Assets under installation	
Cost								
31 December 2007	2,000	1,239	666,258	14,880	62,975	12,805	162,646	922,803
Additions	-	-	193	347	2,230	390	8,491	11,651
Disposals	-	-	(778)	-	(220)	(2,825)	-	(3,823)
Transfer in (out)	-	-	9,763	-	-	-	(16,070)	(6,307)
31 December 2008	2,000	1,239	675,436	15,227	64,985	10,370	155,067	924,324
Accumulated depreciation								
31 December 2007	-	884	337,420	4,932	41,585	7,701	-	392,522
Depreciation for the year	-	99	91,932	2,188	6,878	1,906	-	103,003
Depreciation on disposals	-	-	(461)	-	(217)	(2,825)	-	(3,503)
31 December 2008	-	983	428,891	7,120	48,246	6,782	-	492,022
Net book value								
31 December 2007	2,000	355	328,838	9,948	21,390	5,104	162,646	530,281
31 December 2008	2,000	256	246,545	8,107	16,739	3,588	155,067	432,302
Depreciation for the year								
2007 (Baht 91 million included in cost of sales and services, and the balance in selling, servicing and administrative expenses)								99,790
2008 (Baht 93 million included in cost of sales and services, and the balance in selling, servicing and administrative expenses)								103,003

(Unit: Thousand Baht)

Separate financial statements

	Furniture, fixtures					Total
	Public telephones	Leasehold improvement	office and equipment	Motor vehicles	Assets under installation	
Cost						
31 December 2007	666,258	11,491	41,999	12,145	162,647	894,540
Additions	193	347	1,676	-	8,491	10,707
Disposals	(778)	-	(220)	(2,825)	-	(3,823)
Transfer in (out)	9,763	-	-	-	(16,070)	(6,307)
31 December 2008	675,436	11,838	43,455	9,320	155,068	895,117
Accumulated depreciation						
31 December 2007	337,420	1,633	25,171	7,290	-	371,514
Depreciation for the year	91,932	2,188	4,284	1,760	-	100,164
Depreciation on disposals	(461)	-	(217)	(2,825)	-	(3,503)
31 December 2008	428,891	3,821	29,238	6,225	-	468,175
Net book value						
31 December 2007	328,838	9,858	16,828	4,855	162,647	523,026
31 December 2008	246,545	8,017	14,217	3,095	155,068	426,942
Depreciation for the year						
2007 (Baht 91 million included in cost of sales and services, and the balance in selling, servicing and administrative expenses)						96,705
2008 (Baht 92 million included in cost of sales and services, and the balance in selling, servicing and administrative expenses)						100,164

As at 31 December 2008, certain plant and equipment items have been fully depreciated but are still in use. The original cost of those assets amounted to approximately Baht 37.0 million (2007: Baht 33.6 million) (The Company only: Baht 22.8 million, 2007: Baht 19.8 million).

Public telephone project

As at 31 December 2008, property, plant and equipment included public telephones with a total net book value of Baht 247 million (2007: Baht 329 million) represent costs of equipment and expenses incurred in the installation of the public telephones, which have been rented to TOT Plc. for a period of 10 years under three contracts. Under these contracts, the Company is obliged to supply and install a total of 30,000 public telephones (10,000 public telephones under each contract) within 3 years of the contract date. The first contract is dated 31 January 2001 and will expire on 30 January 2011, and the second and the third contracts are dated 15 January 2004 and will expire on 14 January 2014. As at 31 December 2008, the Company was able to install only 11,944 telephones (8,641 under the first contract, 1,860 under the second, and 1,443 under the third). However, since TOT Plc. was unable to allocate all of the numbers for the telephones to be installed under the three contracts to the Company, TOT Plc. has agreed in its letters dated 29 April 2004, 19 May 2006 and 22 May 2006, to extend the installation period until all telephone numbers have been allocated.

According to the contracts, the Company will receive monthly rental at a fixed monthly rate per telephone for the first service year and thereafter at the rate of 50 percent of the average revenue earned by each telephone during the previous year.

On 3 February 2009, the Company issued a letter to TOT in order to seek approval from TOT to cancel the contracts with TOT to rent 30,000 public telephones for a 10-year period (the first contract is dated 31 January 2001, and the second and the third contracts are dated 15 January 2004) because the counterparties, TOT and the Company, are unable to perform their duties as agreed in the contracts. Under this letter, the Company requested TOT to consider the cancellation of the rental contracts to be effective within 27 February 2009.

In January 2009, the Company entered into Memorandums of Understanding with Triple T Global Net Company Limited, a related company, to rent up to 4,000 public telephones with telephone booths for a period of 2 years from the date of the rental contract, which can be extended periodically, by up to 10 years on aggregate; and to rent up to 12,000 public telephones for a period of 1 year from the date of the rental contract, which can be extended periodically, by up to 5 years on aggregate. According to the Memorandums, the Company will receive monthly rental at a fixed monthly rate per telephone throughout the rental period.

12. Short-term bank loans

The Company and its subsidiary's short-term bank loans carry interest at the rate of MLR per annum. The Company's short-term bank loans are secured by the assignment of rights to receive payments from certain accounts receivable, and the subsidiary's short-term bank loans are secured by the assignment of rights to receive payments from the majority of its accounts receivable as described in Note 7.

13. Trust receipts

The balances' are secured by the pledge of bank deposits and the assignment of rights to receive payments from accounts receivable.

14. Trade accounts and notes payable – unrelated parties

The Company purchased goods from 2 groups of companies: domestic and overseas. Under the sales and purchase agreement with those companies, the Company is obliged to make payment within 3 years. The outstanding balances of such transactions as at the balance sheet date, based on due dates, are as follows:

	<u>2008</u>	<u>2007</u>
		(Unit: Baht)
Trade accounts and notes payable - unrelated parties due within 1 year (presented under the caption of "Trade accounts and notes payable- unrelated parties" in the balance sheet)	347,676,354	345,388,655
Trade accounts and notes payable - unrelated parties due over 1 year (presented under the caption of "Long-term trade accounts and notes payable - unrelated parties" in the balance sheet)	-	335,833,588
Total	<u>347,676,354</u>	<u>681,222,243</u>
Fair value	<u>347,676,354</u>	<u>641,031,089</u>

The above outstanding balance of trade accounts and notes payable is secured by Triple T Broadband Plc. (a related company).

15. Share capital

On 26 February 2007, the Meeting No.1/2007 of the Board of Directors of the Company approved a second allocation of 1,000,000 shares to the directors and employees under the continuing 5-year scheme. On 4 May 2007, the Company's directors and employees exercised their rights to purchase the aforementioned 1,000,000 ordinary shares, at a price of Baht 1 per share, or a total of Baht 1,000,000. The Company registered the increase in its paid-up capital to Baht 702,000,000 million with the Ministry of Commerce on 9 May 2007.

On 26 February 2008, the Meeting No.1/2008 of the Board of Directors of the Company approved a third allocation of 1,000,000 shares to the directors and employees under the continuing 5-year scheme. On 6 May 2008, the Company's directors and employees exercised their rights to purchase the aforementioned 950,000 ordinary shares, at a price of Baht 1 per share, or a total of Baht 950,000. The Company registered the increase in its paid-up capital to Baht 702,950,000 million with the Ministry of Commerce on 7 May 2008.

16. ESOP shares

The ordinary share had been granted to the Company's directors and employees detailed as follows:

	<u>ESOP shares</u>
Extraordinary General Meeting of Shareholders resolution date	9 March 2005
Total number of shares issued (units)	5,000,000
Exercised period as from the issued date (years)	5
Initial offering date	3 November 2006
Expired date	2 November 2011
Exercised price (Baht per unit)	Baht 1
Remaining warrants	
As at 31 December 2007 (units)	3,000,000
As at 31 December 2008 (units)	2,050,000

17. ESOP warrants

The ordinary share warrants had been granted to the Company's directors and employees free of charge detailed as follows:

	ESOP warrants
Extraordinary General Meeting of Shareholders resolution date	9 March 2005
Total number of warrants issued (units)	21,250,000
Exercised period as from the issued date (years)	5
Expired date	27 October 2011
Exercised ratio (warrant: ordinary share)	1 : 1
Exercised price (Baht per unit)	Baht 1 to Baht 2
Remaining warrants as at 31 December 2007 (units)	18,500,000
Remaining warrants as at 31 December 2008 (units)	18,500,000

18. Statutory reserve

Pursuant to Section 116 of the Public Limited Companies Act B.E. 2535, the Company is required to set aside to a statutory reserve at least 5 percent of its net income after deducting accumulated deficit brought forward (if any), until the reserve reaches 10 percent of the registered capital. The statutory reserve is not available for dividend distribution.

19. Expenses by nature

Significant expenses by nature are as follows:

	(Unit: Baht)			
	Consolidated financial statements		Separate financial statements	
	2008	2007	2008	2007
Salary and wages and other employee benefits	148.0	159.6	88.3	91.1
Depreciation	103.0	99.8	100.2	96.7
Rental expenses	12.0	14.5	7.3	9.1
Inventories used	917.1	834.4	845.1	793.7

20. Earnings per share

Basic earnings per share is calculated by dividing the net income for the year by the weighted average number of ordinary shares in issue during the year.

Diluted earnings per share is calculated by dividing net income for the year by the weighted average number of ordinary shares in issue during the year plus the weighted average number of ordinary shares which would need to be issued to convert all dilutive potential ordinary shares into ordinary shares. The calculation assumes that the conversion took place either at the beginning of the year or on the date the potential ordinary shares were issued.

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

	Consolidated financial statements					
	Net income		Weighted average number of ordinary shares		Earnings per share	
	<u>2008</u>	<u>2007</u>	<u>2008</u>	<u>2007</u>	<u>2008</u>	<u>2007</u>
	(Thousand Baht)	(Thousand Baht)	(Thousand shares)	(Thousand shares)	(Baht)	(Baht)
Basic earnings per share						
Net income attributable to equity holders of the parent	7,114	103,812	702,623	701,663	0.01	0.15
Effect of dilutive potential ordinary shares						
ESOP warrants granted to the Company's directors and employees	-	-	-	8,185		
Diluted earnings per share						
Net income of ordinary shareholders assuming the conversion of warrants to ordinary shares	<u>7,114</u>	<u>103,812</u>	<u>702,623</u>	<u>709,848</u>	0.01	0.15

	Separate financial statements					
	Net income		Weighted average number of ordinary shares		Earnings per share	
	<u>2008</u>	<u>2007</u>	<u>2008</u>	<u>2007</u>	<u>2008</u>	<u>2007</u>
	(Thousand Baht)	(Thousand Baht)	(Thousand shares)	(Thousand shares)	(Baht)	(Baht)
Basic earnings per share						
Net income attributable to equity holders of the parent	22,865	121,669	702,623	701,663	0.03	0.17
Effect of dilutive potential ordinary shares						
ESOP warrants granted to the Company's directors and employees	-	-	-	8,185		
Diluted earnings per share						
Net income of ordinary shareholders assuming the conversion of warrants to ordinary shares	<u>22,865</u>	<u>121,669</u>	<u>702,623</u>	<u>709,848</u>	0.03	0.17

ESOP warrants granted to the Company's directors and employees were not included in calculation of diluted earnings per share for the year ended 31 December 2008 since the exercise prices to purchase ordinary shares are higher than the average market price for the year.

21. Segment information

The Company and its subsidiary's business operations involve three principal segments: (1) Design and installation of telecommunication systems (2) Rental of public telephones and (3) Other segments. These operations are mainly carried on in Thailand. Below is the consolidated financial information for the years ended 31 December 2008 and 2007 of the Company and its subsidiary by segment

(Unit: Million Baht)

	Design and installation of telecommunication systems segment		Rental of public telephones segment		Other segments		Consolidation	
	2008	2007	2008	2007	2008	2007	2008	2007
	Revenue from external customers	1,317	1,227	126	165	120	153	1,563
Trade accounts and notes receivable	1,620	1,287	29	19	9	38	1,658	1,344
Inventories, net	85	67	6	1	3	5	94	73
Property, plant and equipment, net	1	1	402	492	-	-	403	493
Long-term trade account and notes receivable from related parties	22	333	-	-	-	-	22	333
Unallocated assets							1,076	1,273
Total assets							3,253	3,516

The Company disclosed its financial information by business segment in accordance with Accounting Standard No. 24 "Segment Reporting", except for the operating results which the Company is unable to disclose by business segment since the management believes that such disclosure would unfavorably affect the management and operation of the businesses of the Company and its subsidiary.

22. Provident fund

The Company, its subsidiary and their employees have jointly established a provident fund in accordance with the Provident Fund Act B.E. 2530. The Company, its subsidiary and their employees contributed to the fund monthly at the rate of 3 - 8 percent of basic salary. The fund, which is managed by Bangkok Bank Public Co., Ltd., will be paid to employees upon termination in accordance with the fund rules. During the year 2008, the Company and its subsidiary contributed Baht 6.2 million, and the Company only contributed Baht 4.1 million, to the fund (2007: Baht 6.8 million and Baht 4.4 million, respectively).

23. Dividends

On 25 April 2007, the Annual General Meeting No. 1/2007 of the Company's shareholders passed a resolution approving the payment of dividend of Baht 0.30 per share from the 2006 earnings. However, during 2006 the Company had already paid an interim dividend of Baht 0.13 per share to its shareholders. Hence, the balance of the dividend to be paid to the shareholders amounted to Baht 0.17 per share, a total of approximately Baht 119.2 million. The Company paid this balance of dividend in May 2007.

On 28 April 2008, the Annual General Meeting No. 1/2008 of the Company's shareholders passed a resolution approving the payment of dividend of Baht 0.087 per share from the 2007 earnings, a total of approximately Baht 61.1 million. The Company paid this amount of dividend in May 2008.

On 24 September 2008, the Board of Directors' Meeting No. 7/2008 of the Company passed a resolution approving the payment of an interim dividend of Baht 0.2 per share from the retained earnings as of 30 June 2008, a total of approximately Baht 140.6 million. The Company paid this amount of dividend in October 2008.

24. Commitments and contingent liabilities

24.1 Purchase and sales and service agreement

As at 31 December 2008, the Company has entered into an agreement to purchase goods from an overseas company for a total of USD 23.3 million. Under the conditions of the purchase agreement, the Company is to pay for the goods within approximately 3 years. This agreement to purchase of goods is secured by Triple T Broadband Plc. (a related company).

24.2 Operating lease commitments

The Company and its subsidiary have entered into lease agreements in respect of the lease of office building space and related services. The terms of the agreements are generally between 1 and 2 years and non-cancellable. As at 31 December 2008, future minimum lease payments required under these non-cancellable operating leases contracts were as follows.

(Unit: Million Baht)

	<u>Consolidated financial statements</u>	<u>Separate financial statements</u>
Payable within		
1 year	10.0	6.0
2 - 3 years	5.4	3.5

24.3 Guarantees

As at 31 December 2008, there were outstanding bank guarantees of Baht 775.2 million (2007: Baht 1,052.4 million) issued by the banks on behalf of the Company and its subsidiary, with Baht 540.3 million (2007: Baht 812.8 million) attributed to the Company, in respect of certain performance bonds as required in the normal course of business.

24.4 Letters of credit

As at 31 December 2008, the Company had outstanding commitments under letters of credit with local and overseas suppliers amounting to approximately USD 2.5 million and Baht 109.7 million.

25. Financial instruments

25.1 Financial risk management

The Company and its subsidiary's financial instruments, as defined under Thai Accounting Standard No. 48 "Financial Instruments: Disclosure and Presentations", principally comprise cash and cash equivalents, trade accounts and notes receivable, investments, short-term loans, trade accounts and notes payable, and long-term loans. The financial risks associated with these financial instruments and how they are managed is described below.

Credit risk

The Company and its subsidiary are exposed to credit risk primarily with respect to trade accounts and notes receivable, and other receivable. The Company manages the risk by adopting appropriate credit control policies and procedures and therefore does not expect to incur material financial losses. The maximum exposure to credit risk is limited to the carrying amounts of trade accounts and notes and receivable and other receivable as stated in the balance sheet.

Interest rate risk

The Company and its subsidiary have exposure to interest rate risk relates primarily to its cash at banks, bank overdrafts and short-term and long-term borrowings. However, since most of the financial assets and liabilities of the Company and its subsidiary bear floating interest rates or fixed interest rates which are close to the market rate, the interest rate risk is expected to be minimal.

Foreign currency risk

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

The balances of financial assets and liabilities denominated in foreign currencies as at 31 December 2008 are summarised below.

Consolidated financial statements			
Foreign currency	Financial assets	Financial liabilities	Average exchange rate as at 31 December 2008
	(Million)	(Million)	(Baht per 1 foreign currency unit)
US dollar	22.1	17.4	34.9438

Separate financial statements			
Foreign currency	Financial assets	Financial liabilities	Average exchange rate as at 31 December 2008
	(Million)	(Million)	(Baht per 1 foreign currency unit)
US dollar	22.0	16.5	34.9438

Foreign exchange contracts outstanding at 31 December 2008 are summarized below.

Foreign currency	Bought amount (Million)	Contractual exchange rate
		Bought (Baht per 1 foreign currency unit)
US dollar	0.8	33.5225-34.2000

26. Capital management

The primary objective of the Company's capital management is to ensure that it has an appropriate financial structure and preserves the ability to continue its business as a going concern.

27. Approval of financial statements

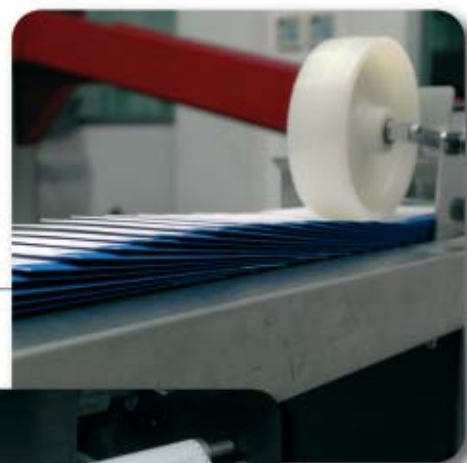
These financial statements were authorised for issue by the Company's Board of Directors on 23 February 2009.



Design
& Supply



Software Development
& Customization



Implementation
& Commissioning



Support
& Maintenance



The image features a large, stylized logo consisting of the letters 'JTS' in a bold, blue, sans-serif font. To the right of the letters are several concentric, semi-circular arcs in a lighter shade of blue, resembling a signal or a stylized 'J' shape. The background is a solid, vibrant yellow. The logo and decorative elements are positioned in the lower-left quadrant of the page.

JTS

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