

**SHIN CORPORATION PUBLIC COMPANY LIMITED**

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

**31 March 2007**

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

To the Shareholders of Shin Corporation Public Company Limited

I have reviewed the accompanying consolidated and company balance sheets as at 31 March 2007, and the related consolidated and company statements of income, changes in shareholders' equity and cash flows for the three-month periods ended 31 March 2007 and 2006 of Shin Corporation Public Company Limited and its subsidiaries and of Shin Corporation Public Company Limited. 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 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 a review to obtain moderate assurance as to whether the financial statements are free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit, 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 consolidated and company financial statements referred to above are not presented fairly, in all material respects, in accordance with generally accepted accounting principles.

I have audited the consolidated and company financial statements for the year ended 31 December 2006 of Shin Corporation Public Company Limited and its subsidiaries and of Shin Corporation Public Company Limited in accordance with generally accepted auditing standards and expressed an unqualified opinion on those statements in my report dated 23 February 2007 and drew attention on the matters as discussed in paragraph 5. As discussed in Note 2 to the financial statements, from 1 January 2007 the Company has changed its accounting policy for investments in subsidiaries in the company financial statements from equity method to cost method to comply with the Federation of Accounting Professions' announcement. The Company has applied retrospective adjustments. Therefore, the company balance sheet as at 31 December 2006, as part of the consolidated and company financial statements which I have audited and issued a report thereon as stated above, and the company interim financial statements for the quarter ended 31 March 2006, presented for comparative purposes, are restated.

My audit report for the consolidated and company financial statements for the year ended 31 December 2006 drew attention that the auditor of ITV, the Company's subsidiary, has expressed a disclaimer of opinion on the ITV 2006 financial statements because of a material uncertainty regarding the ITV's ability to pay the unpaid concession fee as claimed by the Office of the Permanent Secretary of the Office of the Prime Minister ("PMO") amounting to Baht 2,210 million which cast significant doubt on ITV's ability to continue as a going concern and may impact the impairment of ITV's concession assets. In addition there was the dispute regarding the interest on the unpaid concession fee and the penalty arising from the alteration of television programming of Baht 97,760 million. The ultimate outcome of this matter cannot be determined presently. No provision for liability has been provided in the financial statements for the interest and penalty. This matter has a significant impact on ITV's operating results and financial position.

Without qualifying my report, I draw attention to Note 17 to the financial statements that the PMO revoked the concession agreement of ITV due to ITV was not able to pay the unpaid concession fee totalling Baht 2,210 million, including the 15% interest per annum on the total unpaid concession fee and the penalty arising from the alteration of television programming of Baht 97,760 million. These events have resulted ITV to cease its operations since 7 March 2007. ITV is in the process of preparing the clarification on the development plan to resolve the cause of delisting and the plan in undertaking of new business and the rehabilitation to the Stock Exchange of Thailand. In addition ITV has intended to pursue the arbitration process on the dispute of interest and penalty arising from the alteration of television programming of Baht 97,760 million. Assets and liabilities of ITV included in the consolidated interim financial statements as at 31 March 2007, represent 1.99% and 11.13% of consolidated total assets and liabilities, respectively and the net asset of ITV included in the company financial statements as at 31 March 2007 is nil.

Suchart Luengsurawat  
Certified Public Accountant (Thailand) No. 2807  
PricewaterhouseCoopers ABAS Limited

Bangkok  
14 May 2007

**Shin Corporation Public Company Limited**

**Balance Sheets**

As at 31 March 2007 and 31 December 2006

|  |       | Consolidated                              |  | Company                                   |  |
|--|-------|---|--|---|--|
|  |       | 31 March<br>2007<br>Unaudited<br>Baht'000 | 31 December<br>2006<br>Audited<br>Baht'000 | 31 March<br>2007<br>Unaudited<br>Baht'000 | 31 December<br>2006<br>Audited<br>Restated<br>Baht'000 |
|  | Notes |   |  |   |  |
| <b>ASSETS</b>  |       |   |  |   |  |
| <b>Current assets</b>  |       |   |  |   |  |
| Cash and cash equivalents  |       | 4,755,735                                 | 5,571,782                                  | 173,285                                   | 1,192,883  |
| Current investments  |       | 62,079                                    | 880,583                                    | 62,079                                    | 80,583   |
| Trade accounts and notes receivable, net                         | 5     | 1,655,188                                 | 2,242,810                                  | 12,305                                    | 12,305   |
| Current portion of loans and accrued<br>interest receivable, net | 6     | 4,562,831                                 | 5,744,567                                  | -   | -  |
| Amounts due from and advances<br>to related parties              | 15    | 6,966                                     | 10,145                                     | 596                                       | 596  |
| Inventories, net   |       | 431,353                                   | 346,318                                    | -   | -  |
| Other current assets   |       | 853,384                                   | 1,006,315                                  | 22,976                                    | 38,090   |
| <b>Total current assets</b>                                      |       | <b>12,327,536</b>                         | <b>15,802,520</b>                          | <b>271,241</b>                            | <b>1,324,457</b>                                       |
| <b>Non-current assets</b>  |       |   |  |   |  |
| Loans and accrued interest receivable, net                       | 6     | 1,230,091                                 | 1,788,219                                  | -   | -  |
| Investments in subsidiaries, associates<br>and joint ventures    | 7     | 35,271,213                                | 33,681,458                                 | 13,735,272                                | 14,491,374   |
| Other investments  |       | 27,441                                    | 27,477                                     | 26,250                                    | 26,250   |
| Loan to another company  |       | 17,779                                    | 19,104                                     | -   | -  |
| Property and equipment, net                                      | 8     | 7,217,718                                 | 7,425,356                                  | 35,959                                    | 39,662   |
| Property and equipment under<br>concession agreements, net       | 8     | 20,065,844                                | 22,342,369                                 | -   | -  |
| Goodwill, net  | 8     | 96,185                                    | 550,103                                    | -   | -  |
| Other intangible assets, net                                     | 8     | 1,726,360                                 | 1,765,097                                  | 14,292                                    | 15,669   |
| Deferred tax assets  | 9     | 891,251                                   | 896,860                                    | -   | -  |
| Other assets   |       | 439,877                                   | 481,353                                    | 5,906                                     | 944  |
| <b>Total non-current assets</b>                                  |       | <b>66,983,759</b>                         | <b>68,977,396</b>                          | <b>13,817,679</b>                         | <b>14,573,899</b>                                      |
| <b>Total assets</b>  |       | <b>79,311,295</b>                         | <b>84,779,916</b>                          | <b>14,088,920</b>                         | <b>15,898,356</b>                                      |

Director \_\_\_\_\_ Director \_\_\_\_\_

Date \_\_\_\_\_ Date \_\_\_\_\_

The notes to the interim consolidated and company financial statements on pages 10 to 40 are an integral part of these interim financial statements.

**Shin Corporation Public Company Limited**

**Balance Sheets (continued)**

As at 31 March 2007 and 31 December 2006

|  | Notes | Consolidated                              |  | Company                                   |  |
|--|-------|---|--|---|--|
|  |       | 31 March<br>2007<br>Unaudited<br>Baht'000 | 31 December<br>2006<br>Audited<br>Baht'000 | 31 March<br>2007<br>Unaudited<br>Baht'000 | 31 December<br>2006<br>Audited<br>Restated<br>Baht'000 |
| <b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>                                |       |   |  |   |  |
| <b>Current liabilities</b>   |       |   |  |   |  |
| Bank overdrafts and short-term loans from banks and financial institutions | 10    | 4,181,768                                 | 4,706,078                                  | -   | 600,000  |
| Trade accounts and notes payable   |       | 901,188                                   | 1,076,766                                  | 563                                       | 3,578  |
| Accounts payable - property and equipment                                  |       | 615,729                                   | 749,983                                    | -   | -  |
| Amounts due to and loans from related parties                              | 15    | 36,225                                    | 52,649                                     | 2,968                                     | 2,750  |
| Current portion of long-term borrowings                                    | 10    | 7,701,253                                 | 7,750,944                                  | 214                                       | 527  |
| Derivative instruments, net  |       | 433,089                                   | 752,900                                    | -   | -  |
| Accrued concession fees  |       | 3,532,588                                 | 3,268,264                                  | -   | -  |
| Other current liabilities  |       | 1,725,561                                 | 1,752,045                                  | 18,119                                    | 51,266   |
| <b>Total current liabilities</b>   |       | <b>19,127,401</b>                         | <b>20,109,629</b>                          | <b>21,864</b>                             | <b>658,121</b>   |
| <b>Non-current liabilities</b>   |       |   |  |   |  |
| Long-term borrowings, net  | 10    | 11,483,082                                | 14,108,660                                 | -   | -  |
| Deferred tax liabilities   | 9     | 121,825                                   | 126,952                                    | -   | -  |
| Other liabilities  |       | 254,093                                   | 162,782                                    | -   | -  |
| <b>Total non-current liabilities</b>                                       |       | <b>11,859,000</b>                         | <b>14,398,394</b>                          | <b>-</b>                                  | <b>-</b>   |
| <b>Total liabilities</b>   |       | <b>30,986,401</b>                         | <b>34,508,023</b>                          | <b>21,864</b>                             | <b>658,121</b>   |
| <b>Shareholders' equity</b>  |       |   |  |   |  |
| Share capital  | 11    |   |  |   |  |
| Authorised share capital - common shares                                   |       | 5,000,000                                 | 5,000,000                                  | 5,000,000                                 | 5,000,000  |
| Issued and paid share capital  |       |   |  |   |  |
| - common shares  |       | 3,196,313                                 | 3,196,302                                  | 3,196,313                                 | 3,196,302  |
| Warrants   |       | 757                                       | 789  | 757                                       | 789  |
| Premium on share capital   |       | 10,141,471                                | 10,141,235                                 | 10,141,471                                | 10,141,235   |
| Advance receipt for share subscription                                     |       | 1,442                                     | -  | 1,442                                     | -  |
| Retained earnings  |       |   |  |   |  |
| Appropriated   |       |   |  |   |  |
| Legal reserve  |       | 500,000                                   | 500,000                                    | 500,000                                   | 500,000  |
| Unappropriated   |       | 22,644,644                                | 24,363,417                                 | 230,249                                   | 1,406,685  |
| Unrealised gain on dilution of investments in subsidiaries and associates  |       | 3,972,554                                 | 3,966,024                                  | -   | -  |
| Unrealised loss from revaluation of current investment                     |       | (3,176)                                   | (4,776)                                    | (3,176)                                   | (4,776)  |
| Cumulative foreign currency translation adjustment                         |       | (164,807)                                 | (142,140)                                  | -   | -  |
| <b>Total parent's shareholders' equity</b>                                 |       | <b>40,289,198</b>                         | <b>42,020,851</b>                          | <b>14,067,056</b>                         | <b>15,240,235</b>                                      |
| Minority interests   |       | 8,035,696                                 | 8,251,042                                  | -   | -  |
| <b>Total shareholders' equity</b>  |       | <b>48,324,894</b>                         | <b>50,271,893</b>                          | <b>14,067,056</b>                         | <b>15,240,235</b>                                      |
| <b>Total liabilities and shareholders' equity</b>                          |       | <b>79,311,295</b>                         | <b>84,779,916</b>                          | <b>14,088,920</b>                         | <b>15,898,356</b>                                      |

The notes to the interim consolidated and company financial statements on pages 10 to 40 are an integral part of these interim financial statements.

**Shin Corporation Public Company Limited**

**Statements of Income (unaudited)**

**For the three-month periods ended 31 March 2007 and 2006**

|   |       | Consolidated                              |   | Company                                   |   |
|---|-------|---|---|---|---|
|   |       | 31 March<br>2007<br>Unaudited<br>Baht'000 | 31 March<br>2006<br>Unaudited<br>Baht'000 | 31 March<br>2007<br>Unaudited<br>Baht'000 | 31 March<br>2006<br>Unaudited<br>Restated<br>Baht'000 |
|   | Notes |   |   |   |   |
| <b>Revenues</b>   | 15    |   |   |   |   |
| Revenues from sales and services                              |       | 3,064,290                                 | 3,479,075                                 | -   | 70,720  |
| Gain on sale of investment in a joint venture                 |       | -   | 134,328                                   |   | 198,773   |
| Other income  | 12    | 490,772                                   | 198,909                                   | 8,378                                     | 6,234   |
| Net results from investments - equity method                  | 7     | 1,583,801                                 | 2,293,129                                 | -   | -   |
| <b>Total revenues</b>   |       | <b>5,138,863</b>                          | <b>6,105,441</b>                          | <b>8,378</b>                              | <b>275,727</b>  |
| <b>Expenses</b>   | 15    |   |   |   |   |
| Cost of sales and services                                    |       | 2,086,003                                 | 2,364,625                                 | -   | 40,923  |
| Concession fee  |       | 412,505                                   | 176,528                                   | -   | -   |
| Selling and administrative expenses                           |       | 1,645,101                                 | 1,080,696                                 | 73,167                                    | 42,212  |
| Impairment loss on goodwill and investment<br>in a subsidiary | 7, 8  | 446,971                                   | -   | 1,106,102                                 | 172,662   |
| Impairment loss on concession assets and<br>related assets    | 8     | 1,972,774                                 | -   | -   | -   |
| Directors' remuneration                                       |       | 5,875                                     | 4,305                                     | 3,460                                     | 1,821   |
| <b>Total expenses</b>   |       | <b>6,569,229</b>                          | <b>3,626,154</b>                          | <b>1,182,729</b>                          | <b>257,618</b>  |
| <b>Profit (loss) before interest and tax</b>                  |       | <b>(1,430,366)</b>                        | <b>2,479,287</b>                          | <b>(1,174,351)</b>                        | <b>18,109</b>   |
| Interest expense  |       | (368,973)                                 | (319,179)                                 | (2,085)                                   | (12,767)  |
| Income tax  | 14    | (100,888)                                 | 81,225                                    | -   | -   |
| <b>Profit (loss) before minority interests</b>                |       | <b>(1,900,227)</b>                        | <b>2,241,333</b>                          | <b>(1,176,436)</b>                        | <b>5,342</b>  |
| Net results from subsidiaries<br>to minority interests        |       | 181,454                                   | (15,724)                                  | -   | -   |
| <b>Net profit (loss) for the period</b>                       |       | <b>(1,718,773)</b>                        | <b>2,225,609</b>                          | <b>(1,176,436)</b>                        | <b>5,342</b>  |
| <b>Basic earnings per share (Baht)</b>                        | 4     |   |   |   |   |
| Net profit (loss) for the period                              |       | (0.54)                                    | 0.74                                      | (0.37)                                    | 0.00  |
| <b>Diluted earnings per share (Baht)</b>                      | 4     |   |   |   |   |
| Net profit (loss) for the period                              |       | (0.54)                                    | 0.72                                      | (0.37)                                    | 0.00  |

The notes to the interim consolidated and company financial statements on pages 10 to 40 are an integral part of these interim financial statements.

**Shin Corporation Public Company Limited**  
**Statements of Changes in Shareholders' Equity (unaudited)**  
**For the three-month periods ended 31 March 2007 and 2006**

|   | <b>Consolidated (Baht'000)</b>                                |                               |   |   |   |   |                          |                              |   |                               |                   |
|---|---|-------------------------------|---|---|---|---|--------------------------|------------------------------|---|-------------------------------|-------------------|
|   | <b>Issued and<br/>paid-up<br/>share capital<br/>(Note 11)</b> | <b>Warrants<br/>(Note 11)</b> | <b>Premium on<br/>share capital<br/>(Note 11)</b> | <b>Unrealised<br/>gain on<br/>dilution from<br/>investments</b> | <b>Unrealised<br/>loss from<br/>revaluation<br/>of current<br/>investment</b> | <b>Advance<br/>receipt for<br/>share<br/>subscription</b> | <b>Legal<br/>reserve</b> | <b>Retained<br/>earnings</b> | <b>Cumulative<br/>foreign<br/>currency<br/>translation<br/>adjustment</b> | <b>Minority<br/>interests</b> | <b>Total</b>      |
| <b>As at 31 December 2005</b>                                     | 2,999,315   | 484,579                       | 6,100,288   | 3,981,304   | (29,521)  | 9,114   | 500,000                  | 29,188,839                   | (65,856)  | 9,242,571                     | 52,410,633        |
| Increase in share capital   | 23,966  | -                             | 441,559   | -   | -   | -   | -                        | -                            | -   | -                             | 465,525           |
| Unrealised gain on dilution from investments                      | -   | -                             | -   | 9,941   | -   | -   | -                        | -                            | -   | -                             | 9,941             |
| Unrealised gain from revaluation of current investment            | -   | -                             | -   | -   | 4,789   | -   | -                        | -                            | -   | -                             | 4,789             |
| Advance receipt for share subscription decrease during the period | -   | -                             | -   | -   | -   | (9,114)   | -                        | -                            | -   | -                             | (9,114)           |
| Net profit for the period   | -   | -                             | -   | -   | -   | -   | 2,225,609                | -                            | -   | -                             | 2,225,609         |
| Foreign currency translation adjustment                           | -   | -                             | -   | -   | -   | -   | -                        | (26,754)                     | -   | -                             | (26,754)          |
| Minority interests decrease during the period                     | -   | -                             | -   | -   | -   | -   | -                        | -                            | (22,320)  | -                             | (22,320)          |
| <b>As at 31 March 2006</b>  | <b>3,023,281</b>  | <b>484,579</b>                | <b>6,541,847</b>                                  | <b>3,991,245</b>  | <b>(24,732)</b>   | <b>-</b>  | <b>500,000</b>           | <b>31,414,448</b>            | <b>(92,610)</b>   | <b>9,220,251</b>              | <b>55,058,309</b> |
| <b>As at 31 December 2006</b>                                     | 3,196,302   | 789                           | 10,141,235  | 3,966,024   | (4,776)   | -   | 500,000                  | 24,363,417                   | (142,140)   | 8,251,042                     | 50,271,893        |
| Increase in share capital   | 11  | (32)                          | 236   | -   | -   | -   | -                        | -                            | -   | -                             | 215               |
| Unrealised gain on dilution from investments                      | -   | -                             | -   | 6,530   | -   | -   | -                        | -                            | -   | -                             | 6,530             |
| Unrealised gain from revaluation of current investment            | -   | -                             | -   | -   | 1,600   | -   | -                        | -                            | -   | -                             | 1,600             |
| Advance receipt for share subscription increase during the period | -   | -                             | -   | -   | -   | 1,442   | -                        | -                            | -   | -                             | 1,442             |
| Net loss for the period   | -   | -                             | -   | -   | -   | -   | (1,718,773)              | -                            | -   | -                             | (1,718,773)       |
| Foreign currency translation adjustment                           | -   | -                             | -   | -   | -   | -   | -                        | (22,667)                     | -   | -                             | (22,667)          |
| Minority interests decrease during the period                     | -   | -                             | -   | -   | -   | -   | -                        | -                            | (215,346)   | -                             | (215,346)         |
| <b>As at 31 March 2007</b>  | <b>3,196,313</b>  | <b>757</b>                    | <b>10,141,471</b>                                 | <b>3,972,554</b>  | <b>(3,176)</b>  | <b>1,442</b>  | <b>500,000</b>           | <b>22,644,644</b>            | <b>(164,807)</b>  | <b>8,035,696</b>              | <b>48,324,894</b> |

The notes to the interim consolidated and company financial statements on pages 10 to 40 are an integral part of these interim financial statements.

## Statements of Changes in Shareholders' Equity (unaudited) (continued)

For the three-month periods ended 31 March 2007 and 2006

|   | Company (Baht'000)                                  |                       |  |   |  |   |                  |                      |  |                   |
|---|---|-----------------------|--|---|--|---|------------------|----------------------|--|-------------------|
|   | Issued and<br>paid-up<br>share capital<br>(Note 11) | Warrants<br>(Note 11) | Premium on<br>share capital<br>(Note 11) | Unrealised<br>gain on<br>dilution from<br>investments | Unrealised<br>loss from<br>revaluation<br>of current<br>investment | Advance<br>receipt for<br>share<br>subscription | Legal<br>reserve | Retained<br>earnings | Cumulative<br>foreign<br>currency<br>translation<br>adjustment | Total             |
| <b>As at 31 December 2005</b>                                     |   |                       |  |   |  |   |                  |                      |  |                   |
| <b>As previously reported</b>                                     | 2,999,315   | 484,579               | 6,100,288                                | 3,981,304   | (29,521)   | 9,114   | 500,000          | 29,188,839           | (65,856)   | 43,168,062        |
| Prior period adjustment (Note 2)                                  | -   | -                     | -  | (3,981,304)   | -  | -   | -                | (22,842,422)         | 65,856   | (26,757,870)      |
| <b>As restated</b>  | 2,999,315   | 484,579               | 6,100,288                                | -   | (29,521)   | -   | 500,000          | 6,346,417            | -  | 16,410,192        |
| Increase in share capital   | 23,966  | -                     | 441,559                                  | -   | -  | -   | -                | -                    | -  | 465,525           |
| Unrealised gain from revaluation of current investment            | -   | -                     | -  | -   | 4,789  | -   | -                | -                    | -  | 4,789             |
| Advance receipt for share subscription decrease during the period | -   | -                     | -  | -   | -  | (9,114)   | -                | -                    | -  | (9,114)           |
| Net profit for the period   | -   | -                     | -  | -   | -  | -   | -                | 5,342                | -  | 5,342             |
| <b>As at 31 March 2006</b>  | <b>3,023,281</b>                                    | <b>484,579</b>        | <b>6,541,847</b>                         | <b>-</b>  | <b>(24,732)</b>  | <b>(9,114)</b>                                  | <b>500,000</b>   | <b>6,351,759</b>     | <b>-</b>   | <b>16,876,734</b> |
| <b>As at 31 December 2006</b>                                     |   |                       |  |   |  |   |                  |                      |  |                   |
| <b>As previously reported</b>                                     | 3,196,302   | 789                   | 10,141,235                               | 3,966,024   | (4,776)  | -   | 500,000          | 24,363,417           | (142,140)  | 42,020,851        |
| Prior period adjustment (Note 2)                                  | -   | -                     | -  | (3,966,024)   | -  | -   | -                | (22,956,732)         | 142,140  | (26,780,616)      |
| <b>As restated</b>  | 3,196,302   | 789                   | 10,141,235                               | -   | (4,776)  | -   | 500,000          | 1,406,685            | -  | 15,240,235        |
| Increase in share capital   | 11  | (32)                  | 236                                      | -   | -  | -   | -                | -                    | -  | 215               |
| Unrealised gain from revaluation of current investment            | -   | -                     | -  | -   | 1,600  | -   | -                | -                    | -  | 1,600             |
| Advance receipt for share subscription increase during the period | -   | -                     | -  | -   | -  | 1,442   | -                | -                    | -  | 1,442             |
| Net loss for the period   | -   | -                     | -  | -   | -  | -   | -                | (1,176,436)          | -  | (1,176,436)       |
| <b>As at 31 March 2007</b>  | <b>3,196,313</b>                                    | <b>757</b>            | <b>10,141,471</b>                        | <b>-</b>  | <b>(3,176)</b>   | <b>-</b>  | <b>500,000</b>   | <b>230,249</b>       | <b>-</b>   | <b>14,067,056</b> |

The notes to the interim consolidated and company financial statements on pages 10 to 40 are an integral part of these interim financial statements.

**Shin Corporation Public Company Limited**  
**Statements of Cash Flows (unaudited)**  
**For the three-month periods ended 31 March 2007 and 2006**

|  |       | Consolidated                  |                               | Company                       |   |
|--|-------|-------------------------------|-------------------------------|-------------------------------|---|
|  |       | 31 March<br>2007<br>Unaudited | 31 March<br>2006<br>Unaudited | 31 March<br>2007<br>Unaudited | 31 March<br>2006<br>Unaudited<br>Restated |
|  | Notes | Baht'000                      | Baht'000                      | Baht'000                      | Baht'000                                  |
| <b>Net cash flows from/ (used in) operating activities</b>           | 13    | 1,766,058                     | 1,477,556                     | (89,934)                      | (53,779)                                  |
| <b>Cash flows from investing activities</b>                          |       |                               |                               |                               |   |
| Investment in a subsidiary and joint ventures                        | 7 b)  | -                             | -                             | (350,000)                     | (380,900)                                 |
| Purchases of property and equipment                                  |       | (410,844)                     | (2,349,004)                   | (290)                         | (2,098)                                   |
| Investments in other intangible assets                               |       | (8,698)                       | (10,227)                      | -                             | -   |
| Investments in property and equipment<br>under concession agreements |       | (7,351)                       | (10,618)                      | -                             | -   |
| Decrease in current investments                                      |       | 819,046                       | -                             | 19,046                        | -   |
| (Increase) decrease in loans and advances<br>to related parties      |       | 3,179                         | (27,470)                      | -                             | 15,478                                    |
| Disposal of a joint venture, net of cash disposed                    |       | -                             | 97,124                        | -                             | 400,000                                   |
| Receipt from disposal of equipment                                   |       | 5,957                         | 2,607                         | 236                           | 10  |
| <b>Net cash flows (used in)/ from investing activities</b>           |       | 401,289                       | (2,297,588)                   | (331,008)                     | 32,490                                    |
| <b>Cash flows from financing activities</b>                          |       |                               |                               |                               |   |
| Receipts from short-term loans                                       |       | 85,699                        | 340,450                       | -                             | 198,450                                   |
| Receipts from long-term loans  |       | 60,079                        | 1,678,430                     | -                             | -   |
| Receipts from share capital issued by<br>subsidiaries                |       | -                             | 430                           | -                             | -   |
| Receipts from increase in share capital                              |       | 215                           | 456,411                       | 215                           | 456,411                                   |
| Receipts from advance receipt for share<br>subscription              |       | 1,442                         | -                             | 1,442                         | -   |
| Repayments of short-term loans                                       |       | (600,000)                     | (828,450)                     | (600,000)                     | (198,450)                                 |
| Repayments of long-term loans  |       | (2,532,704)                   | (805,980)                     | (313)                         | (167)                                     |
| <b>Net cash flows (used in)/from financing activities</b>            |       | (2,985,269)                   | 841,291                       | (598,656)                     | 456,244                                   |
| <b>Net increase (decrease) in cash and cash equivalents</b>          |       | (817,922)                     | 21,259                        | (1,019,598)                   | 434,955                                   |
| Cash and cash equivalents, opening balance                           |       | 5,571,782                     | 2,628,319                     | 1,192,883                     | 327,428                                   |
| Effects of exchange rate changes                                     |       | 1,875                         | 697                           | -                             | -   |
| <b>Cash and cash equivalents, closing balance</b>                    |       | 4,755,735                     | 2,650,275                     | 173,285                       | 762,383                                   |

The notes to the interim consolidated and company financial statements on pages 10 to 40 are an integral part of these interim financial statements.

**Shin Corporation Public Company Limited**  
**Statements of Cash Flows (unaudited) (continued)**  
**For the three-month periods ended 31 March 2007 and 2006**

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**Supplemental disclosures of cash flows information**

|  | <b>Consolidated</b> |                     | <b>Company</b>      |                     |
|--|---------------------|---------------------|---------------------|---------------------|
|  | <b>2007</b>         | <b>2006</b>         | <b>2007</b>         | <b>2006</b>         |
|  | <b>Baht Million</b> | <b>Baht Million</b> | <b>Baht Million</b> | <b>Baht Million</b> |
| <b>Interest and income tax paid</b>  |                     |                     |                     |                     |
| Interest and income tax paid during the three-month periods ended 31 March are as follows: |                     |                     |                     |                     |
| Interest paid  | 462.86              | 340.94              | 7.96                | 12.77               |
| Income tax paid  | 77.47               | 98.40               | -                   | -                   |
| <b>Non-cash transactions</b>   |                     |                     |                     |                     |
| Purchases of property and equipment and other intangible assets by liabilities             | 68.97               | 393.42              | 0.17                | 0.32                |
| Property and equipment under finance leases  | -                   | 3.15                | -                   | -                   |
| Purchases of property and equipment under concession agreements by liabilities             | -                   | 13.95               | -                   | -                   |
| Purchases of programming rights and production costs by liabilities                        | 4.05                | 5.23                | -                   | -                   |
| Purchases of fixed assets through installments   | -                   | 143.18              | -                   | -                   |

The notes to the interim consolidated and company financial statements on pages 10 to 40 are an integral part of these interim financial statements.

**1 Basis of preparation**

**1.1 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 Profession 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 41, 'Interim Financial Reporting' and additional notes are presented as required by the Securities and Exchange Commission under the Securities and Exchange Act., B.E. 2535.

Shin Corporation Public Company Limited ("the Company"), its subsidiaries, associates and joint ventures are called together "the Group".

Costs that incur unevenly during the financial year are anticipated as an expense 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.

These interim financial statements should be read in conjunction with the 2006 annual financial statements.

These interim consolidated and company financial statements have been approved by the Board of Directors on 14 May 2007.

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 2006, except for the accounting policy for investment in subsidiaries, accounting for investment in associates and accounting for interests in joints ventures amendment 2006 which were effected in 2007 as mentioned in note 2.

**1.2 Financial status of SATTEL and ITV**

**Financial status and negotiations on the rescheduling of loan repayments terms of SATTEL**

As of 31 March 2007, SATTEL has current liabilities in excess of current assets by Baht 3,440 million, of which Baht 3,812 million is the current portion of long-term loans. SATTEL has requested the lenders to reschedule the repayment terms of long-term loans as mentioned in Note 10. These negotiations are not yet finalised. However, SATTEL's management is of the opinion that SATTEL's proposed changes on the repayment terms of long-term loans will be approved by the lenders.

As of 31 March 2007, SATTEL has unutilised short-term loan facilities made available by various financial institutions in an aggregate amount of Baht 1,473 million and a standby letter of credit issued by a commercial bank amounting to Baht 1,510 million as a security to the iPSTAR loans. The repayment of any amount drawn under the standby letter of credit will be made after the full repayment of the iPSTAR loans.

**1 Basis of preparation** (continued)

**1.2 Financial status of SATTEL and ITV** (continued)

**Financial status of ITV**

As at 31 March 2007, ITV's current current liabilities exceed its current assets by an amount of Baht 1,868 million. In addition, a consequence of the ruling of the Supreme Administrative Court on 13 December 2006, ITV is liable to pay the unpaid concession fee totalling Baht 2,210 million. The PMO, the concessionaire, claimed that the payment includes the 15% interest per annum on the total unpaid concession fee and the penalty arising from the alteration of television programming of Baht 97,760 million, must be made within 30 days after ITV received the notice on 1 February 2007. ITV has not yet paid for these unpaid concession fee including interest and penalty. On 7 March 2007, ITV received the letter of revocation the Concession Agreement and radio-television operation under UHF system from the PMO and ceased its operation since that date. ITV is in the process of preparing the clarification on the development plan to resolve the cause of delisting and the plan in undertaking of new business and the rehabilitation to the Stock Exchange of Thailand. In addition ITV has intended to pursue the arbitration process on the dispute of interest and penalty arising from the alteration of television programming of Baht 97,760 million. This event indicates a material uncertainty which may cast significant doubt on ITV's ability to continue as a going concern. However, the Company had recognised adjustments relating to the recoverability of ITV's assets and the estimated settlement amounts of ITV's liabilities in these consolidated interim financial statements (as discussed in note to financial statements No. 8).

**1.3 Amendment to accounting standards effective in 2007 and 2008**

On 2 May 2007, the Federation of Accounting Professions (FAP) announced the amendment to Thai Accounting Standards (TAS) as followings:

TAS 25 "Cash flow statement"

TAS 33 "Borrowing costs"

TAS 44 "Consolidated financial statements and separate financial statements"

TAS 45 "Investments in associates"

TAS 46 "Interests in joint ventures"

TAS 49 "Construction contracts"

The effective date for the revised TAS 44 "Consolidated financial statements and separate financial statements", TAS 45 "Investments in associates" and TAS 46 "Interests in joint ventures" is for the accounting periods beginning on or after 1 January 2007 as mentioned in Note 2.

TAS 25 "Cash flow statement", TAS 33 "Borrowing costs" and TAS 49 "Construction contracts" will be effective for the accounting periods beginning on or after 1 January 2008. However, the Group's management assessed and determined that the revised standards shall not impact significantly to the financial statements being presented.

**2 Changes in accounting policies**

**Accounting policies relating to investment in subsidiaries, associates and joint ventures for the company financial statements**

According to the notification of Federation of Accounting Professions No.26/2549 dated on 11 October 2006 and No.32/2549 dated on 3 November 2006 relating to amendment of TAS no. 44 “Consolidated Financial Statements and Accounting for Investment in Subsidiaries” and TAS no. 45 “Accounting for Investments in Associates” which require the change from equity method of accounting to cost method of accounting for investments in subsidiaries and associates presented in the separate financial statements. Under the cost method, income from investment will be recorded when dividends are declared. The notification is mandatory from 1 January 2007. The Company has applied such method for investments in subsidiaries and associates and has also applied the same method of accounting for interests in joint ventures presented in the company financial statements. The change in the accounting policy has an impact to the separate financial statements only and does not have an impact to the consolidated financial statements.

2 Changes in accounting policies (continued)

**Accounting policies relating to investment in subsidiaries, associates and joint ventures for the company financial statements**  
(continued)

The Group has adopted the cost method commencing from 1 January 2007 by applying retrospective adjustments. The effects of the changes to the Company's balance sheet as of 31 December 2006 and the Company's statement of income for the three-month period ended 31 March 2006 are as follows:

| <b>Balance sheets as at 31 December 2006</b>                              | <b>Company<br/>Restated<br/>(Baht Million)</b> |
|---|--|
|   | <hr/>  |
| Decreased in investments in subsidiaries, associates and joint ventures   | 26,780.61                                      |
| Shareholders' equity  |  |
| Decreased in unrealised gain on dilution from investments                 | 3,966.02                                       |
| Decreased in retained earnings brought forward                            | 22,842.42                                      |
| Decreased in retained earnings carried forward                            | 22,956.73                                      |
| Decreased in cumulative foreign currency translation adjustment           | 142.14   |
| <br>  |  |
| <b>Statement of income for the three-month period ended 31 March 2006</b> | <b>Company<br/>Restated<br/>(Baht Million)</b> |
|   | <hr/>  |
| Increased from gain on sale of investment in joint venture                | 64.44  |
| Increased impairment loss on investment in subsidiary                     | 172.66   |
| Decreased in net results from investments – equity method                 | 2,112.05                                       |
| Decreased in net profit   | 2,220.27                                       |
| Decreased in basic earnings per share (Baht)                              | 0.74   |
| Decreased in diluted earnings per share (Baht)                            | 0.72   |

**Accounting for derivative instruments**

The Group and the Company has adopted an accounting policy for derivative instruments in accordance with the draft Accounting Practice Guidance, Accounting for Derivative Instruments, issued by the Accounting Standard Committee of Federation of Accounting Professions under the Royal Patronage of His Majesty the King in 2006. The Group and the Company apply this new practice prospectively, which is in accordance with the draft guidance.

The Group and the Company has changed its accounting method, from the recognition of foreign currency forward contracts as forward contracts receivable and forward contracts payable on inception at the rate specified in the contracts to recognition of foreign currency forward contracts on inception at their fair value; and from the method that the foreign currency option contracts are not recognised on the financial statements to the recognition of the foreign currency option contracts on inception at their fair value.

3 Segment information

Financial information by business segments:

|  | For the three-month period ended 31 March 2007 (Baht Million) |   |                   |            |          |                         |                               |            |
|--|---|---|-------------------|------------|----------|-------------------------|-------------------------------|------------|
|  | Local<br>Wireless<br>telecommu-<br>nications                  | Satellite<br>& inter-<br>national<br>business | Consumer<br>Media | finance    | Airline  | Corporate<br>and others | Consolidation<br>eliminations | Group      |
| Revenues   | -   | 1,617.66                                      | 291.03            | 467.87     | 258.71   | 453.56                  | (24.54)                       | 3,064.29   |
| Cost of sales and services                                 | -   | (1,376.64)                                    | (451.07)          | (56.52)    | (225.85) | (407.66)                | 19.23                         | (2,498.51) |
| Selling and administrative<br>expenses                     | -   | (338.06)                                      | (300.13)          | (873.42)   | (21.97)  | (115.94)                | (1.45)                        | (1,650.97) |
| Net profit (loss) from operating<br>activities             | -   | (97.04)                                       | (460.17)          | (462.07)   | 10.89    | (70.04)                 | (6.76)                        | (1,085.19) |
| Share of net results from<br>investments - equity method   | 1,555.56  | 28.24   | -                 | -          | -        | -                       | -                             | 1,583.80   |
| Other revenues (expenses)                                  | -   | 469.43  | 16.35             | (8.91)     | 3.35     | 10.69                   | (0.14)                        | 490.77     |
| Impairment loss on goodwill                                | -   | -   | -                 | (446.97)   | -        | -                       | -                             | (446.97)   |
| Impairment loss on concession<br>assets and related assets | -   | -   | (1,972.77)        | -          | -        | -                       | -                             | (1,972.77) |
| Profit (loss) before interest<br>and tax                   | 1,555.56  | 400.63  | (2,416.59)        | (917.95)   | 14.24    | (59.35)                 | (6.90)                        | (1,430.36) |
| Interest expense   | -   | (242.28)                                      | (4.89)            | (119.70)   | -        | (2.10)                  | -                             | (368.97)   |
| Income tax   | -   | (17.71)                                       | -                 | (68.45)    | -        | (14.73)                 | -                             | (100.89)   |
| Net results from subsidiaries to<br>minority interests     | -   | (79.43)                                       | 260.88            | -          | -        | -                       | -                             | 181.45     |
| Net profit (loss)  | 1,555.56  | 61.21   | (2,160.60)        | (1,106.10) | 14.24    | (76.18)                 | (6.90)                        | (1,718.77) |

|  | For the three-month period ended 31 March 2006 (Baht Million) |   |                   |          |          |                         |                               |            |
|--|---|---|-------------------|----------|----------|-------------------------|-------------------------------|------------|
|  | Local<br>Wireless<br>telecommu-<br>nications                  | Satellite<br>& inter-<br>national<br>business | Consumer<br>Media | finance  | Airline  | Corporate<br>and others | Consolidation<br>eliminations | Group      |
| Revenues                               | -   | 1,755.00                                      | 488.51            | 450.68   | 295.09   | 575.77                  | (85.97)                       | 3,479.08   |
| Cost of sales and services             | -   | (1,563.57)                                    | (277.07)          | (5.71)   | (254.41) | (484.09)                | 43.69                         | (2,541.16) |
| Selling and administrative<br>expenses | -   | (280.62)                                      | (109.55)          | (586.64) | (23.64)  | (102.41)                | 17.85                         | (1,085.01) |

**Shin Corporation Public Company Limited****Unaudited condensed notes to the interim consolidated and company financial statements (continued)****For the three-month periods ended 31 March 2007 and 2006**

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|   |          |          |         |          |         |         |         |          |
|---|----------|----------|---------|----------|---------|---------|---------|----------|
| Net profit (loss) from operating activities           | -        | (89.19)  | 101.89  | (141.67) | 17.04   | (10.73) | (24.43) | (147.09) |
| Share of net results from investments - equity method | 2,265.16 | 27.97    | -       | -        | -       | -       | -       | 2,293.13 |
| Gain on sale of investment in a joint venture         | -        | -        | -       | -        | -       | 134.33  | -       | 134.33   |
| Other revenues (expenses)                             | -        | 190.17   | 7.06    | 1.95     | (10.39) | 10.21   | (0.09)  | 198.91   |
| Profit (loss) before interest and tax                 | 2,265.16 | 128.95   | 108.95  | (139.72) | 6.65    | 133.81  | (24.52) | 2,479.28 |
| Interest expense                                      | -        | (220.85) | (5.69)  | (79.82)  | (0.02)  | (12.81) | 0.01    | (319.18) |
| Income tax  | -        | 38.01    | -       | 46.88    | -       | (3.66)  | -       | 81.23    |
| Net results from subsidiaries to minority interests   | -        | 32.96    | (48.60) | -        | -       | (0.08)  | -       | (15.72)  |
| Net profit (loss)                                     | 2,265.16 | (20.93)  | 54.66   | (172.66) | 6.63    | 117.26  | (24.51) | 2,225.61 |

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3 Segment information (continued)

The Group has separated segment of the telephone network in foreign entities from local entities.

For the satellite and international business segment can be shown financial information by sub-business segments as follow;

| For the three-month period ended 31 March 2007 (Baht Million)       |                                   |                      |   |               |                               |                 |
|---|-----------------------------------|----------------------|---|---------------|-------------------------------|-----------------|
|   | Satellite<br>business<br>services | Internet<br>services | Telephone<br>network in<br>foreign entities | Others        | Consolidation<br>eliminations | Group           |
| Revenues  | 1,091.08                          | 24.51                | 644.95                                      | -             | (142.88)                      | 1,617.66        |
| Share of net results<br>from investments                            |                                   |                      |   |               |                               |                 |
| - equity method   | -                                 | 28.24                | -   | -             | -                             | 28.24           |
| Total revenues  | <u>1,091.08</u>                   | <u>52.75</u>         | <u>644.95</u>                               | <u>-</u>      | <u>(142.88)</u>               | <u>1,645.90</u> |
| Segment results   | <u>(304.37)</u>                   | <u>39.08</u>         | <u>183.76</u>                               | <u>(1.82)</u> | <u>14.55</u>                  | <u>(68.80)</u>  |
| Operating loss included<br>share of net results<br>from investments |                                   |                      |   |               |                               | <u>(68.80)</u>  |

| For the three-month period ended 31 March 2006 (Baht Million)       |                                   |                      |   |               |                               |                 |
|---|-----------------------------------|----------------------|---|---------------|-------------------------------|-----------------|
|   | Satellite<br>business<br>services | Internet<br>services | Telephone<br>network in<br>foreign entities | Others        | Consolidation<br>eliminations | Group           |
| Revenues  | 1,178.10                          | 20.17                | 581.77                                      | -             | (25.04)                       | 1,755.00        |
| Share of net results<br>from investments                            |                                   |                      |   |               |                               |                 |
| - equity method   | -                                 | 27.97                | -   | -             | -                             | 27.97           |
| Total revenues  | <u>1,178.10</u>                   | <u>48.14</u>         | <u>581.77</u>                               | <u>-</u>      | <u>(25.04)</u>                | <u>1,782.97</u> |
| Segment results   | <u>(312.17)</u>                   | <u>27.09</u>         | <u>217.73</u>                               | <u>(0.22)</u> | <u>6.35</u>                   | <u>(61.22)</u>  |
| Operating loss included<br>share of net results<br>from investments |                                   |                      |   |               |                               | <u>(61.22)</u>  |

4 Earnings (loss) per share

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

For diluted earnings (loss) per share, the weighted average number of ordinary shares in issue is adjusted to assume the conversion of all potential dilutive ordinary shares, which is the weighted average number of ordinary shares which would be issued on the conversion of all dilutive potential ordinary shares into ordinary shares. The assumed proceeds from the exercise of ESOP would be considered to have been received from the issue of shares at fair value. These represent share options where the exercise price is less than the average market price of the Company's shares during the three-month period ended 31 March 2007.

Warrants issued to directors and employees (ESOP) of subsidiaries and associates are not impacted to the calculation of diluted earnings (loss) per share.

**Shin Corporation Public Company Limited**  
**Unaudited condensed notes to the interim consolidated and company financial statements (continued)**  
**For the three-month periods ended 31 March 2007 and 2006**

**4 Earnings (loss) per share (continued)**

The basic earnings (loss) per share and the diluted earnings (loss) per share are as follows:

|   | <b>For the three-month periods ended 31 March (Consolidated)</b> |             |  |             |                                  |             |
|---|--|-------------|--|-------------|----------------------------------|-------------|
|   | <b>Net profit (loss)</b>   |             | <b>Weighted average number of shares</b> |             | <b>Earnings (loss) per share</b> |             |
|   | <b>(Baht'000)</b>  |             | <b>('000 Shares)</b>                     |             | <b>(Baht)</b>                    |             |
|   | <b>2007</b>  | <b>2006</b> | <b>2007</b>                              | <b>2006</b> | <b>2007</b>                      | <b>2006</b> |
| Basic earnings (loss) per share         | (1,718,773)  | 2,225,609   | 3,196,305                                | 3,015,212   | (0.54)                           | 0.74        |
| The effect of dilutive potential shares | -  | -           | -  | 95,335      | -                                | (0.02)      |
| Diluted earnings (loss) per share       | (1,718,773)  | 2,225,609   | 3,196,305                                | 3,110,547   | (0.54)                           | 0.72        |

|   | <b>For the three-month periods ended 31 March (Company)</b> |                 |  |             |                                  |                 |
|---|---|-----------------|--|-------------|----------------------------------|-----------------|
|   | <b>Net profit (loss)</b>                                    |                 | <b>Weighted average number of shares</b> |             | <b>Earnings (loss) per share</b> |                 |
|   | <b>(Baht'000)</b>   |                 | <b>('000 Shares)</b>                     |             | <b>(Baht)</b>                    |                 |
|   | <b>2007</b>   | <b>2006</b>     | <b>2007</b>                              | <b>2006</b> | <b>2007</b>                      | <b>2006</b>     |
|   |   | <b>Restated</b> |  |             |                                  | <b>Restated</b> |
| Basic earnings (loss) per share         | (1,176,436)   | 5,342           | 3,196,305                                | 3,015,212   | (0.37)                           | 0.00            |
| The effect of dilutive potential shares | -   | -               | -  | 95,335      | -                                | -               |
| Diluted earnings (loss) per share       | (1,176,436)   | 5,342           | 3,196,305                                | 3,110,547   | (0.37)                           | 0.00            |

**5 Trade accounts and notes receivable, net**

|                                     | <b>Consolidated</b>  |                         | <b>Company</b>       |                         |
|-------------------------------------|----------------------|-------------------------|----------------------|-------------------------|
|                                     | <b>31 March 2007</b> | <b>31 December 2006</b> | <b>31 March 2007</b> | <b>31 December 2006</b> |
|                                     | <b>Baht Million</b>  | <b>Baht Million</b>     | <b>Baht Million</b>  | <b>Baht Million</b>     |
| Trade accounts and notes receivable |                      |                         |                      |                         |
| - Third parties                     | 1,614.49             | 2,048.70                | -                    | -                       |
| - Related parties (Note 15c)        | 320.40               | 528.02                  | 12.31                | 12.31                   |
| Accrued income                      |                      |                         |                      |                         |
| - Third parties                     | 212.33               | 176.26                  | -                    | -                       |
| - Related parties (Note 15c)        | 20.35                | 7.56                    | -                    | -                       |

**Shin Corporation Public Company Limited**

**Unaudited condensed notes to the interim consolidated and company financial statements (continued)**

**For the three-month periods ended 31 March 2007 and 2006**

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|   |                 |                 |              |              |
|---|-----------------|-----------------|--------------|--------------|
| Total trade accounts and notes receivable         | 2,167.57        | 2,760.54        | 12.31        | 12.31        |
| <u>Less</u> Allowance for doubtful accounts       | <u>(512.38)</u> | <u>(517.73)</u> | <u>-</u>     | <u>-</u>     |
| Total trade accounts and notes<br>receivable, net | <u>1,655.19</u> | <u>2,242.81</u> | <u>12.31</u> | <u>12.31</u> |

**Shin Corporation Public Company Limited**  
**Unaudited condensed notes to the interim consolidated and company financial statements (continued)**  
**For the three-month periods ended 31 March 2007 and 2006**

**5 Trade accounts and notes receivable, net (continued)**

Outstanding trade accounts and notes receivable from third parties can be aged as follows:

|   | Consolidated                     |                                     | Company                          |                                     |
|---|----------------------------------|-------------------------------------|----------------------------------|-------------------------------------|
|   | 31 March<br>2007<br>Baht Million | 31 December<br>2006<br>Baht Million | 31 March<br>2007<br>Baht Million | 31 December<br>2006<br>Baht Million |
| Current - 3 months  | 660.59                           | 1,192.24                            | -                                | -                                   |
| Overdue 3 - 6 months  | 292.66                           | 86.26                               | -                                | -                                   |
| Overdue 6 - 12 months   | 60.47                            | 88.38                               | -                                | -                                   |
| Overdue over 12 months  | 600.77                           | 681.82                              | -                                | -                                   |
| Total   | 1,614.49                         | 2,048.70                            | -                                | -                                   |
| <u>Less</u> Allowance for doubtful accounts                       |                                  |                                     |                                  |                                     |
| - third parties   | (512.38)                         | (517.73)                            | -                                | -                                   |
| Total trade accounts and notes<br>receivable - third parties, net | 1,102.11                         | 1,530.97                            | -                                | -                                   |

**6 Loans and accrued interest receivables, net**

Outstanding loans and accrued interest receivables can be aged as follows:

|   | Consolidated                     |                                     |
|---|----------------------------------|-------------------------------------|
|   | 31 March<br>2007<br>Baht Million | 31 December<br>2006<br>Baht Million |
| Up to 90 days   | 5,901.45                         | 7,694.83                            |
| Over 90 days  | 787.73                           | 948.58                              |
| Total loans and accrued interest receivables                          | 6,689.18                         | 8,643.41                            |
| <u>Less</u> Allowance for doubtful accounts                           | (896.26)                         | (1,110.62)                          |
| Loans and accrued interest receivables                                | 5,792.92                         | 7,532.79                            |
| <u>Less</u> Current portion of loans and accrued interest receivables | (4,562.83)                       | (5,744.57)                          |
| Loans and accrued interest receivables, net                           | 1,230.09                         | 1,788.22                            |

**7 Investments in subsidiaries, associates and joint ventures**

a) Long-term investments in subsidiaries, associates and joint ventures as at 31 March 2007 and 31 December 2006 comprise:

**Shin Corporation Public Company Limited****Unaudited condensed notes to the interim consolidated and company financial statements (continued)****For the three-month periods ended 31 March 2007 and 2006**

|   | <b>Consolidated</b>      |                             | <b>Company</b>           |                             |
|---|--------------------------|-----------------------------|--------------------------|-----------------------------|
|   | <b>31 March<br/>2007</b> | <b>31 December<br/>2006</b> | <b>31 March<br/>2007</b> | <b>31 December<br/>2006</b> |
|   |                          |                             |                          | <b>Restated</b>             |
|   | <b>Baht Million</b>      | <b>Baht Million</b>         | <b>Baht Million</b>      | <b>Baht Million</b>         |
| Investments in subsidiaries   | -                        | -                           | 4,724.89                 | 5,481.00                    |
| Investments in associates   | 35,271.21                | 33,681.46                   | 8,807.46                 | 8,807.46                    |
| Investments in joint ventures                                       | -                        | -                           | 202.92                   | 202.92                      |
| Total investments in subsidiaries,<br>associates and joint ventures | 35,271.21                | 33,681.46                   | 13,735.27                | 14,491.38                   |

**7 Investments in subsidiaries, associates and joint ventures (continued)**

b) Movements in investments in subsidiaries, associates and joint ventures for the three-month period ended 31 March 2007 comprise:

|   | <b>Consolidated</b> | <b>Company</b>      |
|---|---------------------|---------------------|
|   | <b>Baht Million</b> | <b>Baht Million</b> |
| <b>Opening net book value - previously reported</b>         | 33,681.46           | 41,271.99           |
| Prior period adjustment (Note 2)                            | -                   | (26,780.61)         |
| <b>Opening net book value - restated</b>                    | 33,681.46           | 14,491.38           |
| Increased investments in subsidiary (Note 7e)               | -                   | 350.00              |
| Share of net results from investments                       | 1,583.80            | -                   |
| Impairment loss of investment in a subsidiary (Note 7e)     | -                   | (1,106.11)          |
| Unrealised loss on dilution from investment in a subsidiary | 5.95                |                     |
| Closing net book value                                      | 35,271.21           | 13,735.27           |

c) The details of investments in subsidiaries, associates and joint ventures can be summarised as follows:

| <b>Name</b>   | <b>Business</b>  | <b>Country</b> | <b>Currency</b> |
|---|--|----------------|-----------------|
| <b>Subsidiaries</b>   |  |                |                 |
| Shin Satellite Public<br>Company Limited and its Group                  | Operating and administering communication<br>satellite projects and rendering transponder<br>services for domestic and international<br>communications   | Thailand       | Baht            |
| ITV Public Company Limited<br>and its Group                             | Broadcasting of UHF system, lease of<br>equipment for program production,<br>producing TV programs, arranging related<br>marketing events, produce contents and<br>advertising media on mobile phones by<br>accompanying computer technologies,<br>televisions and mobile phones | Thailand       | Baht            |
| Capital OK Company Limited<br>and its Group                             | Providing consumer finance   | Thailand       | Baht            |
| I.T. Applications and Services<br>Company Limited and<br>its subsidiary | Computer services  | Thailand       | Baht            |
| SC Matchbox Company Limited   | Providing advertising services and production<br>of advertisements for radio and television<br>broadcast   | Thailand       | Baht            |

**Shin Corporation Public Company Limited**  
**Unaudited condensed notes to the interim consolidated and company financial statements (continued)**  
**For the three-month periods ended 31 March 2007 and 2006**

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**Associates**

|   |  |          |      |
|---|--|----------|------|
| Advanced Info Service Public<br>Company Limited and its Group | Operating a 900 MHz cellular telephone system  | Thailand | Baht |
| CS Loxinfo Public Company<br>Limited and its Group            | Providing internet data center services, internet,<br>satellite uplink downlink services | Thailand | Baht |

**Joint ventures**

|  |  |          |      |
|--|--|----------|------|
| Asia Aviation Company Limited<br>and its joint venture | Investment company in low-fare airline<br>business | Thailand | Baht |
| ArcCyber Company Limited                               | Providing internet services                        | Thailand | Baht |

**Shin Corporation Public Company Limited**  
**Unaudited condensed notes to the interim consolidated and company financial statements (continued)**  
**For the three-month periods ended 31 March 2007 and 2006**

**7 Investments in subsidiaries, associates and joint ventures (continued)**

d) Carrying value of investments in subsidiaries, associates and joint ventures

| <b>Consolidated - 31 March 2007 (Baht Million)</b> |                |                    |                    |                      |               |                 |
|--|----------------|--------------------|--------------------|----------------------|---------------|-----------------|
|  | <b>Paid-up</b> | <b>Investment</b>  | <b>Accumulated</b> |                      |               |                 |
|  | <b>capital</b> | <b>portion (%)</b> | <b>Cost</b>        | <b>share of</b>      | <b>Equity</b> | <b>Dividend</b> |
|  |                |                    |                    | <b>profit (loss)</b> |               |                 |
| <b>Associates</b>                                  |                |                    |                    |                      |               |                 |
| Advanced Info Service                              |                |                    |                    |                      |               |                 |
| Public Company                                     |                |                    |                    |                      |               |                 |
| Limited  | 2,954.59       | 42.77              | 8,807.46           | 25,951.97            | 34,759.43     | -               |
| CS Loxinfo Public                                  |                |                    |                    |                      |               |                 |
| Company Limited                                    | 625.00         | 40.02              | 1,669.10           | (1,157.32)           | 511.78        | -               |
| Total investments in associates                    |                |                    | 10,476.56          | 24,794.65            | 35,271.21     | -               |

| <b>Consolidated - 31 December 2006 (Baht Million)</b> |                |                    |                    |                      |               |                 |
|---|----------------|--------------------|--------------------|----------------------|---------------|-----------------|
|   | <b>Paid-up</b> | <b>Investment</b>  | <b>Accumulated</b> |                      |               |                 |
|   | <b>capital</b> | <b>portion (%)</b> | <b>Cost</b>        | <b>share of</b>      | <b>Equity</b> | <b>Dividend</b> |
|   |                |                    |                    | <b>profit (loss)</b> |               |                 |
| <b>Associates</b>                                     |                |                    |                    |                      |               |                 |
| Advanced Info Service                                 |                |                    |                    |                      |               |                 |
| Public Company  |                |                    |                    |                      |               |                 |
| Limited   | 2,953.55       | 42.79              | 8,807.46           | 24,390.45            | 33,197.91     | 7,961.23        |
| CS Loxinfo Public                                     |                |                    |                    |                      |               |                 |
| Company Limited                                       | 625.00         | 40.02              | 1,669.10           | (1,185.55)           | 483.55        | 232.59          |
| Total investments in associates                       |                |                    | 10,476.56          | 23,204.90            | 33,681.46     | 8,193.98        |

| <b>Company - 31 March 2007 (Baht Million)</b> |                |                    |                  |                   |                    |            |
|---|----------------|--------------------|------------------|-------------------|--------------------|------------|
|   | <b>Paid-up</b> | <b>Investment</b>  | <b>Allowance</b> |                   |                    |            |
|   | <b>capital</b> | <b>portion (%)</b> | <b>Cost</b>      | <b>for</b>        | <b>Investment,</b> | <b>net</b> |
|   |                |                    |                  | <b>impairment</b> |                    |            |
| <b>Subsidiaries</b>                           |                |                    |                  |                   |                    |            |
| Shin Satellite Public Company                 |                |                    |                  |                   |                    |            |
| Limited                                       | 5,455.35       | 41.32              | 3,612.98         | -                 | 3,612.98           |            |
| ITV Public Company Limited                    | 6,033.49       | 52.92              | 3,297.26         | (3,297.26)        |                    |            |
| I.T. Applications and Services                |                |                    |                  |                   |                    |            |
| Company Limited                               | 10.00          | 99.99              | 10.00            | -                 | 10.00              |            |
| SC Matchbox Company Limited                   | 9.00           | 99.96              | 71.97            | -                 | 71.97              |            |

**Shin Corporation Public Company Limited**  
**Unaudited condensed notes to the interim consolidated and company financial statements (continued)**  
**For the three-month periods ended 31 March 2007 and 2006**

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|  |          |        |           |            |          |
|--|----------|--------|-----------|------------|----------|
| Capital OK Company Limited                   | 4,400.00 | 100.00 | 4,065.65  | (3,035.71) | 1,029.94 |
| Total investments in subsidiaries, net       |          |        | 11,057.86 | (6,332.97) | 4,724.89 |
| <b>Associate</b>                             |          |        |           |            |          |
| Advanced Info Service Public Company Limited | 2,954.59 | 42.77  | 8,807.46  | -          | 8,807.46 |
| Total investment in an associate             |          |        | 8,807.46  | -          | 8,807.46 |
| <b>Joint ventures</b>                        |          |        |           |            |          |
| Asia Aviation Company Limited                | 410.00   | 49.00  | 200.90    | -          | 200.90   |
| ArcCyber Company Limited                     | 279.80   | 47.50  | 2.02      | -          | 2.02     |
| Total investments in joint ventures          |          |        | 202.92    | -          | 202.92   |

**7 Investments in subsidiaries, associates and joint ventures (continued)**

d) Carrying value of investments in subsidiaries, associates and joint ventures (continued)

|  | <b>Company - 31 December 2006 (Baht Million) - Restated</b> |                                       |                  |   |                            |
|--|---|---------------------------------------|------------------|---|----------------------------|
|  | <b>Paid-up<br/>capital</b>                                  | <b>Investment<br/>portion<br/>(%)</b> | <b>Cost</b>      | <b>Allowance<br/>for<br/>impairment</b> | <b>Investment,<br/>net</b> |
| <b>Subsidiaries</b>                            |   |                                       |                  |   |                            |
| Shin Satellite Public Company Limited          | 5,455.35  | 41.32                                 | 3,612.98         | -                                       | 3,612.98                   |
| ITV Public Company Limited                     | 6,033.49  | 52.92                                 | 3,297.26         | (3,297.26)                              | -                          |
| I.T. Applications and Services Company Limited | 10.00   | 99.99                                 | 10.00            | -                                       | 10.00                      |
| SC Matchbox Company Limited                    | 9.00  | 99.96                                 | 71.97            | -                                       | 71.97                      |
| Capital OK Company Limited                     | 4,050.00  | 100.00                                | 3,715.65         | (1,929.60)                              | 1,786.05                   |
| Total investments in subsidiaries, net         |   |                                       | <u>10,707.86</u> | <u>(5,226.86)</u>                       | <u>5,481.00</u>            |
| <b>Associate</b>                               |   |                                       |                  |   |                            |
| Advanced Info Service Public Company Limited   | 2,953.55  | 42.79                                 | 8,807.46         | -                                       | 8,807.46                   |
| Total investment in an associate               |   |                                       | <u>8,807.46</u>  | <u>-</u>                                | <u>8,807.46</u>            |
| <b>Joint ventures</b>                          |   |                                       |                  |   |                            |
| Asia Aviation Company Limited                  | 410.00  | 49.00                                 | 200.90           | -                                       | 200.90                     |
| ArcCyber Company Limited                       | 279.80  | 47.50                                 | 2.02             | -                                       | 2.02                       |
| Total investments in joint ventures            |   |                                       | <u>202.92</u>    | <u>-</u>                                | <u>202.92</u>              |

e) Significant movements in investments during the three-month period ended 31 March 2007 were as follows:

**Increased in share capital of associate**

The associate increased its issued and paid share capital in order to support the exercised warrants, which issued to directors and employees (ESOP). As a result, the company's investment in this associate was diluted as detail below;

| <b>Company</b> | <b>Units of<br/>exercise<br/>(Million)</b> | <b>Share capital<br/>increased<br/>(Baht Million)</b> |           | <b>Change in premium<br/>on share capital<br/>(Baht Million)</b> |           | <b>Decrease in %<br/>of interest of<br/>the Company</b> |           |
|----------------|--|---|-----------|--|-----------|---|-----------|
|                |  | <b>from</b>   | <b>to</b> | <b>from</b>  | <b>to</b> | <b>from</b>   | <b>to</b> |
| ADVANC         | 0.97                                       | 2,953.55  | 2,954.59  | 20,978.56  | 21,022.68 | 42.79   | 42.77     |

**Increased in share capital of Capital OK Company Limited ("OK")**

In March 2007, OK, a subsidiary of the Company, increased its issued and paid-up capital from Baht 4,050 million to Baht 4,400 million. The Company paid for its portion in the amount of Baht 350 million.

**Consideration of impairment loss on investments**

As the Company adopted accounting policy for investments in subsidiaries, associates and joint ventures in the company financial statements beginning on 1 January 2007 (Note 2), the Company had restated the prior period's comparative financial statements, as the investments in the subsidiaries, associates and joint ventures had always been recognised in a cost method. Therefore, the comparative financial statement figures of the year 2006 are prepared on the assumption that the new accounting policy has been applied. Under the application of this standard, the Company has determined impairment of investment in subsidiaries as follow;

**7 Investments in subsidiaries, associates and joint ventures (continued)**

- e) Significant movements in investments during the three-month period ended 31 March 2007 were as follows: (continued)

**Investment in Capital OK Company Limited (“OK”)**

OK had continuous operating loss from economic downturn which indicated the impairment of investment in OK. In the first quarter of 2007, the Company recognised impairment loss on investment in OK approximately Baht 1,106 million (the first quarter of 2006: Baht 172 million) in the company’s income statement estimated from net assets value of OK. The impairment loss on goodwill was recorded in the consolidated income statement for the first quarter of 2007 at approximately Baht 447 million (Note 7).

**Investment in AD Venture Company Limited (“ADV”)**

ADV had continuous operating loss and its net realisable value estimated from selling price to a related company in 2006 is less than book value of investment under cost method which indicated the impairment of investment in ADV. The Company recognised impairment loss on investment in ADV approximately Baht 468 million and restated retained earnings brought forward as if it has been incurred since 2005 in the Company’s income statement.

**Investment in ITV Public Company Limited (“ITV”)**

In the fourth quarter of 2006, the Supreme Administrative Court ruled to uphold the Arbitration award ruled by the arbitration panel that affected the PMO claimed ITV to pay the unpaid concession fee totalling Baht 2,210 million plus penalty and interest of the overdue concession fee. On 7 March 2007, ITV received the letter of revocation the Concession Agreement and radio-television operation under UHF system from the PMO and ceased its operation since that date (as mentioned note in 17 b). These events are indicators for the impairment of investment in ITV. The Company has recognised impairment loss of the investment in ITV in full amount of its carrying cost at approximately Baht 3,297 million as if it has been incurred since the fourth quarter of 2006 in the company’s financial statements, estimated from net realisable value of ITV.

**8 Capital expenditure and commitments**

|   | <b>Consolidated (Baht Million)</b> |   |                 |  |
|---|------------------------------------|---|-----------------|--|
|   | <b>Property and<br/>equipment</b>  | <b>Property and<br/>equipment<br/>under<br/>concession<br/>agreements</b> | <b>Goodwill</b> | <b>Other<br/>intangible<br/>assets</b> |
| <b>Transactions during the three-month<br/>period ended 31 March 2007</b> |                                    |   |                 |  |
| Opening net book value  | 7,425.35                           | 22,342.37   | 550.11          | 1,765.10                               |
| Additions   | 271.93                             | 7.34  | -               | 15.28                                  |
| Disposals, net  | (9.01)                             | -   | -               | -                                      |

**Shin Corporation Public Company Limited****Unaudited condensed notes to the interim consolidated and company financial statements (continued)****For the three-month periods ended 31 March 2007 and 2006**

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|   |                 |                  |              |                 |
|---|-----------------|------------------|--------------|-----------------|
| Transfers, net                          | (85.15)         | 79.72            | -            | 0.92            |
| Write-offs, net                         | (19.09)         | -                | -            | (2.19)          |
| Depreciation/amortisation charge        | (247.87)        | (462.60)         | (6.95)       | (45.72)         |
| Impairment loss                         | (10.74)         | (1,900.99)       | (446.97)     | -               |
| Foreign currency translation adjustment | (107.70)        | -                | -            | (7.03)          |
| Closing net book value                  | <u>7,217.72</u> | <u>20,065.84</u> | <u>96.19</u> | <u>1,726.36</u> |

**As at 31 March 2007**

|   |                 |                  |              |                 |
|---|-----------------|------------------|--------------|-----------------|
| Cost  | 11,076.72       | 30,396.93        | 2,253.16     | 2,543.02        |
| <u>Less</u> Accumulated depreciation/amortisation | (3,826.73)      | (8,430.10)       | (604.57)     | (816.66)        |
| <u>Less</u> Allowance for impairment              | (32.27)         | (1,900.99)       | (1,552.40)   | -               |
| Net book value                                    | <u>7,217.72</u> | <u>20,065.84</u> | <u>96.19</u> | <u>1,726.36</u> |

**8 Capital expenditure and commitments (continued)**

|   | <b>Company (Baht Million)</b>     |                                    |
|---|-----------------------------------|------------------------------------|
|   | <b>Property<br/>and equipment</b> | <b>Other<br/>intangible assets</b> |
| <b>Transactions during the three-month period ended 31 March 2007</b> |                                   |                                    |
| Opening net book value  | 39.66                             | 15.67                              |
| Additions   | 0.47                              | -                                  |
| Disposals, net  | (0.30)                            | -                                  |
| Transfers, net  | (0.45)                            | 0.45                               |
| Write-offs, net   | (0.14)                            | -                                  |
| Depreciation/amortisation charge                                      | (3.28)                            | (1.83)                             |
| Closing net book value  | <u>35.96</u>                      | <u>14.29</u>                       |
| <b>As at 31 March 2007</b>  |                                   |                                    |
| Cost  | 113.82                            | 79.32                              |
| <u>Less</u> Accumulated depreciation/amortisation                     | (77.86)                           | (65.03)                            |
| Net book value  | <u>35.96</u>                      | <u>14.29</u>                       |

As at 31 March 2007, consolidated property and equipment included a subsidiary's property and equipment under concession agreements of approximately Baht 2,670 million (As at 31 December 2006: Baht 2,728 million). According to the concession agreement, the subsidiary must transfer its ownership of this related property and equipment to the Government of Cambodia on the expiration date of the concession agreement, on 4 March 2028.

**Commitments**

The Group's capital expenditure contracts as at 31 March 2007 and 31 December 2006 but not recognised in the consolidated financial statements (Company: nil) are as follows:

|                             |                  | <b>Consolidated</b>      |                             |
|-----------------------------|------------------|--------------------------|-----------------------------|
|                             |                  | <b>31 March<br/>2007</b> | <b>31 December<br/>2006</b> |
|                             | <b>Currency</b>  | <b>Million</b>           | <b>Million</b>              |
| Related to iPSTAR project   | USD              | 0.03                     | 0.10                        |
|                             | Norwegian Kroner | 1.90                     | 1.90                        |
|                             | NZD              | -                        | 0.99                        |
| Related to GSM 1800 Network | USD              | 11.66                    | 16.37                       |

**The impairment of assets of ITV**

On 7 March 2007, ITV received the letter to revoke the Concession Agreement and the UHF television operation. Thus, the concession agreement was terminated. As a result, it was an indicator to impair the property and equipment, property and equipment under concession agreement and programming right of ITV in the amount of Baht 11 million, Baht 1,901 million and Baht 61 million, respectively, have been recognised in the consolidated financial statements, determining from net relaisable value of these assets. Total impairment loss of ITV's assets was Baht 1,973 million.

**9 Deferred income tax**

Deferred income tax is calculated in full on temporary differences under the liability method using a principle tax rate of 20% - 30% (2006: 20% - 30%).

Deferred tax assets for tax loss carried forward are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised. The Group has tax loss carried forward to offset future tax income amounting to Baht 8,217 million (31 December 2006: Baht 5,714 million) which is recognised as a deferred tax assets up to the amount it expects to be utilised of Bath 452 million (31 December 2006: 430).

The movement in deferred tax assets and liabilities during the three-month period ended 31 March 2007, without taking into consideration the offset of balance within the same tax jurisdiction, is as follows:

|                                | <b>Consolidated (Baht Million)</b>             |                               |                                       |  |               |               |
|--------------------------------|--|-------------------------------|---------------------------------------|--|---------------|---------------|
|                                | <b>For the year ended 31 March 2007</b>        |                               |                                       |  |               |               |
|                                | <b>Allowance<br/>for doubtful<br/>accounts</b> | <b>Loss carry<br/>forward</b> | <b>Depreciation/<br/>amortisation</b> | <b>Loss on<br/>impairment<br/>assets</b> |               | <b>Total</b>  |
| <b>Deferred tax assets</b>     |  |                               |                                       | <b>Others</b>                            |               |               |
| Balance brought forward        | 377.28   | 430.22                        | 18.07                                 | 4.30                                     | 94.77         | 924.64        |
| Impact to statement of income  | (73.93)  | 21.32                         | (11.53)                               | -  | 49.91         | (14.23)       |
| Impact to shareholders' equity | (0.06)   | -                             | -                                     | (0.04)                                   | (0.70)        | (0.80)        |
| Balance carried forward        | <u>303.29</u>                                  | <u>451.54</u>                 | <u>6.54</u>                           | <u>4.26</u>                              | <u>143.98</u> | <u>909.61</u> |

|                                 | <b>Consolidated (Baht Million)</b>      |  |              |                   |               |
|---------------------------------|---|--|--------------|-------------------|---------------|
|                                 | <b>For the year ended 31 March 2007</b> |  |              |                   |               |
|                                 | <b>Deferred<br/>expenses</b>            | <b>Amortisation<br/>on assets under<br/>concession agreement</b> |              | <b>Investment</b> | <b>Others</b> |
| <b>Deferred tax liabilities</b> |   |  |              |                   |               |
| Balance brought forward         | 21.15                                   | 109.22   | 14.15        | 10.21             | 154.73        |
| Impact to statement of income   | (5.99)                                  | (4.53)   | -            | (0.70)            | (11.22)       |
| Impact to shareholders' equity  | -                                       | (3.32)   | -            | -                 | (3.32)        |
| Balance carried forward         | <u>15.16</u>                            | <u>101.37</u>  | <u>14.15</u> | <u>9.51</u>       | <u>140.19</u> |

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes related to the same tax authority. The offset amounts are as follows:

| <b>Consolidated</b>      |                             |
|--------------------------|-----------------------------|
| <b>31 March<br/>2007</b> | <b>31 December<br/>2006</b> |

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**For the three-month periods ended 31 March 2007 and 2006**

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|                          | <u>Baht Million</u> | <u>Baht Million</u> |
|--------------------------|---------------------|---------------------|
| Deferred tax assets      | 891.25              | 896.86              |
| Deferred tax liabilities | (121.83)            | (126.95)            |

**10 Borrowings**

|                         | <b>Consolidated</b>      |                             | <b>Company</b>           |                             |
|-------------------------|--------------------------|-----------------------------|--------------------------|-----------------------------|
|                         | <b>31 March<br/>2007</b> | <b>31 December<br/>2006</b> | <b>31 March<br/>2007</b> | <b>31 December<br/>2006</b> |
|                         | <b>Baht Million</b>      | <b>Baht Million</b>         | <b>Baht Million</b>      | <b>Baht Million</b>         |
| Current                 | 11,883.02                | 12,457.02                   | 0.21                     | 600.53                      |
| Non-current             | 11,483.08                | 14,108.66                   | -                        | -                           |
| <b>Total borrowings</b> | <b>23,366.10</b>         | <b>26,565.68</b>            | <b>0.21</b>              | <b>600.53</b>               |

The movements in the borrowings can be analysed as follows:

|   | <b>Consolidated</b> | <b>Company</b>      |
|---|---------------------|---------------------|
|   | <b>Baht Million</b> | <b>Baht Million</b> |
| <b>For the three-month period ended 31 March 2007</b> |                     |                     |
| Opening balance                                       | 26,565.68           | 600.53              |
| Additions   | 145.77              | -                   |
| Repayments  | (3,132.70)          | (600.32)            |
| Transfer financial lease liabilities                  | (1.35)              | -                   |
| Unrealised gain from exchange rate                    | (211.30)            | -                   |
| <b>Closing balance</b>                                | <b>23,366.10</b>    | <b>0.21</b>         |

**Borrowing facilities**

As of 31 March 2007, a subsidiary has unutilised loan facilities made available by various domestic and international financial institutions in an aggregate amount of Baht 1,588 million and USD 3.5 million. (as of 31 December 2006: Baht 1,530 million and USD 3.5 million)

**Facility agreements in relation to the financing of the iPSTAR satellite project**

On 7 November 2002, a subsidiary entered into a USD 389.3 million credit agreement, which comprises three agreements as follows:

- Loan credit agreement for USD 184.5 million. The guarantor is the Export-Import Bank of the United States.
- Loan credit agreement for USD 79.8 million. The guarantor is a French export and import bank (Compagnie Francaise d'Assurance pour le Commerce Extérieur).
- Loan credit agreement from another group of commercial banks for USD 125 million. This has no guarantor.

The loans under each loan credit agreement bear interest at various rates. These are based on margins over the London Inter-Bank Offer Rate ("LIBOR") for a period of six months and fixed rates. A subsidiary is required to pay a commitment fee in respect of the unused

portion of the facilities. In addition, under the aforementioned credit agreements, the subsidiary must comply with the conditions in the credit agreements concerning maintaining certain financial ratios, dividend payment policy, guarantee, sale or transfer of assets and investment. The repayment of principal and interest was changed from semi-annually to monthly. The monthly repayments of loans principals and interest as secured by the Export-Import Bank of the United States and Compagnie Francaise d'Assurance pour le Commerce Extérieur are from November 2005 to May 2013 and other loans from another group of commercial banks are from November 2005 to November 2009.

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**11 Share capital, premium and warrants**

Share capital and premium

Movements in share capital are as follows:

|                 | <b>For the three-month period ended 31 March 2007</b> |  |   |   |                               |
|-----------------|---|--|---|---|-------------------------------|
|                 | <b>Authorised</b>                                     | <b>Issued and fully paid-up shares</b>         |   |   |                               |
|                 | <b>number of<br/>shares<br/>Million shares</b>        | <b>Number of<br/>shares<br/>Million shares</b> | <b>Ordinary<br/>shares<br/>Baht Million</b> | <b>Share<br/>premium<br/>Baht Million</b> | <b>Total<br/>Baht Million</b> |
| Opening balance | 5,000.00  | 3,196.30                                       | 3,196.30                                    | 10,141.24                                 | 13,337.54                     |
| Issue of shares | -   | 0.01   | 0.01  | 0.23                                      | 0.24                          |
| Closing balance | 5,000.00  | 3,196.31                                       | 3,196.31                                    | 10,141.47                                 | 13,337.78                     |

During the three-month period ended 31 March 2007, the Company registered issued and paid-up share capital in respect of 0.01 million units of warrants issued to directors and employees (ESOP) for 0.01 million ordinary shares. Consequently, the issued and paid-up share capital increased from Baht 3,196.30 million to Baht 3,196.31 million and share premium increased from Baht 10,141.24 million to Baht 10,141.47 million.

**Warrants**

Movements in the number of outstanding warrants are as follows:

|                  | <b>For the three-month period ended 31 March 2007 ('000 units)</b> |  |  |  |                            |
|------------------|--|--|--|--|----------------------------|
|                  | <b>Opening<br/>balance</b>   | <b>Exercised<br/>during the<br/>period</b> | <b>Granted<br/>during the<br/>period</b> | <b>Expired<br/>during<br/>the period</b> | <b>Closing<br/>balance</b> |
| ESOP - Grant I   |  |  |  |  |                            |
| - Directors      | 506.90   | -  | -  | (506.90)                                 | -                          |
| - Employees      | 42.80  | -  | -  | (42.80)                                  | -                          |
| Total            | 549.70   | -  | -  | (549.70)                                 | -                          |
| ESOP - Grant II  |  |  |  |  |                            |
| - Directors      | 3,683.70   | -  | -  | -  | 3,683.70                   |
| - Employees      | 407.50   | (105.50)                                   | -  | -  | 302.00                     |
| Total            | 4,091.20   | (105.50)                                   | -  | -  | 3,985.70                   |
| ESOP - Grant III |  |  |  |  |                            |
| - Directors      | 6,420.30   | -  | -  | -  | 6,420.30                   |
| - Employees      | 2,718.40   | -  | -  | -  | 2,718.40                   |
| Total            | 9,138.70   | -  | -  | -  | 9,138.70                   |
| ESOP - Grant IV  |  |  |  |  |                            |
| - Directors      | 9,356.10   | -  | -  | -  | 9,356.10                   |

**Shin Corporation Public Company Limited****Unaudited condensed notes to the interim consolidated and company financial statements (continued)****For the three-month periods ended 31 March 2007 and 2006**

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|                |           |          |   |          |           |
|----------------|-----------|----------|---|----------|-----------|
| - Employees    | 6,643.90  | -        | - | -        | 6,643.90  |
| Total          | 16,000.00 | -        | - | -        | 16,000.00 |
| ESOP - Grant V |           |          |   |          |           |
| - Directors    | 6,159.20  | -        | - | -        | 6,159.20  |
| - Employees    | 7,931.30  | -        | - | -        | 7,931.30  |
| Total          | 14,090.50 | -        | - | -        | 14,090.50 |
| SHIN - W1      |           |          |   |          |           |
|                | 259.34    | (10.50)  | - | -        | 248.84    |
| Total          | 44,129.44 | (116.00) | - | (549.70) | 43,463.74 |

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**11 Share capital, premium and warrants (continued)**

**Warrants (continued)**

**a) Warrants issued and offered to directors and employees (ESOP)**

The Company issued and offered four grants of warrants to directors and employees of the Company and its subsidiaries, which are in registered form and are non-transferable. The warrants have no offering price and their terms do not exceed 5 years. The exercise ratio and price are detailed belows:

|                  | Issued date   | Issued units<br>(Million) | Percentage * | Exercise price<br>(Baht/unit) | Exercise period             |              |
|------------------|---------------|---------------------------|--------------|-------------------------------|-----------------------------|--------------|
|                  |               |                           |              |                               | Start                       | End          |
| ESOP - Grant I   | 27 March 2002 | 29.00                     | 0.99         | 16.645                        | Expired since 26 March 2007 |              |
| ESOP - Grant II  | 30 May 2003   | 18.08                     | 0.61         | 12.269                        | 31 May 2004                 | 30 May 2008  |
| ESOP - Grant III | 31 May 2004   | 13.66                     | 0.46         | 32.681                        | 31 May 2005                 | 30 May 2009  |
| ESOP - Grant IV  | 31 May 2005   | 16.00                     | 0.54         | 37.981                        | 31 May 2006                 | 30 May 2010  |
| ESOP - Grant V   | 31 July 2006  | 14.09                     | 0.47         | 35.353                        | 31 July 2007                | 31 July 2011 |

\* Percentage of the Company's total issued and paid-up share capital (before dilution) at the issued date.

**b) Warrants issued and offered to the public (Shin-W1)**

In May 2002, the Company issued and offered 200 million units of warrants at Baht 3.10 each to purchase newly issued ordinary shares of the Company. The warrants are in registered form and are transferable with a maturity period of 5 years from the issue date. The exercise ratio is 1 unit of warrant to 1 ordinary share and the exercise price is Baht 20.50 each. The exercise period is every three months from the issue date. The first exercise date was 30 August 2002 and the last date is 21 May 2007. The warrants are presented net of transaction costs.

**12 Other income**

Other income for the three-month periods ended 31 March comprises:

|                       | Consolidated         |                      | Company              |                      |
|-----------------------|----------------------|----------------------|----------------------|----------------------|
|                       | 2007<br>Baht Million | 2006<br>Baht Million | 2007<br>Baht Million | 2006<br>Baht Million |
| Interest income       | 43.99                | 17.39                | 8.37                 | 6.04                 |
| Gain on exchange rate | 434.60               | 172.72               | -                    | -                    |
| Others                | 12.18                | 8.80                 | 0.01                 | 0.19                 |
| Total other income    | 490.77               | 198.91               | 8.38                 | 6.23                 |

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**13 Net cash flows from operating activities**

Reconciliation of net profit (loss) to cash flows from operating activities for the three-month periods ended 31 March is as follows:

|  | Notes | Consolidated     |                  | Company         |                      |
|--|-------|------------------|------------------|-----------------|----------------------|
|  |       | 2007             | 2006             | 2007            | 2006                 |
|  |       | Baht'000         | Baht'000         | Baht'000        | Restated<br>Baht'000 |
| <b>Net cash flows from operating activities</b>            |       |                  |                  |                 |                      |
| Net profit (loss) for the period                           |       | (1,718,773)      | 2,225,609        | (1,176,435)     | 5,342                |
| <b>Adjustments for:</b>                                    |       |                  |                  |                 |                      |
| Depreciation charges                                       | 8     | 247,861          | 231,779          | 3,275           | 4,092                |
| Amortisation charges                                       | 8     | 515,276          | 628,440          | 1,825           | 3,029                |
| Impairment loss on goodwill in a subsidiary                | 7     | 446,971          | -                | 1,106,102       | 172,662              |
| Impairment loss on concession and related assets           | 8     | 1,972,774        | -                | -               | -                    |
| Share of net results of investments in associates          | 7     | (1,583,801)      | (2,293,129)      | -               | -                    |
| Gain on sale of investment in a joint venture              |       | -                | (134,328)        | -               | (198,773)            |
| Unrealised gain on exchange rates                          |       | (477,205)        | (169,825)        | -               | -                    |
| Realised gain on exchange rates                            |       | -                | (29,346)         | -               | -                    |
| Allowance for doubtful accounts                            |       | 647,242          | 114,217          | -               | -                    |
| Deferred tax   |       | 3,001            | (133,739)        | -               | -                    |
| Share of net results of subsidiaries to minority interests |       | (181,454)        | 15,724           | -               | -                    |
| Others   |       | 9,155            | 151,068          | 1,267           | (2,540)              |
| <b>Changes in operating assets and liabilities</b>         |       |                  |                  |                 |                      |
| - trade accounts and notes receivable                      |       | 592,973          | (100,146)        | -               | (8,240)              |
| - loans and accrued interest receivable                    |       | 1,087,270        | (41,575)         | -               | -                    |
| - inventories  |       | (75,235)         | 147,092          | -               | -                    |
| - other current assets                                     |       | 198,075          | 324,815          | 15,114          | 7,511                |
| - other assets   |       | (56,075)         | (104,248)        | (4,963)         | (5,283)              |
| - trade accounts and notes payable                         |       | (58,710)         | 288,996          | (3,015)         | (10,085)             |
| - accrued concession                                       |       | 264,325          | 161,084          | -               | -                    |
| - other current liabilities                                |       | (158,923)        | 207,753          | (33,103)        | (21,493)             |
| - other liabilities  |       | 91,311           | (12,685)         | -               | -                    |
| <b>Net cash flows from/(used in) operating activities</b>  |       | <b>1,766,058</b> | <b>1,477,556</b> | <b>(89,934)</b> | <b>(53,779)</b>      |

14 Income tax

|              | Consolidated     |                  | Company          |                              |
|--------------|------------------|------------------|------------------|------------------------------|
|              | 31 March<br>2007 | 31 March<br>2006 | 31 March<br>2007 | 31 March<br>2006<br>Restated |
|              | Baht '000        | Baht '000        | Baht '000        | Baht '000                    |
| Current tax  | 110,636          | 47,647           | -                | -                            |
| Deferred tax | (9,748)          | (128,902)        | -                | -                            |
|              | 100,888          | (81,255)         | -                | -                            |

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**14 Income tax (continued)**

Reconciliation of income tax expense and the results of the accounting profit (loss) multiplied by the income tax rate is as follows:

|   | Consolidated     |                  | Company          |                              |
|---|------------------|------------------|------------------|------------------------------|
|   | 31 March<br>2007 | 31 March<br>2006 | 31 March<br>2007 | 31 March<br>2006<br>Restated |
|   | Baht '000        | Baht '000        | Baht '000        | Baht '000                    |
| Profit (loss) before tax                          | (1,799,339)      | 2,160,108        | (1,176,436)      | 5,342                        |
| Tax rate  | 30%              | 30%              | 30%              | 30%                          |
| The result of the accounting profit (loss)        |                  |                  |                  |                              |
| multiplied by the income tax rate                 | (539,802)        | 648,032          | (352,931)        | 1,336                        |
| Share of net results from investments - equity    |                  |                  |                  |                              |
| method  | (475,140)        | (687,939)        | -                | -                            |
| Effect of gain on related parties transactions    | 19,735           | -                | -                | -                            |
| Effect of different tax rate                      | (17,723)         | (27,337)         | -                | -                            |
| Effect of the different basis of income tax       |                  |                  |                  |                              |
| calculation in other countries                    | (607)            | 13,678           | -                | -                            |
| Tax losses not recognised as deferred tax assets  | 385,162          | 15,315           | 21,101           | -                            |
| Utilisation of previously unrecognised tax losses | (2,137)          | (28,389)         | -                | (1,336)                      |
| Effect of the non-deductible tax expense and      |                  |                  |                  |                              |
| income and expense recognised in the different    |                  |                  |                  |                              |
| period between accounting and tax                 | 731,400          | (14,615)         | 331,830          | -                            |
| Tax charge  | 100,888          | (81,255)         | -                | -                            |

As a listed company, certain companies in the Group have been granted for a discounted tax rate of 25% of the taxable income not exceeding Baht 300 million for 5 fiscal years from 2002 to 2006. The taxable income that exceeding Baht 300 million is subject to 30% tax rate.

**15 Related party transactions**

On 23 January 2006, the Shinawatra family, the principle shareholders of the Company, sold all their shares to Cedar Holdings Limited ("Cedar") and Aspen Holdings Limited ("Aspen"), part of the Temasek Holdings (Pte) Ltd. ("Temasek"). Consequently, the Shinawatra family and its related parties ceased to be the related parties of the Company from the date of the sale. However, the Company disclosed related party transaction with Shinawatra family up to 31 January 2006.

Aspen is a company incorporated in Thailand and an indirect subsidiary of Temasek Holdings (Pte) Ltd. ("Temasek"). Cedar is a company incorporated in Thailand whose shareholders are comprised of Siam Commercial Bank Public Company Limited holding 5.8%, Kularb Kaew Company Limited ("Kularb Kaew") holding 45.2% and Cypress Holdings Limited ("Cypress"), an indirect subsidiary of Temasek, holding

49.0% of the shares in Cedar. Kularb Kaew was held by four major shareholders, namely, Cypress holding 29.9%, Khun Surin Upatkoon holding 68.0%, Khun Pong Sarasin holding 1.3% and Khun Suphadej Poonpipat holding 0.8%.

Transactions with entities within the Cedar, Aspen, and Temasek group are recognised as related party transactions of the Company.

During this period, the Group entered into a number of transactions with related parties, the terms of which were negotiated on an arm's length basis in the ordinary course of business and according to normal trade conditions. Consulting and management service fees are charged on a mutually agreed basis as a percentage of assets. Treasury fees, which are included in consulting and management service fees, are charged at a percentage of transaction amounts. Transactions in respect of work in progress between a subsidiary and related parties were charged based on hourly rates plus a reimbursement of actual expenses.

**15 Related party transactions (continued)**

The Group had transactions with related parties for the three-month periods ended 31 March as follows:

**a) Sales of goods and services**

|  | <b>Consolidated</b> |                     | <b>Company</b>      |                     |
|--|---------------------|---------------------|---------------------|---------------------|
|  | <b>2007</b>         | <b>2006</b>         | <b>2007</b>         | <b>2006</b>         |
|  | <b>Baht Million</b> | <b>Baht Million</b> | <b>Baht Million</b> | <b>Baht Million</b> |
| <b>Service income</b>  |                     |                     |                     |                     |
| <b>Subsidiaries</b>  |                     |                     |                     |                     |
| Consulting and management services                             | -                   | -                   | -                   | 20.76               |
| <b>Associates</b>  |                     |                     |                     |                     |
| Consulting and management services                             | -                   | 48.78               | -                   | 48.89               |
| Computer services income                                       | 28.03               | 22.37               | -                   | -                   |
| Advertising income   | 116.21              | 101.98              | -                   | -                   |
| (Gross 2007: Baht 363.47 million<br>2006: Baht 343.14 million) |                     |                     |                     |                     |
| Rental income and others                                       | 20.24               | 20.08               | -                   | -                   |
|  | <u>164.48</u>       | <u>193.21</u>       | <u>-</u>            | <u>48.89</u>        |
| <b>Joint ventures</b>  |                     |                     |                     |                     |
| Consulting and management services                             | -                   | 0.40                | -                   | 0.95                |
| Computer services income                                       | -                   | 0.27                | -                   | -                   |
| Advertising income   | -                   | 1.46                | -                   | -                   |
| Rental income and others                                       | 0.14                | 0.72                | -                   | 0.03                |
| Sold investment in a joint venture                             | -                   | -                   | -                   | 400.00              |
|  | <u>0.14</u>         | <u>2.85</u>         | <u>-</u>            | <u>400.98</u>       |
| <b>Related parties</b>   |                     |                     |                     |                     |
| Computer services income and others                            | -                   | 0.69                | -                   | 0.04                |

**b) Purchase of goods and services**

|                                   | <b>Consolidated</b> |                     | <b>Company</b>      |                     |
|-----------------------------------|---------------------|---------------------|---------------------|---------------------|
|                                   | <b>2007</b>         | <b>2007</b>         | <b>2007</b>         | <b>2006</b>         |
|                                   | <b>Baht Million</b> | <b>Baht Million</b> | <b>Baht Million</b> | <b>Baht Million</b> |
| <b>Service expense and rental</b> |                     |                     |                     |                     |
| <b>Subsidiaries</b>               |                     |                     |                     |                     |
| Computer and management services  | -                   | -                   | -                   | 0.72                |
| Advertising expenses and others   | -                   | -                   | 0.94                | 0.01                |
|                                   | <u>-</u>            | <u>-</u>            | <u>0.94</u>         | <u>0.73</u>         |

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**Associates**

|                           |       |       |      |      |
|---------------------------|-------|-------|------|------|
| Rental and other expenses | 14.26 | 18.73 | 0.27 | 0.46 |
|---------------------------|-------|-------|------|------|

**Joint ventures**

|                                |   |      |   |   |
|--------------------------------|---|------|---|---|
| Advertising and other expenses | - | 0.12 | - | - |
|--------------------------------|---|------|---|---|

**Related parties**

|                                      |       |       |   |      |
|--------------------------------------|-------|-------|---|------|
| Rental and other expenses            | 32.74 | 21.63 | - | 1.91 |
| Payment for construction in progress | 4.10  | 4.10  | - | -    |
|                                      | 36.84 | 25.73 | - | 1.91 |

15 Related party transactions (continued)

c) Outstanding balance arising from sales/purchases of goods and services

|  | Consolidated                     |                                     | Company                          |                                     |
|--|----------------------------------|-------------------------------------|----------------------------------|-------------------------------------|
|  | 31 March<br>2007<br>Baht Million | 31 December<br>2006<br>Baht Million | 31 March<br>2007<br>Baht Million | 31 December<br>2006<br>Baht Million |
| <b>Trade accounts and notes receivable</b>                         |                                  |                                     |                                  |                                     |
| - related parties  |                                  |                                     |                                  |                                     |
| Subsidiaries   | -                                | -                                   | 12.31                            | 12.31                               |
| Associates   | 318.10                           | 527.29                              | -                                | -                                   |
| Joint ventures   | 2.30                             | 0.73                                | -                                | -                                   |
| <b>Total trade accounts and notes receivable - related parties</b> | <b>320.40</b>                    | <b>528.02</b>                       | <b>12.31</b>                     | <b>12.31</b>                        |
| <b>Accrued income - related parties</b>                            |                                  |                                     |                                  |                                     |
| Associates   | 19.65                            | 6.55                                | -                                | -                                   |
| Joint ventures   | 0.70                             | 1.01                                | -                                | -                                   |
| <b>Total accrued income - related parties</b>                      | <b>20.35</b>                     | <b>7.56</b>                         | <b>-</b>                         | <b>-</b>                            |
| <b>Trade accounts and notes payable</b>                            |                                  |                                     |                                  |                                     |
| - related parties  |                                  |                                     |                                  |                                     |
| Subsidiaries   | -                                | -                                   | 0.12                             | 3.15                                |
| Associates   | 34.72                            | 32.15                               | 0.12                             | 0.08                                |
| Joint ventures   | 0.90                             | 1.12                                | -                                | -                                   |
| <b>Total trade accounts and notes payable - related parties</b>    | <b>35.62</b>                     | <b>33.27</b>                        | <b>0.24</b>                      | <b>3.23</b>                         |

d) Amounts due from and advances to related parties

|   | Consolidated                     |                                     | Company                          |                                     |
|---|----------------------------------|-------------------------------------|----------------------------------|-------------------------------------|
|   | 31 March<br>2007<br>Baht Million | 31 December<br>2006<br>Baht Million | 31 March<br>2007<br>Baht Million | 31 December<br>2006<br>Baht Million |
| <b>Amounts due from and advances to related parties</b> |                                  |                                     |                                  |                                     |
| Subsidiaries  | -                                | -                                   | 0.60                             | 0.60                                |
| Associates  | 6.91                             | 10.04                               | -                                | -                                   |
| Joint ventures  | 0.06                             | 0.10                                | -                                | -                                   |
| <b>Total amounts due from and</b>                       |                                  |                                     |                                  |                                     |

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|                             |      |       |      |      |
|-----------------------------|------|-------|------|------|
| advances to related parties | 6.97 | 10.14 | 0.60 | 0.60 |
|-----------------------------|------|-------|------|------|

e) Amounts due to and loans from related parties

|  | Consolidated                     |                                     | Company                          |                                     |
|--|----------------------------------|-------------------------------------|----------------------------------|-------------------------------------|
|  | 31 March<br>2007<br>Baht Million | 31 December<br>2006<br>Baht Million | 31 March<br>2007<br>Baht Million | 31 December<br>2006<br>Baht Million |
| <b>Amounts due to and loans from related parties</b>       |                                  |                                     |                                  |                                     |
| Subsidiaries   | -                                | -                                   | 2.97                             | 2.75                                |
| Associates   | 11.70                            | 19.28                               | -                                | -                                   |
| Joint ventures   | 1.14                             | 1.08                                | -                                | -                                   |
| Related parties  | 23.39                            | 32.29                               | -                                | -                                   |
| <b>Total amounts due to and loans from related parties</b> | <b>36.23</b>                     | <b>52.65</b>                        | <b>2.97</b>                      | <b>2.75</b>                         |

**15 Related party transactions (continued)**

**f) Warrants granted to directors (Note 11)**

**g) Special reward program**

Certain subsidiaries and associates have granted rights to receive a special reward (“Special Reward Program”) to eligible directors and employees of the companies. The rights will be granted once a year for 5 consecutive years (commencing from the year 2002). The rights may be exercised after the first year of the grant date but not exceeding 3 years. The calculation of the Special Reward Program is based on the improvement in operational performance of such subsidiaries and associates between the date the rights were granted and the date the rights were exercised. However, the reward may not exceed each individual’s allocation. The movements in the Special Reward Program are as follows:

| <b>As at 31 March 2007 (Million units)</b> |                    |                |                  |                |
|--|--------------------|----------------|------------------|----------------|
|  | <b>Issued year</b> | <b>Granted</b> | <b>Exercised</b> | <b>Balance</b> |
| Grant I                                    | 2002               | 3.3            | (3.3)            | -              |
| Grant II                                   | 2003               | 0.5            | (0.5)            | -              |
| Grant III                                  | 2004               | 0.6            | (0.4)            | 0.2            |
| <b>Total</b>                               |                    | <b>4.4</b>     | <b>(4.2)</b>     | <b>0.2</b>     |

Starting from Grant IV, Special Reward Program has changed to the right to receive ESOP of the Company instead, as disclosed in Note 11.

**h) Other agreements with related parties**

Significant commitments with related parties are as follows:

1. As at 31 March 2007, a subsidiary had a contingent liability for a long-term loan guarantee for its subsidiary of Baht 806.60 million (As at 31 December 2006: Baht 806.60 million).
2. As at 31 March 2007, a joint venture had a contingent liability for a long-term loan guarantee for its subsidiary in the amount of USD 0.80 million (As at 31 December 2006: USD 0.80 million).

**16 Bank guarantees**

As at 31 March 2007, the Group had commitments with banks, in respect of letters of guarantees for satellite space segment leasing, customs duties, electricity usage and other transactions in the ordinary course of business in the amount of Baht 621.42 million, USD 49.17 million and AUD 0.02 million (As at 31 December 2006: Baht 689.72 million, USD 50.03 million and AUD 0.02 million) on a consolidated basis.

**17 The dispute between ITV and the PMO relating to the concession fee under the Agreement for the Operation of Television Station**

**a) The Supreme Administrative Court's judgment regarding the dispute between ITV and the PMO**

On 30 January 2004, The arbitration award ruled by the arbitration panel on the dispute between ITV and the Permanent Secretary of the Office of the Prime Minister ("PMO") in accordance with the Concession Agreement and Radio-Television Operation under UHF System ("the Concession Agreement") can be summarised as follows:

1. 1. The PMO shall pay compensation to ITV in the amount of Baht 20 million;
2. The concession fee to be paid shall be reduced and adjusted by reducing the concession fee to 6.5% (from the original rate of 44%) of gross revenue or the minimum guarantee of Baht 230 million (reduced and adjusted from the original agreement of the 8<sup>th</sup> year of Baht 800 million; the 9<sup>th</sup> year of Baht 900 million and the 10<sup>th</sup> - 30<sup>th</sup> year of Baht 1,000 million each year), whichever is higher, as from 3 July 2002;
3. The PMO shall return parts of the minimum guarantee of Baht 800 million paid by ITV subject to conditions during the arbitration proceedings on 3 July 2003 to the Company. The amount to be returned to ITV is Baht 570 million
4. ITV may broadcast its television programs during prime time (7.00 p.m. - 9.30 p.m.) without having to restrict its programs to news, documentaries and social benefit items. ITV must, however, broadcast news, documentaries and social benefit programs for not less than 50% of its total airtime, subject to the rules and regulations issued by governmental agencies applicable in general to all television stations.

The PMO entered into the appeal process with the Administrative Court of the First Instance in April 2004 in order to revoke the award made by the arbitration panel. On 9 May 2006, the Administrative Court of the First Instance handed down its ruling regarding the revocation of the arbitration award. On 7 June 2006, ITV filed an appeal against the verdict of the Administrative Court of the First Instance with the Supreme Administrative Court, and the Supreme Administrative Court received the execution of the judgment. On 13 December 2006, the Supreme Administrative Court ruled to uphold the judgment of the Central Administrative Court that effected on revocation of the arbitration award dated 30 January 2004. As a consequence of that ruling, ITV has to follow the previous terms and conditions as specified in the Concession Agreement on the following:

1. ITV changed its television programs to be in line with the Clause 11 of the Concession Agreement which covers the combination of news, documentaries and social benefit programs which shall not be less than 70% of total air-time, and, all programs broadcasted during prime time (7.00 p.m. - 9.30 p.m.), have to be these kinds of programs.
2. ITV followed Clause 5 (The concession fee to be rate of 44% and the minimum guarantee of Baht 1,000 million) of the Concession Agreement in respect of payment of concession fee to PMO.

Since 14 December 2006, ITV has changed its television programs to be in line with the Clause 11 of the Concession Agreement. ITV recorded the unpaid concession fee for the period 3 July 2004 to 3 July 2006 of Baht 2,210 million in the fourth quarter of 2006.

**17 The dispute between ITV and the PMO relating to the concession fee under the Agreement for the Operation of Television Station**  
(continued)

**b) Contingencies in respect of the dispute with the PMO of ITV**

The PMO issued a letter dated 14 December 2006 claiming that ITV should:

1. Immediately alter the television programming in order to comply with the of Clause 11 of the Concession Agreement.
2. Pay the unpaid concession fee totaling Baht 2,210 million, for the 9th concession year (the Seventh Payment) in the amount of Baht 670 million, the 10th concession year (the Eighth Payment) in the amount of Baht 770 million and the 11th concession year (the Ninth Payment) in the amount of Baht 770 million plus 15% interest per annum on the unpaid concession fee, calculated on a daily basis from the date the payment become overdue.
3. Pay the penalty fee in accordance with Clause 11, second paragraph, of the Concession Agreement from 1 April 2004 to 13 December 2006 at the rate of 10% of the annual concession fee, calculated on a daily basis from the date the payment become overdue. According to ITV had not scheduled programs following Clause 11, first paragraph, the penalty fee for breach determined by the PMO is in the amount of Baht 97,760 million (ITV changed its programming schedule following the Supreme Administrative Court's judgment on 14 December 2006).

The PMO demanded that all payments must be paid within 45 days after receiving such notice (received on 15 December 2006). In the event that ITV fails to repay such debt within the period of time, the PMO will have to act in accordance with the terms of the Concession Agreement and any relevant law.

The legal consultant of ITV had opinions regarding that case of 15% interest per annum on the unpaid concession fee and the penalty fee of the changed programming as per the following:

1. The concession fee amounting to Baht 230 million was paid to the PMO in accordance with the arbitration award. Since the arbitration award was bound to both parties under Clause 15 of the Concession Agreement, ITV had no liability on interest of the unpaid concession fee during the period that the arbitration award was granted until the Supreme Administrative Court's judgment was handed down.
2. ITV and ITV's legal consultant disagreed with the PMO on the issue of the penalty fee amounting to Baht 97,760 million with the 45 days payment period as follows:
  - 2.1 ITV has not breached the Concession Agreement because ITV has complied with Clause 15 of the Concession Agreement which states that " The arbitral award shall be bound to both parties.", the last paragraph in Clause 30 of the Arbitration rules of Judiciary Office and the second paragraph of Section 70 of Act on Establishment of Administrative Courts and Administrative Court Procedure, B.E.2542. Consequently, the alteration of TV programming from 1 April 2004 to 13 December 2006 (the date that the Supreme Administrative Court's judgment was handed down) has duly complied with the Concession Agreement and law.

- 2.2 As to the Concession Agreement regarding the penalty fee incurred on the alteration of television programming, the PMO has the right to terminate the Concession Agreement. However, in order to comply with the arbitration proceeding as stated in section 2.1, if it is apparent that ITV breaches the Concession Agreement, the PMO shall be entitled to terminate the Concession Agreement if the process of settlement of dispute becomes final.
- 2.3 According to the Supreme Administrative Court gazette dated 13 December 2006, it stated that “Regarding the matter of the penalty, the parties have to resolve this themselves, and if the dispute cannot be resolved, the statement of claims is required to be filed in accordance with the procedure defined in the Concession Agreement.”

**17 The dispute between ITV and the PMO relating to the concession fee under the Agreement for the Operation of Television Station**  
(continued)

**b) Contingencies in respect of the dispute with the PMO of ITV (continued)**

- 2.4 The issue of interest and the penalty incurred from the alteration of television programming had not been final since it was not an issue raised for consideration by the Supreme Administrative Court. Therefore, if the parties had any controversy thereon and it cannot be resolved, the statement of claims shall then enter into arbitration proceeding in accordance with Clause 15 of the Concession Agreement stating that "If any dispute or controversy arises in connection with this Concession Agreement, both parties shall agree to submit the said dispute for arbitration, and the Arbitration Committee's award shall be final and binding."

ITV and ITV's legal consultant viewed that the calculation of the penalty of the PMO was not in compliance with the objective of the Concession Agreement. The penalty should be calculated at Baht 274,000 per day as a maximum amount, not Baht 100 million per day as stated by the PMO. However, If the penalty fees are charged, the penalty for the period from 1 April 2004 to 13 December 2006 should be Baht 268 million, not Baht 97,760 million as claimed by the PMO.

In case of interest of the unpaid concession fee claimed by the PMO, ITV is of the opinion that during the period that ITV complied with the arbitral award, the Company neither had a liability to settle the debt nor was at default to pay the concession fee since the concession fee of Baht 230 million was paid in accordance with the arbitral award. The arbitral award become binding on both parties under Clause 15 at the time it comes into force. Since ITV was not at default in the payment of the concession fee or make the delay payment, ITV has no liability on interest of the concession fee and the PMO has no right to claim for the unpaid concession fee during the period that the arbitral award was valid and the judgment of the Central Administrative Court was not enforceable during the period that the appeal was submitted to the Supreme Administrative Court.

Referring to the penalty for alteration of television programming and interest of overdue concession fee, ITV submitted the documents to the Arbitration Institute on 4 January 2007. On 27 January 2007, the PMO submitted a letter to the Arbitration Institute disputed that the issue regarding the penalty arising from the alteration of television programming was not related to the dispute or controversy in connection with the Concession agreement considered by the arbitrator. Conversely, it was the right to claim against ITV for the settlement of debt according to the judgment of the Central Administrative Court and the Supreme Administrative Court respectively. The actual amount of the penalty shall be determined by the Court; therefore, the PMO shall bring the case to the Court having its jurisdiction to consider and order or rule ITV to pay the unpaid concession fee plus 15% interest from the delayed payment date and the penalty arising from the alteration of television programming amounting to Baht 97,760 million after the due date (it shall be further defined in the second notice).

On 1 February 2007, ITV received the letter from the PMO dated on 31 January 2007 requesting ITV to repay the debt by making payment of the unpaid concession fee of 9<sup>th</sup> year to 11<sup>th</sup> year in the amount of Baht 2,210 million and the interest calculated on such unpaid concession fee at the rate of 15% per annum together with the fine arising out of the alteration of television programming in at the rate of 10% of the annual concession fee calculated on a daily basis totally of Baht 97,760 million. The PMO demanded that all payment must be paid within 30 days of ITV receiving such notice which will be on 2 March 2007. In the event that ITV fails to repay such debt within such period of time, the PMO will have to act in accordance with the terms of the Concession Agreement and any relevant law.

**17 The dispute between ITV and the PMO relating to the concession fee under the Agreement for the Operation of Television Station**  
(continued)

**b) Contingencies in respect of the dispute with the PMO of ITV (continued)**

On 20 February 2007, ITV issued the complaint to prescribe provisional remedial measure and the complaint in the case of compelling urgency filed to the Central Administrative Court. The following matters are as follows;

1. ITV request the Central Administrative Court rules that the right to terminate the Concession Agreement of the PMO will be ceased during the period that the penalty fee incurred from the change of television program and interest of the unpaid concession fee approximately Baht 100,000 million have not been paid until the arbitral award will be granted and the dispute becomes final.
2. ITV request the Central Administrative Court to specify the grace to make the payment of the unpaid concession fee amounting to Baht 2,210 million within 30 days after the dated of the receipt of the Court's order.

On 21 February 2007, the Central Administrative Court ordered the rejection of the complain to prescribe provisional remedial measure and the complaint in the case of compelling urgency.

On 27 February 2007, the cabinet passed a resolution for the PMO to revoke the Concession Agreement with ITV in case that ITV could not pay the unpaid concession fees and the overdue interest by 6 March 2007. The PMO had offered the Government Public Relations Department to continue the broadcasting operation of the television station under UHF system instead.

On 6 March 2007, the cabinet passed a resolution to cease broadcasts of ITV could broadcast at midnight of 7 March 2007. The letter dated 7 March 2007 from the PMO notified that ITV should pay the debt and transfer all operating assets within the specified time. The revocation subsequently caused ITV to cease its UHF system broadcasting.

On 7 March 2007, ITV received the letter of revocation of the Concession Agreement from the PMO. As a consequence of receiving the cancellation, the concession agreement had ended and the PMO informed ITV to repay debt and return all operation assets under concession agreement back to the PMO on the due date.

On 9 March 2007, the Arbitration Institute contacted the Office of the PMO and ITV to relieve the deadlock over the dispute; however, the two parties were unable to further negotiate. The PMO claimed that it would neither appoint its arbitrator nor enter into Arbitration proceedings.

As the result, the Arbitration Institute ordered ITV to appoint its arbitrator within 15 days and notify its arbitrator's name to the Arbitration Institute. If the PMO failed to appoint its arbitrator within 30 days (last date on 24 March 2007) from the notified date, ITV had appoint their arbitrator and notify to the Arbitration Institute on 22 March 2007 and on 24 March 2007, ITV had requested to the Court Jurisdiction to appoint an arbitrator on behalf of the PMO. Thus, the Court Jurisdiction set the date for ITV and the PMO to make a statement on 23 May 2007.

On 28 March 2007, ITV filed a statement of claims with the PMO to disputing revocation of the concession agreement and stated that the penalty fee and concession fee charged (fraction) approximate totaling Baht 100 billion had not complied with the concession agreement and law as ITV has not breached the agreement. ITV disagreed with the revocation and requested the PMO to accept responsibility for the damage that incurred. ITV will maintain full legal rights.

As from 7 March 2007, ITV has not operated its business, resulting in a shortage of cash. As a result, ITV is unable to pay all of its suppliers. Also, this may cause The Stock Exchange of Thailand (SET) to delist ITV. SET has already raised an SP sign (suspension) to stop trading of ITV's stock until ITV can clarify the procedures and provide a time-limit in order to resolve the delisting issue. ITV is currently awaiting the verdict of the arbitration panel on the dispute in accordance with the penalty fee for alteration of television programming and interest for overdue concession fees.

**17 The dispute between ITV and the PMO relating to the concession fee under the Agreement for the Operation of Television Station**  
(continued)

**b) Contingencies in respect of the dispute with the PMO of ITV (continued)**

Moreover, ITV is in the legal process to indemnify the damages incurred from illegal processes and termination of the concession agreement. In addition, ITV also studied the rehabilitation plan and asked for a time extension for provision of the clarification of the criteria and procedures to avoid being delisted to be completed within six months (ending on 9 October 2007). SET provided a two-year timeframe for ITV to solve the delisting issue.

On 30 March 2007, the PMO requested the Central Administrative Court to order ITV to pay unpaid concession fee of Baht 2,210 million, the 12<sup>th</sup> concession fee of Baht 677 million, interest of overdue concession fees of Baht 562 million, adjusting of television program fee of Baht 97,760 million, and the undelivered value of assets under concession Baht of 656 million, the final listed fee being a new issue that the PMO has previously not raised. The aggregated amount is Baht 1,020 billion.

**18 Contingencies and commitments**

**a) Concession commitments**

Certain subsidiaries and joint ventures have obtained concessions from government agencies, both in Thailand and other countries as set out in Note 1, for the operation of satellite services, radio-television broadcasting, internet services and mobile telephone networks. Under the terms of the concessions, they have certain commitments to the government agencies, including commitments to procure, install and maintain operational equipment, and commitments to pay annual fees to the relevant government agencies based on revenue percentages or minimum fees, whichever is higher, as set out in the individual agreements. The Group accounts for such commitments on a time basis as the expenditure is incurred.

**Shin Satellite Public Company Limited (“SATTEL”)**

SATTEL was permitted by the Ministry of Transport and Communications, under an agreement dated 11 September 1991 and an amendment thereto dated 22 March 1992, to operate and administer certain satellite projects and to render transponder services for domestic and international communications as well as the right to collect, for a thirty-year period, service charges from users of the transponders. The concession agreement has been transferred to MICT.

Under the aforementioned agreement, SATTEL must pay an annual fee to MICT based on a percentage of certain service incomes or at the minimum level specified in the agreement, whichever is higher. In addition, SATTEL, according to the aforementioned agreement, must transfer its ownership of all satellites, telemetry, tracking, command and monitoring stations and other operating equipment to MICT on the date of completion of construction and installation.

**ITV Public Company Limited (“ITV”)**

Under ITV's concession agreement, ITV has to pay minimum fees to the PMO based on a percentage of service income, or at the rates specified in the agreement, whichever is higher.

On 7 March 2007, ITV received the letter of revocation of the Concession Agreement and the operation of TV broadcasting UHF from the PMO. Consequently, the concession agreement was ceased.

**18 Contingencies and commitments (continued)**

**a) Concession commitments (continued)**

**Cambodia Shinawatra Company Limited (“CAM”)**

CAM, a subsidiary in Cambodia, has obtained a concession from the Directorate of Posts and Telecommunications of Cambodia to operate a domestic telephone network under an agreement dated 4 March 1993 and an amendment thereto dated 4 March 1997, for a period of 35 years. Under the agreement, Cambodia Shinawatra Company Limited will transfer its ownership of all fixed assets to the Government of Cambodia on the expiration date of the agreement, in 2028 (Note 8).

**b) Shareholder agreements**

The Group has entered into shareholder agreements and other agreements with strategic partners and government agencies both in Thailand and other countries as follows:

**Singapore Telecommunications Limited (“Singtel”)**

The Company has shareholders’ agreement with Singtel in respect of its equity investment in Advanced Info Service Public Company Limited (“ADVANC”) which sets out the participatory right of the shareholders in the management and control of ADVANC. This shareholders’ agreement contains a provision for resolution of disputes between the shareholders. In the event that the shareholders are unable to reach agreement on significant corporate actions, either shareholder (the seller) may serve notice on the other shareholder (the buyer) requiring the buyer to either purchase the seller’s interest in ADVANC, or if the buyer does not do so, then the seller must purchase the buyer’s interest in ADVANC. At present, there are no significant corporate actions on which the shareholders are not in agreement.

**The Government of the Lao People's Democratic Republic (“Laos PDR”)**

Lao Telecommunications Company Limited (“LTC”) is a joint venture, which was established under the terms of a Joint Venture Contract dated 8 October 1996, signed by the Government of the Lao People’s Democratic Republic and Shinawatra Computer and Communications Public Company Limited, the former name of Shin Corporation Public Company Limited. According to the aforementioned Joint Venture Contract, LTC has the right to provide telecommunication services - fixed line phone, mobile phone, international facilities, Internet and paging - within the Laos PDR for 25 years. Currently, Shenington Investments Pte Company Limited, which is a subsidiary of SATTEL, owns 49% of LTC’s registered shares. At the end of the 25th year, in 2021, the Group has to transfer all of LTC’s shares to the Government of the Lao People’s Democratic Republic without any charges. According to the shareholder agreement, LTC is required to invest at least USD 400 million in the projects specified in the agreement within 25 years. As at 31 March 2007, LTC has remaining additional investment of approximately USD 210 million.

**c) Contingencies**

**Legal cases**

A subsidiary is a defendant in various legal actions relating to news reporting. In the opinion of the subsidiary's management, after taking appropriate legal advice, the outcome of such actions is not expected to give rise to any significant loss and no provision or accruals in respect of such legal actions have been raised in these financial statements.

**18 Contingencies and commitments (continued)**

**c) Contingencies (continued)**

**Assessment for income tax in India**

The Income Tax Authority of India (“Tax Authority”) has raised an assessment against SATTEL for the assessment years 1998/99 to 2004/05 (equivalent to the financial years from 1 April 1997 to 31 March 2004) in respect of revenues received from the provision of satellite transponder capacity to Indian customers, both residents and non-residents. As at 31 March 2007, SATTEL deposited for the income tax and penalty for the assessment years 1998/99 to 2003/04 totally Rupees 293 million (approximately Baht 226 million). SATTEL did not agree with the tax assessments of the Tax Authority and filed appeals against these assessments. SATTEL’s tax advisor in India was of the opinion that the outcome would be in favour of SATTEL. Therefore, SATTEL presented all amounts paid as other non-current assets in the balance sheet and did not recognise provision for liabilities in respect of the tax assessment that in excess of the amount paid. If the outcome is that SATTEL is not liable to these tax assessments, it will be eligible to refund all deposits together with interest.

The details of income tax assessments can be summarised as follows:

**- Tax assessment for the assessment years 1998/99 to 2001/02**

On 22 March 2004, the Commissioner of Income Tax Appeals (“CIT (A)”) passed a partially favourable order for the assessment in respect of the assessment years 1998/99 to 2001/02 stating that revenues from Indian residents are subject to Indian income tax. Furthermore, CIT (A) passed an appellate order in favour of SATTEL for the assessment on revenues from Indian non-residents for the same assessment years. SATTEL has filed an appeal with the Income-Tax Appellate Tribunal (“ITAT”) with respect to this matter and it is in the process of hearing by ITAT. SATTEL also filed an application for a refund of Rupees 72 million (approximately Baht 60 million) with the Tax Authority. The Tax Authority has agreed to give credit for this amount, which will be adjusted against SATTEL’s future tax liabilities due to the Tax Authority.

On 28 March 2005, the Tax Authority assessed the penalty for those assessment years for concealment of income at a total amount of Rupees 325 million (approximately Baht 282 million). SATTEL filed an appeal against this assessment of penalty with the CIT(A) and filed a letter with the Tax Authority requesting that the penalty assessment be suspended until the case is finalised by the CIT(A). The CIT(A) decided in favour of the Tax Authority, SATTEL deposited some of penalty for those assessment in the amount of Rupees 15 million (approximately Baht 12 million) and filed an appeal against the assessment of CIT(A) with ITAT in the first quarter of 2006.

**- Tax assessment for the assessment year 2002/03**

On 30 October 2004, the Tax Authority refunded an amount of Rupee 56 million (approximately Baht 48 million) for the assessment year 2002/03. SATTEL filed an application requesting an additional refund in the amount of Rupees 2 million (approximately Baht 1.5 million) in respect of the withholding tax paid by the Indian resident customers during such assessment year. The Tax Authority has agreed to give credit for this amount, which will be adjusted against SATTEL’s future tax liabilities due to the Tax Authority.

On 16 March 2005, the Tax Authority raised an assessment for the assessment year 2002/2003 in the amount of Rupees 106 million (approximately Baht 92 million). SATTEL had deposited Rupees 49 million (approximately Baht 38 million) in 2004 and has already filed an appeal against this assessment with CIT(A). On 2 November 2005, CIT(A) ruled in favour of the Tax Authority and SATTEL has filed an appeal against CIT(A)'s decision with ITAT., On 2 November 2005, CIT(A) ruled in favour of the Tax Authority and SATTEL has filed an appeal against CIT(A)'s decision with ITAT. In the first quarter of 2007, the Tax Authority raised an penalty assessment in amount of Rupees 83.26 million (approximately Baht 72 million). SATTEL has not paid for this additional assessment.

**18 Contingencies and commitments (continued)**

**c) Contingencies (continued)**

**- Tax assessment for the assessment year 2003/04**

The Tax Authority refunded an amount of Rupees 15 million (approximately Baht 12 million) for the assessment year 2003/04 in respect of the withholding tax paid by the Indian resident customers during such assessment year.

On 31 January 2006, the Tax Authority raised an assessment for the assessment year 2003/2004 against SATTEL in the amount of Rupees 106 million (approximately Baht 92 million), excluding penalty. SATTEL deposited some of the income tax for this assessment in the third quarter of 2004 in the amount of Rupees 20 million (approximately Baht 15 million). In the first quarter of 2006, SATTEL deposited some of the tax in the amount of Rupees 65 million (approximately Baht 50 million) and recorded as other assets in the balance sheet. SATTEL filed an appeal against the assessment with CIT(A) and submitted a request to the Tax Authority asking it to refrain from enforcing the tax demand. At present, SATTEL is waiting for the decision of CIT(A).

**- Tax assessment for the assessment year 2004/05**

On 27 December 2006, the Tax Authority raised an assessment and interest for the assessment year 2004/2005 against SATTEL in the amount of Rupees 103 million (approximately Baht 89 million). During the first quarter of 2007, SATTEL had deposited Rupees 30 million (approximately Baht 24 million) and presented the amount paid as other non-current assets. SATTEL filed an appeal against the assessment with CIT(A) and is waiting for the hearing.

**Joint venture agreement in Lao Telecommunications Company Limited (“LTC”)**

Lao Telecommunications Company Limited (“LTC”) entered into an agreement “Financing and Project Agreement” with the government of the Lao People’s Democratic Republic (“government”) and an organisation in Germany (“KfW, Frankfurt am Main) on 25 October 2004 of Euro not exceeding 6.5 million for the procurement and installation of Phase VI of a rural telecommunication network. Under the agreement, network assets will be transferred their ownership to LTC through loan at 30% of the network assets’ value excluding consulting services. However, LTC has not yet recognised the assets of Phase VI and the related portion of the loan in these interim financial statements because the project has not been commenced yet.

**Concession right payable of DPC**

On 5 July 2006, Total Access Communication Public Company Limited has submitted the additional claims against Digital Phone Company Limited (“DPC”), a subsidiary of ADVANC, to the Arbitration Committee for settlement of the last two amounts of concession right fees due on 30 September 2004 and 2005 comprising principal and interest according to the agreement totalling USD 87.38 million and called for payment with an additional interest charge on the overdue payment of USD 10.29 million calculated up to 5 July 2006 and with interest to be charged at 9.50% per annum on overdue payment, from 6 July 2006 until the payment is made. The case is still in the process of arbitration. DPC has recognised the full concession payable and interest, excluding overdue interest, according to the agreement in its financial statements (using effective interest rate method).

**18 Contingencies and commitments (continued)**

**d) Operating lease commitments - where a joint venture company is the lessee**

A joint venture has outstanding commitments in respect of aircraft lease agreements which cover rental arrangements for twelve aircrafts amounting to approximately USD 8.24 million (proportion of investment in a joint venture). In addition, the lease agreements cover maintenance fees, for which the joint venture must pay a monthly fee in USD. These maintenance fees vary depending on actual flight hours.

The joint venture has outstanding commitments in respect of corporate guarantees, which are in the ordinary course of business and will not cause any significant liabilities to the joint venture. The corporate guarantee covers student pilots who study on the pilot program in the amount of Baht 15.81 million (proportion of investment in a joint venture) and will be terminated when the student pilot earns commercial pilot license and is assigned as co-pilot or the joint venture pays off all liabilities.

**19 Subsequent events**

**a) Dividend declaration**

At the Annual Ordinary Shareholders' Meeting on 25 April 2007, the shareholders approved the declaration of the annual dividend for the year 2006 at Baht 2.30 each, totalling Baht 7,350.41 million. In September 2006, the interim dividend for the first six-month period of 2006 at Baht 1.30 each, totalling Baht 4,153.99 million was paid to the shareholders. The outstanding dividend per share Baht 1.00 each, totalling Baht 3,196.42 million was paid in May 2007.

**b) Increase in share capital of the Group**

At the end of March and April 2006, certain warrants issued to directors and employees (ESOP) of and ADVANC was exercised, and these share issues were registered as increased share capital with the Ministry of Commerce in April and May 2007, as detailed belows:

| Company | Units of exercise<br>(Million) | Share capital increased<br>(Million Baht) |          | Premium on share capital increased<br>(Million Baht) |           | Decrease in % of interest of the Company |       |
|---------|--------------------------------|---|----------|--|-----------|--|-------|
|         |                                | from                                      | to       | from   | to        | from                                     | to    |
| SHIN    | 1.11                           | 3,196.31                                  | 3,196.43 | 10,141.47  | 10,142.80 | -  | -     |
| ADVANC  | 0.87                           | 2,954.59                                  | 2,955.56 | 21,022.68  | 21,059.72 | 42.77                                    | 42.76 |

**c) The resolutions of the 2006 Annual General Meeting of Shareholders**

The Shareholders' meetings held after the balance sheet date are as follows:

**Shin Corporation Public Company Limited**

**Unaudited condensed notes to the interim consolidated and company financial statements (continued)**

**For the three-month periods ended 31 March 2007 and 2006**

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- The Shareholders' meeting of SHIN on 25 April 2007
- The Shareholders' meeting of ADVANC on 25 April 2007
- The Shareholders' meeting of SATTEL on 24 April 2007
- The Shareholders' meeting of CSL and ITV on 23 April 2007

**19 Subsequent events (Continued)**

**c) The resolutions of the 2006 Annual General Meeting of Shareholders (Continued)**

The above meetings passed resolutions as follows:

**1) Warrants granted to directors and employees (ESOP) and the increase of capital shares to reserve for the exercise of new ESOP**

To approve the issued and offered warrants to directors and employees. The warrants are in registered form, non-transferable and there is no offering price. The terms of warrants do not exceed 5 years since the issued and offered date. The warrants were also passed the resolution to increase capital shares to reserve for the exercise of the warrants as follows:

| <b>Company</b>  | <b>Grant</b> | <b>Number of issued units (Million units)</b> | <b>Percentage</b> | <b>Number of issued shares (Million shares)</b> | <b>Exercise price (Baht / unit)</b> |
|-----------------|--------------|---|-------------------|---|-------------------------------------|
| CSL (Associate) | 5            | 8.35  | 1.34              | 8.35  | 3.58                                |

The warrants are in the process of permission to grant to directors and employees from the Securities and Exchange Commission of Thailand (SEC).

**2) Allocation of additional ordinary shares to support the exercised former warrants**

To approve the allocation of additional ordinary shares to reserve for exercising the right in pursuance of the ESOP warrants, due to meeting the terms and conditions of the Application Form regarding the Issuance and offering of ESOP Program which has affected the exercise price and exercise ratio of warrants, the ESOP warrant holders' rights shall not be decreased, are as follows:

| <b>Company</b>     | <b>Grant</b>  | <b>Number of issued shares (Million shares)</b> | <b>Term and condition</b>  |
|--------------------|---------------|---|--|
| SHIN               | 2, 3, 4 and 5 | 6.97  | Dividends for the year 2005, payments in excess of 50% of net profit |
| ADVANC (Associate) | 2, 3, 4 and 5 | 1.24  | Dividends for the year 2005, payments in excess of 50% of net profit |
| CSL (Associate)    | 1, 2, 3 and 4 | 11.83   | Dividends for the year 2005, payments in excess of 50% of net profit |

**3) Dividends paid**

To approve dividend payments to shareholders for the fiscal year 2006 as follows:

**Interim**

**Shin Corporation Public Company Limited**

**Unaudited condensed notes to the interim consolidated and company financial statements (continued)**

**For the three-month periods ended 31 March 2007 and 2006**

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| <b>Company</b>  | <b>Dividend<br/>per share<br/>Baht/share</b> | <b>Dividend<br/>payment<br/>Baht/share</b> | <b>Outstanding<br/>balance<br/>Baht/share</b> | <b>Total<br/>amount<br/>Baht million</b> |
|-----------------|--|--|---|--|
| ADVANC          |  |  |   |  |
| (associate)     | 6.30   | 3.00                                       | 3.30  | 9,750                                    |
| CSL (associate) | 0.74   | 0.60                                       | 0.14  | 88                                       |