

(Translation)

Report Form 56-1

For the Year 2001

TelecomAsia Corporation Public Company Limited

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PART I

EXECUTIVE SUMMARY

TelecomAsia Corporation Public Company Limited and its affiliates, provide telecommunications services under the concession awarded by the Telephone Organization of Thailand and the Communications Authority of Thailand. The Company's businesses could be classified into five groups as the following: Wireline services and value-added services from which the companies earn major income about 75 percent of the total income, Personal Communication Telephone services operated by a TA's affiliate, Multimedia Services, Data Transmission Services, Internet and e-commerce services operated by a TA's affiliate. The company aims to be a full-scaled telecommunications services provider. The company continually develops new services to meet requirements of the customers both from business segmentation and consumer segmentation, more details could be found in Section 2 of this form which is corporate information in detail.

PART II

THE LISTED COMPANY

TelecomAsia Corporation Public Company Limited, Type of Business: Telecommunication

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RISK FACTORS

1. Risk Related to Operations

1.1 The Company's concessions can be modified or cancelled.

TOT has granted the Company concessions to provide wireline and related communications and data communications services on a build-transfer-operate basis. Build-transfer-operate concessions require the concession holders to acquire all capital assets required for the operation of its business and to transfer these assets to the grantor of the concession while retaining the exclusive right to use the assets during the term of the concession. The TOT can cancel the Company's wireline concession if it willfully and continually breaches the concession agreement in any material respect. The Company has in the past, and expects to continue to have in the future, differences of opinion with TOT about the terms and scope of the Company's concession agreement. Differences with TOT over the interpretation of material terms of the Company's concessions could impair its ability to conduct business or result in TOT denying the Company rights that it believes have been granted under its concessions. If the Company's concessions are cancelled, it would no longer be able to control a substantial portion of its businesses and its operations would be significantly impacted. Because the counter-party to the Company's concession agreements is agency of the Government of Thailand, it may not be able to enforce its rights or collect damages under the concession agreements, if TOT breaches its obligations. TOT is required to compensate the Company at a price equal to the book value of its network should the concession be cancelled.

1.2 The Company's principal revenue is controlled by a third party.

Pursuant to the Company's concession agreements, all of the revenues generated from its wireline and data services operations are collected by the Telephone Organization of Thailand, or the TOT. It retains a portion of such proceeds and pays to the Company the balance according to a revenue sharing agreement. Because substantially all of the Company's revenues are directed to TOT, it can withhold or delay the forwarding of payments to the Company or offset obligations it believes the Company owes to it. This means that the Company may not be able to receive all of its revenues and could be required to pay significant sums to the TOT.

1.3 The Company competes with its regulator.

Maintaining a good relationship with the TOT is important to the successful operation of the Company's business. The TOT acts both as regulator and as a direct competitor. At times its interests may be different to that of the Company. The TOT can disrupt the Company's ability to offer services to its customers. The Company must receive the TOT's approval before it can change its tariffs, or charge its customers for new products or services. Before approving a charge for a new service, the TOT considers whether it can offer a similar service and whether the service is covered under the Company's revenue sharing plan. The TOT is not bound by any time limit in approving any request by the Company to offer a new service. The Company believes that maintaining good relationship with the TOT can limit this type of risk, which the Company has adopted as the major policy in operation under the concession agreement.

1.4 Market liberalization causes intensified competition.

The Thai telecommunications industry is moving towards liberalization. The government has a plan to liberalize the telecommunications business locally before 2006. After that the market will be free to competition from international operators. Therefore, it is most likely there will be new entrants to the market and competition in business will increase.

In order to prepare for the market liberalization, most of operators have strengthened their competitive advantages by implementing various strategies, which have created a

more competitive market environment before the market is actually liberalized. The Company's PCT business is currently facing higher competition from cellular operators who aggressively promote their business whereas the Company's fixed line business is facing the competition from both fixed line and cellular operators. Existing cellular operators have added their subscribers significantly during the year 2001. These subscribers may make more calls from cellular phones, which could consequently affect the revenues from the fixed line service of the Company.

1.5 Concession conversion may be on terms less favorable than its competitors.

The government policy is to liberalize the telecommunication business and the business of the Company and some subsidiaries engaged in the concession contracts with the TOT and the CAT. The government therefore has the policy to convert the concessions in order to create a level playing field for free market competition. The Concession Conversion Sub-Committee was established in order to supervise the concession conversion process between the states and the private sector. Private operators can decide whether or not to convert their concessions. The conditions in the concession conversion will be agreed between the private operator and the TOT on a case by case basis. If other telecommunication operators negotiate better terms than the Company for their concession conversions, the Company could be placed at a competitive disadvantage, which could affect its operations.

1.6 Investment in new telecommunication services may not be successful.

The Company has its plan to expand into other types of telecommunication services such as high speed Internet (ADSL & Cable Modem), E-Commerce and new services offered on the fixed line network such as Calling Card and Free Phone 1-800 Service. Such services are new to the market and the Company's success depends upon many factors such as market demand and the competition from other competitors. The result of the Company's inability to expand its telecommunication business as planned will affect its operation plan as a whole and in return impact its operating results.

The Company has recently expanded into cellular business by acquiring a 41% ownership interest in TA Orange Co., Ltd. (TA Orange) has been granted a concession by the Communication Authority of Thailand to install and operate a GSM 1800 MHz mobile cellular telecommunication network in the Kingdom of Thailand. TA Orange will be the

new entrant in the Thai cellular market whereby two major operators have gained most of market share. While TA Orange has Orange SA, a leading international cellular operator as its strategic partner, the success of investment in Thailand's highly competitive cellular business depend on various factors. The business performance of TA Orange will have a significant impact to the Company's financial results.

2. Risk Related to Financial Situation

2.1 The Company's operations are restricted by various financial agreements.

The agreements covering long-term debt, and restructured debt, contain conditions and limitations on the Company's operations. They place limitations on the Company's ability to issue equity or debt, sell or acquire assets and pay dividends, as well as contain various covenants that could delay the implementation of its business strategies. These limitations may force the Company to pursue less than optimal business strategies or forego business arrangements that could be financially advantageous to it and to its shareholders.

2.2 Repayment of the Company's indebtedness could be accelerated without its control.

The Company's restructuring agreements permit its creditors to accelerate the repayment of its secured indebtedness if:

- TOT materially breaches its concession agreement with the Company;
- principal shareholders are unable to direct the Company's management; or
- The C.P. Group or Verizon Communications sells shares of the Company more than 10% of their holdings prior to March 31, 2003.

These events could occur but are beyond the Company's control. If any of these events occur, the Company's creditors could request immediate repayment of the indebtedness to them. If the indebtedness is accelerated, the Company may not have sufficient funds to repay these amounts, which could affect its financial position.

2.3 Subject to exchange rate fluctuations between the Thai Baht and the U.S. Dollar.

All of the Company's revenues are denominated in Thai Baht, while approximately 50% of its total liabilities at December 31, 2001 were denominated in foreign currencies, principally the U.S. Dollar. Further depreciation of the Thai Baht would increase, in Baht terms, the outstanding foreign currency denominated debt, the related interest expense and the cost of additional credit. A portion of capital expenditures is also denominated in foreign currencies, principally the U.S. Dollar. Any further depreciation of the Thai Baht against those foreign currencies would increase the amount of Baht revenue required to meet capital expenditure plans. In Baht terms the costs of capital expenditures would increase.

Therefore, any sudden and substantial increase in the U.S. dollar relative to the Thai Baht could affect results of operations and the Company's ability to meet its future payment obligations on debt. The Company would, however, be a beneficiary of any decrease in the value of the Dollar versus the Thai Baht.

NATURE OF BUSINESS

Company Background and Major Development

TelecomAsia Corporation Public Company Limited (the “Company”) was established on 13th November 1990 initially under the name of CP Telecommunications Company Limited to undertake the telecommunications business being awarded a Build Transfer Operate (BTO) concession by the Telephone Organization of Thailand (“TOT”) to construct, install and jointly operate a 2.6 million fixed telephone line expansion in the Bangkok Metropolitan Area (the “BMA”) (the BMA includes Bangkok, Nonthaburi, Samutprakarn and Pathumthani) for a period of 25 years. The Company must also provide maintenance of the system equipment of the 2.6 million lines throughout the term of the agreement. In addition to the original fixed line concession with the TOT, the Company has been granted the approval to expand various types of valued added services to its fixed line subscribers aiming to be a full-scaled telecommunications service provider. This includes TA Connex, public phone service, Personal Communication Telephone service (“PCT”), data transmission services, internet and multimedia services.

The Company subsequently registered as a public company limited with registration no. Bor Mor Jor 82 on 11th February 1993 having Nynex Network System (Thailand) Company Limited (“NYNEX”) as a strategic partner. NYNEX is an affiliate of Verizon Communications, Inc. (“Verizon”), a leading telecommunications service provider in the U.S. As at 31st December 2001, NYNEX holds approximately 12.51% of fully paid-up capital of the Company while Charoen Pokphand Group Co., Ltd., a Thai major shareholder holds 16.40 %.

Major Development in Business Operation and Management

November 1990	Company Establishment with registered capital of Baht 1,000 million
August 1991	Entering into the BTO concession with the TOT to build, install, jointly operate and maintain a 2 million fixed telephone lines in the BMA for the period of 25 years
December 1991	Establishment of Telecom Holding Company Limited to invest in telecommunications projects
July 1992	Acquisition of 15% shareholding in the Company by Nynex Network System (Thailand) Company Limited
December 1993	Listing as a listed company on the Stock Exchange of Thailand with registered capital of Baht 22,230 million

June 1994	Investment in FLAG Telecom Holdings Limited (“FLAG”), providing fiber optic link for telecommunications service providers
March 1995	Commencement of cable TV service of UTV Cable Network Company Limited (UTV), one of the Company’s affiliates.
September 1995	Approval granted by TOT to the Company for additional 600,000 fixed line expansion in the BMA.
May 1996	Approval granted by TOT to the Company to provide various value added services such as digital network services and TA Connex
August 1996	Approval granted by TOT to the Company to provide PCT service
January 1997	Approval granted by TOT to the Company to provide public telephone service in the BMA
May 1998	Merger between UTV and International Broadcasting Corporation PLC (IBC) to become a leading cable TV service provider under the name of United Broadcasting Corporation PLC (UBC)
November 1999	Official commencement of PCT service
March 2000	Debt restructuring successfully completed with a principle term that Kreditanstalt für Wiederaufbau (KfW), major foreign creditor, subscribes 702 million preference shares totaling USD 150 million equal to 24 % of total shares of the Company after capital increase
August 2000	Commencement of Click TA service, a new alternative of Internet services
November 2000	Announcement of “TA 1234” service, an economical rate for long distance calls
April 2001	Commencement of prepaid PCT service
June 2001	Approval of shareholders in a shareholders’ meeting to swap 41% shares of Bangkok Inter Teletec CO., Ltd. (“BITCO”), holding 99.81% of shares of CP Orange Company Limited (furtherly changed its name to TA Orange Co., Ltd.) awarded a concession by the Communications Authority of Thailand (“CAT”) to provide GSM 1800 cellular phones services
October 2001	Entering into the share swap with BITCO and registration of paid-up capital increase with the Ministry of Commerce on 6 th November 2001

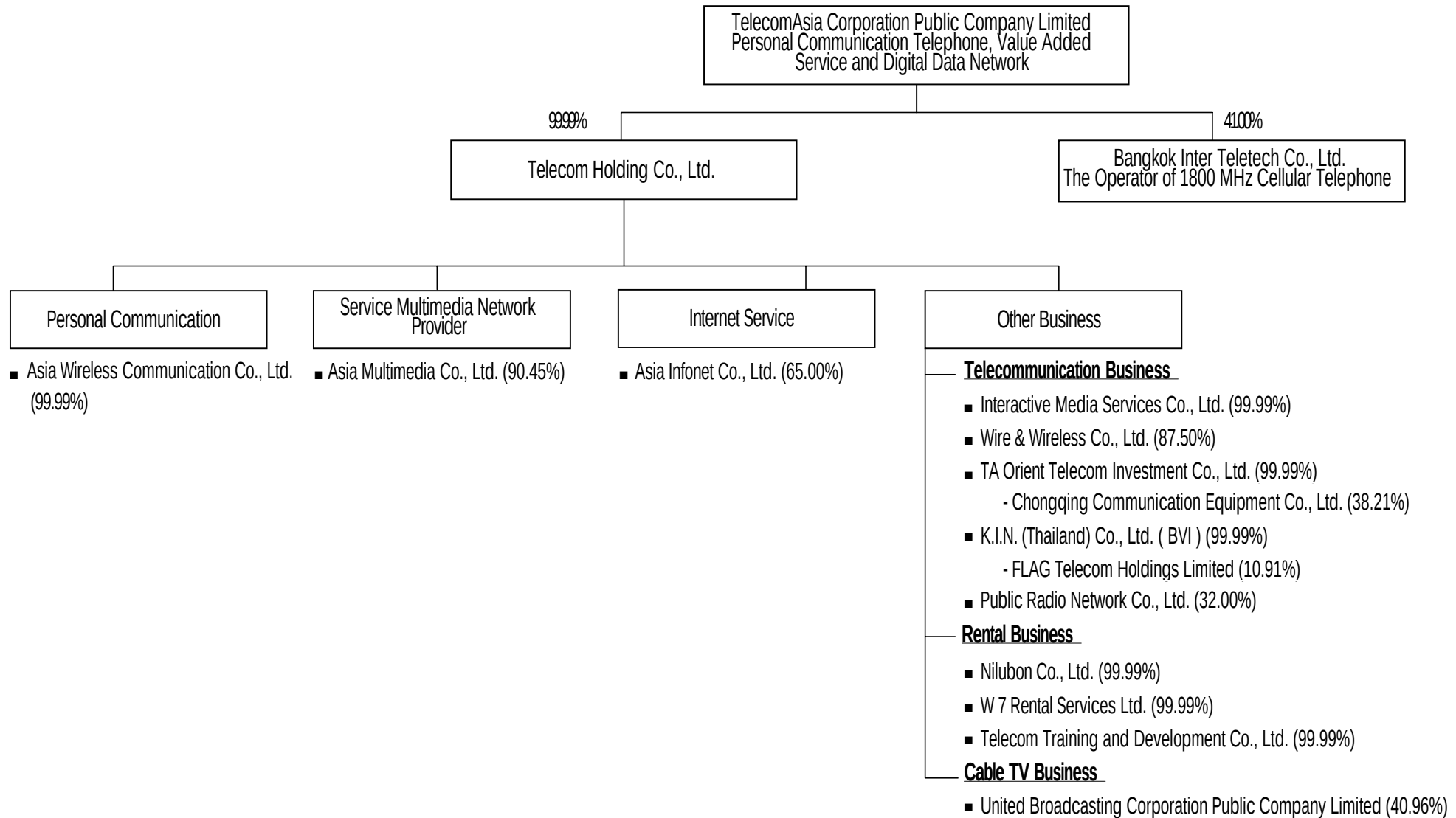
Business Profile of the Company, Subsidiaries and Associated Companies

Currently, the Group's products and services can be classified into 5 Group:

- Wireline Services and Value Added Services
- Wireless Services (PCT)
- Data Transmission Services
- Multimedia Services
- Internet and E – Commerce Services
- Other

BUSINESS GROUP STRUCTURE (in Subsidiaries and Associated Companies)

(As at 31 December 2001)



NOTE : Non activities companies are as followings : K.I.N. (Thailand) Co., Ltd., Tele Engineering and Services Co., Ltd., Yai Kaew Co., Ltd., Asia DBS Public Company Limited, Telecom International Co., Ltd., Telecom Asia (China) Co., Ltd., U-Net Co., Ltd., Telecom Equipment Manufacturing Co., Ltd., Telecom International China Co., Ltd.

Revenues breakdown by business group

Business Group / Operation by	Percentage of Shares Held by the Company	2001		2000		1999	
		Baht Million	%	Baht Million	%	Baht Million	%
1. Business in Telephone and Value Added Service ¹							
Telecom Asia Corporation Public Company Limited							
Revenues		15,618	75.7%	14,732	75.9%	12,497	83.6%
2. Business in Personal Communication Telephone							
Telecom Asia Corporation Public Company Limited							
Asia Wireless Communication Co., Ltd.	99.99%						
Wire & Wireless Co., Ltd.	87.50%						
Revenues		3,072	14.9%	3,034	15.6%	843	5.6%
3. Business in Service Multimedia Network Provider							
Asia Multimedia Co., Ltd.	90.45%						
Revenues		894	4.3%	881	4.5%	905	6.1%
4. Business in Data Service							
Telecom Asia Corporation Public Company Limited							
Revenues		503	2.4%	342	1.8%	195	1.3%
5. Business in Internet and E-Commerce							
Asia Infonet Co., Ltd.	65.00%						
Revenues		154	0.8%	95	0.5%	76	0.5%
6. Other Business							
W7 Rental Services Co., Ltd.	99.99%						
Nilubon Co., Ltd.	99.99%						
Wire & Wireless Co., Ltd.	87.50%						
Other Company							
Revenues		395	1.9%	304	1.6%	427	2.9%
Total Revenues		20,636	100%	19,388	100%	14,943	100%

Source: The Company

¹ Includes Fault Reporting and Dropwiring, Public Phone and Audiotext

DETAILS OF EACH BUSINESS LINE

Products and Services under the Build Transfer Operate Concession with TOT and CAT

The Company is a leading telecommunications service provider of wire line and voice, video, data and web-based applications based on the integrated multi-platform network. As of 31st December 2001, the Company has achieved higher market share in wire line business in the Bangkok Metropolitan Area (“BMA”), Thailand’s largest business center, than its competitor and is aiming to provide its customers with a full range of telecommunications services, emphasizing both the best service from its well-trained personnel and the best quality of products from its high technology-based network.

The Company’s wire line network, as the core network, combines a fiber optic network and a high-speed digital network to not only enable the Company to provide its customers with the best quality of wire line service, but also to help the Company develop its new value added services which better serve its customers’ various needs, e.g. Personal Cordless Telephone (PCT), multimedia services, data transmission services and Internet and e-commerce services. Moreover, the Company has installed ATM (Asynchronous Transfer Mode) and IP (Internet Protocol) networks on its core network to expand the capacity and speed of data transmission and to offer new alternatives of services to its customers. The Company believes that its core network will become the key to telecommunications services of today and to the next era of telecommunications business, emphasizing voice, video and data.

Apart from its high technology core network, the Company has procured a Network Management System which will enable it to track errors and provide highly effective maintenance 24 hours a day including the advanced Computerized Customer Service System or CCSS to help meet its customers’ satisfaction in its services.

Products and Services of the Company and its subsidiaries and affiliates can be classified as follows:

1. Wire Line and its Value Added Services
2. Wireless Service (PCT)
3. Multimedia Services
4. Data Transmission Services

5. Internet and E-Commerce Services

(1) Wire Line and its Value Added Services

In 1991, the Company was formally awarded a Build Transfer Operate (BTO) concession by TOT to construct, install and jointly operate a 2.6 million wire line telephone expansion in the BMA for a 25-year period. The Company shares its revenue with TOT. TOT collects service charges from customers and then calculates the proportion of revenue sharing to the Company, based upon the revenue amount before deduction of related expenses, pursuant to the concession, at the revenue sharing rate of 84% for 2 million lines and 79% for 600,000 lines. With regard to value added services, the Company has 82% revenue sharing from each service and 76.5% of the public phone service. As of 31st December 2001, the Company has 1,741,345 telephone subscribers.

Telephone Subscription and Installation

Upon the request for telephone installation from the customer, the Company will quickly proceed and complete the installation as scheduled. As part of providing excellent service and convenience to all customers, customers can subscribe for wire line telephone at 21 branches of TA Outlet located throughout the BMA area or via Tele-ordering Center at the telephone number 0-2900-9000. In case of having a network problem, the subscriber can dial 1177 Service Center for assistance 24 hours a day. The Company will provide technical support through well-experienced technicians from its Network Maintenance Centers located throughout the BMA area to solve problems immediately as needed. Moreover, the Company has established a Call Center to provide relevant information and address customer concerns.

Value Added Services

In addition to the wire line service, the Company offers various value added services to serve its customers' needs, e.g. Public Phone Service, 1177 Service Center, TA Voice Mailbox, TA Connex, Direct Inward Dialing, TA Hunting Lines and Integrated Service Digital Network.

- Public Phone Service: Since 1997, the Company has provided public phone service in the BMA area for 20,000 telephone units, and is currently seeking approval for 6,000 additional telephone units to be installed in 2002.
- 1177 Service Center and Drop Wire Maintenance: Also since 1997, the Company has operated a service center for receiving notifications of network problems and for drop wire maintenance.
- TA Voice Mailbox: This is an automatic telephone answering service which answers incoming calls when the line is engaged or there is no answer. This service does not require any additional equipment, and allows customers to receive their voice mails by just calling the Voice Mailbox Center.
- TA Connex: This service consists of following features: Call Waiting, Conference Calling, Call Forwarding, Hot Line, Abbreviated Dialing, Automatic Call Repetition and Outgoing Call Barring.

Apart from the foregoing services, the Company also provides services for corporate customers that require a great amount of telephone lines and anticipate various types of services through the direct sale staffs to visit the customers to introduce new technology of valued added services compatible with the wire line telephone system as follows:

- Direct Inward Dialing (DID): DID directs incoming calls to a party through a PABX, without an operator's intervention.
- TA Hunting Lines: This service bundles 2 or more telephone lines at one location into a single number (Pilot Number).
- Integrated Service Digital Network (ISDN): ISDN enables a telephone network to handle the growing need for all forms of voice, data and image communications to be used simultaneously on the same telephone line.

- Other Services: The Company will soon be launching new value added services such as Calling Card and Free Phone 1-800.

(2) Personal Cordless Telephone (PCT)

Along with Asia Wireless Communication Company Limited (“AWC”), a TA subsidiary, the Company officially launched PCT Service in November 1999. PCT is a service that brings convenience to its users through use of a single telephone number as the wire line telephone with a cordless handset that can be used anywhere within the BMA.

PCT combines 2 leading technologies into the existing network: the Personal Handy Phone System (PHS) developed from the Cordless Telephone System and the Public Switched Telephone Network (PSTN) and the advanced Intelligent Network with its enhanced network capability that allows the PCT cordless number to use the same number as the wire line phone.

In 2001, the Company launched the PCT Prepaid Service under the Company’s wire line network in order to satisfy customers who want greater control over the cost of usage. PCT Buddy was also introduced during 2001 to serve apartment residents who do not have their own fixed-line telephone numbers.

PCT is provided under the BTO concession with TOT. All revenue from PCT service is collected by TOT and the Company is paid 82% of revenue, before deduction of related expenses, of which approximately 70% is paid to AWC as compensation for operating the PCT service. PCT service is also available to TOT subscribers. Because the PCT network belongs to the Company, TOT shares approximately 80% of revenue received from its subscribers to the Company as a PCT network rental fee with the Company (in the event that the forex rate is below Baht 38 per USD1) or approximately 82% of revenue (in the event that the forex rate is Baht 38-45 per USD1).

(3) Multimedia Services

Multimedia service is provided through Asia Multimedia Company Limited (“AM”), the Company’s subsidiary that owns exclusively a large scale Hybrid Fiber-optic Coaxial (HFC) network. AM has been operating under TOT permission since 20th October 1997. AM currently jointly operates a cable TV business with United Broadcasting Corporation

Public Company Limited (“UBC”), a Company affiliate and Thailand’s leading cable TV service provider. AM has rented its HFC network of 35 analog channels to UBC for broadcasting cable TV programs. In addition, AM is a drop wire distributor and provides UBC customers with drop wire installation services, including the maintenance of the set-top Boxes.

AM is recognized as the first company in Thailand to launch broadband Internet services based upon cable modem technology which allows computers to send and receive data via the HFC network at very high speed. Transmission speed through AM’s cable modem service, introduced in 1999, is up to 100 times higher than other dial-up modems currently used among internet users. Because it is always connected to the Internet, cable modem service eliminates the delay of dial up procedures, saving users time, and it does not require a separate telephone line.

(4) Data Transmission Services

The Company offers various alternatives in both speed and flexibility for data transmission to best fit its customers’ needs. After the installation of ATM/IP and Remote Access Server (RAS) in the middle of the year 2000, the capacity of data transmission has increase in terms of both higher speeds and improved quality. Data transmission services available to customers are as follows:

- Digital Data Network (DDN): DDN facilitates voice, data and image transmission between two different points over the intelligent network of the Company. Users can use this special route to transmit data that is suitable for business institutions, e.g. banks and financial institutions, which rely upon continuous transmission of accurate data or information, often in large volumes.
- Asymmetric Digital Subscriber Line (ADSL): ADSL allows high and stable speed data transmission service over the wire line service, suitable for each user’ s requirements for on-line data normal telephone line functionality, and is marketed under the name of TA Express.
- IP Access Service (IPAS): This service, offered under the name “TA Megaport,” is another alternative to Trunk Access that provides RAS

management services for customers who require external Access Port, e.g. Internet service providers, web information providers, and business groups which require a Virtual Private Network Service (VPN), without having to incur any additional expenses for equipment and management for the Access Port.

(5) Internet and E-Commerce Services

Since receiving approval from CAT in November 1996, the Company's subsidiary Asia Infonet Company Limited ("AI") has provided Internet and e-commerce services to its customers under the name of "Asianet." AI customers are offered various service alternatives: for example, corporate customers can select leased line, ISDN and web hosting services, while private users can select from monthly or hourly membership packages, or purchase and Internet kit ready for use or International Roaming services.

In addition to AI's Internet service, the Company has created its own website: ClickTA.com, which is an economical Internet service designed to serve its telephone subscribers exclusively. ClickTA.com is accessed through an on-line portal which provides its customers with high speed data transmission through a special gateway to the Internet. Moreover, ClickTA.com contains a variety of useful and entertaining information and has free e-mail service for its subscribers. Service charges collected by AI are shared with the Company. The revenue sharing ratios depend upon the number of ClickTA.com subscribers.

In addition to the foregoing, the Company also provides its corporate and institutional customers with e-commerce services i.e. End-to-end Web Development Solutions, e.g. Web Design, Web Development Implementation, Hosting. Our services are capable of serving even the most complicated interactive website with graphic and motion pictures or animation and multimedia components.

Marketing Strategy

The Company seeks to provide its customers with a complementary variety of bundled telecommunications services. The Company also believes that the demand for the combination of the wire line, wireless, Internet and multimedia products and services will be increasing significantly. As high technology products and services develop, the

Company and its subsidiaries have jointly determined their marketing strategy and targeted customers, together with distribution channels, as follows:

Marketing Strategy and Market Environment

The main objective of the Company is to best serve its customers via its advanced telephone network in order to facilitate and better its customers' quality of life by considering the market demand and the quality of service. As a consequence, the market strategy emphasizes public relations activities to improve the perception of and understanding towards the Company's products and services, including the ongoing marketing campaign corresponding to the customers' needs.

Nature of Customers and Target Group

The Company recently reorganized its marketing organization into the Business Segmentation and Consumer Segmentation. The Company has classified its Business Segmentation into 1) Small and Medium Enterprises, 2) Banking, Finance and Insurance, 3) Government and State Enterprises, and 4) Wholesale Services and Solutions in order to provide them with the most appropriate service.

With regard to the Consumer Segmentation, the Company has categorized its customers by the market environment into 1) Teenager Group, 2) Housewife and Family Group, 3) Businessman and Professional Group, and 4) New Housing Resident Group in order to offer best service and high technology products to such customers throughout the BMA.

Distribution Scheme and Distribution Channel

Distribution channels are divided into:

1. Business Channel is categorized into
 - Small and Medium Enterprises: The distribution channel for this customer group is based upon the territory and area approach. Each area is under the responsibility of a sales manager and sales executives in charge of a specific territory. The marketing strategy is tailored and is adjustable to meet the requirements of

the targeted customers. In addition, the sale executives are trained to possess good skills in presentation, negotiation and creating marketing activities to facilitate the sale, e.g. direct marketing.

- **Banking, Finance and Insurance:** The Company has an Account Executive (“AE”) who is responsible for certain customers. Each AE surveys the total communication requirements of the customers and, correspondingly, offers them a total solution package of voice, image, data and information transmission. Moreover, each AE acts as a single point of contact for those customers in order to accommodate and provide customer care service appropriately.
- **Government and State Enterprises:** The Company established a specific sales department responsible for this customer segment, in order to ensure compliance with relevant rules and regulations and to serve them with well-suited services.
- **Wholesale Services and Solutions:** This customer group includes telecommunications business, Internet service providers, e-commerce business, etc. which have huge demand for telephone usage with high technology functions. The Company, therefore, has technical specialists available for giving technical advice and assistance to this customer group.

2. Consumer Channel is categorized into:

- **Retail and Telesales Channel Management (RTM):** This involves the telesales to prospective customers through 21 outlets in order to accommodate them in subscribing to telephone line and other services from the Company.
- **Direct Sales:** This distribution channel is based upon the territory and area approach under the responsibility of a sales manager and sales executives for each specific territory. Marketing

strategy is tailored to be adjustable to provide the most appropriate services such as mail drop, promotional campaign and activities, and mobile outlets to facilitate those who are living in certain residential area.

Procurement of Products and Services

Network Capacity for Services

The Company believes that the capacity of its fiber optic network covering all over the service area is the key element to provide its customers with the most accessible services compared to other existing telephone networks in Thailand. Voice, graphic or animation and data transmission through the optical fiber cable is in higher speed than that through the copper wire or radio wave. In addition, the network design can eliminate the call failures due to accidental interruption of communication route or any other causes. Said network with a spider web design covering all over the service area enables the Company to optionally utilize other routes instead of the breakdown one.

Network Acquisition

The Company has employed a number of suppliers to assist in network acquisition and installation including outside plant installation to expand its service coverage, drop wire installation, acquisition of switching equipment, technical support, repair and maintenance of transmission equipment, ATM equipment and Remote Access Server. The Company has not depended upon any specific distributor or supplier and has not faced with problems in hiring the suppliers due to having a plenty of suppliers in the market.

Technical and Management Support

The Company has acquired the technical and management support from Verizon Communications, Inc. (formerly named Nynex Network Systems (Thailand) Company) as a major shareholder and a strategic partner since 1992. Verizon has assigned its executives to work full time to provide technical and management support particularly in both marketing and finance in order to maximize the quality and the effectiveness of the performance of the Company.

industry and competition

1. Fixed Line Business.

Currently, there are 3 fixed line operators comprising 2 private concessionaires namely, the Company (offering services in greater Bangkok and vicinities) and Thai Telephone and Telecommunication Plc.-TT&T (offering services in provincial areas). The TOT, a state enterprise, also offers services with nation wide coverage. As of September 30, 2001, there were totally 3,190,667 fixed line subscribers in Bangkok and vicinities. This represented a growth rate of 8.8 % year over year.

Table: Fixed Line Telephone- Lines in Service

Service Provider	As of September 30, 2001			As of September 30, 2000		
	Bangkok Metropolitan	Provinces	Total	Bangkok Metropolitan	Provinces	Total
TOT*	1,474,421	1,653,689	3,128,110	1,439,382	1,437,212	2,876,594
TA**	1,716,246		1,716,246	1,493,646		1,493,646
TT&T*		1,184,126	1,184,126		1,183,393	1,183,393
Total	3,190,667	2,837,815	6,028,482	2,933,028	2,620,605	5,553,633

Source: * www.tot.or.th

* * the Company's data

The penetration rate in Bangkok Metropolitan is still considerably low when compared with other developed Asian cities. Therefore, there is still opportunity for growth. However the growth rate will depend on the pace of economic recovery and the expansion in the Internet and data market, which will stimulate customer need for additional fixed telephone lines.

Table: Asian Cities' Fixed Line Penetration Rates

Country	Connected Lines per 100 Population
Hong Kong	52.1
Malaysia	20.2
Taiwan	54.1
Korea	48.6
Bangkok Metropolitan ¹	35.9

Source: CIA Fact Book 2000 and the company

¹ Metropolitan includes Nontaburee, Patumthanee and Samut Prakarn

Competition is not intense at present. Under the current regulation scheme, there are limited number of concessionaires under the concession contracts between the concessionaires and the TOT. However, commencing the early 2001, TOT has adopted a more aggressive marketing scheme. This heated up the degree of competition. Since the Company has engaged in a more aggressive marketing approach than TOT and the TOT had a limited number available for sale, it managed to seize almost all of the net additions market share and hence resulting in the Company's market share surpassing TOT's. As at September 30, 2001, the Company managed to possess 54% market share for Bangkok and vicinities while TOT captured the balance of 46%. The competitive strategy implemented by the Company included the continuous sales promotion for new application fee waiving, bundling sales with other products, management by type of customers, emphasis on corporate client group including the concentration on the service quality and customer satisfaction. The Company believes that its strength in fixed line services lies on its fixed line network technology which is modern and highly flexible. It, therefore, enhances the Company to offer service with high efficiency and low maintenance cost.

However, with the hyper growth in cellular subscribers that almost doubled within the year 2001 and with the intense sales promotions from cellular operators, the tariff has effectively declined. This affected the Company's fixed line business. There was some migration of subscribers from fixed line to cellular. The said impact will still continuously exist for the next few years when the subscriber growth is expected to increase rapidly. However, part of the said impact will be offset by higher call to mobile due to a higher destination phone number to call to.

2. The Personal Communication Telephone (PCT) Business.

The Company has commenced the PCT official launch since November 1999 with its unique characteristic of "one number" concept as the first and the only operator in the world. It is, therefore, considered as value added service extending the service coverage area of its fixed line. It that enables subscriber to use their home phone numbers anywhere within service footprint. This has positioned PCT uniquely as an extension to fixed line services and thus differentiated PCT from cellular service. Moreover, the Company emphasizes the features of PCT with a slogan of "easy to remember, convenient, safe, and economy". Since PCT carries the same number as of the fixed line, the number is easy to be remembered. As PCT handsets transmit 200 times less

microwave power than that of GSM 2 Watts (a cellular handset), they are relatively safer to use. However, PCT only cover the footprint of Bangkok metropolitan. The tariff for PCT is about half of cellular. Calls made from fixed line telephones to PCTs are charged at Bt 3 per call, while, outgoing call from fixed line to PCT is charged at fixed rate of Bt 3 per call comparing with the time metering rate for calls made from fixed line telephones to cellulars. Another unique characteristic of PCT is the higher data transmission speed than that of the cellular. Moreover, enhancing the data transmission speed capability costs less than cellular due to additional software upgrade requirement. In 2001, the Company has introduced a new sales promotion by reducing tariff for outgoing call from PCT to fixed line or PCT within the same area to Bt 3 per call. Monthly fee was also reduced to Bt 200 per number rather than per handset. The installation fee was also waived. Hence, PCT was positioned as virtual fixed line. By the end of the year, the Company has further reduced the barrier to entry by lending PCT handsets to subscribers for 3 years without any conditions. Moreover, the Company put emphasis on product acknowledgement in order to manage customer's expectations and maintaining the customer service quality.

The target customers for PCT differ from those of the cellulars. They include housewives, civil servants, entry-level company staff and school children, etc. The Company believes PCT is the value-added service to the fixed line rather than being cellular and suits the target customers who spend most of their time in Bangkok.

Despite the Company positioning the market segment for PCT to be differentiated from cellular, there are some consumer groups still perceive PCT as substitute to cellular. Therefore, the fierce competition of the cellular phone business has, in part, inevitably affected the PCT's operating results.

In 2001, cellular subscribers have doubled the number within the first 9 months to 6.4 million amid the more intense competition. The cellular hyper growth has started to develop since the second half of 2000 due to handset and equipment price reductions. Moreover, there were other sales promotions such as the all-inclusive charge that caused tariff reduction. This was done in order to expand and build their subscriber base prior to the entrance of the new operators such as CP Orange Co., Ltd., ACT Mobile, and Hutchison-Tawan Mobile due to launch their services soon.

Despite PCT facing a tougher competition from cellular and the service area being limited to Bangkok Metropolitan, the Company still managed to add subscribers at the growth rate of 60% from 2000 to 626,944 as at December 30, 2001. This reflected the success in its appropriate market positioning and the effective marketing activities. Moreover, it resulted from the wireless service as a whole still having high growth potential. Currently, Thailand still has a low penetration rate of 12% for wireless service comparing to Hong Kong (53%), Singapore (36%), Korea (50%), Taiwan (45%), and Malaysia (13%). (Source: International Data Corporation, 2000 and CIA Fact Book

3. The Internet Service Business Data Communications and Broadband Service.

Digital Data Network (DDN) Services.

At present the market for data network business has expanded at the rate of 23-30% due to much higher popularity of on line data transmission. There were higher number of foreign conglomerate participation in business including branch expansion of Department Stores, super stores, and industries. The state also implemented the policy of implementing the IT system high-speed data network for country development through different projects like, GI-Net, SchoolNet, Information Superhighway or software –park, etc. The private sector that has enhanced its efficiency towards the competitive advantage began to efficiently utilize the data network for mass data communications. Moreover, the higher demand for Internet was attributable to the expansion in this business.

Since the economic crisis in 1997, several private companies and the government sector have accelerated the data network installation in order to support the work expansion and to add leverage in the competition. Moreover, the higher popularity in Internet usage was another factor affecting growth in this business sector.

Currently, there are 5 major DDN operators namely: TOT, UIH, TA, ADC and CAT. Competition in data network services is very high, as there are many operators. The key success factors in this business are service quality and reliability, high service coverage, and the ability to offer high-speed services demanded by customers. The Company now captures the market share of approximately 30% in both numbers of circuits and Bandwidth aspect. It is considered to be at par with TOT who is another major operator.

The Company does have significant competitive advantage over its competitors as a result of its modern network technology that yields higher service quality and reliability. In addition, the Company's data network was enhanced with the completion of an ATM/IP overlay network during the second half of 2000. This enables the Company to offer high-speed services suitable for growing needs of subscribers. Moreover, the Company emphasizes on the service quality continuously. In 2001 the Company has opened the new modern data center to cope with the expansion of data network demand. It has also set up Call Center for data network services to help customers who need high technical advice than normal fixed line. Moreover, the installation staff was integrated into Services Area and Network Operation of the fixed line service in order to accelerate the process of installation and maintenance.

Broadband Services.

The Company officially launched the broadband services in September 2001 with the complete broadband solution namely: Cable Modem services, TA Express (ADSL) services and TA Megaport, which is the IP Access Service (IPAS).

The market for ADSL and Cable Modem in Thailand is still in the infant stage with the Company being the sole Cable Modem operator owning the only cable TV network in the country. There are a limited number of ADSL operators namely: UBT and LENS. The broadband service competition is still mild due to the rapid expansion of the market. Total broadband market expansion is expected to grow at the rate of 40-50 % p.a. for the next few years. Currently, the broadband services are still limited to high-speed Internet usage. Therefore, the growth for broadband services will depend on the expansion of Internet users including the development of contents that can attract more users. There is, however, a factor that hinders growth for this business namely: the service fee, which is considerably higher than dial-up Internet. A typical modem costs around Bt 5,000-6,000 while monthly fee is set at an average of Bt 1,500 – 2,000 per month.

The Company enjoys the advantage of its ability to offer the service for both Cable Modem and ADSL with a higher coverage area. The Cable Modem service, which is the cable TV network, covers 80,000 households in Bangkok Metropolitan. The ADSL service is offered through the fiber rich core of its fixed line network with a very short last mile copper enabling the Company to offer high quality services. Moreover the launch this year enables the Company to enjoy the first mover advantage.

4. The Internet Service Business.

The total number of Internet users in Thailand is estimated at around 3 million, representing a 5% penetration rate. This is relatively low comparing to developed countries such as: Korea (33.9%), Japan (20.6%), Hong Kong (32.7%), Taiwan (28.9%) and Singapore (45.1%). (Source: International Telecommunication Union, 2000). Key factors that have limited the size of Thai Internet usage are high cost of PCs and access charge, expensive international lease circuits, a shortage of local content, linguistic problems and the slow development of business application for the domestic market. Furthermore, most of the ISPs currently have the CAT, the regulator, holding a free stake of 35% of total share equity as a part of the ISP concession requirement, thereby discouraging business expansion.

At present, the competition in the ISP business is severe due to the existence of many (18) operators. The Company offers the service through its subsidiary namely, AI who is a major ISP. Other major ISPs comprise CS Communications, Internet Thailand, KSC Internet, Loxley Information and A-Net. The severe competition has caused an abrupt decline in Internet service fee at the rate of 50% in the past few years. The dial-up service rate now cost around Baht 7-10 per hour. The Company, (under AI), has put emphasis on being a leader in corporate market and is presently one of the major players in this market segment marketing to corporate clients. This year, it has concentrated in marketing the high-speed Internet via both ADSL and Cable Modem in order to offer choices for customers. The Company's advantages over its competitors are that it operates via its own modern network ensuring higher service quality and a lower cost structure. The Company can bundle its Internet products with other telecommunications services offered by various companies amongst the TA group.

Regulatory Update.

The telecommunications business in Thailand is in the preparation stage for liberalization. Under the commitment with WTO, the foreign telecommunications firms will be allowed to enter the local market to join free competition by 2006. In order to prepare the local operators to be ready for the global competition, the National Telecommunications Master Plan offers the local liberalization as an initial stage. Under

the National Telecommunications Master Plan, the National Telecommunications Commission (NTC) is to be established to regulate and oversee the country's telecommunications business replacing the Telephone Organization of Thailand (TOT) and the Communications Authority of Thailand (CAT). The selection process for 7 out of 14 proposed appropriate committee members by the House of Senate is still pending for the reason that the selection process not being transparent enough.

The Enactment of Telecommunications Business Act (Telecom Act).

In March 2000, the Radio Frequency Allocation Act was enacted with an Article indicating the establishment of the of the National Telecommunications Commission (NTC) to regulate and oversee the country's telecommunications business. In November 2001, the Telecommunications Business Act (Telecom Act) was enacted. The said Telecom Act is the law that sets the framework for the to-be-established NTC to regulate and oversee the telecommunications business. This is considered to be another vital step towards the country's telecommunications liberalization.

However, there may be problems to some Articles in this Act to practice which the government is expected to amend. The 25% foreign ownership limit in Article 8th may affect some existing operators with the shareholding structure already reach 49%. The Article 57th prohibits the license holders from collecting deposits or other type of advanced payments. This has forced some operators that collected deposits to return the said money to their subscribers. The Company has collected deposits on behalf of TOT and hence TOT will return the money to the Company's subscribers. Moreover, the prepaid services offered by many operators are unintentionally declared illegal by the Act. However, amendment is expected to be made in order not to affect the consumers at large. The Article 77th indicated that concessionaires still have the same rights to operate telecommunications business as assigned under the principle of the Telecom Act and other conditions set by the NTC, and are entitled to be granted license after the concession conversion process are completed

Concession Conversion.

Currently, all the private telecommunications operators engage in their business under the Joint Operation and Joint Investment for Expansion of Telecommunications Services Agreements with the government agencies. With the conditions of Build-Transfer-

Operate (BTO), private operators transferred their operating assets to the state agencies and will receive return from investment in the form of revenue sharing from the counter party. The balance of revenue belongs to the agencies granting the concessions namely: TOT and CAT, who have the role to regulate and oversee the national telecommunications business and, at the same time, being operators that engaged in the business to compete with its own private concessionaires.

The previous governments have been trying to convert the said Joint Operation and Joint Investment for Expansion of Telecommunications Services Agreements in order to lead to the level playing field which will be the core element leading to the telecommunications liberalization. However, it is not yet successful due to several operation complexities. The current government has set up the State Enterprise Policy Committee (SEPC) chaired by Minister Pongpol Adireksarn. The SEPC has hired the Chulalongkorn University Intellectual Property Institute to study the guideline for concession conversion in September 2001. Until now, there are still different opinions from various parties that contradict to the Chulalongkorn University Intellectual Property Institute's study result that was proposed to the said committee in the aspect of concessionaires to stop paying revenue sharing in the year 2006.

TOT and CAT Privatization.

Under the plan to privatize state agencies, the government has the policy to accelerate and stipulate a plan for the privatization of TOT and CAT to be completed by 2002. TOT is set to privatize and be listed in the SET by the middle of 2002. CAT is also set to follow the suit. After that, acceleration was made to the TOT listing process to April 2002 due to the success in listing of the Petroleum Authority of Thailand, one of the state enterprises. Currently, the said schedule may have to be postponed again with the proposed time frame to be after the establishment of the NTC due to several disputed aspects of regulations and overseeing the concession conversion under TOT. This includes the unequivocal in different concession conversion under the TOT.

RESEARCH AND DEVELOPMENT

The Company did not invest any on Research and Development (R&D) activities for the technology or communication apparatuses as technology network and equipments that the Company used in providing the services to the customers. The Company decided to purchase the ready-made communication networks and equipments from the various suppliers which the Company has an opinion that those products are efficient, high-technological and appropriate to the Company's activities. Therefore, it was unnecessary for the Company to invest on the R&D to create and build its own network and communication equipments.

However, most of its R&D Budget is contributed to the marketing which the Company strongly developed and intended to improve on its service to meet the growing demands and the customers' needs. The Budget was divided into three main areas, R&D in Marketing, New Services and Service System. During the last three years, the total expenses for R&D are as follows:

YEAR	Thai Baht (thousand)
2001	7,926.17
2000	4,411.50
1999	2,212.21

OPERATING ASSETS

Property, plant and equipment

Network equipment and non-network equipment are including in property, plant and equipment. Under the Joint Operation and Joint Investment for Expansion of Telephone Services Agreement of 2.6 million lines and Internet services, the assets pertaining to these agreements have to be transferred to Telephone Organization of Thailand and Communication Authority of Thailand.

As at 31 December 2001, the Group's consolidation assets are listed below:

Network equipment

Assets	Net Book Value (Baht million)
Land and land improvement	1,867
Building and construction	1,413
Telephone network equipment	51,113
Public Phone	576
Multimedia network equipment	2,678
Power supply and computer	1,259
Work in progress	1,099
Total	60,005

Network equipment in the consolidated financial statements at net book value of Baht 48,761.53 million, net of accumulated depreciation and allowances of Baht 34,465.44 million was transferred to TOT and CAT under the concession agreements. According to the agreement, the Group has the right to operate and maintain these assets over the concession periods. The right to operate network equipment of the Group is used to secure of borrowings.

Non-network equipment

Assets	Net Book Value (Baht million)
Land and land improvement	236
Leasehold right & improvement	1,115
Furniture, fixture and equipment	563
Vehicle	870
Power Supply & computer	493
Work in progress	750
Total	4,027

Intangible assets

Goodwill is a part of investment in associated undertakings. The difference between the fair value of the shares acquired and the underlying assets in UBC resulted in goodwill. Investment in associated undertakings at 31 December 2001 includes goodwill of Baht 4,655 million.

FUTURE PROJECTS

The Company has in place the plan to develop new services for its customers. Emphasis will be given on the high growth business leveraging on the already invested assets. Moreover, the Company will expand the payphone services, call centers and invest in cellular phone service as per following details:

1. New Services.

Calling Card Service

This is the service offered to both TA and non-TA customers. Customers can use the phone card calling from any telephone set namely, TOT's and TA's fixed line including all types of cellular phone. The Company expects to offer and generate revenue from this service within 2002 which will help increase revenue from value added services.

Free Phone 1-800 Service.

This is the service that the Company prepares to offer to its business sector that requires phone number for customer service. The said business sector will take the burden of the phone bill for all calls to the Free Phone 1-800 number.

These two types of services have a significant market growth rate. Moreover, the equipment for both services will help enhance the service capability of the PCT service, which is an important core business of the Company.

Investment is expected to be approximately Baht 600 million. Pay back period is expected to be approximately 2 years. The Company expects to offer and generate revenues from the services in 2002 which will help improve the revenue from value added services.

New Service for PCT

The Company has a plan to offer the service of high-speed data transmission via PCT in 2001. The management believes the PCT network technology that offers the higher

capability of data transmission than cellular's via normal telephone line will enable opportunities in this business sector.

The Company has commenced the network enhancement for PCT for use as high-speed data transmission since the early 2001. Currently the service covers 80% of the service area and will cover the whole area by the end of 2001. Total investment cost is expected to be Baht 18 million. The Company believes the data transmission speed enhancement project for PCT will not have any factor affecting its implementation plan due to being an expansion to the existing network and no significant investment amount.

2. Public Phone Service Expansion.

The Company is in the process of seeking approval from the TOT to operate additional 6,000 sets of public phone. This will add up the total number to 26,000 sets. Currently the Company is in the process of selecting the equipment suppliers. The installation is expected to be completed within 6 months after the approval from the TOT with the expected investment amount of Baht 388. Pay back period is estimated to be 3 years.

The factor that may damage the project is that the Company may not get approval from the TOT. However the Company has a strong believe that it will get approval from the TOT due to the fact that, currently, the Company is approved to operate the public phone at the incomplete portion of less than 1% of the total fixed line concession amount. This is in line with TT&T, another fixed line concessionaire, who has been approved to complete its quota of 1% of the concession lines.

3. Investment in TA Orange Co., Ltd. (formerly named Wireless Communications Service Co. Ltd.)

In November, the Company has received transferal of 614,999,956 ordinary shares (equivalent to 41% of the fully paid up shares) in Bangkok Inter Teletech Co., Ltd. ("BITCO") from the CP Group, Chanloe Co., Ltd. (which has subsequently changed its name to N.T.K. Technology Company Limited) and Mr. Voravit Janthanakul (collectively called the transferor group). As remuneration for the foregoing shares in BITCO, the Company has issued 307,499,978 new ordinary shares together with 100,000,000 equity warrants to the transferor group. For the said transaction, the Company has received the approval

from the Extraordinary General Meeting No. 1/2001 of the Shareholders of TelecomAsia Corporation Public Company Limited (the “Company”) held on June 28, 2001.

BITCO is a holding company which owns 99.81% of the total shareholding in CP Orange Co., Ltd., (in the process of changing its name into TA Orange Co., Ltd.) which has been granted a concession by the Communications Authority of Thailand to install and operate a GSM 1800 MHz mobile cellular telecommunications network in the Kingdom of Thailand until 2013. The investment on CP Orange will enable the Company to have a participation in the cellular phone, which is high growth business. The Company expects to derive the synergies from merging the business with CP Orange by sharing network, call center, customer base, including staff. Moreover, the expansion to the cellular service will enable the Company to be the only integrated service provider for both wireless and wireline in the kingdom. This not only yields benefit of sharing resources in order to reduce cost, but also jointly helps market the products by offering bundled services.

LEGAL DISPUTES

- (1) Lawsuits that may have negative effect on the Assets of the Company : None
and subsidiaries in the amount of over 5% of the shareholders equity
as at December 31, 2001
- (2) Lawsuits that may have material effect on the Company's business : None
but could not be appraised the quantitative amount

CAPITAL STRUCTURE

Company's Securities

At December 31, 2001, the Company has 4 securities namely:

1. Ordinary Shares
2. Preferred Shares
3. Warrants under the Stock Option Plan
4. Warrants for CP GROUP

Details of each security are as follows:

1. Ordinary Shares

At December 31, 2001, the Company has registered capital in total of THB 33,906.50 million, consisting of 2,688.65 million ordinary shares with par valued THB 10 each and 702 million preferred shares with par valued THB 10 each, of which THB 32,325 million are paid up capital divided into 2,530.50 million ordinary shares of THB 10 each and 702 million preferred shares with par valued THB 10 each.

2. Preferred Shares

At February 14, 2000, the Extraordinary General Shareholders Meeting No.1/2000 has resolved to approve the allocation of 702,000,000 new preferred shares to offer for sale to KfW and/or wholly owned subsidiaries of KfW and/or the Thai Trust Fund with the total offering price of USD 150 Million. On March 30, 2000 the Company allocated 343.98 million preferred shares or 49% to KfW and 358.02 million preferred shares or 51% to Thai Trust Fund, the details of preferred shares' rights, as summarized below:

- a. During the period between the date of the issuance of the Preferred Shares to and including the 8th anniversary of the issuance of the said Preferred Shares, the rights conferred to the holders of Preferred Shares shall be as follows:
 - (1) The holders of Preferred Shares shall be entitled to receive dividends in priority to the holders of the ordinary shares at the rate of THB 1 per share per fiscal year (except for the first fiscal

year in which the Preferred Shares have been issued and for the last fiscal year of the said 8-year period).

- (2) The right of the holders of the Preferred Shares to receive dividends at the rate specified in Clause a (1) above is the right to receive cumulative dividends for any fiscal year in which the payment of such dividends has not been at all declared or not been declared in full (the “Cumulative Dividends in Arrears”).

The holders of the Preferred Shares shall first receive the dividends before the holders of ordinary shares.

After the Preferred Shareholders have received the foregoing dividends in full, any remaining profits shall be divided in equal amount per share and paid to the Preferred Shareholders and the ordinary shareholders.

- (3) Upon liquidation or dissolution of the Company, any assets remaining after payment of all amounts payable in respect of indebtedness and other obligations of the Company shall be paid to the holders of the Preferred Shares in priority to the holders of the ordinary shares, in the amount equivalent to the par value of Preferred Share per each share held by such holder of the Preferred Shares plus any Cumulative Dividends in Arrears.

If there remains proceed of liquidation of the assets of the Company, they shall be divided and paid to the holders of the ordinary shares.

And if there still remains proceeds of liquidation of the assets of the Company, they shall be divided and paid in equal amount to the holders of the preferred shares and the holders of the ordinary shares.

- (4) The Preferred Shares may be converted into ordinary shares at any time.

- (5) Each Preferred Share shall carry the right to one vote at any meeting of the shareholders of the Company.
- b. After the 8th anniversary of the issuance of the Preferred Shares and onwards, the rights conferred to the Preferred Shares shall be as follows:
 - (1) The holders of the Preferred Shares shall be entitled to receive dividends in priority to the holders of the ordinary shares at a rate of THB 0.01 per share per fiscal year (plus any Cumulative Dividends in Arrears). In case there are remaining profits which are to be paid as dividends in any fiscal year after the foregoing dividends have been paid in full, such remaining profits shall be divided in equal amount per share and paid to the holders of the Preferred Shares and the holders of the ordinary shares.
 - (2) The Preferred Shares under Clause b (1) above, the right of the holders of the Preferred Shares to receive dividends at the rate of THB 0.01 per share per fiscal year is not the right to receive dividends on a cumulative basis for any fiscal year.
 - (3) The holders of the Preferred Shares shall also have the rights as specified in Clause a (3), (4) and (5).

Provided always that ordinary shares resulting from conversion shall have no right to receive any Cumulative Dividends in Arrears during the time they were Preference Shares.

However, KfW issued Purchase Rights to all shareholders of the Company. The Purchase Rights entitle holders to be able to buy back those preferred shares from KfW at the ratio of 1 Purchase Rights to 1 preferred share. The Purchase Rights Holders can exercise their rights on the second anniversary of Purchase Rights Issuance as the first time and semiannually from year 3 to year 8. The exercise price on the second anniversary date will be equal to KfW's cost plus 20% per annum. The

exercise prices for other periods will be in different formulas, which factor in share price changes.

At April 27, 2000, the Annual General Shareholders Meeting No.1/2000 has resolved to approve the issuance and the offer to Directors and officers of the Executive Vice President level upward or equivalent; not exceeding 35 persons, warrants 58,150,000 units, the details as specified in “Remuneration for the Company’s Directors and management Teams” in part of “Other Remuneration”.

3. Stock Option Plan 2000

The Ordinary General Meeting of the Shareholders of the Company No. 1/2000 held on April 27, 2000 has approved the issuance and the offer of non-transferable warrants in the total of 58,150,000 units (Stock Option Plan) to subscribe ordinary shares of the Company to directors and officers at or equivalent to the Executive Vice President level and upwards not exceeding 35 persons (the “Warrant Holders”) conditions of which are summarized as follows:

Number of Warrant Offering: 58,150,000 units (approximately 1.99% of the total issued and paid-up ordinary shares of the Company as of March 31, 2000 of 2,925,000,000 shares) divided into 2 types:

- (a) Warrant Type 1 in the amount of 39,600,000 units
- (b) Warrant Type 2 in the amount of 18,550,000 units

Offering Method: To be allotted to directors and officers at or equivalent to the Executive Vice President level and upwards, not exceeding 35 persons whose names are as follows:

Directors	<u>Warrant Type 1</u>	<u>Warrant Type 2</u>
1. Dr. Ajva Taulananda	3,200,000	0
2. Dr. Veeravat Kanchanadul	2,800,000	0
3. Dr. Vallobh Vimolvanich	4,200,000	1,400,000
4. Mr. Supachai Chearavanont	6,800,000	3,500,000
5. Mr. Soopakij Chearavanont	4,400,000	2,100,000
6. Mr. Chatchaval Jiaravanon	4,400,000	2,100,000

7. Mr. Athueck Asvanund	5,600,000	2,800,000
8. Mr. John N. Doherty	1,000,000	1,400,000
<u>Total</u>	32,400,000	13,300,000

Officers at or equivalent to the Executive Vice President Level and upwards:	<u>Warrant Type 1</u>	<u>Warrant Type 2</u>
1. Mr. Vichaow Rakphongphairoj	3,000,000	1,400,000
2. Dr. Chitti Vijakkhana	2,200,000	1,050,000
3. Mr. Kajorn Chiaravanont	600,000	700,000
4. Mr. Gary S. Butler	800,000	1,050,000
5. Mr. William E. Harris	600,000	1,050,000
<u>Total</u>	7,200,000	5,250,000
Grand Total	39,600,000	18,550,000

Maturity: 10 years

Exercise Period:

(a) Warrant Type 1: Each Warrant Holder received 3 separate warrant certificates. Each certificate represented 1/3 of the whole amount of warrants allotted and shall be exercisable for subscribing ordinary shares starting from June 30, 2000, 2001 and 2002 respectively.

(b) Warrant Type 2: Each Warrant Holder received 3 separate warrant certificates. Each certificate represented 1/3 of the whole amount of warrants allotted and shall be exercisable for subscribing ordinary shares starting from December 31, 2000, 2001 and 2002 respectively.

Exercise Ratio: One unit of warrant entitles its holder to purchase one ordinary share of the Company.

Exercise Price:

1. Warrant Type 1 (in the total of 39,600,000 units) = Baht 30.00 per one ordinary share
2. Warrant Type 2 (in the total of 18,550,000 units) = Baht 51.55 per one ordinary share

4. Warrants Issued to CP Group

The Extraordinary General Meeting of Shareholders of the Company No. 1/2001 held on June 28, 2001 approved the issuance of 100,000,000 equity warrants to Charoen Pokphand Group Co., Ltd. and Chanloe Co., Ltd. (the “CP Group”) by issuing said warrants at the amount of 813,000 units to Charoen Pokphand Group Co., Ltd. and at the amount of 99,187,000 units to Chanloe Co., Ltd.. The maturity of said warrants is 2 years. One unit of warrants shall be exercisable for subscribing 1 ordinary share at Baht 32.

Remark

The Extraordinary General Meeting of Shareholders of the Company No. 1/2001 held on June 28, 2001 approved and authorized the Company to issue and offer to sell various types of debentures within the sum of not exceeding Baht 36,000 million, and the maturity of said debentures shall not exceed 20 years.

As of December 31, 2001, the Company has not yet issued and offered said debentures. The Company however anticipates the issuance and offering of said debentures early in the year 2002.

Obligation in stock issuance in the future

For Convertible Preferred Shares

In the successful debt restructuring process, Kreditanstalt fur Wiederaufbau (“KfW”) has an equity injection of USD 150 million in the Company and the Company issued 702 million convertible preferred shares to KfW. Due to the terms specified that the preferred shares are set to be converted into ordinary shares before distributed to Purchase Rights Holders who exercise their rights, as described above. Therefore, the Company is obliged to issue the ordinary shares to replace the preferred shares as per the amount of the exercised Purchase Rights on each exercise date.

For Exercise of Warrants under the Stock Option Plan

The Annual General Shareholders Meeting No. 1/2000 held on 27 April 2000 has resolved to approve the Company's Stock Option Plan 2000. The warrants of 58,150,000 units were issued and offered for sale to the Company's Directors and the Executive Vice President level upward or Equivalent. In this regard, the Shareholders Meeting has resolved to approve the allocation of 58,150,000 new ordinary shares to be reserved for exercise of warrants rights according to such plan.

For Exercise of Warrants for CP GROUP

The Extraordinary General Shareholders Meeting No.1/2001 held on June 28, 2001 passed a resolution authorizing the Company to issue 100,000,000 equity warrants to the Charoen Pokphand Group Co., Ltd., and Chanloe Co., Ltd. ("CP GROUP"), in consideration of Bangkok Inter Teletec Co., Ltd. ordinary shares acquired.

In this regard, the Shareholders Meeting has resolved to approve the allocation of 100,000,000 ordinary shares to be reserved for exercise of warrants rights according to such plan.

Secondary Market of Securities in the Present

Presently, Ordinary shares of the company are now available on SET. In addition, ordinary shares are also listed as Global Depository Receipts – GDR in the amount of 2.5 million GDR (1 GDR equal to 10 ordinary shares of the Company). The Company is as a member in the Stock Exchange of Luxembourg. The deposited shares for issuing such GDR in the amount of 25 million shares (about 1% of paid-up capital) are new shares which issuing at the same time of initial public offering in year 1993.

The Shareholders Agreement

1. The Shareholders Agreement dated June 23, 1992

Nynex Network Systems (Thailand) Company (“Verizon”) and Charoen Pokphand Group Co., Ltd. and 11 related companies (hereinafter “Charoen Pokphand Group Co., Ltd.”) entered into the Shareholders Agreement dated June 23, 1992 (“Verizon Shareholders Agreement”). Terms and Conditions specified in said Agreement shall be summarized as follows:

- 1.1 Verizon agreed that it shall not dispose of 150 million shares held by it either prior to May 21, 1997 or until the completion of the system equipment installation, whichever is earlier, except obtaining prior written consent of Charoen Pokphand Group Co., Ltd. provided that Charoen Pokphand Group Co., Ltd. has the right of first refusal to subscribe said shares held by Verizon and that Verizon is entitled to dispose of its shares in the event that Charoen Pokphand Group Co., Ltd. is in breach of Clause 4 hereunder or, in the event that said shareholding of Verizon is in violation of the U.S. Securities Act.
- 1.2 As long as Verizon holds 150 million shares or 10% of total shares of the Company or holds 75 million shares or 5% of total shares of the Company after May 21, 1997, whichever is lower, the authorized persons of Verizon shall be appointed as members of the Management Committee of the Company in proportion to its shareholding.
- 1.3 Verizon is entitled to nominate its representatives to hold the position of Chief Operating Officer of the Company until May 21, 1997 or as long as it holds 150 million shares or 10% of total shares of the Company, whichever is lower.
- 1.4 Charoen Pokphand Group Co., Ltd. agrees to prohibit the Company from creating the following activities without the prior consent of Verizon.
 - a) To engage in any businesses other than the telecommunication businesses or other relevant telecommunication businesses;

- b) To proceed with the amalgamation or merger;
- c) To cease the business and proceed with the liquidation;
- d) To issue shares which have the right to vote or to receive the dividends whose terms and conditions are different from that of the common shares of the Company until June 23, 2003; and
- e) To guarantee or to become liable to any other person for any damages other than that in the normal course of business.

- 1.5 In the event that the Company's cash flow is sufficient without incurring additional indebtedness, Verizon and Charoen Pokphand Co., Ltd. agree to cause the Company to pay dividends at least 50% of the net profit after statutory reserves have been established to its shareholders except that such action is restricted by the rules and regulations of the Stock Exchange of Thailand or the Debt Restructuring Agreements.

2. The Shareholders Agreement dated December 22, 1999

Kreditanstalt für Wiederaufbau ("KfW"), Nynex Network Systems (Thailand) Company ("Verizon"), and the CP Group (comprising of Charoen Pokphand Feedmill Public Company Limited, Bangkok Produce Merchandising Public Company Limited, Charoen Pokphand Group Company Limited and Bangkok Telecom Holding Company Limited) entered into a Shareholders Agreement dated December 22, 1999. Terms and conditions specified therein shall be summarized as follows:

- 2.1 In addition to the right of KfW under the Debt Restructuring Agreement, KfW is entitled to nominate its representatives to the Company's Board of Directors in proportion to the percentage of its shareholding as against the total number of the directors representing the parties to the Shareholders Agreement. However, in any case, KfW is entitled to appoint at least one director and said right shall exist as long as KfW holds shares in the Company, directly or indirectly, not less than 5% of total shares of the Company.
- 2.2 During the first three years from the date of KfW's subscription of the shares in the Company and so long as KfW holds shares in the Company, directly or indirectly, at least 5% of the paid-up shares, the parties to

the Shareholders Agreement will vote against each of the following actions unless KfW agrees to such action:

- (i) any amendment to the Memorandum and Articles of Association and amendments to rights attached to shares;
- (ii) any increase or reduction in the authorized share capital of the Company or any issuance of new shares or the private placement of shares or a proposed public offering;
- (iii) any voluntary liquidation, dissolution, cease of the business, recapitalization or reorganization of the Company or any merger, consolidation, amalgamation or other business combination of the Company with or into another person or any sale of all or a substantial part of the assets of the Company or any of its material subsidiaries;
- (iv) any change in the number of directors or the quorum for meetings of the Board of directors;
- (v) delisting of the shares in the Stock Exchange of Thailand; and
- (vi) carry on any business other than Authorized Businesses (as defined in the Debt Restructuring Agreement).

2.3 Subject to any other conditions binding on KfW with regard to the right granted to the Company's shareholders, KfW may sell or enter into an agreement to sell for a cash selling price all of its shares or not less than 25% of its shareholding, at any time after the expiration of the first three years from the date KfW was allotted the shares in the Company. The foregoing does not prohibit KfW from selling its shares when its shareholding is illegal or restricted by the applicable law.

2.4 During the first three years from the date of KfW's subscription of shares, the parties to the Shareholder Agreement (other than KfW) agree to refrain from transferring more than 10% of the shares so held by each party as specified in the Shareholders Agreement.

2.5 The parties agree to refrain from amending or modifying the Verizon Shareholders Agreement dated June 23, 1992 except obtaining prior written consent from KfW.

- 2.6 Each party shall disclose to the other party any conflict of interest or related transactions which the party, or any of its subsidiaries, has entered into or will enter into with the Company.
- 2.7 In each fiscal year, subject to availability of cash flow (without incurring additional indebtedness), other legal requirements, the SET regulations and restrictions imposed by the Debt Restructuring Agreements or any other agreements, the parties agree to cause the Company to pay dividends at least 50% of the net profit of the Company after statutory reserves have been established to its shareholders.

Shareholders

TelecomAsia Corporation Public Company Limited

List of Top 10 Major Shareholders¹

(as of 22nd February 2002)

NAME	No. of Shares (Million Shares)	%
1. CHAROEN POKPHAND GROUP CO., LTD.	530.00	16.40
2. NYNEX NETWORK SYSTEMS (THAILAND) COMPANY	404.35	12.51
3. THAI TRUST FUND ²	358.02	11.07
4. KREDITANSTALT FÜR WIEDERAUFBAU (“KfW”)	343.98	10.64
5. THANA HOLDING CO., LTD.	305.00	9.44
6. UNIQUE NETWORK COMPANY LIMITED	120.00	3.71
7. WIDE BROADCAST COMPANY LIMITED	80.00	2.47
8. CHAROEN POKPHAND FOODS PUBLIC COMPANY LIMITED	80.00	2.47
9. CLEARSTREAM NOMINEES LTD	59.29	1.83
10. HSBC SECURITIES (SINGAPORE) PTE LIMITED	38.52	1.19

¹ Shares include ordinary shares and preferred shares.

² All shares in Thai Trust Fund are preference shares held by KfW, which dose not have a right to vote.

Dividend Policy

The Company has not paid or declared any dividends on its issued shares since operation commencement. The Company can pay dividends only out of its profits after deducting its cumulative losses, and only if it has set aside as a legal reserve. The Company's restructuring agreement also limits its ability to pay dividends until all of its indebtedness is repaid in full.

The Company's principal shareholders have entered into a shareholders' agreement under which they agreed to vote for and cause their representatives appointed to the Company's Board of Directors to declare an annual dividend equal to at least 50% of its net profits for that year, after statutory reserves and subject to availability of cash, the regulations of SET, and its credit facilities. Before dividends can be paid to holders of its ordinary shares, however, dividend payments on preferred shares must be paid in full. Within March 31, 2008, the eighth anniversary from the date its preferred shares were issued, the Company's preferred shareholders are entitled to receive cumulative dividends at the rate of THB 1 per share per fiscal year. After March 31, 2008, holders of our preference shares are entitled to a non-cumulative dividend at the rate of THB 0.01 per share per fiscal year. The right to receive cumulative dividends for any fiscal year in which the payment of those dividends was not declared ceases once a holder converts its preferred shares into ordinary shares.

For dividend policy of subsidiary company, each subsidiary company's Board of Directors will consider the payment of dividends from the balance of cash flows compare with capital investment of individually subsidiary company. Subject to the availability of cash flows of subsidiary company and only if it has set aside as a legal reserve, each Board of Directors of individually subsidiary company shall consider the payment of dividends just in case.

MANAGEMENT

Management Structure of the Company consists of the Board of Directors, the Committees and the executive officers, details of which are as follows:

Board of Directors

As of 31st December 2001, the Board consisted of (a) Executive Directors, those who were involved with day-to-day operations of the Company, and (b) Non-Executive Directors, those who were not involved with day-to-day operations of the Company, which included Directors representing the interests of secured creditors and independent Directors. The members of the Board of Directors of the Company is as follows:

1.	Mr. Narong	Srisa-an	Independent Director
2.	Mr. Vitthya	Vejjajiva	Independent Director and Chairman of the Audit Committee
3.	Dr. Kosol	Petchsuwan	Independent Director and Member of the Audit Committee
4.	Mr. Joti	Bhokavanij	Independent Director and Member of the Audit Committee
5.	Mr. Dhanin	Chearavanont	Chairman
6.	Mr. Sumet	Jiaravanon	Vice Chairman
7.	Dr. Ajva	Taulananda	Vice Chairman
8.	Mr. Chaleo	Souvannakitti	Vice Chairman
9.	Mr. Athueck	Asvanund	Vice Chairman and Group General Counsel
10.	Mr. Supachai	Chearavanont	Director, President and Chief Executive Officer
11.	Mr. Soopakij	Chearavanont	Director
12.	Mr. Chatchaval	Jiaravanon	Director
13.	Mr. Vichaow	Rakphongphairoj	Managing Director
14.	Mr. Umroong	Sanphasitvong	Director
15.	Mr. Daniel C.	Petri*	Director
16.	Mr. Stephen G.	Parker*	Director
17.	Mr. Heinrich	Heims**	Director
18.	Mr. Klaus	Tuengeler**	Director

19.	Ms. Gabriele	Gunia**	Director
20.	Mr. Claus	Stadler **	Director
21.	Mr. Andreas	Klocke**	Director
22.	Mr. Harald	Link**	Director
23.	Mr. Ho Hon	Cheong***	Director
24.	Mr. John J.	Lack*	Director

* Verizon-nominated Director

** KfW-nominated Director

*** Secured Creditor-nominated Director

Remark: Additional information related to the Company's Board of Directors is as follows:

- | | |
|--|--------|
| a) History of Offence | : none |
| b) Debt owned to the Company or its Subsidiaries | : none |
| c) Material Connected Transactions | : none |

Authority and responsibility of the Board of Directors

The Board of Directors is granted the authority and has the duty to manage the Company in compliance with the objects and articles of association of the Company and the resolutions of the shareholders meeting. With regard to the management of the Company, the Board of Directors has authority to make any decision related to the Company's regular operation, except for matters that require the approval of the shareholders meeting as specified by law. In addition, the Board of Directors may grant authority to one Director or more or to any other person to perform any acts on its behalf, however, for any decision on major operational matters such as investment and procurement of loans, the management team must propose said matters to the Board of Directors for approval.

Authorized Directors

Mr. Supachai Chearavanont or Mr. Stephen G. Parker jointly sign with Mr. Athueck Asvanund or Mr. Soopakij Chearavanont or Mr. Chatchaval Jiaravanon to, with the Company's seal affixed, execute any act, thing or legal action whatsoever on the Company's behalf.

Appointment of Directors

The Company has established the Compensation and Nominating Committee in furtherance of the good corporate governance initiative of the Company. The Compensation and Nominating Committee assists the Board of Directors in reviewing and nominating Directors of the Company prior to proposing such persons to the Company's shareholders meeting for final approval.

With regard to the right of shareholders to appoint Directors, each Director shall be appointed by a majority vote of the shareholders. All Shareholders have the right to vote on the appointment of Directors. Each shareholder shall have one vote per one share and shall exercise all the votes he has to appoint one of several person(s) to be director(s), provided that he cannot divide his votes to any person to any extent.

Independent Audit Committee

As of 31st December 2001, the Audit Committee of the Company consisted of 3 persons, as follows:

- | | | | |
|----|-------------|------------|---------------------------------|
| 1. | Mr. Vitthya | Vejjajiva | Chairman of the Audit Committee |
| 2. | Dr. Kosol | Petchsuwan | Member of the Audit Committee |
| 3. | Mr. Joti | Bhokavanij | Member of the Audit Committee |

The scope of duty and responsibility of the Audit Committee is as follows:

1. To review the Company's financial reports to ensure accuracy and adequate information for public disclosure;
2. To ensure the appropriateness and effectiveness of the internal control system and internal auditing system of the Company;
3. To consider and propose the appointment and remuneration of an external auditor of the Company;
4. To regularly review the practice of the Company to ensure the compliance with the regulations of the Securities and Exchange Commission and related laws and regulations;
5. To review the disclosure of information of the Company to ensure the accuracy and adequacy of said information in is the case of a connected transaction that may lead to a conflict of interest;
6. To prepare the Audit Committee Report on Corporate Governance with the approval of the Chairman of the Audit Committee appeared therein, to be disclosed in the annual report of the Company; and
7. To perform any other act as required by law or as delegated by the Board of Directors.

Independent Committee

The Independent Committee is responsible for reviewing and monitoring the entering into of any connected transactions, which may involve a conflict of interest with the major shareholders of the Company. The Committee consists of the following members:

- | | | | |
|----|---------------|--------------|---|
| 1. | Mr. Narong | Srisa-an | Independent Director |
| 2. | Mr. Joti | Bhokavanij | Independent Director |
| 3. | Mr. Daniel C. | Petri | Verizon-nominated Director (alternates being Mr. Stephen G. Parker or Mr. John J. Lack) |
| 4. | Mr. Klaus | Tuengeler | KfW-nominated Director (alternates being Mr. Andreas Klocke or Mr. Claus Stadler) |
| 5. | Mr. Athueck | Asvanund | CP-nominated Director |
| 6. | Mr. Supachai | Chearavanont | CP-nominated Director |

In the event that any major shareholder has a conflict of interest, Directors nominated by said shareholder will abstain from the Independent Committee Meeting.

Compensation and Nominating Committee

The Compensation and Nominating Committee is responsible for determining the compensation and considering the nomination of the directors of the Company, and is comprised of the following members:

1. Mr. Dhanin Chearavanont
2. Mr. Heinrich Heims
3. Mr. Daniel C. Petri
4. Mr. Soopakij Chearavanont
5. Mr. Umroong Sanphasitvong

Finance Committee

The Finance Committee assists the Company in reviewing and monitoring the financial management of the Company, and consists of the following members:

1. Dr. Ajva Taulananda
2. Mr. Chaleo Souvannakitti
3. Mr. Daniel C. Petri alternate being Mr. John J. Lack
4. Mr. Heinrich Heims alternates being Mr. Klaus Tuengeler or Mr. Andreas Klocke
5. Mr. Umroong Sanphasitvong

Executive Officers

As of 31st December 2001, the executive officers of the Company consisted of 13 persons, as follows:

1. Mr. Supachai Chearavanont Director, President and Chief Executive Officer
2. Mr. Vichaow Rakphongphairoj Managing Director
3. Mr. Athueck Asvanund Vice Chairman and Group General Counsel

4.	Mr. William E. Harris	Chief Financial Officer
5.	Mr. Polpan Uttapap	Executive Vice President – Service Area & Network Operation
6.	Mr. Frank D. Mercer	Co-Executive Vice President – Service Area & Network Operation
7.	Dr. Jen Sriwattanathamma	Executive Vice President – Information & Technology
8.	Mr. Thada Savetsila	Executive Vice President – Business & Enterprise
9.	Mr. Boonserm Ungphakorn	Special Advisor to Managing Director and Co-Executive Vice President – Corporate Affairs and Human Resources
10.	Mr. Chookiat Poapongsakorn	Co-Executive Vice President – Corporate Affairs and Human Resources, and Customer Services Management
11.	Mr. Carl Goodier	Co-Executive Vice President – Customer Services Management
12.	Mr. Kashem Kornseri	Executive Vice President – Consumer and Mass Marketing
13.	Mr. Adhiruth Thothaveesansuk	Executive Vice President – Business and Product

Remark: Additional information related to the Company's executive officers is as follows:

- a) History of Offence : none
- b) Debt owned to the Company or its Subsidiaries : none
- c) Material Connected Transactions : none

Authority and Responsibility of the President

The Company is currently in the process of reviewing the scope of authority and responsibility of the President. Therefore, at the present time, any significant decision relating to the Company's operations, such as new investment and procurement of loans, are proposed to the Board of Directors for approval.

Remuneration for the Company's Directors and Executive Officers

Remuneration of the Directors in the year 2001 is as follows:

No. of Directors	Compensation	Amount (Baht)
24	Salary	-
	Directors' Remuneration	33,950,000.00
	Other	-
	Total	33,950,000.00

Remuneration of the Executive Officers in the 2001 is as follows:

No. of Executive Officers	Compensation	Amount (Baht)
13	Salary	102,958,000.00
	Bonus	11,277,000.00
	Other	35,063,000.00
	Total	149,298,000.00

Other Compensation

Stock Option Plan 2000

The Ordinary General Meeting of the Shareholders of the Company No. 1/2000 held on April 27, 2000 approved the issuance and the offer of non-transferable warrants in the total of 58,150,000 units (Stock Option Plan) to subscribe ordinary shares of the Company to Directors and to officers at or equivalent to the Executive Vice President level and upwards not exceeding 35 persons (the "Warrant Holders"), conditions of which are summarized as follows:

Number of Warrant Offering: 58,150,000 units (approximately 1.99% of the total issued and paid-up ordinary shares of the Company as of March 31, 2000 of 2,925,000,000 shares) divided into 2 types:

- (a) Warrant Type 1 in the amount of 39,600,000 units
- (b) Warrant Type 2 in the amount of 18,550,000 units

Offering Method: Allotted to Directors and to officers at or equivalent to the Executive Vice President level and upwards, not exceeding 35 persons whose names are as follows:

Directors	Warrant Type 1	Warrant Type 2
1. Dr. Ajva Taulananda	3,200,000	0
2. Dr. Veeravat Kanchanadul	2,800,000	0
3. Dr. Vallobh Vimolvanich	4,200,000	1,400,000
4. Mr. Supachai Chearavanont	6,800,000	3,500,000
5. Mr. Soopakij Chearavanont	4,400,000	2,100,000
6. Mr. Chatchaval Jiaravanon	4,400,000	2,100,000
7. Mr. Athueck Asvanund	5,600,000	2,800,000
8. Mr. John N. Doherty	1,000,000	1,400,000
Total	32,400,000	13,300,000

Officers at or equivalent to the Executive Vice President Level and upwards:	Warrant Type 1	Warrant Type 2
1. Mr. Vichaow Rakphongphairoj	3,000,000	1,400,000
2. Dr. Chitti Vijakkhana	2,200,000	1,050,000
3. Mr. Kajorn Chiaravanont	600,000	700,000
4. Mr. Gary S. Butler	800,000	1,050,000
5. Mr. William E. Harris	600,000	1,050,000
Total	7,200,000	5,250,000
Grand Total	39,600,000	18,550,000

Maturity: 10 years

Exercise Period: (a) Warrant Type 1: Each Warrant Holder received 3 separate warrant certificates. Each certificate represented 1/3 of the whole amount of warrants allotted and is exercisable for subscribing ordinary shares starting from June 30, 2000, 2001 and 2002, respectively.

(b) Warrant Type 2: Each Warrant Holder received 3 separate warrant certificates. Each certificate represented 1/3 of the whole amount of warrants allotted and is exercisable for subscribing ordinary shares starting from December 31, 2000, 2001 and 2002, respectively.

Exercise Ratio: One unit of warrant entitles its holder to purchase one ordinary share of the Company.

Exercise Price:

1. Warrant Type 1 (in the total of 39,600,000 units) = Baht 30.00 per one ordinary share
2. Warrant Type 2 (in the total of 18,550,000 units) = Baht 51.55 per one ordinary share

Good Corporate Governance

1. Board Composition

In 2001, the Board consisted of (a) Executive Directors, those who were involved with day-to-day operations of the Company, and (b) Non-Executive Directors, those who were not involved with day-to-day operations of the Company, which included Directors representing the interests of secured creditors and (c) independent Directors.

2. Roles and Responsibilities of Directors

Throughout the year 2001 the Directors were in full compliance with items 2.1 through 2.8 of the Code of Best Practice for Directors of Listed Companies of the Stock Exchange of Thailand.

3. Appointment to the Board

The major shareholders have agreed on a policy concerning appointment of Directors, and have used the legal requirements as guidelines for selection of the Directors. The Board has appointed the following committees:

- (a) Independent Audit Committee,
- (b) Finance Committee,
- (c) Independent Committee, and
- (d) Compensation and Nominating Committee.

4. Holding of a Director's Position

Efforts continue to achieve compliance with item 4 of the Code of Best Practices for Directors of Listed Companies of the Stock Exchange of Thailand.

5. Directors' Remuneration

Remuneration of Directors are approved by the Shareholders Meeting. Remuneration for the performance of Executive Directors for their respective day-to-day responsibilities in the Company is fixed by the Chairman and the CEO. The Board has approved formation of a five-member Compensation and Nominating Committee that will, commencing in 2002, determine remuneration for Directors and the Chief Executive Officer.

6. Board & Shareholders' Meetings

Board meetings are held at least five times annually. Commencing in 2001, the schedule of Board meetings for the entire year is announced in advance. The meetings are scheduled, among other matters, to review the Company's 56-1 Report and quarterly financial statements prior to submission of the same to the Stock Exchange of Thailand.

7. Reports

The Company is in full compliance with item 7 of the Code of Best Practices for Directors of Listed Companies of the Stock Exchange of Thailand.

8. Corporate Governance Guidelines

Through a committee appointed by the Board in 2000, throughout the year 2001 the Board actively analyzed corporate governance practices and policies of foreign countries and international organizations, such as the Organization for Economic Co-operation and Development (OECD), for adaptation for use in the Company's Code of Corporate Conduct and Code of Ethics.

After working through several preliminary drafts, in November a draft proposal of Corporate Governance Guidelines was presented to the general meeting of the full Board for review and consideration. The draft proposal includes a policy regarding

transactions with parties related to a Director, intended to avoid conflicts of interest and to maintain the Director's fiduciary obligation to the Company.

Throughout the past year and at the present time, the independent Directors review Connected Transactions that may be related to the interests of a major shareholder. In 2001 these Directors issued a formal policy entitled *Guideline for Reviewing Connected Transactions*. For further detail of the connected transactions in the past year, please refer to the *Connected Transactions* section.

9. Independent Committee

In order to ensure transparency and to avoid conflicting interests, in this particular case for purposes of review and decision-making in connection with the Company's purchase of shares of Bangkok Inter-Teletec Company Limited from the CP Group, the Board constituted a four member Independent Committee, comprised of Directors independent of the CP Group. The Directors who were nominated to the Board by the CP Group voluntarily recused themselves from all Board decisions concerning the share purchase.

The Board approved making the Independent Committee a chartered committee of the Board as of 2002, and it will include independent Directors as well as Directors representing secured creditors and all major shareholders. Because this committee is charged with ensuring transparency and avoiding conflicting interests in extraordinary transactions concerning the Company, any Director with a conflicting interest shall be recused from matters concerning the conflict.

Insider Trading Policy

The Company is currently in compliance with applicable laws which monitor and prevent the personal use of confidential information of the Company by its management, including the use of said information for the purpose of insider trading. Material information which has not yet been disclosed is kept confidential and is disclosed only to the relevant senior management of the Company. The relevant senior management of the Company who have access to or receives said information are required to report their trading of shares in the Company pursuant to the Regulations of the Stock Exchange of Thailand and the Securities and Exchange Commission Regarding Rules, Conditions, and Procedures Governing the Preparation and Disclosure of Reports on Securities Holdings, in order to prevent insider trading using internal information, and to ensure that the trading of shares by “insiders” of the Company is transparent.

In addition, the Company has been carrying on the comparative study of the insider trading policies of various foreign institutions to be applied as a guideline to enhance transparency and boost the confidence in the Company amongst the analyst and investor community.

Personnel

As of 31st December 2001, the total number of employees is as follows:

Work Group and Classification	No. of Employee
Management	39
Service Area & Network Operation	2,025
Marketing & Sales	385
Information Technology	349
Customer Services	756
Finance & Accounting	239
Supporting	269
Total	4,062

Source : the Company

Remuneration for the Company's Employees

Remuneration

In 2001, the total remuneration for employees is Baht 1,568 million (salary, bonus, overtime compensation and commission)

Other Compensation & Benefits

- Health Plans and Employee Welfare

- ◆ In-house clinic
- ◆ Annual Medical Check-up
- ◆ New Employees' Medical Check-up
- ◆ Group Health Insurance
- ◆ Group Accident Insurance
- ◆ Group life Insurance

In case of death: Baht 30,000. - / Person

- ◆ Social Security Fund

Each of the Company and employees contributes 3% of monthly salary (but not exceeding Baht 450 /month). Said employee gains special benefits from the Fund to have medical treatment at designated hospitals.

- Paid Annual Leave

In the case that the employee is unable to take annual leave, annual leave can be accumulated to the subsequent year subject to the approval of an authorized superior.

- ◆ Employees at the level of Vice President and upwards can take annual leave for 15 days and can accumulate remaining annual leave to the subsequent year, but can carry a balance of no more than 30 days. If the accumulated annual leave balance exceeds 30 days, the Company will compensate for the excess.
- ◆ Employees at the level lower than Vice President can take annual leave for 10 days and can accumulate remaining annual leave to the subsequent year, but

can carry a balance of no more than 20 days. If the accumulated annual leave balance exceeds 20 days, the company will compensate for the excess.

- Compensation

- ◆ Monthly Salary
- ◆ Annual Performance Pay: between 0-4 times of monthly salary, subject to the Company's performance and financial status.
- ◆ Retirement: the employee must be at the age of 60 years. In case of early retirement, the employee must be at the age of 55 years and severance pay will be paid depending on the number of service years.

Employee Training and Development

Employee Training and Development Policy

To encourage all employees to develop their knowledge, skills and attitude to be able to perform their jobs effectively and to be more competent for career advancement, which assists the Company in achieving its corporate strategy and goals. At present, the Company provides employees with various training and development programs, such as Core Competency Program, Functional Competency Program, TA Core Business Program, etc.

INTERNAL CONTROLS

The Board of Directors acknowledged the opinion of the Independent Audit Committee, which concurred with the external auditor, that the Company's internal controls are adequate and suitable, and are capable of protecting the assets of the Company from misuse or unauthorized use by the management. Thus, there has been no defect in the internal controls of the Company, which could have material and adverse effect on the opinion of the external auditor. The Board also emphasized the development of the Company's Corporate Governance in order to help improve the internal control within the Company on a continuing basis.

CONNECTED TRANSACTIONS

During the year 2001, the Group were carried out the transactions with subsidiaries, associates, joint ventures and related companies as disclosed in Note 4, Note 10, Note 13, Note 18 (under Currency Swap item), Note 23 and Note 32 to financial statements for the year ended 31 December 2001.

Details of transactions	2001 (Baht'000)	Relationship	Rationale and necessity
1 Sales of goods			
1.1 Asia Multimedia Co., Ltd. ("AM") Sales of goods to joint venture : Asia Infonet Co., Ltd. ("AI")	255	The Company indirectly holds 90.45% and 65.00% of AM and AI's equity interest, respectively. These companies are related through directorship, i.e. Mr. Supachai Chearavanont, Mr. Soopakij Chearavanont and Mr. Chatchaval Jiaravanon.	The transactions arose in ordinary course of business that AM proposed to the third party.
1.2 Asia Wireless Communication Co., Ltd. ("AWC") Sales of goods and PCT accessories to Charoen Pokphand Group of companies ("CPG")	36,490	CPG is a major shareholder of the Company and are related through directorship. The Company indirectly holds 99.99% of AWC's equity interest.	The transactions arose in ordinary course of business that AWC proposed to the third party.
1.3 Wire & Wireless Co., Ltd. ("WW") Sales of goods and PCT accessories to joint venture: Asia Infonet Co., Ltd. ("AI")	139	The Company indirectly holds 87.50% and 65.00% of WW and AI's equity interest, respectively. These companies are related through directorship, i.e. Mr. Supachai Chearavanont, Mr. Soopakij Chearavanont and Mr. Chatchaval Jiaravanon.	The transactions arose in ordinary course of business that WW proposed to the third party.
Total Sales of goods	36,884		
2. Sales of services			
2.1 Asia Infonet Co., Ltd. ("AI") Sale of internet services to Charoen Pokphand Group of companies ("CPG")	19,813	CPG is a major shareholder of the Company and are related through directorship. The Company indirectly holds 65.00% of AI's equity interest.	The transactions arose in ordinary course of business that AI proposed to the third party.
2.2 Asia Infonet Co., Ltd. ("AI") Sales of membership to Charoen Pokphand Group of companies ("CPG")	5,094	CPG is a major shareholder of the Company and are related through directorship. The Company indirectly holds 65.00% of AI's equity interest.	The transactions arose in ordinary course of business that AI proposed to the third party.
2.3 Asia Infonet Co., Ltd. ("AI") Sales of membership to United Broadcasting Corporation Public Company Limited ("UBC")	959	The Company indirectly holds 40.96% of UBC's equity interest. These companies are related through directorships i.e. Mr. Supachai Chearavanont, Mr. Soopakij Chearavanont and Mr. Chatchaval Jiaravanon.	The transactions arose in ordinary course of business that AI proposed to the third party.

Details of transactions	2001 (Baht'000)	Relationship	Rationale and necessity
2.4 Asia Infonet Co., Ltd. ("AI") Sales of internet services to joint venture: Bangkok Inter Teletech Group of companies ("BITCO")	3,424	BITCO is cellular telephone operator which the Company directly holds 41.00% of equity interest, and indirectly holds 65.00% of AI's equity interest.	The transactions arose in ordinary course of business that AI proposed to the third party.
2.5 Asia Multimedia Co., Ltd. ("AM") Sales of multimedia network services to Satellite Services Co., Ltd. ("SS")	3,244	UBC directly holds 97.17% of equity interest in SS. AM and SS are related through directorship i.e. Mr. Soopakij Chearavanont, Mr. Supachai Chearavanont and Mr. Chatchaval Jiaravanon.	The transactions arose in ordinary course of business that AM proposed to the third party.
2.6 Asia Multimedia Co., Ltd. ("AM") Providing multimedia network services and dropwire installation services to UBC Cable Network Public Company Limited ("UBC CABLE")	858,524	UBC directly holds 98.62% of equity interest in UBC CABLE. AM and UBC CABLE are related through directorship i.e. Mr. Soopakij Chearavanont, Mr. Supachai Chearavanont and Mr. Chatchaval Jiaravanon.	AM is the owner of multimedia network. UBC CABLE and AM have entered into the agreement to rent the said network and providing dropwire installation services. The transactions arose in ordinary course of business that AM propose to the third party.
2.7 Asia Multimedia Co., Ltd. ("AM") Commission charges to United Broadcasting Corporation Public Company Limited ("UBC")	1,040	UBC is the pay television operator which the Company indirectly holds 40.96% of equity interest. AM and UBC are related through directorship i.e. Mr. Soopakij Chearavanont, Mr. Supachai Chearavanont and Mr. Chatchaval Jiaravanon.	AM is the representative to acquire subscriber for UBC. AM obtain the reward at the ordinary course of business that UBC gives to the third party.
2.8 Asia Multimedia Co., Ltd. ("AM") Asset rental services and multimedia network services to joint venture: Asia Infonet Co., Ltd. ("AI")	5,225	Same as 1.1	The transactions arose in ordinary course of business that AM proposed to the third party.
2.9 Asia Multimedia Co., Ltd. ("AM") Sales of multimedia network services to Bangkok Inter Teletech Group of companies ("BITCO")	66	BITCO is cellular telephone operator which the Company directly holds 41.00% of equity interest, and indirectly holds 90.45% of AM's equity interest.	The transactions arose in ordinary course of business that AM proposed to the third party.
2.10 Asia Multimedia Co., Ltd. ("AM") Sales of multimedia network services to Charoen Pokphand Group of companies ("CPG")	5,797	CPG is a major shareholder of the Company and are related through directorship. AM is the multimedia network operator. The Company indirectly holds 90.45% of AM's equity interest.	The transactions arose in ordinary course of business that AM proposed to the third party.

Details of transactions	2001 (Baht'000)	Relationship	Rationale and necessity
2.11 Interactive Media Services Co., Ltd. ("IMS") Sale of Audio Text services to United Broadcasting Corporation Public Company Limited ("UBC")	490	UBC is the pay television operator which the Company indirectly holds 40.96% of equity interest. The Company indirectly holds 99.99% of IMS'S equity interest. IMS and UBC are related through directorship i.e. Mr. Soopakij Chearavanont, Mr. Supachai Chearavanont.	The transactions arose in ordinary course of business that IMS proposed to the third party.
2.12 Interactive Media Services Co., Ltd. ("IMS") Sale of Audio Text services to joint venture: Asia Infonet Co., Ltd. ("AI")	228	The Company indirectly holds 99.99% in IMS's equity interest. IMS and AI are related through directorship i.e. Mr. Soopakij Chearavanont, Mr. Supachai Chearavanont and Mr. Chatchaval Jiaravanon.	The transactions arose in ordinary course of business that IMS proposed to the third party.
2.13 Interactive Media Services Co., Ltd. ("IMS") Sale of audio text services to joint venture: Bangkok Inter Teletech Group of companies ("BITCO")	845	BITCO is cellular telephone operator which the Company directly holds 41.00% of equity interest, and indirectly holds 99.99% of IMS's equity interest.	The transactions arose in ordinary course of business that IMS proposed to the third party.
2.14 Nilubon Co., Ltd. ("NB") Sales of office rental and related services to Charoen Pokphand Group of companies ("CPG")	10,129	CPG is a major shareholder of the Company and are related through directorship. NB is the rental service operator. The Company indirectly holds 99.99% of NB's equity interest.	The transactions arose in ordinary course of business. The maturity are normally in 3 years and are allowed to renew.
2.15 Nilubon Co., Ltd. ("NB") Sales of office rental and related services to UBC Cable Network Public Company Limited ("UBC CABLE")	598	NB and UBC CABLE are related through directorship i.e. Mr. Chatchaval Jiaravanon and Mr. Soopakij Chearavanont.	The transactions arose in ordinary course of business. The maturity are normally in 3 years and are allowed to renew.
2.16 Nilubon Co., Ltd. ("NB") Sales of office rental and related services to joint venture: Asia Infonet Co., Ltd. ("AI")	187	NB and AI are indirectly holds by the Company. These companies are related through directorship i.e. Mr. Chatchaval Jiaravanon and Mr. Soopakij Chearavanont.	The transactions arose in ordinary course of business. The maturity are normally in 3 years and are allowed to renew.
2.17 Nilubon Co., Ltd. ("NB") Sales of office space providing services to joint venture: Bangkok Inter Teletech Group of companies ("BITCO")	1,299	BITCO is cellular telephone operator which the Company directly holds 41.00% of equity interest, and indirectly holds 99.99% of NB's equity interest.	The transactions arose in ordinary course of business and at market prices.

Details of transactions	2001 (Baht'000)	Relationship	Rationale and necessity
2.18 W 7 Rental Services Ltd. ("W7") Sales of car and office equipment rental services to Charoen Pokphand Group of companies ("CPG")	102,943	CPG is a major shareholder of the Company and are related through directorship. W7 is the car and office equipment rental service operator. The Company indirectly holds 99.99% of W7's equity interest.	The transactions arose in ordinary course of business and at market prices. The maturity are normally in 3 years basis.
2.19 W 7 Rental Services Ltd. ("W7") Sales of car and office equipment rental services to joint venture: Asia Infonet Co., Ltd. ("AI")	138	The Company indirectly holds in W7 and AI's equity interest. These companies are related through directorship i.e. Mr. Chatchaval Jiaravanon and Mr. Soopakij Chearavanont.	The transactions arose in ordinary course of business and at market prices. The maturity are normally in 3 years basis.
2.20 W 7 Rental Services Ltd. ("W7") Sales of car and office equipment rental services to joint venture: Bangkok Inter Teletech Group of companies ("BITCO")	4,424	BITCO is cellular telephone operator which the Company directly holds 41.00% of equity interest, and indirectly holds 99.99% of W7's equity interest.	The transactions arose in ordinary course of business and at market prices. The maturity are normally in 3 years basis.
2.21 W 7 Rental Services Ltd. ("W7") Sales of car and office equipment rental services to UBC Cable Network Public Company Limited ("UBC CABLE")	7,950	W7 and UBC CABLE are related through directorship i.e. Mr. Supachai Chearavanont and Mr. Chatchaval Jiaravanon.	The transactions arose in ordinary course of business that W7 proposed to the third party.
2.22 Wire & Wireless Co., Ltd. ("WW") Sales of DTH equipment installation services and representative of subscriber acquisition to UBC Cable Network Public Company Limited ("UBC CABLE")	449	WW and UBC CABLE are related through directorship i.e. Mr. Supachai Chearavanont, Mr. Soopakij Chearavanont and Mr. Chatchaval Jiaravanon.	The transactions arose in ordinary course of business that WW proposed to the third party.
2.23 Wire & Wireless Co., Ltd. ("WW") Sales of network installation services to Charoen Pokphand Group of companies ("CPG")	1,147	CPG is a major shareholder of the Company and are related through directorship. WW is the communication network installation provider which the Company indirectly holds 87.50% of equity interest.	The transactions arose in ordinary course of business that WW proposed to the third party.
2.24 Wire & Wireless Co., Ltd. ("WW") Sales of installation and construction to joint venture: Asia Infonet Co., Ltd. ("AI")	1,305	Same as 1.3	The transactions arose in ordinary course of business that WW proposed to the third party.
2.25 Wire & Wireless Co., Ltd. ("WW") Sales of installation and construction to joint venture: Bangkok Inter Teletech Group of companies ("BITCO")	13,239	BITCO is cellular telephone operator which the Company directly holds 41.00% of equity interest. WW is the installation and construction services provider which the Company indirectly holds 99.99% of equity interest.	The transactions arose in ordinary course of business that WW proposed to the third party.

Details of transactions	2001 (Baht'000)	Relationship	Rationale and necessity
2.26 Telecom Holding Co., Ltd. ("TH") Sales of management services to joint venture: Asia Infonet Co., Ltd. ("AI")	210	TH is the Company's subsidiary who directly holds 65.00% of AI's equity interest. The Company indirectly holds in AI's equity interest. These companies are related through directorship i.e. Mr. Soopakij Chearavanont, Mr. Supachai Chearavanont and Mr. Chearavanont.	The transaction arose in ordinary course of business.
2.27 Company Sales of network services to UBC Cable Network Public Company Limited ("UBC CABLE")	13	UBC directly holds 98.62% of equity interest in UBC CABLE. The Company indirectly hold 40.96% of UBC's equity interest. These companies are related through directorship i.e. Mr. Supachai Chearavanont, Mr. Soopakij Chearavanont and Mr. Chatchaval Jiarav	The transaction arose in ordinary course of business that the Comapany propose to the third party.
2.28 Company Sales of bill collection through counter services to Charoen Pokphand Group of companies ("CPG")	1,494	CPG is a major shareholder of the Company.	The transaction arose in ordinary course of business that the Comapany propose to the third party.
2.29 Company Sales of Digital Data Network services to joint venture: Asia Infonet Co., Ltd. ("AI")	346	The Company indirectly holds 65.00% of AI's equity interest and related through directorship i.e. Mr. Supakij Chearavanont, Mr. Supachai Chearavanont and Mr. Chatchaval Jiaravanon.	This transaction arose in ordinary course of business that the Comapany propose to the third party.
2.30 Company Sales of other services to joint venture: Bangkok Inter Teletech Co., Ltd. ("BITCO")	23	BITCO is cellular telephone operator which the Company directly holds 41.00% of equity interest.	The transaction arose in ordinary course of business that the Comapany propose to the third party.
Total sales of services	1,050,643		
3. Purchase of services			
3.1 Asia Infonet Co., Ltd. ("AI") Purchase of office space rental and related services from Charoen Pokphand Group of companies ("CPG")	7,299	Same as 2.1	The transaction arose in ordinary course of business at market price on annually basis and allow to be renew.
3.2 Asia Infonet Co., Ltd. ("AI") Purchase of advertising services from UBC Cable Network Public Company Limited ("UBC CABLE")	1,060	Same as 2.3	The transaction arose in ordinary course of business that UBC CABLE propose to the third party.
3.3 Asia Wireless Communication Co., Ltd. ("AWC") Purchase of distribution services and other services from Charoen Pokphand Group of companies ("CPG")	15,395	Same as 1.2	The transaction arose in ordinary course of business.

Details of transactions	2001 (Baht'000)	Relationship	Rationale and necessity
3.4 Asia Wireless Communication Co., Ltd. ("AWC") Purchase of advertising services from Cineplex Co., Ltd. ("CN")	200	UBC directly holds 99.99% in CN's equity interest. AWC and CN are related through directorship i.e. Mr. Supakij Chearavanont, Mr. Supachai Chearavanont and Mr. Chatchaval Jiaravanon.	The transaction arose in ordinary course of business that CN propose to third party.
3.5 Interactive Media Services Co., Ltd. ("IMS") Purchase of office space rental and related services from Charoen Pokphand Group of companies ("CPG")	998	CPG is a major shareholder of the Company and are related through directorship. IMS is the provider of Audio Text service which the Company indirectly holds 99.99% of equity interest.	The transaction arose in ordinary course of business at market price on annually basis and allow to be renew.
3.6 Nilubon Co., Ltd. ("NB") Purchase of land rental services and other services from Charoen Pokphand Group of compaies ("CPG")	3,364	Same as 2.14	The transaction arose in ordinary course of business at market price with 3 years long and allow to be renew.
3.7 Nilubon Co., Ltd. ("NB") Purchase of internet services from joint venture: Asia Infonet Co., Ltd. ("AI")	10	Same as 2.16	The transactions arosed in ordinary course of business that AI proposed to the third party.
3.8 Telecom Holding Co., Ltd. ("TH") Reimbursement of expenses from Charoen Pokphand Group of companies ("CPG")	544	CPG is a major shareholder of the Company and are related through directorship. TH is the Company's subsidiary which directly holds 99.99% of equity interest by the Company.	Thr transactions arosed in ordinary course of business.
3.9 Telecom Holding Co., Ltd. ("TH") Purchase of internet services from joint venture: Asia Infonet Co., Ltd. ("AI")	71	Same as 2.26	The transactions arosed in ordinary course of business that AI proposed to the third party.
3.10 Wire & Wireless Co., Ltd. ("WW") Purchase of cable TV services from UBC Cable Network Public Company Limited ("UBC CABLE")	60	Same as 2.22	The transaction arose in ordinary course of business that UBC CABLE propose to third party.
3.11 Wire & Wireless Co., Ltd. ("WW") Insurance premium charge and computer services from Charoen Pokphand Group of companies ("CPG")	566	Same as 2.23	The transaction arose in ordinary course of business.
3.12 Wire & Wireless Co., Ltd. ("WW") Purchase of internet services from joint venture: Asia Infonet Co., Ltd. ("AI")	161	Same as 2.24	The transactions arosed in ordinary course of business that AI proposed to the third party.

Details of transactions	2001 (Baht'000)	Relationship	Rationale and necessity
3.13 Asia Multimedia Co., Ltd. ("AM") Purchase of advertising services from Cineplex Co., Ltd. ("CN")	419	UBC directly holds 99.99% in CN's equity interest. AM and CN are related through directorship i.e. Mr. Supakij Chearavanont, Mr. Supachai Chearavanont and Mr. Chatchaval Jiaravanon.	The transaction arose in ordinary course of business that CN propose to third party.
3.14 Asia Multimedia Co., Ltd. ("AM") Insurance premium charge and computer services from Charoen Pokphand Group of companies ("CPG")	244	Same as 2.10	The transaction arose in ordinary course of business.
3.15 Asia Multimedia Co., Ltd. ("AM") Purchase of internet services from joint venture: Asia Infonet Co., Ltd. ("AI")	183	Same as 1.1	The transactions arose in ordinary course of business that AI proposed to the third party.
3.16 W 7 Rental Services Ltd. ("W7") Purchase of computer services and othe services from Charoen Pokphand Group of companies ("CPG")	503	Same as 2.18	The transaction arose in ordinary course of business.
3.17 Company Purchase of recruitment services for Verizon	4,214	Verizon holds 12.51% of the Company's equity interest. Its representative in the Board of Director are Mr. Daniel C. Petri, Mr. Stephen G. Parker and Mr. John J. Lack.	Verizon providing recruitment service in seeking for telecommunication expert that arose in ordinary course of business.
3.18 Company Purchase of repair and maintenance services from NEC Communication Systems (Thailand) Co., Ltd.	18,297	The Company indirectly holds 9.62% of NEC's equity interest and through directorship by Mr. Chatchaval Jiaravanon.	The transactions arose in ordinary course of business that NEC proposed to the third party.
3.19 Company Rental space for installation of public phone from Charoen Pokphand Group of companies	7,960	Same as 2.28	The transaction arose in ordinary course of business.
3.20 Company Purchase of office space rental and related services from Charoen Pokphand Group of companies ("CPG")	12,086	Same as 2.28	The transaction arose in ordinary course of business at market price on annually basis and allow to be renew.
3.21 Company Purchase of computer services and othe services from Charoen Pokphand Group of companies ("CPG")	1,088	Same as 2.28	The transaction arose in ordinary course of business that propose to the third party.
3.22 Company Purchase of cable TV services from UBC Cable Network Public Company Limited ("UBC CABLE")	61	Same as 2.27	The transaction arose in ordinary course of business that UBC CABLE propose to the third party.

Details of transactions	2001 (Baht'000)	Relationship	Rationale and necessity
3.23 Company Purchase of internet services from joint venture: Asia Infonet Co., Ltd. ("AI")	925	Same as 2.29	The transactions arose in ordinary course of business that AI proposed to the third party.
3.24 Company Promotion expenses related to DDN services from joint venture: Bangkok Inter Teletech Co., Ltd. ("BITCO")	19,782	Same as 2.30	The transaction arose in ordinary course of business that propose to the third party.
Total purchase of services	95,490		
4 Purchase of goods			
4.1 Asia Multimedia Co., Ltd. ("AM") Purchase of computer, peripheral and office equipment from Charoen Pokphand Group of companies ("CPG")	4,285	Same as 2.10	The transaction arose in ordinary course of business that propose to the third party.
4.2 Interactive Media Services Co., Ltd. ("IMS") Purchase of computer, peripheral and office equipment from Charoen Pokphand Group of companies ("CPG")	212	Same as 3.5	The transaction arose in ordinary course of business that propose to the third party.
4.3 Asia Infonet Co., Ltd. ("AI") Purchase of computer, peripheral and office equipment from Charoen Pokphand Group of companies ("CPG")	2,298	Same as 2.1	The transaction arose in ordinary course of business that propose to the third party.
4.4 Telecom Holding Co., Ltd. ("TH") Purchase of computer, peripheral and office equipment from Charoen Pokphand Group of companies ("CPG")	324	Same as 3.8	The transaction arose in ordinary course of business that propose to the third party.
4.5 Telecom Holding Co., Ltd. ("TH") Purchase of office equipment from joint venture: Asia Infonete Co., Ltd. ("AI")	3	Same as 2.26	The transaction arose in ordinary course of business that propose to the third party.
4.6 Asia Wireless Communication Co., Ltd. ("AWC") Purchase of computer and peripheral from Charoen Pokphand Group of companies ("CPG")	199	Same as 1.2	The transaction arose in ordinary course of business that propose to the third party.
4.7 W 7 Rental Services Ltd. ("W7") Purchase of computer and peripheral from Charoen Pokphand Group of companies ("CPG")	378	Same as 2.18	This transaction arose in ordinary course of business that propose to the third party.
4.8 Nilubon Co., Ltd. ("NB") Purchase of computer and peripheral from Charoen Pokphand Group of companies ("CPG")	171	Same as 2.14	The transaction arose in ordinary course of business that propose to the third party.
4.9 Wire & Wireless Co., Ltd. ("WW") Purchase of computer and peripheral from Charoen Pokphand Group of companies ("CPG")	6	Same as 2.23	The transaction arose in ordinary course of business that propose to the third party.

Details of transactions	2001 (Baht'000)	Relationship	Rationale and necessity
4.10 Asia Multimedia Co., Ltd. ("AM") Purchase of office equipment from joint venture: Asia Infonte Co., Ltd. ("AI")	23	Same as 2.8	The transaction arose in ordinary course of business that propose to the third party.
4.11 Company Purchase of cell site for PCT from NEC Communication Systems (Thailand) Co., Ltd. ("NEC")	70,344	Same as 3.18	The transactions arosed in ordinary course of business that NEC proposed to the third party.
4.12 Company Purchase of computer and peripheral from Charoen Pokphand Group of companies ("CPG")	62,609	Same as 2.28	The transaction arose in ordinary course of business that propose to the third party.
Total purchase of goods	140,852		

Measures and Procedures for Approving the Entering into of Connected Transactions

In addition to the Company's measures and procedures for approving the entering into the connected transactions in compliance with the Rules and Regulations of the Securities and Exchange Commission ("SEC") and the Stock Exchange of Thailand ("SET"), and the provisions of the Public Companies Act, the Company must comply with the terms and conditions of the Security Agreement Amendment and Restatement Agreement (the "SAARA"), which is the principal debt restructuring agreement executed between the Company and its Secured Creditors. The key terms and conditions in the SAARA with regard to connected transactions specifies that the Company shall not enter into any contract, agreement, or arrangement with any affiliates other than on arms' length open market terms. In the event the Company wishes to enter into any contract which creates material payment with the Company's affiliates, Telecom Holding Company Limited or any affiliate thereof, Charoen Pokphand Group Company Limited or group of companies or affiliate thereof, Nynex Network Systems (Thailand) Company Limited or group of companies or affiliate thereof, any individual not relating to the authorized business, any individual not relating to the PCT business and other relevant businesses, the Company shall disclose said transaction in its annual budget. Nonetheless, the Secured Creditors of the Company shall have right to make certain objection on the Company's annual budget. Apart from the obligations under the SAARA, the terms and conditions of the Shareholders Agreement executed with Kreditanstalt für Wiederaufbau dated 22nd December 1999 specifies that the Company shall have to disclose the entering into any connected transactions of the major shareholders or its affiliates.

In addition to the foregoing obligations, in the event of a material connected transaction involving affiliates of major shareholders of the Company, the Company shall propose to the Board of Directors to appoint a Committee comprised of the independent directors and directors nominated by non-interested shareholders to consider and negotiate the terms of said transaction. (The directors nominated by the interested major shareholders shall abstain from attending and voting at said meeting.) As part of its consideration and negotiation process, the Committee is authorized to appoint an independent financial advisor, an independent legal advisor and other advisors to assist, as it deems appropriate. The executive directors appointed by interested shareholders shall also refrain from participating in said connected transaction. In the event the Committee

approves said connected transaction, it will then be proposed to the Board of Directors' meeting (the directors nominated by interested major shareholders shall abstain from voting). After the approval of the Board of Directors, it will then be proposed to the shareholders' meeting for approval with at least three-fourths of the vote of the shareholders present and entitled to vote at such meeting, provided that the interested shareholders shall abstain in the vote on said connected transaction.

Policy for Future Connected Transactions

In addition to strictly compliance with the rules and regulations of the SEC and the SET, the Company has applied said rules and regulations to implement an internal guideline for connected transactions by carrying on the comparative study of the connected transactions guidelines from various foreign institutions to enhance transparency and create the parallel understanding with the foreign analysts and investors. With regard to future connected transactions, the Company anticipates that there will be only the connected transactions under the ordinary course of business of the Company with its affiliates and the Company shall proceed such transactions in a transparent manner pursuant to the good corporate governance policy of the Company as well as all relevant regulations.

FINANCIAL STATUS AND PERFORMANCE

Company's Auditor and Significant Accounting Policies

The auditors appointed by the Board of Directors to be the Company's auditor in order to perform the audit of the Company and consolidated financial statements during the past three years were as follows:

Financial statements for the year ended 31 December 2001 : PricewaterhouseCoopers ABAS Limited
Financial statements for the year ended 31 December 2000 : PricewaterhouseCoopers ABAS Limited
Financial statements for the year ended 31 December 1999 : SGV-Na THALANG & CO.,LTD.

According to the three (3) years' Reports of Certified Public Accountant, the Company's auditors had expressed his/her unqualified opinions on the financial statements for the year ended 31 December 2001 and 2000 and qualified opinion on the financial statements for the year ended 31 December 1999 as follows:

The Year Ended 31 December 2001

The auditor had expressed his/her unqualified opinion that the consolidated and Company financial statements present fairly, in all material respects, the consolidated and Company financial position as at 31 December 2001 and results of operations and cash flows for the year then ended in accordance with generally accepted accounting principles.

The Year Ended 31 December 2000

The auditor had expressed his/her unqualified opinion that the consolidated and Company financial statements present fairly, in all material respects, the consolidated and Company financial position as at 31 December 2000 and results of operations and cash flows for the year then ended in accordance with generally accepted accounting principles.

The Year Ended 31 December 1999

Based on the auditor's audit, he/she did not audit the 1999 financial statements of an associated company, operating in foreign countries due to the delay in obtaining the result of the financial statements. Thus he/she had expressed his/her qualified opinion relating to total assets and liabilities of the said associated company which were included in the consolidated balance sheet. The management had concluded to wait for those financial statements and submit them to the auditor for auditing in the following quarter.

At 31 December 1999, the Company had the balance of investment at equity method represented 2.3% and 2.1% of total assets of the financial statements of the Company and of the consolidated financial statements, respectively. The equity in net loss (including amortization of the excess of net book value of investment over cost) represented 23.4% of net loss for the year 1999. These financial statements of associated company were audited by other auditors whose report had been furnished to the Company's auditor. Thus his/her opinion, in so far as it related to the amounts included for such associated company, was based solely upon the report of other auditors.

The 1999 net equity gain in certain subsidiaries and associated companies, most of which were incorporated and operating in foreign countries, totalling Baht 588.6 million or equivalent to 9.25% of the net loss for the year 1999, which was included in the statement of income of the Company and in the consolidated statement of income, was calculated based on their unaudited financial statement. Total assets and liabilities of said subsidiaries, which were included in the consolidated balance sheet as at 31 December 1999, were equivalent 4.1% of total assets and 0.9% of total liabilities, respectively.

TELECOMASIA CORPORATION PUBLIC COMPANY LIMITED

Balance Sheet

As at 31 December 2001 and 2000

	(Thousand Baht)					
	(Restated)					
	31 December 2001	Common Size (%)	31 December 2000	Common Size (%)	31 December 1999	Common Size (%)
Assets						
Current assets						
Cash and cash equivalents	2,684,256	3.10	1,054,621	1.19	1,297,872	1.37
Restricted cash	4,576,450	5.29	4,308,367	4.88	2,721,922	4.88
Short-term investments	177,337	0.21	38,575	0.04	730,093	0.77
Trade accounts receivable, net	5,540,686	6.41	5,832,815	6.60	5,606,484	5.93
Amount due from related parties	151,616	0.18	133,077	0.15	212,729	0.22
Inventories, net	1,113,378	1.29	875,721	0.99	689,203	0.73
Other current assets	2,640,555	3.05	1,358,002	1.54	2,322,372	2.45
Total Current Assets	16,884,278	19.53	13,601,178	15.39	13,580,675	14.35
NON-CURRENT ASSETS						
Investment :						
Available-for-sale security	1,036,273	1.20	3,960,783	4.48	-	-
Investments in subsidiaries, associates and others	4,544,452	5.25	5,430,042	6.14	9,411,425	9.95
Investments in properties	54,294	0.06	57,973	0.07	63,898	0.07
Property, plant and equipment, net	64,032,659	74.05	64,262,597	72.71	70,252,927	74.25
Other assets						
Intangible assets, net	804,300	0.93	512,919	0.58	541,087	0.57
Negative Goodwill, net	(2,336,785)	(2.70)	-	-	-	-
Other non-current assets	1,452,822	1.68	558,161	0.63	766,446	0.81
Total Non-Current Assets	69,588,015	80.47	74,782,475	84.61	81,035,783	85.65
TOTAL ASSETS	86,472,293	100.00	88,383,653	100.00	94,616,458	100.00
LIABILITIES						
CURRENT LIABILITIES						
Borrowings	3,214,292	3.72	1,782,479	2.01	4,228,289	2.01
Trade accounts payable	2,584,805	2.99	1,695,819	1.92	1,797,655	1.90
Accrued expenses	2,495,300	2.88	1,014,501	1.15	4,360,023	4.61
Amount due to related parties	155,218	0.18	88,429	0.10	45,483	0.05
Other current liabilities	2,143,971	2.48	1,519,547	1.72	1,461,059	1.54
Total Current Liabilities	10,593,586	12.25	6,100,775	6.90	11,892,509	12.57
NON-CURRENT LIABILITIES						
Borrowings	61,944,182	71.63	63,819,640	72.21	64,987,568	68.69
Long-term trade accounts payable	8,299,425	9.60	9,255,712	10.47	9,601,836	10.15
Other non-current liabilities	740,060	0.86	580,641	0.66	15,253	0.02
Total Non-Current Liabilities	70,983,667	82.09	73,655,993	83.34	74,604,657	78.85
TOTAL LIABILITIES	81,577,253	94.34	79,756,768	90.24	86,497,166	91.42
SHAREHOLDERS' EQUITY						
Share capital						
Authorized share capital 3,390.65 million shares						
Preferred shares 702 million shares and fully paid	7,020,000	8.12	7,020,000	7.94	-	-
Common shares 2,530.50 million shares issued and fully paid	25,305,000	29.26	22,230,000	25.15	22,230,000	23.49
Discount on preferred shares	(1,498,478)	(1.73)	(1,498,478)	(1.70)	-	-
Premium on common shares	11,115,406	12.85	11,432,046	12.94	11,432,046	12.94
Cumulative translation adjustment	104,344	0.12	104,344	0.12	104,344	0.11
Appropriated legal reserve	34,881	0.04	34,881	0.04	34,881	0.04
Deficit	(32,937,104)	(38.09)	(29,511,977)	(33.39)	(26,203,827)	(27.69)
Unrealized loss on available- for-sale security	(4,703,366)	(5.44)	(1,682,579)	(1.90)	9,844	0.01
Minority interests in subsidiaries	454,357	0.53	498,648	0.56	512,004	0.54
Total Shareholders' Equity	4,895,040	5.66	8,626,885	9.76	8,119,292	8.58

TELECOMASIA CORPORATION PUBLIC COMPANY LIMITED
Statements of Income
As at 31 December 2001 and 2000

(Thousand Baht)

	31 December 2001	Common Size (%)	31 December 2000	Common Size (%)	(Restated) 31 December 1999	Common Size (%)
Revenues						
Revenues from telephone and other services	20,117,764	97.49	18,085,305	93.28	14,282,654	95.58
Revenues from product sales	518,678	2.51	1,302,258	6.72	660,316	4.42
Total revenues	20,636,442	100.00	19,387,563	100.00	14,942,970	100.00
Operating expenses						
Cost of services	14,241,482	69.01	12,688,408	65.45	10,654,583	71.30
Cost of sales	684,642	3.32	1,119,159	5.77	374,279	2.50
Selling and administrative expenses	4,762,783	23.08	3,030,575	15.63	2,873,246	19.23
Directors' remuneration	45,724	0.22	45,975	0.24	36,755	0.25
Total operating expenses	19,734,631	95.63	16,884,117	87.09	13,938,863	93.28
Operating profit	901,811	4.37	2,503,446	12.91	1,004,107	6.72
Gain on sales of investment			2,472,155	12.75	238,349	1.60
Share of profit (loss) in subsidiaries and associates	(628,473)	(2.91)	(1,128,454)	(5.82)	(895,734)	(5.99)
Interest income	42,418	0.21	23,383	0.12	123,913	0.83
Interest expense	(4,718,427)	(22.87)	(5,676,506)	(29.28)	(5,921,905)	(39.63)
Foreign exchange gain (loss)	954,874	4.63	(2,642,423)	(13.63)	(1,914,029)	(12.81)
Other non operating income (expense)	47,312	0.10	(174,718)	(0.90)	(25,829)	(0.17)
Loss before income tax	(3,400,485)	(16.48)	(4,623,117)	(23.85)	(7,391,128)	(49.46)
Income tax	(68,933)	(0.33)	(76,444)	(0.39)	(115,459)	(0.77)
Loss before extraordinary item	(3,469,418)	(16.81)	(4,699,561)	(24.24)	(7,506,587)	(50.23)
Extraordinary item						
-Gain from debt restructuring			1,378,056	7.11	-	-
Loss before minority interests	(3,469,418)	(16.81)	(3,321,505)	(17.13)	(7,506,587)	(50.23)
Loss attributable to minority interests	44,291	0.21	13,355	0.07	31,813	0.21
Net loss for the year	(3,425,127)	(16.60)	(3,308,150)	(17.06)	(7,474,774)	(50.02)
Basic and diluted loss per share						
Loss from ordinary activities	(1.81)		(2.35)		(3.36)	
Extraordinary item						
-Gain from debt restructuring			0.62		-	
Net loss for the year	(1.81)		(1.73)		(3.36)	

TELECOMASIA CORPORATION PUBLIC COMPANY LIMITED
Statements of Cash Flow
For the Year Ended 31 December 2001, 2000 and 1999

(Thousand Baht)
(Restated)

	31 December 2001	31 December 2000	31 December 1999
Cash flows from operating activities			
Loss before minority interests	(3,469,418)	(3,321,505)	(7,506,587)
Add : Interest expense	4,718,427	5,676,506	5,921,906
Income tax	68,933	76,444	115,459
Profit before interest and tax	1,317,942	2,431,445	(1,469,222)
Adjustments to reconciliation of cash generated from operating activities:			
Depreciation and amortization	8,004,149	7,707,915	6,442,134
(Gain)loss on disposal of property, plant and equipment	(101,751)	307,845	(10,621)
Doubtful accounts	166,699	132,742	352,785
Loss on decline in value of investment			146,175
Loss on decline in value of property, plant and equipment(reverse)	219,987	(10,667)	39,561
Loss on decline in value of inventories	30,631	17,233	195,716
(Reverse)Other operating assets and liabilities write-off	(13,996)	(6,099)	68,748
Gain from sales of available-for-sale securities		(2,472,155)	(135,479)
Gain on sale investment in subsidiaries			(102,871)
Loss (gain) from liquidation of subsidiaries and other		1,522	(432)
Unrealised (gain) loss on foreign exchange	(944,940)	2,526,566	1,863,802
Gain from debt restructuring		(1,378,056)	
Gain from forgivingness	(348)	(26,528)	(289,632)
Reverse accrued rental of conduits and leased circuit		(685,203)	
Share of loss (profit) in subsidiaries and associated companies	601,290	1,128,454	895,734
Changes in operating assets and liabilities (excluding the effects of acquisition of joint venture)			
- Trade accounts receivable	140,067	(359,965)	(1,690,851)
- Due from related parties	(78,368)	82,489	303,537
- Inventories	(1,499,311)	(189,655)	(143,305)
- Other current assets	(590,371)	571,894	165,701
- Other non-current assets	(20,032)	35,117	185,512
- Trade accounts payable	405,074	(218,664)	57,498
- Due to related parties	119,290	16,656	(55,249)
- Accrued expenses and other current liabilities	1,535,615	(1,244,871)	(431,996)
- Other non-current liabilities	(195)	(10,867)	(3,729)
Cash generated from operating activities	9,291,432	8,357,148	6,383,516
Less: Interest paid	(4,481,730)	(4,840,730)	(4,919,699)
Income tax paid	(330,670)	(287,783)	(110,374)
Net cash from operating activities before interest and tax	4,479,032	3,228,635	1,353,443
Cash flows from investing activities			
Deposit in restricted cash	(251,124)	(1,586,445)	113,417
Deposit in time deposit	(82,811)	(15,378)	1,780
Payments on liquidated subsidiaries		(133)	(12,366)
Acquisition of investment in joint venture	2,782,125		-
Acquisition of investment in other company	(100)		(500,654)
Acquisition of property, plant and equipment	(3,930,956)	(1,695,088)	(1,278,743)
Acquisition of intangible assets	(33,881)		
Proceeds from sale of available-for-sale securities		3,003,472	-
Proceeds from sale of subsidiaries, associates and other		37	1,332,444
Dividend received			556,000
Proceeds from disposal of property, plant and equipment	117,268	48,905	102,437
Net cash used in investing activities	(1,399,479)	(244,630)	314,315
Cash flows from financing activities			
Issue of preferred shares		5,521,522	
Proceeds from borrowings	5,265,405	657,757	850,331
Payment on long-term trade accounts payable	(187,973)	(531,832)	191,030

Selected Financial Ratios

TelecomAsia Corporation Public Company Limited and Subsidiaries 2001 2000

Liquidity Ratios

Current Ratio	Times	1.59	2.23
Receivable Turnover Ratio	Times	3.63	3.39
Average Collection Period *	Days	49.91	50.24

* Excluding accounts receivable from the TOT which represents the amount that was already paid by customers but TA has not yet received its revenue sharing from the TOT.z

Profitability Ratios

EBITDA Margin	%	43.92%	49.14%
EBITDA Margin (Excluding TA Orange)	%	49.80%	49.10%
EBITDA Margin (Excluding TA Orange & Product Sales)	%	51.80%	51.70%
EBIT Margin	%	5.13%	9.38%
EBIT Margin (Excluding TA Orange)	%	11.10%	10.40%
EBIT Margin (Excluding TA Orange & Product Sales)	%	12.10%	9.00%
Return on Total Assets	%	(3.92%)	(3.62%)
Return on Equity	%	(50.66%)	(39.51%)

Efficiency Ratios

Assets Turnover Ratio	Times	0.24	0.21
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Leverage Ratios

EBITDA/Interest Coverage Ratio	Times	1.92	1.68
Debt /EBITDA	Times	8.11	7.86
Debt /Equity Ratio	Times	15.01	8.68

Per Share Analysis

Book Value per Share	Baht	1.51	2.95
Earnings (Loss) per Share (Basic and Diluted)	Baht	(1.81)	(1.73)
Dividend per Share	Baht	0.00	0.00
Stock Price at Year End	Baht	10.20	18.00

Management's discussion and analysis

Consolidated Results of Operations

In reviewing the Company's operating performance, the results of operations are discussed on a normalized basis as it clearly demonstrates the trend of operating performance from period to period. In the fourth quarter 2001, the Company has invested in TA Orange Co., Ltd. (TA Orange) at the proportion of 41%. Consolidated financial statements were prepared with proportionate consolidation of TA Orange transactions, which yielded significant impact to the Company's financial statements. Therefore, in the analysis, the Company discusses its results from operations for both pre and post TA Orange consolidation. In 2001, the Company recognized a loss contribution from TA Orange of Baht 1,255 million or a loss of Baht 971 million after offsetting effect of Baht 284 million for amortization of negative goodwill.

Non-recurring items affecting the 2001 results consisted of Baht 955 million foreign exchange gain, Baht 47 million other revenue and Baht 157 million accounting adjustment. The non-recurring items for 2000 comprised Baht 2,642 million foreign exchange loss, Baht 2,472 million gain on sales of investment, Baht 175 million other expenses, Baht 1,378 million gain from debt restructuring and Baht 685 million accounting adjustment. The accounting adjustments were recorded to adjust the underbooking or the overbooking of accrued conduit and leased circuit rental for prior years due to the TOT's first approval of tariff in 2000 and upward adjustment to the conduit rental tariff in 2001 with retroactive effect. The Company increased its accrued conduit rental expenses for prior years of Baht 157 million in 2001 and decreased its accrued leased circuit and conduit rental of Baht 685 million in 2000.

Reported financial results for 2001 were a net loss of Baht 3,425 million, a higher loss compared with a Baht 3,308 million loss in 2000 due mainly to those non-recurring items and the recognition of loss from TA Orange.

The results from ongoing operations without taking into account TA Orange for 2001 were Baht 2,455 million loss, an improvement of Baht 1,456 million or 37.2% compared to 2000. Net loss without TA Orange should have been Baht 2,458 million in 2001 compared to a loss of Baht 3,308 million in 2000.

Consolidated Results of Operations – Adjusted Basis

(In million Baht , unless otherwise indicated)

Years Ended December 31,	2001	2000	% Change
Revenues			
Revenues from telephone and other services	20,118	18,085	11.2
Revenues from product sales	518	1,302	(60.2)
Total revenue	20,636	19,387	6.4
Operating expenses			
Cost of services 1/	14,084	13,373	5.3
Cost of sales	684	1,119	(38.9)
Selling and administrative expenses	4,763	3,031	57.1
Directors' remuneration	46	46	-
Total operating expenses	19,577	17,569	11.4
EBITDA	9,063	9,526	(4.9)
Depreciation & amortization	8,004	7,708	3.8
Operating profit	1,059	1,818	(41.7)
Interest income	42	23	82.6
Interest expense	(4,718)	(5,676)	(16.9)
Tax	(69)	(76)	(9.2)
Income (Loss) from continuing operations 2/	(3,686)	(3,911)	(5.8)
Share of loss in associates	(628)	(1,128)	44.3
Non recurring items	845	1,718	(50.3)
Gain (loss) on foreign exchange	955	(2,642)	136.1
Other income(expenses)	47	(175)	126.9
Gain on sale of investments	-	2,472	(100.0)
Accounting adjustment	(157)	685	(122.9)
Gain from debt restructuring	-	1,378	(100.0)
Net profit (loss) before minority interest	(3,469)	(3,321)	(4.5)
Minority interest	44	13	238.5
NET PROFIT(LOSS)	(3,425)	(3,308)	(3.5)
BASIC AND DILUTED LOSS PER SHARE (BAHT)	(1.81)	(1.73)	(4.6)
Balance Sheets			
Current assets	16,884	13,601	24.1
Property, plant and equipment, net	64,033	64,263	(0.5)
Total assets	86,472	88,384	(2.2)
Current liabilities	10,594	6,101	73.6
Borrowings	61,944	63,820	(2.9)
Total liabilities	81,577	79,757	2.3
Shareholders' equity	4,895	8,627	(43.3)
Cash Flows			
Cash flow from operating activities	4,479	3,229	38.7
Cash flow from investing activities	(1,400)	(245)	(47.1)
Cash flow from financing activities	(1,450)	(3,227)	55.1
Ending balance	2,684	1,055	154.4

Remarks

1/ The reported cost of service were adjusted by the reversal of Baht 157 million out-of-period upward adjustment for 2001 and 685 million out-of-period downward adjustment for 2000 to the accrued leased circuit and conduit rental in previous years. The accounting adjustment was to reflect the approval and adjustment of tariff by the TOT.

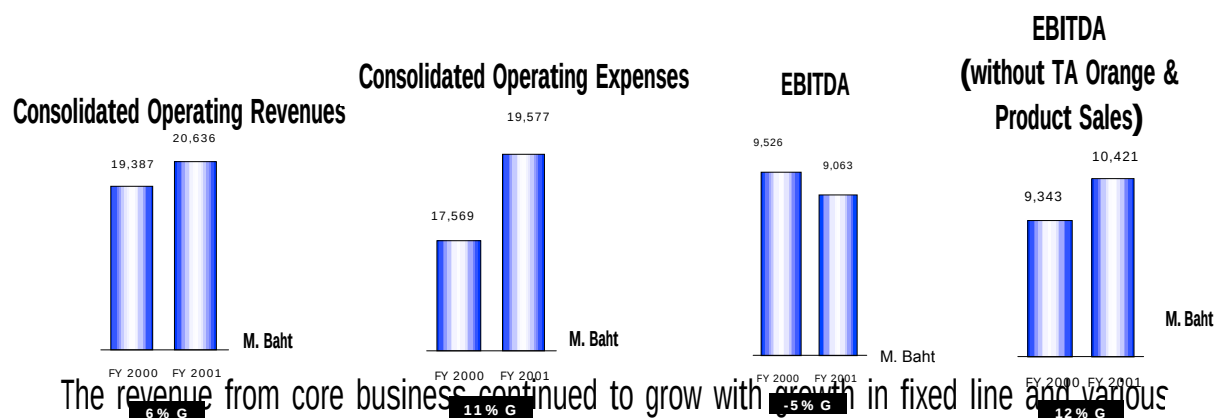
2/ The calculation for Income (Loss) from Ongoing Operations differed from that for 2000 Annual Report due to the

exclusion of sharing in gain (loss) from affiliates.

The results from core operations (excluding product sales) without TA Orange were basically in line with the Company's expectation, despite the economic downturn, the intense competitive environment and an impact from economy domestic long distance "TA 1234" service. This was due to the Company's success in acquiring subscriber base and implementing strict cost control. The Company launched lowering barrier to entry and bundling strategies that has resulted in a remarkable growth in subscriber base. Revenue from telephone and other services, the Company's core source of revenues, grew 11.2%. Core operating expenses were capped at 2000's 32.2% of total revenues, thus generating a 11.5 % growth in normalized EBITDA to Baht 10,421 million with a stable margin at 51.8%. In addition, the Company had lower interest burden due to loan prepayment and reduced interest rates.

Normalized results from continuing operations including contributions from affiliates and TA Orange improved Baht 725 million to a loss of Baht 4,314 million. This was derived mainly by increase in revenue from telephone and other services of Baht 2,033 million or 11.2% and lower interest burden of Baht 958 million together with improved contribution from affiliates of Baht 500 million, including amortization of negative goodwill for investment in TA Orange.

However Operating expenses, excluding cost of product sales increased Baht 2,443 million or 14.9 % over the year 2000 due partly to TA Orange expenses. In addition, there was a lower contribution from product sales, principally PCT handsets, of Baht 349 million due mainly to the lower selling prices of PCT handsets in order to reduce the remaining stock and to fulfill the marketing purpose. The number of handsets sold was also declined due to the Company lending PCT handsets to customers for use over 3 years.



value added services. This was due to the Company's emphasizing on expansion to different high growth value added services in order to offer variety of services to customers. This also helps leverage the already invested assets and diversify its revenues. Evidence could be seen from the revenues from various value added services including PCT increasing from 24.1% in 1999 to 32.8% in 2000 and to 36.1% in 2001 while the total revenues still growing.

In 2001, the Company generated total revenues of Baht 20,636 million, up Baht 1,249 million or 6.4% year-over-year, due mainly to the higher revenue from telephone and other services, which grew 11.2% to Baht 20,118 million. The revenues from product sales declined Baht 784 million to Baht 518 million due mainly to lower-price handsets and the sales promotion of lending handsets for 3 years. The telephone and other service revenue growth were mainly from the value added services to the fixed line such as public phone, ISDN, network rental, etc. which posted an increase of Baht 730 million, or 42.8%, to Baht 2,437 million. In addition, the service revenue from PCT grew Baht 782 million, up 42.5%, while the revenues from DDN and Internet grew rapidly at 47.0% and 61.4% respectively, despite contributing lower absolute amounts.

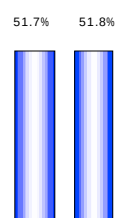
The revenue from fixed line services, excluding value added services grew 1.2% year-over-year to Baht 13,181 million, representing a milder growth than 14.9% of 2000, due mainly to lower installation revenues. This was resulted from the free installation promotion, which was in line with the policy to lower the barrier to entry of the customers and the impact from the slowing economy. Moreover, the introduction of economy local long distance rate (TA 1234), and the competition from cellular services, which reduced tariffs on special sales promotions (despite part of the impact being offset by higher revenues from more cellular numbers to call to) also affected the revenues. Consequently, the average revenue per user (ARPU) declined by 7.8% year-over-year from Baht 686 to Baht 633 this year. However, with the help from the strategy of adding subscribers rapidly by reducing the barrier to entry, the Company managed to add 216,386 more subscribers, a 74.7% year-over-year growth, resulting in a 14.2% increase in the total billable lines from the previous year balance to 1,741,345. And this led to continued growth in the total revenues from telephone services.

The reported consolidated operating expenses were Baht 19,734 million in 2001. Excluding the non-recurring expense of Baht 157 million relating to an upward out-of-period accounting adjustment to the conduit rental as the TOT increased the previously

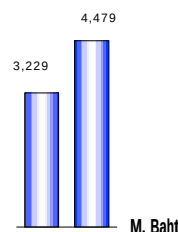
approved conduit rental fee, the adjusted operating expenses should have been Baht 19,577 million, up Baht 2,008 million or 11.4% year-over-year from Baht 17,569 million in 2000. The 2000 operating expenses excluded the accounting adjustment of Baht 685 million to reduce the balance of conduit rental and long distance leased circuit fee in the previous years in accordance with the TOT's former approval. The main cause of the increased expenses was from Baht 711 million higher cost of service, up 5.3%, to Baht 14,084 million due to higher revenue sharing (in line with higher revenue), higher depreciation (in line with additional assets). Moreover, the selling & administrative expenses of Baht 4,763 million (which included expenses from TA Orange partly service launch-related items) grew Baht 1,732 million, up 57.1% year-over-year due to higher selling & administrative expenses and employee expenses while the cost of sales declined Baht 434 million, in line with the lower revenue.

Core operating expenses (all cash operating expenses except cost of sales and revenue sharing) was Baht 7,662 million, increasing Baht 1,822 million or 31.2% year-over-year due mainly to inclusion of TA Orange expenses. Core operating expenses, excluding TA Orange, grew 11.0% year-over-year, considered to be a declining rate comparing to a growth of 17.3% in 2000. A ratio of the adjusted core operating expenses as a percentage of the consolidated revenues slightly declined from 32.3% in 2000 to 32.2% 2001. This was the result of the Company's disciplined cost control. Major cost control measure implemented in 2001 in order to help sooth the impact from softer economic situation was 2 rounds of budget cut. The Company's management will continue to focus on cost control further in 2002 in which budgeted operating expenses is set at zero growth while the budget for capital expenditure is to be used from cash flows generated from operations only.

EBITDA Margin



Cash Flow from Operations



The earnings before interest, tax, depreciation and amortization (EBITDA), was reported for the year 2001 as Baht 9,063 million, declined 4.9% year-over-year. Excluding the contributions from product sales and TA Orange, the normalized EBITDA this year would have been Baht 10,421 million, up 11.5% year-over-year, with a 51.8% margin,

remained stable when compared to the previous year. This reflected the success in the policy to add customers and control cost in order to sooth the impact from the slowing economy and the higher competition.

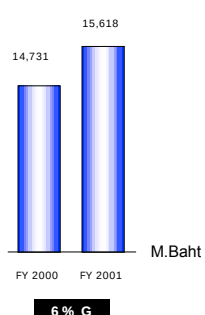
Moreover, the Company has an increased cash flow from operations resulting in a continually improved liquidity. This was partly due to a lower interest expense burden from the declining interest rate and the prepayment of principal through the debt restructuring process. With the better liquidity, the Company managed to prepay more than Baht 900 million of its loans in 2001. The interest coverage ratio increased from 1.0 time in 1998 to 1.3, 1.7 and 1.9 times in 1999, 2000, and 2001 respectively.

Segment Results

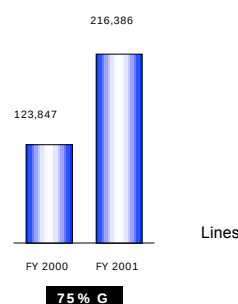
Wireline-voice Business

The revenues from fixed line and value added services were reported for the year 2001 as Baht 15,618 million, up 6.0% year-over-year. These were comprising Baht 13,181 million revenue from fixed line business and Baht 2,437 million from value added services (public phone, fault reporting service, etc.), up 1.2% and 42.8% year-over-year respectively. The rapid increase in revenue from value added services helped sooth the impact from the slowing growth of revenue from fixed line services, which was industry-wide phenomenon.

Total Revenue - Wireline



Net Additions



(In Millions Baht)	Turnover			Segment Results*		
	2001	2000	% Change	2001	2000	% Change
Wireline - voice	15,618	14,732	6.0	5,023	4,318	16.3

Wireline - data (DDN)	503	342	47.1	238	151	57.6
Wireless "PCT"	3,072	3,034	1.3	441	318	38.7
Broadband/Internet	154	95	62.1	75	40	87.5
Multimedia	894	881	1.5	82	104	(21.2)
Others	395	304	29.9	9	(36)	125
Group	20,636	19,388	6.4	5,868	4,895	19.9
Unallocated Costs & Depreciation				(4,809)	(3,077)	56.3
Net	20,636	19,388	6.4	1,059	1,818	(41.8)

* Excluding non-recurring items

The fixed line telephone service (excluding value added services) recorded a milder growth rate than 14.9% of 2000 due to Baht 357 million less installation fee (from installation waive campaign). The service revenue of Baht 13,194 million grew at a milder rate of 4.1% comparing to 15.6% of the previous year due to 7.8% decline in ARPU. However, the higher number of subscriber base still causes the service revenue to grow. The decline in ARPU was resulted from the slowing economy and the reduction in local long distance rate of TA 1234. Moreover, the higher competition from cellular services due to higher subscriber number and the lower tariffs through various promotions may have caused higher outgoing calls from cellulars. However, the said impact was partly compensated by higher revenues from calls to mobile due to more cellular numbers to call to.

Revenues from value added services was reported as Baht 2,437 million, up Baht 730 million or 42.8% year-over-year, most of which were from public phone and other services e.g. ISDN, network rental, etc. In 2001, the Company recorded Baht 1,402 million revenues from public phone, up 21.1% year-over-year. With the higher efficiency management, the revenue per line grew 18.2% while the number in service was equal to the previous year of 20,000 sets. The Company has the plan to add another 6,000 sets in 2002 after the approval from the TOT.

The Company managed to increase significant fixed line telephone subscribers in 2001 despite the slowing economy. This was considered success from the lowering of barrier to entry and bundling strategy. The billable lines grew 216,386, up 74.4% year-over-year from 123,847 in 2000. Consequently, there were 1,741,345 cumulative billable lines as of December 31, 2001. The said success was mainly from the sales promotions of installation fee waive in conjunction with product and service bundling

such as PCT services. Discount or lending PCT handset strategy was implemented, including lowering PCT tariff for outgoing call to fixed line or PCT in the same area to be the same as fixed line which was flat at Baht 3 per call. In addition, there were bundling sales with Internet service and other telecommunications equipment. At the end of the year, the deposit amounting to Baht 3,000 was also waived in accordance with the new Telecommunications Business Act that was enacted in November 2001.

ARPU declined 7.8% year-over-year to Baht 633 in 2001 comparing to Baht 686 in 2000. The decline was partly due to the rapid growth in new subscribers and the said reasons. However, when considering the ARPU for fixed lines plus PCT as being value added service that carries the same number, the average yearly ARPU should have been Baht 737, which declined slightly at 3.9% year-over-year from Baht 766. This, again, reflects the success in the policy of leveraging the already invested assets.

TA 1234 is the economy domestic long distance service, which was commenced on November 16, 2000. The tariffs for TA 1234 is approximately 33-67% lower than the normal fixed line depending on distance and time of the day. Since October 2001, the Company has leased the IP network from the TOT for offering TA 1234 service at the rate of Baht 1 per minute in replacement of the previously used fixed line network. The Company and the TOT are in the process of negotiation for the new tariff for the VOIP service.

Wireless (Personal Communication Telephone-PCT)

PCT revenue grew 1.3% to Baht 3,072 million, which was considered to be a decelerated growth from 2000 due to Baht 744 million less revenue from handset sales (from Baht 1,191 million in 2000 to Baht 447 million this year). This was due to lower sales and special prices through several marketing promotion campaigns in order to clear the inventory and the bundling promotion with the fixed line sales to add subscribers to both fixed line and PCT. However, the service revenue still grew at the high rate of 42.5% from Baht 1,843 million in 2000 to Baht 2,625 million in 2001 due to subscriber additions.

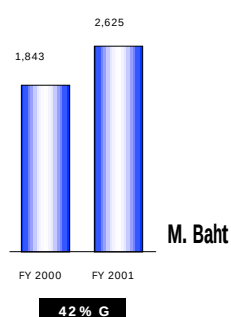
Asia Wireless Communication Co., Ltd. (AWC), a subsidiary offering PCT service, has gained 60% net additions for 2001 to 626,944 amid the more intense competition from cellular operators. This is considered to be a success from bundling sales

promotion with the fixed line. Fixed line subscriber can buy PCT handset at a discount price or borrow handset (1 fixed line per handset). In addition, AWC has adjusted its tariff downward by charging Baht 200 monthly fee per fixed line number instead of previously per PCT handset (1 fixed line number can handle up to 9 PCT handsets) plus waiving installation fee. Part of the success is resulted from offering prepaid service under the name of PCT Buddy.

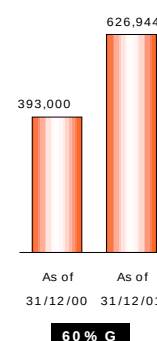
AWC commenced the PCT Buddy service since April 2001 in order to attract the subscribers who do not have fixed line numbers or those who want to keep home phone numbers privately. The tariff for PCT Buddy is the same with normal PCT with only different in the monthly fee, which has been adjusted downward to Baht 22 per handset per month (equivalent to 1/9 of Baht 200) from November 2001 until October 31, 2004. The balance of PCT Buddy users is 60,000 out of total subscribers of 626,944.

Since the end of 2000, the Company has proceeded with the plan to reposition PCT to be virtual fixed line with mobility through different market promotions such as: adjustment of tariff downward to be close to fixed line as earlier discussed. Consequently, PCT has possessed the economy tariff in addition to other values namely: same number as of home phone, low transmission power of 0.01 watt being safe for user. The repositioning helped differentiate the Company's PCT service from those traditional cellular service and created its own market segment.

Revenue from Service - PCT



Cumulative Subscribers



The average ARPU for the Company's customers for the year 2001 was Baht 440, declined 6.4% year-over-year from Baht 470. The decline in ARPU was primarily due to the tariff reduction corresponding to the strategy of market re-proposition, the impact from economic situation and higher competitive environment.

AWC is preparing itself to offer 'One Number Service' to all PCT users with the trial

launch to the Company's staff in January 2001. One Number Service will enable subscriber to have the same number for fixed line, PCT and TA Orange cellular through the intelligent network of AWC. The One Number Service is another program that bundles different services among the group, which will differentiate from its peer and reduce the impact from cannibalization among fixed line, PCT and TA Orange cellular.

This year, the Company has commenced the expansion of IN network in order to extend the service to 1,000,000 subscribers from currently 600,000. The expansion process is expected to be completed by early 2002 with total investment of Baht 600 million. Moreover, data communication speed of 32 kbps capability was also applicable for all area. It is also planning to upgrade the data transmission speed to 64 kbps for some selected area by early next year with minimal investment due to only software investment being required.

Data Network – DDN and Broadband

This year the Company recorded Baht 503 million in revenue from DDN, up 47.0% year-over-year. The total number of billed circuits was up 23% to 4,564. Additional bandwidth in service at year-end was 2,593,000 kbps up 79.0% year-over-year whereas the revenue per circuit grew 8% resulting from the Company's concentration on high bandwidth customers.

In 2001, the Company has improved its service quality of DDN. A new, more modern, network management center was opened with a higher capability to serve the additional demand for DDN service. In addition, a call center for DDN was also established to serve the need of majority customers for technical advice. Additional staffs for the Installation and maintenance team was hired to ensure prompt service to customers. These are continual quality enhancement of DDN service from the previous year in which ATM network was installed. Consequently, the Company can offer high-speed services and guarantee service quality including offering variety of services that fit the customer needs.

The Company has officially launched the Complete Broadband Solution in July 2001 with success. At the end of 2001, there were 1,600 broadband customers separated into 700 TA Express (ADSL) and 900 cable modem users. The Company expected to have

its market share of 40-45%. The policy in offering the broadband service is to become partnership with different content providers including the promotion of different contents to stimulate more demand for broadband services.



Currently, the broadband services are still in the infant stage with most usage being for high speed Internet services. Growth potential is therefore depending on the increased number of Internet users, content and application development, including the push from the government to have more on-line communications as in other developed countries. It is expected that the broadband services will grow at the rate of 40-50% per year for the next few years. TA has the competitive advantages over its peer group on its most modern and fiber-rich network with shortest local loop, thus ensuring higher quality of service and no need to qualify the lines prior to the service. Moreover, its broadband service covers more than 80% of the business and 50% residential population. Cable modem, on the other hand, covers approximately 2 million households or 800,000 home-pass.

Internet Service

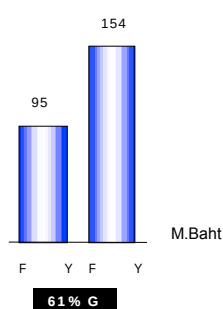
This year the Company recorded proportionate revenue from Asia Infonet Co., Ltd. (AI), an Internet service provider, of Baht 154 million, up 61.4% year-over-year. This is considered to be a higher growth than 25.0% of the year 2000 most of which was from ClickTA service and corporate customers.

The Internet subscriber number this year doubled the previous year with 112.7% growth to 156,321 comparing to 73,510 at the end of previous year. Most of the growth was from KIT customers (sell by number of usage hours) and 45,000 monthly ClickTA (up from 20,000 subscribers). The corporate customers, who were the group that the

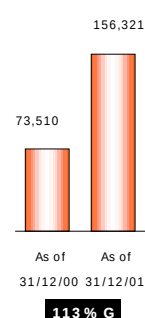
Company paid most attention to, grew at the rate of 11.1% to 700.

ClickTA is the Internet service developed by the company with the attractive fee. Customers can log-on for as long as they wish with the cut off every 2 hours. The Company has officially launched ClickTA in the year 2000 and re-launched again in April 2001 with service fee ranging from Baht 100 to Baht 500 per month depending on the customer usage.

Proportionate Revenues - Internet



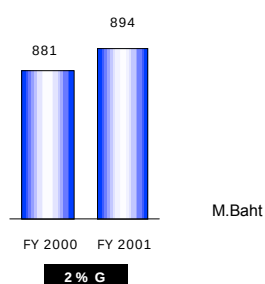
Cumulative Subscribers



Multimedia Service

Asia Multimedia Co., Ltd. (AM), the service provider for hybrid fiber-optic coaxial (HFC) network registered Baht 894 million in revenue in 2001, up 1.5% year-over-year. Most of AM's revenues were from leasing its network to UBC for cable TV service. In the year 2001, AM has the opportunity to enhance its service revenue by leasing its transmission link in the provinces to TA Orange.

Revenue - Multimedia



Financial Conditions

Analysis of Consolidated Balance Sheets

Assets

Assets as at December 31 2001 were Baht 86,472 million representing a decline of Baht 1,912 million from December 31, 2000 due mainly to the depreciation of property, plant & equipment and the decline in value of available-for-sale securities from the sluggish market situation.

Current assets as of December 31, 2001 were Baht 16,884 million, up Baht 3,283 million from Baht 13,601 million of December 31, 2000 attributable to the Baht 1,629 million increase in cash and the increase in other current assets of Baht 1,283 million which was mainly from TA Orange.

Trade accounts receivable, net, as of December 31, 2001 was reported as Baht 5,541 million reflecting a decline of Baht 292 million from Baht 5,833 million of December 31, 2000. This was due mainly to the decline in value added tax for the assets transferred to the TOT and the accrued fault notification and dropwire maintenance service charge to the TOT while the average collection period was 50 days, equivalent to the previous year.

The total investment in associates as of December 31, 2001 dropped Baht 885 million from the previous year to Baht 4,544 million due mainly to the loss from UBC.

Other current assets increased Baht 1,282 million to Baht 2,641 million, most of which was from the increase in advance payment from contractor (partly from TA Orange).

Property, plant and equipment as of December 31, 2001 was Baht 64,033 million, dropped Baht 230 million from the end of 2000 due mainly to depreciation. The Company has invested additionally in property, plant and equipment in the year 2001 at the amount of Baht 4,693 million, or Baht 7,576 million if including those from acquisition of joint venture. Most of the additional investment was related to Baht 1,450 million investment in fixed line business, Baht 4,573 million in wireless business and Baht 545 million in DDN.

Other non-current assets increased Baht 895 million from the previous year to Baht 1,453 million due to the cost of PCT handsets lent to subscribers for 3 years for sales promotion purpose. The Company will depreciate for the period of 3 years.

Liabilities

Total liabilities as of December 31, 2001 were Baht 81,577 million, up Baht 1,820 million from the year 2000 due mainly to the increase in trade accounts payable and the accrued expenses most of which related to TA Orange. The Company repaid its long-term loans of Baht 1,527 million in 2000, including the prepayment fee of Baht 904 million. The Company also refinanced US\$ 113 million loan with new Baht loan facility of Baht 5 billion and has incurred an additional long term borrowing of Baht 1,009 million, most of which were from financial lease. Long term trade payable arising from the supply and installation of PCT project declined by Baht 972 million. This amount included the Baht 783 million from the Baht appreciation against Japanese Yen and the repayment.

As of December 31, 2001, total foreign currency denominated long-term loans were reported as USD 561 million and JPY 22,897 million or equivalent to Baht 32,671 million or representing approximately 50.1% of total long-term loans.

Shareholders' equity

Shareholders' equity as of December 31, 2001 declined Baht 3,732 million from Baht 8,627 million as of end 2000 to Baht 4,895 million due to the loss in the year 2001. The Baht 2,706 million net increase in share capital relating to the new issuance of 307,499,978 shares for TA Orange share swap, was offset by the Baht 3,020 million decline in FLAG share price.

Capital structure

The capital structure of the Company was still at the high level. As of December 31, 2001, the debt to equity ratio was standing at 15.01 times comparing to 8.68 times as of December 31, 2000 due partly to the decrease in shareholders equity resulting from foreign exchange loss and the drop in FLAG share price. Currently, the Company has the policy not to incur additional debt. All investment will be made from its internal cash flows. In case of surplus cash available from operation, the Company will prepay debt and reduce foreign currency risk by reducing foreign currency borrowing.

Cash flow and source of fund

The main source of fund of the Company in 2001 was from operations, the equity increase of 307.5 million shares and the additional borrowing, most of which through leasing. The major use of fund was capital expenditure and loan repayment.

Cash flow from operating activities for full year 2001 increased Baht 1,250 million, or 38.7%, to Baht 4,479 million partly due to increased EBITDA and decreased interest expenses. This enabled enabling the Company to prepay more than Baht 900 million to creditors this year.

Net cash flow from investing activity was a net use of Baht 1,399 million in 2001 after consolidating cash flow of Baht 2,782 million of TA Orange on the merging date. Most of the use of fund for investment was mainly investment amounting to Baht 3,930 million, most of which was investment in fixed line, wireless and DDN business.

Cash flow from financing activities was a net use of Baht 1,450 million, a result of the long-term debt repayment of Baht 1,715 million and the additional borrowing of Baht 265 million, not taking into account the refinancing facility of Baht 5 billion.

FX Exposure Reduction

TelecomAsia remains committed to reducing its risk from foreign currency fluctuation. In 2001, the Company was able to reduce its foreign currency denominated loans by US\$ 223 million or 28.4% of its total US Dollar loans. This was executed via various activities.

In September 2001, the Company entered into a Payment and Indemnity Agreement with KfW which effectively swapped US\$ 96.65 million of loans into Thai Baht.

In December 2001, the Company borrowed Bt5 billion from 4 major Thai banks to repay approximately US\$113 million. The Company has also prepaid its long-term borrowing of more than Baht 900 million including an amount of US\$13 million to its foreign creditors.

The Company is now implementing hedging activities to reduce foreign exchange risk via

deployment of financial instruments such as forward contract and cross currency swaps. In addition, the Company expects to issue Baht denominated debentures during the course at 2002 and 2003 to fully repay its US Dollar denominated debt.

Investment in TA Orange

On 31 October 2001, the Company acquired a 41% shareholding interest in Bangkok Inter Teletech Co., Ltd., (BITCO), which owns 99.81% of the total shareholding in TA Orange. TA Orange has been granted a concession by the Communications Authority of Thailand (the CAT) to install and operate a GSM 1800 MHz mobile cellular telecommunication network in the kingdom of Thailand. TA Orange has Orange SA as its strategic partner. Orange SA is currently operating cellular business under Orange brand, the world's first wirefree brand, in 20 countries worldwide.

The acquisition was executed via a share swap transaction with CP Group and was negotiated on behalf of TA by a group of non-CP directors. In the share swap, CP Group transferred to the Company 614,999,956 common shares of Baht10 par value per share in BITCO. In return, CP Group received 307,499,978 newly issued common shares and 100 million equity warrants of the Company. Each warrant is exercisable into one fully paid-up ordinary share of the Company at Baht 32 per share in cash within a period of no earlier than May 2002, and no later than October 2003. The Company has an option to buy the remaining 10% of ordinary shares in BITCO from CP Group at IPO price at the time of a future listing of BITCO. However, in the event the Company chooses not exercise this right, the Voting agreement jointly signed between the Company and CP Group shall be terminated. Two important conditions indicated in the Voting Agreement are as follows: the Company and CP Group would vote in the same direction as a combined block of approximately 51%; and lock-up provisions on all the Company's shares held by CP Group exist until May 2002 (not applicable to sales, transfers or disposals of shares of the Company to Affiliates).

Valuation. The Company cost of investment was Baht 2,835 million, comprising Baht 2,706 million for common shares valued at market price of Baht 8.8 per share (closing price on the completion date), Baht 52 million for warrant priced at Baht 0.52 per unit (fair value based on Black & Scholl model) and Bt76 million for cash relating to payments for various fees. Fair value for the Company's interest in TA Orange is Baht 5,456 million. Therefore the Company acquired TA Orange at a Baht 2,621 million or

48% discount to its fair value. Details of the calculation are provided in note no. 4 of TA's audited financial statements.

Accounting treatment. The discount is treated as a negative goodwill, which is presented as a separate item in the balance sheet and amortized based on the expected losses of TA Orange at the time of the acquisition. The amortization of negative goodwill was recorded under share of profit (loss) in subsidiaries and associates. In terms of the recognition of TA Orange's financial results, the Company applies proportionate consolidation or joint venture accounting following the conditions set in the share swap agreement. The results of TA Orange are included in results for wireless segment since the acquisition on October 31, 2001.

For fourth quarter and full year 2001 results, the amortization for negative goodwill was recorded at Baht 284.4 million. The proportionate loss from TA Orange was booked at Baht 1,255 million, or Baht 971 million after the offsetting impact of the amortization of goodwill. The remaining Baht 2,337 million of negative goodwill will be amortized in full in 2002.

The completion of the acquisition positions the Company as the only fully integrated network operator and service provider for both wireline and wireless and is expected to yield significant synergies to both the Company and TA Orange. The restructure and pricing of this transaction also demonstrate TA's commitment to strong corporate governance and confirm the strong support of the CP Group.

INFORMATION OF DIRECTORS (AS OF 31ST DECEMBER 2001)

Appendix 1

Name	Position	Age	TA Share Ownership (31 st December 2001)	Experience	
Mr. Narong Srisa-an	Independent Director	74	10,000	Present	- Independent Director TelecomAsia Corporation Plc.
				Past	- Vice Chairman, Thai Farmers Bank Plc.
Mr. Vitthya Vejjajiva	Independent Director and Chairman of Audit Committee	65	-	Present	- Independent Director and Chairman of Audit Committee, TelecomAsia Corporation Plc.
				1991-1992	- Chairman, K Line (Thailand) Ltd. and its subsidiaries - Permanent Secretary of the Ministry of Foreign Affairs
Dr. Kosol Petchsuwan	Independent Director and Member of Audit Committee	63	-	1999- Present	- Audit Committee, TelecomAsia Corporation Plc.
				1999- Present	- President The Telecommunications Association of Thailand
				1998-2000	- Independent Director and Member of Audit Committee, PTTEP
				1997- Present	- Independent Director, TelecomAsia Corporation Plc.
				1997- Present	- Director, The Press Council of Thailand
Mr. Joti Bhokavanij	Independent Director and Member of Audit Committee	59	-	Present	- Business Consultant
				2000-2001	- Executive Chairman TISCO Finance Public Company Limited
				1994-1997	- Executive Chairman, Thai Wah Group of Companies
				1992-1994	- Managing Director and Consult-General of Denmark for Bangkok The East Asiatic Company (Thailand) Limited

Name	Position	Age	TA Share Ownership (31 st December 2001)	Experience
Mr. Dhanin Chearavanont	Chairman	62	-	1989-Present - Chairman, TelecomAsia Corporation Plc. - Chairman and Chief Executive Officer, Charoen Pokphand Group Co., Ltd. and Chia Tai Group Co., Ltd. - Chairman, Charoen Pokphand Foods Plc.
Mr. Sumet Jiaravanon	Vice Chairman	67	150,000	1993- Present - Vice Chairman, TelecomAsia Corporation Plc. - Executive Chairman, Charoen Pokphand Group Co., Ltd.
Dr. Ajva Taulananda	Vice Chairman	64	-	Present - Vice Chairman, TelecomAsia Corporation Plc. - Vice Chairman Charoen Pokphand Group Co., Ltd. - Chairman The Thai Chamber of Commerce and Board of Trade of Thailand - Director, Charoen Pokphand Foods Plc. 1993-1999 - Director and President TelecomAsia Corporation Plc. 1991-1992 - Deputy Minister, Ministry of Agriculture and Cooperatives

Name	Position	Age	TA Share Ownership (31 st December 2001)	Experience
Mr. Chaleo Souvannakitti	Vice Chairman	73	3,486,900	1992- Present - Vice Chairman, TelecomAsia Corporation Plc. - Director, Telecom Holding Co., Ltd.
Mr. Athueck * Asvanund	Vice Chairman and Group General Counsel	50	-	1997-Present - Director, TelecomAsia Corporation Plc. - Director, Telecom Holding Co., Ltd. - Group General Counsel, TelecomAsia Corporation Plc. - Director, United Broadcasting Corporation Plc. - Director, Asia Multimedia Co., Ltd. 1978-1997 - Baker & McKenzie
Mr. Supachai * Chearavanont	Director, President and Chief Executive Officer	34	-	1999-Present - Director, President and Chief Executive Officer TelecomAsia Corporation Plc. 1992- 1999 - Director and Senior Executive Vice President TelecomAsia Corporation Plc.
Mr. Soopakij * Chearavanont	Director	37	-	Present - Director, TelecomAsia Corporation Plc. 2000-Present - Executive Chairman, Telecom Holding Co., Ltd. 1998-Present - Executive Chairman United Broadcasting Corporation Plc. 1991-Present - Chairman AT&T Network Technology (Thailand) Co., Ltd.

* Authorized Signatory

Name	Position	Age	TA Share Ownership (31 st December 2001)	Experience
Mr. Chatchaval * Jiaravanon	Director	39	-	Present - Director, TelecomAsia Corporation Plc. 2001- Present - Independent Director, Ticon Industrial Connection Public Company Limited 2000-Present - President and C.E.O., Telecom Holding Co., Ltd. - Independent Director, Cal-Comp Electronics (Thailand) Plc. 1998-Present - Executive Chairman, Cambodia Mobile Telephone Co., Ltd. 1997-Present - President and C.E.O., Asia Multimedia Co., Ltd. - President, Interactive Media Services Co., Ltd. - President, Asia Infonet Co., Ltd. 1987-Present - Director, Metro Machinery Plc. - Vice Chairman, Thai Co Poly Industry Co., Ltd. - Independent Director, SEAMICO Securities Plc.
Mr. Vichaow Rakphongphairoj	Managing Director	44	50,000	2000- Present - Managing Director, TelecomAsia Corporation Plc. 1998-2000 - E.V.P., Business & Enterprise, TelecomAsia Corporation Plc. 1997-1998 - E.V.P., Central Operation & Information Technology TelecomAsia Corporation Plc. 1996-1997 - Region Director, Bangkok-Southeast Region TelecomAsia Corporation Plc. 1995-1996 - Region Director, Bangkok-West Region TelecomAsia Corporation Plc.

* Authorized Signatory

Name	Position	Age	TA Share Ownership (31 st December 2001)	Experience	
Mr. Umroong Sanphasitvong	Director	48	384,000	Present	- Vice President - Finance and Accounting Charoen Pokphand Group Co., Ltd. - Director C.P. Seven Eleven Plc. - Director Vinythai Plc.
Mr. Daniel C. Petri	Director	53	-	2000-Present 1998-2000 1995-1998	- President – International, Europe and Asia, Verizon Communications - Director, TelecomAsia Corporation Plc. - President - International, Bell Atlantic Corp. - President - Global Systems Bell Atlantic/NYNEX
Mr. Stephen G. Parker *	Director	55	-	Present 2000-2002 1995-2000 1992-1995	- Director, TelecomAsia Corporation. Plc. - Executive Director, Verizon International - Asia - Managing Director NYNEX Network Systems Siam Limited Bangkok, Thailand - Executive Managing Director NYNEX Network Systems Company Hong Kong
Mr. Heinrich Heims	Director	49	-	1998- Present 1978-1998	- Senior Vice President - Export and Project Finance, KfW - Export Finance, KfW

* Authorized Signatory

Name	Position	Age	TA Share Ownership (31 st December 2001)	Experience	
Mr. Klaus Tuengeler	Director	60	-	Present	- First Vice President-Export and Project Finance Telecommunications, Natural Resources, KfW
Ms. Gabriele Gunia	Director	41	-	Present 1997-2001 1995-1996 1988-1995	- Vice President, Investor Relations, KfW - Export and Project Finance Telecommunications, KfW - Delegation to the Ministry of Finance, Bonn - Position in the areas of Secretariat of Domestic and European Credit Affairs, Export and Project Finance, KfW
Mr. Claus Stadler	Director	44	-	Present	- Senior Legal Counsel, KfW
Mr. Andreas Karl Klocke	Director	45	-	Present Experience	- Vice President - Export and Project Finance, KfW (Frankfurt) Delegate Director in Charge of KfW Affairs in Thailand and South-East Asia Region - German – Thai Chamber of Commerce, Bangkok
Mr. Harald Link	Director	47	-	1997- Present	- Managing Partner, B. Grimm & Co. ROP

Name	Position	Age	TA Share Ownership (31 st December 2001)	Experience
Mr. Ho Hon Cheong	Director	47	-	1997- Present Experience - Country Corporate Officer (CCO), Citibank Thailand - Country Business Manager for Emerging Markets, Citibank Thailand - Corporate Bank Head for Emerging Market Head, Citibank Thailand - Head of Pan-Asia Corporate, Citibank Singapore
Mr. John J. Lack	Director	45	-	2000-Present 1998-2000 1995-1998 - Group Vice President Asia, the Verizon Corporation - Vice President Asia Pacific, Bell Atlantic International Wireless - Chief Operating Officer, Excelcomindo Pratama, Indonesia

INFORMATION OF EXECUTIVE OFFICERS (AS OF 31ST DECEMBER 2001)

Appendix 1

Name	Position	Age	TA Share Ownership (31 ST December 2001)	Experience
Mr. Supachai Chearavanont	Director, President and Chief Executive Officer	34	-	1999-Present - Director, President and Chief Executive Officer TelecomAsia Corporation Plc. 1992- 1999 - Director and Senior Executive Vice President TelecomAsia Corporation Plc.
Mr. Vichaow Rakphongphairoj	Managing Director	44	50,000	2000- Present - Managing Director, TelecomAsia Corporation Plc. 1998-2000 - E.V.P., Business & Enterprise, TelecomAsia Corporation Plc. 1997-1998 - E.V.P., Central Operation & Information Technology TelecomAsia Corporation Plc. 1996-1997 - Region Director, Bangkok - Southeast Region TelecomAsia Corporation Plc. 1995-1996 - Region Director, Bangkok - West Region TelecomAsia Corporation Plc.
Mr. Athueck Asvanund	Vice Chairman and Group General Counsel	50	-	1997-Present - Director, TelecomAsia Corporation Plc. - Director, Telecom Holding Co., Ltd. - Group General Counsel, TelecomAsia Corporation Plc. - Director, United Broadcasting Corporation Plc. - Director, Asia Multimedia Co., Ltd. 1978-1997 - Baker & McKenzie

Name	Position	Age	TA Share Ownership (31 st December 2001)	Experience
Mr. William E. Harris	Chief Financial Officer	40	-	Present - Chief Financial Officer 1998-2000 - Executive Vice President - Corporate Finance TelecomAsia Corporation Plc. 1993-1998 - Director, Office of Credit Policy, Verizon, Philadelphia
Mr. Frank D. Mercer	Executive Vice President - Service Area and Network Operation	52	-	1996-1999 - Assistant Vice President, GTE Network Services 1994-1996 - General Manager, GTE Network Services, Florida Region
Mr. Polpan Uttapap	Co-Executive Vice President—Service Area and Network Operation	49	26,000	1999-2000 - Senior Vice President, Bangkok Service Area and Maintenance, TelecomAsia Corporation Plc. 1994- 1999 - Senior Vice President, Bangkok - North Region Service and Maintenance, TelecomAsia Corporation Plc. 1991-1994 - Region Director, Operation Project
Dr. Jen Sriwattanathamma	Executive Vice President - Information and Technology	50	-	1998-1999 - Senior Vice President-Information Technology TelecomAsia Corporation Plc. 1994-1998 - Vice President, Information Systems and Support TelecomAsia Corporation Plc.

Name	Position	Age	TA Share Ownership (31 st December 2001)	Experience
Mr. Thada Savetsila	Executive Vice President - Business and Enterprise	45	-	2001 - Executive Vice President-Business and Enterprise TelecomAsia Corporation Plc. 1999-2001 - Country Manager, Dell Computer (Thailand) 1998-1999 - Enterprise Computing Director, Compaq Computer (Thailand)
Mr. Boonserm Ungphakorn	Co-Executive Vice President-Corporate Affairs and Human Resources	63	10,000	1997-2001 - Co-Executive Vice President – Human Resources and Corporate Affairs, TelecomAsia Corporation Plc. 1995-1997 - Senior Vice President, Network Planning and Engineering - Region Director, Bangkok - West Region TelecomAsia Corporation Plc.
Mr.Chookiat Poapongsakorn	Co-Executive Vice President-Corporate Affairs and Human Resources	50	-	2001-present - Co-EVP Corporate Affairs and Human Resources 1999-2001 - SVP-Customer and Public Services Center 1998-1999 - VP-Customer Services Center, Acting VP-Public Services Center 1997-1998 - VP-17 and Customer Services Center, Acting VP-Public Services Center 1996-1997 - AIM Superintendent, Bangkok – Southeast, Acting VP-Public Services Center 1995-1996 - AIM Superintendent, Bangkok - East and Southeast, Acting VP-Public Services Center

Name	Position	Age	TA Share Ownership (31 st December 2001)	Experience
Mr. Carl Goodier	Co-Executive Vice President- Customer Services Management	37	20,000	1999-Present - Co-Executive Vice President - Customer Services Management, TelecomAsia Corporation Plc.
Mr. Kashem Kornseri	Executive Vice President- Consumer and Mass Marketing	52	1,000	1997-2001 - Senior Vice President - Consumer and Mass Marketing TelecomAsia Corporation Plc.
Mr. Adhiruth Thothaveesansuk	Executive Vice President- Business and Product Development	40	-	2001-Present - Executive Vice President - Business and Product Development, TelecomAsia Corporation Plc. 1998-Present - President Asia Wireless Communication Co., Ltd. 1998-1998 - Managing Director Wire and Wireless Co., Ltd.

Information of Directors and Executive Officers (As of December 31,2001)
Appendix 1

Name			TA	Subsidiaries / Associated Companies									
				TH	Nilubon	TE	W7	Yaikaew	TI	K.I.N. (Thailand)	TT&D	TEMCO	NEC
1.	Mr. Narong	Srisa-an*	/	X									
2.	Mr. Vitthya	Vejjajiva *	/										
3.	Dr. Kosol	Petchsuwan *	/										
4.	Mr. Joti	Bhokavanij *	/										
5.	Mr. Dhanin	Chearavanont	XX	/									
6.	Mr. Sumet	Jiaravanon	X	/	/								
7.	Dr. Ajva	Taulananda	X	X	/		/	/	/	/	/		
8.	Mr. Chaleo	Souvannakitti	X	/	/	/			/	/		/	
9.	Mr. Athueck	Asvanund	X	/									
10.	Mr. Supachai	Chearavanont	/	/					/		/		
11.	Mr. Soopakij	Chearavanont	/	/	/		/		/		/	/	
12.	Mr.Chatchaval	Jiaravanon	/	/	/		/	/	/		/		/
13.	Mr. Vichaow	Rakphongphairoj	/	/									
14.	Mr. Umroong	Sanphasitvong	/										
15.	Mr. Daniel	C. Petri	/	/									
16.	Mr. Stephen	G. Parker	/	/									
17.	Mr. Heinrich	Heims	/										
18.	Mr. Klaus	Tuengeler	/										
19.	Ms. Gabriele	Gunia	/										
20.	Mr. Claus	Stadler	/										
21.	Mr. Andreas	Klocke	/										
22.	Mr. Harald	Link	/										
23.	Mr. Ho Hon	Cheong	/										
24.	Mr. John	J. Lack	/										
* External Director			Remark	XX = Chairman		X = Vice Chairman		// = Executive Director			/ = Director		

Information of Directors and Executive Officers (As of December 31,2001)
Appendix 1

Name			Subsidiaries / Associated Companies							
			W&W	U-NET	IMS	Asia DBS	AI	AWC	AM	UBC
1.	Mr. Narong	Srisa-an*								
2.	Mr. Vitthya	Vejjajiva *								
3.	Dr. Kosol	Petchsuwan *								
4.	Mr. Joti	Bhokavanij *								
5.	Mr. Dhanin	Chearavanont								
6.	Mr. Sumet	Jiaravanon								
7.	Dr. Ajva	Taulananda								
8.	Mr. Chaleo	Souvannakitti								
9.	Mr. Athueck	Asvanund	/				/	/	/	
10.	Mr. Supachai	Chearavanont	XX	/	/	/	/	XX	/	/
11.	Mr. Soopakij	Chearavanont	/	/	/	/	/	/	/	XX
12.	Mr.Chatchaval	Jiaravanon	/	/	/	/	/	/	/	/
13.	Mr. Vichaow	Rakphongphairoj				/				/
14.	Mr. Umroong	Sanphasitvong								
15.	Mr. Daniel	C. Petri					/	/		
16.	Mr. Stephen	G. Parker	X							
17.	Mr. Heinrich	Heims								
18.	Mr. Klaus	Tuengeler								
19.	Ms. Gabriele	Gunia								
20.	Mr. Claus	Stadler								
21.	Mr. Andreas	Klocke								
22.	Mr. Harald	Link								
23.	Mr. Ho Hon	Cheong								
24.	Mr. John	J. Lack								
* External Director Remark			XX = Chairman	X = Vice Chairman			// = Executive Director		/ = Director	

Remark:

Abbreviation	Full name
TA	TelecomAsia Corporation Public Company Limited
TH	Telecom Holding Co.,Ltd.
Nilubon	Nilubon Co.,Ltd.
TE	Tele Engineering and Services Co.,Ltd.
W7	W7 Rental Services Co.,Ltd.
Yaikaew	Yai Kaew Co.,Ltd.
TI	Telecom International Co.,Ltd.
K.I.N.(Thailand)	K.I.N. (Thailand) Co.,Ltd.
TT&D	Telecom Training and Development Co.,Ltd.
TEMCO	Telecom Equipment Manufacturing Co.,Ltd.
NEC	NEC Communication Systems (Thailand) Co.,Ltd.
W&W	Wire & Wireless Co.,Ltd.
U-NET	U-Net Co.,Ltd.
IMS	Interactive Media Services Co.,Ltd.
Asia DBS	Asia DBS Public Company Limited
AI	Asia Infonet Co.,Ltd.
AWC	Asia Wireless Communication Co.,Ltd.
AM	Asia Multimedia Co.,Ltd.
UBC	United Broadcasting Corporation Public Company Limited
Public Radio Network	Public Radio Network Co.,Ltd.

Information of Director of Subsidiaries (as of December 31, 2001)

Appendix 2

Name		Subsidiaries																	
		TH	Nilubon	TE	W7	Yai Kaew	TI	K.I.N.	TT&D	TEMCO	NEC	W&W	U-NET	IMS	Asia DBS	AI	AWC	AM	Public Radio Network
1. MR. SUPHAWAT	KHASEMSRI											/							
2. MR. ASANEE	PRAMOTE									/									
3. GEN. SUCHINDA	KRAPRAYOON	/																	
4. MR. MIN	TIEANWORN	/	/					/											
5. MR. SUNTHORN	ARUNANONDCHAI	/						/											
6. MR. MONTREE	NAVIKAPOL	/																	
7. MR. CHATURONG	CHATUPARISOOT	/																	
8. MR. KHACHORN	CHIARAWANONT		/		/														
9. MR. SOMCHAI	WONGPANYAPORN			/	/	/					/						/	/	
10. MR. ANAT	MEKPAIBOONVATANA			/							/								
11. MR. KITTIYARN	SAMPANTHARAK					/						/		/					
12. MR. SOMCHAI	PUTTHIPORNSET					/													
13. MR. VIMPARIT	PAKSUNTHORN					/													
14. MR. PHATTARAPONG	PHANSIRI					/													
15. MR. THANACHAI	WONGTHONGSRI													/					
16. MR. SURAPOL	METHIDOL								/										
17. MR. ROLF	HERMAN LAUS								/										
18. MR. RIAKI	TANAKA									/									
19. MR. MASAYUKI	FURIHATA									/				/					
20. MR. HIROKI	YANAKAWA									/									
21. MR. SATHORU	HINOAE									/									
22. MR. KIYOFUMI	KUSAKA									/									
23. MR. YOICHI	WATANABE									/									
24. MR. NOPPADOL	ROJPIMARN									/									

Information of Director of Subsidiaries (as of December 31, 2001)

Appendix 2

Name		Subsidiaries																	
		TH	Nilubon	TE	W7	Yai Kaew	TI	K.I.N.	TT&D	TEMCO	NEC	W&W	U-NET	IMS	Asia DBS	AI	AWC	AM	Public Radio
																			Network
25. MR. FRANK	DAREL MERCER											/					/	/	
26. MR. THAVORN	NAKBUTR													/					
27. MR. KRAVUD	KUSUVARN														/				
28. MR. ADHIRUTH	THOTHAVEESANSUK															/			
29. MR. THUMNOON	JULMANICHOTI																	/	
30. MR. SUCHIN	PHENGWORAS																	/	
31. MR. MANIJ	SUKCHAYEE																	/	
32. MR. SUWAT	JITTHAWET																	/	
33. MR. ANANT	VORATITIPONG																	/	
34. MR. NUTTHAWUT	CHUPANYA																	/	
35. MISS. NAWARAT	ASSARATNANON																	/	
36. MR. VALLOBH	VIMOLVANICH								/										
37. MR. WILLIAM	E. HARRIS													/	/				
38. MR. NOPPADOL	DEJUDOM													/					
39. MR. SAN	ASVARAKSHA													/					
40. MR. MANIT	SAIKRAW														/				
41. MR. SAMRAN	PONGPRAYOON																	/	
42. MS. THIPPAWAN	WUTTISARN																	/	
43. MR. VISIT	RAKVISITWONG																	/	

Remark:

Abbreviation	Full name
TH	Telecom Holding Co.,Ltd.
Nilubon	Nilubon Co.,Ltd.
TE	Tele Engineering and Services Co.,Ltd.
W7	W7 Rental Services Co.,Ltd.
Yaikaew	Yai Kaew Co.,Ltd.
TI	Telecom International Co.,Ltd.
K.I.N.	K.I.N. (Thailand) Co.,Ltd.
TT&D	Telecom Training and Development Co.,Ltd.
TEMCO	Telecom Equipment Manufacturing Co.,Ltd.
NEC	NEC Communication Systems (Thailand) Co.,Ltd.
W&W	Wire & Wireless Co.,Ltd.
U-NET	U-Net Co.,Ltd.
IMS	Interactive Media Services Co.,Ltd.
Asia DBS	Asia DBS Public co.,Ltd.
AI	Asia Infonet Co.,Ltd.
AWC	Asia Wireless Communication Co.,Ltd.
AM	Asia Multimedia Co.,Ltd.
Public Radio Network	Public Radio Network Co.,Ltd.

(Translation)

CORRECT CERTIFICATION OF DISCLOSED INFORMATION

We have inspected details and information in the 56-1 Form of the year 2001, certified that such details and information are true and correct and there are not a fabrication, making a misunderstanding or lack of any material details needed to inform which may affect against stockholders or subscribers.

As an evidence of certified true and correct documents be integrated in the same set, we have empowered Mr. William E. Harris, Mr. Thanit Vinijorn and Ms. Rangsinee Sujaritsunchai to initial on every page of the documents. If any document has no signatories of Mr. William E. Harris, Mr. Thanit Vinijorn and Ms. Rangsinee Sujaritsunchai, it shall be deemed that such documents are not our certified document.

NAME		POSITION	SIGNATURES
1. Mr. Supachai	Chearavanont	Director President and Chief Executive Officer	_____
2. Mr. Athueck	Asvanund	Vice Chairman and Group General Counsel	_____
3. Mr. Vichaow	Rakphongphairoj	Director and Managing Director	_____
4. Mr. Stephen	G. Parker	Director	_____
5. Mr. Soopakij	Chearavanont	Director	_____
6. Mr. Chatchaval	Jiaravanon	Director	_____

Authorized Persons

1. Mr. William E. Harris	Chief Financial Officer	_____
2. Mr. Thanit	Vinijorn	Deputy Director, Head of General & Payable Accounting _____
3. Ms. Rangsinee	Sujaritsunchai	Deputy Company Secretary _____

Hence, the 56-1 Form of the year 2001 has already been approved by the Board of Directors No. 2/2545