

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 2011 and 2010

Review Report of Independent Auditor

To the Shareholders of Jasmine Telecom Systems Public Company Limited

I have reviewed the accompanying consolidated statement of financial position of Jasmine Telecom Systems Public Company Limited and its subsidiary as at 30 September 2011, the related consolidated statements of comprehensive income for the three-month and nine-month periods ended 30 September 2011, and the consolidated statements of changes in shareholders' equity and cash flows for the nine-month period ended 30 September 2011, 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 engagement. 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 16 to the financial statements, the Company has disclosed its financial information by business segment in accordance with Accounting Standard No. 14 "Segment Reporting", except for its operating results, which the Company is unable to disclose by business segment for the reasons described in that note.

Based on my review, except for non-disclosure of information relating to the operating results by business segment as 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.

Without further qualifying the review conclusion on the above financial statements, I draw attention to the following matters:

1. As described in Note 4 to the financial statements, regarding the balance of account receivable under troubled debt restructuring from an unrelated company amounting to approximately Baht 142 million (the Company only: Baht 36 million), which is presented net of the potential losses on debt restructuring of approximately Baht 275 million (the Company only: Baht 80 million); and the balance receivable of Baht 196 million (the Company only: Baht 25 million) in respect of debt arising after the date that the Central Bankruptcy Court ordered this unrelated company to enter into the rehabilitation process (7 November 2008) and which is being disputed, and the submission by this unrelated company of a dispute proposal to the Thai Arbitration asking the subsidiary to return the money that this unrelated company has already paid, amounting to Baht 542 million and to pay for damages and the loss of benefits amounting to Baht 1,238 million.
2. As described in Note 1.4 to the financial statements, regarding the adoption of the revised and new accounting standards issued by the Federation of Accounting Professions in order to prepare and present of the interim financial statements.

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 2010 in accordance with generally accepted auditing standards and expressed a qualified opinion on those statements with respect to the Company's being unable to disclose information relating to the operating results by business segment and drew attention to the matter similar to the matter 1 as stated in the preceding paragraph, under my report dated 22 February 2011. The consolidated and separate statements of financial position as at 31 December 2010, 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.

I have previously reviewed the consolidated statements of comprehensive income for the three-month and nine-month periods ended 30 September 2010, and the consolidated statements of changes in shareholders' equity and cash flows for the nine-month period ended 30 September 2010 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. These statements formed an integral part of the interim financial statements, on which, under my report dated 29 October 2010, I qualified my review conclusion with respect to the limitations imposed by circumstances that made me unable to audit and review to satisfy myself as to the adequacy of the allowance for doubtful accounts for the outstanding balance receivable from an unrelated company as described in Note 4 to the financial statements, and the Company's being unable to disclose information relating to the operating results by business segment.

Supachai Phanyawattano
Certified Public Accountant (Thailand) No. 3930

Ernst & Young Office Limited
Bangkok: 11 November 2011

Jasmine Telecom Systems Public Company Limited and its subsidiary

Statements of financial position (continued)

(Unit: Thousand Baht)

Note	Consolidated financial statements		Separate financial statements		
	30 September 2011 (Unaudited but reviewed)	31 December 2010 (Audited)	30 September 2011 (Unaudited but reviewed)	31 December 2010 (Audited)	
Liabilities and shareholders' equity					
Current liabilities					
Short-term bank loans	8	43,916	409,023	43,916	119,347
Trust receipts		182,674	172,439	182,674	172,439
Trade accounts payable					
Related parties	3	19,507	17,704	19,507	17,704
Unrelated parties	9	1,589,342	1,553,728	1,575,344	1,520,129
Total trade accounts payable		1,608,849	1,571,432	1,594,851	1,537,833
Current portion of long-term loans	10	96,718	71,005	78,613	71,005
Amounts due to related parties	3	19,653	16,096	134	172
Other current liabilities					
Accrued project costs		732,787	683,000	588,881	534,878
Advance received from related parties	3	3,328	1,225	2,848	1,225
Advance received from unrelated parties		216,896	339,542	216,896	338,651
Others		39,497	52,423	29,389	37,253
Total other current liabilities		992,508	1,076,190	838,014	912,007
Total current liabilities		2,944,318	3,316,185	2,738,202	2,812,803
Non-current liabilities					
Long-term trade account payable					
from unrelated party	9	181,364	927,092	181,364	927,092
Long-term loans - net of current portion	10	249,845	60,862	-	60,862
Provision for long-term employee benefits		18,820	-	13,176	-
Total non-current liabilities		450,029	987,954	194,540	987,954
Total liabilities		3,394,347	4,304,139	2,932,742	3,800,757

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

Jasmine Telecom Systems Public Company Limited and its subsidiary

Statements of financial position (continued)

(Unit: Thousand Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>		
	<u>Note</u>	<u>30 September 2011</u>	<u>31 December 2010</u>	<u>30 September 2011</u>	<u>31 December 2010</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					
706,457,300 ordinary shares of Baht 1 each					
(31 December 2010 : 702,950,000 ordinary shares					
of Baht 1 each)	11	706,457	702,950	706,457	702,950
Share subscription received in advance		-	80	-	80
Share premium		420,269	418,812	420,269	418,812
Retained earnings					
Appropriated - statutory reserve		61,681	61,681	61,681	61,681
Unappropriated		255,696	416,300	480,304	549,636
Other components of shareholders' equity		<u>8,158</u>	<u>8,158</u>	-	-
Equity attributable to owners of the Company		<u>1,452,261</u>	<u>1,607,981</u>	<u>1,668,711</u>	<u>1,733,159</u>
Non-controlling interests of the subsidiary		<u>(2,885)</u>	<u>(899)</u>	-	-
Total shareholders' equity		<u>1,449,376</u>	<u>1,607,082</u>	<u>1,668,711</u>	<u>1,733,159</u>
Total liabilities and shareholders' equity		<u>4,843,723</u>	<u>5,911,221</u>	<u>4,601,453</u>	<u>5,533,916</u>
		-	-	-	-

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

.....
Directors
.....

(Unaudited but reviewed)

Jasmine Telecom Systems Public Company Limited and its subsidiary

Statements of comprehensive income

For the three-month periods ended 30 September 2011 and 2010

(Unit: Thousand Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>		
	<u>Note</u>	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>
Profit or loss:					
Revenues					
Sales and service income		210,078	842,421	191,717	785,983
Other income		25,439	32,657	25,425	32,634
Total revenues		235,517	875,078	217,142	818,617
Expenses					
Cost of sales and services		152,524	755,813	141,347	709,628
Selling and servicing expenses		7,251	5,493	4,363	5,370
Administrative expenses		24,903	38,722	21,801	34,856
Exchange losses		2,201	3,422	1,953	3,012
Total expenses		186,879	803,450	169,464	752,866
Profit before finance cost and corporate income tax		48,638	71,628	47,678	65,751
Finance cost		(32,341)	(46,601)	(27,179)	(42,301)
Profit before corporate income tax		16,297	25,027	20,499	23,450
Corporate income tax	14	12,380	8,428	12,380	8,428
Profit for the period		28,677	33,455	32,879	31,878
Other comprehensive income:					
Reversal of loss on changes in value of available-for-sale investment from sales of the investment		-	1,971	-	731
Other comprehensive income for the period		-	1,971	-	731
Total comprehensive income for the period		28,677	35,426	32,879	32,609

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 comprehensive income (Continued)

For the three-month periods ended 30 September 2011 and 2010

(Unit: Thousand Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
<u>Note</u>	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>
Profit (loss) attributable to:				
Equity holders of the Company	28,766	33,421	<u>32,879</u>	<u>31,878</u>
Non-controlling interests of the subsidiary	<u>(89)</u>	<u>34</u>		
	<u>28,677</u>	<u>33,455</u>		
Total comprehensive income attributable to:				
Equity holders of the Company	28,766	35,366	<u>32,879</u>	<u>32,609</u>
Non-controlling interests of the subsidiary	<u>(89)</u>	<u>60</u>		
	<u>28,677</u>	<u>35,426</u>		
				(Unit: Baht)
Earnings per share				
	15			
Basic earnings per share				
Profit attributable to equity holders of the Company	<u>0.041</u>	<u>0.048</u>	<u>0.047</u>	<u>0.045</u>
Diluted earnings per share				
Profit attributable to equity holders of the Company	<u>0.041</u>	<u>0.048</u>	<u>0.047</u>	<u>0.045</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 comprehensive income

For the nine-month periods ended 30 September 2011 and 2010

(Unit: Thousand Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
<u>Note</u>	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>
Profit or loss:				
Revenues				
Sales and service income	974,704	2,646,358	922,711	2,537,955
Exchange gains	-	5,836	-	5,583
Other income	80,427	97,498	80,605	97,341
Total revenues	1,055,131	2,749,692	1,003,316	2,640,879
Expenses				
Cost of sales and services	786,009	2,354,821	750,157	2,270,518
Selling and servicing expenses	20,062	17,932	15,132	17,010
Administrative expenses	106,787	107,621	95,214	99,693
Losses on debt restructuring	4 25,074	-	24,495	-
Potential losses on debt restructuring	4 99,328	-	27,583	-
Exchange losses	8,352	-	7,622	-
Total expenses	1,045,612	2,480,374	920,203	2,387,221
Profit before finance cost and corporate income tax	9,519	269,318	83,113	253,658
Finance cost	(98,645)	(135,674)	(84,100)	(122,950)
Profit (loss) before corporate income tax	(89,126)	133,644	(987)	130,708
Corporate income tax	14 -	(8,036)	-	(8,036)
Profit (loss) for the period	(89,126)	125,608	(987)	122,672
Other comprehensive income:				
Gain (loss) on changes in value of available-for-sale investment	-	-	-	-
Other comprehensive income for the period	-	-	-	-
Total comprehensive income for the period	(89,126)	125,608	(987)	122,672

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 comprehensive income (Continued)

For the nine-month periods ended 30 September 2011 and 2010

(Unit: Thousand Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
Note	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>
Profit (loss) attributable to:				
Equity holders of the Company	(87,249)	125,545	<u>(987)</u>	<u>122,672</u>
Non-controlling interests of the subsidiary	<u>(1,877)</u>	<u>63</u>		
	<u>(89,126)</u>	<u>125,608</u>		

Total comprehensive income attributable to:

Equity holders of the Company	(87,249)	125,545	<u>(987)</u>	<u>122,672</u>
Non-controlling interests of the subsidiary	<u>(1,877)</u>	<u>63</u>		
	<u>(89,126)</u>	<u>125,608</u>		

(Unit: Baht)

Earnings per share

15

Basic earnings (loss) per share

Profit (loss) attributable to equity holders of the Company	<u>(0.124)</u>	<u>0.179</u>	<u>(0.001)</u>	<u>0.175</u>
---	----------------	--------------	----------------	--------------

Diluted earnings (loss) per share

Profit (loss) attributable to equity holders of the Company	<u>(0.124)</u>	<u>0.179</u>	<u>(0.001)</u>	<u>0.175</u>
---	----------------	--------------	----------------	--------------

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

(Unaudited but reviewed)

Jasmine Telecom Systems Public Company Limited and its subsidiary

Statements of changes in shareholders' equity

For the nine-month periods ended 30 September 2011 and 2010

(Unit: Thousand Baht)

Consolidated financial statements										
Equity attributable to the parent's shareholders										
	Issued and fully paid-up share capital	Share subscription received in advance	Share premium	Retained earnings		Other components of equity		Total equity attributable to shareholders of the Company	Equity attributable to non-controlling interests of the subsidiary	Total shareholders' equity
				Appropriated	Unappropriated	Difference between the purchase price of investment in subsidiary under common control and its net book value	Total other components of shareholders' equity			
Balance as at 31 December 2009 (Audited)	702,950	-	418,812	60,992	560,026	8,158	8,158	1,750,938	1,596	1,752,534
Dividend paid (Note 17)	-	-	-	-	(42,177)	-	-	(42,177)	-	(42,177)
Total comprehensive income for the period	-	-	-	-	125,545	-	-	125,545	63	125,608
Balance as at 30 September 2010	<u>702,950</u>	<u>-</u>	<u>418,812</u>	<u>60,992</u>	<u>643,394</u>	<u>8,158</u>	<u>8,158</u>	<u>1,834,306</u>	<u>1,659</u>	<u>1,835,965</u>
										-
Balance as at 31 December 2010 (Audited)	702,950	80	418,812	61,681	416,300	8,158	8,158	1,607,981	(899)	1,607,082
Cumulative effect of change in accounting policy for employee benefits (Note 1.4)	-	-	-	-	(17,116)	-	-	(17,116)	(109)	(17,225)
Increase in ordinary shares (Note 11)	3,507	(80)	1,457	-	-	-	-	4,884	-	4,884
Dividend paid (Note 17)	-	-	-	-	(56,239)	-	-	(56,239)	-	(56,239)
Total comprehensive income for the period	-	-	-	-	(87,249)	-	-	(87,249)	(1,877)	(89,126)
Balance as at 30 September 2011	<u>706,457</u>	<u>-</u>	<u>420,269</u>	<u>61,681</u>	<u>255,696</u>	<u>8,158</u>	<u>8,158</u>	<u>1,452,261</u>	<u>(2,885)</u>	<u>1,449,376</u>
	-	-	-	-	-	-	-	-	-	-

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

Jasmine Telecom Systems Public Company Limited and its subsidiary

Statements of changes in shareholders' equity (continued)

For the nine-month periods ended 30 September 2011 and 2010

(Unit: Thousand Baht)

	Separate financial statements					Total shareholders' equity
	Issued and fully paid-up share capital	Share subscription received in advance	Share premium	Retained earnings		
				Appropriated	Unappropriated	
Balance as at 31 December 2009 (Audited)	702,950	-	418,812	60,992	578,725	1,761,479
Dividend paid (Note 17)	-	-	-	-	(42,177)	(42,177)
Total comprehensive income for the period	-	-	-	-	122,672	122,672
Balance as at 30 September 2010	<u>702,950</u>	<u>-</u>	<u>418,812</u>	<u>60,992</u>	<u>659,220</u>	<u>1,841,974</u>
						-
Balance as at 31 December 2010 (Audited)	702,950	80	418,812	61,681	549,636	1,733,159
Cumulative effect of change in accounting policy for employee benefits (Note 1.4)	-	-	-	-	(12,106)	(12,106)
Increase in ordinary shares (Note 11)	3,507	(80)	1,457	-	-	4,884
Dividend paid (Note 17)	-	-	-	-	(56,239)	(56,239)
Total comprehensive income for the period	-	-	-	-	(987)	(987)
Balance as at 30 September 2011	<u>706,457</u>	<u>-</u>	<u>420,269</u>	<u>61,681</u>	<u>480,304</u>	<u>1,668,711</u>
	-	-	-	-	-	-

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

(Unaudited but reviewed)

Jasmine Telecom Systems Public Company Limited and its subsidiary**Cash flow statements****For the nine-month periods ended 30 September 2011 and 2010**

(Unit: Thousand Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>		
	<u>Note</u>	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>
Cash flows from operating activities					
Profit (loss) before tax		(89,126)	133,644	(987)	130,708
Adjustments to reconcile profit (loss) before tax to net cash provided by (paid from) operating activities					
Depreciation		8,736	9,287	7,807	8,181
Losses on debt restructuring	4	25,074	-	24,495	-
Potential losses on debt restructuring	4	99,328	-	27,583	-
Loss on sales of investment in available-for-sale securities		-	2,140	-	1,279
Loss (gain) on disposal of equipment		37	(28)	60	-
Provision for long-term employee benefits		1,594	-	1,069	-
Unrealised exchange loss (gains)		1,022	(14,462)	179	(11,539)
Interest income		(79,519)	(94,155)	(79,746)	(94,096)
Interest expenses		97,031	127,568	82,821	114,844
Income from operating activities before changes in operating assets and liabilities		64,177	163,994	63,281	149,377
Operating assets (increase) decrease					
Trade accounts receivable		696,788	(433,025)	650,176	(442,118)
Short-term loans to and amounts due from related parties		17	26	(21,764)	26
Inventories		(168,243)	653,670	(173,064)	663,967
Other current assets		41,790	41,578	46,076	63,628
Decrease in account receivable under troubled debt restructuring		14,718	-	14,477	-
Other assets		28	(75)	24	(86)
Operating liabilities increase (decrease)					
Trade accounts payable		(808,283)	33,462	(788,682)	18,158
Amounts due to related parties		3,557	4,320	(38)	821
Other current liabilities		(84,373)	170,669	(73,969)	162,358
Cash flows from (used in) operating activities		(239,824)	634,619	(283,483)	616,131
Cash paid for interest expenses		(35,441)	(53,158)	(22,841)	(39,242)
Cash paid for corporate income tax		(15,555)	(50,437)	(13,621)	(48,327)
Net cash flows from (used in) operating activities		(290,820)	531,024	(319,945)	528,562

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

(Unaudited but reviewed)

Jasmine Telecom Systems Public Company Limited and its subsidiary

Cash flow statements (continued)

For the nine-month periods ended 30 September 2011 and 2010

(Unit: Thousand Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>
Cash flows from investing activities				
Decrease (increase) in current investments - restricted				
bank deposits	(3,870)	536	(2,000)	-
Decrease (increase) in restricted bank deposits	1,161	(10,416)	1,066	(10,588)
Cash received from sales of investment				
in available-for-sale securities	-	4,318	-	2,136
Interest income	2,901	507	3,034	462
Acquisitions of equipment	(8,365)	(3,596)	(933)	(3,261)
Proceeds from sales of equipment	23	89	-	-
Proceeds from sales of assets held for sale	42,530	46,366	42,530	46,366
Net cash flows from investing activities	34,380	37,804	43,697	35,115
Cash flows from financing activities				
Decrease in bank overdrafts				
and short-term bank loans	(365,107)	(258,436)	(75,431)	(258,437)
Increase (decrease) in trust receipts	10,235	(250,423)	10,235	(250,423)
Cash received from long-term loans from banks	289,676	-	-	-
Repayment of long-term loans from banks	(74,980)	(53,254)	(53,254)	(53,254)
Dividend paid	(56,238)	(42,177)	(56,238)	(42,177)
Proceeds from increase in share capital	4,884	-	4,884	-
Net cash flows used in financing activities	(191,530)	(604,290)	(169,804)	(604,291)
Decrease in cash and cash equivalents	(447,970)	(35,462)	(446,052)	(40,614)
Cash and cash equivalents at beginning of period	768,457	232,827	758,725	219,397
Cash and cash equivalents at end of period	320,487	197,365	312,673	178,783
	-	-	-	-

Supplemental disclosure on non-cash transaction

The receipt of debt repayment under the rehabilitation plan as discussed in Note 6 to the financial statements.

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

Jasmine Telecom Systems Public Company Limited and its subsidiary

Notes to consolidated interim financial statements

For the three-month and nine-month periods ended 30 September 2011 and 2010

1. General information

1.1 Corporate information

Jasmine Telecom Systems Public Company Limited (“the Company”) is a public company incorporated and domiciled in Thailand. Its parent company is Jasmine International Public Company Limited, which was incorporated in Thailand. The Company is principally engaged in the design and installation of telecommunication systems, outsourcing business and rental of public telephones, and other businesses. The registered office of the Company is at 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 2009) “Interim Financial Reporting”, with the Company choosing to present condensed interim financial statements. However, the Company has presented the statements of financial position, comprehensive income, changes in shareholders’ equity, and cash flows in the same format as that used for the annual financial statements.

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

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

1.3 Basis of consolidation

These consolidated financial statements included the financial statements of Jasmine Telecom Systems Public Company Limited and Cloud Computing Solutions 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 2010, with no structural changes related to subsidiary company occurring during the current period.

1.4. Application of new accounting standards during the period

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

Accounting standards:

TAS 1 (revised 2009)	Presentation of Financial Statements
TAS 2 (revised 2009)	Inventories
TAS 7 (revised 2009)	Statement of Cash Flows
TAS 8 (revised 2009)	Accounting Policies, Changes in Accounting Estimates and Errors
TAS 10 (revised 2009)	Events after the Reporting Period
TAS 11 (revised 2009)	Construction Contracts
TAS 16 (revised 2009)	Property, Plant and Equipment
TAS 17 (revised 2009)	Leases
TAS 18 (revised 2009)	Revenue
TAS 19	Employee Benefits
TAS 23 (revised 2009)	Borrowing Costs
TAS 24 (revised 2009)	Related Party Disclosures
TAS 26	Accounting and Reporting by Retirement Benefit Plans
TAS 27 (revised 2009)	Consolidated and Separate Financial Statements
TAS 28 (revised 2009)	Investments in Associates
TAS 29	Financial Reporting in Hyperinflationary Economies
TAS 31 (revised 2009)	Interests in Joint Ventures
TAS 33 (revised 2009)	Earnings per Share
TAS 34 (revised 2009)	Interim Financial Reporting
TAS 36 (revised 2009)	Impairment of Assets
TAS 37 (revised 2009)	Provisions, Contingent Liabilities and Contingent Assets
TAS 38 (revised 2009)	Intangible Assets
TAS 40 (revised 2009)	Investment Property

Financial reporting standards:

TFRS 2	Share-Based Payment
TFRS 3 (revised 2009)	Business Combinations
TFRS 5 (revised 2009)	Non-current Assets Held for Sale and Discontinued Operations
TFRS 6	Exploration for and Evaluation of Mineral Resources

Financial Reporting Standard Interpretations:

TFRIC 15 Agreements for the Construction of Real Estate

Accounting Standard Interpretations:

SIC 31 Revenue-Barter Transactions Involving Advertising Services

These accounting standards do not have any significant impact on the financial statements for the current period, except for the following accounting standards.

TAS 19 Employee Benefits

This accounting standard requires employee benefits to be recognised as expense in the period in which the service is performed by the employee. In particular, an entity has to evaluate and make a provision for post-employment benefits using actuarial techniques. The Company and its subsidiary previously accounted for such employee benefits when they were incurred.

The Company and its subsidiary changed this accounting policy in the first quarter of 2011 and recognised the liability in the transition period through an adjustment to the beginning balance of the retained earnings of the nine-month period ended 30 September 2011. The change has the following effect to the loss for the current periods:

	Three-month period ended		Nine-month period ended	
	30 September 2011		30 September 2011	
	Consolidated	Separate	Consolidated	Separate
	financial statements	financial statements	financial statements	financial statements
Loss for the period				
increase (Million Baht)	0.5	0.4	1.6	1.1

The above effect is not significant to loss per share for the periods.

The cumulative effect of the changes in the accounting policy has been separately presented in the statements of changes in shareholders' equity.

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 2010, except for the changes in the following accounting policies due to the adoption of revised and new accounting standards.

Employee benefits

Post-employment benefits (Defined contribution plans)

The Company and its subsidiary and their employees have jointly established a provident fund. The fund is monthly contributed by employees and by the Company and its subsidiary. The fund's assets are held in a separate trust fund and contributions of the Company and its subsidiary are recognised as expenses when incurred.

Post-employment benefits (Defined benefit plans)

The Company and its subsidiary have obligations in respect of the severance payments they must make to employees upon retirement under labor law. The Company and its subsidiary treat these severance payment obligations as a defined benefit plan.

The obligation under the defined benefit plan is determined by a professionally qualified independent actuary based on actuarial techniques, using the projected unit credit method. Such determination is made based on various assumptions, including discount rate, future salary increase rate, staff turnover rate, mortality rate, and inflation rates.

For the first-time adoption of TAS 19 Employee Benefits, the Company and its subsidiary elected to recognise the transitional liability, which exceeds the liability that would have been recognised at the same date under the previous accounting policy, through an adjustment to the beginning balance of retained earnings for the nine-month period ended 30 September 2011.

2. New accounting standards issued during the period not yet effective

During the current period, the Federation of Accounting Professions issued the below listed new accounting standards that are effective for fiscal years beginning on or after 1 January 2013.

Accounting Standard Interpretations:

- SIC 10 Government Assistance - No Specific Relation to Operating Activities
- SIC 21 Income Taxes - Recovery of Revalued Non-Depreciable Assets
- SIC 25 Income Taxes - Changes in the Tax Status of an Entity or its Shareholders

3. 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, its subsidiary and those related parties. Such transactions, for the three-month and nine-month periods ended 30 September 2011 and 2010, are summarised below.

(Unit: Million Baht)

	Consolidated financial statements				Transfer Pricing Policy
	For the three-month periods		For the nine-month periods		
	ended 30 September		ended 30 September		
	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>	
<u>Transactions with parent company</u>					
Office rental and service expenses	2.1	2.3	6.4	6.9	Contract price or at prices normally charged to other customers
Other expenses	-	0.1	0.2	0.4	Contract price or at prices normally charged to other customers
<u>Transactions with related companies</u>					
Sales and service income	58.3	26.1	70.6	944.9	Contract price or at prices normally charged to other customers or cost plus margin
Interest income	23.1	30.7	75.7	93.0	The rates referenced to MLR per annum
Other income	0.1	-	0.2	0.1	Contract price or at prices normally charged to other customers
Cost of sales and services	1.8	-	1.8	-	Contract price or at prices normally charged to other customers
Office rental and service expenses	0.2	0.3	0.3	1.0	Contract price or at prices normally charged to other customers
Other expenses	1.4	1.6	4.3	4.5	Contract price or at prices normally charged to other customers

(Unaudited but reviewed)

(Unit: Million Baht)

	Separate financial statements				Transfer Pricing Policy
	For the three-month periods		For the nine-month periods		
	ended 30 September		ended 30 September		
	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>	
<u>Transactions with parent company</u>					
Office rental and service expenses	1.5	1.5	4.5	4.5	Contract price or at prices normally charged to other customers
Other expenses	-	-	0.1	0.1	Contract price or at prices normally charged to other customers
<u>Transactions with subsidiary</u> (eliminated from the consolidated financial statements)					
Interest income	0.1	-	0.3	-	The rates referenced to MLR per annum
<u>Transactions with related companies</u>					
Sales and service income	49.1	0.3	51.3	897.1	Contract price or at prices normally charged to other customers or cost plus margin
Interest income	23.1	30.7	75.7	93.0	The rates referenced to MLR per annum
Other income	0.1	-	0.2	0.1	Contract price or at prices normally charged to other customers
Cost of sales and services	1.7	-	1.7	-	Contract price or at prices normally charged to other customers
Office rental and service expenses	0.1	0.3	0.2	1.0	Contract price or at prices normally charged to other customers
Other expenses	1.1	1.3	3.0	3.4	Contract price or at prices normally charged to other customers

(Unaudited but reviewed)

The balances of the accounts as at 30 September 2011 and 31 December 2010 between the Company and those related companies are as follows:

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	30 September	31 December	30 September	31 December
	2011	2010	2011	2010
		(Audited)		(Audited)
<u>Trade accounts receivable - related parties</u>				
<u>Related companies</u>				
Triple T Broadband Plc.	1,811,110	1,273,504	1,804,752	1,273,365
Jastel Network Co., Ltd.	9,880	4,852	9,880	4,852
Jasmine Submarine Telecommunications Co., Ltd	2,909	2,904	2,909	2,904
Triple T Internet Co., Ltd.	2,047	3,353	2,047	2,048
Triple T Global Net Co., Ltd.	1,846	1,846	-	-
Acumen Co., Ltd.	692	477	-	477
Total trade accounts receivable - related parties	1,828,484	1,286,936	1,819,588	1,283,646
<u>Short-term loans to and amounts due from related parties</u>				
<u>Short-term loans to subsidiary</u>				
Cloud Computing Solutions Co., Ltd.	-	-	29,781	8,000
Amounts due from related parties				
<u>Subsidiary</u>				
Cloud Computing Solutions Co., Ltd.	-	-	119	-
<u>Related companies</u>				
TT&T Subscriber Services Co., Ltd.	106	106	106	106
Triple T Broadband Plc.	-	15	-	15
Compunet Corporation Limited	-	2	-	2
	106	123	106	123
Total amounts due from related parties	106	123	225	123
Total short-term loans to and amounts due from related parties	106	123	30,006	8,123
<u>Unbilled receivable from related parties</u>				
<u>Related companies</u>				
Triple T Broadband Plc.	3,133	3,227	-	-
Acumen Co., Ltd.	124	-	124	-
Total unbilled receivable from related parties	3,257	3,227	124	-

(Unaudited but reviewed)

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	30 September	31 December	30 September	31 December
	2011	2010	2011	2010
		(Audited)		(Audited)
<u>Long-term trade account receivable from related party</u>				
<u>Related company</u>				
Triple T Broadband Plc.	244,331	1,134,591	244,331	1,134,591
Total long-term trade account receivable from related party	244,331	1,134,591	244,331	1,134,591
<u>Trade accounts payable - related parties</u>				
<u>Related companies</u>				
TT&T Subscriber Services Co., Ltd.	17,703	17,703	17,703	17,703
Acumen Co., Ltd.	1,803	-	1,803	-
ACeS Regional Service Co., Ltd.	1	1	1	1
Total trade accounts payable - related parties	19,507	17,704	19,507	17,704
<u>Amounts due to related parties</u>				
<u>Parent company</u>				
Jasmine International Plc.	16,137	13,815	23	70
<u>Related companies</u>				
Premium Assets Co., Ltd.	3,410	2,201	5	22
Acumen Co., Ltd.	53	54	53	54
Triple T Internet Co., Ltd.	27	-	27	-
Triple T Broadband Plc.	26	26	26	26
Total amounts due to related companies	3,516	2,281	111	102
Total amounts due to related parties	19,653	16,096	134	172
<u>Advance received from related parties</u>				
<u>Related companies</u>				
Triple T Broadband Plc.	2,932	-	2,452	-
Jastel Network Co., Ltd.	396	1,225	396	1,225
Total advance received from related parties	3,328	1,225	2,848	1,225

Directors and management's benefits

During the three-month periods ended 30 September 2011 and 2010, the Company and its subsidiary paid salaries and meeting allowances to their directors and management totaling Baht 5 million and Baht 7 million, respectively (The Company only: Baht 3 million and Baht 5 million, respectively) and during the nine-month periods ended 30 September 2011 and 2010 totaling Baht 15 million and Baht 22 million, respectively (the Company only: Baht 8 million and Baht 16 million, respectively).

Guarantee obligations with subsidiary

The Company has outstanding guarantee obligations with its subsidiary, as described in Note 18.3 (1) to the financial statements.

Trade account receivable-related party

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

	(Unit: Thousand Baht)	
	30 September 2011	31 December 2010
	<u> </u>	<u> </u>
		(Audited)
Trade accounts receivable from related party due within 1 year (presented under the caption of "Trade accounts receivable - related parties" in the statements of financial position)	1,130,370	638,657
Trade accounts receivable from related party due over 1 year (presented under the caption of "Long-term trade account receivable from related party" in the statements of financial position)	<u>244,331</u>	<u>1,134,591</u>
Total	<u>1,374,701</u>	<u>1,773,248</u>
Fair value	<u>1,374,701</u>	<u>1,773,248</u>

4. Trade accounts receivable

The outstanding balances of trade accounts receivable as at 30 September 2011 and 31 December 2010 are aged based on due date, as follows:

Age of receivables	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	30 September	31 December	30 September	31 December
	2011	2010	2011	2010
		(Audited)		(Audited)
<u>Related parties</u>				
Not yet due	1,137,124	635,632	1,134,583	634,327
Past due				
Up to 3 months	47,237	205,494	42,728	205,355
3 - 6 months	-	2,390	-	2,390
6 - 12 months	198,291	112,320	198,291	112,320
Over 12 months	445,832	331,100	443,986	329,254
Total	1,828,484	1,286,936	1,819,588	1,283,646
<u>Unrelated parties</u>				
Not yet due	435,681	710,642	434,507	667,371
Past due				
Up to 3 months	61,123	44,839	60,485	37,951
3 - 6 months	4,158	9,773	4,158	5,656
6 - 12 months	40,583	238	40,583	238
Over 12 months	206,969	204,592	39,809	37,678
Total	748,514	970,084	579,542	748,894
Total trade accounts receivable	2,576,998	2,257,020	2,399,130	2,032,540

(Unaudited but reviewed)

Included in trade accounts receivable from unrelated parties as at 30 September 2011 and 31 December 2010, were amounts receivable from the companies majority-owned by the government as follows:

(Unit: Thousand Baht)

Age of receivables	Consolidated		Separate	
	financial statements		financial statements	
	30 September	31 December	30 September	31 December
	2011	2010	2011	2010
		(Audited)		(Audited)
Not yet due	386,947	547,024	385,773	503,753
Past due				
Up to 3 months	40,572	31,266	39,935	24,377
3 - 6 months	2,134	4,117	2,134	-
6 - 12 months	40,583	-	40,583	-
Over 12 months	8,966	20,528	8,966	20,528
Total	479,202	602,935	477,391	548,658

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 has assigned its rights to receive payments from the majority of its accounts receivable to banks, to secure short-term loans obtained from those banks.

As at 30 September 2010, the Company and its subsidiary had outstanding balances receivable from TT&T Plc. (TT&T), an unrelated company, amounting to approximately Baht 708 million. The balances are long outstanding. In considering the collectability of the outstanding balances, the management of the Company and its subsidiary received cash flow projections prepared by TT&T in 2008. They showed that TT&T would have sufficient future cash flows to make full payment. On 22 April 2008, TT&T filed a petition for business rehabilitation with the Central Bankruptcy Court and on 7 November 2008, the Central Bankruptcy Court ordered TT&T to enter into a business rehabilitation process.

On 22 July 2009, the Central Bankruptcy Court ordered the appointment of the rehabilitation plan preparer. During 2010, the plan preparer submitted the rehabilitation plan to the Central Bankruptcy Court through the Official Receiver and the Official Receiver held the first creditors' meeting to consider the plan. However, several creditors, including the Company and its subsidiary, submitted objections against the creditor classification. Subsequently, the Court ordered creditor classification in accordance with the counterclaims. The rehabilitation plan preparer then proceeded to amend the rehabilitation plan in accordance with the Court's order and submitted the revised rehabilitation plan to the Central Bankruptcy Court. Subsequently, the Official Receiver held a creditors' meeting to consider the revised plan and the creditors passed an extraordinary resolution to accept the revised plan. However, the Company and its subsidiary have considered the revised plan and submitted objections to the debt settlement in accordance with the revised plan and the objections were still being considered by the Court. Because the rehabilitation plan was still required to be approved by the Court and the rehabilitation plan is a significant factor to the estimation of the allowance for doubtful accounts for the outstanding balances, the management of the Company and its subsidiary were therefore unable to determine appropriate amount of allowance for doubtful accounts to record in the financial statements for the three-month and nine-month periods ended 30 September 2010.

However, on 28 December 2010, the Central Bankruptcy Court issued an order approving the rehabilitation plan of TT&T. Currently, the Company and its subsidiary are appealing to the Supreme Court against the approval of the rehabilitation plan.

According to the plan, the Company and its subsidiary will receive settlement of both principal and interest receivable as detailed below.

1. Within 15 days after the Court approves the plan, 5% of the principal will be settled in cash.
2. Within 4 years after the Court approves the plan, 20% of the principal will be settled in cash, on a quarterly basis over 4 years. In 2011 and 2012, 4% of the principal will be settled each year, in 2013, 10% of the principal will be settled, and in the first quarter of 2014, 2% of the principal will be settled.

3. The other 75% of the principal and all interest receivable will be settled by conversion to ordinary shares of TT&T with a debt to equity conversion rate of 1:1 (Debt of Baht 1 converted to 1 ordinary share at Baht 1 per share (the value after the share capital reduction according to the rehabilitation plan)). The shares received as settlement for debt are subject to restrictions, in that they cannot be sold to individuals and/or corporations for at least 6 months after the conversion of debt to ordinary shares. Subsequently, they may be sold to individuals and/or corporations every 6 months, on up to five occasions, but the Company can dispose of no more than 20% of the shares each time. When 3 years has passed from the date of share settlement by the conversion of debt to ordinary shares, all remaining shares can be sold to individual or corporations, without restrictions. However, all of the shares can be disposed of immediately if the plan preparer finds an investor for 100% of the shares.

On 4 April 2011, the Central Bankruptcy Court ordered TT&T to decrease its registered capital from Baht 70,000,000,000 (7,000,000,000 ordinary shares with par value of Baht 10 each) to Baht 33,242,744,500 (3,242,484,261 ordinary shares and 81,790,189 shares to be issued for TT&T's warrants with par value of Baht 10 each) and to decrease its registered capital from Baht 33,242,744,500 (3,242,484,261 ordinary shares and 81,790,189 shares to be issued for TT&T's warrants with par value of Baht 10 each) to Baht 3,324,274,450 by decreasing the par value of shares to Baht 1 each. TT&T has already registered the decrease in its share capital with the Ministry of Commerce. Subsequently, on 9 May 2011, the Central Bankruptcy Court ordered TT&T to increase its share capital from Baht 3,324,274,450 (3,242,484,261 ordinary shares and 81,790,189 shares to be issued for TT&T's warrants with par value of Baht 1 each) to Baht 9,463,812,113 (par value of Baht 1 each). The increase of Baht 6,139,537,663 consists of 6,139,537,663 new ordinary shares with par value of Baht 1 each, to be allocated to the creditors in accordance with the rehabilitation plan. The increase and decrease in TT&T's share capital complies with the rehabilitation plan.

With respect to the debt-to-equity conversion process, TT&T categorises creditors into the following three groups:

- 1) Group 1 creditors are debts that have been ordered paid by a final order of the court. For this group, 100% of the debt is to be converted to equity in accordance with the final settlement orders.
- 2) Group 2 creditors are debts that have not yet been ordered paid by a final order of the court but have been approved by the Official Receiver. For this group, 50% of the debt amount ordered by the Official Receiver is to be converted to equity, the remaining debt is to be converted when final settlement orders are received.

- 3) Group 3 creditors are debts that have not yet been ordered paid by a final order and they will not be converted to equity until the Official Receiver orders their settlement.

Under the rehabilitation plan, outstanding claims filed by the Company and its subsidiary as at 29 October 2009 are considered for restructuring, totaling Baht 544 million (Principal of Baht 514 million and interest receivable of Baht 30 million). Subsequently, in April 2010, the Company and TT&T's rehabilitation plan preparer agreed and submitted a request to the Official Receiver to reduce the outstanding claim filed by the Company by Baht 14 million. Because such receivables were the debt arising after the date that the Court ordered TT&T to enter into the rehabilitation process (7 November 2008); they therefore were not considered to be settled under the rehabilitation plan. As a result, the outstanding claims filed by the Company and its subsidiary totaled Baht 530 million (principal of Baht 501 million and interest receivable of Baht 29 million). This balance includes rights over collection that the subsidiary assigned to a local bank to secure a short-term loan from the bank, amounting to Baht 314 million (Principal of Baht 299 million and interest receivable of Baht 15 million). The bank filed a claim for that balance directly with TT&T under the rehabilitation plan, as described in Note 8 to the financial statements, and such balance is classified in the same creditor group as that of the subsidiary in the plan.

The Company and its subsidiary recorded potential losses on debt restructuring in the statement of comprehensive income for the year ended 31 December 2010 totaling Baht 224 million (the company only: Baht 100 million), using this rehabilitation plan and the fair value of TT&T ordinary share as at 30 December 2010 as a basis for recording the transaction, calculated based on the claims filed by the Company and its subsidiary as at 29 October 2009 mentioned above. Subsequently, as of 22 June 2011, the fair value of TT&T ordinary share was Baht 0.13 per share. The management of the Company and its subsidiary therefore recorded additional potential losses on debt restructuring for the six-month periods ended 30 June 2011 amounting to Baht 125 million (the company only: Baht 52 million), in the statement of comprehensive income, in order to reflect the fair value of TT&T's ordinary share in their accounts.

On 4 July 2011 and 23 September 2011, TT&T registered the increase in its share capital with the Ministry of Commerce, in order to allocate shares to Group 1 and Group 2 creditors. The Company and its subsidiary which were categorised in Group 1 and Group 2 creditor received a total of 84,005,515 shares (the Company only: 81,649,711 shares) from the debt-to-equity conversion process. The Company and its subsidiary receiving the share settlement as stated above and therefore reclassified potential losses on debt restructuring recorded in the statement of comprehensive income for the six-month period ended 30 June 2011 totaling Baht 25 million (the Company only: Baht 24 million) as losses on debt restructuring in the statement of comprehensive income for the nine-month period ended 30 September 2011.

However, the outstanding claims filed by the Company and its subsidiary consist of claims of the subsidiary which have received the final order of the Court amounting to Baht 3 million and claims of the Company and its subsidiary which have not yet received the final order of the Court amounting to Baht 527 million. The Company and its subsidiary which their claims have not yet received the final order of the Court therefore have not completely received debt settlement under the rehabilitation plan and the claims which have received the final order of the Court may differ from the outstanding claims used in the calculation of the potential losses from debt restructuring. As at 30 September 2011, the Company and its subsidiary presented the outstanding balances net of losses on debt restructuring and potential losses on debt restructuring under the caption of "Account receivable under troubled debt restructuring" in the statement of financial position.

In addition, outstanding receivables from TT&T of the Company and its subsidiary filed under the rehabilitation plan of Baht 196 million (the Company only: Baht 25 million) were the debt occurred after the date which the Court ordered TT&T to enter into the rehabilitation process (7 November 2008); they therefore were not considered to be settled under the rehabilitation plan of TT&T. The balances are long outstanding and are being disputed with TT&T. However, since this balance is debt that arose in the ordinary course of business, the management and legal advisors of the Company and its subsidiary believe that the Company and its subsidiary have the right to claim full payment for the balances from TT&T and believe that the Company and its subsidiary can claim the full amount from TT&T. They therefore do not record allowance for doubtful accounts for this balance in their accounts.

In addition, in November 2010, P Planner Co., Ltd., the plan preparer of TT&T, had a law firm submit a letter to the subsidiary to cancel the purchase and sales and service agreement for the Customer Care & Billing System (CC&B) and amended agreement, under which TT&T hired the subsidiary to supply and deliver the system to TT&T. The grounds given for the cancellation were that the subsidiary had breached the contract in terms of the delivery of the system. However, the subsidiary issued a letter to the law firm disputing the cancellation of the agreements. Moreover, in June 2011, TT&T submitted a dispute proposal to the Thai Arbitration Institute asking the subsidiary to return the money that TT&T has already paid for the CC&B system, amounting to Baht 542 million, and to pay for damages and the loss of benefits amounting to Baht 1,238 million, together with interest at the rate of 7.5% per annum from the date of the submission of the dispute until the subsidiary effects whole performance. The management of the subsidiary and its legal advisor believe that the subsidiary completed delivery of the system to TT&T in compliance with the agreements and therefore that the subsidiary did not breach the agreement. This means the cancellation of the agreement was unjustified and does not terminate its provisions, and the subsidiary thus has the right to claim full payment for the work under the agreement from TT&T, amounting to Baht 470 million. At present, the subsidiary is in the process of filing an objection against the aforementioned dispute proposal. The subsidiary had assigned its rights over collection of the outstanding receivable balance of Baht 470 million from TT&T to a local bank and the bank filed a claim directly with TT&T under the rehabilitation plan, as discussed in Note 8 to the financial statements.

5. Assets held for sale

Movements of the assets held for sale account during the nine-month period ended 30 September 2011 are summarised below.

	(Unit: Thousand Baht)
Installed public telephones	68,236
Uninstalled public telephones	140,316
Total	208,552
Less: Allowance for impairment of assets - Installed public telephones	(34,274)
Allowance for impairment of assets - Uninstalled public telephones	(17,792)
Net book value as at 31 December 2010 (Audited)	156,486
Transfer in	14
Disposals during the period - net book value as at disposal date	(42,530)
Net book value as at 30 September 2011	113,970

Uninstalled public telephones

At the present, the Company is in the process of offering for sale its uninstalled public telephones to unrelated companies. As at 31 December 2010, the management of the Company determined the fair value of these uninstalled public telephones and recorded loss on impairment amounting to Baht 18 million in the comprehensive income statement for the year 2010.

6. Other long-term investment

As described in Note 4 to the financial statements, this represents investment in ordinary shares of TT&T. On 4 July 2011 and 23 September 2011, the Company and its subsidiary received a total of 84,005,515 ordinary shares of TT&T (the Company only: 81,649,711 ordinary shares) at the par value of Baht 1 per share, as a result of the debt-to-equity conversion process of TT&T. The Company and its subsidiary used the fair value of TT&T's ordinary share as at 22 June 2011 as a basis for recording these transactions. The investment in TT&T ordinary shares are classified as long-term investment because there are certain restrictions regarding the sale of TT&T shares stipulated in TT&T's rehabilitation plan.

From 23 June 2011 onwards, the Stock Exchange of Thailand (SET) prohibited the trading of TT&T shares until TT&T has succeeded in resolving its financial status and operations in line with the SET's rules.

7. Property, plant and equipment

Movements of the property, plant and equipment account during the nine-month period ended 30 September 2011 are summarised below.

	(Unit: Thousand Baht)	
	Consolidated	Separate
	<u>financial statements</u>	<u>financial statements</u>
Net book value as at 31 December 2010 (Audited)	29,466	25,458
Acquisitions during period - at cost	8,365	933
Disposals during the period - net book value as at disposal date	(60)	(60)
Transfer out	(3,972)	(3,972)
Depreciation for period	(8,736)	(7,807)
Net book value as at 30 September 2011	<u>25,063</u>	<u>14,552</u>

8. Short-term bank loans

The Company and its subsidiary's short-term bank loans carry interest at the rate referenced to MLR per annum. 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 4 to the financial statements.

As at 30 June 2011, the balance of a short-term loan of the subsidiary, amounting to Baht 290 million, was a loan from a local bank which was secured by the assignment of rights over collection from TT&T. The bank filed a claim amounting to Baht 470 million directly with TT&T under the rehabilitation plan, and such balance is classified in the same creditor group as that of the subsidiary in the TT&T's rehabilitation plan.

As described in Note 10 to the financial statements, in July 2011, the subsidiary entered into a long-term loan agreement with a local bank to borrow Baht 290 million to repay outstanding short-term loans amounting to Baht 290 million from that bank. In the current quarter, the subsidiary drew down this long-term loan and already repaid all outstanding balance of the short-term loans of Baht 290 million.

9. Trade accounts payable - unrelated party

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

	(Unit: Thousand Baht)	
	30 September 2011	31 December 2010
	<u> </u>	<u> </u> (Audited)
Trade accounts payable - unrelated party due within 1 year (presented under the caption of "Trade accounts payable-unrelated parties" in the statements of financial position)	948,796	476,449
Trade account payable - unrelated party due over 1 year (presented under the caption of "Long-term trade account payable - unrelated party" in the statements of financial position)	<u>181,364</u>	<u>927,092</u>
Total	<u>1,130,160</u>	<u>1,403,541</u>
Fair value	<u>1,130,160</u>	<u>1,403,541</u>

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

10. Long-term loans

	Consolidated		(Unit: Thousand Baht) Separate	
	financial statements		financial statements	
	30 September	31 December	30 September	31 December
	2011	2010	2011	2010
		(Audited)		(Audited)
Long-term loans	346,563	131,867	78,613	131,867
Less: Current portion	(96,718)	(71,005)	(78,613)	(71,005)
Long-term loans - net of current portion	<u>249,845</u>	<u>60,862</u>	<u>-</u>	<u>60,862</u>

The Company's long-term loan carries interest at the rate referenced to MLR per annum and repayable quarterly from March 2010 to March 2012. The loan is secured by the assignment of rights to receive payments from certain accounts receivable of the Company, as described in Note 4 to the financial statements.

In July 2011, the subsidiary entered into a long-term loan agreement with a local bank to borrow Baht 290 million to repay outstanding short-term loans amounting to Baht 290 million from that bank. In the current quarter, the subsidiary already drew down this long-term loan in full. This long-term loan carries interest at the rate referenced to MLR per annum and is repayable in 2011 in 3 installments, which are in August, September and December 2011, and in 28 quarterly installments from March 2012 to December 2018. The loan is guaranteed by the Company. The loan agreement contains an additional condition relating to repayment, whereby, if the subsidiary receives settlements from TT&T and/or cash receipts from sales of TT&T shares received under TT&T's rehabilitation plan, the subsidiary agrees to pay the bank all funds received to settle the loan interest first, with any remaining amount to be used to settle the loan principal. If the amount received is more than the interest and principal of any installment, the subsidiary agrees to use the excess to settle the principal of the next installment due.

11. Share capital

In January 2011, the Company registered the increase in its paid-up capital to Baht 702,990,000 with the Ministry of Commerce after the exercise of 40,000 ESOP warrants to purchase new ordinary shares at the exercise price of Baht 2 in the year 2010.

In March 2011, 1,417,300 warrants were exercised by the Company's director and employees to purchase 1,417,300 new ordinary shares at the exercise price of Baht 2. The Company registered the increase in its paid-up capital to Baht 704,407,300 with the Ministry of Commerce on 1 April 2011, as described in Note 13 to the financial statements.

In April 2011, the Company's director and employees exercised their rights to purchase 2,050,000 ordinary shares (ESOP share), at the exercise price of Baht 1, or a total of Baht 2,050,000. The Company registered the increase in its paid-up capital to Baht 706,457,300 with the Ministry of Commerce on 2 May 2011, as described in Note 12 to the financial statements.

12. 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 2010 (shares)	2,050,000
As at 30 September 2011 (shares)	-

On 22 February 2011, the Meeting No.2/2011 of the Board of Directors of the Company approved an allocation of the remaining 2,050,000 shares to the Company's director and employees under this continuing scheme. On 28 April 2011, the Company's director and employees exercised their rights to purchase 2,050,000 ordinary shares, or a total of Baht 2,050,000. The Company registered the increase in its paid-up capital to Baht 706,457,300 with the Ministry of Commerce on 2 May 2011. After this allocation of shares to the director and employees, the continuing ESOP share scheme of 5,000,000 shares is finished.

13. ESOP warrants

The ordinary share warrants had been granted to the Company's director 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 2010 (units)	18,460,000
Remaining warrants as at 30 September 2011 (units)	17,042,700

In March 2011, 1,417,300 warrants were exercised to purchase 1,417,300 new ordinary shares at the exercise price of Baht 2, which the Company registered the increase in its paid-up capital to Baht 704,407,300 with the Ministry of Commerce on 1 April 2011. As at 30 September 2011, the Company had 17,042,700 warrants remaining unexercised. In October 2011, up to 27 October 2011 which is the expiry date of warrant, no warrants were exercised and the ESOP warrants scheme had expired.

14. Corporate income tax

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

15. Earnings per share

Basic earnings (loss) per share is calculated by dividing profit (loss) for the period attributable to equity holders of the Company (excluding other comprehensive income) by the weighted average number of ordinary shares in issue during the period.

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

(Unaudited but reviewed)

The following table sets forth the computation of basic and diluted earnings (loss) per share:

Consolidated financial statements					
For the three-month periods ended 30 September					
Profit		Weighted average number of ordinary shares		Earnings per share	
<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>
(Thousand Baht)	(Thousand Baht)	(Thousand shares)	(Thousand shares)	(Baht)	(Baht)
Basic earnings per share					
Profit attributable to equity holders of the Company					
<u>28,766</u>	<u>33,421</u>	<u>706,457</u>	<u>702,950</u>	0.041	0.048
Diluted earnings per share					
Profit of ordinary shareholders assuming the conversion of warrants to ordinary shares					
<u>28,766</u>	<u>33,421</u>	<u>706,457</u>	<u>702,950</u>	0.041	0.048
Separate financial statements					
For the three-month periods ended 30 September					
Profit		Weighted average number of ordinary shares		Earnings per share	
<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>
(Thousand Baht)	(Thousand Baht)	(Thousand shares)	(Thousand shares)	(Baht)	(Baht)
Basic earnings per share					
Profit attributable to equity holders of the Company					
<u>32,879</u>	<u>31,878</u>	<u>706,457</u>	<u>702,950</u>	0.047	0.045
Diluted earnings per share					
Profit of ordinary shareholders assuming the conversion of warrants to ordinary shares					
<u>32,879</u>	<u>31,878</u>	<u>706,457</u>	<u>702,950</u>	0.047	0.045

(Unaudited but reviewed)

Consolidate financial statements					
For the nine-month periods ended 30 September					
Profit (loss)		Weighted average number of ordinary shares		Earnings (loss) per share	
<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>
(Thousand Baht)	(Thousand Baht)	(Thousand shares)	(Thousand shares)	(Baht)	(Baht)
Basic earnings (loss) per share					
Profit (loss) attributable to equity holders of the Company					
<u>(87,249)</u>	<u>125,545</u>	<u>705,109</u>	<u>702,950</u>	(0.124)	0.179
Diluted earnings (loss) per share					
Profit (loss) of ordinary shareholders assuming the conversion of warrants to ordinary shares					
<u>(87,249)</u>	<u>125,545</u>	<u>705,109</u>	<u>702,950</u>	(0.124)	0.179

Separate financial statements					
For the nine-month periods ended 30 September					
Profit (loss)		Weighted average number of ordinary shares		Earnings (loss) per share	
<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>
(Thousand Baht)	(Thousand Baht)	(Thousand shares)	(Thousand shares)	(Baht)	(Baht)
Basic earnings (loss) per share					
Profit (loss) attributable to equity holders of the Company					
<u>(987)</u>	<u>122,672</u>	<u>705,109</u>	<u>702,950</u>	(0.001)	0.175
Diluted earnings (loss) per share					
Profit (loss) of ordinary shareholders assuming the conversion of warrants to ordinary shares					
<u>(987)</u>	<u>122,672</u>	<u>705,109</u>	<u>702,950</u>	(0.001)	0.175

ESOP warrants granted to the Company's director and employees were not included in calculation of diluted earnings (loss) per share for the three-month and nine-month periods ended 30 September 2011 and 2010 since the exercise price to purchase ordinary share was higher than the average market price.

16. Segment information

The Company and its subsidiary's business operations involve three principal segments: (1) Design and installation of telecommunication systems (2) Outsourcing business and rental of public telephones and (3) Other segments. These operations are mainly carried on Thailand. Below is the consolidated financial information for the three-month and nine-month periods ended 30 September 2011 and 2010 of the Company and its subsidiary by segment.

(Unit: Million Baht)

	For the three-month periods ended 30 September							
	Design and installation of telecommunication systems segment		Outsourcing business and rental of public telephones segment		Other segments		Consolidation	
	2011	2010	2011	2010	2011	2010	2011	2010
Revenue from external customers	200	827	-	-	10	15	210	842

(Unit: Million Baht)

	For the nine-month periods ended 30 September							
	Design and installation of telecommunication systems segment		Outsourcing business and rental of public telephones segment		Other segments		Consolidation	
	2011	2010	2011	2010	2011	2010	2011	2010
Revenue from external customers	929	2,589	2	8	44	49	975	2,646

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

17. Dividends

(Unit: Baht)

Dividends	Approved by	Total dividends	Dividend per share
Final dividends for the year 2010	Annual General Meeting of the shareholders on 28 April 2011	56,239,200	0.08
Final dividends for the year 2009	Annual General Meeting of the shareholders on 28 April 2010	42,177,000	0.06

18. Commitments and contingent liabilities**18.1 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 3 years and non-cancellable.

As at 30 September 2011, future minimum lease payments required under these non-cancellable operating leases contracts were as follows.

	(Unit: Million Baht)	
	Consolidated	Separate
	financial statements	financial statements
	<hr/>	<hr/>
Payable within		
1 year	8.6	6.0
1 - 3 years	7.2	5.0

18.2 Litigation

In 2010, the subsidiary was sued for Baht 91 million by a local unrelated company. This comprised debt of Baht 80 million arising from the purchase of equipment used in supplying the CC&B system to TT&T, and interest charges of Baht 11 million. The subsidiary has already recorded the equipment cost in its accounts but not yet recorded the interest of Baht 11 million. The management of the subsidiary considers that the subsidiary and that company mutually agreed that the processing of the purchasing contract and debt settlement would proceed in line with settlement of the CC&B system by TT&T (back to back). As described in Note 4 to the financial statements, currently TT&T is under the rehabilitation process and the outstanding claims of the subsidiary relating to the CC&B system have not yet received the final order of the Central Bankruptcy Court for debt settlement, and are being disputed. The subsidiary therefore has not yet paid the outstanding debt from the equipment purchase to that company. The current status of the case is that the Court of First Instance has set appointments for investigation of witnesses in April 2012.

18.3 Guarantees

- (1) The Company had obligations in respect of its guarantee of a long-term loan facility of Baht 290 million obtained from a local bank of its subsidiary, as described in Note 10 to the financial statements.
- (2) As at 30 September 2011, there were outstanding bank guarantees of Baht 1,065.7 million (31 December 2010: Baht 1,228.9 million) issued by the banks on behalf of the Company and its subsidiary, with Baht 1,001.2 million (31 December 2010: Baht 1,171.7 million) attributed to the Company, in respect of certain bid bonds and performance bonds as required in the normal course of business.

18.4 Letters of credit

As at 30 September 2011, the Company had outstanding commitments under letters of credit with local and overseas suppliers amounting to approximately USD 15.1 million, SGD 0.6 million and Baht 112.9 million.

19. Approval of financial statements

These interim financial statements were authorised for issue by the Company's Board of Directors on 11 November 2011.