

Jasmine Telecom Systems Public Company Limited
and its subsidiary
Report and consolidated interim financial statements
For the three-month and six-month periods ended
30 June 2009 and 2008

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 June 2009, the related consolidated statements of income for the three-month and six-month periods ended 30 June 2009 and 2008, and the consolidated statements of changes in shareholders' equity and cash flows for the six-month periods ended 30 June 2009 and 2008, and the separate financial statements of Jasmine Telecom Systems Public Company Limited for the same periods. These financial statements are the responsibility of the management of the Company and its subsidiary as to their correctness and the completeness of the presentation. My responsibility is to issue a report on these financial statements based on my reviews.

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

- A) As described in Note 2 to the financial statements, as at 30 June 2009, the Company and its subsidiary had outstanding balances receivable from a related company amounting to approximately Baht 607 million. The balances are recorded under the captions of "Trade accounts and notes receivable - related parties", "Amounts due from related parties", and "Unbilled receivable from related parties" in the consolidated balance sheet (approximately Baht 227 million in the separate balance sheet). Most of the balances are long outstanding. In considering the collectability of the outstanding balances, the management of the Company and its subsidiary received cash flow projections, which had been prepared by the related company. They show that the related company will have sufficient future cash flows to make full payment. On 22 April

2008, the related company filed a petition for business rehabilitation with the Central Bankruptcy Court and the Court accepted the petition. Subsequently, on 2 June 2009, the creditors passed the resolution to select the rehabilitation planner for the related company and on 22 July 2009, the Central Bankruptcy Court ordered an appointment of the rehabilitation planner. However, the rehabilitation plan is still required to be approved by the creditors and the Court. The adequacy of the allowance for doubtful accounts for the outstanding balances is dependent upon the rehabilitation, and the management of the Company and its subsidiary cannot determine the appropriate amount at this stage. I was unable to review and audit to satisfy myself as to the adequacy of the allowance for doubtful accounts, and this constitutes a limitation imposed by circumstance.

- B) As described in Note 12 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 the reasons described in that note.

Based on my reviews, except for any adjustments that might be required to the financial statements for the three-month and six-month periods ended 30 June 2009 as a result of the matters discussed in paragraph A) and non-disclosure of information relating to the operating results by business segment in the financial statements for the three-month and six-month periods ended 30 June 2009 and 2008 as described in paragraph B), nothing has come to my attention that causes me to believe that the accompanying financial statements are not presented fairly, in all material respects, in accordance with generally accepted accounting principles.

I have previously audited the consolidated financial statements of Jasmine Telecom Systems Public Company Limited and its subsidiary, and the separate financial statements of Jasmine Telecom Systems Public Company Limited for the year ended 31 December 2008, in accordance with generally accepted auditing standards and expressed a qualified opinion on those statements with respect to a limitation imposed by circumstance that made me unable to audit to satisfy myself as to the adequacy of the allowance for doubtful accounts for the outstanding receivable balances from a related company, and the Company's being unable to disclose information relating to the results of its operations by business segment, under my report dated 23 February 2009. The consolidated and separate balance sheets as at 31 December 2008, as presented herein for comparative purposes, formed an integral part of the financial statements which I audited and reported on. I have not performed any other audit procedures subsequent to the date of that report.

Supachai Phanyawattano
Certified Public Accountant (Thailand) No. 3930

Ernst & Young Office Limited
Bangkok: 11 August 2009

Jasmine Telecom Systems Public Company Limited and its subsidiary

Balance sheets

(Unit: Thousand Baht)

	Note	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
		<u>30 June 2009</u>	<u>31 December 2008</u>	<u>30 June 2009</u>	<u>31 December 2008</u>
		(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
Assets					
Current assets					
Cash and cash equivalents		198,245	205,903	172,371	163,364
Current investments - restricted bank deposits		2,082	1,120	358	358
Trade accounts and notes receivable					
Related parties	2, 3	1,293,076	1,242,255	1,027,756	1,014,501
Unrelated parties	3	609,494	415,508	604,720	409,813
Total trade accounts and notes receivable		1,902,570	1,657,763	1,632,476	1,424,314
Amounts due from related parties	2	15,875	17,183	15,541	17,183
Inventories - net		126,889	94,146	123,653	94,094
Other current assets					
Prepaid project cost		437,608	316,957	431,479	265,435
Unbilled receivable from related parties	2	182,122	176,626	65,112	64,863
Unbilled receivable from unrelated parties		19,291	23,963	3,388	11,079
Others		152,992	229,501	66,648	145,116
Total other current assets		792,013	747,047	566,627	486,493
Total current assets		3,037,674	2,723,162	2,511,026	2,185,806
Non-current assets					
Restricted bank deposits		65,286	66,105	62,024	56,056
Long-term trade accounts and notes receivable from related parties	2	737,317	22,115	737,317	22,115
Investment in subsidiary	4	-	-	83,899	83,899
Long-term investments in available-for-sale securities	5	6,697	4,425	3,542	2,340
Property, plant and equipment - net	6	381,557	432,302	376,090	426,942
Deposits		5,197	5,203	3,641	3,521
Total non-current assets		1,196,054	530,150	1,266,513	594,873
Total assets		4,233,728	3,253,312	3,777,539	2,780,679

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

Jasmine Telecom Systems Public Company Limited and its subsidiary

Balance sheets (continued)

(Unit: Thousand Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>		
	<u>Note</u>	<u>30 June 2009</u> (Unaudited but reviewed)	<u>31 December 2008</u> (Audited)	<u>30 June 2009</u> (Unaudited but reviewed)	<u>31 December 2008</u> (Audited)
Liabilities and shareholders' equity					
Current liabilities					
Short-term bank loans		387,676	293,985	98,000	-
Trust receipts		213,258	136,556	213,258	136,556
Trade accounts and notes payable					
Related parties	2	24,932	134	24,932	134
Unrelated parties	7	819,437	780,531	806,536	758,497
Total trade accounts and notes payable		844,369	780,665	831,468	758,631
Amounts due to related parties	2	11,133	8,283	2,113	1,203
Other current liabilities					
Accrued project cost		210,736	242,473	54,158	80,134
Advance received from related parties	2	5,264	3,735	2,728	1,199
Advance received from unrelated parties		233,816	114,517	233,816	114,517
Others		42,460	22,022	37,098	17,455
Total other current liabilities		492,276	382,747	327,800	213,305
Total current liabilities		1,948,712	1,602,236	1,472,639	1,109,695
Non-current liabilities					
Long-term trade accounts and notes payable - unrelated parties	7	593,460	-	593,460	-
Total non-current liabilities		593,460	-	593,460	-
Total liabilities		2,542,172	1,602,236	2,066,099	1,109,695

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

Jasmine Telecom Systems Public Company Limited and its subsidiary

Balance sheets (continued)

(Unit: Thousand Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>		
	<u>Note</u>	<u>30 June 2009</u>	<u>31 December 2008</u>	<u>30 June 2009</u>	<u>31 December 2008</u>
		(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
Shareholders' equity					
Share capital					
Registered					
726,250,000 ordinary shares of Baht 1 each		<u>726,250</u>	<u>726,250</u>	<u>726,250</u>	<u>726,250</u>
Issued and fully paid-up					
702,950,000 ordinary shares of Baht 1 each		702,950	702,950	702,950	702,950
Share premium		418,812	418,812	418,812	418,812
Unrealised gain (loss)					
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 investments in available-for-sale securities					
		(6,060)	(8,309)	(3,162)	(4,364)
Retained earnings					
Appropriated - statutory reserve		56,685	56,685	56,685	56,685
Unappropriated		<u>509,647</u>	<u>471,417</u>	<u>536,155</u>	<u>496,901</u>
Equity attributable to the Company's shareholders		1,690,192	1,649,713	1,711,440	1,670,984
Minority interest- equity attributable to minority shareholders of subsidiary					
		<u>1,364</u>	<u>1,363</u>	-	-
Total shareholders' equity		<u>1,691,556</u>	<u>1,651,076</u>	<u>1,711,440</u>	<u>1,670,984</u>
Total liabilities and shareholders' equity		<u>4,233,728</u>	<u>3,253,312</u>	<u>3,777,539</u>	<u>2,780,679</u>
		-	-	-	-

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

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Directors
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(Unaudited but reviewed)

Jasmine Telecom Systems Public Company Limited and its subsidiary**Income statements****For the three-month periods ended 30 June 2009 and 2008**

(Unit: Thousand Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2009	2008	2009	2008
Revenues					
Sales and service income		965,387	363,748	946,694	340,607
Other income		16,065	7,172	15,673	6,205
Total revenues		981,452	370,920	962,367	346,812
Expenses					
Cost of sales and services		897,974	310,849	884,392	294,869
Selling and servicing expenses		7,365	8,152	6,175	6,363
Administrative expenses		30,367	30,343	25,755	25,102
Management's remuneration		5,891	6,093	3,192	3,155
Exchange loss		1,022	2,005	1,093	156
Loss on impairment of investment in available-for-sale securities	5	-	36,594	-	23,968
Total expenses		942,619	394,036	920,607	353,613
Income (loss) before finance cost and corporate income tax		38,833	(23,116)	41,760	(6,801)
Finance cost		(18,718)	(9,085)	(14,170)	(3,931)
Income (loss) before corporate income tax		20,115	(32,201)	27,590	(10,732)
Corporate income tax		(4,934)	(2,192)	(6,867)	(3,713)
Net income (loss) for the period		15,181	(34,393)	20,723	(14,445)
Net income (loss) attributable to:					
Equity holders of the parent		15,299	(33,828)	20,723	(14,445)
Minority interests of the subsidiary		(118)	(565)		
		15,181	(34,393)		

(Unit: Baht)

Earnings (loss) per share		10			
Basic earnings (loss) per share					
Net income (loss) attributable to equity holders					
of the parent		0.02	(0.05)	0.03	(0.02)
Weighted average number of ordinary shares (shares)		702,950,000	702,584,615	702,950,000	702,584,615
Diluted earnings (loss) per share					
Net income (loss) attributable to equity holders					
of the parent		0.02	(0.05)	0.03	(0.02)
Weighted average number of ordinary shares (shares)		702,950,000	702,584,615	702,950,000	702,584,615

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 six-month periods ended 30 June 2009 and 2008**

(Unit: Thousand Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2009	2008	2009	2008
Revenues					
Sales and service income		1,799,492	632,089	1,684,512	561,092
Exchange gains		845	10,589	2,157	1,731
Other income		23,013	13,873	22,555	12,506
Total revenues		1,823,350	656,551	1,709,224	575,329
Expenses					
Cost of sales and services		1,661,043	529,187	1,568,370	475,291
Selling and servicing expenses		13,218	17,773	10,927	15,122
Administrative expenses		55,974	56,794	50,573	44,504
Management's remuneration		11,801	17,516	6,403	11,478
Loss on impairment of investment in available-for-sale securities	5	-	36,594	-	23,968
Total expenses		1,742,036	657,864	1,636,273	570,363
Income (loss) before finance cost and corporate income tax					
		81,314	(1,313)	72,951	4,966
Finance cost		(30,088)	(16,099)	(20,679)	(6,019)
Income (loss) before corporate income tax		51,226	(17,412)	52,272	(1,053)
Corporate income tax		(13,018)	(6,116)	(13,018)	(6,116)
Net income (loss) for the period		38,208	(23,528)	39,254	(7,169)
Net income (loss) attributable to:					
Equity holders of the parent		38,230	(23,040)	39,254	(7,169)
Minority interests of the subsidiary		(22)	(488)		
		38,208	(23,528)		

(Unit: Baht)

Earnings (loss) per share		10			
Basic earnings (loss) per share					
Net income (loss) attributable to equity holders of the parent					
		0.05	(0.03)	0.06	(0.01)
Weighted average number of ordinary shares (shares)					
		702,950,000	702,292,308	702,950,000	702,292,308
Diluted earnings (loss) per share					
Net income (loss) attributable to equity holders of the parent					
		0.05	(0.03)	0.06	(0.01)
Weighted average number of ordinary shares (shares)					
		702,950,000	702,292,308	702,950,000	702,292,308

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 six-month periods ended 30 June 2009 and 2008

(Unit: Thousand Baht)

Consolidated financial statements								
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 investments in available-for-sale securities	Retained earnings		Minority interest - equity attributable to minority shareholders of subsidiary	Total	
				Appropriated	Unappropriated			
Balance as at 31 December 2007 (Audited)	702,000	418,812	8,158	(38,215)	55,542	667,108	1,503	1,814,908
Expense recognised directly in equity:								
Investment in available-for-sale securities								
Transferred to income statements (Note 5)	-	-	-	38,215	-	-	428	38,643
Loss recognised in shareholders' equity	-	-	-	(2,626)	-	-	(25)	(2,651)
Net expenses recognised directly in equity	-	-	-	35,589	-	-	403	35,992
Net loss for the period	-	-	-	-	-	(23,040)	(488)	(23,528)
Total expenses for the period	-	-	-	35,589	-	(23,040)	(85)	12,464
Dividend paid (Note 12)	-	-	-	-	-	(61,073)	-	(61,073)
Share capital issued	950	-	-	-	-	-	-	950
Balance as at 30 June 2008	<u>702,950</u>	<u>418,812</u>	<u>8,158</u>	<u>(2,626)</u>	<u>55,542</u>	<u>582,995</u>	<u>1,418</u>	<u>1,767,249</u>

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

(Unaudited but reviewed)

Jasmine Telecom Systems Public Company Limited and its subsidiary

Statements of changes in shareholders' equity (continued)

For the six-month periods ended 30 June 2009 and 2008

(Unit: Thousand Baht)

Consolidated financial statements								
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 investments in available-for-sale securities	Retained earnings		Minority interest - equity attributable to minority shareholders of subsidiary	Total	
				Appropriated	Unappropriated			
Balance as at 31 December 2008 (Audited)	702,950	418,812	8,158	(8,309)	56,685	471,417	1,363	1,651,076
Income recognised directly in equity:								
Investment in available-for-sale securities								
Gain recognised in shareholders' equity	-	-	-	2,249	-	-	23	2,272
Net income recognised directly in equity	-	-	-	2,249	-	-	23	2,272
Net income for the period	-	-	-	-	-	38,230	(22)	38,208
Total income for the period	-	-	-	2,249	-	38,230	1	40,480
Balance as at 30 June 2009	<u>702,950</u>	<u>418,812</u>	<u>8,158</u>	<u>(6,060)</u>	<u>56,685</u>	<u>509,647</u>	<u>1,364</u>	<u>1,691,556</u>

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

(Unaudited but reviewed)

Jasmine Telecom Systems Public Company Limited and its subsidiary

Statements of changes in shareholders' equity (continued)

For the six-month periods ended 30 June 2009 and 2008

(Unit: Thousand Baht)

Separate financial statements

	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 investments in available-for-sale securities	Retained earnings		Total
					Appropriated	Unappropriated	
Balance as at 31 December 2007 (Audited)	702,000	418,812	-	(24,980)	55,542	676,839	1,828,213
Expense recognised directly in equity:							
Investment in available-for-sale securities							
Transferred to income statements (Note 5)	-	-	-	24,980	-	-	24,980
Loss recognised in shareholders' equity	-	-	-	(1,328)	-	-	(1,328)
Net expenses recognised directly in equity	-	-	-	23,652	-	-	23,652
Net loss for the period	-	-	-	-	-	(7,169)	(7,169)
Total expenses for the period	-	-	-	23,652	-	(7,169)	16,483
Dividend paid (Note 12)	-	-	-	-	-	(61,073)	(61,073)
Share capital issued	950	-	-	-	-	-	950
Balance as at 30 June 2008	<u>702,950</u>	<u>418,812</u>	<u>-</u>	<u>(1,328)</u>	<u>55,542</u>	<u>608,597</u>	<u>1,784,573</u>

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

(Unaudited but reviewed)

Jasmine Telecom Systems Public Company Limited and its subsidiary

Statements of changes in shareholders' equity (continued)

For the six-month periods ended 30 June 2009 and 2008

(Unit: Thousand Baht)

Separate financial statements							
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 investments in available-for-sale securities	Retained earnings		Total	
				Appropriated	Unappropriated		
Balance as at 31 December 2008 (Audited)	702,950	418,812	-	(4,364)	56,685	496,901	1,670,984
Income recognised directly in equity:							
Investment in available-for-sale securities							
Gain recognised in shareholders' equity	-	-	-	1,202	-	-	1,202
Net income recognised directly in equity	-	-	-	1,202	-	-	1,202
Net income for the period	-	-	-	-	-	39,254	39,254
Total income for the period	-	-	-	1,202	-	39,254	40,456
Balance as at 30 June 2009	<u>702,950</u>	<u>418,812</u>	<u>-</u>	<u>(3,162)</u>	<u>56,685</u>	<u>536,155</u>	<u>1,711,440</u>

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

(Unaudited but reviewed)

Jasmine Telecom Systems Public Company Limited and its subsidiary**Cash flow statements****For the six-month periods ended 30 June 2009 and 2008**

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	<u>2009</u>	<u>2008</u>	<u>2009</u>	<u>2008</u>
Cash flows from operating activities				
Net income (loss) before tax	51,226	(17,412)	52,272	(1,053)
Adjustments to reconcile net income (loss) to net cash provided by (paid from) operating activities:				
Depreciation	51,880	51,194	50,772	49,657
Loss on impairment of investment in available-for-sale securities	-	36,187	-	23,968
Loss (gain) on disposal of equipment	(5)	280	-	280
Unrealised loss on exchange	5,204	207	5,042	264
Interest income	(20,243)	(12,183)	(20,135)	(11,446)
Interest expenses	28,732	13,430	19,351	3,466
Minority interest in loss on impairment of investment in available-for-sale securities	-	403	-	-
Income from operating activities before changes in operating assets and liabilities	116,794	72,106	107,302	65,136
Operating assets (increase) decrease				
Trade accounts and notes receivable	(982,187)	(73,530)	(945,653)	5,016
Amounts due from related parties	933	(392)	1,267	(392)
Inventories	(30,253)	6,271	(27,069)	1,902
Other current assets	(42,295)	(66,936)	(78,862)	(93,743)
Other assets	6	180	(120)	(41)
Operating liabilities increase (decrease)				
Trade accounts and notes payable	678,201	(270,449)	687,326	(279,647)
Amounts due to related parties	2,850	1,953	910	(89)
Other current liabilities	109,136	54,409	114,383	59,116
Cash flows used in operating activities	(146,815)	(276,388)	(140,516)	(242,742)
Cash paid for interest expenses	(17,016)	(13,260)	(7,635)	(3,306)
Cash paid for corporate income tax	(15,718)	(10,011)	(14,290)	(9,073)
Net cash flows used in operating activities	(179,549)	(299,659)	(162,441)	(255,121)

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 six-month periods ended 30 June 2009 and 2008

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	<u>2009</u>	<u>2008</u>	<u>2009</u>	<u>2008</u>
Cash flows from investing activities				
Decrease (increase) in current investments - restricted				
bank deposits	(962)	4	-	(79)
Decrease (increase) in restricted bank deposits	819	6,953	(5,968)	5,687
Interest income	5,261	8,766	5,124	8,257
Acquisitions of equipment	(3,937)	(1,999)	(2,410)	(1,202)
Proceeds from sales of equipment	317	-	-	-
Net cash flows from (used in) investing activities	1,498	13,724	(3,254)	12,663
Cash flows from financing activities				
Increase (decrease) in bank overdrafts				
and short-term bank loans	93,691	7,632	98,000	(9,776)
Increase in trust receipts	76,702	228,321	76,702	228,321
Proceeds from increase in share capital	-	950	-	950
Dividend paid	-	(61,073)	-	(61,073)
Net cash flows from financing activities	170,393	175,830	174,702	158,422
Net increase (decrease) in cash and cash equivalents	(7,658)	(110,105)	9,007	(84,036)
Cash and cash equivalents at beginning of period	205,903	728,586	163,364	654,095
Cash and cash equivalents at end of period	198,245	618,481	172,371	570,059
	-	-	-	-

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

Jasmine Telecom Systems Public Company Limited and its subsidiary

Notes to consolidated interim financial statements

For the three-month and six-month periods ended 30 June 2009 and 2008

1. General information

1.1 Corporate information

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

1.2 Basis for the preparation of interim financial statements

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

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

1.3 Basis of consolidation

These consolidated financial statements included the financial statements of Jasmine Telecom Systems Public Company Limited and Siam Teltech Computer Company Limited, a 97.87%-owned subsidiary company, and have been prepared on the same basis as that applied for the consolidated financial statements for the year ended 31 December 2008, with no structural changes related to subsidiary company occurring during the current period.

1.4 Adoption of new accounting standards

In June 2009, the Federation of Accounting Professions has issued Notification No. 12/2552, regarding the renumbering of Thai Accounting Standards to match the corresponding International Accounting Standards. Therefore the numbers of Thai Accounting Standards as used in these financial statements are corresponded to those per this notification.

The Federation of Accounting Professions has issued Notification No. 86/2551 and 16/2552, mandating the use of new accounting standards, financial reporting standard and accounting treatment guidance as follows.

a) Accounting standards, financial reporting standard and accounting treatment guidance which are effective for the current year

Framework for Preparation and Presentation of Financial Statements (revised 2007)	
TAS 36 (revised 2007)	Impairment of Assets
TFRS 5 (revised 2007)	Non-current Assets Held for Sale and Discontinued Operations

Accounting Treatment Guidance for Leasehold right

Accounting Treatment Guidance for Business Combination under Common Control

These accounting standards, financial reporting standard and accounting treatment guidance became effective for the financial statements for fiscal years beginning on or after 1 January 2009. The management of the Company has assessed the effect of these standards and believes that Accounting Treatment Guidance for Leasehold right and Accounting Treatment Guidance for Business Combination under Common Control are not relevant to the business of the Company, the above accounting standards, while Framework for Preparation and Presentation of Financial Statements (revised 2007), TAS 36 (revised 2007), and TFRS 5 (revised 2007) will not have any significant impact on the financial statements for the current period.

b) Accounting standards which are not effective for the current year

		<u>Effective date</u>
TAS 20	Accounting for Government Grants and Disclosure of Government Assistance	1 January 2012
TAS 24 (revised 2007)	Related Party Disclosures	1 January 2011
TAS 40	Investment Property	1 January 2011

However, TAS 24 (revised 2007) and TAS 40 allows early adoption by the entity before the effective date.

The management of the Company is still evaluating the effect of these three accounting standards and has not been able to reach a conclusion as to their effect to 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 2008.

2. Related party transactions

During the periods, the Company and its subsidiary had significant business transactions with related parties, which have been concluded on commercial terms and bases agreed upon in the ordinary course of business between the Company and those related parties. Such transactions, for the three-month and six-month periods ended 30 June 2009 and 2008, are summarised below.

(Unit: Million Baht)

	Consolidated financial statements				Transfer Pricing Policy
	For the three-month periods ended 30 June		For the six-month periods ended 30 June		
	<u>2009</u>	<u>2008</u>	<u>2009</u>	<u>2008</u>	
<u>Transactions with parent company</u>					
Sales and service income	0.4	-	0.4	-	Contract price or at prices normally charged to other customers or cost plus margin
Office rental and service expenses	2.7	2.7	4.6	5.5	Contract price or at prices normally charged to other customers
Other expenses	0.4	0.2	0.6	0.4	Contract price or at prices normally charged to other customers
<u>Transactions with related companies</u>					
Sales and service income	542.1	67.1	1,269.3	108.6	Contract price or at prices normally charged to other customers or cost plus margin
Interest income	13.4	1.8	19.1	3.6	MLR per annum
Cost of sales and services	20.5	4.3	24.7	14.5	Contract price or at prices normally charged to other customers
Office rental and service expenses	-	0.3	0.8	0.8	Contract price or at prices normally charged to other customers
Other expenses	1.7	1.9	3.6	3.9	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 June		For the six-month periods ended 30 June		
	<u>2009</u>	<u>2008</u>	<u>2009</u>	<u>2008</u>	
<u>Transactions with parent company</u>					
Sales and service income	0.4	-	0.4	-	Contract price or at prices normally charged to other customers or cost plus margin
Office rental and service expenses	2.0	1.5	3.0	3.0	Contract price or at prices normally charged to other customers
Other expenses	0.1	0.1	0.2	0.3	Contract price or at prices normally charged to other customers
<u>Transactions with related companies</u>					
Sales and service income	534.3	62.1	1,184.2	93.2	Contract price or at prices normally charged to other customers or cost plus margin
Interest income	13.4	1.8	19.1	3.6	MLR per annum
Cost of sales and services	20.5	4.3	24.7	14.4	Contract price or at prices normally charged to other customers
Office rental and service expenses	-	0.3	0.8	0.8	Contract price or at prices normally charged to other customers
Other expenses	1.3	1.1	2.4	2.2	Contract price or at prices normally charged to other customers

(Unaudited but reviewed)

The balances of the accounts as at 30 June 2009 and 31 December 2008 between the Company and those related companies are as follows:

	Consolidated		(Unit: Thousand Baht)	
	financial statements		Separate	
	30 June	31 December	30 June	31 December
	2009	2008	2009	2008
		(Audited)		(Audited)
<u>Trade accounts and notes receivable - related parties</u>				
<u>Parent company</u>				
Jasmine International Plc.	8,156	8,156	8,156	8,156
<u>Related companies</u>				
TT&T Plc.	474,488	439,447	211,891	211,959
Triple T Broadband Plc.	593,048	680,223	593,048	680,223
Triple T Global Net Co., Ltd.	615	61,470	-	61,470
T.J.P. Engineering Co., Ltd.	25,949	25,949	25,949	25,949
Jastel Network Co., Ltd.	179,539	18,001	179,539	18,001
Triple T Internet Co., Ltd.	6,510	6,367	6,510	6,367
Jasmine Submarine Telecommunications Co., Ltd.	2,373	2,376	2,373	2,376
Acumen Co., Ltd.	194	-	194	-
TT&T Subscriber Services Co., Ltd.	2,204	266	96	-
Total trade accounts and notes receivable - related companies	1,284,920	1,234,099	1,019,600	1,006,345
Total trade accounts and notes receivable - related parties	1,293,076	1,242,255	1,027,756	1,014,501
<u>Amounts due from related parties</u>				
<u>Related companies</u>				
TT&T Plc.	15,508	15,883	15,508	15,883
Jasmine Submarine Telecommunications Co., Ltd.	-	1,260	-	1,260
Acumen Co., Ltd.	20	-	20	-
Triple T Broadband Plc.	347	40	13	40
Total amounts due from related parties	15,875	17,183	15,541	17,183
<u>Unbilled receivable from related parties</u>				
<u>Related companies</u>				
TT&T Plc.	117,010	96,813	-	-
T.J.P. Engineering Co., Ltd.	65,112	64,863	65,112	64,863
TT&T Subscriber Services Co., Ltd.	-	14,950	-	-
Total unbilled receivable from related parties	182,122	176,626	65,112	64,863

(Unaudited but reviewed)

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	30 June	31 December	30 June	31 December
	2009	2008	2009	2008
		(Audited)		(Audited)
<u>Long-term trade accounts and notes receivable from related parties</u>				
<u>Related companies</u>				
Triple T Global Net Co., Ltd.	-	22,115	-	22,115
Triple T Broadband Plc.	737,317	-	737,317	-
Total long-term trade accounts and notes receivable from related parties	737,317	22,115	737,317	22,115
<u>Trade accounts and notes payable - related parties</u>				
<u>Related companies</u>				
Jasmine Submarine Telecommunications Co., Ltd.	7,228	-	7,228	-
TT&T Subscriber Services Co., Ltd.	17,704	-	17,704	-
TT&T Plc.	-	134	-	134
Total trade accounts and notes payable - related parties	24,932	134	24,932	134
<u>Amounts due to related parties</u>				
<u>Parent company</u>				
Jasmine International Plc.	9,286	7,069	695	268
<u>Related companies</u>				
Jasmine Submarine Telecommunications Co., Ltd.	575	575	575	575
Premium Assets Co., Ltd.	723	469	388	250
Jasmine Internet Co., Ltd.	94	60	-	-
Triple T Broadband Plc.	28	33	28	33
Triple T Internet Co., Ltd.	27	27	27	27
Acumen Co., Ltd.	400	50	400	50
Total amounts due to related companies	1,847	1,214	1,418	935
Total amounts due to related parties	11,133	8,283	2,113	1,203
<u>Advance received from related parties</u>				
<u>Related companies</u>				
TT&T Plc.	2,536	2,536	-	-
Jastel Network Co., Ltd.	2,630	1,007	2,630	1,007
Triple T Global Net Co., Ltd.	-	94	-	94
Jasmine Submarine Telecommunications Co., Ltd.	90	90	90	90
Triple T Broadband Plc.	8	8	8	8
Total advance received from related parties	5,264	3,735	2,728	1,199

As at 30 June 2009, the Company and its subsidiary company had outstanding balances receivable from TT&T Plc. (TT&T), a related company amounting to approximately Baht 607 million. The balances are recorded under the captions of “Trade accounts and notes receivable - related parties”, “Amounts due from related parties”, and “Unbilled receivable from related parties” in the consolidated balance sheet (approximately Baht 227 million in the separate balance sheet). Most of the balances are long outstanding. In considering the collectability of the outstanding balances, the management of the Company and its subsidiary received cash flow projections, which had been prepared by TT&T. They show that TT&T will have sufficient future cash flows to make full payment. On 22 April 2008, TT&T filed a petition for business rehabilitation with the Central Bankruptcy Court and the Court accepted the petition. Subsequently, on 14 January 2009, a creditors’ meeting resolved to appoint TT&T as the rehabilitation planner. On 8 April 2009, the Court rejected TT&T as the rehabilitation planner, and ordered the Official Receiver to hold a creditors’ meeting again within 40 days to select a new rehabilitation planner. Subsequently, on 2 June 2009, the creditors passed the resolution to select P Planner Company Limited as the rehabilitation planner and on 22 July 2009, the Central Bankruptcy Court ordered an appointment of P Planner Company Limited as the rehabilitation planner. However, the rehabilitation plan is still required to be approved by the creditors and the Court. The adequacy of the allowance for doubtful accounts for the outstanding receivable balances is dependent upon the rehabilitation, and the management of the Company and its subsidiary cannot determine an appropriate amount at this stage.

Trade accounts and notes receivable-related parties

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

	(Unit: Thousand Baht)	
	30 June 2009	31 December 2008
	<u> </u>	<u> </u>
		(Audited)
Trade accounts and notes receivable from related parties due within 1 year (presented under the caption of “Trade accounts and notes receivable - related parties” in the balance sheet)	200,570	375,502
Trade accounts and notes receivable from related parties due over 1 year (presented under the caption of “Long-term trade accounts and notes receivable from related parties” in the balance sheet)	<u>737,317</u>	<u>22,115</u>
Total	<u>937,887</u>	<u>397,617</u>
Fair value	<u>937,887</u>	<u>397,617</u>

3. Trade accounts and notes receivable

The outstanding balances of trade accounts and notes receivable as at 30 June 2009 and 31 December 2008 are aged based on due date, as follows:

Age of receivables	Consolidated		(Unit: Thousand Baht)	
	financial statements		Separate	
	30 June 2009	31 December 2008	30 June 2009	31 December 2008
		(Audited)		(Audited)
<u>Related parties</u>				
Not yet due	323,889	572,520	316,795	566,658
Past due				
Up to 3 months	115,571	131,779	77,908	131,738
3 - 6 months	204,927	67,748	204,927	67,748
6 - 12 months	180,871	248,291	180,871	55,979
Over 12 months	467,818	221,917	247,255	192,378
Total	1,293,076	1,242,255	1,027,756	1,014,501
<u>Unrelated parties</u>				
Not yet due	398,949	291,152	396,302	287,149
Past due				
Up to 3 months	106,391	33,520	104,451	32,972
3 - 6 months	69,036	20,270	68,853	19,130
6 - 12 months	6,418	12,983	6,418	12,983
Over 12 months	28,700	57,583	28,696	57,579
Total	609,494	415,508	604,720	409,813
Total trade accounts and notes receivable	1,902,570	1,657,763	1,632,476	1,424,314

(Unaudited but reviewed)

Included in trade accounts and notes receivable from unrelated parties as at 30 June 2009 and 31 December 2008, were amounts receivable from the companies majority-owned by the government as follows:

(Unit: Thousand Baht)

Age of receivables	Consolidated financial statements		Separate financial statements	
	30 June 2009	31 December 2008	30 June 2009	31 December 2008
		(Audited)		(Audited)
Not yet due	392,054	281,753	390,817	278,201
Past due				
Up to 3 months	93,077	33,447	91,137	32,899
3 - 6 months	57,776	1,139	57,593	-
6 - 12 months	-	-	-	-
Over 12 months	27,204	57,279	27,204	57,279
Total	<u>570,111</u>	<u>373,618</u>	<u>566,751</u>	<u>368,379</u>

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

4. Investment in subsidiary

The Company has pledged the share certificates of the investment in 288,199 ordinary shares of Siam Teltech Company Co., Ltd. (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.

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

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

	Consolidated		(Unit: Thousand Baht)	
	financial statements		Separate financial statements	
	30 June	31 December	30 June	31 December
	2009	2008	2009	2008
		(Audited)		(Audited)
Investment in available-for-sale securities, at cost	55,843	55,843	30,672	30,672
Less: Allowance for impairment of investment in available-for-sale securities	(43,052)	(43,052)	(23,968)	(23,968)
Less: Unrealised loss on changes in value of investment in available-for-sale securities	(6,094)	(8,366)	(3,162)	(4,364)
Other long-term investment - available-for-sale securities - net	6,697	4,425	3,542	2,340

6. Property, plant and equipment

Movements of the property, plant and equipment account during the six-month period ended 30 June 2009 are summarised below.

	(Unit: Thousand Baht)	
	Consolidated	Separate
	financial statements	financial statements
Net book value as at 31 December 2008 (Audited)	432,302	426,942
Acquisitions during period - at cost	3,937	2,410
Disposals during the period - net book value as at disposal date	(312)	-
Transfer out	(2,490)	(2,490)
Depreciation for period	(51,880)	(50,772)
Net book value as at 30 June 2009	381,557	376,090

Public telephone project

As at 30 June 2009, property, plant and equipment included installed public telephones under the rental contracts with TOT Plc. ("TOT") and uninstalled public telephones, totaling 16,731 telephones, with a total net book value of approximately Baht 368 million (31 December 2008: totaling 16,835 telephones and total net book value of approximately Baht 398 million).

On 3 February 2009, the Company issued a letter to TOT Plc. (“TOT”) in order to seek approval from TOT to cancel the contracts with TOT to rent 30,000 public telephones for a 10-year period because the counterparties are unable to perform their duties as agreed in the contracts. Under this letter, the Company requested TOT to consider the cancellation of the rental contracts to be effective within 27 February 2009.

In April 2009, the meeting of the Board of Directors of TOT passed a resolution approving in principle to purchase public telephones from the Company. Currently, TOT is considering the purchase price and the approval of such purchase.

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

As at 30 June 2009, the management of the Company believes that the fair value of the whole public telephones is higher than the net book value.

7. Trade accounts and notes payable - unrelated parties

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

	(Unit: Thousand Baht)	
	30 June 2009	31 December 2008
		(Audited)
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)	71,774	347,676
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)	593,460	-
Total	<u>665,234</u>	<u>347,676</u>
Fair value	<u>665,234</u>	<u>347,676</u>

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

8. ESOP shares

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

	ESOP shares
Extraordinary General Meeting of Shareholders resolution date	9 March 2005
Total number of shares issued (shares)	5,000,000
Exercised period as from the issued date (years)	5
Initial offering date	3 November 2006
Expired date	2 November 2011
Exercised price (Baht per share)	Baht 1
Remaining shares	
As at 31 December 2008 (shares)	2,050,000
As at 30 June 2009 (shares)	2,050,000

9. ESOP warrants

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

	ESOP warrants
Extraordinary General Meeting of Shareholders resolution date	9 March 2005
Total number of warrants issued (units)	21,250,000
Exercised period as from the issued date (years)	5
Expired date	27 October 2011
Exercised ratio (warrant: ordinary share)	1 : 1
Exercised price (Baht per unit)	Baht 1 to Baht 2
Remaining warrants as at 31 December 2008 (units)	18,500,000
Remaining warrants as at 30 June 2009 (units)	18,500,000

10. Earnings (loss) per share

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

Diluted earnings (loss) per share is calculated by dividing net income (loss) 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 (loss) per share and diluted earnings (loss) per share is presented below.

Consolidated financial statements					
For the three-month periods ended 30 June					
Net income (loss)		Weighted average number of ordinary shares		Earnings (loss) per share	
<u>2009</u>	<u>2008</u>	<u>2009</u>	<u>2008</u>	<u>2009</u>	<u>2008</u>
(Thousand Baht)	(Thousand Baht)	(Thousand shares)	(Thousand shares)	(Baht)	(Baht)
Basic earnings (loss) per share					
Net income (loss) attributable to equity holders of the parent					
<u>15,299</u>	<u>(33,828)</u>	<u>702,950</u>	<u>702,585</u>	0.02	(0.05)
Diluted earnings (loss) per share					
Net income (loss) of ordinary shareholders assuming the conversion of warrants to ordinary shares					
<u>15,299</u>	<u>(33,828)</u>	<u>702,950</u>	<u>702,585</u>	0.02	(0.05)
Separate financial statements					
For the three-month periods ended 30 June					
Net income (loss)		Weighted average number of ordinary shares		Earnings (loss) per share	
<u>2009</u>	<u>2008</u>	<u>2009</u>	<u>2008</u>	<u>2009</u>	<u>2008</u>
(Thousand Baht)	(Thousand Baht)	(Thousand shares)	(Thousand shares)	(Baht)	(Baht)
Basic earnings (loss) per share					
Net income (loss) attributable to equity holders of the parent					
<u>20,723</u>	<u>(14,445)</u>	<u>702,950</u>	<u>702,585</u>	0.03	(0.02)
Diluted earnings (loss) per share					
Net income (loss) of ordinary shareholders assuming the conversion of warrants to ordinary shares					
<u>20,723</u>	<u>(14,445)</u>	<u>702,950</u>	<u>702,585</u>	0.03	(0.02)

(Unaudited but reviewed)

Consolidated financial statements
For the six-month periods ended 30 June

Net income (loss)	Weighted average number of ordinary shares		Earnings (loss) per share			
	<u>2009</u> (Thousand Baht)	<u>2008</u> (Thousand Baht)	<u>2009</u> (Thousand shares)	<u>2008</u> (Thousand shares)	<u>2009</u> (Baht)	<u>2008</u> (Baht)
Basic earnings (loss) per share						
Net income (loss) attributable to equity holders of the parent	<u>38,230</u>	<u>(23,040)</u>	<u>702,950</u>	<u>702,292</u>	0.05	(0.03)
Diluted earnings (loss) per share						
Net income (loss) of ordinary shareholders assuming the conversion of warrants to ordinary shares	<u>38,230</u>	<u>(23,040)</u>	<u>702,950</u>	<u>702,292</u>	0.05	(0.03)

Separate financial statements
For the six-month periods ended 30 June

Net income (loss)	Weighted average number of ordinary shares		Earnings (loss) per share			
	<u>2009</u> (Thousand Baht)	<u>2008</u> (Thousand Baht)	<u>2009</u> (Thousand shares)	<u>2008</u> (Thousand shares)	<u>2009</u> (Baht)	<u>2008</u> (Baht)
Basic earnings (loss) per share						
Net income (loss) attributable to equity holders of the parent	<u>39,254</u>	<u>(7,169)</u>	<u>702,950</u>	<u>702,292</u>	0.06	(0.01)
Diluted earnings (loss) per share						
Net income (loss) of ordinary shareholders assuming the conversion of warrants to ordinary shares	<u>39,254</u>	<u>(7,169)</u>	<u>702,950</u>	<u>702,292</u>	0.06	(0.01)

ESOP warrants granted to the Company's directors and employees were not included in calculation of diluted earnings (loss) per share for the three-month and six-month periods ended 30 June 2009 and 2008 since the exercise prices to purchase ordinary shares are higher than the average market price.

11. 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 Thailand. Below is the consolidated financial information for the three-month and six-month periods ended 30 June 2009 and 2008 of the Company and its subsidiary by segment.

(Unit: Million Baht)

		For the three-month periods ended 30 June							
		Design and installation of telecommunication systems segment		Rental of public telephones segment		Other segments		Consolidation	
		2009	2008	2009	2008	2009	2008	2009	2008
Revenue from external customers		932	315	17	26	16	23	965	364

(Unit: Million Baht)

		For the six-month periods ended 30 June							
		Design and installation of telecommunication systems segment		Rental of public telephones segment		Other segments		Consolidation	
		2009	2008	2009	2008	2009	2008	2009	2008
Revenue from external customers		1,703	527	44	50	52	55	1,799	632

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.

12. Dividends

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

13. Commitments and contingent liabilities**13.1 Operating lease commitments**

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

As at 30 June 2009, future minimum lease payments required under these non-cancellable operating leases contracts were as follows.

	Consolidated financial statements	(Unit: Million Baht) Separate financial statements
Payable within		
1 year	9.3	6.0
1 - 2 years	0.8	0.5

13.2 Guarantees

As at 30 June 2009, there were outstanding bank guarantees of Baht 793.6 million (31 December 2008: Baht 775.2 million) issued by the banks on behalf of the Company and its subsidiary, with Baht 757.6 million (31 December 2008: Baht 540.3 million) attributed to the Company, in respect of certain bid bonds and performance bonds as required in the normal course of business.

13.3 Letters of credit

As at 30 June 2009, the Company had outstanding commitments under letters of credit with local and overseas suppliers amounting to approximately USD 0.7 million and Baht 32.9 million.

14. Approval of financial statements

These interim financial statements were authorised for issue by the Company's Board of Directors on 11 August 2009.