

Advanced Information Technology Public Company Limited  
and its subsidiary  
Report and consolidated interim financial statements  
For the three-month periods ended 31 March 2008 and 2007

**Review report of independent auditor**

To the shareholders of Advanced Information Technology Public Company Limited

I have reviewed the accompanying consolidated balance sheet of Advanced Information Technology Public Company Limited and its subsidiary as at 31 March 2008, the related consolidated statements of income, changes in shareholders' equity and cash flows for the three-month period ended 31 March 2008, and the separate balance sheet of Advanced Information Technology Public Company Limited as at 31 March 2008, the related statements of income, changes in shareholders' equity and cash flows for the three-month periods ended 31 March 2008 and 2007. 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 reviews.

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 provide less assurance than an audit. I have not performed an audit and, accordingly, I do not express an audit opinion.

Based on my reviews, 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 Advanced Information Technology Public Company Limited and its subsidiary and the separate financial statements of Advanced Information Technology Public Company Limited for the year ended 31 December 2007, in accordance with generally accepted auditing standards and expressed an unqualified opinion on those statements under my report dated 15 February 2008. The balance sheet as at 31 December 2007, as presented herein for comparative purpose, 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.

Thipawan Nananuwat  
Certified Public Accountant (Thailand) No. 3459

Ernst & Young Office Limited  
Bangkok: 12 May 2008

**Advanced Information Technology Public Company Limited and its subsidiary**

**Balance sheets**

(Unit: Thousand Baht)

	<u>Note</u>	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
		<u>31 March 2008</u>	<u>31 December 2007</u>	<u>31 March 2008</u>	<u>31 December 2007</u>
		(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
<b>Assets</b>					
<b>Current assets</b>					
Cash and cash equivalents		54,398	30,073	48,702	22,679
Trade accounts and notes receivable - net	3	1,280,956	517,233	1,280,956	517,233
Work in progress		478,505	422,789	478,505	422,789
Inventories		506	506	506	506
Other current assets		9,576	12,539	9,497	12,446
<b>Total current assets</b>		<u>1,823,941</u>	<u>983,140</u>	<u>1,818,166</u>	<u>975,653</u>
<b>Non-current assets</b>					
Restricted bank deposits	4	93,137	92,483	93,137	92,483
Investments in subsidiary	5	-	-	5,500	5,500
Building improvement and equipment - net	6	10,283	13,442	9,300	12,417
Equipment for lease - net	6	128,590	177,957	128,590	177,957
Intangible assets - net	7	1,506	1,535	1,506	1,535
Other non-current assets		4,086	3,992	3,966	3,880
<b>Total non-current assets</b>		<u>237,602</u>	<u>289,409</u>	<u>241,999</u>	<u>293,772</u>
<b>Total assets</b>		<u><u>2,061,543</u></u>	<u><u>1,272,549</u></u>	<u><u>2,060,165</u></u>	<u><u>1,269,425</u></u>

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

**Advanced Information Technology Public Company Limited and its subsidiary**

**Balance sheets (continued)**

(Unit: Thousand Baht)

	<u>Note</u>	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
		<u>31 March 2008</u>	<u>31 December 2007</u>	<u>31 March 2008</u>	<u>31 December 2007</u>
		(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
<b>Liabilities and shareholders' equity</b>					
<b>Current liabilities</b>					
Bank overdrafts and short-term loans					
from financial institutions	8	380,017	40,000	380,017	40,000
Trust receipts		-	14,922	-	14,922
Trade accounts payable	13	414,805	257,078	414,805	257,078
Unbilled payable		109,842	85,159	109,842	85,159
Current portion of financial lease payable		-	600	-	600
Other current liabilities					
Advance receipts from customer		94,281	5,857	94,281	5,857
Corporate income tax payable		58,146	25,459	58,146	25,459
Accrued expenses		46,476	9,817	46,451	9,817
Others		40,653	21,132	40,599	20,881
<b>Total current liabilities</b>		<u>1,144,220</u>	<u>460,024</u>	<u>1,144,141</u>	<u>459,773</u>

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

**Advanced Information Technology Public Company Limited and its subsidiary**

**Balance sheets (continued)**

(Unit: Thousand Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>31 March 2008</u>	<u>31 December 2007</u>	<u>31 March 2008</u>	<u>31 December 2007</u>
	(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
<b>Shareholders' equity</b>				
Share capital				
Registered				
69,000,000 ordinary shares of Baht 5 each	<u>345,000</u>	<u>345,000</u>	<u>345,000</u>	<u>345,000</u>
Issued and fully paid-up				
60,000,000 ordinary shares of Baht 5 each	300,000	300,000	300,000	300,000
Share premium	220,716	220,716	220,716	220,716
Retained earnings				
Appropriated - statutory reserve	24,800	24,800	24,800	24,800
Unappropriated	<u>368,747</u>	<u>263,241</u>	<u>370,508</u>	<u>264,136</u>
Equity attributable to the company's shareholders	914,263	808,757	916,024	809,652
Minority interest - equity attributable to minority shareholders of subsidiary	<u>3,060</u>	<u>3,768</u>	-	-
<b>Total shareholders' equity</b>	<u>917,323</u>	<u>812,525</u>	<u>916,024</u>	<u>809,652</u>
<b>Total liabilities and shareholders' equity</b>	<u>2,061,543</u>	<u>1,272,549</u>	<u>2,060,165</u>	<u>1,269,425</u>

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

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Directors  
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(Unaudited but reviewed)

**Advanced Information Technology Public Company Limited and its subsidiary**

**Income statements**

**For the three-month periods ended 31 March 2008 and 2007**

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

	Note	Consolidated		
		financial statements	Separate financial statements	
		2008	2008	2007
<b>Revenues</b>				
Sales and service income		1,314,880	1,314,426	392,972
Rental and service income from equipment for lease		44,028	44,028	67,052
Other income		808	838	2,371
<b>Total revenues</b>		<u>1,359,716</u>	<u>1,359,292</u>	<u>462,395</u>
<b>Expenses</b>				
Cost of sales and service		1,040,120	1,039,646	310,173
Cost of equipment for lease		38,325	38,325	37,236
Selling, servicing and administrative expenses		105,966	104,442	54,722
Impairment loss on equipment for lease	6	21,893	21,893	-
<b>Total expenses</b>		<u>1,206,304</u>	<u>1,204,306</u>	<u>402,131</u>
<b>Income before interest expenses</b>				
<b>and corporate income tax</b>		153,412	154,986	60,264
Interest expenses		(2,441)	(2,441)	(4,511)
Corporate income tax		(46,173)	(46,173)	(16,229)
<b>Net income for the period</b>		<u>104,798</u>	<u>106,372</u>	<u>39,524</u>
<b>Net income (loss) attributable to</b>				
Equity holders of the parent		105,506	<u>106,372</u>	<u>39,524</u>
Minority interests of the subsidiary		(708)		
		<u>104,798</u>		
<b>Earnings per share</b>				
	10			
Basic earnings per share				
Net income attributable to				
equity holders of the parent		<u>1.76</u>	<u>1.77</u>	<u>0.66</u>
Diluted earnings per share				
Net income attributable to				
equity holders of the parent		<u>1.73</u>	<u>1.75</u>	<u>0.66</u>

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

(Unaudited but reviewed)

**Advanced Information Technology Public Company Limited and its subsidiary**

**Statements of changes in shareholders' equity**

**For the three-month period ended 31 March 2008 and 2007**

(Unit: Thousand Baht)

	Consolidated financial statements					Total
	Issued and paid-up share capital	Share premium	Retained earnings		Minority interest - equity attributable to minority shareholders of subsidiary	
			Appropriated	Unappropriated		
<b>Balance as at 31 December 2007</b>	300,000	220,716	24,800	263,241	3,768	812,525
Net income for the period	-	-	-	105,506	(708)	104,798
<b>Balance as at 31 March 2008</b>	<u>300,000</u>	<u>220,716</u>	<u>24,800</u>	<u>368,747</u>	<u>3,060</u>	<u>917,323</u>

	Separate financial statements				
	Issued and paid-up share capital	Share premium	Retained earnings		Total
			Appropriated	Unappropriated	
<b>Balance as at 31 December 2006</b>	200,000	220,716	20,000	324,126	764,842
Net income for the period	-	-	-	39,524	39,524
<b>Balance as at 31 March 2007</b>	<u>200,000</u>	<u>220,716</u>	<u>20,000</u>	<u>363,650</u>	<u>804,366</u>
<b>Balance as at 31 December 2007</b>	300,000	220,716	24,800	264,136	809,652
Net income for the period	-	-	-	106,372	106,372
<b>Balance as at 31 March 2008</b>	<u>300,000</u>	<u>220,716</u>	<u>24,800</u>	<u>370,508</u>	<u>916,024</u>

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



(Unaudited but reviewed)

**Advanced Information Technology Public Company Limited and its subsidiary**

**Cash flow statements**

**For the three-month periods ended 31 March 2008 and 2007**

(Unit: Thousand Baht)

	Consolidated	Separate financial statements	
	financial statements	2008	2007
	<u>2008</u>	<u>2008</u>	<u>2007</u>
<b>Cash flows from operating activities</b>			
Net income before tax	150,971	152,545	55,753
Adjustments to reconcile net income to net cash provided by (paid from) operating activities			
Depreciation and amortisation	33,850	33,778	33,918
Allowance for doubtful accounts	2,461	2,461	-
Impairment loss on equipment for lease	21,893	21,893	-
Write-off equipment for lease	410	410	-
Loss (gain) on sales of equipment	309	309	(9)
Unrealised loss on exchange	2,739	2,739	894
Interest expenses	2,441	2,441	4,511
Income from operating activities before changes in operation assets and liabilities	215,074	216,576	95,067
Operating assets (increase) decrease			
Trade accounts and note receivable	(766,184)	(766,184)	23,448
Work in progress	(59,505)	(59,505)	82,822
Other current assets	2,963	2,949	(1,261)
Other non-current assets	(94)	(86)	(18)
Operating liabilities increase (decrease)			
Trade accounts payable	158,829	158,829	(127,703)
Unbilled payable	24,683	24,683	(42,102)
Other current liabilities	140,782	140,954	(16,013)
Cash flows from (used in) operating activities	(283,452)	(281,784)	14,240
Interest paid	(2,460)	(2,460)	(3,410)
Corporate income tax paid	(13,486)	(13,486)	(7,690)
<b>Net cash flows from (used in) operating activities</b>	<u>(299,398)</u>	<u>(297,730)</u>	<u>3,140</u>

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

(Unaudited but reviewed)

**Advanced Information Technology Public Company Limited and its subsidiary**

**Cash flow statements (continued)**

**For the three-month periods ended 31 March 2008 and 2007**

(Unit: Thousand Baht)

	Consolidated	Separate financial statements	
	financial statements	2008	2007
	<u>2008</u>	<u>2008</u>	<u>2007</u>
<b>Cash flows from investing activities</b>			
Increase in restricted bank deposits	(654)	(654)	(3,837)
Cash payment for purchase of building improvement and equipment	(1,213)	(1,183)	(3,004)
Proceeds from sales of equipment	1,877	1,877	460
Cash payment for purchase of equipment for lease	(772)	(772)	(1,814)
Cash payment for purchase software	(10)	(10)	-
<b>Net cash flows used in investing activities</b>	<u>(772)</u>	<u>(742)</u>	<u>(8,195)</u>
<b>Cash flows from financing activities</b>			
Increase (decrease) in bank overdrafts and short-term loans			
from financial institutions	340,017	340,017	(13,601)
Increase (decrease) in trust receipts	(14,922)	(14,922)	30,124
Repayment of long-term loans	-	-	(22,500)
Repayment in financial lease payable	(600)	(600)	(307)
<b>Net cash flows from (used in) financing activities</b>	<u>324,495</u>	<u>324,495</u>	<u>(6,284)</u>
<b>Net increase (decrease) in cash and cash equivalents</b>	<u>24,325</u>	<u>26,023</u>	<u>(11,339)</u>
Cash and cash equivalents at beginning of period	<u>30,073</u>	<u>22,679</u>	<u>57,614</u>
<b>Cash and cash equivalents at end of period</b>	<u><u>54,398</u></u>	<u><u>48,702</u></u>	<u><u>46,275</u></u>
<b>Supplemental cash flows information</b>			
Non - cash items			
Transfer of work in progress to equipment for lease	3,789	-	-

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

**Advanced Information Technology Public Company Limited and its subsidiary**

**Notes to consolidated interim financial statements**

**For the three-month periods ended 31 March 2008 and 2007**

**1. General information**

**1.1 Corporate information**

Advanced Information Technology Public Company Limited (“the Company”) is a public company incorporated and domiciled in Thailand. The Company is principally engaged in the sales, designs, service and installation of lump sum turnkey of information and communication technology network systems and the renting of computers and electronic equipment. Its registered address is 37/2 Suthisarvinijchai Road, Samsaennok, Huaykwang, Bangkok.

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

These interim financial statements are prepared in accordance with the Accounting Standards Pronouncement No. 41 (revised 2007) “Interim financial statements”, with the Company choosing to present condensed interim financial statements. However, the Company has presented the balance sheets, the statements of income, changes in shareholders’ equity, and cash flows in the same format as that used for the annual financial statements.

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

**1.3 Basis of consolidation**

These consolidated financial statements included the financial statements of Advanced Information Technology Public Company Limited and Maple Plus Company Limited, a 55% - 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 2007, with no structural changes related to subsidiary company during the current period.

**1.4 Adoption of new accounting standards**

TAS 25 (revised 2007)	Cash Flow Statements
TAS 29 (revised 2007)	Leases
TAS 31 (revised 2007)	Inventories
TAS 33 (revised 2007)	Borrowing Costs
TAS 35 (revised 2007)	Presentation of Financial Statements
TAS 39 (revised 2007)	Accounting Policies, Changes in Accounting Estimates and Errors
TAS 41 (revised 2007)	Interim Financial Reporting
TAS 43 (revised 2007)	Business Combinations
TAS 49 (revised 2007)	Construction Contracts
TAS 51	Intangible Assets

These accounting standards become effective for the financial statements for fiscal years beginning on or after 1 January 2008. The management has assessed the effect of these accounting standards and believes that TAS 33, TAS 43 and TAS 49 are not relevant to the business of the Company, whereas TAS 25, TAS 29, TAS 31, TAS 35, TAS 39, TAS 41 and TAS 51 do not have any significant impact on the financial statements for the current period.

**1.5 Significant accounting policies**

The interim financial statements have been prepared using the same accounting policies and methods of computation as were used for the financial statements for the year ended 31 December 2007.

**2. Directors and management's remuneration transactions**

During the three-month periods ended 31 March 2008 and 2007, the Company and its subsidiary had transactions with related parties. The table below is a summary of the transactions.

Related parties	Related transactions	(Unit: Million Baht)		
		Consolidated financial statements	Separate financial statements	
		<u>2008</u>	<u>2008</u>	<u>2007</u>
Audit committee	Meeting allowances and directors' remunerations	0.3	0.3	0.3
Management committee and management	Salaries, bonus, meeting allowances and directors' remunerations	25.4	24.8	17.0
Non-audit committee and non-management committee	Meeting allowances and directors' remunerations	0.2	0.2	0.2

### 3. Trade accounts and notes receivable

The outstanding balances of trade accounts and notes receivable as at 31 March 2008 and 31 December 2007 are aged, based on due date, as follows:

	Consolidated		(Unit: Thousand Baht)	
	financial statements		Separate	
	31 March	31 December	31 March	31 December
	2008	2007	2008	2007
		(Audited)		(Audited)
<b><u>Age of receivables</u></b>				
Not yet due	620,289	230,860	620,289	230,860
Past due				
Up to 3 months	466,978	205,326	466,978	205,326
3 - 6 months	119,272	51,203	119,272	51,203
Over 6 - 12 months	55,249	9,625	55,249	9,625
Over 12 months	4,058	1,456	4,058	1,456
Back to Back basis	20,560	21,752	20,560	21,752
Total	1,286,406	520,222	1,286,406	520,222
Less: Allowance for doubtful accounts	(5,450)	(2,989)	(5,450)	(2,989)
Trade accounts and notes receivable - net	1,280,956	517,233	1,280,956	517,233

Included in the above as at 31 March 2008, are post-date cheques amounting to Baht 9.4 million (31 December 2007: Baht 11.9 million).

Most of the overdue trade accounts receivable balances are those receivable from government agencies and companies of which government is a major shareholder. The Company's management expects that payment of these balances will be received in full and that the above allowance for doubtful accounts is adequate in the current circumstance.

As at 31 March 2008, the Company has transferred of collection rights for accounts receivable amounting to Baht 182.5 million (31 December 2007: Baht 105.0 million) to secure credit facilities from banks.

### 4. Restricted bank deposits

These represent fixed deposits pledged with the banks to secure credit facilities.

## 5. Investments in subsidiary

Company's name	Paid-up capital		Separate financial statements			
			Shareholding percentage		Cost	
	31 March	31 December	31 March	31 December	31 March	31 December
	2008	2007	2008	2007	2008	2007
	(Million Baht)	(Million Baht)	(%)	(%)	(Thousand Baht)	(Thousand Baht)
		(Audited)		(Audited)		(Audited)
Maple Plus Co., Ltd.	10	10	55	55	5,500	5,500

In 2007, the Company invested in 109,994 ordinary shares of Maple Plus Co., Ltd., representing 55 percent of total shares of the company, at a price of Baht 5.5 million.

## 6. Building improvement and equipment and equipment for lease

Movements of the building improvement and equipment and equipment for lease accounts during the three-month period ended 31 March 2008 are summarised below.

	Consolidated		(Unit: Thousand Baht)	
	financial statements		Separate	
	Building improvement and equipment	Equipment for lease	Building improvement and equipment	Equipment for lease
<b>Net book value as at 1 January 2008</b>	13,442	177,957	12,417	177,957
Acquisitions during the period – at cost	1,213	772	1,183	772
Transfer from work in process	-	3,789	-	3,789
Disposals/write-off during the period – net book value at disposal/write-off date	(2,186)	(410)	(2,186)	(410)
Depreciation for the period	(2,186)	(31,625)	(2,114)	(31,625)
Allowance for impairment loss increase during the period	-	(21,893)	-	(21,893)
<b>Net book value as at 31 March 2008</b>	<b>10,283</b>	<b>128,590</b>	<b>9,300</b>	<b>128,590</b>

During the current period, the Company's management decided to recognise impairment loss of Baht 22 million for equipment for lease of two projects since they believe that the net realisable value of the equipment is less than its net book value.

(Unaudited but reviewed)

## 7. Intangible assets

Movements of the intangible assets account during the three-month period ended 31 March 2008 are summarised below.

	(Unit: Thousand Baht)
	Consolidated/Separate financial statements
	Software
<b>Net book value as at 1 January 2008</b>	1,535
Acquisitions during the period - at cost	10
Amortisation for the period	(39)
<b>Net book value as at 31 March 2008</b>	<b>1,506</b>

## 8. Bank overdrafts and short-term loans from financial institutions

		(Unit: Thousand Baht)	
		Consolidated /Separate financial statements	
	Interest rate (percent per annum)	31 March 2008	31 December 2007 (Audited)
Bank overdrafts	MOR-1	17	-
Short-term loans from financial institutions	4.125 - 4.5%	380,000	40,000
		<u>380,017</u>	<u>40,000</u>

Bank overdrafts are secured by the pledge of fixed deposits.

Short-term loans from financial institutions are promissory notes, repayable within 3 months and unsecured.

## 9. Warrants

Presented below is a summary of movement of warrants:

		(Unit)
	Warrants issued to existing shareholders	Warrants issued to the Company's directors or employees (ESOP)
Number of warrants issued	5,999,972	3,000,000
Exercised during 2007	-	-
Outstanding as at 31 December 2007	5,999,972	3,000,000
Exercised during the three-month period of 2008	-	-
Outstanding as at 31 March 2008	<u>5,999,972</u>	<u>3,000,000</u>

**10. Earnings per share**

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

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

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

	Consolidated financial statements		
	For the three-month period ended 31 March		
	Net income	Weighted average number of ordinary shares	Earnings per share
	<u>2008</u>	<u>2008</u>	<u>2008</u>
	(Thousand Baht)	(Thousand shares)	(Baht)
<b>Basic earnings per share</b>			
Net income attributable to equity holders of the parent	105,506	60,000	1.76
<b>Effect of dilutive potential ordinary shares</b>			
ESOP	-	945	
Warrants issued to existing shareholders	-	-	
<b>Diluted earnings per share</b>			
Net income of ordinary shareholders assuming the conversion of warrants to ordinary shares	<u>105,506</u>	<u>60,945</u>	1.73



(Unaudited but reviewed)

	Separate financial statements					
	For the three-months periods ended 31 March					
	Net income		Weighted average number of ordinary shares		Earnings per share	
	<u>2008</u>	<u>2007</u>	<u>2008</u>	<u>2007</u>	<u>2008</u>	<u>2007</u>
(Thousand Baht)	(Thousand Baht)	(Thousand shares)	(Thousand shares)	(Baht)	(Baht)	
<b>Basic earnings per share</b>						
Net income attributable to equity holders of the parent	106,372	39,524	60,000	60,000	1.77	0.66
<b>Effect of dilutive potential ordinary shares</b>						
ESOP	-	-	945	-		
Warrants issued to existing shareholders	-	-	-	-		
<b>Diluted earnings per share</b>						
Net income of ordinary shareholders assuming the conversion of warrants to ordinary shares	<u>106,372</u>	<u>39,524</u>	<u>60,945</u>	<u>60,000</u>	1.75	0.66

**11. Segment information**

The Company and its subsidiary' business operations involve 2 principal segments: (1) sales and installation and (2) rental of computers and electronic equipment. These operations are mainly carried on in Thailand. Below is the financial information for the three-month periods ended 31 March 2008 and 2007 of the Company and its subsidiary by segment.

	(Unit: Million Baht)					
	For the three-month periods ended 31 March					
	Sales and installation segment		Renting segment		Total	
	<u>2008</u>	<u>2007</u>	<u>2008</u>	<u>2007</u>	<u>2008</u>	<u>2007</u>
Revenue	1,315	393	44	67	1,359	460
Segment operation income (loss)	<u>274</u>	<u>83</u>	<u>(16)</u>	<u>30</u>	258	113
Unallocated income and expenses						
Other income					1	2
Selling, servicing and administrative expenses					(106)	(55)
Interest expenses					(2)	(5)
Corporate income tax					(46)	(16)
Net income for the period					<u>105</u>	<u>39</u>

## 12. Commitments and contingent liabilities

### 12.1 Operating lease commitments

The Company and its subsidiary have entered into lease agreements in respect of leases of buildings and vehicles. Future minimum rentals payable under these leases as at 31 March 2008 are as follows:

	(Unit: Million Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	Lease of buildings	Lease of vehicles	Lease of buildings	Lease of vehicles
Payable within				
1 year	6.3	2.4	6.2	2.4
2 - 4 years	0.6	8.7	0.6	8.7

### 12.2 Obligations relating to undelivered and unrendered contracts

1. The Company has undelivered and unrendered contracts of selling goods and rendering services to its customers of approximately Baht 1,184 million (31 December 2007: Baht 1,091 million).
2. The Company has engaged in various contracts, totaling contract values of future service rendering of Baht 87 million (31 December 2007: Baht 120 million), to lease the electronic equipment to companies of which the government is a major shareholder, government agencies and various schools. The Company has obliged to complete the equipment installation and render maintenance services of these equipment in accordance with conditions stipulated in the contracts.
3. The Company has executed a memorandum with a company to arrange, and install voice mail system equipment and software to that company to render the services to subscriber for a period as from 1 August 2006 to 30 November 2011. The Company will obtain service charges as a percentage of that company's revenue. The Company is, therefore, obliged to complete the equipment installation, render maintenance services of the equipment, pay network connection cost on a monthly basis and abide by others conditions stipulated in the contract. The Company will also transfer ownership of these equipment to such company on the contract's expiration date.

### **12.3 Guarantees**

As at 31 March 2008, there were outstanding bank guarantees of approximately Baht 536.1 million (31 December 2007: Baht 494.3 million) which have been issued by banks on behalf of the Company and its contracted counter parties, guaranteed by the Company, in respect of certain performance bonds as required in the ordinary course of its businesses. These included letters of guarantee amounting to Baht 534.6 million to guarantee contractual performance and Baht 1.5 million to guarantee payments due to creditors.

### **13. Financial instruments**

As at 31 March 2008, the Company had outstanding balance of accounts payable denominated in foreign currency of USD 4.7 million and had certain forward exchange contracts amounting to USD 6.7 million, at exchange rates ranging between Baht 31.28 to 32.65 per USD.

### **14. Subsequent events**

At the 2008 Annual General Meeting of the Company's shareholders held on 25 April 2008, it was resolved to pay dividends of Baht 1.25 per share in respect of the year 2007 income, or a total of Baht 75 million. Such dividend will be recorded in the second quarter of 2008.

### **15. Approval of interim financial statements**

These interim financial statements were authorised for issued by the Company's Board of Directors on 12 May 2008.