

JASMINE TELECOM SYSTEMS PUBLIC COMPANY LIMITED  
AND ITS SUBSIDIARY  
REPORT AND CONSOLIDATED INTERIM FINANCIAL STATEMENTS  
FOR THE THREE-MONTH PERIODS ENDED 31 MARCH 2007 AND 2006

## **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 31 March 2007, and the related consolidated statements of income, changes in shareholders' equity, and cash flows for the three-month period ended 31 March 2007, and the separate financial statements of Jasmine Telecom Systems Public Company Limited for the same period. These financial statements are the responsibility of the Company's management as to their correctness and the completeness of the presentation. My responsibility is to issue a report on these financial statements based on my review.

I conducted my review 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.

As described in Note 17 to the financial statements, the Company has disclosed its financial information by business segment in accordance with Accounting Standard No. 24 "Segment Reporting", except for its operating results which the Company is unable to disclose by business segment for reasons as described in that note.

Based on my review, except for non-disclosure of information described in the preceding paragraph, 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.

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 2006 were audited in accordance with generally accepted auditing standards by another auditor of our firm who expressed a qualified opinion on those statements with respect to the Company's being unable to disclose information relating to the results of its operations by business segment, under his report dated 26 February 2007. The consolidated and separate balance sheets as at 31 December 2006, as presented herein for comparative purposes, formed an integral part of the financial statements which that auditor audited and reported on. The Company has restated the separate financial statements to reflect the change in accounting policy for recording investment in subsidiary company from the equity method to the cost method as described in Note 2 to the financial statements. In my opinion, the adjustments made for the preparation of such statements are appropriate and have been properly applied.

The consolidated statements of income, changes in shareholders' equity and cash flows for the three-month period ended 31 March 2006 of Jasmine Telecom Systems Public Company Limited and its subsidiary and the separate financial statements of Jasmine Telecom Systems Public Company Limited, as presented herein for comparative purposes, formed an integral part of the interim financial statements which were reviewed by the aforementioned auditor who reported, under his report dated 8 May 2006, that except for non-disclosure of information relating to the results of its operations by business segment, nothing had come to his attention that caused him to believe that those financial statements were not presented fairly, in all material respects, in accordance with generally accepted accounting principles. The Company has restated the separate financial statements to reflect the change in accounting policy for recording investment in subsidiary company from the equity method to the cost method as described in Note 2 to the financial statements. In my opinion, the adjustments made for the preparation of such statements are appropriate and have been properly applied.

Supachai Phanyawattano

Certified Public Accountant (Thailand) No. 3930

Ernst & Young Office Limited

Bangkok : 11 May 2007

JASMINE TELECOM SYSTEMS PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY

BALANCE SHEETS

(Unit : Thousand Baht)

	Note	Consolidated financial statements		Separate financial statements	
		31 March 2007	31 December 2006	31 March 2007	31 December 2006
		(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited) (Restated)
<b>ASSETS</b>					
<b>CURRENT ASSETS</b>					
Cash and cash equivalents		840,986	762,524	726,868	731,507
Current investments - restricted bank deposits	3	3,537	8,316	3,436	6,922
Trade accounts and notes receivable					
Related parties	4, 5	1,042,151	771,599	909,816	641,289
Unrelated parties	5	502,897	563,302	441,326	495,853
Total trade accounts and notes receivable		1,545,048	1,334,901	1,351,142	1,137,142
Amounts due from related parties	4	3,172	1	3,326	151
Inventories - net	6	53,991	516,827	50,969	516,446
Other current assets					
Prepaid project cost		35,217	36,639	30,693	36,595
Input tax pending payment		1,860	2,355	1,436	2,168
Unbilled receivable from related parties	4	242,996	206,471	44,101	30,906
Unbilled receivable from unrelated parties		57,227	32,234	42,755	21,109
Deposits for goods and services		35,372	36,200	35,373	36,200
Other accounts receivable		63,305	63,086	15,280	13,590
Others		19,866	36,427	4,201	23,579
Total other current assets		455,843	413,412	173,839	164,147
<b>TOTAL CURRENT ASSETS</b>		<b>2,902,577</b>	<b>3,035,981</b>	<b>2,309,580</b>	<b>2,556,315</b>
<b>NON-CURRENT ASSETS</b>					
Restricted bank deposits	7	72,221	71,162	58,677	57,203
Long-term trade account and notes receivable from related party	4	605,251	405,332	605,251	405,332
Investment in subsidiary	8	-	-	83,899	83,899
Other long-term investment - available-for-sale securities	9	12,198	11,959	6,451	6,324
Property, plant and equipment - net	10	525,450	545,735	516,538	536,464
Deposits		5,101	4,657	3,596	2,996
<b>TOTAL NON-CURRENT ASSETS</b>		<b>1,220,221</b>	<b>1,038,845</b>	<b>1,274,412</b>	<b>1,092,218</b>
<b>TOTAL ASSETS</b>		<b>4,122,798</b>	<b>4,074,826</b>	<b>3,583,992</b>	<b>3,648,533</b>

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	Consolidated financial statements		Separate financial statements	
		31 March 2007	31 December 2006	31 March 2007	31 December 2006
		(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited) (Restated)
LIABILITIES AND SHAREHOLDERS' EQUITY					
CURRENT LIABILITIES					
Bank overdrafts and short-term loans	11	333,114	244,194	19,675	33,756
Trust receipts	12	130,202	126,157	130,202	126,157
Trade accounts and notes payable - unrelated parties	13	711,266	713,853	692,641	700,843
Amounts due to related parties	4	2,302	2,496	1,008	1,172
Current portion of long-term loans	14	46,392	50,400	46,392	50,400
Other current liabilities					
Accrued project cost		239,752	207,794	39,762	18,059
Advances received from related parties	4	12,144	12,346	7,484	12,346
Advances received from unrelated parties		28,240	43,289	28,240	43,289
Corporate income tax payable		77,711	58,682	77,711	58,682
Output tax payable		5,143	4,587	4,532	4,364
Others		22,909	17,095	17,715	11,037
Total other current liabilities		385,899	343,793	175,444	147,777
<b>TOTAL CURRENT LIABILITIES</b>		<b>1,609,175</b>	<b>1,480,893</b>	<b>1,065,362</b>	<b>1,060,105</b>
NON-CURRENT LIABILITIES					
Long-term trade accounts and notes payable - unrelated parties	13	610,100	714,714	610,100	714,714
Long-term loans, net of current portion	14	12,776	48,368	12,776	48,368
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>622,876</b>	<b>763,082</b>	<b>622,876</b>	<b>763,082</b>
<b>TOTAL LIABILITIES</b>		<b>2,232,051</b>	<b>2,243,975</b>	<b>1,688,238</b>	<b>1,823,187</b>

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)

	Consolidated financial statements		Separate financial statements		
	Note	31 March 2007 (Unaudited but reviewed)	31 December 2006 (Audited)	31 March 2007 (Unaudited but reviewed)	31 December 2006 (Audited) (Restated)
<b>SHAREHOLDERS' EQUITY</b>					
Share capital					
Registered					
726,250,000 ordinary shares of Baht 1 each		726,250	726,250	726,250	726,250
Issued and fully paid up					
701,000,000 ordinary shares of Baht 1 each		701,000	701,000	701,000	701,000
Share premium		418,812	418,812	418,812	418,812
Difference between the purchase price of investment in subsidiary under common control and its net book value					
		8,158	8,158	-	-
Unrealised loss on changes in value of investment in available-for-sale securities					
		(36,794)	(37,031)	(24,221)	(24,348)
Retained earnings					
Appropriated - statutory reserve		49,458	49,458	49,458	49,458
Unappropriated		748,433	688,550	750,705	680,424
<b>EQUITY ATTRIBUTABLE TO THE COMPANY'S SHAREHOLDERS</b>		<b>1,889,067</b>	<b>1,828,947</b>	<b>1,895,754</b>	<b>1,825,346</b>
MINORITY INTEREST - equity attributable to minority shareholders of subsidiary					
		1,680	1,904	-	-
<b>TOTAL SHAREHOLDERS' EQUITY</b>		<b>1,890,747</b>	<b>1,830,851</b>	<b>1,895,754</b>	<b>1,825,346</b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>		<b>4,122,798</b>	<b>4,074,826</b>	<b>3,583,992</b>	<b>3,648,533</b>
		-	-	-	-

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 31 MARCH 2007 AND 2006

(Unit : Thousand Baht except basic earnings per share expressed in Baht)

	Consolidated financial statements		Separate financial statements	
	2007	2006	2007	2006 (Restated)
<b>REVENUES</b>				
Sales and service income	833,965	553,671	784,971	470,181
Exchange gains	4,873	8,396	11,018	2,545
Gain on sale of investment in available-for-sale securities	-	10,332	-	10,332
Other income	9,914	6,162	9,455	2,119
<b>TOTAL REVENUES</b>	<b>848,752</b>	<b>578,561</b>	<b>805,444</b>	<b>485,177</b>
<b>EXPENSES</b>				
Cost of sales and services	707,128	374,656	670,572	306,648
Selling, servicing and administrative expenses	48,734	41,804	36,602	33,990
<b>TOTAL EXPENSES</b>	<b>755,862</b>	<b>416,460</b>	<b>707,174</b>	<b>340,638</b>
<b>INCOME BEFORE INTEREST EXPENSES</b>				
AND CORPORATE INCOME TAX	92,890	162,101	98,270	144,539
<b>INTEREST EXPENSES</b>	<b>(9,849)</b>	<b>(8,834)</b>	<b>(4,605)</b>	<b>(3,342)</b>
<b>CORPORATE INCOME TAX</b>	<b>(23,384)</b>	<b>(46,129)</b>	<b>(23,384)</b>	<b>(42,508)</b>
<b>INCOME AFTER CORPORATE INCOME TAX</b>	<b>59,657</b>	<b>107,138</b>	<b>70,281</b>	<b>98,689</b>
<b>LOSS (INCOME) ATTRIBUTABLE TO MINORITY INTEREST</b>	<b>226</b>	<b>(180)</b>	<b>-</b>	<b>-</b>
<b>NET INCOME FOR THE PERIOD</b>	<b>59,883</b>	<b>106,958</b>	<b>70,281</b>	<b>98,689</b>
<b>EARNINGS PER SHARE</b>				
<b>Basic earnings per share (Baht)</b>				
Net income	0.09	0.20	0.10	0.19
Weighted average number of ordinary shares (shares)	701,000,000	525,000,000	701,000,000	525,000,000
<b>Diluted earnings per share (Baht)</b>				
Net income	0.08	0.20	0.10	0.19
Weighted average number of ordinary shares (shares)	711,304,712	525,000,000	711,304,712	525,000,000

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 THREE-MONTH PERIODS ENDED 31 MARCH 2007 AND 2006

(Unit : Thousand Baht)

	Consolidated financial statements							Total
	Issued and fully paid-up share capital	Share premium	Difference between		Retained earnings		Minority interest - equity attributable to minority shareholders of subsidiary	
			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				
					Appropriated	Unappropriated		
<b>Balance as at 1 January 2006</b>	525,000	62,500	8,158	19,821	33,788	481,813	2,129	1,133,209
Unrealised items in income statements								
Decrease in fair value of investment	-	-	-	(24,324)	-	-	-	(24,324)
Net income for the period	-	-	-	-	-	106,958	-	106,958
Increase in minority interest - equity attributable to minority shareholders of subsidiary	-	-	-	-	-	-	183	183
<b>Balance as at 31 March 2006</b>	<u>525,000</u>	<u>62,500</u>	<u>8,158</u>	<u>(4,503)</u>	<u>33,788</u>	<u>588,771</u>	<u>2,312</u>	<u>1,216,026</u>
<b>Balance as at 1 January 2007</b>	701,000	418,812	8,158	(37,031)	49,458	688,550	1,904	1,830,851
Unrealised items in income statements								
Increase in fair value of investment	-	-	-	237	-	-	-	237
Net income for the period	-	-	-	-	-	59,883	-	59,883
Decrease in minority interest - equity attributable to minority shareholders of subsidiary	-	-	-	-	-	-	(224)	(224)
<b>Balance as at 31 March 2007</b>	<u>701,000</u>	<u>418,812</u>	<u>8,158</u>	<u>(36,794)</u>	<u>49,458</u>	<u>748,433</u>	<u>1,680</u>	<u>1,890,747</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 THREE-MONTH PERIODS ENDED 31 MARCH 2007 AND 2006

(Unit : Thousand Baht)

	Separate financial statements						Total
	Issued and fully paid-up share capital	Share premium	Difference between		Retained earnings		
			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	Appropriated	Unappropriated	
<b>Balance as at 1 January 2006 - as previously reported</b>	525,000	62,500	8,158	19,821	33,788	481,813	1,131,080
Cumulative effect of the change in accounting policy for investment in subsidiary company	-	-	(8,158)	1,323	-	(7,117)	(13,952)
<b>Balance as at 1 January 2006 - as restated</b>	525,000	62,500	-	21,144	33,788	474,696	1,117,128
Unrealised items in income statements							
Decrease in fair value of investment	-	-	-	(24,434)	-	-	(24,434)
Net income for the period (restated)	-	-	-	-	-	98,689	98,689
<b>Balance as at 31 March 2006 - as restated</b>	525,000	62,500	-	(3,290)	33,788	573,385	1,191,383
<b>Balance as at 1 January 2007 - as previously reported</b>	701,000	418,812	8,158	(37,031)	49,458	688,550	1,828,947
Cumulative effect of the change in accounting policy for investment in subsidiary company	-	-	(8,158)	12,683	-	(8,126)	(3,601)
<b>Balance as at 1 January 2007 - as restated</b>	701,000	418,812	-	(24,348)	49,458	680,424	1,825,346
Unrealised items in income statements							
Increase in fair value of investment	-	-	-	127	-	-	127
Net income for the period	-	-	-	-	-	70,281	70,281
<b>Balance as at 31 March 2007</b>	701,000	418,812	-	(24,221)	49,458	750,705	1,895,754

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 THREE-MONTH PERIODS ENDED 31 MARCH 2007 AND 2006

(Unit : Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	<u>2007</u>	<u>2006</u>	<u>2007</u>	<u>2006</u>
				(Restated)
<b>Cash flows from operating activities</b>				
Net income	59,883	106,958	70,281	98,689
Adjustments to reconcile net income to net cash provided by (paid from) operating activities:-				
Depreciation	23,936	21,948	23,174	21,474
Loss on sales of equipment	8	-	8	-
Unrealised (gain) loss on exchange	2,420	4,222	(4,196)	(4,475)
Income (loss) attributable to minority interest	(226)	180	-	-
Income from operating activities before changes in operating assets and liabilities	86,021	133,308	89,267	115,688
Operating assets (increase) decrease				
Trade accounts and notes receivable	(441,390)	(111,493)	(441,697)	(138,866)
Amounts due from related parties	(3,171)	7	(3,175)	7
Inventories	462,836	19,840	465,477	18,844
Other current assets	(49,092)	56,531	(9,692)	27,536
Other assets	(444)	6	(600)	6
Operating liabilities increase (decrease)				
Trade accounts and notes payable	(75,149)	(79,813)	(80,842)	(46,479)
Amounts due to related parties	(194)	581	(164)	907
Other current liabilities	45,619	(16,704)	27,667	(6,338)
Net cash flows from (used in) operating activities	25,036	2,263	46,241	(28,695)

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 THREE-MONTH PERIODS ENDED 31 MARCH 2007 AND 2006

(Unit : Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	<u>2007</u>	<u>2006</u>	<u>2007</u>	<u>2006</u>
				(Restated)
<b>Cash flows from investing activities</b>				
Decrease (increase) in current investments - restricted bank deposits	4,779	(4,075)	3,486	(4,110)
Decrease (increase) in restricted bank deposits	(1,059)	260	(1,474)	-
Acquisitions of equipment	(3,680)	(38,645)	(3,277)	(37,032)
Proceeds from sales of equipment	21	-	21	-
Net cash flow from (used in) investing activities	61	(42,460)	(1,244)	(41,142)
<b>Cash flows from financing activities</b>				
Increase (decrease) in bank overdrafts and short-term loans	88,920	(110,458)	(14,081)	9,129
Increase in trust receipts	4,045	28,915	4,045	28,915
Repayment of long-term loans	(39,600)	(408)	(39,600)	(408)
Net cash flow from (used in) financing activities	53,365	(81,951)	(49,636)	37,636
Net increase (decrease) in cash and cash equivalents	78,462	(122,148)	(4,639)	(32,201)
Cash and cash equivalents at beginning of period	762,524	691,851	731,507	254,907
Cash and cash equivalents at end of period	840,986	569,703	726,868	222,706
	-	-	-	-
Supplemental cash flows information:-				
Cash paid during the period for				
Interest	9,785	7,387	4,541	3,306
Corporate income tax	4,626	7,195	4,356	3,868

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

(UNAUDITED BUT REVIEWED)

JASMINE TELECOM SYSTEMS PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY  
NOTES TO INTERIM FINANCIAL STATEMENTS  
FOR THE THREE-MONTH PERIODS ENDED 31 MARCH 2007 AND 2006

**1. GENERAL INFORMATION**

**1.1 Corporate information**

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

**1.2 Basis for the preparation of interim financial statements**

These interim financial statements are prepared in accordance with Accounting Standards Pronouncement No. 41 “Interim financial statements”, with the Company choosing to present condensed interim financial statements. However, the Company has presented the balance sheets, 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.

**1.3 Basis of consolidation**

These consolidated financial statements included the financial statement 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 2006, with no structural changes related to subsidiary company occurring during the period.

#### **1.4 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 2006, except for the change in the accounting policy for recording investment in subsidiary company in the separate financial statements from the equity method to the cost method, as described in Note 2.

### **2. CHANGE IN ACCOUNTING POLICY FOR RECORDING INVESTMENTS IN SUBSIDIARY COMPANY IN THE SEPARATE FINANCIAL STATEMENTS**

During the current period, the Company changed its accounting policy for recording investment in subsidiary company in the separate financial statements from the equity method to the cost method, in compliance with Notification No. 26/2549 regarding Accounting Standard No. 44 “Consolidated Financial Statements and Accounting for Investments in Subsidiaries” (Amendment No. 1), issued by the Federation of Accounting Professions, under which investments in subsidiaries, jointly controlled entities and associates are to be presented in the separate financial statements under the cost method rather than the equity method.

In this regard, the Company has restated the previous period’s separate financial statements as though the investment in the subsidiary company had originally been recorded using the cost method. The change has the effect of increasing net income in the separate income statements for the three-month period ended 31 March 2007 by Baht 10.4 million (Baht 0.01 per share), and decreasing net income in the separate income statements for the three-month period 31 March 2006 by Baht 8.3 million (Baht 0.01 per share). The cumulative effect of the change in accounting policy has been presented under the heading of “Cumulative effect of the change in accounting policy for investment in subsidiary company” in the separate statements of changes in shareholders’ equity.

Such change in accounting policy affects only the accounts related to investment in subsidiary company in the Company’s separate financial statements, with no effect to the consolidated financial statements.

### **3. CURRENT INVESTMENTS - RESTRICTED BANK DEPOSITS**

These represent saving deposits of the Company and its subsidiary pledged with the banks to secure credit facilities.

(UNAUDITED BUT REVIEWED)

#### 4. 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 companies. Such transactions, for the three-month periods ended 31 March 2007 and 2006, are summarised below.

(Unit : Million Baht)

	Consolidated financial statements		Separate financial statements		Transfer Pricing Policy
	2007	2006	2007	2006	
<u>Transactions with parent company</u>					
Service income	-	2.5	-	2.5	Contract price
Office rental and service expenses	2.7	2.6	1.5	1.5	Contract price or at prices normally charged to other customers
Other expenses	0.1	0.4	0.1	0.2	Contract price or at prices normally charged to other customers
<u>Transactions with related companies</u>					
Sales and service income	638.2	264.7	601.3	189.5	Contract price or at prices normally charged to other customers or cost plus margin
Cost of sales and services	3.1	3.1	3.1	3.1	Contract price or at prices normally charged to other customers
Office rental and service expenses	1.3	0.5	1.3	0.5	Contract price or at prices normally charged to other customers
Other expenses	1.7	1.5	1.1	0.8	Contract price or at prices normally charged to other customers

The balances of the accounts as at 31 March 2007 and 31 December 2006 between the Company and those related companies are as follows:

(Unit : Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	31 March	31 December	31 March	31 December
	2007	2006	2007	2006
<b><u>Trade accounts and notes receivable - related parties</u></b>				
<b><u>Parent company</u></b>				
Jasmine International Plc.	16,050	16,050	16,050	16,050
<b><u>Related companies</u></b>				
Triple T Broadband Co., Ltd.	586,903	297,389	586,903	297,389
TT&T Plc.	406,003	367,964	276,145	237,654
T.J.P. Engineering Co., Ltd.	12,687	9,635	12,687	9,635
TT&T Subscriber Services Co., Ltd	9,593	-	9,593	-
Jasmine Submarine Telecommunications Co., Ltd.	8,438	80,561	8,438	80,561
Acumen Co., Ltd.	2,477	-	-	-
Total trade accounts and notes receivable - related companies	1,026,101	755,549	893,766	625,239
<b>Total trade accounts and notes receivable - related parties</b>	<b>1,042,151</b>	<b>771,599</b>	<b>909,816</b>	<b>641,289</b>

## (UNAUDITED BUT REVIEWED)

(Unit : Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	31 March	31 December	31 March	31 December
	2007	2006	2007	2006
<b>Amounts due from related parties</b>				
<b>Parent company</b>				
Jasmine International Plc.	27	1	27	1
<b>Subsidiary company</b>				
Siam Teltech Computer Co., Ltd.	-	-	154	150
<b>Related companies</b>				
TT&T Plc.	2,676	-	2,676	-
T.J.P. Engineering Co., Ltd.	417	-	417	-
Others	52	-	52	-
Total amounts due from related companies	3,145	-	3,145	-
<b>Total amounts due from related parties</b>	<b>3,172</b>	<b>1</b>	<b>3,326</b>	<b>151</b>
<b>Unbilled receivable from related parties</b>				
<b>Related companies</b>				
TT&T Plc.	199,174	176,772	278	1,207
T.J.P. Engineering Co., Ltd.	42,173	29,699	42,173	29,699
Triple T Broadband Co., Ltd.	1,649	-	1,649	-
<b>Total unbilled receivable from related parties</b>	<b>242,996</b>	<b>206,471</b>	<b>44,100</b>	<b>30,906</b>
<b>Long-term trade accounts and notes receivable from related party</b>				
<b>Related company</b>				
Triple T Broadband Co., Ltd.	605,251	405,332	605,251	405,332
<b>Total long-term trade accounts and notes receivable from related party</b>	<b>605,251</b>	<b>405,332</b>	<b>605,251</b>	<b>405,332</b>
<b>Amounts due to related parties</b>				
<b>Parent company</b>				
Jasmine International Plc.	962	1,039	105	157
<b>Related companies</b>				
Jasmine Submarine Telecommunications Co., Ltd.	619	619	619	619
Premium Assets Co., Ltd.	399	513	207	318
Jasmine Internet Co., Ltd.	269	198	24	24
Acumen Co., Ltd.	53	54	53	54
Premium Real Estate Co., Ltd.	-	73	-	-
Total amounts due to related companies	1,340	1,457	903	1,015
<b>Total amounts due to related parties</b>	<b>2,302</b>	<b>2,496</b>	<b>1,008</b>	<b>1,172</b>
<b>Advances received from related parties</b>				
<b>Related companies</b>				
TT&T Plc.	11,431	11,599	6,771	11,599
Jasmine Submarine Telecommunications Co., Ltd.	622	747	622	747
TT&T Subscriber Services Co., Ltd.	91	-	91	-
<b>Total advances received from related parties</b>	<b>12,144</b>	<b>12,346</b>	<b>7,484</b>	<b>12,346</b>

(UNAUDITED BUT REVIEWED)

**Trade accounts and notes receivable - related party**

During 2006 and 2007, the Company sold goods to Triple T Broadband Co., Ltd. (a related company). Sales proceeds will be received over a period of 3 years. The balances of such transactions as at 31 March 2007 and 31 December 2006, classified based on due dates, are as follows:

	(Unit: Thousand Baht)	
	<u>31 March 2007</u>	<u>31 December 2006</u>
Trade account and notes receivable from related party due within 1 year (presented under the caption of "Trade accounts and notes receivable - related parties" in the balance sheet)	586,903	297,389
Trade account and notes receivable from related party due over 1 year (presented under the caption of "Long-term trade account and notes receivable from related party" in the balance sheet)	605,251	405,332
Total	<u>1,192,154</u>	<u>702,721</u>

**5. TRADE ACCOUNTS AND NOTES RECEIVABLE**

The outstanding balances of trade accounts and notes receivable as at 31 March 2007 and 31 December 2006 are aged, based on due date, as follows:

<u>Age of receivables</u>	(Unit : Million Baht)			
	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>31 March 2007</u>	<u>31 December 2006</u>	<u>31 March 2007</u>	<u>31 December 2006</u>
<u>Related parties:</u>				
Not yet due	877	684	751	553
Past due				
Up to 3 months	77	71	71	71
3 - 6 months	71	9	71	9
6 - 12 months	12	5	12	5
Over 12 months	5	3	5	3
Total	<u>1,042</u>	<u>772</u>	<u>910</u>	<u>641</u>
<u>Unrelated parties</u>				
Not yet due	181	344	181	344
Past due				
Up to 3 months	234	161	172	94
3 - 6 months	50	20	50	20
6 - 12 months	16	27	16	27
Over 12 months	22	11	22	11
Total	<u>503</u>	<u>563</u>	<u>441</u>	<u>496</u>
Total trade accounts and notes receivable	<u>1,545</u>	<u>1,335</u>	<u>1,351</u>	<u>1,137</u>

(UNAUDITED BUT REVIEWED)

Included in trade accounts and notes receivable from unrelated parties as at 31 March 2007 and 31 December 2006, were amounts receivable from the companies majority-owned by the government as follows:

(Unit : Million Baht)

Age of receivables	Consolidated financial statements		Separate financial statements	
	31 March 2007	31 December 2006	31 March 2007	31 December 2006
Not yet due	175	334	175	334
Past due				
Up to 3 months	234	150	172	82
3 - 6 months	50	20	50	20
6 - 12 months	16	16	16	16
Over 12 months	-	-	-	-
Total	475	520	413	452

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

## 6. INVENTORIES

As at 31 December 2006, finished goods of approximately Baht 381 million have been pledged to secure the Company's repayment to the trade creditors who sold these goods to the Company.

## 7. RESTRICTED BANK DEPOSITS

These represent fixed deposits of the Company and its subsidiary which have been pledged with the banks to secure credit facilities.

## 8. INVESTMENT IN SUBSIDIARY

This represent an investment in ordinary shares in Siam Teltech Computer Company Limited (a subsidiary company), detailed below.

(Unit : Thousand Baht)

Company's name	Separate financial statements					
	Paid-up capital		Shareholding percentage		Cost	
	31 March 2007	31 December 2006	31 March 2007 (%)	31 December 2006 (%)	31 March 2007	31 December 2006
Siam Teltech Computer Co., Ltd.	55,000	55,000	97.87	97.87	83,899	83,899

(UNAUDITED BUT REVIEWED)

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

## 9. 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 financial statements		Separate financial statements	
	31 March 2007	31 December 2006	31 March 2007	31 December 2006
Investment in available-for-sale securities, at cost	55,843	55,843	30,672	30,672
Less : Unrealised loss on change in value of the investment in available-for-sale securities	(43,645)	(43,884)	(24,221)	(24,348)
Other long-term investment - net	12,198	11,959	6,451	6,324

## 10. PROPERTY, PLANT AND EQUIPMENT

Movements of the property, plant and equipment account during the three-month period ended 31 March 2007 are summarised below.

(Unit: Thousand Baht)

	Consolidated financial statements	Separate financial statements
<b>Net book value as at 1 January 2007</b>	545,735	536,464
Acquisitions during period – at cost	3,680	3,277
Disposals during the period – net book value at disposal date	(29)	(29)
Depreciation for period	(23,936)	(23,174)
<b>Net book value as at 31 March 2007</b>	525,450	516,538

### Public telephone project

As at 31 March 2007, property, plant and equipment included public telephones with a total net book value of Baht 390 million (31 December 2006: Baht 411 million) represent costs of equipment and expenses incurred in the installation of the public telephones, which have been rented to TOT Plc. for a period of 10 years under three contracts. Under these contracts, the Company is obliged to supply and install a total of 30,000 public telephones (10,000 public telephones under each contract) within 3 years of the contract date. The first contract is dated 31 January 2001 and will expire on 30 January 2011, and the second and the third contracts are dated 15 January 2004 and will expire on 14 January 2014. As at 31 March 2007, the Company had been able to install only 11,763 telephones (8,501 under the first contract, 1,849 under the second, and 1,413 under the third). However, since TOT Plc. was unable to allocate all of the numbers for the telephones to be installed under the three contracts to the Company, TOT Plc. has agreed in its letters dated 29 April 2004, 19 May 2006 and 22 May 2006, to extend the installation period until all telephone numbers have been allocated. In the meantime, the Company and TOT Plc. have been collaborating to resolve this issue.

(UNAUDITED BUT REVIEWED)

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

#### 11. BANK OVERDRAFT AND SHORT-TERM BANK LOANS

Bank overdrafts and short-term bank loans as at 31 March 2007 and 31 December 2006 consist of:-

(Unit : Thousand Baht)

	Interest rate (percent per annum)	Consolidated financial statements		Separate financial statements	
		31 March	31 December	31 March	31 December
		2007	2006	2007	2006
Bank overdrafts	MOR, MOR+0.5	-	14,081	-	14,081
Short-term bank loans	MLR	333,114	230,113	19,675	19,675
Total		<u>333,114</u>	<u>244,194</u>	<u>19,675</u>	<u>33,756</u>

The Company's short-term bank loans are secured by the assignment of rights to receive payments from certain accounts receivable, and the subsidiary's short-term bank loans are secured by the assignment of rights to receive payments from the majority of its accounts receivable as described in Note 5.

#### 12. TRUST RECEIPTS

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

#### 13. TRADE ACCOUNTS AND NOTES PAYABLE - UNRELATED PARTIES

During 2006 and 2007, the Company purchased goods from 2 groups of companies: domestic and overseas. Under the sales and purchase agreement with those companies, the Company is obliged to make payment within 3 years. The outstanding balances of such transactions as at 31 March 2007 and 31 December 2006, based on due dates, are as follows:

(Unit: Thousand Baht)

	Consolidated/Separate financial statements	
	31 March 2007	31 December 2006
Trade accounts and notes payable - unrelated parties due within 1 year (presented under the caption of "Trade accounts and notes payable- unrelated parties" in the balance sheet)	378,686	298,942
Trade accounts and notes payable - unrelated parties due over 1 year (presented under the caption of "Long-term trade accounts and notes payable - unrelated parties" in the balance sheet)	<u>610,100</u>	<u>714,714</u>
Total	<u>988,786</u>	<u>1,013,656</u>

(UNAUDITED BUT REVIEWED)

The above outstanding balance of trade accounts and notes payable is secured by Triple T Broadband Co., Ltd. (a related company), and pledge of inventories as described in Note 6.

#### 14. LONG-TERM LOANS

These long-term loans are loans from domestic commercial banks which carry interest at Minimum Loan Rate and repayment installments as from 2005 to 2009.

	(Unit: Thousand Baht)	
	Consolidated/Separate financial statements	
	31 March 2007	31 December 2006
Long-term loans	59,168	98,768
Less: Current portion	(46,392)	(50,400)
Net	12,776	48,368

The loans are secured by the assignment of rights to receive payments from accounts receivable.

The loan agreements contain covenants that, among other things, restrictions on additional borrowings by the Company without consent from the bank.

#### 15. WARRANTS OFFERED TO THE COMPANY'S DIRECTORS AND EMPLOYEES (ESOP WARRANTS)

As at 31 March 2007, there were 21,250,000 unexercised ordinary share warrants which had been granted to the Company's directors and employees. The exercise period for such warrants is between 28 December 2007 and 27 October 2011.

#### 16. 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.

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

## (UNAUDITED BUT REVIEWED)

## Consolidated financial statements

For the three-month periods ended 31 March

	Net income		Weighted average number of ordinary shares		Earnings per share	
	<u>2007</u> (Thousand Baht)	<u>2006</u> (Thousand Baht)	<u>2007</u> (Thousand shares)	<u>2006</u> (Thousand shares)	<u>2007</u> (Baht)	<u>2006</u> (Baht)
<b>Basic earnings per share</b>						
Net income	59,883	106,958	701,000	525,000	0.09	0.20
<b>Effect of dilutive potential ordinary shares</b>						
ESOP warrants granted to the Company's directors and employees	-	-	10,305	-		
<b>Diluted earnings per share</b>						
Net income of ordinary shareholders assuming the conversion of warrants to ordinary shares	<u>59,883</u>	<u>106,958</u>	<u>711,305</u>	<u>525,000</u>	0.08	0.20

## Separate financial statements

For the three-month periods ended 31 March

	Net income		Weighted average number of ordinary shares		Earnings per share	
	<u>2007</u> (Thousand Baht)	<u>2006</u> (Thousand Baht) (Restated)	<u>2007</u> (Thousand shares)	<u>2006</u> (Thousand shares)	<u>2007</u> (Baht)	<u>2006</u> (Baht) (Restated)
<b>Basic earnings per share</b>						
Net income	70,281	98,689	701,000	525,000	0.10	0.19
<b>Effect of dilutive potential ordinary shares</b>						
ESOP warrants granted to the Company's directors and employees	-	-	10,305	-		
<b>Diluted earnings per share</b>						
Net income of ordinary shareholders assuming the conversion of warrants to ordinary shares	<u>70,281</u>	<u>98,689</u>	<u>711,305</u>	<u>525,000</u>	0.10	0.19

(UNAUDITED BUT REVIEWED)

## 17. SEGMENT INFORMATION

The Company and its subsidiary's business operations involve three principal segments: (1) Design and installation of telecommunication systems (2) Rental of public telephones and (3) Other segments. These operations are mainly carried on in Thailand. Below is the consolidated financial information for the three-month periods ended 31 March 2007 and 2006 of the Company and its subsidiary by segment.

(Unit : Million Baht)

	Design and installation of telecommunication systems segment		Rental of public telephones segment		Other segments		Consolidation	
	2007	2006	2007	2006	2007	2006	2007	2006
	Revenue from external customers	<u>771</u>	<u>477</u>	<u>42</u>	<u>54</u>	<u>21</u>	<u>23</u>	<u>834</u>

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

## 18. COMMITMENTS AND CONTINGENT LIABILITIES

### 18.1 Capital commitments

As at 31 March 2007, the Company had capital commitments of approximately Baht 67.5 million, relating to the purchase of public telephones.

### 18.2 Operating lease commitments

The Company and its subsidiary have entered into lease agreements in respect of the lease of office building space.

Future minimum rentals payable under these leases as at 31 March 2007 are as follows:

	(Unit : Million Baht)	
	<u>Consolidated financial statements</u>	<u>Separate financial statements</u>
Payable within :		
1 year	6.3	3.5
2 years	1.7	0.7

**18.3 Guarantees**

As at 31 March 2007, there were outstanding bank guarantees of Baht 610.9 million (31 December 2006: Baht 627.6 million) issued by the banks on behalf of the Company and its subsidiary, with Baht 365.7 million (31 December 2006: Baht 380.5 million) attributed to the Company, in respect of certain performance bonds as required in the normal course of business.

**18.4 Letters of credit**

As at 31 March 2007, the Company had outstanding commitments under letters of credit with local and overseas suppliers amounting to approximately USD 1.4 million, Euro 0.1 million and Baht 109.4 million.

**19. FINANCIAL INSTRUMENTS****19.1 Foreign currency risk**

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

The balances of financial assets and liabilities denominated in foreign currencies as at 31 March 2007 are summarised below.

Foreign currency	Consolidated financial statements		
	Financial assets	Financial liabilities	Average exchange rate as at 31 March 2007
	(Million)	(Million)	(Baht per 1 foreign currency unit)
US dollar	38.7	32.6	35.0160
	Separate financial statements		
Foreign currency	Financial assets	Financial liabilities	Average exchange rate as at 31 March 2007
	(Million)	(Million)	(Baht per 1 foreign currency unit)
US dollar	28.3	29.4	35.0160

(UNAUDITED BUT REVIEWED)

Foreign exchange contracts outstanding at 31 March 2007 are summarised below.

Foreign currency	Bought amount (Million)	Contractual exchange rate
		Bought (Baht per 1 foreign currency unit)
US dollar	0.7	35.4220 - 37.5635
Euro	0.4	47.0100 - 49.9370

## 19.2 Fair value of financial instruments

Since the majority of the Company's financial instruments are short-term in nature or bear floating interest rates which are close to market rates, their fair values are not expected to be materially different from the amounts presented in the balance sheets, except for account and notes receivable-related party, and accounts and notes payable-unrelated parties which have book values and fair values as follows:

(Unit: Million Baht)

31 March 2007

	Carrying amount	Fair value
<b>Financial assets</b>		
Trade account and notes receivable - related party (Note 4)	1,192	1,107
<b>Financial liabilities</b>		
Trade accounts and notes payable - unrelated parties (Note 13)	989	908

A fair value is the amount for which an asset can be exchanged or a liability settled between knowledgeable, willing parties in an arm's length transaction. The fair value is determined by reference to the market price of the financial instrument or by using an appropriate valuation technique, depending on the nature of the instrument.

## 20. SUBSEQUENT EVENTS

### 20.1 Dividends

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

## **20.2 ESOP Shares**

By resolution of the Extraordinary General Meeting No.1/2005 of the Company's shareholders, on 9 March 2005, an employee share ownership plan (ESOP) was approved. Under this plan, a total of 5,000,000 ordinary shares will be allocated to the Company's directors and employees at a price of Baht 1 per share, over a period of 5 years commencing from the date of initial offering. On 3 November 2006, a total of 1,000,000 shares were initially allocated under the scheme and these were fully subscribed by the directors and employees.

On 26 February 2007, the Meeting No.1/2007 of the Board of Directors of the Company approved a second allocation of 1,000,000 shares to the directors and employees under this continuing 5-year scheme, leaving 3,000,000 shares available for future allocation.

On 4 May 2007, the Company's directors and employees exercised their rights to purchase 1,000,000 ordinary shares, as discussed in the preceding paragraph, at a price of Baht 1 per share, or a total of Baht 1,000,000. The Company registered the increase in its paid-up capital to Baht 702,000,000 million with the Ministry of Commerce on 9 May 2007.

## **21. APPROVAL OF FINANCIAL STATEMENTS**

These interim financial statements were authorised for issue by the Company's Board of Directors on 11 May 2007.