

**True Corporation Public Company Limited**

**Interim Financial Statements (Unaudited)**

**30 September 2009**

## **AUDITOR'S REPORT ON REVIEW OF INTERIM FINANCIAL STATEMENTS**

To the Shareholders and the Board of Directors of True Corporation Public Company Limited

I have reviewed the accompanying consolidated and company balance sheets of True Corporation Public Company Limited and its subsidiaries and of True Corporation Public Company Limited, respectively, as at 30 September 2009 and the related consolidated and company statements of income for the three-month and nine-month periods ended 30 September 2009 and 2008, and the related consolidated and company statements of changes in shareholders' equity and cash flows for the nine-month periods ended 30 September 2009 and 2008. The Company's management is responsible for the correctness and completeness of information in these interim financial statements. 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 23.4 to the interim financial statements in relation to significant uncertainties in respect of outstanding lawsuits and commercial disputes of an 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 Corporation Public Company Limited and its subsidiaries and of True Corporation Public Company Limited, in accordance with generally accepted auditing standards and expressed an unqualified opinion with an emphasis of matter paragraph as well as the above fourth paragraph on those statements in my report dated 27 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  
12 November 2009

**True Corporation Public Company Limited**  
**Balance Sheets**  
**As at 30 September 2009 and 31 December 2008**

	Notes	Consolidated		Company	
		(Unaudited)	(Audited)	(Unaudited)	(Audited)
		30 September	31 December	30 September	31 December
		2009	2008	2009	2008
		Baht	Baht	Baht	Baht
<b>Assets</b>					
<b>Current assets</b>					
Cash and cash equivalents		6,982,446,366	4,356,596,217	374,260,227	488,655,183
Restricted cash		4,367,873,585	1,400,794,566	3,731,677,896	700,682,633
Short-term investments	10	1,743,687,484	796,296,023	1,567,977,520	599,718,566
Trade accounts receivable, net	11	8,269,906,502	7,991,746,172	4,678,780,346	5,064,106,989
Short-term loans to related parties	26	31,880,438	31,880,438	850,000,000	200,000,000
Inventories, net		733,086,387	898,423,155	71,291,443	89,871,664
Income tax deducted at source		2,367,155,044	2,057,649,825	638,081,251	677,813,519
Claimable value added tax		476,220,093	780,049,049	-	3,412,570
Other current assets	12	2,339,075,908	2,019,191,576	263,470,687	207,380,142
<b>Total current assets</b>		<b>27,311,331,807</b>	<b>20,332,627,021</b>	<b>12,175,539,370</b>	<b>8,031,641,266</b>
<b>Non-current assets</b>					
Restricted cash		127,171,413	157,013,376	-	-
Investments in subsidiaries	14	-	-	25,897,370,602	19,690,880,209
Investments in associates	14	46,317,530	53,516,113	49,670,000	49,670,000
Investments in other companies		292,922,895	292,922,895	240,740,500	240,740,500
Investment property		55,981,398	56,653,898	-	-
Property, plant and equipment, net	15	69,550,523,853	71,380,077,565	14,560,538,848	15,920,658,664
Goodwill, net		12,403,356,563	12,380,695,590	-	-
Intangible assets, net	16	5,439,871,668	3,556,630,097	669,417,788	795,951,007
Deferred income tax assets	17	7,018,748,854	8,175,173,994	5,674,966,750	6,136,641,293
Other non-current assets		551,546,976	565,575,171	408,523,656	385,535,394
<b>Total non-current assets</b>		<b>95,486,441,150</b>	<b>96,618,258,699</b>	<b>47,501,228,144</b>	<b>43,220,077,067</b>
<b>Total assets</b>		<b>122,797,772,957</b>	<b>116,950,885,720</b>	<b>59,676,767,514</b>	<b>51,251,718,333</b>

The accompanying notes on pages 9 to 32 are an integral part of these interim consolidated and Company financial statements.

**True Corporation Public Company Limited**  
**Balance Sheets**  
**As at 30 September 2009 and 31 December 2008**

	Notes	Consolidated		Company	
		(Unaudited) 30 September 2009 Baht	(Audited) 31 December 2008 Baht	(Unaudited) 30 September 2009 Baht	(Audited) 31 December 2008 Baht
<b>Liabilities and shareholders' equity</b>					
<b>Current liabilities</b>					
Short-term borrowings		2,130,000,000	2,130,000,000	1,600,000,000	1,600,000,000
Trade accounts payable		6,865,544,736	7,992,284,112	827,738,187	990,924,863
Current portion of long-term borrowings	18	10,649,918,422	9,870,755,839	6,606,541,160	5,684,301,160
Unearned income		2,650,766,493	2,669,560,137	108,973,743	63,355,831
Accrued expenses		10,241,840,354	7,438,072,329	921,676,019	1,048,084,519
Income tax payable		468,450,191	506,910,948	-	-
Other current liabilities	19	2,091,832,996	2,657,224,177	763,562,560	695,083,608
<b>Total current liabilities</b>		<b>35,098,353,192</b>	<b>33,264,807,542</b>	<b>10,828,491,669</b>	<b>10,081,749,981</b>
<b>Non-current liabilities</b>					
Long-term borrowings from related party	26	-	-	2,823,955,421	2,695,681,637
Long-term borrowings	18	68,786,365,071	70,645,860,896	30,174,488,109	29,335,204,030
Deferred income tax liabilities	17	938,918,898	1,001,052,535	594,958,248	667,857,624
Long-term trade accounts payable		428,061,674	359,771,781	-	-
Liabilities under agreements for operations	20	4,566,783,640	2,503,904,842	-	-
Other non-current liabilities		2,378,648,353	2,555,426,396	297,256,168	327,603,984
<b>Total non-current liabilities</b>		<b>77,098,777,636</b>	<b>77,066,016,450</b>	<b>33,890,657,946</b>	<b>33,026,347,275</b>
<b>Total liabilities</b>		<b>112,197,130,828</b>	<b>110,330,823,992</b>	<b>44,719,149,615</b>	<b>43,108,097,256</b>
<b>Shareholders' equity</b>					
Share capital	21				
Authorised share capital					
Preferred shares		6,993,339,820	6,993,339,820	6,993,339,820	6,993,339,820
Common shares		146,338,730,510	146,338,730,510	146,338,730,510	146,338,730,510
Issued and fully paid-up share capital					
Preferred shares		6,993,339,820	6,993,339,820	6,993,339,820	6,993,339,820
Common shares		70,764,084,210	38,038,451,730	70,764,084,210	38,038,451,730
Premium on share capital					
Common shares		11,432,046,462	11,432,046,462	11,432,046,462	11,432,046,462
Discount on share capital					
Preferred shares		(1,492,776,584)	(1,492,776,584)	(1,492,776,584)	(1,492,776,584)
Common shares		(30,335,123,897)	(3,988,926,129)	(30,335,123,897)	(3,988,926,129)
Share surplus (discount)	14, 26	(1,498,437,901)	1,604,322,099	-	-
Foreign currency translation adjustment		104,344,130	104,344,130	-	-
Retained earnings (deficit)					
Appropriated - legal reserve		34,880,969	34,880,969	34,880,969	34,880,969
Deficit		(46,078,778,912)	(47,270,915,867)	(42,438,833,081)	(42,873,395,191)
<b>Total parent's shareholders' equity</b>		<b>9,923,578,297</b>	<b>5,454,766,630</b>	<b>14,957,617,899</b>	<b>8,143,621,077</b>
Minority interest in subsidiaries	27	677,063,832	1,165,295,098	-	-
<b>Total shareholders' equity</b>		<b>10,600,642,129</b>	<b>6,620,061,728</b>	<b>14,957,617,899</b>	<b>8,143,621,077</b>
<b>Total liabilities and shareholders' equity</b>		<b>122,797,772,957</b>	<b>116,950,885,720</b>	<b>59,676,767,514</b>	<b>51,251,718,333</b>

The accompanying notes on pages 9 to 32 are an integral part of these interim consolidated and Company financial statements.

**True Corporation Public Company Limited**  
**Statements of Income (Unaudited)**  
**For the three-month periods ended 30 September 2009 and 2008**

	Notes	Consolidated		Company	
		30 September 2009 Baht	30 September 2008 Baht	30 September 2009 Baht	30 September 2008 Baht
<b>Revenues</b>	5				
Revenues from telephone and other services		14,801,427,025	14,794,983,311	3,086,966,239	3,465,592,538
Revenues from product sales		630,458,515	249,380,537	17,687,187	39,154,657
<b>Total revenues</b>		<u>15,431,885,540</u>	<u>15,044,363,848</u>	<u>3,104,653,426</u>	<u>3,504,747,195</u>
<b>Costs</b>					
Cost of providing services		10,005,251,277	10,521,362,625	1,625,366,931	1,713,267,710
Cost of sales		543,174,865	311,343,948	15,153,287	49,316,849
<b>Total costs</b>		<u>10,548,426,142</u>	<u>10,832,706,573</u>	<u>1,640,520,218</u>	<u>1,762,584,559</u>
<b>Gross profit</b>		4,883,459,398	4,211,657,275	1,464,133,208	1,742,162,636
Other operating income		179,689,349	131,423,441	44,066,347	49,404,742
<b>Profit before expenses</b>		5,063,148,747	4,343,080,716	1,508,199,555	1,791,567,378
Selling expenses		878,201,592	1,064,880,106	119,174,790	172,498,114
Administrative expenses		1,914,488,619	1,779,777,605	740,711,927	787,721,766
Other operating expenses		130,283,309	53,843,080	8,190,583	6,991,101
<b>Total expenses</b>		<u>2,922,973,520</u>	<u>2,898,500,791</u>	<u>868,077,300</u>	<u>967,210,981</u>
<b>Operating results</b>		2,140,175,227	1,444,579,925	640,122,255	824,356,397
Share of results in associates		934,414	(1,915,904)	-	-
<b>Profit before financial costs and income tax</b>		2,141,109,641	1,442,664,021	640,122,255	824,356,397
Financial costs, net	7	(1,431,921,931)	(2,587,416,927)	(879,797,450)	(823,328,236)
<b>Profit (loss) before income tax</b>		709,187,710	(1,144,752,906)	(239,675,195)	1,028,161
Income tax	8	(585,897,428)	(507,926,547)	(108,216,070)	(117,487,652)
<b>Net profit (loss) for the period</b>		<u>123,290,282</u>	<u>(1,652,679,453)</u>	<u>(347,891,265)</u>	<u>(116,459,491)</u>
<b>Attributable to:</b>					
Equity holders of the Company		98,940,181	(1,228,050,634)	(347,891,265)	(116,459,491)
Minority interest		24,350,101	(424,628,819)	-	-
		<u>123,290,282</u>	<u>(1,652,679,453)</u>	<u>(347,891,265)</u>	<u>(116,459,491)</u>
<b>Basic and diluted earnings (loss) per share for profit attributable to the equity holders of the Company</b>	9				
- Basic		0.01	(0.32)	(0.05)	(0.03)
- Diluted		0.01	-	-	-

The accompanying notes on pages 9 to 32 are an integral part of these interim consolidated and Company financial statements.

**True Corporation Public Company Limited**  
**Statements of Income (Unaudited)**  
**For the nine-month periods ended 30 September 2009 and 2008**

	Notes	Consolidated		Company	
		30 September 2009 Baht	30 September 2008 Baht	30 September 2009 Baht	30 September 2008 Baht
<b>Revenues</b>	5				
Revenues from telephone and other services		44,340,893,574	45,152,422,981	9,482,401,426	10,617,131,572
Revenues from product sales		1,787,017,613	915,068,684	35,207,494	163,524,029
<b>Total revenues</b>		<b>46,127,911,187</b>	<b>46,067,491,665</b>	<b>9,517,608,920</b>	<b>10,780,655,601</b>
<b>Costs</b>					
Cost of providing services		29,312,631,916	30,966,880,995	4,877,924,277	5,094,875,227
Cost of sales		1,643,304,221	951,141,452	27,503,214	141,188,542
<b>Total costs</b>		<b>30,955,936,137</b>	<b>31,918,022,447</b>	<b>4,905,427,491</b>	<b>5,236,063,769</b>
<b>Gross profit</b>		<b>15,171,975,050</b>	<b>14,149,469,218</b>	<b>4,612,181,429</b>	<b>5,544,591,832</b>
Other operating income		339,789,204	400,270,772	593,868,042	602,348,261
<b>Profit before expenses</b>		<b>15,511,764,254</b>	<b>14,549,739,990</b>	<b>5,206,049,471</b>	<b>6,146,940,093</b>
Selling expenses		2,713,149,835	2,990,494,019	339,335,322	451,014,164
Administrative expenses		5,543,058,953	5,436,147,690	2,229,262,144	2,356,301,637
Other operating expenses		205,942,350	269,310,593	21,724,070	22,899,803
<b>Total expenses</b>		<b>8,462,151,138</b>	<b>8,695,952,302</b>	<b>2,590,321,536</b>	<b>2,830,215,604</b>
<b>Operating results</b>		<b>7,049,613,116</b>	<b>5,853,787,688</b>	<b>2,615,727,935</b>	<b>3,316,724,489</b>
Share of results in associates	14	(4,078,582)	(3,586,348)	-	-
<b>Profit before financial costs and income tax</b>		<b>7,045,534,534</b>	<b>5,850,201,340</b>	<b>2,615,727,935</b>	<b>3,316,724,489</b>
Financial costs, net	7	(4,024,725,566)	(6,236,515,263)	(1,789,258,794)	(2,406,651,995)
<b>Profit (loss) before income tax</b>		<b>3,020,808,968</b>	<b>(386,313,923)</b>	<b>826,469,141</b>	<b>910,072,494</b>
Income tax	8	(1,854,623,307)	(1,418,347,975)	(391,907,031)	(350,925,734)
<b>Net profit (loss) for the period</b>		<b>1,166,185,661</b>	<b>(1,804,661,898)</b>	<b>434,562,110</b>	<b>559,146,760</b>
<b>Attributable to:</b>					
Equity holders of the Company		1,192,136,955	(1,162,157,648)	434,562,110	559,146,760
Minority interest		(25,951,294)	(642,504,250)	-	-
		<b>1,166,185,661</b>	<b>(1,804,661,898)</b>	<b>434,562,110</b>	<b>559,146,760</b>
<b>Basic and diluted earnings (loss) per share for profit attributable to the equity holders of the Company</b>	9				
- Basic		0.18	(0.35)	0.07	0.10
- Diluted		0.16	-	0.06	0.08

The accompanying notes on pages 9 to 32 are an integral part of these interim consolidated and Company financial statements.

**True Corporation Public Company Limited**  
**Statements of Changes in Shareholders' Equity (Unaudited)**  
**For the nine-month periods ended 30 September 2009 and 2008**

	Consolidated										
	Equity holders of the Company									Minority interest in subsidiaries	Total
	Issued and fully paid-up		Premium on shares	Discount on shares	Share surplus (discount)	Foreign currency translation adjustment	Legal reserve	Deficit	Total		
	Preferred shares	Common shares									
Baht	Baht										
Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht		
<b>Opening balance as at 1 January 2009</b>	6,993,339,820	38,038,451,730	11,432,046,462	(5,481,702,713)	1,604,322,099	104,344,130	34,880,969	(47,270,915,867)	5,454,766,630	1,165,295,098	6,620,061,728
Issue of shares (Note 21)	-	32,725,632,480	-	(26,346,197,768)	-	-	-	-	6,379,434,712	-	6,379,434,712
Addition investment in subsidiary by minority interest	-	-	-	-	-	-	-	-	-	47,230	47,230
Acquisition of subsidiary (Note 13)	-	-	-	-	-	-	-	-	-	889,326	889,326
Addition investment in subsidiary by purchasing shares from minority interest (Note 26)	-	-	-	-	-	-	-	-	-	(3,540,000,000)	(3,540,000,000)
Dividend paid to minority in subsidiary (Note 27)	-	-	-	-	-	-	-	-	-	(25,976,528)	(25,976,528)
Dilution in minority interest (Note 14)	-	-	-	-	(3,102,760,000)	-	-	-	(3,102,760,000)	3,102,760,000	-
Net profit (loss) for the period	-	-	-	-	-	-	-	1,192,136,955	1,192,136,955	(25,951,294)	1,166,185,661
<b>Closing balance as at 30 September 2009</b>	<u>6,993,339,820</u>	<u>70,764,084,210</u>	<u>11,432,046,462</u>	<u>(31,827,900,481)</u>	<u>(1,498,437,901)</u>	<u>104,344,130</u>	<u>34,880,969</u>	<u>(46,078,778,912)</u>	<u>9,923,578,297</u>	<u>677,063,832</u>	<u>10,600,642,129</u>
<b>Opening balance as at 1 January 2008</b>											
As previously reported	6,993,357,710	38,038,433,840	11,432,046,462	(5,481,702,713)	2,078,140,657	104,344,130	34,880,969	(42,589,541,680)	10,609,959,375	1,346,001,940	11,955,961,315
Prior year adjustments	-	-	-	-	(252,559,078)	-	-	(2,326,182,892)	(2,578,741,970)	673,531,566	(1,905,210,404)
As restated	6,993,357,710	38,038,433,840	11,432,046,462	(5,481,702,713)	1,825,581,579	104,344,130	34,880,969	(44,915,724,572)	8,031,217,405	2,019,533,506	10,050,750,911
Conversion of shares	(17,890)	17,890	-	-	-	-	-	-	-	-	-
Addition investment in subsidiary by minority interest	-	-	-	-	-	-	-	-	-	39,343	39,343
Liquidation of subsidiary	-	-	-	-	-	-	-	-	-	(2,049,699)	(2,049,699)
Dividend paid to minority in subsidiary	-	-	-	-	-	-	-	-	-	(43,504,398)	(43,504,398)
Net loss for the period	-	-	-	-	-	-	-	(1,162,157,648)	(1,162,157,648)	(642,504,250)	(1,804,661,898)
<b>Closing balance as at 30 September 2008</b>	<u>6,993,339,820</u>	<u>38,038,451,730</u>	<u>11,432,046,462</u>	<u>(5,481,702,713)</u>	<u>1,825,581,579</u>	<u>104,344,130</u>	<u>34,880,969</u>	<u>(46,077,882,220)</u>	<u>6,869,059,757</u>	<u>1,331,514,502</u>	<u>8,200,574,259</u>

The accompanying notes on pages 9 to 32 are an integral part of these interim consolidated and Company financial statements.

**True Corporation Public Company Limited**  
**Statements of Changes in Shareholders' Equity (Unaudited) (Cont'd)**  
**For the nine-month periods ended 30 September 2009 and 2008**

	<b>Company</b>						<b>Total Baht</b>
	<b>Issued and fully paid-up</b>		<b>Premium on shares Baht</b>	<b>Discount on shares Baht</b>	<b>Legal reserve Baht</b>	<b>Deficit Baht</b>	
	<b>Preferred shares Baht</b>	<b>Common shares Baht</b>					
<b>Opening balance as at 1 January 2009</b>	6,993,339,820	38,038,451,730	11,432,046,462	(5,481,702,713)	34,880,969	(42,873,395,191)	8,143,621,077
Issue of shares (Note 21)	-	32,725,632,480	-	(26,346,197,768)	-	-	6,379,434,712
Net profit for the period	-	-	-	-	-	434,562,110	434,562,110
<b>Closing balance as at 30 September 2009</b>	<u>6,993,339,820</u>	<u>70,764,084,210</u>	<u>11,432,046,462</u>	<u>(31,827,900,481)</u>	<u>34,880,969</u>	<u>(42,438,833,081)</u>	<u>14,957,617,899</u>
<b>Opening balance as at 1 January 2008</b>	6,993,357,710	38,038,433,840	11,432,046,462	(5,481,702,713)	34,880,969	(43,490,935,361)	7,526,080,907
Conversion of shares	(17,890)	17,890	-	-	-	-	-
Net profit for the period	-	-	-	-	-	559,146,760	559,146,760
<b>Closing balance as at 30 September 2008</b>	<u>6,993,339,820</u>	<u>38,038,451,730</u>	<u>11,432,046,462</u>	<u>(5,481,702,713)</u>	<u>34,880,969</u>	<u>(42,931,788,601)</u>	<u>8,085,227,667</u>

The accompanying notes on pages 9 to 32 are an integral part of these interim consolidated and Company financial statements.

**True Corporation Public Company Limited**  
**Statements of Cash Flows (Unaudited)**  
**For the nine-month periods ended 30 September 2009 and 2008**

	Notes	Consolidated		Company	
		30 September 2009 Baht	30 September 2008 Baht	30 September 2009 Baht	30 September 2008 Baht
<b>Cash flows from operating activities</b>	22	8,657,189,510	10,236,632,877	2,315,990,706	1,914,861,115
<b>Cash flows from investing activities</b>					
Withdrawal (deposit) in restricted cash		(2,933,438,209)	92,983,749	(3,030,995,263)	22,589,991
Withdrawal (deposit) in short-term investment - time deposit		(964,906,240)	155,207,281	(968,258,954)	149,987,604
Loans made to subsidiary	26	-	(6,000,236)	(750,000,000)	(300,000,000)
Acquisitions of property, plant and equipment		(3,959,249,958)	(5,220,484,185)	(221,353,843)	(358,327,782)
Acquisitions of intangible assets		(182,511,581)	(187,856,029)	(10,705,328)	(10,435,002)
Proceeds from loans to subsidiary	26	-	3,000,118	100,000,000	136,800,000
Share purchase and investment in subsidiary	14, 27	(3,540,000,000)	-	(6,686,490,394)	100
Acquisitions of investment in subsidiary, net of cash acquired	13	27,091,584	-	-	-
Acquisitions of investment in associates		-	(45,700,000)	-	(34,000,000)
Acquisitions of investment in other company		-	(63,039,000)	-	(63,039,000)
Proceeds from capital reduction in subsidiary	14	-	-	480,000,000	-
Proceeds from disposals of property, plant and equipment		410,033,770	333,346,444	189,088	3,326,579
Dividend received	14, 26	3,120,000	-	502,247,988	517,020,000
Net cash (used in) received from investing activities		(11,139,860,634)	(4,938,541,858)	(10,585,366,706)	63,922,490
<b>Cash flows from financing activities</b>					
Issue of common shares	21	6,379,434,713	-	6,379,434,713	-
Additional investments in subsidiary by minority		47,230	39,343	-	-
Dividend paid to minority	27	(25,976,528)	(43,504,398)	-	-
Minority interest's portion on liquidation of subsidiary		-	(2,049,699)	-	-
Proceeds from borrowings, net of cash paid for debt issuance cost	18	13,203,870,818	43,033,256	13,096,772,201	-
Proceeds from short-term borrowings		1,600,000,000	800,000,000	1,600,000,000	800,000,000
Repayments on short-term borrowings		(1,600,000,000)	(1,301,399,976)	(1,600,000,000)	(1,300,000,000)
Repayments on long-term borrowings		(14,448,291,959)	(4,073,223,037)	(11,321,225,870)	(1,675,000,000)
Net cash received from (used in) financing activities		5,109,084,274	(4,577,104,511)	8,154,981,044	(2,175,000,000)
<b>Net increase (decrease) in cash and cash equivalents</b>		2,626,413,150	720,986,508	(114,394,956)	(196,216,395)
Opening balance		4,356,596,217	5,019,382,731	488,655,183	439,081,045
Effect of exchange rate changes		(563,001)	(115,333)	-	-
Closing balance		6,982,446,366	5,740,253,906	374,260,227	242,864,650

**Non-cash transaction**

The significant non-cash transactions are as follows:

- The acquisition of property, plant and equipment using finance leases and accounts payable for the nine-month period ended 30 September 2009 amounting to Baht 1,482.89 million (2008: Baht 1,216.92 million) and Baht 457.29 million (2008: Baht 343.65 million), respectively

The accompanying notes on pages 9 to 32 are an integral part of these interim consolidated and Company financial statements.

**True Corporation Public Company Limited**  
**Unaudited Condensed Notes to the Interim Consolidated and Company Financial Statements**  
**For the nine-month periods ended 30 September 2009 and 2008**

---

**1. General information**

True Corporation Public Company Limited (“the Company”) is a public limited company, incorporated and resident in Thailand. The address of its registered office is 18 True Tower, Ratchadaphisek Road, Huai Khwang, Bangkok, Thailand. The Company is listed on the Stock Exchange of Thailand. For reporting purposes, the Company and its subsidiaries are referred to as the Group.

These interim consolidated and Company financial statements were authorised for issue by the Audit Committee on 12 November 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, and the financial reporting requirements of the Securities and Exchange Commission. The primary financial statements (i.e. balance sheets, statements of income, changes in shareholders’ equity and cash flows) are prepared in the full format as required by the Securities and Exchange Commission. The notes to the financial statements are prepared in a condensed format according to Thai Accounting Standard No. 34 (revised 2007) “Interim Financial Reporting” (formerly TAS 41) and additional notes are presented as required by the Securities and Exchange Commission under the Securities and Exchange Act B.E. 2535.

An English version of the interim consolidated and Company financial statements have been prepared from the interim financial statements that are in the Thai language. In the event of a conflict or a difference in interpretation between the two languages, the Thai language interim financial statements shall prevail.

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. The Group is in consideration to present the managements’ remuneration in the statement of income. Such expense is included in administrative expenses.

**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 estimate 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 on 26 June 2009)

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

**True Corporation Public Company Limited**  
**Unaudited Condensed Notes to the Interim Consolidated and Company Financial Statements**  
**For the nine-month periods ended 30 September 2009 and 2008**

---

**3. Summary of significant accounting policies (Cont'd)**

The revised accounting standard 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 on 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.

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.

**4. Change in accounting estimate**

Property, plant and equipment held under the Agreement for Operation are depreciated over the shorter of their useful lives or the remaining of agreement period. According to the conditions stipulated in the Memorandum of Agreement ("MOA") as described Note 23.3, the subsidiary 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 details of assets transferred to the grantor and effect from this change can be summarised as follows:

	<b>Before impact of MOA Million Baht</b>	<b>After impact of MOA Million Baht</b>
Net book value of assets transferred to the grantor as at 31 December 2008	10,888.08	10,888.08
Depreciation for three-month period ended 30 September 2009	551.50	343.47
Depreciation for nine-month period ended 30 September 2009	1,635.16	1,017.86
Depreciation for year ending 31 December 2009	2,186.67	1,361.33

**True Corporation Public Company Limited**  
**Unaudited Condensed Notes to the Interim Consolidated and Company Financial Statements**  
**For the nine-month periods ended 30 September 2009 and 2008**

**5. Segment information**

Financial information by business segments are as follows:

<b>For the three-month period ended 30 September 2009</b>	<b>Baht Million</b>				<b>Group Consolidated</b>
	<b>Wireline</b>	<b>Wireless</b>	<b>Pay-TV</b>	<b>Eliminate</b>	
Revenues:					
Gross segment revenues	6,613.49	8,143.43	2,391.77	-	17,148.69
Inter-segment revenues	(1,176.39)	(427.06)	(113.35)	-	(1,716.80)
Revenues	<u>5,437.10</u>	<u>7,716.37</u>	<u>2,278.42</u>	<u>-</u>	<u>15,431.89</u>
Segment results	2,643.12	837.73	196.45	(1,537.12)	<u>2,140.18</u>
Operating results					<u>2,140.18</u>

<b>For the three-month period ended 30 September 2008</b>	<b>Baht Million</b>				<b>Group Consolidated</b>
	<b>Wireline</b>	<b>Wireless</b>	<b>Pay-TV</b>	<b>Eliminate</b>	
Revenues:					
Gross segment revenues	6,578.67	7,618.06	2,635.13	-	16,831.86
Inter-segment revenues	(961.53)	(529.05)	(296.92)	-	(1,787.50)
Revenues	<u>5,617.14</u>	<u>7,089.01</u>	<u>2,338.21</u>	<u>-</u>	<u>15,044.36</u>
Segment results	1,211.43	240.07	445.67	(452.59)	<u>1,444.58</u>
Operating results					<u>1,444.58</u>

<b>For the nine-month period ended 30 September 2009</b>	<b>Baht Million</b>				<b>Group Consolidated</b>
	<b>Wireline</b>	<b>Wireless</b>	<b>Pay-TV</b>	<b>Eliminate</b>	
Revenues:					
Gross segment revenues	19,903.83	24,366.13	7,158.91	-	51,428.87
Inter-segment revenues	(3,745.30)	(1,274.68)	(280.98)	-	(5,300.96)
Revenues	<u>16,158.53</u>	<u>23,091.45</u>	<u>6,877.93</u>	<u>-</u>	<u>46,127.91</u>
Segment results	5,223.16	2,145.45	1,278.66	(1,597.66)	<u>7,049.61</u>
Operating results					<u>7,049.61</u>

<b>For the nine-month period ended 30 September 2008</b>	<b>Baht Million</b>				<b>Group Consolidated</b>
	<b>Wireline</b>	<b>Wireless</b>	<b>Pay-TV</b>	<b>Eliminate</b>	
Revenues:					
Gross segment revenues	19,768.95	23,866.26	7,729.84	-	51,365.05
Inter-segment revenues	(3,388.12)	(1,075.53)	(833.91)	-	(5,297.56)
Revenues	<u>16,380.83</u>	<u>22,790.73</u>	<u>6,895.93</u>	<u>-</u>	<u>46,067.49</u>
Segment results	4,097.89	1,620.10	1,333.60	(1,197.80)	<u>5,853.79</u>
Operating results					<u>5,853.79</u>

**True Corporation Public Company Limited**  
**Unaudited Condensed Notes to the Interim Consolidated and Company Financial Statements**  
**For the nine-month periods ended 30 September 2009 and 2008**

**6. Expense by nature**

The following expenditures, classified by nature, have been charged in arriving at operating results.

For the three-month periods ended	Consolidated		Company	
	30 September 2009	30 September 2008	30 September 2009	30 September 2008
	Baht Million	Baht Million	Baht Million	Baht Million
Depreciation and amortisation	3,162.95	3,412.81	620.60	625.91
Doubtful accounts	246.91	181.46	72.87	51.63
Impairment/(Reversal)	-	(0.55)	-	-

  

For the nine-month periods ended	Consolidated		Company	
	30 September 2009	30 September 2008	30 September 2009	30 September 2008
	Baht Million	Baht Million	Baht Million	Baht Million
Depreciation and amortisation	9,281.55	9,440.28	1,848.97	1,856.40
Doubtful accounts	796.25	546.33	227.25	156.92
Impairment	28.27	70.04	-	-

**7. Financial costs, net**

For the three-month periods ended	Consolidated		Company	
	30 September 2009	30 September 2008	30 September 2009	30 September 2008
	Baht Million	Baht Million	Baht Million	Baht Million
Interest expense	(1,542.18)	(1,716.23)	(561.67)	(632.00)
Foreign exchange gain (loss)	267.66	(788.28)	(210.17)	(134.12)
Other financial fees	(175.25)	(120.78)	(128.46)	(72.21)
Total	(1,449.77)	(2,625.29)	(900.30)	(838.33)
Interest income	17.85	37.87	20.50	15.00
Financial costs, net	(1,431.92)	(2,587.42)	(879.80)	(823.33)

  

For the nine-month periods ended	Consolidated		Company	
	30 September 2009	30 September 2008	30 September 2009	30 September 2008
	Baht Million	Baht Million	Baht Million	Baht Million
Interest expense	(5,199.40)	(5,132.41)	(1,706.22)	(1,872.72)
Foreign exchange gain (loss)	1,526.06	(814.69)	146.29	(343.99)
Other financial fees	(420.57)	(370.53)	(285.84)	(222.69)
Total	(4,093.91)	(6,317.63)	(1,845.77)	(2,439.40)
Interest income	69.18	81.12	56.51	32.75
Financial costs, net	(4,024.73)	(6,236.51)	(1,789.26)	(2,406.65)

**True Corporation Public Company Limited**  
**Unaudited Condensed Notes to the Interim Consolidated and Company Financial Statements**  
**For the nine-month periods ended 30 September 2009 and 2008**

---

**8. Income tax**

For the three-month periods ended	Consolidated		Company	
	30 September 2009	30 September 2008	30 September 2009	30 September 2008
	Baht Million	Baht Million	Baht Million	Baht Million
Current tax	(165.68)	(256.77)	-	-
Deferred income taxes	(420.22)	(251.16)	(108.22)	(117.49)
Income tax	(585.90)	(507.93)	(108.22)	(117.49)

  

For the nine-month periods ended	Consolidated		Company	
	30 September 2009	30 September 2008	30 September 2009	30 September 2008
	Baht Million	Baht Million	Baht Million	Baht Million
Current tax	(760.33)	(706.60)	(3.13)	-
Deferred income taxes	(1,094.29)	(711.75)	(388.78)	(350.93)
Income tax	(1,854.62)	(1,418.35)	(391.91)	(350.93)

**9. Basic and diluted earnings (loss) per share**

Basic earnings (loss) per share attributable to 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 outstanding during the period. (2009: 6,501.01 million shares, 2008: 3,803.84 million shares). The net profit (loss) attributable to the equity holders of the Company is calculated by deduction of cumulative dividend of preferred shares at 10% per annum amounting to Baht 174.35 million for the nine-month period ended 30 September 2008. Commencing on 31 March 2008, the applicable dividend is 0.1% per annum and being non-cumulative dividend. The non-cumulative dividend for the nine-month period ended 30 September 2009 was Baht 5.22 million and have not been adjusted to profit (loss) for the period for calculation of basic earnings (loss) per share.

The diluted earnings per share are calculated by dividing the net profit (loss) attributable to the equity holders of the Company by the weighted average number of common shares outstanding during the period. The average number of shares assuming conversion of all dilutive potential common shares included of 699.33 million shares of convertible preferred shares and 143.82 million units weighted average number of stock options on an as-if-converted method.

**True Corporation Public Company Limited**  
**Unaudited Condensed Notes to the Interim Consolidated and Company Financial Statements**  
**For the nine-month periods ended 30 September 2009 and 2008**

**10. Short-term investments**

	<b>Consolidated</b>		<b>Company</b>	
	<b>30 September 2009</b>	<b>31 December 2008</b>	<b>30 September 2009</b>	<b>31 December 2008</b>
	<b>Baht Million</b>	<b>Baht Million</b>	<b>Baht Million</b>	<b>Baht Million</b>
Held-to-maturity:				
- Time deposits	8.31	11.66	-	-
- Debt securities	1,567.98	599.72	1,567.98	599.72
Trading securities:				
- Equity securities	167.40	184.91	-	-
<b>Total short-term investments</b>	<b>1,743.69</b>	<b>796.29</b>	<b>1,567.98</b>	<b>599.72</b>

Movement of short-term investments can be summarised as follows:

	<b>Consolidated</b>	<b>Company</b>
	<b>Baht Million</b>	<b>Baht Million</b>
<b>For the nine-month period ended 30 September 2009</b>		
Opening net book value	796.29	599.72
Additions	25,349.78	24,577.27
Disposals	(24,415.14)	(23,624.78)
Reclassifications	(4.25)	-
Interest income	16.67	15.77
Fair value adjustments	0.34	-
<b>Closing net book value</b>	<b>1,743.69</b>	<b>1,567.98</b>

As at 30 September 2009, debt securities amount of Baht 1,567.98 million (31 December 2008: Nil) were pledged with security agent bank to comply with the conditions stipulated in the Company's loan agreement.

**11. Trade accounts receivable, net**

	<b>Consolidated</b>		<b>Company</b>	
	<b>30 September 2009</b>	<b>31 December 2008</b>	<b>30 September 2009</b>	<b>31 December 2008</b>
	<b>Baht Million</b>	<b>Baht Million</b>	<b>Baht Million</b>	<b>Baht Million</b>
Receivable from TOT	453.34	449.59	453.34	449.59
Billed customers	8,234.52	7,664.48	2,950.45	3,128.95
Receivable from related parties (Note 26)	831.67	678.76	2,050.57	2,216.99
Trade accounts receivable	9,519.53	8,792.83	5,454.36	5,795.53
Accrued income	2,913.78	2,620.39	1,435.82	1,258.01
<b>Total trade accounts receivable</b>	<b>12,433.31</b>	<b>11,413.22</b>	<b>6,890.18</b>	<b>7,053.54</b>
<b>Less</b> Allowance for doubtful accounts	<b>(4,163.40)</b>	<b>(3,421.47)</b>	<b>(2,211.40)</b>	<b>(1,989.43)</b>
<b>Trade accounts receivable, net</b>	<b>8,269.91</b>	<b>7,991.75</b>	<b>4,678.78</b>	<b>5,064.11</b>

**True Corporation Public Company Limited**  
**Unaudited Condensed Notes to the Interim Consolidated and Company Financial Statements**  
**For the nine-month periods ended 30 September 2009 and 2008**

**11. Trade accounts receivable, net (Cont'd)**

Outstanding trade accounts receivable as at 30 September 2009 and 31 December 2008 can be analysed as follows:

	Consolidated		Company	
	30 September 2009 Baht Million	31 December 2008 Baht Million	30 September 2009 Baht Million	31 December 2008 Baht Million
Current	3,935.46	3,918.90	1,390.10	1,823.96
Less than 3 months	1,084.46	994.91	876.22	595.78
3 - 6 months	542.97	463.61	787.43	568.49
6 - 12 months	1,408.94	1,007.84	255.78	396.25
More than 12 months	2,547.70	2,407.57	2,144.83	2,411.05
Trade accounts receivable	9,519.53	8,792.83	5,454.36	5,795.53
Accrued income	2,913.78	2,620.39	1,435.82	1,258.01
Total trade accounts receivable	12,433.31	11,413.22	6,890.18	7,053.54
Less Allowance for doubtful accounts	(4,163.40)	(3,421.47)	(2,211.40)	(1,989.43)
Trade accounts receivable, net	8,269.91	7,991.75	4,678.78	5,064.11

As at 30 September 2009, trade accounts receivable in the interim consolidated and Company balance sheets included accrued income from TOT amounting to Baht 287.34 million (2008: Baht 287.34 million). The receivables are derived from international call revenue sharing that the Company's customers made calls through CAT's network, which the Company receives the revenue sharing from CAT through TOT. The Company has accounted for the international call revenue sharing from TOT based on the contractual terms as stipulated in the Agreement. During 2004, CAT announced to reduce the rate of revenue sharing that CAT pays to TOT, therefore, TOT has remitted the sharing to the Company based on the reduced rates as determined by CAT. The Company sent TOT a letter of dissension in respect of the reduced rates as proposed by CAT. The Company's external legal counsel is of the opinion that the Company entitles to receive the service rates in accordance with the Agreement. The Company's management believes that the amount is recoverable.

In addition, trade accounts receivable as at 30 September 2009, in the interim consolidated and Company balance sheets included accrued income from TOT amounting to Baht 222.36 million (2008: Baht 220.87 million) in respect of interconnection fee for TOT service because TOT has not provided sufficient and clarified information to enable the Company to agree with its fee calculation method. The Company has accounted for interconnection fee based on existing usage information that the Company coughed up the minutes of international call usage for calculation interconnection fee. This matter is under negotiation with TOT. The Company's management believes that the amount is recoverable.

**12. Other current assets**

	Consolidated		Company	
	30 September 2009 Baht Million	31 December 2008 Baht Million	30 September 2009 Baht Million	31 December 2008 Baht Million
Value added tax pending for receipt of tax invoices	705.89	769.32	35.95	37.14
Prepaid expenses	560.78	465.80	111.45	54.23
Film and program rights (Note 16)	545.48	278.93	-	-
Deferred regulatory cost	72.04	56.95	-	-
Subscriber acquisition cost, net	67.14	78.61	-	-
Interest receivable	50.64	46.12	38.96	38.23
Advances to contractors	51.34	48.49	15.35	15.37
Others	285.77	274.97	61.76	62.41
Total	2,339.08	2,019.19	263.47	207.38

**True Corporation Public Company Limited**  
**Unaudited Condensed Notes to the Interim Consolidated and Company Financial Statements**  
**For the nine-month periods ended 30 September 2009 and 2008**

---

**13. Acquisition**

On 21 July 2009, the Group acquired an additional 18.22% of equity interest in KSC Commercial Internet Co., Ltd. (“KSC”) resulting in the Group’s equity interest in KSC becoming 56.02% (Note 14). The considerations of Baht 4.80 million was settled in cash. The fair value of the net identifiable liabilities of the company at the date of acquisition was Baht 17.86 million and goodwill resulting from acquisition of Baht 22.66 million.

The acquired business contributed revenues of Baht 73.12 million and net profit of Baht 4.50 million to the Group for the period from 21 July 2009 to 30 September 2009. If the acquisition had occurred on 1 January 2009, consolidated revenue and consolidated profit for the nine-month period ended 30 September 2009 would have been Baht 358.55 million and Baht 36.59 million respectively.

Detail of acquisitions of these investments are as follows:

	<u>Baht Million</u>
Cash and cash equivalents	31.89
Restricted cash	3.80
Trade accounts receivable, net	42.70
Inventories, net	3.02
Income tax deducted at source	7.01
Other current assets	11.19
Property, plant and equipment, net (Non-network assets)	17.65
Intangible assets, net	7.91
Other non-current assets	2.53
Trade accounts payable	(109.98)
Unearned income	(12.72)
Accrued expenses	(14.49)
Other current liabilities	(7.48)
Minority interest	(0.89)
	<u>(17.86)</u>
Cash and cash equivalents acquired	31.89
<u>Less</u> Cash paid for acquisitions	<u>(4.80)</u>
Net cash inflow from the acquisitions	<u>27.09</u>

**True Corporation Public Company Limited**  
**Unaudited Condensed Notes to the Interim Consolidated and Company Financial Statements**  
**For the nine-month periods ended 30 September 2009 and 2008**

**14. Investments in subsidiaries, joint ventures and associates**

**Subsidiary undertakings**

Name of subsidiaries	Business	Country of incorporation
Asia DBS Public Company Limited (89.99%)*	DBS system operator	Thailand
Asia Wireless Communication Co., Ltd. (99.99%)*	PCT operator	Thailand
Bangkok Inter Teletech Public Company Limited (“BITCO”) (2009: 98.91% and 2008: 77.21%)	Holding company	Thailand
Cineplex Co., Ltd. (91.79%)*	Program production	Thailand
Click TV Co., Ltd. (91.79%)*	Interactive TV business	Thailand
Future Gamer Co., Ltd. (90.00%)*	Publication and advertising	Thailand
IBC Symphony Co., Ltd. (91.79%)*	Dormant	Thailand
Internet Knowledge Service Center Co., Ltd. (56.93%)*	Non-government telecommunication	Thailand
Internet Shopping Mall Co., Ltd. (58.10%)*	Training services and distributor	Thailand
K.I.N. (Thailand) Co., Ltd. (99.99%)*	Holding company	Thailand
KSC Commercial Internet Co., Ltd. (“KSC”) (56.02%)*	Internet services provider	Thailand
MKSC World Dot Com Co., Ltd. (91.05%)*	Internet services and distributor	Thailand
Online Advertising Goldsite Co., Ltd. (58.10%)*	Publication	Thailand
Online Station Co., Ltd. (90.00%)*	Internet service and e-commerce	Thailand
Panther Entertainment Co., Ltd. (91.79 %)*	Artist management and related business	Thailand
Samut Pakan Media Corporation Co., Ltd. (2009: 98.85% and 2008: 77.16%)*	Telecommunication services	Thailand
Satellite Service Co., Ltd. (91.79%)*	Sales and rental of equipment related to Pay Television	Thailand
Song Dao Co., Ltd. (2009: 98.84% and 2008: 77.16%)*	Collection agent	Thailand
Tele Engineering and Services Co., Ltd. (99.99%)*	Content provider	Thailand
Telecom Holding Co., Ltd. (99.99%)*	Holding company	Thailand
Telecom International Co., Ltd. (99.99%)*	Holding company	Thailand
Telecom KSC Co., Ltd. (34.39%)*	Non-government telecommunication	Thailand
Telecom Training and Development Co., Ltd. (99.99%)*	Training service	Thailand
True Digital Entertainment Co., Ltd. (99.99%)*	Online game	Thailand
True Digital Media Co., Ltd. (formerly Red Media Co., Ltd.) (91.79%)*	Dormant	Thailand
True Distribution and Sales Co., Ltd. (2009: 98.76% and 2008: 77.09%)*	Retail services	Thailand
True International Communication Co., Ltd. (99.99%)*	Telecommunication services	Thailand
True Internet Co., Ltd. (99.99%)*	Internet solution provider	Thailand
True Internet Gateway Co., Ltd. (99.99%)*	Telecommunication and internet services	Thailand
True Leasing Co., Ltd. (99.99%)*	Rental services	Thailand
True Lifestyle Retail Co., Ltd. (99.99%)*	Internet café and related services	Thailand
True Magic Co., Ltd. (99.99%)*	Production and distribution of movies film	Thailand
True Money Co., Ltd. (99.99%)*	Payment service centre and electronic card services	Thailand
True Move Co., Ltd. (2009: 98.83% and 2008: 77.14%)*	Cellular operator	Thailand
True Multimedia Co., Ltd. (91.08%)*	NON-POTS and multimedia services	Thailand
True Music Co., Ltd. (2009: 98.79% and 2008: 77.11%)*	Content provider	Thailand
True Music Radio Co., Ltd. (69.94%)*	Trading and production of advertising media	Thailand
True Properties Co., Ltd. (99.99%)*	Rental services	Thailand
True Public Communication Co., Ltd. (99.99%)*	Telecommunication services	Thailand
True Touch Co., Ltd. (99.99%)*	Call centre services	Thailand
True Universal Convergence Co., Ltd. (99.99%)*	Telecommunication services	Thailand
True Visions Public Company Limited (91.79%)*	Pay Television	Thailand
True Visions Cable Public Company Limited (91.19%)*	Pay television via cable system	Thailand
Wire & Wireless Co., Ltd. (87.50%)*	Construction	Thailand
International Broadcasting Corporation (Cambodia) Co., Ltd. (64.25%)*	Dormant	Cambodia
K.I.N. (Thailand) Co., Ltd. (99.99%)*	Holding company	British Virgin Island
Nilubon Co., Ltd. (99.99%)*	Holding company	British Virgin Island
TA Orient Telecom Investment Co., Ltd. (99.99%)*	Holding company	British Virgin Island
Telecom Asia (China) Co., Ltd. (99.99%)*	Communication	British Virgin Island
Telecom International China Co., Ltd. (99.99%)*	Communication	British Virgin Island

**True Corporation Public Company Limited**  
**Unaudited Condensed Notes to the Interim Consolidated and Company Financial Statements**  
**For the nine-month periods ended 30 September 2009 and 2008**

**14. Investments in subsidiaries, joint ventures and associates (Cont'd)**

**Joint ventures**

Name of joint ventures	Business	Country of incorporation
Asia Infonet Co., Ltd. ("AI") (65.00%)*	Internet services provider	Thailand
BeboydCg Company Limited ("Bboyd") (70.00%)*	Production of animation	Thailand
True Internet Data Center Co., Ltd. ("TIDC") (70.00%)*	Internet Data Center	Thailand

**Associate undertakings**

Name of associates	Business	Country of incorporation
NC True Co., Ltd. ("NC True") (40.00%)	Developer and service provider of games online	Thailand
Channel [V] Music (Thailand) Co., Ltd. ("Channel V") (23.87%)*	Music and sound	Thailand

\* indirectly owned by the Company

Movements of investments in subsidiaries, joint ventures and associates can be summarised as follows:

	<b>Consolidated Baht Million</b>	<b>Company Baht Million</b>
<b>For the nine-month period ended 30 September 2009</b>		
Opening net book value	53.52	19,740.55
Additions	-	6,686.49
Decrease in share capital of subsidiary	-	(480.00)
Dividend received	(3.12)	-
Share of results	(4.08)	-
Closing net book value	<u>46.32</u>	<u>25,947.04</u>

During the nine-month period ended 30 September 2009, the Company additionally invested in BITCO amounting to Baht 6,121.49 million, resulting in changes of equity interest from 74.28% to 96.44% for the Company and from 77.21% to 98.91% for the Group. The dilution of the minority interest amounting to Baht 3,102.76 million was adjusted to the surplus in the consolidated balance sheet (Note 27). In addition, the Company invested in True Public Communication Co., Ltd. amounting to Baht 85.00 million, resulting in changes of its equity interest from 99.94% to 99.99%.

During July 2009, a subsidiary considered to acquire 480,000 shares of KSC Commercial Internet Co., Ltd., previously the Group's joint venture which 37.80% hold of its equity interest at the considered price of Baht 4.80 million. Resulting in increasing of the Group's equity interest to 56.02% and the Group accounted for as a subsidiary from the acquisition date (Note 13).

During September 2009, the Company acquired 48 million ordinary shares of Telecom Holding Co., Ltd. from True Properties Co., Ltd. at considered price of Baht 480.00 million, to eliminate the cross holding between subsidiaries. In addition, Telecom Holding Co., Ltd. reduced 48 million ordinary shares and paid to the company totaling Baht 480.00 million.

Apart from the above, there was no change in the investments in subsidiaries, joint ventures and associates.

**True Corporation Public Company Limited**  
**Unaudited Condensed Notes to the Interim Consolidated and Company Financial Statements**  
**For the nine-month periods ended 30 September 2009 and 2008**

**14. Investments in subsidiaries, joint ventures and associates (Cont'd)**

		Company					
		30 September 2009			31 December 2008		
		Investment - at cost method Baht'000	Impairment Baht'000	Net investment Baht'000	Investment - at cost method Baht'000	Impairment Baht'000	Net investment Baht'000
Business							
<b>Subsidiaries</b>							
Telecom Holding Co., Ltd.	Holding company	16,820,245	9,598,637	7,221,608	16,820,245	9,598,637	7,221,608
Bangkok Inter Teletech Public Company Limited	Invested in cellular operator	22,803,402	8,647,899	14,155,503	16,681,912	8,647,899	8,034,013
True Leasing Co., Ltd.	Rental services	2,836,999	-	2,836,999	2,836,999	-	2,836,999
True Digital Entertainment Co., Ltd.	Online game	559,500	-	559,500	559,500	-	559,500
True Internet Co., Ltd.	Internet solution provider	539,882	-	539,882	539,882	-	539,882
K.I.N. (Thailand) Co., Ltd.	Holding company	330,000	299,872	30,128	330,000	299,872	30,128
Wire & Wireless Co., Ltd.	Construction and distributor	292,250	-	292,250	292,250	-	292,250
True Money Co., Ltd.	Payment service center and electronic card services	98,000	-	98,000	98,000	-	98,000
True Public Communication Co., Ltd.	Telecommunication services	86,000	-	86,000	1,000	-	1,000
True Internet Gateway Co., Ltd.	Telecommunication and internet services	51,000	-	51,000	51,000	-	51,000
True International Communication Co., Ltd.	Telecommunication services	22,000	-	22,000	22,000	-	22,000
True Magic Co., Ltd.	Production and distribution of movies film	3,500	-	3,500	3,500	-	3,500
True Universal Convergence Co., Ltd.	Telecommunication services	1,000	-	1,000	1,000	-	1,000
<b>Total investment in subsidiaries</b>		<b>44,443,778</b>	<b>18,546,408</b>	<b>25,897,370</b>	<b>38,237,288</b>	<b>18,546,408</b>	<b>19,690,880</b>
<b>Associate</b>							
NC True Co., Ltd.	Developer and service provider of games online	123,205	73,535	49,670	123,205	73,535	49,670
<b>Total investment in associate</b>		<b>123,205</b>	<b>73,535</b>	<b>49,670</b>	<b>123,205</b>	<b>73,535</b>	<b>49,670</b>
<b>Total investments in subsidiaries and associate, net</b>		<b>44,566,983</b>	<b>18,619,943</b>	<b>25,947,040</b>	<b>38,360,493</b>	<b>18,619,943</b>	<b>19,740,550</b>

**True Corporation Public Company Limited**  
**Unaudited Condensed Notes to the Interim Consolidated and Company Financial Statements**  
**For the nine-month periods ended 30 September 2009 and 2008**

**15. Property, plant and equipment, net**

	<b>Consolidated</b>		
	<b>Property, plant and equipment, net</b>		
	<b>Non-Network Baht Million</b>	<b>Network Baht Million</b>	<b>Total Baht Million</b>
<b>For the nine-month period ended 30 September 2009</b>			
Opening net book value	7,453.51	63,926.57	71,380.08
Additions	1,914.04	3,230.34	5,144.38
Acquisition of subsidiary (Note 13)	17.65	-	17.65
Disposals	(128.73)	(147.68)	(276.41)
Adjustments/Reclassifications	(42.89)	689.75	646.86
Depreciation	(1,432.81)	(5,901.63)	(7,334.44)
Impairment /(Reversal)	1.59	(29.19)	(27.60)
Closing net book value	<u>7,782.36</u>	<u>61,768.16</u>	<u>69,550.52</u>
	<b>Company</b>		
	<b>Property, plant and equipment, net</b>		
	<b>Non-Network Baht Million</b>	<b>Network Baht Million</b>	<b>Total Baht Million</b>
<b>For the nine-month period ended 30 September 2009</b>			
Opening net book value	446.45	15,474.21	15,920.66
Additions	35.63	185.72	221.35
Disposals	(1.75)	(0.11)	(1.86)
Adjustments/Reclassifications	(1.31)	(0.08)	(1.39)
Depreciation	(155.16)	(1,423.06)	(1,578.22)
Closing net book value	<u>323.86</u>	<u>14,236.68</u>	<u>14,560.54</u>

Borrowing costs of Baht 74.39 million was capitalised as cost of assets during the period and included as “Additions”.

**Transfer assets to CAT**

According to the agreement for operations granted by CAT, the subsidiary transferred network assets with net book value of Baht 178.71 million to CAT during the nine-month period ended 30 September 2009. The subsidiary retains right to operate the mobile phone service over the transferred assets.

**Capital commitments**

	<b>Consolidated Baht Million</b>	<b>Company Baht Million</b>
As at 30 September 2009	3,112.45	312.17
As at 31 December 2008	3,435.57	273.38

**16. Intangible assets, net**

	<b>Consolidated</b>		<b>Company</b>	
	<b>30 September 2009</b>	<b>31 December 2008</b>	<b>30 September 2009</b>	<b>31 December 2008</b>
	<b>Baht Million</b>	<b>Baht Million</b>	<b>Baht Million</b>	<b>Baht Million</b>
Current (included in “Other current assets” (Note 12))	545.48	278.93	-	-
Non-current	5,439.87	3,556.63	669.42	795.95
Total	<u>5,985.35</u>	<u>3,835.56</u>	<u>669.42</u>	<u>795.95</u>

**True Corporation Public Company Limited**  
**Unaudited Condensed Notes to the Interim Consolidated and Company Financial Statements**  
**For the nine-month periods ended 30 September 2009 and 2008**

**16. Intangible assets, net (Cont'd)**

Movements of intangible assets can be analysed as follows:

	<b>Consolidated Baht Million</b>	<b>Company Baht Million</b>
<b>For the nine-month period ended 30 September 2009</b>		
Opening net book value	3,835.56	795.95
Additions		
- cash item	1,439.12	10.70
- non-cash item (Note 20)	2,269.02	-
Addition of subsidiary (Note 13)	7.91	-
Disposals	(4.31)	(0.12)
Adjustments/Reclassifications	(14.69)	7.72
Amortisation	(1,547.26)	(144.83)
Closing net book value	<u>5,985.35</u>	<u>669.42</u>

**17. Deferred income taxes**

Deferred income taxes are calculated in full on temporary differences, using the liability method and using a principal tax rate of 30% (2008: 30%). The deferred taxation related to the temporary differences between the carrying amounts and the tax bases of assets and liabilities of the Group are summarised as follows:

	<b>Consolidated</b>		<b>Company</b>	
	<b>30 September 2009 Baht Million</b>	<b>31 December 2008 Baht Million</b>	<b>30 September 2009 Baht Million</b>	<b>31 December 2008 Baht Million</b>
<b>Deferred income tax assets</b>				
Depreciation	3,881.78	4,607.25	4,369.01	4,853.29
Difference on network assets	1,440.96	1,889.73	-	-
Allowances	1,094.67	1,067.70	795.13	799.10
Borrowings	355.70	367.60	510.78	484.21
Unearned income	176.53	173.38	-	-
Minimum payment fees	20.65	20.30	-	-
Accrued expenses	11.82	28.12	-	-
Other current assets	16.66	12.05	0.05	0.04
Tax loss carry forwards	14.47	4.90	-	-
Other current liabilities	5.51	4.14	-	-
	<u>7,018.75</u>	<u>8,175.17</u>	<u>5,674.97</u>	<u>6,136.64</u>
<b>Deferred income tax liabilities</b>				
Accounts receivable - billed customers	(478.74)	(539.73)	(478.74)	(539.73)
Debt issuance cost	(228.71)	(263.77)	(116.22)	(128.13)
Leased assets	(209.75)	(181.42)	-	-
Accrued regulatory cost	(21.61)	(16.05)	-	-
Unrealised gain on short-term investments	(0.11)	(0.08)	-	-
	<u>(938.92)</u>	<u>(1,001.05)</u>	<u>(594.96)</u>	<u>(667.86)</u>

Under the Thai Revenue Code, all companies are taxed as separate entities with no relief available for the Groups.

**True Corporation Public Company Limited**  
**Unaudited Condensed Notes to the Interim Consolidated and Company Financial Statements**  
**For the nine-month periods ended 30 September 2009 and 2008**

**18. Borrowings**

The Group's borrowings are denominated in Thai Baht, United States Dollar and Japanese Yen.

	<b>Consolidated</b>		<b>Company</b>	
	<b>30 September 2009</b>	<b>31 December 2008</b>	<b>30 September 2009</b>	<b>31 December 2008</b>
	<b>Baht Million</b>	<b>Baht Million</b>	<b>Baht Million</b>	<b>Baht Million</b>
<b>Current</b>				
- Banks and financial institutions	5,576.00	5,819.82	2,800.00	2,800.00
- Finance leases	1,267.38	1,166.64	-	-
- Debentures	3,806.54	2,884.30	3,806.54	2,884.30
Total current	10,649.92	9,870.76	6,606.54	5,684.30
<b>Non-current</b>				
- Banks and financial institutions	21,097.94	27,648.16	10,475.10	14,911.48
- Finance leases	5,213.91	4,915.30	-	-
- Debentures	38,223.55	33,691.49	15,448.42	10,032.81
- Suppliers credit	4,250.96	4,390.91	4,250.97	4,390.91
Total non-current	68,786.36	70,645.86	30,174.49	29,335.20
Total borrowings	79,436.28	80,516.62	36,781.03	35,019.50

Movements of borrowings can be analysed as follows:

	<b>Consolidated Baht Million</b>	<b>Company Baht Million</b>
<b>For the nine-month period ended 30 September 2009</b>		
Opening net book value	80,516.62	35,019.50
Additions of borrowings:		
- cash received	13,203.87	13,096.77
- non-cash finance leases	1,482.89	-
- interest	31.88	6.34
Repayments of borrowings	(14,443.43)	(11,321.22)
Amortisation of debt issuance costs	247.17	125.93
Currency translation	(1,602.72)	(146.29)
Closing net book value	79,436.28	36,781.03

**Secured liabilities**

Borrowings include secured liabilities being loans under finance leases and loans from banks and financial institutions of Baht 52.41 billion (2008: Baht 52.46 billion) and Baht 32.53 billion (2008: Baht 30.63 billion) in the consolidated and Company financial statements, respectively. The bank borrowings are secured with shares of subsidiaries, network equipment, land and building of the Group, guaranteed by the subsidiaries of the Group. Finance lease liabilities are effectively secured as the rights to the leased assets revert to the lessor in the event of default.

Borrowings include secured loans of Baht 2.42 billion (2008: Baht 3.59 billion) from a related company, Kreditanstalt fuer Wiederaufbau ("KfW"), which is a preference shareholder (Note 26).

On 2 April 2009, the Company issued 6.18 million units of secured debentures at par value of Baht 1,000 per unit. The debentures carry interest at 6.50% per annum and payable on a quarterly basis start from 7 July 2009. The maturity date will be on 7 April 2014. The proceeds of Baht 6,116.81 million, net of issuance cost and related expenses of Baht 66.19 million, was used for prepayment the Company's existing borrowings.

On 28 August 2009, the Company issued 7.00 million units of secured debentures at par value of Baht 1,000 per unit. The debentures carry interest at 6.70% per annum and payable on a quarterly basis start from 7 October 2009. The maturity date will be on 28 January 2015. The proceeds of Baht 6,875.69 million, net of issuance cost and related expenses of Baht 124.31 million, will be used for prepayment the Company's existing borrowings.

**True Corporation Public Company Limited**  
**Unaudited Condensed Notes to the Interim Consolidated and Company Financial Statements**  
**For the nine-month periods ended 30 September 2009 and 2008**

---

**19. Other current liabilities**

	<b>Consolidated</b>		<b>Company</b>	
	<b>30 September 2009</b>	<b>31 December 2008</b>	<b>30 September 2009</b>	<b>31 December 2008</b>
	<b>Baht Million</b>	<b>Baht Million</b>	<b>Baht Million</b>	<b>Baht Million</b>
Other payables	843.70	1,190.16	445.41	452.98
Output VAT pending tax invoices	934.56	923.93	194.56	158.15
Others	313.57	543.13	123.59	83.95
<b>Total</b>	<b>2,091.83</b>	<b>2,657.22</b>	<b>763.56</b>	<b>695.08</b>

**20. Liabilities under agreements for operations**

Liabilities under agreements for operations can be summarised as follows:

	<b>Consolidated</b>	
	<b>30 September 2009</b>	<b>31 December 2008</b>
	<b>Baht Million</b>	<b>Baht Million</b>
Current (included in "Accrued expenses")	411.85	331.05
Non-current	4,566.78	2,503.91
	<b>4,978.63</b>	<b>2,834.96</b>

Movement of liabilities under agreements for operations can be analysed as follows:

	<b>Consolidated Baht Million</b>
<b>For the nine-month period ended 30 September 2009</b>	
Opening net book value	2,834.96
Addition	2,269.02
Repayments	(460.00)
Interest expense	334.65
Closing net book value	<b>4,978.63</b>

According to the MOA as described in Note 23.3, the subsidiary recognised "Right to operate" as intangible assets (Note 16) and "Liabilities under agreements for operations" amounting to Baht 2,269.02 million in the consolidated balance sheet. This amount derived from the best estimated cost of obtaining right discounted by MLR at the MOA's signing date and might be changed when the Group reaches the definitive agreement. The interest derived from liabilities being capitalised and contrary recognised in the consolidated statement of income.

**True Corporation Public Company Limited**  
**Unaudited Condensed Notes to the Interim Consolidated and Company Financial Statements**  
**For the nine-month periods ended 30 September 2009 and 2008**

**21. Share capital, premium and discount on share capital**

	Number of shares Million	Common shares Baht Million	Preferred shares Baht Million	Share premium (discount) Baht Million	Total Baht Million
At 31 December 2008	4,503.18	38,038.45	6,993.34	5,950.34	50,982.13
Issue of common shares	3,272.56	32,725.63	-	(26,346.20)	6,379.43
At 30 September 2009	7,775.74	70,764.08	6,993.34	(20,395.86)	57,361.56

The total authorised number of shares is 15,333.21 million shares (2008: 15,333.21 million shares) with a par value of Baht 10 per share (2008: Baht 10 per share). All issued shares are fully paid.

The Company issued 3,272.56 million shares at par value of Baht 10 per share for the right offering during February 2009 according to the approval of the Extraordinary General Shareholders Meeting No. 1/2551. The exercised price was Baht 1.95 per share. The proceed was Baht 6,379.43 million net of related expenses of Baht 2.06 million. The Company completed the registration of change in paid up capital with the Ministry of Commerce on 17 February 2009.

**22. Cash flows from operating activities**

Reconciliation of profit (loss) for the period to cash flows from operating activities:

For the nine-month periods ended	Consolidated		Company	
	30 September 2009	30 September 2008	30 September 2009	30 September 2008
	Baht Million	Baht Million	Baht Million	Baht Million
Net profit (loss) for the period	1,166.19	(1,804.66)	434.56	559.15
Adjustments for:				
Depreciation and amortisation (Note 6)	9,281.55	9,440.28	1,848.97	1,856.40
Interest income (Note 7)	(69.18)	(81.12)	(56.51)	(32.75)
Interest expense (Note 7)	5,199.40	5,132.41	1,706.22	1,872.72
Income tax	1,854.62	1,418.35	391.91	350.93
Dividend income (Note 26)	-	-	(502.25)	(517.02)
(Gain) loss on disposals of property, plant and equipment	(129.32)	(75.73)	1.80	5.13
Doubtful accounts (Note 6)	796.25	546.33	227.25	156.92
Impairment (Note 6)	28.27	70.04	-	-
Other operating assets write-off	-	9.71	-	-
Unrealised (gain) loss on foreign exchange	(1,603.79)	866.77	(154.96)	347.98
Foreign exchange loss on repayments of borrowings	4.86	161.00	-	-
Share of results in associates	4.08	3.59	-	-
Changes in operating assets and liabilities				
- Trade accounts receivable	(1,034.08)	3,756.96	161.24	(342.45)
- Short-term investment - trading securities	17.51	(432.95)	-	-
- Inventories	(526.79)	(956.50)	7.71	73.16
- Other current assets	485.45	99.29	248.92	(56.07)
- Film and program rights	(1,256.62)	(997.92)	-	-
- Other non-current assets	1.30	(2.82)	(38.24)	(65.84)
- Trade accounts payable	(757.16)	(4,448.52)	(162.27)	(38.72)
- Accrued expenses and other current liabilities	1,258.71	3,300.79	(71.51)	(208.32)
- Other non-current liabilities	(200.93)	344.11	(6.22)	(6.22)
Cash generated from operations	14,520.32	16,349.41	4,036.62	3,955.00
<u>Add</u> Interest received	64.66	65.41	51.80	58.78
<u>Less</u> Interest paid	(4,439.74)	(4,599.84)	(1,507.88)	(1,819.40)
Income tax paid	(1,488.05)	(1,578.35)	(264.55)	(279.52)
Net cash from operating activities	8,657.19	10,236.63	2,315.99	1,914.86

**True Corporation Public Company Limited**  
**Unaudited Condensed Notes to the Interim Consolidated and Company Financial Statements**  
**For the nine-month periods ended 30 September 2009 and 2008**

---

**23. Commitments and contingent liabilities**

**23.1 Collateral**

Under the terms of various agreements, the Company's and certain subsidiaries' assets have been pledged and/or mortgaged as collateral with the contracted parties, details of which are as follows:

	<b>Carrying Value at 30 September 2009 and 31 December 2008</b>					
	<b>Consolidated</b>				<b>Company</b>	
	<b>2009 Baht Million</b>	<b>2008 Baht Million</b>	<b>Mortgaged Value</b>		<b>2009 Baht Million</b>	<b>2008 Baht Million</b>
<b>2009 Baht Million</b>			<b>2008 Baht Million</b>			
Deposits and short-term investments	4,495.04	1,557.80	-	-	3,731.68	700.68
Investments in shares of subsidiaries	18,262.67	13,779.32	-	-	-	-
Land, building and machinery	1,039.46	1,057.94	24,870.63	24,870.63	-	-

In addition, the Group and the Company's rights to operate network assets are used as collateral for borrowings (Note 18).

**23.2 Contingencies**

The bank guarantees provided by banks and contingent liabilities of the Group are as follows:

	<b>Consolidated Baht Million</b>	<b>Company Baht Million</b>
As at 30 September 2009	2,433.19	244.90
As at 31 December 2008	3,145.41	250.97

**23.3 Commitments**

On 29 January 2009, a subsidiary entered into the Memorandum of Agreement ("MOA") with the grantor of its agreement for operation of cellular telephone services, Digital PCN (PERSONAL COMMUNICATION NETWORK) 1800. The MOA has legally binding immediately. Whereby, the subsidiary retains right and obligation to use assets transferred to the grantor and provide service as it was the agreement for operation for the next five years commencing from the expire date of agreement for operation. Under the MOA, the subsidiary and the grantor must comply with the conditions stipulated therein.

On 8 October 2009, True Visions Public Company Limited and True Visions Cable Public Company Limited, subsidiaries under the Group, has reached conclusion and amended their Joint Operational Contracts for operating of subscription pay television services with MCOT Public Company Limited ("MCOT") which allow them to broadcast advertisement on their subscription pay television channels of not more than 6 minutes per hour and they shall pay MCOT 6.5% of gross revenues generated from such advertisements.

**23. Commitments and contingent liabilities (Cont'd)**

**23.4 Access charges of a subsidiary**

Refer to Note 42.2 to the 2008 annual financial statements, the subsidiary 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 subsidiary has to pay such access charges, the subsidiary would be liable to accrue access charges for the period from 18 November 2006 to 30 September 2009 are as follows:

	<b>Accrued access charges Million Baht</b>	<b>Net effect to the consolidated statement of income, net of revenue sharing to CAT Million Baht</b>
For the period from 18 November 2006 to 31 December 2008	9,144.09	6,827.32
For the nine-month period ended 30 September 2009	4,058.17	3,035.48
Total	<u>13,202.26</u>	<u>9,862.80</u>

The management and its external lawyers have opined that the subsidiary would not be liable to pay the said access charges.

**24. Litigation and Arbitration disputes and contingent liabilities**

Refer to Note 41 to the 2008 annual financial statements, the progress should be reported are as follows:

**Litigation case files by the TOT against the Company**

Dispute in relation to the use of True's logo on public payphone booths. On 24 February 2009, the Central Administrative Court ruled in favour of TOT and ordered the Company to pay Baht 150.00 million for the amount claimed within 60 days. On 25 March 2009, the Company appealed to the Supreme Administrative Court. The case is currently under the judicial process.

**Litigation case files by the Company against TOT**

Dispute in relation to Public Payphone's Revenue Sharing On 8 May 2009, the Supreme Administrative Court order the Central Administrative Court not to received TOT's appealing for its consideration. TOT settled all amount claimed including interest of Baht 62.82 million. The case is finally close.

**24. Litigation and Arbitration disputes and contingent liabilities (Cont'd)**

**Assessment from Excise Department**

The assessment from Excise Department claims for penalties and surcharge on delay of payments for excise tax amount of Baht 185.87 million was ruled by the Central Tax Court on 29 September 2009 in favour of the Company by withdrawing all the penalties and surcharge. Nevertheless, the Company is considering to appeal the points regarding whether the Company is deemed to pay excise tax. The last date for filing the appeal is 29 November 2009.

**Arbitration dispute of a subsidiary**

On 29 January 2009, CAT filed an arbitral dispute against a subsidiary claiming for transfer of 4,546 units of masts and towers with their accessories to CAT. If, in any event, the transfer of the subsidiary is impractical, the subsidiary shall pay to CAT for the amount of Baht 2,766.16 million. On 3 September 2009, the subsidiary filed statement of objection to the Arbitration Office.

**Litigation of subsidiary**

On 24 September 2009, a subsidiary filed against CAT with the Civil Court claiming for the damage of Baht 50.00 million. The damage caused by CAT illegally failed to return Letters of Bank Guarantee ("LG") to the subsidiary, thus the subsidiary is being unable to efficiently facilitate its LG. Moreover, the subsidiary is bound to pay the fees for those LG. The case is currently under the process of the Civil Court.

**Access charges of subsidiary**

On 16 September 2009, the Civil Court and the Central Administrative Court agreed that this case is under the Central Administrative Court's jurisdiction. Then the case is now move to the Central Administrative Court.

The ultimate outcomes of the disputes and litigations are presently unable to be determined, and accordingly, no recognition of revenues for contingent assets or provision for possible liabilities has been made in the interim financial statements except otherwise stated.

**25. Financial instruments - forward foreign exchange contracts**

The net fair values of the Group's cross currency and interest rate swap contracts and open forward foreign exchange contracts as at 30 September 2009 are unfavourable amounting to Baht 5,076.06 million which have not been recognised in the financial statements.

**True Corporation Public Company Limited**  
**Unaudited Condensed Notes to the Interim Consolidated and Company Financial Statements**  
**For the nine-month periods ended 30 September 2009 and 2008**

**26. Related party transactions**

The following material transactions were carried out with related parties:

**i) Sales of goods and services**

For the three-month periods ended	Consolidated		Company	
	30 September 2009	30 September 2008	30 September 2009	30 September 2008
	Baht Million	Baht Million	Baht Million	Baht Million
<b>Sales of goods:</b>				
Subsidiaries	-	-	0.09	1.98
Associate	0.13	-	-	-
Related company:				
CP Group of companies	1.31	2.21	-	0.15
	<u>1.44</u>	<u>2.21</u>	<u>0.09</u>	<u>2.13</u>
<b>Sales of services:</b>				
Subsidiaries	-	-	949.54	881.70
Joint ventures	5.34	25.27	0.24	0.24
Associate	8.06	4.17	-	-
Related companies:				
CP Group of companies	858.07	992.62	2.23	1.85
NEC Corporation (Thailand) Co., Ltd.	0.02	0.03	0.02	0.03
	<u>871.49</u>	<u>1,022.09</u>	<u>952.03</u>	<u>883.82</u>
For the nine-month periods ended	Consolidated		Company	
	30 September 2009	30 September 2008	30 September 2009	30 September 2008
	Baht Million	Baht Million	Baht Million	Baht Million
<b>Sales of goods:</b>				
Subsidiaries	-	-	2.63	10.93
Joint ventures	0.02	-	-	-
Associate	0.13	0.24	-	0.19
Related company:				
CP Group of companies	5.45	8.50	0.02	0.88
	<u>5.60</u>	<u>8.74</u>	<u>2.65</u>	<u>12.00</u>
<b>Sales of services:</b>				
Subsidiaries	-	-	2,760.57	2,618.59
Joint ventures	31.90	60.10	0.72	0.74
Associate	23.48	12.83	-	-
Related companies:				
CP Group of companies	2,639.42	3,164.32	7.09	4.66
NEC Corporation (Thailand) Co., Ltd.	0.06	0.10	0.06	0.10
	<u>2,694.86</u>	<u>3,237.35</u>	<u>2,768.44</u>	<u>2,624.09</u>

Sales of goods and services to related parties were carried out on commercial terms and conditions and at market prices.

CP Group of companies are the major shareholders of the Company.

**True Corporation Public Company Limited**  
**Unaudited Condensed Notes to the Interim Consolidated and Company Financial Statements**  
**For the nine-month periods ended 30 September 2009 and 2008**

**26. Related party transactions (Cont'd)**

ii) **Purchases of goods and services**

For the three-month periods ended	Consolidated		Company	
	30 September 2009	30 September 2008	30 September 2009	30 September 2008
	Baht Million	Baht Million	Baht Million	Baht Million
<b>Purchases of goods:</b>				
Subsidiaries	-	-	18.26	4.05
Associate	0.02	-	-	-
Related company:				
CP Group of companies	15.94	165.96	-	7.64
	<u>15.96</u>	<u>165.96</u>	<u>18.26</u>	<u>11.69</u>
<b>Purchases of services:</b>				
Subsidiaries	-	-	235.00	271.39
Joint ventures	72.29	153.59	5.63	17.30
Associate	35.36	0.01	-	-
Related companies:				
CP Group of companies	184.98	154.30	11.86	18.77
NEC Corporation (Thailand) Co., Ltd.	0.97	1.78	0.06	0.03
	<u>293.60</u>	<u>309.68</u>	<u>252.55</u>	<u>307.49</u>
For the nine-month periods ended	Consolidated		Company	
	30 September 2009	30 September 2008	30 September 2009	30 September 2008
	Baht Million	Baht Million	Baht Million	Baht Million
<b>Purchases of goods:</b>				
Subsidiaries	-	-	35.31	16.60
Associate	1.27	-	-	-
Related company:				
CP Group of companies	46.81	258.70	4.69	26.21
	<u>48.08</u>	<u>258.70</u>	<u>40.00</u>	<u>42.81</u>
<b>Purchases of services:</b>				
Subsidiaries	-	-	757.83	755.79
Joint ventures	226.27	241.22	32.56	50.82
Associate	37.53	0.07	-	-
Related companies:				
CP Group of companies	527.20	445.63	48.82	64.13
NEC Corporation (Thailand) Co., Ltd.	4.14	6.13	0.18	0.07
	<u>795.14</u>	<u>693.05</u>	<u>839.39</u>	<u>870.81</u>

Purchases of goods and services from related parties were carried out on commercial terms and conditions and at market prices.

**True Corporation Public Company Limited**  
**Unaudited Condensed Notes to the Interim Consolidated and Company Financial Statements**  
**For the nine-month periods ended 30 September 2009 and 2008**

**26. Related party transactions (Cont'd)**

**iii) Outstanding balances arising from sales and purchases of goods and services**

	<b>Consolidated</b>		<b>Company</b>	
	<b>30 September 2009 Baht Million</b>	<b>31 December 2008 Baht Million</b>	<b>30 September 2009 Baht Million</b>	<b>31 December 2008 Baht Million</b>
<b>Receivables from related parties: (included in “Trade accounts receivable”)</b>				
Subsidiaries	-	-	2,047.06	2,212.90
Joint ventures	46.73	110.94	0.66	2.75
Associate	11.80	5.37	0.03	0.24
Related companies:				
CP Group of companies	772.98	562.33	2.66	1.00
NEC Corporation (Thailand) Co., Ltd.	0.16	0.12	0.16	0.10
Receivables, net	<u>831.67</u>	<u>678.76</u>	<u>2,050.57</u>	<u>2,216.99</u>
<b>Receivables from related parties: (included in “Other current assets”)</b>				
Related companies:				
CP Group of companies	0.06	0.06	-	-
NEC Corporation (Thailand) Co., Ltd.	-	0.56	-	0.56
	<u>0.06</u>	<u>0.62</u>	<u>-</u>	<u>0.56</u>
<b>Payables to related parties: (included in “Trade accounts payable”)</b>				
Subsidiaries	-	-	568.19	633.71
Joint ventures	68.59	76.39	34.40	34.46
Associate	21.61	12.00	-	-
Related companies:				
CP Group of companies	21.21	31.12	3.80	7.86
NEC Corporation (Thailand) Co., Ltd.	0.05	2.23	0.05	-
	<u>111.46</u>	<u>121.74</u>	<u>606.44</u>	<u>676.03</u>

**iv) Loans to related parties**

	<b>Consolidated</b>		<b>Company</b>	
	<b>30 September 2009 Baht Million</b>	<b>31 December 2008 Baht Million</b>	<b>30 September 2009 Baht Million</b>	<b>31 December 2008 Baht Million</b>
Current	<u>31.88</u>	<u>31.88</u>	<u>850.00</u>	<u>200.00</u>
Loans to related parties	<u>31.88</u>	<u>31.88</u>	<u>850.00</u>	<u>200.00</u>

**26. Related party transactions (Cont'd)**

**iv) Loans to related parties (Cont'd)**

Movements of loans to related parties can be analysed as follows:

	<u>Consolidated</u> <u>Baht Million</u>	<u>Company</u> <u>Baht Million</u>
<b>For the nine-month periods ended 30 September 2009</b>		
Opening net book value	31.88	200.00
Addition loan during the period	-	750.00
Repayment during the period	-	(100.00)
Closing net book value	<u>31.88</u>	<u>850.00</u>

The interest income for three-month and the nine-month periods ended 30 September 2009 for the consolidated were Baht 0.14 million and Baht 0.48 million, respectively (2008: Baht 0.28 million and Baht 0.75 million, respectively) and were Baht 12.86 million and Baht 26.54 million for the Company, respectively (2008: Baht 8.30 million and Baht 18.74 million, respectively).

**v) Loans from related parties**

	<u>Consolidated</u>		<u>Company</u>	
	<u>30 September</u> <u>2009</u>	<u>31 December</u> <u>2008</u>	<u>30 September</u> <u>2009</u>	<u>31 December</u> <u>2008</u>
	<u>Baht Million</u>	<u>Baht Million</u>	<u>Baht Million</u>	<u>Baht Million</u>
Current	1,274.60	1,491.00	-	-
Non-current	1,145.51	2,094.14	2,823.96	2,695.68
Total	<u>2,420.11</u>	<u>3,585.14</u>	<u>2,823.96</u>	<u>2,695.68</u>

Movements of loans from related parties can be analysed as follows:

	<u>Consolidated</u> <u>Baht Million</u>	<u>Company</u> <u>Baht Million</u>
<b>For the nine-month period ended 30 September 2009</b>		
Opening net book value	3,585.14	2,695.68
Additional borrowings:		
- Non-cash transaction - interest	-	128.28
Repayments	(1,103.34)	-
Amortisation of debt issuance cost	39.57	-
Currency translation	(101.26)	-
Closing net book value	<u>2,420.11</u>	<u>2,823.96</u>

The loans are presented net of unamortised debt issuance cost of Baht 43.15 million.

The loans in the consolidated financial statements are the loan from Kreditanstalt fuer Wiederaufbau ("KfW"), which are presented in the balance sheet as part of borrowings (Note 18).

The Company related interest expenses for the three-month and nine-month periods ended 30 September 2009 were Baht 44.93 million and Baht 128.28 million, respectively (2008: Baht 42.21 million and Baht 120.73 million, respectively).

**26. Related party transactions (Cont'd)**

**vi) Interest receivable and interest payable arising from loans to and loans from related parties**

	<b>Consolidated</b>		<b>Company</b>	
	<b>30 September 2009</b>	<b>31 December 2008</b>	<b>30 September 2009</b>	<b>31 December 2008</b>
	<b>Baht Million</b>	<b>Baht Million</b>	<b>Baht Million</b>	<b>Baht Million</b>
<b>Interest receivable: (included in "Other current assets")</b>				
Joint venture	0.03	2.71	-	-
	<u>0.03</u>	<u>2.71</u>	<u>-</u>	<u>-</u>
<b>Interest payable: (included in "Accrued expenses")</b>				
Related company:				
Kreditanstalt fuer Wiederaufbau	0.12	0.60	-	-
	<u>0.12</u>	<u>0.60</u>	<u>-</u>	<u>-</u>

**vii) Shares purchased**

On 11 June 2009, the Company exercised its option to purchase BITCO's shares from Charoen Pokphand Holding Company Limited ("CP") in regarding to CP's proposal. The number of shares purchased was 6,000 million shares at Baht 0.59 per share totaling Baht 3,540.00 million. Resulting in increasing the Company and the Group's equity interest in BITCO to 96.44% and 98.91%, respectively.

**viii) Dividend received**

The Company received a dividend of Baht 502.25 million (2008: Baht 517.02 million) from a subsidiary, which was recognised as "Dividend income" under "Other operating income" in the Company statement of income.

**27. Minority interest**

As described in Note 14 and Note 26, this transaction resulting in decrease of minority interest portion of its equity interest in BITCO from 22.79% to 1.09%. The movement of minority interest for the nine-month period ended 30 September 2009 are as follows:

<b>For the nine-month period ended 30 September 2009</b>	<b>Consolidated Baht Million</b>
Opening net book value	1,165.30
Addition subscribe in subsidiary	0.04
Acquisition of subsidiary (Note 13)	0.89
Shares purchase from minority interest (Note 26)	(3,540.00)
Dilution in minority interest (Note 14)	3,102.76
Dividend paid to minority interest	(25.98)
Share of results of subsidiaries for the period	(25.95)
	<u>(25.95)</u>
Closing net book value	<u>677.06</u>