

Jasmine Telecom Systems Public Company Limited
and its subsidiary
Report and consolidated interim financial statements
For the three-month and nine-month periods ended
30 September 2010 and 2009

Review report of Independent Auditor

To the Shareholders of Jasmine Telecom Systems Public Company Limited

I have reviewed the accompanying consolidated balance sheet of Jasmine Telecom Systems Public Company Limited and its subsidiary as at 30 September 2010, the related consolidated statements of income for the three-month and nine-month periods ended 30 September 2010 and 2009, and the consolidated statements of changes in shareholders' equity and cash flows for the nine-month periods ended 30 September 2010 and 2009, and the separate financial statements of Jasmine Telecom Systems Public Company Limited for the same periods. These financial statements are the responsibility of the management of the Company and its subsidiary as to their correctness and the completeness of the presentation. My responsibility is to issue a report on these financial statements based on my reviews.

Except for the matters discussed in paragraph A), I conducted my reviews in accordance with the auditing standard applicable to review engagements. This standard requires that I plan and perform the review to obtain moderate assurance as to whether the financial statements are free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. I have not performed an audit and, accordingly, I do not express an audit opinion.

- A) As described in Note 3 to the financial statements, as at 30 September 2010, the Company and its subsidiary had outstanding balances receivable from an unrelated company amounting to approximately Baht 708 million. The balances are recorded under the captions of "Trade accounts receivable - unrelated parties", "Unbilled receivable from unrelated parties" and "Other accounts receivable" in the consolidated balance sheet (approximately Baht 236 million in the separate balance sheet) (30 September 2009: Baht 630 million in the consolidated balance sheet and Baht 229 million in the separate balance sheet and they were classified as related party transactions). The balances are long outstanding. In considering the collectability of the outstanding balances, the management of the Company and its subsidiary received cash flow projections prepared by this company in 2008. They showed that this company would have sufficient future cash flows to make full payment. On 22 April 2008, this company filed a petition for business rehabilitation with the Central Bankruptcy Court and the Court accepted the petition. Subsequently, on 2 June 2009, the creditors passed a resolution to select the rehabilitation plan preparer of this company and on 22 July 2009, the Central Bankruptcy Court ordered the appointment of the rehabilitation plan preparer.

On 26 February 2010, the plan preparer submitted the rehabilitation plan to the Central Bankruptcy Court through the Official Receiver and on 8 April 2010, the Official Receiver held the first creditors' meeting to consider the plan. However, several creditors, including the Company and its subsidiary, submitted objections against the creditor classification. Subsequently, on 2 June 2010, the Court ordered creditor classification in accordance with the counterclaims and the rehabilitation plan preparer proceeded to amend the rehabilitation plan in accordance with the Court's order.

Subsequently, the rehabilitation plan preparer submitted the revised rehabilitation plan to the Official Receiver. Under the revised plan, debt considered for restructuring included outstanding claims filed by the Company and its subsidiary totaling Baht 230 million as at 29 October 2009, consisting of principal of Baht 215 million and accrued interest of Baht 15 million. This balance is netted with the balance of rights over collection that the subsidiary has assigned to a local bank to secure a short-term loan from the bank. The bank filed a claim for that balance directly with this company under the rehabilitation plan, as described in Note 8 to the financial statements, and such balance is classified in the same creditor group as that of the subsidiary in the revised plan. According to the revised rehabilitation plan, 5% of the principal will be settled in cash within 15 days after the Court approves the plan, and 20% of the principal will be settled in cash within 4 years after the Court approves the plan, therefore the net present value of such amount is lower than its carrying value. The other 75% of the principal and all interest receivable will be settled by conversion to ordinary shares of this company, with a debt to equity conversion rate of 1:1 (Debt of Baht 1 converted to 1 ordinary share at Baht 1 per share (the value after the share capital reduction according to the rehabilitation plan), as at 28 October 2010, the par value of such share of this company was Baht 10 per share and the fair value of such share was Baht 0.46 per share).

On 11 August 2010, the Official Receiver held a creditors' meeting to consider the revised plan and the creditors passed an extraordinary resolution to accept the revised plan. Subsequently, on 5 October 2010, the Company and its subsidiary submitted objections to the revised plan to the Central Bankruptcy Court. On 6 October 2010, the Court scheduled a date of 28 December 2010 to hear the Court's decision. The management of the Company and its subsidiary believe that they will successfully dispute the aforementioned debt settlement matter, and therefore do not reflect the effect of the plan in their accounts.

The estimation of allowance for doubtful accounts depends on the success of the objections of the above issue made to the Central Bankruptcy Court. However, the rehabilitation plan is still required to be approved by the Court, the management of the Company and its subsidiary are therefore unable to determine appropriate amounts at this stage. In addition, this company faces uncertainties and various ongoing disputes with its concession provider and the auditors of this company did not conclude their review reports on its financial statements for the three-month and six-month periods ended 30 June 2010 and 2009. I was unable to review and audit to satisfy myself as to the adequacy of the allowance for doubtful accounts, and this constitutes a limitation imposed by circumstance.

- B) As described in Note 15 to the financial statements, the Company has disclosed its financial information by business segment in accordance with Accounting Standard No. 14 "Segment Reporting", except for its operating results, which the Company is unable to disclose by business segment for the reasons described in that note.

Based on my reviews, except for any adjustments that might be required to the financial statements for the three-month and nine-month periods ended 30 September 2010 and 2009 as a result of the matters discussed in paragraph A) and non-disclosure of information relating to the operating results by business segment in the financial statements for the three-month and nine-month periods ended 30 September 2010 and 2009 as described in paragraph B), nothing has come to my attention that causes me to believe that the accompanying financial statements are not presented fairly, in all material respects, in accordance with generally accepted accounting principles.

I have previously audited the consolidated financial statements of Jasmine Telecom Systems Public Company Limited and its subsidiary, and the separate financial statements of Jasmine Telecom Systems Public Company Limited for the year ended 31 December 2009, in accordance with generally accepted auditing standards and expressed a qualified opinion on those statements with respect to a limitation imposed by circumstance that made me unable to audit to satisfy myself as to the adequacy of the allowance for doubtful accounts for the outstanding receivable balances from a related company, and the Company's being unable to disclose information relating to the results of its operations by business segment, under my report dated 23 February 2010. The consolidated and separate balance sheets as at 31 December 2009, as presented herein for comparative purposes, formed an integral part of the financial statements which I audited and reported on. I have not performed any other audit procedures subsequent to the date of that report.

Supachai Phanyawattano
Certified Public Accountant (Thailand) No. 3930

Ernst & Young Office Limited
Bangkok: 29 October 2010

Jasmine Telecom Systems Public Company Limited and its subsidiary

Balance sheets

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements		
	Note	30 September 2010	31 December 2009	30 September 2010	31 December 2009
		(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
Assets					
Current assets					
Cash and cash equivalents		197,365	232,827	178,783	219,397
Current investments - restricted bank deposits		2,511	3,047	358	358
Trade accounts receivable					
Related parties	2, 3	1,135,189	1,388,695	1,112,816	954,021
Unrelated parties	3	1,854,958	1,400,503	1,448,688	1,397,441
Total trade accounts receivable		2,990,147	2,789,198	2,561,504	2,351,462
Amounts due from related parties	2	106	19,256	106	19,256
Inventories - net		148,841	802,511	138,524	802,491
Assets held for sale - net	4	181,367	227,733	181,367	227,733
Other current assets					
Prepaid project cost		149,242	120,782	144,048	119,898
Unbilled receivable from related parties	2	47,363	37,863	47,363	35,583
Unbilled receivable from unrelated parties		306,081	291,567	269,480	274,292
Other accounts receivable	5	256,997	396,657	184,182	323,832
Others		190,967	94,886	175,546	83,485
Total other current assets		950,650	941,755	820,619	837,090
Total current assets		4,470,987	5,016,327	3,881,261	4,457,787
Non-current assets					
Restricted bank deposits		82,687	72,271	79,783	69,195
Long-term trade account receivable from related party	2	1,348,429	1,164,452	1,348,429	1,164,452
Investment in subsidiary		-	-	83,899	83,899
Long-term investment in available-for-sale securities	6	-	6,458	-	3,415
Property, plant and equipment - net	7	31,942	37,694	27,920	32,840
Deposits		4,788	4,713	3,229	3,143
Total non-current assets		1,467,846	1,285,588	1,543,260	1,356,944
Total assets		5,938,833	6,301,915	5,424,521	5,814,731

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

Jasmine Telecom Systems Public Company Limited and its subsidiary

Balance sheets (continued)

(Unit: Thousand Baht)

	Note	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
		<u>30 September 2010</u>	<u>31 December 2009</u>	<u>30 September 2010</u>	<u>31 December 2009</u>
		(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
Liabilities and shareholders' equity					
Current liabilities					
Bank overdrafts and short-term bank loans	8	403,240	661,676	113,563	372,000
Trust receipts		260,662	511,085	260,662	511,085
Trade accounts payable					
Related parties	2	17,703	17,704	17,703	17,704
Unrelated parties	9	1,367,467	1,124,783	1,334,849	1,107,469
Total trade accounts payable		1,385,170	1,142,487	1,352,552	1,125,173
Current portion of long-term loans	10	71,006	71,006	71,006	71,006
Amounts due to related parties	2	16,561	12,241	1,223	402
Other current liabilities					
Accrued project cost		555,685	301,451	385,775	136,398
Advance received from related parties	2	571	579	571	579
Advance received from unrelated parties		166,099	273,548	166,099	273,548
Corporate income tax payable		-	12,115	-	12,115
Others		64,723	43,801	51,945	31,554
Total other current liabilities		787,078	631,494	604,390	454,194
Total current liabilities		2,923,717	3,029,989	2,403,396	2,533,860
Non-current liabilities					
Long-term trade account payable - unrelated party	9	1,100,538	1,387,525	1,100,538	1,387,525
Long-term loans - net of current portion	10	78,613	131,867	78,613	131,867
Total non-current liabilities		1,179,151	1,519,392	1,179,151	1,519,392
Total liabilities		4,102,868	4,549,381	3,582,547	4,053,252

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

Jasmine Telecom Systems Public Company Limited and its subsidiary

Balance sheets (continued)

(Unit: Thousand Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>		
	<u>Note</u>	<u>30 September 2010</u>	<u>31 December 2009</u>	<u>30 September 2010</u>	<u>31 December 2009</u>
		(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
Shareholders' equity					
Share capital					
Registered					
726,250,000 ordinary shares of Baht 1 each		<u>726,250</u>	<u>726,250</u>	<u>726,250</u>	<u>726,250</u>
Issued and fully paid-up					
702,950,000 ordinary shares of Baht 1 each		702,950	702,950	702,950	702,950
Share premium		418,812	418,812	418,812	418,812
Unrealised gain					
Difference between the purchase price of					
investment in subsidiary under common control					
and its net book value		8,158	8,158	-	-
Retained earnings					
Appropriated - statutory reserve		60,992	60,992	60,992	60,992
Unappropriated		<u>643,394</u>	<u>560,026</u>	<u>659,220</u>	<u>578,725</u>
Equity attributable to the Company's shareholders		1,834,306	1,750,938	1,841,974	1,761,479
Minority interest- equity attributable to minority					
shareholders of subsidiary		<u>1,659</u>	<u>1,596</u>	<u>-</u>	<u>-</u>
Total shareholders' equity		<u>1,835,965</u>	<u>1,752,534</u>	<u>1,841,974</u>	<u>1,761,479</u>
Total liabilities and shareholders' equity		<u>5,938,833</u>	<u>6,301,915</u>	<u>5,424,521</u>	<u>5,814,731</u>
		-	-	-	-

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

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Directors
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(Unaudited but reviewed)

Jasmine Telecom Systems Public Company Limited and its subsidiary**Income statements****For the three-month periods ended 30 September 2010 and 2009**

(Unit: Thousand Baht)

	Note	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
		<u>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>
Revenues					
Sales and service income		842,421	566,786	785,983	500,282
Exchange gains		-	2,448	-	2,186
Other income		32,657	15,972	32,634	16,095
Total revenues		875,078	585,206	818,617	518,563
Expenses					
Cost of sales and services		754,011	498,847	709,628	450,043
Selling and servicing expenses		5,493	9,236	5,370	7,703
Administrative expenses		33,791	16,834	29,925	24,094
Management benefit expenses		6,733	8,275	4,931	5,576
Exchange loss		3,422	-	3,012	-
Total expenses		803,450	533,192	752,866	487,416
Income before finance cost and corporate income tax		71,628	52,014	65,751	31,147
Finance cost		(46,601)	(20,875)	(42,301)	(16,442)
Income before corporate income tax		25,027	31,139	23,450	14,705
Corporate income tax	13	8,428	(3,624)	8,428	(3,624)
Net income for the period		33,455	27,515	31,878	11,081
Net income attributable to:					
Equity holders of the parent		33,421	27,165	31,878	11,081
Minority interests of the subsidiary		34	350		
		<u>33,455</u>	<u>27,515</u>		

(Unit: Baht)

Earnings per share

14

Basic earnings per share

Net income attributable to equity holders of the parent	<u>0.05</u>	<u>0.04</u>	<u>0.05</u>	<u>0.02</u>
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Diluted earnings per share

Net income attributable to equity holders of the parent	<u>0.05</u>	<u>0.04</u>	<u>0.05</u>	<u>0.02</u>
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The accompanying notes are an integral part of the financial statements.

(Unaudited but reviewed)

Jasmine Telecom Systems Public Company Limited and its subsidiary**Income statements****For the nine-month periods ended 30 September 2010 and 2009**

(Unit: Thousand Baht)

	Note	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
		<u>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>
Revenues					
Sales and service income		2,646,358	2,366,278	2,537,955	2,184,794
Exchange gains		5,836	3,293	5,583	4,343
Other income		97,498	38,985	97,341	38,650
Total revenues		<u>2,749,692</u>	<u>2,408,556</u>	<u>2,640,879</u>	<u>2,227,787</u>
Expenses					
Cost of sales and services		2,348,858	2,159,890	2,270,518	2,018,413
Selling and servicing expenses		17,932	22,454	17,010	18,630
Administrative expenses		91,445	72,808	83,517	74,667
Management benefit expenses		22,139	20,076	16,176	11,979
Total expenses		<u>2,480,374</u>	<u>2,275,228</u>	<u>2,387,221</u>	<u>2,123,689</u>
Income before finance cost					
and corporate income tax		269,318	133,328	253,658	104,098
Finance cost		<u>(135,674)</u>	<u>(50,963)</u>	<u>(122,950)</u>	<u>(37,121)</u>
Income before corporate income tax		133,644	82,365	130,708	66,977
Corporate income tax	13	<u>(8,036)</u>	<u>(16,642)</u>	<u>(8,036)</u>	<u>(16,642)</u>
Net income for the period		<u>125,608</u>	<u>65,723</u>	<u>122,672</u>	<u>50,335</u>
Net income attributable to:					
Equity holders of the parent		125,545	65,395	<u>122,672</u>	<u>50,335</u>
Minority interests of the subsidiary		<u>63</u>	<u>328</u>		
		<u>125,608</u>	<u>65,723</u>		

(Unit: Baht)

Earnings per share		14			
Basic earnings per share					
Net income attributable to equity holders of the parent		<u>0.18</u>	<u>0.09</u>	<u>0.17</u>	<u>0.07</u>
Diluted earnings per share					
Net income attributable to equity holders of the parent		<u>0.18</u>	<u>0.09</u>	<u>0.17</u>	<u>0.07</u>

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

(Unaudited but reviewed)

Jasmine Telecom Systems Public Company Limited and its subsidiary

Statements of changes in shareholders' equity

For the nine-month periods ended 30 September 2010 and 2009

(Unit: Thousand Baht)

Consolidated financial statements									
Equity attributable to the parent's shareholders									
Issued and fully paid-up share capital	Share premium	Difference between the purchase price of investment in subsidiary under common control and its net book value	Unrealised gain (loss) on changes in value of investment in available-for-sale securities	Retained earnings		Total equity attributable to the parent's shareholders	Minority interests - equity attributable to minority shareholders of subsidiary	Total	
				Appropriated	Unappropriated				
Balance as at 31 December 2008 (Audited)	702,950	418,812	8,158	(8,309)	56,685	471,417	1,649,713	1,363	1,651,076
Income recognised directly in equity:									
Investment in available-for-sale securities									
Gain recognised in shareholders' equity	-	-	-	4,025	-	-	4,025	41	4,066
Net income recognised directly in equity	-	-	-	4,025	-	-	4,025	41	4,066
Net income for the period	-	-	-	-	-	65,395	65,395	328	65,723
Total income for the period	-	-	-	4,025	-	65,395	69,420	369	69,789
Balance as at 30 September 2009	<u>702,950</u>	<u>418,812</u>	<u>8,158</u>	<u>(4,284)</u>	<u>56,685</u>	<u>536,812</u>	<u>1,719,133</u>	<u>1,732</u>	<u>1,720,865</u>

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

(Unaudited but reviewed)

Jasmine Telecom Systems Public Company Limited and its subsidiary

Statements of changes in shareholders' equity (continued)

For the nine-month periods ended 30 September 2010 and 2009

(Unit: Thousand Baht)

Consolidated financial statements									
Equity attributable to the parent's shareholders									
			Difference between the purchase price of investment in subsidiary under common control and its net book value	Unrealised gain (loss) on changes in value of investment in available-for-sale securities	Retained earnings		Total equity attributable to the parent's shareholders	Minority interests - equity attributable to minority shareholders of subsidiary	Total
	Issued and fully paid-up share capital	Share premium			Appropriated	Unappropriated			
Balance as at 31 December 2009 (Audited)	702,950	418,812	8,158	-	60,992	560,026	1,750,938	1,596	1,752,534
Net income for the period	-	-	-	-	-	125,545	125,545	63	125,608
Total income (expense) for the period	-	-	-	-	-	125,545	125,545	63	125,608
Dividend paid (Note 16)	-	-	-	-	-	(42,177)	(42,177)	-	(42,177)
Balance as at 30 September 2010	<u>702,950</u>	<u>418,812</u>	<u>8,158</u>	<u>-</u>	<u>60,992</u>	<u>643,394</u>	<u>1,834,306</u>	<u>1,659</u>	<u>1,835,965</u>

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

(Unaudited but reviewed)

Jasmine Telecom Systems Public Company Limited and its subsidiary

Statements of changes in shareholders' equity (continued)

For the nine-month periods ended 30 September 2010 and 2009

(Unit: Thousand Baht)

	Separate financial statements					Total
	Issued and fully paid-up share capital	Share premium	Unrealised gain (loss) on changes in value of investment in available-for-sale securities	Retained earnings		
				Appropriated	Unappropriated	
Balance as at 31 December 2008 (Audited)	702,950	418,812	(4,364)	56,685	496,901	1,670,984
Income recognised directly in equity:						
Investment in available-for-sale securities						
Gain recognised in shareholders' equity	-	-	2,150	-	-	2,150
Net income recognised directly in equity	-	-	2,150	-	-	2,150
Net income for the period	-	-	-	-	50,335	50,335
Total income for the period	-	-	2,150	-	50,335	52,485
Balance as at 30 September 2009	<u>702,950</u>	<u>418,812</u>	<u>(2,214)</u>	<u>56,685</u>	<u>547,236</u>	<u>1,723,469</u>

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

(Unaudited but reviewed)

Jasmine Telecom Systems Public Company Limited and its subsidiary

Statements of changes in shareholders' equity (continued)

For the nine-month periods ended 30 September 2010 and 2009

(Unit: Thousand Baht)

	Separate financial statements					Total
	Issued and fully paid-up share capital	Share premium	Unrealised loss on changes in value of investment in available-for-sale securities	Retained earnings		
				Appropriated	Unappropriated	
Balance as at 31 December 2009 (Audited)	702,950	418,812	-	60,992	578,725	1,761,479
Net income for the period	-	-	-	-	122,672	122,672
Total income (expense) for the period	-	-	-	-	122,672	122,672
Dividend paid (Note 16)	-	-	-	-	(42,177)	(42,177)
Balance as at 30 September 2010	<u>702,950</u>	<u>418,812</u>	<u>-</u>	<u>60,992</u>	<u>659,220</u>	<u>1,841,974</u>

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

(Unaudited but reviewed)

Jasmine Telecom Systems Public Company Limited and its subsidiary

Cash flow statements

For the nine-month periods ended 30 September 2010 and 2009

(Unit: Thousand Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>
Cash flows from operating activities				
Net income before tax	133,644	82,365	130,708	66,977
Adjustments to reconcile net income to net cash provided by (paid from) operating activities:				
Depreciation	9,287	78,193	8,181	76,603
Loss on sales of investment in available-for-sale securities	2,140	-	1,279	-
Gain on disposal of equipment	(28)	(5)	-	-
Unrealised loss (gain) on exchange	(14,462)	7,709	(11,539)	7,744
Interest income	(94,155)	(35,083)	(94,096)	(34,936)
Interest expenses	127,568	47,814	114,844	34,129
Income from operating activities before changes in operating assets and liabilities	163,994	180,993	149,377	150,517
Operating assets (increase) decrease				
Trade accounts receivable	(433,025)	(909,906)	(442,118)	(717,331)
Amounts due from related parties	26	1,154	26	1,154
Inventories	653,670	(77,710)	663,967	(77,742)
Other current assets	41,578	(339,185)	63,628	(490,044)
Other assets	(75)	479	(86)	364
Operating liabilities increase (decrease)				
Trade accounts payable	33,462	441,144	18,158	442,578
Amounts due to related parties	4,320	3,034	821	(280)
Other current liabilities	170,669	225,078	162,358	216,743
Cash flows from (used in) operating activities	634,619	(474,919)	616,131	(474,041)
Cash paid for interest expenses	(53,158)	(26,571)	(39,242)	(12,886)
Cash paid for corporate income tax	(50,437)	(23,616)	(48,327)	(21,858)
Net cash flows used in operating activities	531,024	(525,106)	528,562	(508,785)

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

(Unaudited but reviewed)

Jasmine Telecom Systems Public Company Limited and its subsidiary

Cash flow statements (continued)

For the nine-month periods ended 30 September 2010 and 2009

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	<u>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>
Cash flows from investing activities				
Decrease (increase) in current investments - restricted				
bank deposits	536	(1,125)	-	-
Increase in restricted bank deposits	(10,416)	(4,058)	(10,588)	(10,915)
Cash received from sales of investment in				
available-for-sale securities	4,318	-	2,136	-
Interest income	507	5,355	462	5,195
Acquisitions of equipment	(3,596)	(4,232)	(3,261)	(2,617)
Proceeds from sales of equipment	89	317	-	-
Proceed from sales of assets held for sale	46,366	-	46,366	-
Net cash flows from (used in) investing activities	37,804	(3,743)	35,115	(8,337)
Cash flows from financing activities				
Increase (decrease) in bank overdrafts				
and short-term bank loans	(258,436)	217,770	(258,437)	222,078
Increase (decrease) in trust receipts	(250,423)	33,406	(250,423)	33,406
Cash receipt from long-term loans	-	202,873	-	202,873
Repayment of long-term loans	(53,254)	-	(53,254)	-
Dividend paid	(42,177)	-	(42,177)	-
Net cash flows from (used in) financing activities	(604,290)	454,049	(604,291)	458,357
Net decrease in cash and cash equivalents	(35,462)	(74,800)	(40,614)	(58,765)
Cash and cash equivalents at beginning of period	232,827	205,903	219,397	163,364
Cash and cash equivalents at end of period	197,365	131,103	178,783	104,599

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

Jasmine Telecom Systems Public Company Limited and its subsidiary

Notes to consolidated interim financial statements

For the three-month and nine-month periods ended 30 September 2010 and 2009

1. General information

1.1 Corporate information

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

1.2 Basis for the preparation of interim financial statements

These interim financial statements are prepared in accordance with Accounting Standard No. 34 (revised 2007) “Interim Financial Reporting”, with the Company choosing to present condensed interim financial statements. However, the Company has presented the balance sheets and the statements of income, changes in shareholders’ equity, and cash flows in the same format as that used for the annual financial statements.

The interim financial statements are intended to provide information additional to that included in the latest annual financial statements. Accordingly, they focus on new activities, events, and circumstances so as not to duplicate information previously reported. These interim financial statements should therefore be read in conjunction with the latest annual financial statements.

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

1.3 Basis of consolidation

These consolidated financial statements included the financial statements of Jasmine Telecom Systems Public Company Limited and Siam Teltech Computer Company Limited, a 97.87%-owned subsidiary company, and have been prepared on the same basis as that applied for the consolidated financial statements for the year ended 31 December 2009, with no structural changes related to subsidiary company occurring during the current period.

1.4. Adoption of new accounting standards

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

- a) Accounting standards that will become effective in fiscal years beginning on or after 1 January 2011 (except Framework for the Preparation and Presentation of Financial Statements, which is immediately effective):

Framework for the Preparation and Presentation of Financial Statements
(revised 2009)

TAS 1 (revised 2009)	Presentation of Financial Statements
TAS 2 (revised 2009)	Inventories
TAS 7 (revised 2009)	Statement of Cash Flows
TAS 8 (revised 2009)	Accounting Policies, Changes in Accounting Estimates and Errors
TAS 10 (revised 2009)	Events after the Reporting Period
TAS 11 (revised 2009)	Construction Contracts
TAS 17 (revised 2009)	Leases
TAS 23 (revised 2009)	Borrowing Costs
TAS 24 (revised 2009)	Related Party Disclosures
TAS 27 (revised 2009)	Consolidated and Separate Financial Statements
TAS 28 (revised 2009)	Investments in Associates
TAS 29	Financial Reporting in Hyperinflationary Economies
TAS 31 (revised 2009)	Interests in Joint Ventures
TAS 33 (revised 2009)	Earnings per Share
TAS 34 (revised 2009)	Interim Financial Reporting
TAS 36 (revised 2009)	Impairment of Assets
TAS 37 (revised 2009)	Provisions, Contingent Liabilities and Contingent Assets
TAS 38 (revised 2009)	Intangible Assets
TAS 40 (revised 2009)	Investment Property
TFRS 3 (revised 2009)	Business Combinations
TFRS 5 (revised 2009)	Non-current Assets Held for Sale and Discontinued Operations
TFRS 6	Exploration for and Evaluation of Mineral Resources

- b) Accounting standards that will become effective in fiscal years beginning on or after 1 January 2013:

TAS 12	Income Taxes
TAS 20 (revised 2009)	Accounting for Government Grants and Disclosure of Government Assistance

The Company's management believes that these accounting standards will not have any significant impact on the financial statements for the year when they are initially applied. This excludes TAS 28 (revised 2009), TAS 29, TAS 31 (revised 2009), TAS 38 (revised 2009), TAS 40 (revised 2009), TFRS 3 (revised 2009), TFRS 6 and TAS 20 (revised 2009), which management has assessed and believes that these standards are not relevant to the business of the Company and its subsidiary, and TAS 12 which management has yet to complete its evaluation of the impact of such accounting standard in the year when it is adopted.

1.5 Significant accounting policies

The interim financial statements are prepared using the same accounting policies and methods of computation as were used for the financial statements for the year ended 31 December 2009.

2. Related party transactions

During the periods, the Company and its subsidiary had significant business transactions with related parties, which have been concluded on commercial terms and bases agreed upon in the ordinary course of business between the Company and those related parties. Such transactions, for the three-month and nine-month periods ended 30 September 2010 and 2009, are summarised below.

(Unit: Million Baht)

	Consolidated financial statements				Transfer Pricing Policy
	For the three-month periods ended 30 September		For the nine-month periods ended 30 September		
	2010	2009	2010	2009	
<u>Transactions with parent company</u>					
Sales and service income	-	-	-	0.4	Contract price or at prices normally charged to other customers or cost plus margin
Office rental and service expenses	2.3	2.4	6.9	7.0	Contract price or at prices normally charged to other customers
Other expenses	0.1	0.1	0.4	0.7	Contract price or at prices normally charged to other customers

(Unaudited but reviewed)

(Unit: Million Baht)

	Consolidated financial statements				Transfer Pricing Policy
	For the three-month periods		For the nine-month periods		
	ended 30 September		ended 30 September		
	<u>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>	
<u>Transactions with related companies</u>					
Sales and service income	26.1	104.3	944.9	1,373.6	Contract price or at prices normally charged to other customers or cost plus margin
Interest income	30.7	14.7	93.0	33.8	MLR per annum
Other income	-	-	0.1	-	Contract price or at prices normally charged to other customers
Cost of sales and services	-	0.1	-	24.8	Contract price or at prices normally charged to other customers
Office rental and service expenses	0.3	0.2	1.0	1.0	Contract price or at prices normally charged to other customers
Other expenses	1.6	1.7	4.5	5.3	Contract price or at prices normally charged to other customers

(Unit: Million Baht)

	Separate financial statements				Transfer Pricing Policy
	For the three-month periods		For the nine-month periods		
	ended 30 September		ended 30 September		
	<u>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>	
<u>Transactions with parent company</u>					
Sales and service income	-	-	-	0.4	Contract price or at prices normally charged to other customers or cost plus margin
Office rental and service expenses	1.5	1.5	4.5	4.5	Contract price or at prices normally charged to other customers
Other expenses	-	-	0.1	0.2	Contract price or at prices normally charged to other customers

(Unaudited but reviewed)

(Unit: Million Baht)

	Separate financial statements				Transfer Pricing Policy
	For the three-month periods		For the nine-month periods		
	ended 30 September		ended 30 September		
	<u>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>	
Transactions with related companies					
Sales and service income	0.3	53.3	897.1	1,237.5	Contract price or at prices normally charged to other customers or cost plus margin
Interest income	30.7	14.7	93.0	33.8	MLR per annum
Other income	-	-	0.1	-	Contract price or at prices normally charged to other customers
Cost of sales and services	-	-	-	24.7	Contract price or at prices normally charged to other customers
Office rental and service expenses	0.3	0.2	1.0	1.0	Contract price or at prices normally charged to other customers
Other expenses	1.3	1.1	3.4	3.5	Contract price or at prices normally charged to other customers

The balances of the accounts as at 30 September 2010 and 31 December 2009 between the Company and those related companies are as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	30 September	31 December	30 September	31 December
	2010	2009	2010	2009
		(Audited)		(Audited)
Trade accounts receivable - related parties				
Related companies				
Triple T Broadband Plc.	1,067,358	679,114	1,058,049	643,484
TT&T Plc.*	-	609,094	-	211,896
Jastel Network Co., Ltd.	50,362	80,259	50,362	80,259
T.J.P. Engineering Co., Ltd.	-	9,502	-	9,502
Triple T Internet Co., Ltd.	13,265	6,510	2,047	6,510
Jasmine Submarine Telecommunications Co., Ltd.	2,358	2,370	2,358	2,370
Triple T Global Net Co., Ltd.	1,846	1,846	-	-
Total trade accounts receivable - related parties	1,135,189	1,388,695	1,112,816	954,021

(Unaudited but reviewed)

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	30 September 2010	31 December 2009 (Audited)	30 September 2010	31 December 2009 (Audited)
<u>Amounts due from related parties</u>				
<u>Related companies</u>				
TT&T Plc.*	-	19,124	-	19,124
TT&T Subscriber Services Co., Ltd.	106	105	106	105
Triple T Broadband Plc.	-	27	-	27
Total amounts due from related parties	106	19,256	106	19,256
<u>Unbilled receivable from related parties</u>				
<u>Related companies</u>				
Triple T Broadband Plc.	47,363	-	47,363	-
T.J.P. Engineering Co., Ltd.	-	35,583	-	35,583
TT&T Plc.*	-	2,280	-	-
Total unbilled receivable from related parties	47,363	37,863	47,363	35,583
<u>Long-term trade account receivable from related party</u>				
<u>Related company</u>				
Triple T Broadband Plc.	1,348,429	1,164,452	1,348,429	1,164,452
Total long-term trade account receivable from related party	1,348,429	1,164,452	1,348,429	1,164,452
<u>Trade accounts payable - related parties</u>				
<u>Related companies</u>				
TT&T Subscriber Services Co., Ltd.	17,703	17,703	17,703	17,703
ACeS Regional Service Co., Ltd.	-	1	-	1
Total trade accounts payable - related parties	17,703	17,704	17,703	17,704
<u>Amounts due to related parties</u>				
<u>Parent company</u>				
Jasmine International Plc.	14,582	10,840	1,044	127
<u>Related companies</u>				
Premium Assets Co., Ltd.	1,926	1,313	126	247
Jasmine Internet Co., Ltd.	-	60	-	-
Triple T Internet Co., Ltd.	-	27	-	27
Triple T Broadband Plc.	-	1	-	1
Acumen Co., Ltd.	53	-	53	-
Total amounts due to related companies	1,979	1,401	179	275
Total amounts due to related parties	16,561	12,241	1,223	402

(Unaudited but reviewed)

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	30 September	31 December	30 September	31 December
	2010	2009	2010	2009
		(Audited)		(Audited)
<u>Advance received from related parties</u>				
<u>Related companies</u>				
Jastel Network Co., Ltd.	481	481	481	481
Jasmine Submarine Telecommunications Co., Ltd.	90	90	90	90
Triple T Broadband Plc.	-	8	-	8
Total advance received from related parties	571	579	571	579

* The parent company of the Company has lost its influence over TT&T Plc. (TT&T) because TT&T entered into a business rehabilitation process. Currently, the parent company's shareholding in TT&T is only 13.18% as described in Note 3 to the financial statements.

Directors and management's benefits

During the three-month periods ended 30 September 2010 and 2009, the Company and its subsidiary paid salaries, bonuses, and meeting allowances to their directors and management totaling Baht 7 million and Baht 8 million, respectively (separate financial statements: Baht 5 million and Baht 6 million, respectively) and during the nine-month periods ended 30 September 2010 and 2009 totaling Baht 22 million and Baht 20 million, respectively (separate financial statement: Baht 16 million and Baht 12 million, respectively).

Trade account receivable-related party

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

	(Unit: Thousand Baht)	
	30 September	31 December
	2010	2009
		(Audited)
Trade account receivable from related party due within 1 year (presented under the caption of "Trade accounts receivable - related parties" in the balance sheet)	489,399	235,731
Trade account receivable from related party due over 1 year (presented under the caption of "Long-term trade account receivable from related party" in the balance sheet)	1,348,429	1,164,452
Total	<u>1,837,828</u>	<u>1,400,183</u>
Fair value	<u>1,837,828</u>	<u>1,400,183</u>

3. Trade accounts receivable

The outstanding balances of trade accounts receivable as at 30 September 2010 and 31 December 2009 are aged based on due date, as follows:

<u>Age of receivables</u>	Consolidated		(Unit: Thousand Baht)	
	financial statements		Separate	
	30 September 2010	31 December 2009 (Audited)	30 September 2010	31 December 2009 (Audited)
<u>Related parties</u>				
Not yet due	623,774	219,509	622,153	193,757
Past due				
Up to 3 months	21,296	51,922	2,390	41,430
3 - 6 months	110,801	208,067	110,801	68,614
6 - 12 months	49,760	306,682	49,145	269,043
Over 12 months	329,558	602,515	328,327	381,177
Total	1,135,189	1,388,695	1,112,816	954,021
<u>Unrelated parties</u>				
Not yet due	1,009,815	1,321,986	1,005,337	1,320,111
Past due				
Up to 3 months	162,877	17,627	157,573	17,444
3 - 6 months	32,458	1,000	32,459	-
6 - 12 months	7,006	28,684	7,006	28,684
Over 12 months	642,802	31,206	246,313	31,202
Total	1,854,958	1,400,503	1,448,688	1,397,441
Total trade accounts receivable	2,990,147	2,789,198	2,561,504	2,351,462

(Unaudited but reviewed)

Included in trade accounts receivable from unrelated parties as at 30 September 2010 and 31 December 2009, were amounts receivable from the companies majority-owned by the government as follows:

(Unit: Thousand Baht)

Age of receivables	Consolidated		Separate	
	financial statements		financial statements	
	30 September	31 December	30 September	31 December
	2010	2009	2010	2009
		(Audited)		(Audited)
Not yet due	922,414	1,288,640	918,412	1,286,817
Past due				
Up to 3 months	144,570	12,005	139,267	11,821
3 - 6 months	32,221	-	32,221	-
6 - 12 months	7,006	-	7,006	-
Over 12 months	17,188	27,204	17,188	27,204
Total	<u>1,123,399</u>	<u>1,327,849</u>	<u>1,114,094</u>	<u>1,325,842</u>

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

As at 30 September 2010, the Company and its subsidiary had outstanding balances receivable from TT&T Plc. (TT&T), a former related company, amounting to approximately Baht 708 million. The balances are recorded under the captions of "Trade accounts receivable - unrelated parties", "Unbilled receivable from unrelated parties", and "Other accounts receivable" in the consolidated balance sheet (approximately Baht 236 million in the separate balance sheet) (30 September 2009: Baht 630 million in the consolidated balance sheet and Baht 229 million in the separate balance sheet and they were classified as related party transactions). The balances are long outstanding. In considering the collectability of the outstanding balances, the management of the Company and its subsidiary received cash flow projections prepared by TT&T in 2008. They show that TT&T would have sufficient future cash flows to make full payment. On 22 April 2008, TT&T filed a petition for business rehabilitation with the Central Bankruptcy Court and the Court accepted the petition. Subsequently, on 2 June 2009, the creditors passed a resolution to select P Planner Co., Ltd. as the rehabilitation plan preparer of TT&T and on 22 July 2009, the Central Bankruptcy Court ordered the appointment of P Planner Co., Ltd. as the rehabilitation plan preparer. On 29 September 2009, the Official

Receiver published an advertisement of the appointment order in the Government Gazette.

On 26 February 2010, the plan preparer submitted the rehabilitation plan to the Central Bankruptcy Court through the Official Receiver and on 8 April 2010, the Official Receiver held the first creditors' meeting to consider the plan. However, several creditors, including the Company and its subsidiary, submitted objections against the creditor classification. Subsequently, on 2 June 2010, the Court ordered creditor classification in accordance with the counterclaims and the rehabilitation plan preparer proceeded to amend the rehabilitation plan in accordance with the Court's order.

Subsequently, the rehabilitation plan preparer submitted the revised rehabilitation plan to the Official Receiver. Under the revised plan, debt considered for restructuring included outstanding claims filed by the Company and its subsidiary totaling Baht 230 million as at 29 October 2009, consisting of principal of Baht 215 million and accrued interest of Baht 15 million. This balance is netted with the balance of rights over collection that the subsidiary has assigned to a local bank to secure a short-term loan from the bank. The bank filed a claim for that balance directly with TT&T under the rehabilitation plan, as described in Note 8 to the financial statements, and such balance is classified in the same creditor group as that of the subsidiary in the revised plan. According to the revised rehabilitation plan, the Company and its subsidiary will receive settlement of principal and interest receivable as detailed below.

1. Within 15 days after the Court approves the plan, 5% of the principal will be settled in cash.
2. Within 4 years after the Court approves the plan, 20% of the principal will be settled in cash, on a quarterly basis over 4 years. In 2011 and 2012, 4% of the principal will be settled each year, in 2013, 10% of the principal will be settled, and in the first quarter of 2014, 2% of the principal will be settled.
3. The other 75% of the principal and all interest receivable will be settled by conversion to ordinary shares of TT&T with a debt to equity conversion rate of 1:1 (Debt of Baht 1 converted to 1 ordinary share at Baht 1 per share (the value after the share capital reduction according to the rehabilitation plan), as at 28 October 2010, the par value of such share of TT&T was Baht 10 per share and the fair value of such share was Baht 0.46 per share).

On 11 August 2010, the Official Receiver held a creditors' meeting to consider the revised plan and the creditors passed an extraordinary resolution to accept the revised plan. Subsequently, on 5 October 2010, the Company and its subsidiary submitted objections to the revised plan to the Central Bankruptcy Court. On 6 October 2010, the Court considered the revised plan and ordered the parties objecting to the revised plan to prepare notification of facts to accompany the objection petitions, within 30 days after the Court has an order, and ordered the plan preparer to prepare a plea against the objections within 40 days after the Court has an order, and to submit these to the court to be considered. The Court scheduled a date of 28 December 2010 to hear the Court's decision. The management of the Company and its subsidiary believe that they will successfully dispute the aforementioned debt settlement matter, and therefore do not reflect the effect of the plan in their accounts.

The estimation of allowance for doubtful accounts depends on the success of the objections of the above issue made to the Central Bankruptcy Court. However, the rehabilitation plan is still required to be approved by the Court, the management of the Company and its subsidiary are therefore unable to determine appropriate amounts at this stage.

4. Assets held for sale

Movements of the Assets held for sale account during the nine-month period ended 30 September 2010 are summarised below.

	(Unit: Thousand Baht)
Installed public telephones	158,069
Uninstalled public telephones	140,777
Total	298,846
Less: Allowance for impairment of assets - Installed public telephones	(71,113)
Net book value as at 31 December 2009 (Audited)	227,733
Disposals during the period - net book value as at disposal date	(46,366)
Net book value as at 30 September 2010	181,367

Installed public telephones

As at 31 December 2009, the Company had 11,944 installed public telephones under the rental contracts with TOT Plc. ("TOT") with a net book value amounting to Baht 87 million. Based on the supplementary agreement to the public telephone rental contracts dated 16 November 2009 between the Company and TOT, the Company agreed to sell the installed public telephones to TOT. During the nine-month period ended 30 September 2010, the Company delivered 6,358 installed public telephones, with a net book value amounting to Baht 46 million to TOT. As at 30 September 2010, the Company had 5,586 installed public telephones, with a net book value amounting to Baht 41 million, which was in the process of making delivery to TOT. The Company expects the delivery to be completed during the fourth quarter of the current year.

Uninstalled public telephones

In September 2010, the Company entered into turn-key agreements with Triple T Broadband Plc. and Jastel Network Co., Ltd., its related companies. Under the agreements, these two related companies are to provide their universal telecommunications services (under the Universal Service Obligation; USO) and the Company will receive payment of mutually agreed amounts. The Company will use its public telephones and equipment with book values totaling approximately Baht 9 million for these projects. Currently, the Company is in the process of implementing the agreements.

As at 30 September 2010, the Company is in the process of offering for sale its remaining uninstalled public telephones to unrelated companies. The management of the Company believes that the selling price will be close to the net book value and also believes that these uninstalled public telephones will be sold within the fourth quarter of the current year.

5. Other accounts receivable

Other accounts receivable balances in the consolidated financial statements include the amount of Baht 73 million that the subsidiary company paid in advance to an unrelated company for TT&T for a project work. The subsidiary company has a right to call for the repayment for such amount from TT&T. The subsidiary already filed this amount in its claims for settlement of debts under the business rehabilitation plan of TT&T. However, the subsidiary assigned its rights to receive payment from TT&T to local bank to secure a short-term loan with the bank, as described in Note 8 to the financial statements.

6. Other long-term investment - available-for-sale securities

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

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	30 September	31 December	30 September	31 December
	2010	2009	2010	2009
		(Audited)		(Audited)
Investment in available-for-sale securities, at cost	-	12,890	-	3,415
Revaluation deficit on changes in value of the investment in available-for-sale securities	-	(6,432)	-	-
Other long-term investment-net	-	6,458	-	3,415

During the second quarter of 2010, the Company sold 3 million ordinary shares in TT&T for a total of Baht 0.8 million through the Stock Exchange of Thailand, with a loss on the sale of the investment of Baht 0.8 million. In July 2010, the Company and its subsidiary sold 9 million ordinary shares in TT&T for a total of Baht 3.5 million through the Stock Exchange of Thailand, with a loss on the sale of the investment of Baht 1.4 million (separate financial statements: 3.3 million ordinary shares for a total of Baht 1.3 million, with a loss on the sale of the investment of Baht 0.5 million). Subsequent to this sale of investment in TT&T, the Company and its subsidiary have no investment in TT&T at the present.

7. Property, plant and equipment

Movements of the property, plant and equipment account during the nine-month period ended 30 September 2010 are summarised below.

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
Net book value as at 31 December 2009 (Audited)		37,694		32,840
Acquisitions during period - at cost		3,596		3,261
Disposal during period - net book value as at disposal date		(61)		-
Depreciation for period		(9,287)		(8,181)
Net book value as at 30 September 2010		31,942		27,920

8. Bank overdrafts and short-term bank loans

The Company and its subsidiary's short-term bank loans carry interest at the rate of MLR per annum. The Companies' bank overdrafts and short-term bank loans are secured by the assignment of rights to receive payments from certain accounts receivable, and the subsidiary's short-term bank loans are secured by the assignment of rights to receive payments from the majority of its accounts receivable as described in Note 3.

As at 30 September 2010, the balance of a short-term loan of the subsidiary, amounting to Baht 290 million, is a loan from a local bank which is secured by the assignment of rights over collection from TT&T. The bank filed a claim amounting to Baht 470 million directly with TT&T under the rehabilitation plan, and such balance is classified in the same creditor group as that of the subsidiary in the revised rehabilitation plan.

9. Trade accounts payable - unrelated party

The Company purchased goods from an unrelated company. Under the sales and purchase agreements, the Company is obliged to make payment within 3 years. The outstanding balances of such transactions as at the balance sheet date, based on due dates, are as follows:

	(Unit: Thousand Baht)	
	30 September 2010	31 December 2009
	<u> </u>	<u> </u>
		(Audited)
Trade account payable - unrelated party due within 1 year (presented under the caption of "Trade accounts payable - unrelated parties" in the balance sheet)	341,548	19,690
Trade account and note payable - unrelated party due over 1 year (presented under the caption of "Long-term trade account payable - unrelated party" in the balance sheet)	<u>1,100,538</u>	<u>1,387,525</u>
Total	<u>1,442,086</u>	<u>1,407,215</u>
Fair value	<u>1,442,086</u>	<u>1,407,215</u>

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

10. Long-term loan

	(Unit: Thousand Baht)	
	30 September	31 December
	2010	2009
	<u> </u>	<u> </u>
		(Audited)
Long-term loan	149,619	202,873
Less: Current portion	(71,006)	(71,006)
Long-term loan - net of current portion	<u>78,613</u>	<u>131,867</u>

The loan carries interest at the rate of MLR per annum and repayable quarterly from March 2010 to March 2012. The loan is secured by the assignment of rights to receive payments from certain accounts receivable of the Company, as described in Note 3 to the financial statements.

11. ESOP shares

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

	<u>ESOP shares</u>
Extraordinary General Meeting of Shareholders resolution date	9 March 2005
Total number of shares issued (shares)	5,000,000
Exercised period as from the issued date (years)	5
Initial offering date	3 November 2006
Expired date	2 November 2011
Exercised price (Baht per share)	Baht 1
Remaining shares	
As at 31 December 2009 (shares)	2,000,000
As at 30 September 2010 (shares)	2,000,000

12. ESOP warrants

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

	ESOP warrants
Extraordinary General Meeting of Shareholders resolution date	9 March 2005
Total number of warrants issued (units)	21,250,000
Exercised period as from the issued date (years)	5
Expired date	27 October 2011
Exercised ratio (warrant: ordinary share)	1 : 1
Exercised price (Baht per unit)	Baht 1 to Baht 2
Remaining warrants as at 31 December 2009 (units)	18,500,000
Remaining warrants as at 30 September 2010 (units)	18,500,000

13. Corporate income tax

Corporate income tax of the Company and its subsidiary is calculated on the taxable profits determined in accordance with tax legislation, using the estimated effective tax rate for the year.

14. Earnings per share

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

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

(Unaudited but reviewed)

Reconciliation between basic earnings per share and diluted earnings per share is presented below.

Consolidated financial statements					
For the three-month periods ended 30 September					
Net income		Weighted average		Earnings per share	
		number of ordinary shares			
<u>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>
(Thousand Baht)	(Thousand Baht)	(Thousand shares)	(Thousand shares)	(Baht)	(Baht)
Basic earnings per share					
Net income attributable to equity					
holders of the parent					
<u>33,421</u>	<u>27,165</u>	<u>702,950</u>	<u>702,950</u>	0.05	0.04
Diluted earnings per share					
Net income of ordinary shareholders					
assuming the conversion of warrants to					
ordinary shares					
<u>33,421</u>	<u>27,165</u>	<u>702,950</u>	<u>702,950</u>	0.05	0.04

Separate financial statements					
For the three-month periods ended 30 September					
Net income		Weighted average		Earnings per share	
		number of ordinary shares			
<u>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>
(Thousand Baht)	(Thousand Baht)	(Thousand shares)	(Thousand shares)	(Baht)	(Baht)
Basic earnings per share					
Net income attributable to equity					
holders of the parent					
<u>31,878</u>	<u>11,081</u>	<u>702,950</u>	<u>702,950</u>	0.05	0.02
Diluted earnings per share					
Net income of ordinary shareholders					
assuming the conversion of warrants to					
ordinary shares					
<u>31,878</u>	<u>11,081</u>	<u>702,950</u>	<u>702,950</u>	0.05	0.02

(Unaudited but reviewed)

Consolidate financial statements					
For the nine-month periods ended 30 September					
Net income		Weighted average		Earnings per share	
		number of ordinary shares			
<u>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>
(Thousand Baht)	(Thousand Baht)	(Thousand shares)	(Thousand shares)	(Baht)	(Baht)
Basic earnings per share					
Net income attributable to equity					
holders of the parent					
<u>125,545</u>	<u>65,395</u>	<u>702,950</u>	<u>702,950</u>	0.18	0.09
Diluted earnings per share					
Net income of ordinary shareholders					
assuming the conversion of warrants to					
ordinary shares					
<u>125,545</u>	<u>65,395</u>	<u>702,950</u>	<u>702,950</u>	0.18	0.09

Separate financial statements					
For the nine-month periods ended 30 September					
Net income		Weighted average		Earnings per share	
		number of ordinary shares			
<u>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>
(Thousand Baht)	(Thousand Baht)	(Thousand shares)	(Thousand shares)	(Baht)	(Baht)
Basic earnings per share					
Net income attributable to equity					
holders of the parent					
<u>122,672</u>	<u>50,335</u>	<u>702,950</u>	<u>702,950</u>	0.17	0.07
Diluted earnings per share					
Net income of ordinary shareholders					
assuming the conversion of warrants to					
ordinary shares					
<u>122,672</u>	<u>50,335</u>	<u>702,950</u>	<u>702,950</u>	0.17	0.07

ESOP warrants granted to the Company's directors and employees were not included in calculation of diluted earnings per share for the three-month and nine-month periods ended 30 September 2010 and 2009 since the exercise prices to purchase ordinary shares are higher than the average market price.

15. Segment information

The Company and its subsidiary's business operations involve three principal segments: (1) Design and installation of telecommunication systems (2) Outsourcing business and rental of public telephones and (3) Other segments. These operations are mainly carried on Thailand. Below is the consolidated financial information for the three-month and nine-month periods ended 30 September 2010 and 2009 of the Company and its subsidiary by segment.

(Unit: Million Baht)

	For the three-month periods ended 30 September							
	Design and installation of telecommunication systems segment		Outsourcing business and rental of public telephones segment		Other segments		Consolidation	
	2010	2009	2010	2009	2010	2009	2010	2009
Revenue from external customers	827	421	-	107	15	39	842	567

(Unit: Million Baht)

	For the nine-month periods ended 30 September							
	Design and installation of telecommunication systems segment		Outsourcing business and rental of public telephones segment		Other segments		Consolidation	
	2010	2009	2010	2009	2010	2009	2010	2009
Revenue from external customers	2,589	2,124	8	151	49	91	2,646	2,366

The Company disclosed its financial information by business segment in accordance with Accounting Standard No. 14 "Segment Reporting", except for the operating results which the Company is unable to disclose by business segment since the management believes that such disclosure would unfavorably affect the management and operation of the businesses of the Company and its subsidiary.

16. Dividend

On 28 April 2010, the Annual General Meeting No.1/2010 of the Company's shareholders passed a resolution approving the payment of dividend of Baht 0.06 per share from the 2009 earnings, a total of approximately Baht 42.2 million. The Company paid this amount of dividend in May 2010.

17. Commitments and contingent liabilities**17.1 Operating lease commitments**

The Company and its subsidiary have entered into lease agreements in respect of the lease of office building space and related services. The terms of the agreements are generally between 1 and 2 years and non-cancellable.

As at 30 September 2010, future minimum lease payments required under these non-cancellable operating leases contracts were as follows.

	Consolidated financial statements	(Unit: Million Baht) Separate financial statements
Payable within		
1 year	8.3	6.0
1 - 3 years	10.9	10.9

17.2 Guarantees

As at 30 September 2010, there were outstanding bank guarantees of Baht 1,339.9 million (31 December 2009: Baht 1,052.8 million) issued by the banks on behalf of the Company and its subsidiary, with Baht 1,283.6 million (31 December 2009: Baht 1,005.5 million) attributed to the Company, in respect of certain bid bonds and performance bonds as required in the normal course of business.

17.3 Letters of credit

As at 30 September 2010, the Company had outstanding commitments under letters of credit with local and overseas suppliers amounting to approximately USD 20.3 million and Baht 448.8 million.

18. Approval of financial statements

These interim financial statements were authorised for issue by the Company's Board of Directors on 29 October 2010.