

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 2007

(UNAUDITED BUT REVIEWED)

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 2007, the related consolidated statements of income for the three-month and nine-month periods ended 30 September 2007, and the consolidated statements of changes in shareholders' equity, and cash flows for the nine-month period ended 30 September 2007; and the separate financial statements of Jasmine Telecom Systems Public Company Limited for the same periods. 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 19 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 restated the separate balance sheet as at 31 December 2006 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.

(UNAUDITED BUT REVIEWED)

The consolidated statements of income for the three-month and nine-month periods ended 30 September 2006, and the consolidated statements of changes in shareholders' equity and cash flows for the nine-month period ended 30 September 2006 of Jasmine Telecom Systems Public Company Limited and its subsidiary and the separate financial statements of Jasmine Telecom Systems Public Company Limited for the same periods, 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 13 November 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 restated the separate financial statements for the period of 2006 to reflect the change in 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 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 : 13 November 2007

JASMINE TELECOM SYSTEMS PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY

BALANCE SHEETS

(Unit : Thousand Baht)

	Note	Consolidated financial statements		Separate financial statements	
		30 September 2007	31 December 2006	30 September 2007	31 December 2006
		(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited) (Restated)
ASSETS					
CURRENT ASSETS					
Cash and cash equivalents		715,829	762,524	614,704	731,507
Current investments - restricted bank deposits	3	1,726	8,316	612	6,922
Trade accounts and notes receivable					
Related parties	4, 5	893,293	771,599	763,460	641,289
Unrelated parties	5	467,709	563,302	458,437	495,853
Total trade accounts and notes receivable		1,361,002	1,334,901	1,221,897	1,137,142
Amounts due from related parties	4	6,524	1	6,524	151
Inventories - net	6	36,276	516,827	34,456	516,446
Other current assets					
Prepaid project cost		31,659	36,639	20,244	36,595
Input tax pending payment		2,179	2,355	1,892	2,168
Unbilled receivable from related parties	4	255,750	206,471	55,436	30,906
Unbilled receivable from unrelated parties		19,177	32,234	14,470	21,109
Deposits for goods and services		36,326	36,200	36,326	36,200
Other accounts receivable		83,975	63,086	12,124	13,590
Others		15,661	36,427	4,826	23,579
Total other current assets		444,727	413,412	145,318	164,147
TOTAL CURRENT ASSETS		2,566,084	3,035,981	2,023,511	2,556,315
NON-CURRENT ASSETS					
Restricted bank deposits	7	60,935	71,162	50,138	57,203
Long-term trade account and notes receivable from related party	4	422,296	405,332	422,296	405,332
Investment in subsidiary	8	-	-	83,899	83,899
Other long-term investment - available-for-sale securities	9	13,992	11,959	7,399	6,324
Property, plant and equipment - net	10	494,292	545,735	486,441	536,464
Deposits		4,977	4,657	3,438	2,996
TOTAL NON-CURRENT ASSETS		996,492	1,038,845	1,053,611	1,092,218
TOTAL ASSETS		3,562,576	4,074,826	3,077,122	3,648,533

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	
		30 September 2007	31 December 2006	30 September 2007	31 December 2006
		(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited) (Restated)
LIABILITIES AND SHAREHOLDERS' EQUITY					
CURRENT LIABILITIES					
Bank overdrafts and short-term bank loans	11	302,561	244,194	19,675	33,756
Trust receipts	12	16,987	126,157	16,987	126,157
Trade accounts and notes payable - unrelated parties	13	690,965	713,853	661,507	700,843
Trade accounts payable - related parties	4	7,438	-	7,438	-
Amounts due to related parties	4	3,398	2,496	1,616	1,172
Current portion of long-term loans	14	37,568	50,400	37,568	50,400
Other current liabilities					
Accrued project cost		190,649	207,794	20,096	18,059
Advances received from related parties	4	7,532	12,346	7,532	12,346
Advances received from unrelated parties		35,802	43,289	35,728	43,289
Corporate income tax payable		-	58,682	-	58,682
Output tax payable		8,720	4,587	8,239	4,364
Others		23,060	17,095	21,624	11,037
Total other current liabilities		265,763	343,793	93,219	147,777
TOTAL CURRENT LIABILITIES		1,324,680	1,480,893	838,010	1,060,105
NON-CURRENT LIABILITIES					
Long-term trade accounts and notes payable - unrelated parties	13	426,217	714,714	426,217	714,714
Long-term loans, net of current portion	14	-	48,368	-	48,368
TOTAL NON-CURRENT LIABILITIES		426,217	763,082	426,217	763,082
TOTAL LIABILITIES		1,750,897	2,243,975	1,264,227	1,823,187

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	30 September 2007	31 December 2006	30 September 2007	31 December 2006
		(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited) (Restated)
SHAREHOLDERS' EQUITY					
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					
702,000,000 ordinary shares of Baht 1 each					
(31 December 2006: 701,000,000 ordinary shares of Baht 1 each) 15		702,000	701,000	702,000	701,000
Share premium		418,812	418,812	418,812	418,812
Difference between the purchase price of investment in subsidiary company 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		(35,018)	(37,031)	(23,273)	(24,348)
Retained earnings					
Appropriated - statutory reserve		49,458	49,458	49,458	49,458
Unappropriated		666,508	688,550	665,898	680,424
EQUITY ATTRIBUTABLE TO THE COMPANY'S SHAREHOLDERS		1,809,918	1,828,947	1,812,895	1,825,346
MINORITY INTEREST - equity attributable to minority shareholders of subsidiary company		1,761	1,904	-	-
TOTAL SHAREHOLDERS' EQUITY		1,811,679	1,830,851	1,812,895	1,825,346
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		3,562,576	4,074,826	3,077,122	3,648,533
		-	-	-	-

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 2007 AND 2006

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

	Note	Consolidated financial statements		Separate financial statements	
		2007	2006	2007	2006 (Restated)
REVENUES					
Sales and service income		185,263	968,808	163,537	886,630
Exchange gains		1,482	4,557	3,365	4,344
Other income		6,963	3,706	6,234	3,466
TOTAL REVENUES		193,708	977,071	173,136	894,440
EXPENSES					
Cost of sales and services		133,730	823,906	121,478	753,788
Selling, servicing and administrative expenses		48,980	44,191	36,588	35,224
TOTAL EXPENSES		182,710	868,097	158,066	789,012
INCOME BEFORE INTEREST EXPENSES					
AND CORPORATE INCOME TAX		10,998	108,974	15,070	105,428
INTEREST EXPENSES		(7,651)	(8,874)	(2,609)	(5,729)
CORPORATE INCOME TAX		(1,978)	(22,309)	(3,081)	(22,169)
INCOME AFTER CORPORATE INCOME TAX		1,369	77,791	9,380	77,530
LOSS (INCOME) ATTRIBUTABLE TO MINORITY INTEREST		170	(6)	-	-
NET INCOME FOR THE PERIOD		1,539	77,785	9,380	77,530
EARNINGS PER SHARE					
<i>18</i>					
Basic earnings per share (Baht)					
Net income		0.002	0.139	0.013	0.138
Weighted average number of ordinary shares (shares)		702,000,000	561,141,304	702,000,000	561,141,304
Diluted earnings per share (Baht)					
Net income		0.002	0.139	0.013	0.138
Weighted average number of ordinary shares (shares)		709,506,141	561,141,304	709,506,141	561,141,304

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 2007 AND 2006

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

	Note	Consolidated financial statements		Separate financial statements	
		2007	2006	2007	2006 (Restated)
REVENUES					
Sales and service income		1,305,736	1,958,444	1,187,130	1,679,787
Exchange gains		4,534	15,603	15,956	8,548
Gain on sale of investment in available-for-sale securities		-	16,516	-	16,516
Other income		51,495	16,323	25,577	10,601
TOTAL REVENUES		1,361,765	2,006,886	1,228,663	1,715,452
EXPENSES					
Cost of sales and services		1,056,979	1,533,086	969,314	1,296,938
Selling, servicing and administrative expenses		146,634	129,276	109,111	104,858
TOTAL EXPENSES		1,203,613	1,662,362	1,078,425	1,401,796
INCOME BEFORE INTEREST EXPENSES					
AND CORPORATE INCOME TAX		158,152	344,524	150,238	313,656
INTEREST EXPENSES		(26,445)	(22,881)	(10,852)	(12,300)
CORPORATE INCOME TAX		(34,742)	(89,077)	(34,742)	(82,967)
INCOME AFTER CORPORATE INCOME TAX		96,965	232,566	104,644	218,389
LOSS (INCOME) ATTRIBUTABLE TO MINORITY INTEREST		163	(302)	-	-
NET INCOME FOR THE PERIOD		97,128	232,264	104,644	218,389
EARNINGS PER SHARE					
18					
Basic earnings per share (Baht)					
Net income		0.138	0.432	0.149	0.407
Weighted average number of ordinary shares (shares)		701,549,451	537,179,487	701,549,451	537,179,487
Diluted earnings per share (Baht)					
Net income		0.137	0.432	0.147	0.407
Weighted average number of ordinary shares (shares)		710,601,665	537,179,487	710,601,665	537,179,487

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 2007 AND 2006

(Unit : Thousand Baht)

	Consolidated financial statements							Total
	Issued and fully paid-up share capital	Share premium	Difference between the purchase price of investment in subsidiary company under common control and its net book value	Unrealised gain (loss) on changes in value of investment in available-for-sale securities	Retained earnings		Minority interest - Equity attributable to minority shareholders of subsidiary	
					Appropriated	Unappropriated		
Balance as at 1 January 2006	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	-	-	-	(49,039)	-	-	-	(49,039)
Increase in ordinary shares (Note 15)	175,000	356,312	-	-	-	-	-	531,312
Net income for the period	-	-	-	-	-	232,264	-	232,264
Increase in minority interest - equity attributable to minority shareholders of subsidiary company	-	-	-	-	-	-	134	134
Interim dividend paid (Note 20)	-	-	-	-	-	(91,000)	-	(91,000)
Balance as at 30 September 2006	700,000	418,812	8,158	(29,218)	33,788	623,077	2,263	1,756,880
Balance as at 1 January 2007	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	-	-	-	2,013	-	-	-	2,013
Increase in ordinary shares (Note 15)	1,000	-	-	-	-	-	-	1,000
Net income for the period	-	-	-	-	-	97,128	-	97,128
Decrease in minority interest - equity attributable to minority shareholders of subsidiary company	-	-	-	-	-	-	(143)	(143)
Dividend paid (Note 20)	-	-	-	-	-	(119,170)	-	(119,170)
Balance as at 30 September 2007	702,000	418,812	8,158	(35,018)	49,458	666,508	1,761	1,811,679

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 2007 AND 2006
(Unit : Thousand Baht)

	Separate financial statements						Total
	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		
					Appropriated	Unappropriated	
Balance as at 1 January 2006 - as previously reported	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 (Note 2)	-	-	(8,158)	1,323	-	(7,117)	(13,952)
Balance as at 1 January 2006 - as restated	525,000	62,500	-	21,144	33,788	474,696	1,117,128
Unrealised items in income statements							
Decrease in fair value of investment	-	-	-	(49,039)	-	-	(49,039)
Increase in ordinary shares (Note 15)	175,000	356,312	-	-	-	-	531,312
Net income for the period (restated)	-	-	-	-	-	218,389	218,389
Interim dividend paid (Note 20)	-	-	-	-	-	(91,000)	(91,000)
Balance as at 30 September 2006 - as restated	700,000	418,812	-	(27,895)	33,788	602,085	1,726,790
Balance as at 1 January 2007 - as previously reported	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 (Note 2)	-	-	(8,158)	12,683	-	(8,126)	(3,601)
Balance as at 1 January 2007 - as restated	701,000	418,812	-	(24,348)	49,458	680,424	1,825,346
Unrealised items in income statements							
Increase in fair value of investment	-	-	-	1,075	-	-	1,075
Increase in ordinary shares (Note 15)	1,000	-	-	-	-	-	1,000
Net income for the period	-	-	-	-	-	104,644	104,644
Dividend paid (Note 20)	-	-	-	-	-	(119,170)	(119,170)
Balance as at 30 September 2007	702,000	418,812	-	(23,273)	49,458	665,898	1,812,895

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

(UNAUDITED BUT REVIEWED)

JASMINE TELECOM SYSTEMS PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY

CASH FLOWS STATEMENTS

FOR THE NINE-MONTH PERIODS ENDED 30 SEPTEMBER 2007 AND 2006

(Unit : Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2007	2006	2007	2006 (Restated)
Cash flows from operating activities				
Net income for the period	97,128	232,264	104,644	218,389
Adjustments to reconcile net income to net cash provided by (paid from) operating activities:-				
Depreciation	71,718	67,987	69,422	66,242
Loss on disposal of equipment	106	619	124	619
Unrealised exchange loss (gain)	(6,299)	8,558	-18,400	-7,968
Income (loss) attributable to minority interest	-163	302	-	-
Withholding tax written off	-51	-	-	-
Income from operating activities before changes in operating assets and liabilities	162,439	309,730	155,790	277,282
Operating assets decrease (increase)				
Trade accounts and notes receivable	(66,538)	(568,798)	(125,193)	(595,384)
Amounts due from related parties	(6,523)	2	(6,373)	1
Inventories	480,551	(279,345)	481,990	(272,320)
Other current assets	(48,783)	(344,552)	18,829	(216,325)
Other assets	(320)	(328)	(442)	(147)
Operating liabilities increase (decrease)				
Trade accounts and notes payable	(256,656)	763,010	(278,521)	808,894
Amounts due to related parties	902	1,351	444	140
Other current liabilities	(75,007)	(35,590)	(51,535)	(66,678)
Net cash flow from (used in) operating activities	190,065	(154,520)	194,989	(64,537)

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

(UNAUDITED BUT REVIEWED)

JASMINE TELECOM SYSTEMS PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY

CASH FLOWS STATEMENTS (Continued)

FOR THE NINE-MONTH PERIODS ENDED 30 SEPTEMBER 2007 AND 2006

(Unit : Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2007	2006	2007	2006 (Restated)
Cash flows from investing activities				
Decrease in current investments - restricted bank deposits	6,590	630	6,310	478
Decrease (increase) in restricted bank deposits	10,227	(15,867)	7,065	(15,826)
Acquisition of equipment	(23,738)	(64,454)	(22,820)	(61,181)
Proceeds from disposal of equipment	334	159	274	159
Net cash flow used in investing activities	(6,587)	(79,532)	(9,171)	(76,370)
Cash flows from financing activities				
Increase (decrease) in bank overdrafts and short-term bank loans	58,367	(47,523)	-14,081	76,159
Increase (decrease) in trust receipts	(109,170)	28,323	(109,170)	28,323
Cash receipt from long-term loans	-	30,000	-	30,000
Repayment of long-term loans	(61,200)	(5,616)	(61,200)	(5,616)
Dividend paid	(119,170)	(185,794)	(119,170)	-
Proceed from increase in share capital	1,000	531,312	1,000	531,312
Net cash flow from (used in) financing activities	(230,173)	350,702	(302,621)	660,178
Net increase (decrease) in cash and cash equivalents	(46,695)	116,650	(116,803)	519,271
Cash and cash equivalents at beginning of period	762,524	691,851	731,507	254,907
Cash and cash equivalents at end of period	715,829	808,501	614,704	774,178
	-	-	-	-
Supplemental cash flows information:				
Cash paid during the period for:				
Interest	25,875	21,983	10,290	14,089
Corporate income tax	97,392	127,317	95,549	111,999

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 AND NINE-MONTH PERIODS ENDED 30 SEPTEMBER 2007

1. GENERAL INFORMATION

1.1 Corporate information

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

1.2 Basis for the preparation of interim financial statements

These interim financial statements are prepared in accordance with Thai Accounting Standard 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 Adoption of new accounting standards

The Federation of Accounting Professions (FAP) has issued Notifications No. 9/2550 and 38/2550 regarding Thai Accounting Standards, and these have been published in the Royal Gazette. The Notifications mandate the use of the following Thai Accounting Standards (Revised 2007) in place of the previous versions, which are cancelled.

a) Thai Accounting Standards (revised version) which are effective for the current year

TAS 44	Consolidated Financial Statements and Separate Financial Statements
TAS 45	Investments in Associates
TAS 46	Interests in Joint Ventures

These accounting standards become effective for the financial statements for fiscal years beginning on or after 1 January 2007. During the first quarter of the current year, the Company changed its accounting policy for recording investments in subsidiary company in the separate financial statements in order to comply with the revised Thai Accounting Standard No. 44, as discussed in Note 2.

b) Thai Accounting Standards (revised version) which are not effective for the current year

TAS 25	Cash Flow Statements
TAS 33	Borrowing Costs
TAS 35	Presentation of Financial Statements
TAS 39	Accounting Policies, Changes in Accounting Estimates and Errors
TAS 41	Interim Financial Reporting
TAS 49	Construction Contracts

These accounting standards will become effective for the financial statements for fiscal years beginning on or after 1 January 2008. The management has assessed the effect of these revised accounting standards and believes that they will not have any significant impact on the financial statements for the year in which they are initially applied.

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 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 INVESTMENT IN SUBSIDIARY COMPANY IN THE SEPARATE FINANCIAL STATEMENTS

During the first quarter of the current year, 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 Thai Accounting Standard No. 44 (Revised 2007) regarding “Consolidated Financial Statements and Separate Financial Statements”, under which investments in subsidiaries, jointly controlled entities and associates are to be presented in the separate financial statements under the cost 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 and nine-month periods ended 30 September 2007 by Baht 7.8 million (Baht 0.01 per share) and Baht 7.5 million (0.01 Baht per share), respectively (2006: decreasing by Baht 0.3 million (without any significant effect on the earnings per share) and Baht 13.9 million (Baht 0.02 per share), respectively). 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 and nine-month periods ended 30 September 2007 and 2006, 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		
	<u>2007</u>	<u>2006</u>	<u>2007</u>	<u>2006</u>	
<u>Transactions with parent company</u>					
Sales and service income	-	0.7	-	9.7	Contract price or cost plus margin
Office rental and service expenses	2.8	3.0	8.2	8.1	Contract price or at prices normally charged to other customers
Other expenses	0.2	0.6	0.5	1.5	Contract price or at prices normally charged to other customers
<u>Transactions with related companies</u>					
Sales and service income	40.6	878.2	825.8	1,435.4	Contract price or at prices normally charged to other customers or cost plus margin
Interest income	1.9	-	5.6	-	MLR per annum
Cost of sales and services	4.8	3.2	10.4	9.5	Contract price or at prices normally charged to other customers
Office rental and service expenses	0.5	0.5	2.7	1.4	Contract price or at prices normally charged to other customers
Other expenses	2.7	2.0	6.0	5.1	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 ended 30 September		For the nine-month periods ended 30 September		
	<u>2007</u>	<u>2006</u>	<u>2007</u>	<u>2006</u>	
<u>Transactions with parent company</u>					
Sales and service income	-	0.7	-	9.7	Contract price 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	0.2	0.3	0.4	0.7	Contract price or at prices normally charged to other customers
<u>Transactions with related companies</u>					
Sales and service income	33.3	805.7	744.2	1,180.8	Contract price or at prices normally charged to other customers or cost plus margin
Interest income	1.9	-	5.6	-	MLR per annum
Cost of sales and services	4.8	3.2	10.3	9.4	Contract price or at prices normally charged to other customers
Office rental and service expenses	0.5	0.5	2.7	1.4	Contract price or at prices normally charged to other customers
Other expenses	1.7	1.2	3.7	3.0	Contract price or at prices normally charged to other customers

(UNAUDITED BUT REVIEWED)

The balances of the accounts as at 30 September 2007 and 31 December 2006 between the Company and those related companies are as follows:

	(Unit : Thousand Baht)			
	Consolidated financial statements		Separate financial statements	
	<u>30 September</u> <u>2007</u>	<u>31 December</u> <u>2006</u>	<u>30 September</u> <u>2007</u>	<u>31 December</u> <u>2006</u>
<u>Trade accounts and notes receivable - related parties</u>				
<u>Parent company</u>				
Jasmine International Plc.	16,050	16,050	16,050	16,050
<u>Related companies</u>				
Triple T Broadband Plc.	449,545	297,389	449,545	297,389
TT&T Plc.	379,120	367,964	254,169	237,654
T.J.P. Engineering Co., Ltd.	24,279	9,635	24,279	9,635
TT&T Subscriber Services Co., Ltd.	6,975	-	4,634	-
Jasmine Submarine Telecommunications Co., Ltd.	14,336	80,561	14,336	80,561
Jastel Network Co., Ltd.	447	-	447	-
Acumen Co., Ltd.	2,541	-	-	-
Total trade accounts and notes receivable – related companies	877,243	755,549	747,410	625,239
Total trade accounts and notes receivable – related parties	893,293	771,599	763,460	641,289
<u>Amounts due from related parties</u>				
<u>Parent company</u>				
Jasmine International Plc.	2	1	2	1
<u>Subsidiary company</u>				
Siam Teltech Computer Co., Ltd.	-	-	-	150
<u>Related companies</u>				
TT&T Plc.	6,348	-	6,348	-
T.J.P. Engineering Co., Ltd.	174	-	174	-
Total amounts due from related companies	6,522	-	6,522	-
Total amounts due from related parties	6,524	1	6,524	151
<u>Unbilled receivable from related parties</u>				
<u>Related companies</u>				
TT&T Plc.	200,666	176,772	352	1,207
TT&T Subscriber Services Co., Ltd.	41	-	41	-
T.J.P. Engineering Co., Ltd.	55,043	29,699	55,043	29,699
Total unbilled receivable from related parties	255,750	206,471	55,436	30,906

(UNAUDITED BUT REVIEWED)

(Unit : Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	30 September	31 December	30 September	31 December
	2007	2006	2007	2006
<u>Long-term trade accounts and notes receivable from related party</u>				
<u>Related company</u>				
Triple T Broadband Plc.	422,296	405,332	422,296	405,332
Total long-term trade accounts and notes receivable from related party	422,296	405,332	422,296	405,332
<u>Trade accounts payable - related parties</u>				
<u>Related company</u>				
TT&T Plc.	134	-	134	-
Jasmine Submarine Telecommunications Co., Ltd.	7,304	-	7,304	-
Total trade accounts payable - related parties	7,438	-	7,438	-
<u>Amounts due to related parties</u>				
<u>Parent company</u>				
Jasmine International Plc.	1,516	1,039	157	157
<u>Related companies</u>				
Jasmine Submarine Telecommunications Co., Ltd.	987	619	987	619
Premium Assets Co., Ltd.	697	513	366	318
Jasmine Internet Co., Ltd.	115	198	24	24
Acumen Co., Ltd.	54	54	54	54
ACeS Regional Service Co., Ltd.	1	-	-	-
Premium Real Estate Co., Ltd.	-	73	-	-
Triple T Broadband Plc.	28	-	28	-
Total amounts due to related companies	1,882	1,457	1,459	1,015
Total amounts due to related parties	3,398	2,496	1,616	1,172
<u>Advances received from related parties</u>				
<u>Related companies</u>				
TT&T Plc.	920	11,599	920	11,599
Tripe T Broadband Plc.	680	-	680	-
Jasmine Submarine Telecommunications Co., Ltd.	90	747	90	747
Jastel Network Co., Ltd.	5,842	-	5,842	-
Total advances received from related parties	7,532	12,346	7,532	12,346

(UNAUDITED BUT REVIEWED)

Trade accounts and notes receivable - related party

During 2006 and 2007, 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 30 September 2007 and 31 December 2006, classified based on due dates, are as follows:

	(Unit : Thousand Baht)	
	<u>30 September 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)	449,545	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)	422,296	405,332
Total	<u>871,841</u>	<u>702,721</u>

5. TRADE ACCOUNTS AND NOTES RECEIVABLE

The outstanding balances of trade accounts and notes receivable as at 30 September 2007 and 31 December 2006 are aged, based on due date, as follows:

Age of receivables	(Unit : Million Baht)			
	Consolidated financial statements		Separate financial statements	
	<u>30 September 2007</u>	<u>31 December 2006</u>	<u>30 September 2007</u>	<u>31 December 2006</u>
<u>Related parties</u>				
Not yet due	646	684	534	553
Past due				
Up to 3 months	89	71	71	71
3 - 6 months	27	9	27	9
6 - 12 months	117	5	117	5
Longer than 12 months	14	3	14	3
Total	<u>893</u>	<u>772</u>	<u>763</u>	<u>641</u>
<u>Unrelated parties</u>				
Not yet due	297	344	291	344
Past due				
Up to 3 months	97	161	93	94
3 - 6 months	3	20	3	20
6 - 12 months	33	27	33	27
Longer than 12 months	38	11	38	11
Total	<u>468</u>	<u>563</u>	<u>458</u>	<u>496</u>
Total trade accounts and notes receivable	<u>1,361</u>	<u>1,335</u>	<u>1,221</u>	<u>1,137</u>

(UNAUDITED BUT REVIEWED)

Included in trade accounts and notes receivable from unrelated parties as at 30 September 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	
	30 September 2007	31 December 2006	30 September 2007	31 December 2006
Not yet due	226	334	220	334
Past due				
Up to 3 months	84	150	80	82
3 - 6 months	-	20	-	20
6 - 12 months	33	16	33	16
Over 12 months	16	-	16	-
Total	<u>359</u>	<u>520</u>	<u>349</u>	<u>452</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 and forward exchange contracts with those banks.

6. INVENTORIES

As at 30 September 2007, finished goods of approximately Baht 1.1 million (31 December 2006: 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 represents fixed deposits of the Company and its subsidiary which have been pledged with the banks to secure credit facilities.

(UNAUDITED BUT REVIEWED)

8. INVESTMENT IN SUBSIDIARY

This represents 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	
	30 September	31 December	30 September	31 December	30 September	31 December
	2007	2006	2007	2006	2007	2006
			(%)	(%)		
Siam Teltech Computer Co., Ltd.	55,000	55,000	97.87	97.87	83,899	83,899

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	
	30 September 2007	31 December 2006	30 September 2007	31 December 2006
	Investment in available-for-sale securities, at cost	55,843	55,843	30,672
Less : Unrealised loss on change in value of the investment in available-for-sale securities	(41,851)	(43,884)	(23,273)	(24,348)
Other long-term investment - net	13,992	11,959	7,399	6,324

10. PROPERTY, PLANT AND EQUIPMENT

Movements of the property, plant and equipment account during the nine-month period ended 30 September 2007 are summarised below.

(Unit : Thousand Baht)

	Consolidated financial	Separate financial
	statements	statements
Net book value as at 1 January 2007	545,735	536,464
Acquisitions during period – at cost	23,738	22,820
Disposals during the period – net book value at disposal date	(1,567)	(1,525)
Transfers out	(1,896)	(1,896)
Depreciation for period	(71,718)	(69,422)
Net book value as at 30 September 2007	494,292	486,441

Public telephone project

As at 30 September 2007, property, plant and equipment included public telephones with a total net book value of Baht 351 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 30 September 2007, the Company had been able to install only 11,928 telephones (8,635 under the first contract, 1,855 under the second, and 1,438 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.

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 30 September 2007 and 31 December 2006 consist of:-

	Interest rate (percent per annum)	(Unit : Thousand Baht)			
		Consolidated financial statements		Separate financial statements	
		30 September 2007	31 December 2006	30 September 2007	31 December 2006
Bank overdrafts	MOR, MOR+0.5	-	14,081	-	14,081
Short-term bank loans	MLR	302,561	230,113	19,675	19,675
Total		302,561	244,194	19,675	33,756

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.

(UNAUDITED BUT REVIEWED)

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 30 September 2007 and 31 December 2006, based on due dates, are as follows:

	(Unit : Thousand Baht)	
	<u>Consolidated/Separate financial statements</u>	
	<u>30 September 2007</u>	<u>31 December 2006</u>
Trade accounts and notes payable - unrelated parties due within 1 year (presented under the caption of "Trade accounts and notes payable- unrelated parties" in the balance sheet)	347,560	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)	426,217	714,714
Total	<u>773,777</u>	<u>1,013,656</u>

The above outstanding balance of trade accounts and notes payable is secured by Triple T Broadband Plc. (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)	
	<u>Consolidated/Separate financial statements</u>	
	<u>30 September 2007</u>	<u>31 December 2006</u>
Long-term loans	37,568	98,768
Less: Current portion	(37,568)	(50,400)
Net	<u>-</u>	<u>48,368</u>

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. SHARE CAPITAL

On 1 September 2006, the Meeting No. 6/2006 of the Board of Directors of the Company approved the sale of 175,000,000 additional ordinary shares to be offered to the public at a price of Baht 3.20 per share, and on 12 September 2006, the Company received the payment of the capital increase. All expenses related to this share offering are presented as a deduction from share premium. The Company registered the increase in its paid-up capital to Baht 700,000,000 with the Ministry of Commerce on 13 September 2006.

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

16. 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. On 4 May 2007, the Company's directors and employees exercised their rights to purchase the Company's ordinary shares as discussed in Note 15. Following the second allocation of shares under the continuing 5-year scheme, 3,000,000 shares are available for future allocation.

17. ESOP WARRANTS

As at 30 September 2007, there were 21,250,000 unexercised ordinary share warrants which had been granted to the Company's directors and employees. These warrants can be converted into an ordinary share at an exercise price ranging between Baht 1 and Baht 2, depending on the level of consolidated net income of the Company. The exercise period for such warrants is between 28 December 2007 and 27 October 2011.

(UNAUDITED BUT REVIEWED)

18. 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.

	Consolidated financial statements					
	For the three-month periods ended 30 September					
	Net income		Weighted average number of ordinary shares		Earnings per share	
2007	2006	2007	2006	2007	2006	
(Thousand Baht)	(Thousand Baht)	(Thousand shares)	(Thousand shares)	(Baht)	(Baht)	
Basic earnings per share						
Net income	1,539	77,785	702,000	561,141	0.002	0.139
Effect of dilutive potential ordinary shares						
ESOP warrants granted to the Company's directors and employees	-	-	7,506	-		
Diluted earnings per share						
Net income of ordinary shareholders assuming the conversion of warrants to ordinary shares	<u>1,539</u>	<u>77,785</u>	<u>709,506</u>	<u>561,141</u>	0.002	0.139

(UNAUDITED BUT REVIEWED)

Separate financial statements						
For the three-month periods ended 30 September						
Net income		Weighted average number of ordinary shares		Earnings per share		
<u>2007</u>	<u>2006</u>	<u>2007</u>	<u>2006</u>	<u>2007</u>	<u>2006</u>	
(Thousand Baht)	(Thousand Baht)	(Thousand shares)	(Thousand shares)	(Baht)	(Baht)	
	(Restated)				(Restated)	
Basic earnings per share						
Net income	9,380	77,530	702,000	561,141	0.013	0.138
Effect of dilutive potential ordinary shares						
ESOP warrants granted to the Company's directors and employees	-	-	7,506	-		
Diluted earnings per share						
Net income of ordinary shareholders assuming the conversion of warrants to ordinary shares	<u>9,380</u>	<u>77,530</u>	<u>709,506</u>	<u>561,141</u>	0.013	0.138

Consolidate financial statements						
For the nine-month periods ended 30 September						
Net income		Weighted average number of ordinary shares		Earnings per share		
<u>2007</u>	<u>2006</u>	<u>2007</u>	<u>2006</u>	<u>2007</u>	<u>2006</u>	
(Thousand Baht)	(Thousand Baht)	(Thousand shares)	(Thousand shares)	(Baht)	(Baht)	
Basic earnings per share						
Net income	97,128	232,264	701,549	537,179	0.138	0.432
Effect of dilutive potential ordinary shares						
ESOP warrants granted to the Company's directors and employees	-	-	9,053	-		
Diluted earnings per share						
Net income of ordinary shareholders assuming the conversion of warrants to ordinary shares	<u>97,128</u>	<u>232,264</u>	<u>710,602</u>	<u>537,179</u>	0.137	0.432

(UNAUDITED BUT REVIEWED)

Separate financial statements						
For the nine-month periods ended 30 September						
Net income		Weighted average number of ordinary shares		Earnings per share		
2007	2006	2007	2006	2007	2006	
(Thousand Baht)	(Thousand Baht)	(Thousand shares)	(Thousand shares)	(Baht)	(Baht)	
	(Restated)				(Restated)	
Basic earnings per share						
Net income	104,644	218,389	701,549	537,179	0.149	0.407
Effect of dilutive potential ordinary shares						
ESOP warrants granted to the Company's directors and employees	-	-	9,053	-		
Diluted earnings per share						
Net income of ordinary shareholders assuming the conversion of warrants to ordinary shares	104,644	218,389	710,602	537,179	0.147	0.407

19. 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 and nine-month periods ended 30 September 2007 and 2006 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		Rental of public telephones segment		Other segments		Consolidation	
	2007	2006	2007	2006	2007	2006	2007	2006
Revenue from external customers	117	893	41	47	27	29	185	969

(UNAUDITED BUT REVIEWED)

(Unit : Million Baht)

For the nine-month periods ended 30 September

	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	1,064	1,736	126	154	116	68	1,306

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.

20. DIVIDENDS

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

21. COMMITMENTS AND CONTINGENT LIABILITIES

21.1 Capital commitments

As at 30 September 2007, the Company had capital commitments of approximately Baht 67.5 million, relating to the purchase of public telephones.

21.2 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 30 September 2007 are as follows:

	(Unit : Million Baht)	
	Consolidated financial statements	Separate financial statements
Payable within:		
1 year	13.8	7.5
2 - 3 years	20.8	10.9

21.3 Guarantees

As at 30 September 2007, there were outstanding bank guarantees of Baht 537.2 million (31 December 2006: Baht 627.6 million) issued by the banks on behalf of the Company and its subsidiary, with Baht 294.1 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.

21.4 Letters of credit

As at 30 September 2007, the Company had outstanding commitments under letters of credit with local and overseas suppliers amounting to approximately USD 0.9 million and Baht 109.4 million.

22. FINANCIAL INSTRUMENTS**22.1 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 30 September 2007 are summarised below.

Foreign currency	Consolidated financial statements		
	Financial assets	Financial liabilities	Average exchange rate as at 30 September 2007
	(Million)	(Million)	(Baht per 1 foreign currency unit)
US dollar	33.9	28.5	34.1901
Euro	-	0.5	48.3962

Foreign currency	Separate financial statements		
	Financial assets	Financial liabilities	Average exchange rate as at 30 September 2007
	(Million)	(Million)	(Baht per 1 foreign currency unit)
US dollar	22.7	24.4	34.1901
Euro	-	0.5	48.3962

(UNAUDITED BUT REVIEWED)

Foreign exchange contracts outstanding at 30 September 2007 are summarised below.

Foreign currency	Bought amount (Million)	Contractual exchange rate
		Bought (Baht per 1 foreign currency unit)
US dollar	0.5	33.6600 - 37.4235
Euro	0.1	46.9700 - 47.0200

22.2 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 trade account and notes receivable-related party, and trade accounts and notes payable-unrelated parties which have book values and fair values as follows:

(Unit : Million Baht)

30 September 2007

	Carrying amount	Fair value
Financial assets		
Trade account and notes receivable - related party (Note 4)	872	825
Financial liabilities		
Trade accounts and notes payable - unrelated parties (Note 13)	774	717

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.

23. APPROVAL OF FINANCIAL STATEMENTS

These interim financial statements were authorised for issue by the Company's Board of Directors on 13 November 2007.