

TRUE MOVE COMPANY LIMITED

**INTERIM CONSOLIDATED AND COMPANY FINANCIAL STATEMENTS
(UNAUDITED)**

30 JUNE 2009

AUDITOR'S REPORT ON REVIEW OF INTERIM FINANCIAL STATEMENTS

To the Shareholders and the Board of Directors of True Move Company Limited

I have reviewed the accompanying consolidated and company balance sheets of True Move Company Limited and its subsidiaries and of True Move Company Limited, respectively, as at 30 June 2009 and the related consolidated and company statements of income for the three-month and six-month periods ended 30 June 2009 and 2008, and the related consolidated and company statement of changes in shareholders' equity, and cash flows for the six-month periods ended 30 June 2009 and 2008. These financial statements are the responsibility of the Company's management. My responsibility is to issue a report on these interim financial statements based on my reviews.

I conducted my reviews in accordance with the standard on auditing applicable to review engagements. This standard requires that I plan and perform the review to obtain moderate assurance as to whether the interim 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, 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 interim financial statements referred to above are not presented fairly, in all material respects, in accordance with generally accepted accounting principles.

Without qualifying my review report, I draw attention to note 21 to the interim financial statements. There are uncertainties in respect of significant outstanding lawsuits and commercial disputes in relation to access charge. The ultimate outcome of such lawsuits and commercial disputes cannot presently be determined and no provision for any liability that may result has been made in the financial statements.

I have audited the consolidated and company financial statements for the year ended 31 December 2008 of True Move Company Limited and its subsidiaries and of True Move Company Limited, in accordance with generally accepted auditing standards and expressed an unqualified opinion on those statements but drew attention in relation to significant uncertainties in respect of outstanding lawsuits and commercial disputes of access charge in my report dated 25 February 2009. The consolidated and company balance sheets as at 31 December 2008, presented for comparative purposes, are part of the financial statements that I have audited and on which I issued a report as stated above, and I have not performed any other auditing procedures subsequent to the date of that report.



Pisit Thangtanagul
Certified Public Accountant (Thailand) No. 4095
PricewaterhouseCoopers ABAS Limited

Bangkok
10 August 2009

True Move Company Limited
Balance Sheets
As at 30 June 2009 and 31 December 2008

		Consolidated		Company	
		(Unaudited)	(Audited)	(Unaudited)	(Audited)
	Notes	30 June	31 December	30 June	31 December
		2009	2008	2009	2008
		Baht	Baht	Baht	Baht
Assets					
Current assets					
Cash and cash equivalents		3,783,770,941	1,708,143,585	3,605,882,998	1,423,271,166
Restricted cash		43,619,343	43,584,663	43,619,343	43,584,663
Trade accounts receivable, net (including amounts due from related companies)	6	4,631,392,018	4,539,181,823	3,970,423,133	4,349,246,561
Amounts due from related companies	19	162,180,829	119,507,414	109,867,185	107,844,043
Inventories, net	7	956,439,612	1,189,376,454	87,980,229	44,481,360
Claimable value added tax		95,413,072	379,849,268	-	241,889,790
Other current assets	8	1,445,024,667	1,396,931,430	1,294,506,809	1,290,082,900
Total current assets		11,117,840,482	9,376,574,637	9,112,279,697	7,500,400,483
Non-current assets					
Property, plant and equipment, net	10	34,634,551,955	35,226,923,865	34,306,828,816	34,926,846,079
Intangible assets, net	10	3,691,886,350	1,516,371,881	3,680,155,463	1,506,818,677
Forward contract receivable		59,010,251	320,686,335	59,010,251	320,686,335
Other non-current assets		163,044,592	145,148,050	125,830,312	116,885,018
Total non-current assets		38,548,493,148	37,209,130,131	38,171,824,842	36,871,236,109
Total assets		49,666,333,630	46,585,704,768	47,284,104,539	44,371,636,592

Director _____

Director _____

True Move Company Limited
Balance Sheets (Cont'd)
As at 30 June 2009 and 31 December 2008

	Notes	Consolidated		Company	
		(Unaudited) 30 June 2009 Baht	(Audited) 31 December 2008 Baht	(Unaudited) 30 June 2009 Baht	(Audited) 31 December 2008 Baht
Liabilities and shareholders' equity					
Current liabilities					
Trade accounts and notes payable (including amount due to related companies)	11	6,186,468,955	8,341,098,187	3,778,215,915	6,371,103,523
Other accounts payable		427,427,416	667,334,918	382,911,199	600,723,211
Current portion of long-term borrowings	12	1,535,099,631	1,683,387,036	1,535,099,631	1,683,387,036
Amounts due to related companies	19	107,694,478	157,968,545	163,125,557	258,730,200
Accrued expenses		1,414,103,076	1,052,451,341	1,431,125,107	1,087,542,991
Accrued regulatory cost		5,154,680,218	2,721,111,871	5,154,680,218	2,721,111,871
Unearned service income		260,779,753	199,970,244	260,779,753	197,766,194
Forward contract payable		574,056,625	874,345,336	574,056,625	874,345,336
Liability under agreement for operation	13	367,452,238	315,338,061	367,452,238	315,338,061
Other current liabilities		152,544,315	443,502,864	150,632,123	132,392,556
Total current liabilities		16,180,306,705	16,456,508,403	13,798,078,366	14,242,440,979
Non-current liabilities					
Notes payable	11	439,904,617	359,771,781	439,904,617	359,771,781
Long-term borrowings	12	25,245,985,174	26,568,454,863	25,245,985,174	26,568,454,863
Forward contract payable		2,301,149,931	3,605,244,180	2,301,149,931	3,605,244,180
Liability under agreement for operation	13	4,372,853,460	2,245,087,280	4,372,853,460	2,245,087,280
Total non-current liabilities		32,359,893,182	32,778,558,104	32,359,893,182	32,778,558,104
Total liabilities		48,540,199,887	49,235,066,507	46,157,971,548	47,020,999,083
Shareholders' equity					
Share capital					
Authorised share capital	14	37,281,254,160	34,700,206,930	37,281,254,160	34,700,206,930
Issued and paid-up share capital		37,281,254,160	34,700,206,930	37,281,254,160	34,700,206,930
Premium on share capital	14	1,858,400,000	1,858,400,000	1,858,400,000	1,858,400,000
Deficits		(38,013,521,169)	(39,207,969,421)	(38,013,521,169)	(39,207,969,421)
Total parent's shareholders' equity (deficit)		1,126,132,991	(2,649,362,491)	1,126,132,991	(2,649,362,491)
Minority interest		752	752	-	-
Total shareholders' equity (deficit)		1,126,133,743	(2,649,361,739)	1,126,132,991	(2,649,362,491)
Total liabilities and shareholders' equity		49,666,333,630	46,585,704,768	47,284,104,539	44,371,636,592

The notes are an integral part of these interim financial statements.

True Move Company Limited
Statements of Income (Unaudited)
For the three-month periods ended 30 June 2009 and 2008

	Notes	Consolidated		Company	
		30 June 2009 Baht	30 June 2008 Baht	30 June 2009 Baht	30 June 2008 Baht
Revenues from mobile phone and other services		7,406,164,449	7,584,356,968	7,179,870,874	7,365,268,134
Revenues from product sales		483,760,248	151,292,437	507,326,969	75,244,197
Total revenues		7,889,924,697	7,735,649,405	7,687,197,843	7,440,512,331
Cost of providing services		5,408,330,124	6,063,818,294	5,267,575,813	5,851,946,149
Cost of sales		466,127,821	129,423,672	466,685,834	60,096,441
Total costs		5,874,457,945	6,193,241,966	5,734,261,647	5,912,042,590
Gross profit		2,015,466,752	1,542,407,439	1,952,936,196	1,528,469,741
Other income		5,075,066	16,241,173	4,852,456	10,885,732
Other expenses		-	(15,818,285)	-	(15,818,285)
Selling expenses		(885,515,453)	(1,000,779,617)	(788,553,013)	(822,532,455)
Administrative expenses		(655,029,336)	(534,315,157)	(689,002,347)	(693,255,184)
Profit before financial costs and income tax		479,997,029	7,735,553	480,233,292	7,749,549
Financial costs, net	16	(579,860,681)	1,856,845,260	(580,096,944)	1,856,831,264
Profit (loss) before income tax		(99,863,652)	1,864,580,813	(99,863,652)	1,864,580,813
Income tax	17	-	-	-	-
Net profit (loss) for the period		(99,863,652)	1,864,580,813	(99,863,652)	1,864,580,813
Attributable to:					
Equity holders of the company		(99,863,652)	1,864,580,813	(99,863,652)	1,864,580,813
Minority interest		-	-	-	-
		(99,863,652)	1,864,580,813	(99,863,652)	1,864,580,813
Basic earnings (loss) per share	18				
Net profit (loss) for the period		(0.03)	0.55	(0.03)	0.55

The notes are an integral part of these interim financial statements.

True Move Company Limited
Statements of Income (Unaudited)
For the six-month periods ended 30 June 2009 and 2008

	Notes	Consolidated		Company	
		30 June 2009 Baht	30 June 2008 Baht	30 June 2009 Baht	30 June 2008 Baht
Revenues from mobile phone and other services		15,146,885,397	15,908,929,440	14,613,910,387	15,469,116,409
Revenues from product sales		1,075,815,893	339,272,495	1,029,854,373	170,839,016
Total revenues		16,222,701,290	16,248,201,935	15,643,764,760	15,639,955,425
Cost of providing services		10,891,530,941	12,429,181,554	10,578,100,562	12,038,946,984
Cost of sales		968,810,811	319,587,055	948,472,225	136,382,612
Total costs		11,860,341,752	12,748,768,609	11,526,572,787	12,175,329,596
Gross profit		4,362,359,538	3,499,433,326	4,117,191,973	3,464,625,829
Other income		6,956,166	119,019,751	8,742,028	109,401,599
Other expenses		(1,229,146)	(15,818,285)	(1,229,146)	(15,818,285)
Selling expenses		(1,793,043,370)	(1,825,193,630)	(1,606,774,772)	(1,522,587,459)
Administrative expenses		(1,226,860,398)	(1,086,811,109)	(1,168,899,000)	(1,344,465,047)
Profit before financial costs and income tax		1,348,182,790	690,630,053	1,349,031,083	691,156,637
Financial costs, net	16	(153,734,538)	(640,297,507)	(154,582,831)	(640,824,091)
Profit before income tax		1,194,448,252	50,332,546	1,194,448,252	50,332,546
Income tax	17	-	-	-	-
Net profit for the period		1,194,448,252	50,332,546	1,194,448,252	50,332,546
Attributable to:					
Equity holders of the company		1,194,448,252	50,332,546	1,194,448,252	50,332,546
Minority interest		-	-	-	-
		1,194,448,252	50,332,546	1,194,448,252	50,332,546
Basic earnings per share	18				
Net profit for the period		0.33	0.01	0.33	0.01

The notes are an integral part of these interim financial statements.

True Move Company Limited
Statements of Changes in Shareholders' Equity (Deficit) (Unaudited)
For the six-month periods ended 30 June 2009 and 2008

	Consolidated				
	Issued and paid-up share capital	Premium on share capital	Deficit	Minority interest	Total
	Baht	Baht	Baht	Baht	Baht
Opening balance					
as at 1 January 2009	34,700,206,930	1,858,400,000	(39,207,969,421)	752	(2,649,361,739)
Additional shares (Note 14)	2,581,047,230	-	-	-	2,581,047,230
Net profit for the period	-	-	1,194,448,252	-	1,194,448,252
Closing balance					
as at 30 June 2009	<u>37,281,254,160</u>	<u>1,858,400,000</u>	<u>(38,013,521,169)</u>	<u>752</u>	<u>1,126,133,743</u>
Opening balance					
as at 1 January 2008					
As previously reported	33,600,167,640	1,858,400,000	(32,121,425,082)	700	3,337,143,258
Prior year adjustment	-	-	(2,161,164,759)	-	(2,161,164,759)
As restated	33,600,167,640	1,858,400,000	(34,282,589,841)	700	1,175,978,499
Additional shares	39,290	-	-	52	39,342
Net profit for the period	-	-	50,332,546	-	50,332,546
Closing balance					
as at 30 June 2008	<u>33,600,206,930</u>	<u>1,858,400,000</u>	<u>(34,232,257,295)</u>	<u>752</u>	<u>1,226,350,387</u>

	Company			
	Issued and paid-up share capital	Premium on share capital	Deficit	Total
	Baht	Baht	Baht	Baht
Opening balance as at 1 January 2009	34,700,206,930	1,858,400,000	(39,207,969,421)	(2,649,362,491)
Additional shares (Note 14)	2,581,047,230	-	-	2,581,047,230
Net profit for the period	-	-	1,194,448,252	1,194,448,252
Closing balance as at 30 June 2009	<u>37,281,254,160</u>	<u>1,858,400,000</u>	<u>(38,013,521,169)</u>	<u>1,126,132,991</u>
Opening balance as at 1 January 2008				
As previously reported	33,600,167,640	1,858,400,000	(32,121,425,082)	3,337,142,558
Prior year adjustment	-	-	(2,161,164,759)	(2,161,164,759)
As restated	33,600,167,640	1,858,400,000	(34,282,589,841)	1,175,977,799
Additional shares	39,290	-	-	39,290
Net profit for the period	-	-	50,332,546	50,332,546
Closing balance as at 30 June 2008	<u>33,600,206,930</u>	<u>1,858,400,000</u>	<u>(34,232,257,295)</u>	<u>1,226,349,635</u>

The notes are an integral part of these interim financial statements.

True Move Company Limited
Statements of Cash Flows (Unaudited)
For the six-month periods ended 30 June 2009 and 2008

	Consolidated		Company	
	30 June 2009 Baht	30 June 2008 Baht	30 June 2009 Baht	30 June 2008 Baht
Cash flows from operating activities				
Net profit for the period	1,194,448,252	50,332,546	1,194,448,252	50,332,546
Adjustments:				
Interest income	(16,802,467)	(22,543,929)	(15,918,173)	(21,619,751)
Interest expenses on long-term borrowings	1,791,634,614	1,487,027,910	1,791,634,614	1,487,026,686
Interest expenses on liability under agreement for operation minimum payment	13 200,860,674	145,281,780	200,860,674	145,281,780
Depreciation charges	10 1,948,945,502	2,175,975,626	1,926,417,657	2,164,363,126
Amortisation of debt issuance costs	74,825,216	84,928,663	74,825,216	84,928,663
Amortisation of intangible assets	10 99,708,267	121,793,350	99,006,166	121,321,479
Amortisation of minimum payment of agreement for operation	10 42,717,612	42,717,612	42,717,612	42,717,612
Realised net gain on exchange rate	(109,285,971)	(103,629,784)	(109,285,971)	(103,629,784)
Realised net loss on exchange rate from repayment borrowings	111,297,413	101,858,062	111,297,413	101,858,062
Unrealised net gain on exchange rate	(1,900,894,935)	(782,552,045)	(1,900,826,263)	(782,847,076)
Doubtful accounts	15 218,649,181	152,211,364	187,133,440	418,129,567
Finished goods written down	-	32,999,663	-	5,559,434
Write-off and loss on disposals of equipment	15 4,258,265	15,151,482	4,224,554	3,745,947
Changes in operating assets and liabilities				
- trade accounts receivable	(312,168,273)	4,244,631,825	190,378,136	3,742,759,333
- amounts due from related companies	(42,673,414)	(75,462,934)	(2,023,142)	(10,392,934)
- inventories	232,936,842	397,103,489	(43,498,869)	10,203,134
- claimable value added tax	284,436,195	153,995,291	241,889,791	162,790,516
- other current assets	109,700,608	(226,460,639)	101,196,814	(215,919,134)
- other non-current assets	(17,898,073)	262,012,559	(8,946,826)	245,361,524
- trade accounts payable	(1,860,710,199)	(4,963,275,504)	(2,298,044,802)	(4,438,060,818)
- other accounts payable	(233,398,751)	(157,372,196)	(215,632,028)	(177,234,360)
- amounts due to related companies	(49,160,823)	(100,842,805)	(95,604,642)	6,990,585
- accrued expenses	2,788,377,307	2,806,872,339	2,770,307,689	2,726,444,757
- other current liabilities	(230,149,040)	(392,595,374)	81,253,126	(392,326,695)
- liability under agreement for operation minimum payment	(290,000,000)	(190,000,000)	(290,000,000)	(190,000,000)
Cash generated from operations	4,039,654,002	5,260,158,351	4,037,810,438	5,187,784,199
<u>Add</u> Interest received	14,041,520	31,651,745	13,262,259	30,518,111
<u>Less</u> Interest paid	(1,798,988,455)	(1,501,164,776)	(1,798,988,455)	(1,501,163,552)
<u>Less</u> Income tax paid (withholding tax)	(190,867,989)	(272,937,720)	(139,789,666)	(253,812,819)
Net cash flows from operating activities	2,063,839,078	3,517,707,600	2,112,294,576	3,463,325,939

The notes are an integral part of these interim financial statements.

True Move Company Limited
Statements of cash flows (Unaudited) (Cont'd)
For the six-month periods ended 30 June 2009 and 2008

	Note	Consolidated		Company	
		30 June 2009 Baht	30 June 2008 Baht	31 March 2009 Baht	30 June 2008 Baht
Cash flows from investing activities					
Increase in restricted cash		(34,681)	(4,165,688)	(34,681)	(4,165,688)
Purchases of intangible assets		(21,012,224)	(29,268,861)	(18,132,440)	(28,769,662)
Purchases of non-network assets		(165,183,240)	(196,299,786)	(109,427,427)	(141,853,567)
Purchases of network equipment		(1,429,038,006)	(2,458,560,456)	(1,429,038,006)	(2,458,560,456)
Proceeds from disposals of equipment		106,619	966,322	-	949,533
Net cash used in investing activities		(1,615,161,532)	(2,687,328,469)	(1,556,632,554)	(2,632,399,840)
Cash flows from financing activities					
Proceeds from additional share capital	14	2,581,047,230	39,290	2,581,047,230	39,290
Proceeds from share call up of subsidiary from minority interest		-	52	-	-
Proceed from short-term borrowings from related company		-	500,000	-	-
Payment of short-term borrowings from related company		-	(500,000)	-	-
Payment of long-term borrowings		(953,596,142)	(735,731,312)	(953,596,142)	(735,731,312)
Payment on issue of US Dollar note		-	(37,560)	-	(37,560)
Net cash generated from (used in) financing activities		1,627,451,088	(735,729,530)	1,627,451,088	(735,729,582)
Net increase in cash and cash equivalents		2,076,128,634	94,649,601	2,183,113,110	95,196,517
Cash and cash equivalents - opening balance		1,708,143,585	2,572,183,052	1,423,271,166	1,924,756,094
Effect of exchange rate change on cash		(501,278)	23,325	(501,278)	23,325
Cash and cash equivalents - closing balance		3,783,770,941	2,666,855,978	3,605,882,998	2,019,975,936

Non-cash transactions

Significant non-cash transactions for the six-month periods ended 30 June 2009 and 2008 comprise:

	Consolidated		Company	
	2009 Million Baht	2008 Million Baht	2009 Million Baht	2008 Million Baht
Acquisitions of property and equipment which have not been paid as at 30 June	699.40	150.34	677.02	133.41
Recognition of the additional minimum payment as intangible asset and liability under agreements for operations (Note 13)	2,269.02	-	2,269.02	-

The notes are an integral part of these interim financial statements.

True Move Company Limited
Unaudited Condensed Notes to the Interim Consolidated and Company Financial Statements
For the six-month periods ended 30 June 2009 and 2008

1 General information

True Move Company Limited (“the Company”) is incorporated and resident in Thailand. The address of the Company’s registered office is as follows:

18 True Tower, Ratchadapisek Road, Huai Khwang District, Bangkok 10310.

These interim financial statements have been approved for issue by the Company’s directors on 10 August 2009.

These interim consolidated and company financial statements have been reviewed, not audited.

2 Basis of preparation

These interim consolidated and company financial statements are prepared in accordance with Thai generally accepted accounting principles under the Accounting Act B.E. 2543, being those Thai Accounting Standards issued under the Accounting Professions Act B.E. 2547. The notes to the interim consolidated and company financial statements are prepared in a condensed format according to Thai Accounting Standard 41 “Interim Financial Reporting”.

Comparative figures have been adjusted to conform with the minimum requirements announced by the Department of Business Development Regulation dated 30 January 2009 in relation to the format of Financial Statements B.E. 2552. It effects from 1 January 2009.

Costs that incur unevenly during the financial year are anticipated or deferred in the interim report only if it would be also appropriate to anticipate or defer such costs at the end of the financial year.

3 Summary of significant accounting policies

The accounting policies used in the preparation of the interim financial statements are consistent with those used in the annual financial statements for the year ended 31 December 2008 except for change in accounting estimates as described in Note 4.

Revised standards that are effective for the period beginning on or after 1 January 2009 and revised accounting framework.

TAS 36 (revised 2007) Impairment of Assets
TFRS 5 (revised 2007) Non-current Assets Held for Sale and Discontinued Operations (formerly TAS 54)
Accounting Framework (revised 2007) (effective 26 June 2009)

These two standards and accounting framework do not have a material impact on the financial statements being presented.

The revised accounting standards and new accounting standards which are effective for the period beginning on or after 1 January 2011 and 1 January 2012 and which have not been early adopted by the Company are as follows:

Effective for the period beginning on or after 1 January 2011
TAS 24 (revised 2007) Related Party Disclosure (formerly TAS 47)
TAS 40 Investment Property

Effective for the period beginning on or after 1 January 2012
TAS 20 Accounting for Government Grants and Disclosure for Government Assistance

The Company’s management has determined that the revised standard and the new standards will not significantly impact the financial statements being presented.

Thai Accounting Standards were renumbered with an effect on 26 June 2009 following an announcement by the Federation of Accounting Professions in order to conform with the number used in the International Financial Reporting Standards.

True Move Company Limited
Unaudited Condensed Notes to the Interim Consolidated and Company Financial Statements
For the six-month periods ended 30 June 2009 and 2008

4 Change in accounting estimates

Property, plant and equipment held under the Agreement for Operation are depreciated over the shorter of their useful lives or the remaining agreement period. According to the conditions stipulated in the Memorandum of Agreement (“MOA”) as disclosed in Note 22, the Company has been granted the right to use assets transferred to the grantor (“CAT”) to 2018. Consequently, the depreciation for the period of those assets having their estimated useful lives longer than 2013 would be decreased.

The impact of the change in the current period and future periods can be summarised as follows:

	Before impact of MOA Million Baht	After impact of MOA Million Baht
Net book value of assets transferred to the grantor as at 31 December 2008	11,348.56	11,348.56
Depreciation charges for three-month period ended 30 June 2009	586.92	381.14
Depreciation charges for six-month period ended 30 June 2009	1,167.38	758.10
Depreciation charges for year ending 31 December 2009	2,354.11	1,528.77

5 Financial position

As at 30 June 2009, consolidated current liabilities exceed consolidated current assets by Baht 5,062.47 million. The ultimate parent company and its shareholders entered into the Sponsor Support Agreements (“SSA”) with the secured lenders of True Move pursuant to which they agreed to provide financial support as set forth below:

- 5.1 In the case of regulatory sponsor support to governmental authorities arising out the mobile phone agreement: where True Move experiences cash shortfalls for its normal operations due to regulatory costs as specified in the SSA, the sponsors shall provide financial support for the amount of the shortfall caused by the excess regulatory costs.
- 5.2 In the case of general cash deficiency sponsor support: where the cash flows of True Move are insufficient for its normal operations or debt repayments pursuant to the terms of the financing documents with its lenders, the ultimate parent company and its shareholder will provide financial support to True Move in a total amount not exceeding Baht 10.5 billion.

Under the terms and conditions of the SSA, the ultimate parent company, its shareholder and concerned parties must comply with certain conditions as stipulated in the SSA. The sponsor support funds must be injected into True Move in the form as specified in the SSA in order to support True Move to continue its operations on going basis.

In order to support cash flow of the Company, the shareholder of the ultimate parent company and the ultimate parent company injected sponsor support as follows:

	Billion Baht
13 December 2007	3.0
9 December 2008	1.1
12 March 2009	2.6
Total	<u>6.7</u>

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6 Trade accounts receivable, net

	Consolidated		Company	
	30 June 2009 Baht	31 December 2008 Baht	30 June 2009 Baht	31 December 2008 Baht
Trade accounts receivable				
- related companies (Note 19)	2,279,988,157	2,283,612,101	3,700,268,545	4,234,964,765
- others	2,334,782,437	2,034,709,034	2,269,482,829	1,940,883,559
Unbilled receivables	1,044,018,157	1,029,708,005	1,044,018,157	1,029,708,005
	5,658,788,751	5,348,029,140	7,013,769,531	7,205,556,329
<u>Less</u> Allowance for doubtful accounts	(1,027,396,733)	(808,847,317)	(3,043,346,398)	(2,856,309,768)
Trade accounts receivable, net	<u>4,631,392,018</u>	<u>4,539,181,823</u>	<u>3,970,423,133</u>	<u>4,349,246,561</u>

7 Inventories, net

	Consolidated		Company	
	30 June 2009 Baht	31 December 2008 Baht	30 June 2009 Baht	31 December 2008 Baht
Finished goods	221,894,321	295,564,482	87,980,229	44,481,360
Cash cards	722,920,570	878,883,990	-	-
Packaging materials	11,624,721	14,927,982	-	-
Inventories, net	<u>956,439,612</u>	<u>1,189,376,454</u>	<u>87,980,229</u>	<u>44,481,360</u>

8 Other current assets

	Consolidated		Company	
	30 June 2009 Baht	31 December 2008 Baht	30 June 2009 Baht	31 December 2008 Baht
Prepaid withholding tax	740,635,413	549,767,424	614,776,824	474,987,158
Prepaid expenses	339,560,473	276,115,408	334,269,706	268,577,934
Input tax not yet due	105,778,426	235,669,081	90,591,502	219,268,352
Accounts receivable - others	142,853,254	154,124,960	142,596,696	148,176,052
Prepaid regulatory costs	73,687,935	56,952,023	73,687,935	56,952,023
Forward contract receivable	13,113,389	64,137,267	13,113,389	64,137,267
Others	29,395,777	60,165,267	25,470,757	57,984,114
	<u>1,445,024,667</u>	<u>1,396,931,430</u>	<u>1,294,506,809</u>	<u>1,290,082,900</u>

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9 Investment in subsidiaries

<u>Name of subsidiaries</u>	<u>Type of business</u>	<u>Paid-up share capital</u>	<u>Country of incorporation</u>	<u>Percentage of holding</u>
True Distribution and Sales Company Limited	Trading and providing services for telecommunication equipment	(Baht) 1,000,000	Thailand	99.93%
True Music Company Limited	Content Provider	(Baht) 200,000	Thailand	99.97%

As at 30 June 2009, the investment in True Distribution and Sales Company Limited has been pledged to secure long-term borrowings of the Company (Note 12).

The Company provided for allowance for doubtful accounts for trade accounts receivable-subsiary, as shown in Note 19, for those amount considered uncollectible. Therefore, the profit and loss for the periods on the consolidated and company financial statements are identical.

10 Property, plant, equipment and intangible assets, net

	<u>Consolidated</u>		<u>Company</u>	
	<u>Property, plant and equipment Baht</u>	<u>Intangible assets Baht</u>	<u>Property, plant and equipment Baht</u>	<u>Intangible assets Baht</u>
For the six-month period ended 30 June 2009				
Opening net book value	35,226,923,865	1,516,371,881	34,926,846,079	1,506,818,677
Additions	1,388,536,479	2,290,031,907	1,338,222,951	2,287,152,123
Disposals and write off	(4,364,884)	-	(4,224,554)	-
Transfers	(27,908,441)	27,908,441	(27,908,441)	27,908,441
Adjustments	310,438	-	310,438	-
Depreciation and amortisation	(1,948,945,502)	(142,425,879)	(1,926,417,657)	(141,723,778)
Closing net book value	<u>34,634,551,955</u>	<u>3,691,886,350</u>	<u>34,306,828,816</u>	<u>3,680,155,463</u>

As at 30 June 2009, intangible assets include "Right to operate" of Baht 2,632.12 million, net of Baht 1,025.22 million accumulated amortisation. The related amortisation for the period was Baht 42.72 million. Additions during the period of Baht 2,269.02 million was discussed in Note 13.

For the six-month period ended 30 June 2009, borrowing costs of Baht 74.39 million were capitalised as cost of network equipment.

	<u>Consolidated and Company Million Baht</u>
Capital commitments	
As at 30 June 2009	1,136.58
As at 31 December 2008	1,863.03

According to the agreement for operation granted by CAT, during the six-month period ended 30 June 2009, the Company transferred network assets with net book value of Baht 117.10 million to CAT. CAT is now in the process of investigation those transferred network assets. The Company still has right to operate the mobile phone service over the transferred assets.

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11 Trade accounts and notes payable

	Consolidated		Company	
	30 June 2009 Baht	31 December 2008 Baht	30 June 2009 Baht	31 December 2008 Baht
Current				
Trade accounts payable				
- related companies (Note 19)	3,171,921,985	4,852,882,465	832,069,188	2,999,865,837
- others	2,513,659,505	3,234,232,523	2,445,259,262	3,117,254,487
Notes payable	500,887,465	253,983,199	500,887,465	253,983,199
Total current	6,186,468,955	8,341,098,187	3,778,215,915	6,371,103,523
Non-current				
Notes payable	439,904,617	359,771,781	439,904,617	359,771,781
Total non-current	439,904,617	359,771,781	439,904,617	359,771,781
Trade accounts and notes payable	6,626,373,572	8,700,869,968	4,218,120,532	6,730,875,304

The trade accounts payable-others mainly represent payables to network construction companies who provide supplier credit to the Company. According to the construction agreement, once the supplier's invoices become due those invoices are converted to note payable. The terms of the notes payable are based on the terms of the contracts with vendors.

As at 30 June 2009, notes payable are interest free promissory notes denominated in US Dollar of US\$ 27.53 million (31 December 2008: US\$ 8.72 million) issued to supplier for payment of network equipment acquired. The first payment will be due on 25 December 2009 and the final maturity date will be due on 11 April 2011.

12 Borrowings and loans

	Consolidated and Company	
	30 June 2009 Baht	31 December 2008 Baht
Current		
- Banks and financial institutions	1,535,099,631	1,683,387,036
Total current	1,535,099,631	1,683,387,036
Non-current		
- Banks and financial institutions	2,169,423,086	2,909,771,331
- US Dollar notes	23,076,562,088	23,658,683,532
Total non-current	25,245,985,174	26,568,454,863
Total borrowings	26,781,084,805	28,251,841,899

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12 Borrowings and loans (Cont'd)

12.1 Borrowings from banks and financial institutions

	Consolidated and Company	
	30 June 2009 Baht	31 December 2008 Baht
Current	1,535,099,631	1,683,387,036
Non-current	2,169,423,086	2,909,771,331
Total borrowings	<u>3,704,522,717</u>	<u>4,593,158,367</u>

The movements in borrowings are as follows:

	Consolidated and Company Baht
For the six-month period ended 30 June 2009	
Opening net book value	4,593,158,367
Loan repayment during the year	(842,298,730)
Amortisation of debt issuance costs	30,112,378
Currency translation	(76,449,298)
Closing net book value	<u>3,704,522,717</u>

Included in long-term borrowings are loans from a related company amounting to Baht 2,805.81 million (31 December 2008: Baht 3,585.14 million) (Note 19).

12.2 US Dollar notes

	Consolidated and Company	
	30 June 2009 Baht	31 December 2008 Baht
Non-current	23,076,562,088	23,658,683,532
Total borrowings	<u>23,076,562,088</u>	<u>23,658,683,532</u>

The movements in borrowings are as follows:

	Consolidated and Company Baht
For the six-month period ended 30 June 2009	
Opening net book value	23,658,683,532
Amortisation of debt issuance costs	47,917,556
Currency translation	(630,039,000)
Closing net book value	<u>23,076,562,088</u>

12 Borrowings and loans (Cont'd)

12.3 Credit facilities

The Group and the Company have the following undrawn committed credit facilities:

	Consolidated and Company	
	30 June 2009 Baht	31 December 2008 Baht
Expiring beyond one year	52,731,360	66,425,860
	<u>52,731,360</u>	<u>66,425,860</u>

The credit facilities such as bank guarantee, letter of credit and short-term loan have been arranged to use for general operations and activities of the Group and the Company.

13 Liability under agreement for operation

Detail of liabilities under agreement for operation can be summarised as follow:

	Consolidated and Company	
	30 June 2009 Baht	31 December 2008 Baht
Current	367,452,238	315,338,061
Non-current	4,372,853,460	2,245,087,280
	<u>4,740,305,698</u>	<u>2,560,425,341</u>

Movement of liabilities under agreement for operation can be analysed as follow:

	Consolidated and Company Baht
For the six-month periods ended 30 June 2009	
Opening net book value	2,560,425,341
Addition	2,269,019,683
Repayments	(290,000,000)
Interest expense charges	200,860,674
Closing net book value	<u>4,740,305,698</u>

According to the MOA as described in Note 22, the Company recognised “Right to operate” as intangible assets (Note 10) and “Liabilities under agreement for operation” amounting to Baht 2,269.02 million in the balance sheet. This amount is derived from the best estimated cost of obtaining right discounted by MLR at the MOA’s signing date and might be changed should the company reach the definitive agreement. The interest derived from liabilities being capitalised and contrary recognised in the consolidated and company statement of income.

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14 Share capital and premium on share capital

	Consolidated and Company			
	Number of shares	Ordinary shares Baht	Premium on share capital Baht	Total Baht
As at 31 December 2008	3,470,020,693	34,700,206,930	1,858,400,000	36,558,606,930
Issue of shares	258,104,723	2,581,047,230	-	2,581,047,230
As at 30 June 2009	3,728,125,416	37,281,254,160	1,858,400,000	39,139,654,160

As at 30 June 2009, the total authorised number of ordinary shares is 3,728,125,416 shares (31 December 2008: 3,470,020,693 shares) with a par value of Baht 10 per share. All issued shares are fully paid. The Company issued 1,510 ordinary shares, 258,100,000 ordinary shares and 3,213 ordinary shares and received subscription of all additional shares at par value and registered the increases of share capital with the Ministry of Commerce on 23 January 2009, 17 March 2009 and 26 May 2009, respectively. The issuance of share was approved by the shareholders at Extraordinary General Meeting No.1/2009.

15 Operating results

The following expenditures, classified by nature, have been charged in arriving at profit before financial costs and income tax.

	Consolidated		Company	
	2009 Baht	2008 Baht	2009 Baht	2008 Baht
For three-month periods ended 30 June				
Depreciation on property, plant and equipment	1,021,592,879	1,094,301,136	1,009,023,637	1,087,0647,531
Amortisation intangible assets	73,701,852	66,747,018	73,327,593	66,509,037
Doubtful accounts	110,691,464	76,991,955	166,030,158	241,433,335
Write-off and loss on disposals of equipment	219,313	13,373,204	191,166	2,480,961
For six-month periods ended 30 June				
Depreciation on property, plant and equipment (Note 10)	1,948,945,502	2,175,975,626	1,926,417,657	2,164,363,126
Amortisation intangible assets (Note 10)	142,425,879	164,510,962	141,723,778	164,039,091
Doubtful accounts	218,649,181	152,211,364	187,133,440	418,129,567
Write-off and loss on disposals of equipment	4,258,265	15,151,482	4,224,554	3,745,947

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16 Financial costs, net

	Consolidated		Company	
	2009	2008	2009	2008
For three-month periods ended 30 June	Baht	Baht	Baht	Baht
Net foreign exchange gain	(300,204,458)	(2,728,280,018)	(300,194,969)	(2,728,740,993)
Interest income	(8,943,771)	(11,661,637)	(8,716,997)	(11,186,666)
Interest expense	854,769,671	845,352,514	854,769,671	845,352,514
Other financial costs	34,239,239	37,743,881	34,239,239	37,743,881
Financial costs, net	<u>579,860,681</u>	<u>(1,856,845,260)</u>	<u>580,096,944</u>	<u>(1,856,831,264)</u>
	Consolidated		Company	
	2009	2008	2009	2008
For six-month periods ended 30 June	Baht	Baht	Baht	Baht
Net foreign exchange gain	(1,888,557,857)	(1,046,483,999)	(1,888,593,858)	(1,046,880,368)
Interest income	(16,802,467)	(22,543,929)	(15,918,173)	(21,619,751)
Interest expense	1,992,495,290	1,632,309,691	1,992,495,290	1,632,308,466
Other financial costs	66,599,572	77,015,744	66,599,572	77,015,744
Financial costs, net	<u>153,734,538</u>	<u>640,297,507</u>	<u>154,582,831</u>	<u>640,824,091</u>

17 Income tax

There is no tax amount to be paid as there are accumulated losses carried forward.

18 Basic earnings (loss) per share

Basic earnings (loss) per share attributable to the equity holders of the Company is calculated by dividing the net profit (loss) attributable to the equity holders of the Company by the weighted average number of common shares in issue during the period.

	Consolidated and Company	
	2009	2008
For three-month periods ended 30 June		
Net profit (loss) attributable to the shareholders (Baht)	(99,863,652)	1,864,580,813
Weighted average number of common shares in issue during the period (Shares)	3,728,123,474	3,360,020,693
Basic earnings (loss) per share (Baht)	(0.03)	0.55
For six-month periods ended 30 June		
Net profit attributable to the shareholders (Baht)	1,194,448,252	50,332,546
Weighted average number of common shares in issue during the period (Shares)	3,621,175,145	3,360,019,506
Basic earnings per share (Baht)	0.33	0.01

19 Related party transactions

The Company is owned by Bangkok Inter Teletech Public Company Limited (“BITCO”), incorporated in Thailand, at 99.92% (2008: 99.91%) of the Company’s ordinary shares. BITCO is controlled by True Corporation Public Company Limited (“TRUE”), which own 98.91% (directly own 96.43% and indirectly owned 2.48%) of BITCO’s total ordinary shares. TRUE is the ultimate parent company.

In the normal course of business, the Group and the Company enter into transactions with shareholders and related companies. The terms and basis of such transactions are carried out on a basis agreed between the parties in the ordinary course of business and according to normal trade conditions.

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19 Related party transactions (Cont'd)

The following significant transactions were carried out with shareholders and related companies:

i) Sales of goods and services

For six-month periods ended 30 June	Consolidated		Company	
	2009 Million Baht	2008 Million Baht	2009 Million Baht	2008 Million Baht
Sales of mobile phone handsets and sim cards				
- ultimate parent company	3.76	1.89	2.47	-
- subsidiaries company	-	-	189.78	110.44
- fellow subsidiaries	180.21	74.85	52.71	60.36
- related companies	3.69	5.55	-	-
Sales of cash cards				
- fellow subsidiaries	2.94	2.42	-	-
- related companies	1,568.44	1,943.85	-	-
Service income from mobile				
- ultimate parent company	5.47	-	5.47	-
- fellow subsidiaries	109.95	19.60	109.95	19.60
- related companies	1.97	7.25	1.93	7.22
Service income from service charge				
- ultimate parent company	11.91	-	0.60	-
- fellow subsidiaries	107.51	46.23	55.05	32.20
Commission income				
- fellow subsidiaries	425.87	390.31	0.25	7.29
Other income				
- ultimate parent company	-	0.68	-	0.65
- fellow subsidiaries	-	14.62	-	7.38

Sales of mobile phone handsets and sim cards to related companies were carried out on related terms and conditions and at the actual cost plus certain margin.

The sale and cost of cash card is reflected net in statement of income. The related receivables and payables are reflected gross in balance sheets.

Sales and commission income to related companies were carried out on commercial terms and conditions and at the actual cost plus certain margin, sale of cash cards to a related company was carried out at market prices equal to its face value.

Sale of cash cards to a related company was carried out at market prices equal to its face-value. The Group received commission income for the six-month period ended 30 June 2009 of Baht 294.18 million (30 June 2008: Baht 340.03 million) from a fellow subsidiary company in True Group at the commission rate as stipulated in the agreement for the distribution of cash cards to retail outlets. On the other hand, the Group has to pay commission expenses for the six-month period ended 30 June 2009 of Baht 95.29 million (30 June 2008: Baht 84.03 million) (as shown in under 19 ii) "Purchase of goods and services") to other related company for its margin. The net profit (loss) regarding to distribution of cash card is amounting to Baht 198.89 million (30 June 2008: Baht 256.00 million).

The cash card could be used to buy various services within True Group. In case where subscribers use our network, the Group records face value of cash cards as "unearned service income" in the balance sheet. The Group recognised revenue based on the actual airtime minutes. The Company would pay commission expense to a fellow subsidiary company for connecting subscribers to our network. The commission expense paid in this respect for the six-month period ended 30 June 2009 was Baht 383.11 million (30 June 2008: Baht 424.58 million).

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19 Related party transactions (Cont'd)

ii) Purchase of goods and services

For six-month periods ended 30 June	Consolidated		Company	
	2009 Million Baht	2008 Million Baht	2009 Million Baht	2008 Million Baht
Purchase of mobile phone handsets and accessories				
- ultimate parent company	1.42	6.87	-	-
- subsidiaries company	-	-	753.87	69.85
- fellow subsidiaries	7.50	66.33	-	-
- related companies	5.45	23.53	-	-
Purchase of cash cards				
- fellow subsidiaries	5,260.95	5,644.54	74.42	91.78
Cost of content				
- subsidiaries company	-	-	24.33	37.80
- fellow subsidiaries	76.92	164.18	76.13	164.18
- related companies	0.44	1.17	0.44	1.17
Roaming/IP cost				
- fellow subsidiaries	159.40	32.15	159.40	32.15
Commission paid-cash card				
- fellow subsidiaries	383.11	424.58	382.99	424.48
- related companies	95.29	84.03	-	-
Network construction				
- fellow subsidiaries	163.95	38.38	163.95	38.38
Transmission rental expense				
- fellow subsidiaries	497.32	591.21	497.32	591.21
Network operating and maintenance				
- ultimate parent company	5.25	3.08	5.25	3.08
- fellow subsidiaries	8.96	5.50	8.67	3.72
- related companies	1.57	1.37	1.57	1.37
Personnel expense				
- related companies	7.67	6.48	7.62	6.48
Selling, advertising and publicity expenses				
- fellow subsidiaries	20.57	40.19	20.50	36.57
- related companies	10.83	-	10.75	-
Office building expenses				
- fellow subsidiaries	43.70	47.12	41.88	47.04
- related companies	15.77	15.03	15.77	15.03
Transportation expenses				
- fellow subsidiaries	30.11	82.77	30.11	16.97
- related companies	0.31	0.16	0.31	0.16
Collection fee				
- fellow subsidiaries	72.04	55.25	69.11	50.73
- related companies	0.03	14.27	0.01	14.27
Administrative expenses				
- ultimate parent company	38.76	6.27	38.76	6.27
- fellow subsidiaries	36.33	7.47	32.74	2.85
- related companies	10.46	7.68	5.90	7.68

Purchases from related companies, network construction, transmission rental expense and commission expense were carried out on commercial terms and conditions and at the actual cost plus margin except rental expense was carried out on market prices and purchase of PCT refilled card which was carried out on market prices deducted with agreed discount. Purchase of cash cards was carried out at market prices equal to its face-value. Content cost was carried out at market price.

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19 Related party transactions (Cont'd)

iii) Loans from a related company

	Consolidated and Company	
	30 June 2009	31 December 2008
	Million Baht	Million Baht
Current	1,324.57	1,457.37
Non-current	1,481.24	2,127.77
Total	2,805.81	3,585.14

Loans from a related company, KFW who is the preference shareholder of True Corporation, the ultimate parent company, is presented on the balance sheet as part of borrowings (Note 12.1).

Movements of loan from a related company can be analysed as follows:

	Consolidated and Company Million Baht
For the six-month period ended 30 June 2009	
Opening net book value	3,585.14
Amortisation of debt issuance costs	27.71
Loan repayment during the period	(730.59)
Currency translation	(76.45)
Closing net book value	2,805.81

The related interest expenses were Baht 49.16 million and Baht 116.32 million for the six-month periods ended 30 June 2009 and 2008, respectively.

iv) Outstanding balance arising from sales/purchases of goods/services

	Consolidated		Company	
	30 June 2009	31 December 2008	30 June 2009	31 December 2008
	Million Baht	Million Baht	Million Baht	Million Baht
Trade accounts receivable				
- ultimate parent company	6.09	99.75	-	78.07
- subsidiary company	-	-	2,043.22	2,514.14
- fellow subsidiaries	2,002.00	2,105.97	1,656.14	1,639.49
- related companies	271.90	77.89	0.91	3.26
	2,279.99	2,283.61	3,700.27	4,234.96
<u>Less</u> Allowance for doubtful debt	-	-	(2,026.18)	(2,057.69)
	2,279.99	2,283.61	1,674.09	2,177.27
Amount due from related companies				
- ultimate parent company	25.57	3.63	6.28	3.62
- subsidiary company	-	-	16.72	-
- fellow subsidiaries	136.61	115.88	86.87	104.22
	162.18	119.51	109.87	107.84

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19 Related party transactions (Cont'd)

iv) Outstanding balance arising from sales/purchases of goods/services (Cont'd)

	Consolidated		Company	
	30 June 2009	31 December 2008	30 June 2009	31 December 2008
	Million Baht	Million Baht	Million Baht	Million Baht
Trade accounts payable				
- ultimate parent company	44.46	51.12	41.17	43.37
- subsidiary company	-	-	10.24	1,049.31
- fellow subsidiaries	3,124.15	4,797.11	779.23	1,906.48
- related companies	3.31	4.65	1.43	0.70
	3,171.92	4,852.88	832.07	2,999.86
Amount due to related companies				
- ultimate parent company	0.38	4.16	-	0.93
- subsidiary company	-	-	76.10	129.61
- fellow subsidiaries	104.72	149.69	85.50	124.08
- related companies	2.59	4.11	1.52	4.11
	107.69	157.96	163.12	258.73

Amounts due from and to related companies represent receivables and payables to TRUE, True Vision group and CP Group.

Trade account receivable related to cash card business approximately Baht 1,390.11 million and Baht 986.13 million, respectively (31 December 2008: Baht 1,925.11 million and Baht 1,180.62 million) are included in the consolidated and company financial statements. Trade accounts payable related to cash card business approximately Baht 2,583.89 million and Baht 282.16 million, respectively (31 December 2008: Baht 3,239.51 million and Baht 426.11 million) are included in the consolidated and company financial statements.

20 Bank guarantees

At 30 June 2009, there are outstanding bank guarantees of Baht 1,387.27 million (31 December 2008: Baht 1,368.82 million) on the consolidated and company basis issued by local banks on behalf of the Group and the Company in the normal course of business.

21 Dispute over TOT access charge

Refer to Note 29 to the 2008 annual financial statements, the company issued a written notification informing TOT and CAT that it will cease payment of access charge under the Access Charge Agreement on the basis that the rate and the collection of access charge under the Access Charge Agreement were contrary to the law in a number of respects.

If the company has to pay such access charges, the company would be liable to accrue access charges for the period from 18 November 2006 to 30 June 2009 are as follows:

	Accrued access charge Million Baht	Net effect to the statement of income, net of revenue sharing to CAT Million Baht
For the period from 18 November 2006 to 31 December 2008	9,144.09	6,827.32
For the six-month period ended 30 June 2009	2,665.26	1,999.45
Total	11,809.35	8,826.77

The management and its external lawyer have opined that the Company would not be liable to pay the said access charge.

The ultimate outcomes of the aforementioned cases are presently unable to be determined, and accordingly, no provision for possible liability has been made in the financial statements.

22 Memorandum of Agreement for operation with CAT

Refer to Note 30.1 in 2008 annual financial statements, on 29 January 2009, the Company entered into the Memorandum of Agreement (“MOA”) with CAT of its agreement for operations of cellular telephone services, Digital PCN (PERSONAL COMMUNICATION NETWORK) 1800. The MOA has contractual legally binding immediately. Whereby, the Company has retain right and obligation to use asset transferred to grantor and provide service as it were the agreement for operation for the next 5 year commencing from the expire date of agreement for operation. Under the MOA, the Company and the grantor must comply with the condition stipulated therein.

23 Litigation and arbitration dispute

Refer to Note 30.7 in 2008 annual financial statements, on 29 January 2009, CAT filed an arbitral dispute against the Company claiming for transfer of 4,546 units of masts and towers with their accessories to CAT. If, in any event, the transfer of the Company are impractical, the Company shall pay to CAT for the amount of Baht 2,766.16 million. The Company is currently in the process of making a statement of objection file to the Arbitration Office.

The ultimate outcomes of the aforementioned cases are presently unable to be determined, and accordingly, no provision for possible liability has been made in the financial statements.