

**CS Loxinfo Public Company Limited  
and its Subsidiaries**

Interim financial statements  
and  
Review Report of Certified Public Accountant

For the three-month and nine-month periods ended  
30 September 2008

**CS Loxinfo Public Company Limited and its Subsidiaries**  
**Notes to the interim financial statements**  
**For the three-month and nine-month periods ended 30 September 2008 (Unaudited)**

**Review Report of Certified Public Accountant**

**To the Board of Directors of CS Loxinfo Public Company Limited**

I have reviewed the accompanying consolidated and separate balance sheets as at 30 September 2008, and the related statements of income for the three-month and nine-month periods then ended, and the related statements of changes in equity and cash flows for the nine-month period then ended of CS Loxinfo Public Company Limited and its subsidiaries, and of CS Loxinfo Public Company Limited, respectively. The Company's management is responsible for the correctness and completeness of information presented in these financial statements. My responsibility is to issue a report on these financial statements based on my reviews. The consolidated and separate statements of income for the three-month and nine-month periods ended 30 September 2007, and the related statements of changes in equity and cash flows for the nine-month period then ended of CS Loxinfo Public Company Limited and its subsidiaries, and of CS Loxinfo Public Company Limited, respectively, were reviewed by another auditor whose report dated 14 November 2007 stated that nothing had come to his attention that caused him to believe that those financial statements were not presented fairly, in all material respects, in accordance with generally accepted accounting principles.

I conducted my reviews in accordance with the auditing standard on review engagements. This Standard requires that I plan and perform the review to obtain moderate assurance as to whether the financial statements are free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit in accordance with generally accepted auditing standards. I have not performed an audit and, accordingly, I do not express an audit opinion on the reviewed financial statements.

Based on my reviews, nothing has come to my attention that causes me to believe that the financial statements referred to above are not presented fairly, in all material respects, in accordance with generally accepted accounting principles.

As discussed in note 7 to the financial statements, the consolidated financial statements have applied the change in accounting policy for goodwill prospectively from 1 January 2008.

The consolidated and separate financial statements for the year ended 31 December 2007 of CS Loxinfo Public Company Limited and its subsidiaries, and of CS Loxinfo Public Company Limited, respectively, were audited by another auditor who expressed an unqualified opinion on those financial statements in his report dated 20 February 2008. The consolidated and separate balance sheets as at 31 December 2007, which are included in the accompanying financial statements for comparative purposes, are components of those financial statements.

(Winid Silamongkol)  
Certified Public Accountant  
Registration No. 3378

KPMG Phoomchai Audit Ltd.  
Bangkok  
10 November 2008

# CS Loxinfo Public Company Limited and its Subsidiaries

## Balance sheets

As at 30 September 2008 and 31 December 2007

Assets	Note	Consolidated financial statements		Separate financial statements	
		30 September 2008 (Unaudited)	31 December 2007	30 September 2008 (Unaudited)	31 December 2007
<i>(in thousand Baht)</i>					
<b>Current assets</b>					
Cash and cash equivalents		412,355	712,900	120,354	222,134
Trade accounts receivable and accrued income	4	387,635	340,409	156,072	152,027
Amounts due from and short-term loans to related parties	3	-	558	3,000	282
Inventories		137,072	97,985	14,673	8,626
Other current assets	3	72,845	56,761	22,578	18,490
<b>Total current assets</b>		<b>1,009,907</b>	<b>1,208,613</b>	<b>316,677</b>	<b>401,559</b>
<b>Non-current assets</b>					
Investments in subsidiaries	5	-	-	688,368	942,901
Long-term investment - other		1,731	4,707	-	-
Property, plant and equipment	6	294,124	324,872	223,308	176,123
Intangible assets	6	38,904	33,827	12,303	9,049
Goodwill	7	624,921	639,029	-	-
Deferred tax assets		79,792	70,155	24,846	27,892
Withholding tax		9,795	58,227	98	21,967
Deposits		36,280	28,864	21,910	13,261
<b>Total non-current assets</b>		<b>1,085,547</b>	<b>1,159,681</b>	<b>970,833</b>	<b>1,191,193</b>
<b>Total assets</b>		<b>2,095,454</b>	<b>2,368,294</b>	<b>1,287,510</b>	<b>1,592,752</b>

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

# CS Loxinfo Public Company Limited and its Subsidiaries

## Balance sheets

As at 30 September 2008 and 31 December 2007

Liabilities and equity	Note	Consolidated financial statements		Separate financial statements	
		30 September 2008 (Unaudited)	31 December 2007	30 September 2008 (Unaudited)	31 December 2007
<i>(in thousand Baht)</i>					
<b>Current liabilities</b>					
Short-term loans from financial institutions	8	160,000	-	160,000	-
Trade accounts payable	9	257,701	335,446	186,606	221,836
Other accounts payable		4,163	14,386	2,544	2,565
Amounts due to related parties	3	3,904	2,552	-	-
Current portion of finance lease liabilities	10	754	718	-	-
Current portion of long-term loan from financial institution	8	2,500	-	-	-
Short-term loans from a related party	3	-	12,000	-	-
Unearned income and advances received from customers		366,700	202,126	95,733	104,459
Accrued expenses		80,860	104,678	34,439	48,368
Other current liabilities		71,470	57,372	17,194	13,808
<b>Total current liabilities</b>		<b>948,052</b>	<b>729,278</b>	<b>496,516</b>	<b>391,036</b>
<b>Non-current liabilities</b>					
Long-term loan from financial institution	8	7,500	-	-	-
Finance lease liabilities	10	1,972	2,543	-	-
Other non-current liabilities		11,979	11,350	11,370	11,035
<b>Total non-current liabilities</b>		<b>21,451</b>	<b>13,893</b>	<b>11,370</b>	<b>11,035</b>
<b>Total liabilities</b>		<b>969,503</b>	<b>743,171</b>	<b>507,886</b>	<b>402,071</b>

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

# CS Loxinfo Public Company Limited and its Subsidiaries

## Balance sheets

As at 30 September 2008 and 31 December 2007

	Note	Consolidated		Separate	
		financial statements		financial statements	
Liabilities and equity		30 September 2008 (Unaudited)	31 December 2007	30 September 2008 (Unaudited)	31 December 2007
<i>(in thousand Baht)</i>					
<b>Equity</b>					
Share capital	11				
Authorised share capital		165,212	660,849	165,212	660,849
Issued and paid-up share capital		157,347	626,899	157,347	626,899
Reserves					
Share premium	13	426,946	421,625	426,946	421,625
Treasury shares	12	(183,313)	(222,088)	(183,313)	(222,088)
Retained earnings					
Appropriated					
Legal reserve	13	31,364	24,480	31,364	24,480
Treasury share reserve	12	183,313	222,088	183,313	222,088
Unappropriated		506,642	529,047	163,967	117,677
<b>Total equity attributable to equity holders of the Company</b>		<b>1,122,299</b>	<b>1,602,051</b>	<b>779,624</b>	<b>1,190,681</b>
Minority interests		3,652	23,072	-	-
<b>Total equity</b>		<b>1,125,951</b>	<b>1,625,123</b>	<b>779,624</b>	<b>1,190,681</b>
<b>Total liabilities and equity</b>		<b>2,095,454</b>	<b>2,368,294</b>	<b>1,287,510</b>	<b>1,592,752</b>

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

# CS Loxinfo Public Company Limited and its Subsidiaries

## Statements of income

For the three-month periods ended 30 September 2008 and 2007 (Unaudited)

		Consolidated		Separate	
		financial statements		financial statements	
	Note	2008	2007	2008	2007
		<i>(in thousand Baht)</i>			
<b>Revenues</b>	3				
Revenue from sale of goods and rendering of services		658,150	643,648	382,604	350,558
Dividend income from a subsidiary	5	-	-	39,046	30,000
Other income		29,389	37,971	1,586	13,756
<b>Total revenues</b>		<b>687,539</b>	<b>681,619</b>	<b>423,236</b>	<b>394,314</b>
<b>Expenses</b>	3				
Cost of sale of goods and rendering of services		363,452	341,620	252,474	230,129
Selling and administrative expenses		216,673	201,422	84,978	71,368
Directors' remuneration		488	542	488	542
Net foreign exchange loss		68	9	62	101
<b>Total expenses</b>		<b>580,681</b>	<b>543,593</b>	<b>338,002</b>	<b>302,140</b>
<b>Profit before interest and income tax expenses</b>		<b>106,858</b>	<b>138,026</b>	<b>85,234</b>	<b>92,174</b>
Interest expense		(2,009)	2,587	(1,794)	2,720
Income tax expense		(29,492)	(39,400)	(10,975)	(16,571)
<b>Profit for the period</b>		<b>75,357</b>	<b>101,213</b>	<b>72,465</b>	<b>78,323</b>
Attributable to:					
Equity holders of the Company		75,633	101,522	72,465	78,323
Minority interest		(276)	(309)	-	-
<b>Profit for the period</b>		<b>75,357</b>	<b>101,213</b>	<b>72,465</b>	<b>78,323</b>
<b>Earnings per share (Baht)</b>	15				
Basic		0.13	0.16	0.13	0.13
Diluted		0.13	0.16	0.13	0.12

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

# CS Loxinfo Public Company Limited and its Subsidiaries

## Statements of income

For the nine-month periods ended 30 September 2008 and 2007 (Unaudited)

		Consolidated		Separate	
		financial statements		financial statements	
	Note	2008	2007	2008	2007
		<i>(in thousand Baht)</i>			
<b>Revenues</b>	3				
Revenue from sale of goods and rendering of services		1,934,713	1,890,623	1,120,439	1,059,281
Net foreign exchange gain		867	-	-	-
Dividend income from a subsidiary	5	-	-	161,141	330,000
Other income		50,547	65,197	8,189	26,213
Share of profits from investments accounted for using the equity method		-	40	-	-
<b>Total revenues</b>		<b>1,986,127</b>	<b>1,955,860</b>	<b>1,289,769</b>	<b>1,415,494</b>
<b>Expenses</b>	3				
Cost of sale of goods and rendering of services		1,073,108	1,031,234	744,595	706,945
Selling and administrative expenses		632,630	599,126	244,167	214,005
Directors' remuneration		2,138	1,613	2,138	1,603
Net foreign exchange loss		-	485	277	373
<b>Total expenses</b>		<b>1,707,876</b>	<b>1,632,458</b>	<b>991,177</b>	<b>922,926</b>
<b>Profit before interest and income tax expenses</b>		<b>278,251</b>	<b>323,402</b>	<b>298,592</b>	<b>492,568</b>
Interest expense		(2,320)	(224)	(1,794)	(258)
Income tax expense		(86,245)	(102,769)	(34,473)	(41,356)
<b>Profit for the period</b>		<b>189,686</b>	<b>220,409</b>	<b>262,325</b>	<b>450,954</b>
Attributable to:					
Equity holders of the Company		191,961	218,554	262,325	450,954
Minority interest		(2,275)	1,855	-	-
<b>Profit for the period</b>		<b>189,686</b>	<b>220,409</b>	<b>262,325</b>	<b>450,954</b>
<b>Earnings per share (Baht)</b>	15				
Basic		0.33	0.35	0.46	0.72
Diluted		0.33	0.35	0.45	0.72

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

## CS Loxinfo Public Company Limited and its Subsidiaries

### Statements of changes in equity

For the nine-month periods ended 30 September 2008 and 2007 (Unaudited)

Consolidated financial statements											
Retained earnings											
	Issued and paid- up share capital	Share premium	Treasury shares	Advanced receipts for share subscription	Appro- priated to legal reserve	Reserve for treasury shares	Unappro- priated	Total equity attributable to equity holders of the Company	Minority interest	Total equity	
<i>Note</i>											
<i>(in thousand Baht)</i>											
<b>Balance at 1 January 2007</b>		<b>625,000</b>	<b>992,142</b>	-	-	<b>45,636</b>	-	<b>107,301</b>	<b>1,770,079</b>	<b>38,356</b>	<b>1,808,435</b>
Issue of share capital	11	1,813	3,843	-	-	-	-	-	5,656	-	5,656
Offset of premium on share capital and legal reserve with deficit		-	(574,543)	-	-	(45,636)	-	620,179	-	-	-
Increase in treasury shares		-	-	(19,682)	-	-	-	-	(19,682)	-	(19,682)
Advanced receipts for share subscription		-	-	-	100	-	-	-	100	-	100
Legal reserve	13	-	-	-	-	22,548	-	(22,548)	-	-	-
Dividends		-	-	-	-	-	19,682	(19,682)	-	-	-
Reserve for treasury shares		-	-	-	-	-	-	(212,858)	(212,858)	-	(212,858)
Profit for the period		-	-	-	-	-	-	218,554	218,554	1,855	220,409
Decrease in minority interests		-	-	-	-	-	-	-	-	(15,016)	(15,016)
<b>Balance at 30 September 2007</b>		<b>626,813</b>	<b>421,442</b>	<b>(19,682)</b>	<b>100</b>	<b>22,548</b>	<b>19,682</b>	<b>690,946</b>	<b>1,761,849</b>	<b>25,195</b>	<b>1,787,044</b>
<b>Balance at 1 January 2008</b>		<b>626,899</b>	<b>421,625</b>	<b>(222,088)</b>	-	<b>24,480</b>	<b>222,088</b>	<b>529,047</b>	<b>1,602,051</b>	<b>23,072</b>	<b>1,625,123</b>
Changes in accounting policy	7	-	-	-	-	-	-	1,669	1,669	-	1,669
<b>Restated balance</b>		<b>626,899</b>	<b>421,625</b>	<b>(222,088)</b>	-	<b>24,480</b>	<b>222,088</b>	<b>530,716</b>	<b>1,603,720</b>	<b>23,072</b>	<b>1,626,792</b>
Issue of share capital	11	2,488	5,321	-	-	-	-	-	7,809	-	7,809
Capital reduction	11	(472,040)	-	38,775	-	-	-	-	(433,265)	-	(433,265)
Adjustment of reserve for treasury shares	12	-	-	-	-	-	(38,775)	38,775	-	-	-
Legal reserve	13	-	-	-	-	6,884	-	(6,884)	-	-	-
Dividends	16	-	-	-	-	-	-	(247,926)	(247,926)	-	(247,926)
Profit for the period		-	-	-	-	-	-	191,961	191,961	(2,275)	189,686
Decrease in minority interests		-	-	-	-	-	-	-	-	(17,145)	(17,145)
<b>Balance at 30 September 2008</b>		<b>157,347</b>	<b>426,946</b>	<b>(183,313)</b>	-	<b>31,364</b>	<b>183,313</b>	<b>506,642</b>	<b>1,122,299</b>	<b>3,652</b>	<b>1,125,951</b>

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



# CS Loxinfo Public Company Limited and its Subsidiaries

## Statements of cash flows

For the nine-month periods ended 30 September 2008 and 2007 (Unaudited)

	Note	Consolidated		Separate	
		financial statements	financial statements	financial statements	financial statements
		2008	2007	2008	2007
<i>(in thousand Baht)</i>					
<b>Cash flows from operating activities</b>					
Profit for the period		191,961	218,554	262,325	450,954
<i>Adjustments for</i>					
Depreciation and amortisation	6	114,242	139,889	66,635	84,467
Amortisation of goodwill		14,078	50,171	-	-
Interest income		(10,725)	(16,902)	(2,264)	(3,564)
Interest expense		2,320	224	1,794	258
Reversal of provision from acquisition of investment		-	(23,496)	-	(8,138)
Dividend income from a subsidiary	3	-	-	(161,141)	(330,000)
Allowance for doubtful accounts		46,526	35,698	3,620	2,994
Allowance for obsolete inventory		-	79	-	79
Write-off of withholding tax		578	847	-	-
Income tax expense		86,245	102,769	34,473	41,356
(Gain) loss on disposal of property and equipment		944	(430)	(575)	2
Write-off of property and equipment		65	49	65	18
(Gain) loss on disposal of intangible assets		-	(1,091)	-	2
Gain on liquidation of associates		-	1	-	(3,680)
Unrealised loss on exchange		64	35	64	19
Minority interest		(2,275)	1,855	-	-
Share of profits from investments accounted for using the equity method		-	(40)	-	-
		444,023	508,212	204,996	234,767

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

# CS Loxinfo Public Company Limited and its Subsidiaries

## Statements of cash flows

For the nine-month periods ended 30 September 2008 and 2007 (Unaudited)

	<i>Note</i>	<b>Consolidated</b>		<b>Separate</b>	
		<b>financial statements</b>		<b>financial statements</b>	
		2008	2007	2008	2007
<i>(in thousand Baht)</i>					
<i>Changes in operating assets and liabilities</i>					
Trade accounts receivable and accrued income		(93,753)	(79,908)	(7,665)	(1,410)
Amounts due from related parties		558	(420)	282	(920)
Inventories		(39,087)	(15,438)	(6,046)	(89)
Other current assets		(16,085)	5,656	(3,856)	2,944
Other non-current assets		(7,415)	(1,027)	(8,653)	(207)
Accounts payable and accrued expenses		(101,342)	(37,514)	(49,159)	2,872
Amounts due to related parties		1,352	(14)	-	77
Unearned income and advances received from customers		164,574	163,892	(8,727)	(8,813)
Other current liabilities		17,567	(8,439)	1,964	(245)
Other non-current liabilities		285	731	335	728
Income tax paid		(103,450)	(75,415)	(35,220)	(30,538)
Refundable withholding tax		51,645	44,694	21,584	25,624
<b>Net cash provided by operating activities</b>		<b>318,872</b>	<b>505,010</b>	<b>109,835</b>	<b>224,790</b>
<i>Cash flows from investing activities</i>					
Interest received		11,060	19,667	2,313	3,755
Dividends received from a subsidiary		-	-	161,141	330,000
Decrease in long-term investment - other		2,975	2,293	-	-
Payment for acquisition of shares in subsidiaries		(15,101)	(84,600)	-	(97,943)
Cash received from capital refundable of a subsidiary		-	-	259,755	-
Preceeds from liquidation of the associated company		-	3,732	-	3,732
Short-term loan to a related company		-	-	(3,000)	-
Purchase of property, plant and equipment		(85,869)	(98,145)	(111,804)	(33,391)
Proceeds from sale of property, plant and equipment		1,251	1,359	937	265
Purchase of intangible assets		(15,185)	(6,825)	(5,717)	(382)
Proceeds from sale of intangible assets		-	3,000	-	-
<b>Net cash provided by (used in) investing activities</b>		<b>(100,869)</b>	<b>(159,519)</b>	<b>303,625</b>	<b>206,036</b>

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

# CS Loxinfo Public Company Limited and its Subsidiaries

## Statements of cash flows

For the nine-month periods ended 30 September 2008 and 2007 (Unaudited)

	Consolidated		Separate	
	financial statements		financial statements	
Note	2008	2007	2008	2007
	<i>(in thousand Baht)</i>			
<b><i>Cash flows from financing activities</i></b>				
Interest paid	(2,568)	(74)	(1,794)	(258)
Repayment of borrowings	(12,000)	-	-	-
Proceeds from borrowings	170,000	-	160,000	-
Finance lease payments	(534)	(280)	-	-
Advance receipts for share subscription	-	100	-	100
Payment for treasury shares	-	(19,682)	-	(19,682)
Payment for capital reduction	(433,265)	-	(433,265)	-
Proceeds from issue of shares	7,809	5,656	7,809	5,656
Dividends paid to equity holders of the Company	<u>(247,926)</u>	<u>(212,858)</u>	<u>(247,926)</u>	<u>(212,858)</u>
<b>Net cash used in financing activities</b>	<b><u>(518,484)</u></b>	<b><u>(227,138)</u></b>	<b><u>(515,176)</u></b>	<b><u>(227,042)</u></b>
<b>Net increase (decrease) in cash and cash equivalents</b>				
	<b>(300,481)</b>	<b>118,353</b>	<b>(101,716)</b>	<b>203,784</b>
Cash and cash equivalents at beginning of period	712,900	779,014	222,134	177,706
Effect of exchange rate changes on balances held in foreign currencies	<u>(64)</u>	<u>(35)</u>	<u>(64)</u>	<u>(19)</u>
<b>Cash and cash equivalents at end of period</b>	<b><u>412,355</u></b>	<b><u>897,332</u></b>	<b><u>120,354</u></b>	<b><u>381,471</u></b>
<b><i>Non-cash transactions</i></b>				
Acquisitions of equipment through credit	3,369	7,979	2,544	1,912
Acquisitions of intangible assets through credit	795	1,327	-	-

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

**CS Loxinfo Public Company Limited and its Subsidiaries**  
**Notes to the interim financial statements**  
**For the three-month and nine-month periods ended 30 September 2008 (Unaudited)**

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**CS Loxinfo Public Company Limited and its Subsidiaries**  
**Notes to the interim financial statements**  
**For the three-month and nine-month periods ended 30 September 2008 (Unaudited)**

These notes form an integral part of the financial statements.

The interim financial statements were authorised for issue by the directors on 10 November 2008.

**1 General information**

CS Loxinfo Public Company Limited, the “Company”, is incorporated in Thailand and has its registered office at 414 Phaholyothin Road, Samsen Nai, Phayathai, Bangkok 10400.

The Company was listed on the Stock Exchange of Thailand in April 2004.

The Company’s major shareholders during the financial period were DTV Service Co., Ltd. (former name: Shin Broadband Internet (Thailand) Company Limited), a subsidiary of Thaicom Public Company Limited and incorporated in Thailand, (39.74% shareholding) and Singapore Telecommunications Limited, incorporated in Singapore (13.36% shareholding).

The principal activities of the Company and its subsidiaries (“the Group”) are the provision of internet data centre services, internet, satellite uplink-downlink services for domestic and international communications, the printing and publishing of telephone directories, the conducting classified and printing directories businesses and mobile contents.

The Company entered into concession agreements with CAT Telecom Public Company Limited (“CAT”) for a period of 22 years from 9 August 1994 to 8 August 2016 to provide satellite uplink-downlink and satellite internet services.

The National Telecommunications Commission (“NTC”) has current responsibility for granting licenses to provide internet access services in Thailand. The Company operates the business to provide internet and telecommunication services under licenses granted by NTC as follows:

<b>Type of license</b>	<b>Issued Date</b>	<b>Period</b>
Internet Operation License Type II	26 April 2007	5 years
Internet Operation License Type I	8 September 2008	1 year
Telecom Operation License Type III	20 December 2007	15 years
Telecom Operation License Type I	11 October 2008	1 year

According to the conditions specified by NTC, if the authorised licensee is not in significant violation of the conditions specified in the license, NTC will consider renewing the license as normal procedure.

**CS Loxinfo Public Company Limited and its Subsidiaries**  
**Notes to the interim financial statements**  
**For the three-month and nine-month periods ended 30 September 2008 (Unaudited)**

Details of the Company's subsidiaries as at 30 September 2008 and 31 December 2007 were as follows:

Name of the entity	Type of business	Country of incorporation	Ownership interest	
			30 September 2008	31 December 2007
<i>Direct subsidiaries</i>				
Loxley Information Services Company Limited	In process of liquidation	Thailand	99.87%	99.86%
Teleinfo Media Public Company Limited	Publishing telephone directories and advertising	Thailand	100.00%	100.00%
AD Venture Company Limited	Holding company in mobile contents business	Thailand	100.00%	100.00%
Watta Classifieds Company Limited	Conducting classified and printing directories business	Thailand	60.00%	60.00%
<i>Indirect subsidiaries</i>				
Shineedotcom Company Limited	Providing mobile contents	Thailand	100.00%	70.00%
Hunsa Dot Com Company Limited	Banner Advertising	Thailand	100.00%	100.00%
Sodamag Corp Company Limited	Banner Advertising	Thailand	100.00%	100.00%
ComChat Company Limited	In process of liquidation	Thailand	59.96%	59.96%
Decode Company Limited	In process of liquidation	Thailand	59.96%	59.96%
Idea Maker Company Limited	In process of liquidation	Thailand	59.98%	59.98%

**CS Loxinfo Public Company Limited and its Subsidiaries**  
**Notes to the interim financial statements**  
**For the three-month and nine-month periods ended 30 September 2008 (Unaudited)**

**2 Basis of preparation of financial statements**

The interim financial statements issued for Thai reporting purposes are prepared in the Thai language. This English translation of the financial statements has been prepared for the convenience of readers not conversant with the Thai language.

The interim financial statements are prepared on a condensed basis in accordance with Thai Accounting Standard No. 41 (revised 2007) *Interim Financial Reporting* including related interpretations and guidelines promulgated by the Federation of Accounting Professions, applicable rules and regulations of the Securities and Exchange Commission and with generally accepted accounting principles in Thailand.

The interim financial statements are prepared to provide an update on the financial statements for the year ended 31 December 2007. They focus on new activities, events and circumstances to avoid repetition of information previously reported. Accordingly, these interim financial statements should be read in conjunction with the financial statements for the year ended 31 December 2007.

Accounting policies and methods of computation applied in the interim financial statements for the three-month and nine-month period ended 30 September 2008 are consistent with those applied in the financial statements for the year ended 31 December 2007 except for the change in accounting policy of goodwill arising from a business combination as discussed in Note 7 to the financial statements.

The interim financial statements are presented in Thai Baht, rounded to the nearest thousand unless otherwise stated.

In 2008, the Group adopted the following new and revised Thai Accounting Standards (TAS) which are relevant to its operations:

TAS 25 (revised 2007)	<i>Cash Flow Statements</i>
TAS 29 (revised 2007)	<i>Leases</i>
TAS 31 (revised 2007)	<i>Inventories</i>
TAS 35 (revised 2007)	<i>Presentation of Financial Statements</i>
TAS 39 (revised 2007)	<i>Accounting Policies, Changes in Accounting Estimates and Errors</i>
TAS 41 (revised 2007)	<i>Interim Financial Reporting</i>
TAS 43 (revised 2007)	<i>Business Combinations</i>
TAS 51	<i>Intangible Assets</i>

The adoption of these new and revised TAS does not have any material impact on the consolidated or separated financial statements except for goodwill amortisation which is disclosed in Note 7 to the financial statements.

**CS Loxinfo Public Company Limited and its Subsidiaries**  
**Notes to the interim financial statements**  
**For the three-month and nine-month periods ended 30 September 2008 (Unaudited)**

**3 Related party transactions and balances**

Related parties are those parties linked to the Group and the Company as shareholders or by common shareholders or directors. Transactions with related parties are conducted at prices based on market prices or, where no market price exists, at contractually agreed prices.

The Company is an associate of Thaicom Public Company Limited (former name: Shin Satellite Public Company Limited) (“Thaicom”), a company incorporated in Thailand and a subsidiary of Shin Corporation Public Company Limited (collectively “Shin Group”). DTV Service Co., Ltd. (former name: Shin Broadband Internet (Thailand) Company Limited), which is a wholly owned subsidiary of Thaicom, owns 39.74% of the Company’s share capital, and Singapore Telecommunications Limited, owns 13.36% of the Company’s share capital. Shin Corporation Public Company Limited and Singapore Telecommunications Limited are within the group companies of Temasek Holdings Pte Limited incorporated in Singapore. Transactions with entities within these group companies are recognised as related party transactions of the Company.

During the period, the Company carried out transactions with its 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. Management service income is determined on a mutually agreed basis as a fixed monthly fee.

Significant transactions for the three-month and nine-month periods ended 30 September 2008 and 2007 with related parties were as follows:

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2008	2007	2008	2007
<i>Three-month period ended 30 September</i>				
	<i>(in thousand Baht)</i>			
<b><i>Sales and services income</i></b>				
Major shareholders	5,889	6,554	5,889	6,534
Subsidiaries	-	-	569	1,586
Other related parties	46,797	47,859	16,305	8,988
<b>Total</b>	<b>52,686</b>	<b>54,413</b>	<b>22,763</b>	<b>17,108</b>
<b><i>Dividend income</i></b>				
Subsidiaries	-	-	39,046	30,000
<b><i>Other income</i></b>				
Major shareholders	-	658	-	658
Subsidiaries	-	-	107	920
Other related parties	40	34	-	34
<b>Total</b>	<b>40</b>	<b>692</b>	<b>107</b>	<b>1,612</b>
<b><i>Purchases of goods and services</i></b>				
Major shareholders	15,616	14,104	15,616	14,104
Subsidiaries	-	-	(1,744)	16,188
Other related parties	35,737	44,207	34,900	43,713
<b>Total</b>	<b>51,353</b>	<b>58,311</b>	<b>48,772</b>	<b>74,005</b>



**CS Loxinfo Public Company Limited and its Subsidiaries**  
**Notes to the interim financial statements**  
**For the three-month and nine-month periods ended 30 September 2008 (Unaudited)**

<i>Nine-month period ended 30 September</i>	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2008	2007	2008	2007
	<i>(in thousand Baht)</i>			
<b>Directors' remuneration</b>				
Directors	2,138	1,613	2,138	1,603
<b>Interest expense</b>				
Subsidiaries	-	-	-	258
<b>Purchase of equipment</b>				
Subsidiaries	-	-	43,967	-

Balance as at 30 September 2008 and 31 December 2007 with related parties were as follows:

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	30 September 2008	31 December 2007	30 September 2008	31 December 2007
	<i>(in thousand Baht)</i>			
<b>Trade accounts receivable</b>				
Major shareholders	15,197	14,034	15,042	13,966
Subsidiaries	-	-	254	722
Other related parties	31,329	24,673	6,904	3,648
	<u>46,526</u>	<u>38,707</u>	<u>22,200</u>	<u>18,336</u>
<i>Less</i> Allowance for doubtful accounts	(900)	(914)	-	-
<b>Total</b>	<b><u>45,626</u></b>	<b><u>37,793</u></b>	<b><u>22,200</u></b>	<b><u>18,336</u></b>
<b>Accrued income</b>				
Major shareholders	4,257	5,161	4,257	5,161
Subsidiaries	-	-	111	-
Other related parties	522	829	522	829
<b>Total</b>	<b><u>4,779</u></b>	<b><u>5,990</u></b>	<b><u>4,890</u></b>	<b><u>5,990</u></b>
<b>Total trade accounts receivable and accrued income</b>	<b><u>50,405</u></b>	<b><u>43,783</u></b>	<b><u>27,090</u></b>	<b><u>24,326</u></b>
<b>Amounts due from</b>				
Major shareholders	-	558	-	-
Subsidiaries	-	-	-	282
<b>Short-term loans</b>				
Subsidiary	-	-	3,000	-
<b>Total amounts due from and short- term loans</b>	<b><u>-</u></b>	<b><u>558</u></b>	<b><u>3,000</u></b>	<b><u>282</u></b>

**CS Loxinfo Public Company Limited and its Subsidiaries**  
**Notes to the interim financial statements**  
**For the three-month and nine-month periods ended 30 September 2008 (Unaudited)**

Movements during the nine-month period ended 30 September 2008 and 2007 of short-term loan to a subsidiary were as follows:

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2008	2007	2008	2007
	<i>(in thousand Baht)</i>			
At 1 January	-	-	-	-
Increase	-	-	3,000	-
<b>At 30 September</b>	<b>-</b>	<b>-</b>	<b>3,000</b>	<b>-</b>

As at 30 September 2008, the short-term loan to a subsidiary bears interest at the rate of 3.46 % per annum and is repayable at call.

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	30 September 2008	31 December 2007	30 September 2008	31 December 2007
	<i>(in thousand Baht)</i>			
<b><i>Other current assets</i></b>				
Major shareholders	-	1,730	-	1,730
Subsidiaries	-	-	-	1,058
<b>Total</b>	<b>-</b>	<b>1,730</b>	<b>-</b>	<b>2,788</b>
<b><i>Trade accounts payable</i></b>				
Major shareholders	10,908	6,589	10,908	6,589
Subsidiaries	-	-	10	4,967
Other related parties	23,269	28,678	23,094	24,084
<b>Total</b>	<b>34,177</b>	<b>35,267</b>	<b>34,012</b>	<b>35,640</b>
<b><i>Amounts due to</i></b>				
Other related parties	3,904	2,553	-	-
<b><i>Accrued expenses</i></b>				
Other related parties	100	506	100	506
<b><i>Short-term loans</i></b>				
Related person	-	12,000	-	-

**CS Loxinfo Public Company Limited and its Subsidiaries**  
**Notes to the interim financial statements**  
**For the three-month and nine-month periods ended 30 September 2008 (Unaudited)**

Movements during the nine-month periods ended 30 September 2008 and 2007 of short-term loans from a related person were as follows:

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2008	2007	2008	2007
	<i>(in thousand Baht)</i>			
At 1 January	12,000	-	-	-
Increase	-	12,000	-	-
Decrease	(12,000)	-	-	-
<b>At 30 September</b>	<b>-</b>	<b>12,000</b>	<b>-</b>	<b>-</b>

*Warrants of Shin Corporation Public Company Limited and Thaicom Public Company Limited (former name: Shin Satellite Public Company Limited) were granted to a member of the Board of Directors of the Company*

Thaicom Public Company Limited (“Thaicom”), the parent company of DTV Service Co., Ltd. (former name: Shin Broadband Internet (Thailand) Company Limited), and Shin Corporation Public Company Limited (“Shin”), the parent company of Thaicom, issued their warrants to members of the Board of Directors of Thaicom and Shin respectively. The warrants of both companies are in registered form, are non-transferable and have no offering price. The terms of the warrants do not exceed five years. The details of the warrants are shown below:

**Thaicom Public Company Limited (former name: Shin Satellite Public Company Limited)**

	Issued date	Issued (units)	Exercise ratio (unit : share)	Before dilution Exercise price (Baht/unit)	Exercise period	
					First	Last
ESOP - Grant I	27 March 2002	3,298,400	1 : 2.04490	13.081	Expired on 26 March 2007	
ESOP - Grant II	30 May 2003	1,663,000	1 : 2.04490	6.279	Expired on 30 May 2008	
ESOP - Grant III	31 May 2004	1,944,200	1 : 1.02245	13.913	31 May 2005	31 May 2009
ESOP - Grant IV	31 May 2005	1,619,900	1 : 1.02245	16.441	31 May 2006	31 May 2010
ESOP - Grant V	31 May 2006	2,199,800	1 : 1	11.870	31 May 2007	31 May 2011

**Shin Corporation Public Company Limited**

	Issued date	Issued (units)	Exercise ratio (unit : share)	Before dilution Exercise price (Baht/unit)	Exercise period	
					First	Last
ESOP - Grant I	27 March 2002	18,336,200	1 : 1.11410	12.269	Expired on 26 March 2007	
ESOP - Grant II	30 May 2003	1,899,300	1 : 1.13918	11.999	Expired on 29 May 2008	
ESOP - Grant III	31 May 2004	1,089,500	1 : 1.16663	31.209	31 May 2005	30 May 2009
ESOP - Grant IV	31 May 2005	1,149,200	1 : 1.15134	36.271	31 May 2006	30 May 2010
ESOP - Grant V	31 July 2006	1,018,200	1 : 1.11608	33.761	31 July 2007	30 July 2011

**CS Loxinfo Public Company Limited and its Subsidiaries**  
**Notes to the interim financial statements**  
**For the three-month and nine-month periods ended 30 September 2008 (Unaudited)**

*Directors' remuneration*

Directors' remuneration represents monthly compensation, annual remuneration, and meeting fees within the amount approved by the shareholders of the Company at their Annual General Meetings.

**4 Trade accounts receivable and accrued income**

	<i>Note</i>	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
		30 September 2008	31 December 2007	30 September 2008	31 December 2007
<i>(in thousand Baht)</i>					
<b>Trade accounts receivable</b>					
Related parties	3	46,526	38,707	22,200	18,336
Other parties		431,362	347,403	133,398	131,748
		<u>477,888</u>	<u>386,110</u>	<u>155,598</u>	<u>150,084</u>
<b>Accrued income</b>					
Related parties	3	4,779	5,990	4,890	5,990
Other parties		6,035	8,260	2,653	3,092
		<u>10,814</u>	<u>14,250</u>	<u>7,543</u>	<u>9,082</u>
<b>Total trade accounts receivable and accrued income</b>		488,702	400,360	163,141	159,166
<i>Less allowance for doubtful accounts</i>		<u>(101,067)</u>	<u>(59,951)</u>	<u>(7,069)</u>	<u>(7,139)</u>
<b>Total</b>		<u><b>387,635</b></u>	<u><b>340,409</b></u>	<u><b>156,072</b></u>	<u><b>152,027</b></u>

Aging analyses for trade accounts receivable were as follows:

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	30 September 2008	31 December 2007	30 September 2008	31 December 2007
<i>(in thousand Baht)</i>				
<b>Related parties</b>				
Within credit terms	28,259	22,709	9,829	4,443
Overdue:				
Less than 3 months	10,564	3,790	5,687	4,588
3-6 months	2,572	1,570	2,426	2,071
6-12 months	2,312	5,065	2,266	2,345
Over 12 months	2,819	5,573	1,992	4,889
	<u>46,526</u>	<u>38,707</u>	<u>22,200</u>	<u>18,336</u>
<i>Less allowance for doubtful accounts</i>	<u>(900)</u>	<u>(914)</u>	<u>-</u>	<u>-</u>
<b>Net</b>	<u><b>45,626</b></u>	<u><b>37,793</b></u>	<u><b>22,200</b></u>	<u><b>18,336</b></u>

**CS Loxinfo Public Company Limited and its Subsidiaries**  
**Notes to the interim financial statements**  
**For the three-month and nine-month periods ended 30 September 2008 (Unaudited)**

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	30 September 2008	31 December 2007	30 September 2008	31 December 2007
	<i>(in thousand Baht)</i>			
<b>Other parties</b>				
Within credit terms	110,921	113,238	81,429	75,721
Overdue:				
Less than 3 months	88,975	58,558	39,870	49,453
3-6 months	71,922	26,652	6,457	1,408
6-12 months	49,665	87,322	1,027	1,171
Over 12 months	109,879	61,633	4,615	3,995
	<b>431,362</b>	<b>347,403</b>	<b>133,398</b>	<b>131,748</b>
Less allowance for doubtful accounts	(100,167)	(59,037)	(7,069)	(7,139)
<b>Net</b>	<b>331,195</b>	<b>288,366</b>	<b>126,329</b>	<b>124,609</b>
<b>Total</b>	<b>376,821</b>	<b>326,159</b>	<b>148,529</b>	<b>142,945</b>

The normal credit term granted by the Group ranges from 30 days to 120 days.

**5 Investments in subsidiaries**

	<b>Separate financial statements</b>	
	2008	2007
	<i>(in thousand Baht)</i>	
At 1 January	942,901	957,635
Acquisitions	2	97,943
Reversal of provision from acquisition of investment	-	(112,627)
Return from investment from liquidation of associates and subsidiary	(254,535)	(52)
<b>At 30 September</b>	<b>688,368</b>	<b>942,899</b>

**Loxley Information Services Company Limited (“Loxserv”)**

On 22 February 2008, the Company acquired 100 ordinary shares in Loxserv at Baht 12.90 per share, at a total price of Baht 1,290. As a result, the Company owns 99.87% share capital of Loxserv (31 December 2007: 99.86%).

At the extraordinary shareholders’ meetings No.1/2008 and No.2/2008, held on 6 May 2008 and 21 May 2008, respectively of Loxserv, the shareholders passed a resolution to approve its liquidation and registered this with the Ministry of Commerce on 29 May 2008. Currently, the subsidiary is in the process of liquidation.

At the extraordinary shareholders’ meeting No. 3/2008, held on 26 June 2008 of Loxserv, the shareholders passed a resolution to approve the partial capital return to its shareholders at Baht 10 per share, totaling Baht 260 million. The capital was returned on 27 June 2008. The Company received share capital return from Loxserv’s liquidation of Baht 260 million compared to its investment cost of Baht 255 million. The excess over book value of investment in the amount of Baht 5 million, is recorded as deferred income and presented as other current liabilities, pending completion of the liquidation process.

**CS Loxinfo Public Company Limited and its Subsidiaries**  
**Notes to the interim financial statements**  
**For the three-month and nine-month periods ended 30 September 2008 (Unaudited)**

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

On 31 January 2008, ADV acquired 2.4 million ordinary shares of Shineedotcom Company Limited (“Shinee”) at Baht 6.29 per share, equivalent to 30% of the paid-up share capital of Shinee, at a total price of Baht 15.1 million. As a result, ADV increased its interest in Shinee from 70% to 100%.

**Teleinfo Media Public Company Limited (“TMC”)**

At the annual general meeting of the shareholders of TMC held on 20 March 2008, the shareholders approved the appropriation of dividends of Baht 4.9558 per share, amounting to Baht 86 million. The dividend was paid to shareholders on 28 April 2008.

At the Board of Directors’ meeting of TMC held on 24 June 2008, the directors approved the appropriation of interim dividends of Baht 2.08 per share, amounting to Baht 36.09 million. The dividend was paid to shareholders on 23 July 2008.

At the Board of Directors’ meeting of TMC held on 27 August 2008, the directors approved the appropriation of interim dividends of Baht 2.25 per share, amounting to Baht 39.05 million. The dividend was paid to shareholders on 26 September 2008.

## CS Loxinfo Public Company Limited and its Subsidiaries

### Notes to the interim financial statements

#### For the three-month and nine-month periods ended 30 September 2008 (Unaudited)

Investments in subsidiaries as at 30 September 2008 and 31 December 2007, and dividend income from those investments for the nine-month periods ended 30 September 2008 and 2007 were as follows:

	Separate financial statements										Dividend income	
	Ownership Interest		Paid-up capital		Cost method		Impairment		At cost - net		for nine months ended	
	30 September 2008	31 December 2007	30 September 2008	31 December 2007	30 September 2008	31 December 2007	30 September 2008	31 December 2007	30 September 2008	31 December 2007	30 September 2008	30 September 2007
	(%)						(in thousand Baht)					
<b>Subsidiaries</b>												
Loxley Information Services Company Limited <i>(In process of liquidation)</i>	99.87	99.86	260,100	260,100	-	254,533	-	-	-	254,533	-	-
Teleinfo Media Public Company Limited	100.00	100.00	173,534	173,534	562,695	562,695	-	-	562,695	562,695	161,141	330,000
AD Venture Company Limited	100.00	100.00	171,970	171,970	35,965	35,965	-	-	35,965	35,965	-	-
Watta Classified Company Limited	60.00	60.00	20,000	20,000	89,708	89,708	-	-	89,708	89,708	-	-
<b>Total</b>			<b>625,604</b>	<b>625,604</b>	<b>688,368</b>	<b>942,901</b>	<b>-</b>	<b>-</b>	<b>688,368</b>	<b>942,901</b>	<b>161,141</b>	<b>330,000</b>

**CS Loxinfo Public Company Limited and its Subsidiaries**  
**Notes to the interim financial statements**  
**For the three-month and nine-month periods ended 30 September 2008 (Unaudited)**

**6 Capital expenditure**

	<b>Consolidated financial statements</b>			
	Property, plant and equipment	Equipment under concession agreement <i>(in thousand Baht)</i>	Computer software	Total
<b>Transactions during the nine-month period ended 30 September 2008</b>				
Opening net book value	322,093	2,779	33,827	358,699
Additions	76,935	-	13,896	90,831
Write-offs, net	(65)	-	-	(65)
Disposal, net	(2,195)	-	-	(2,195)
Depreciation / amortisation charges	(102,644)	(2,779)	(8,819)	(114,242)
<b>Closing net book value</b>	<b><u>294,124</u></b>	<b><u>-</u></b>	<b><u>38,904</u></b>	<b><u>333,028</u></b>
<b>As at 30 September 2008</b>				
Cost	1,398,832	212,062	104,764	1,715,658
<i>Less</i> Accumulated depreciation / amortisation	(1,104,708)	(212,062)	(49,058)	(1,365,828)
<i>Less</i> Accumulated impairment loss	-	-	(16,802)	(16,802)
<b>Net book value</b>	<b><u>294,124</u></b>	<b><u>-</u></b>	<b><u>38,904</u></b>	<b><u>333,028</u></b>

As at 30 September 2008, an impairment loss in respect of computer software amounting to Baht 16.8 million in a subsidiary has been recognised because the anticipated net discounted cash flow from the continuing use of the asset is less than the carrying amount of this asset. The subsidiary has used the discount rate of 12% per annum to calculate the net future cash flow.

	<b>Separate financial statements</b>			
	Property, plant and Equipment	Equipment under concession agreement <i>(in thousand Baht)</i>	Computer software	Total
<b>Transactions during the nine-month period ended 30 September 2008</b>				
Opening net book value	173,344	2,779	9,049	185,172
Additions	111,784	-	5,717	117,501
Write-offs, net	(65)	-	-	(65)
Disposal, net	(362)	-	-	(362)
Depreciation / amortisation charges	(61,393)	(2,779)	(2,463)	(66,635)
<b>Closing net book value</b>	<b><u>223,308</u></b>	<b><u>-</u></b>	<b><u>12,303</u></b>	<b><u>235,611</u></b>
<b>As at 30 September 2008</b>				
Cost	904,895	212,062	26,063	1,143,020
<i>Less</i> Accumulated depreciation / amortisation	(681,587)	(212,062)	(13,760)	(907,409)
<b>Net book value</b>	<b><u>223,308</u></b>	<b><u>-</u></b>	<b><u>12,303</u></b>	<b><u>235,611</u></b>

**CS Loxinfo Public Company Limited and its Subsidiaries**  
**Notes to the interim financial statements**  
**For the three-month and nine-month periods ended 30 September 2008 (Unaudited)**

Equipment under concession agreement is equipment utilised by the Company for its operation for which the ownership title is held by CAT under the concession agreement which expired on 15 April 2007. The Company is currently in the process of purchasing these assets from CAT for the provision of internet services.

**7 Goodwill**

	<b>Consolidated financial statements</b> <i>(in thousand Baht)</i>
<i>Net book value</i>	
At 1 January 2008	640,699
Net write-offs arising from liquidation of Loxserv	(15,778)
<b>At 30 September 2008</b>	<b>624,921</b>

As described in Note 5, Loxserv is in the process of liquidation, and the related goodwill of Baht 15.78 million was written off.

**Changes in accounting policy**

The following change of accounting policy by the Group has no effect on the separate financial statements of the Company.

Until 31 December 2007, the Group accounted for goodwill and negative goodwill arising from a business combination at cost less accumulated amortisation and accumulated impairment. Amortisation was charged to the statement of income over the estimated useful life of 2 - 12 years.

During 2007, the Federation of Accounting Professions issued Thai Accounting Standard (TAS) 43 (revised 2007) "Business Combinations" which is effective for accounting periods beginning on or after 1 January 2008. TAS 43 (revised 2007) requires that the acquirer shall, at the acquisition date, recognise goodwill acquired in a business combination as an asset at cost. After initial recognition, goodwill shall be measured at cost less any accumulated impairment losses. Transitional provisions shall be applied to any goodwill carried in the financial statements at the beginning of the first annual accounting period beginning on or after 1 January 2008 that arose from a business combination for which the agreement date was before 1 January 2008. The transitional provisions are to discontinue amortising such goodwill; eliminate the carrying amount of the related accumulated amortisation with a corresponding decrease in goodwill; and from the beginning of the first annual period beginning on or after 1 January 2008 test all goodwill arising from business combinations for impairment in accordance with TAS 36 (revised 2007) "Impairment of Assets".

TAS 43 (revised 2007) also requires that any excess of the acquirer's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities over cost, commonly referred to as "negative goodwill", shall be recognised immediately in profit or loss. Transitional provisions shall be applied to any negative goodwill carried in the financial statements at the beginning of the first annual accounting period beginning on or after 1 January 2008 that arose from a business combination for which the agreement date was before 1 January 2008. The transitional provisions are to derecognise such negative goodwill at the beginning of that period, with a corresponding adjustment to the opening balance of retained earnings.

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The Group has, accordingly, changed its accounting policy for goodwill and negative goodwill prospectively from 1 January 2008. The financial statements for the year ended 31 December 2007 have not been affected by this change in accounting policy. The effect of the change in accounting policy on the Group's consolidated financial statements for the three-month and nine-month periods ended 30 September 2008 is to:

- Reduce the charge to the statement of income resulting from the amortisation of goodwill that would have been recognised under the previous accounting policy for the three-month and nine-month periods ended 30 September 2008 by approximately Baht 20.03 million and Baht 60.09 million respectively, with a corresponding increase in reported profit for the period.
- Management has determined that there is no impairment in the carrying value of goodwill as at 30 September 2008.
- Decrease the carrying amount of negative goodwill and increase the balance of retained earnings brought forward by Baht 1.67 million and reduce the credit to the statement of income resulting from the amortisation of negative goodwill that would have been recognised under the previous accounting policy by approximately Baht 1.67 million, with a corresponding reduction in reported profit for the period.

During the 1<sup>st</sup> quarter of 2008, the Group acquired additional common shares of Loxley Information Service Company Limited and Shineedotcom Company Limited (Note 5). The excess of the acquirer's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities over cost in amount of Baht 1.7 million were recognised immediately in profit or loss.

## **8 Interest-bearing liabilities**

### *Loans from financial institutions*

#### **The Company**

In July 2008, the Company had entered into loan agreements in the amount of Baht 160 million, in the form of promissory notes at call without collateral, with 2 financial institutions at the interest rates of 4.90% - 4.95% per annum.

#### **Subsidiary**

In April 2008, Watta Classified Company Limited, a subsidiary, entered into loan agreement from a financial institution in the amount of Baht 10 million with interest rate MLR per annum. This loan due within 36 month after the first drawdown (April 2008), payable every 3 month, totally 8 installments at Baht 1.25 million each. The first installment will commence in June 2009. This loan has no collateral but it has the condition that the Company has to maintain the ownership interest in the subsidiary of not less than 60%.

### *The available credit facilities*

As at 30 September 2008, the Group has available credit facilities for borrowings from banks in the amount of Baht 675 million (31 December 2007: Baht 585 million).

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**9 Trade accounts payable**

	Note	Consolidated financial statements		Separate Financial statements	
		30 September 2008	31 December 2007	30 September 2008	31 December 2007
		<i>(in thousand Baht)</i>			
Related parties	3	34,177	35,267	34,012	35,640
Other parties		223,524	300,179	152,594	186,196
<b>Total</b>		<b>257,701</b>	<b>335,446</b>	<b>186,606</b>	<b>221,836</b>

**10 Finance lease liabilities**

Finance lease liabilities as at 30 September 2008 and 31 December 2007 were payable as follows:

	Consolidated financial statements					
	30 September 2008			31 December 2007		
	Principal	Interest	Payments	Principal	Interest	Payments
	<i>(in thousand Baht)</i>					
Within one year	754	96	850	718	132	850
After one year but within five years	1,972	53	2,025	2,543	113	2,656
<b>Total</b>	<b>2,726</b>	<b>149</b>	<b>2,875</b>	<b>3,261</b>	<b>245</b>	<b>3,506</b>

The interest rates under the finance lease contracts were between 3.15% - 6.80% per annum.

**11 Share capital**

	Par value per share <i>(Baht)</i>	2008		2007	
		Number	Amount	Number	Amount
		<i>(thousand shares / thousand Baht)</i>			
<b>Authorised</b>					
At 1 January					
ordinary shares	1	660,849	660,849	660,849	660,849
Reduction in par value from Baht 1 to Baht 0.25		-	(495,637)	-	-
<b>At 30 September</b>					
ordinary shares	1			<b>660,849</b>	<b>660,849</b>
ordinary shares	0.25	<b>660,849</b>	<b>165,212</b>		
<b>Issued and paid-up</b>					
At 1 January					
ordinary shares	1	626,899	626,899	625,000	625,000
Issue of new shares	1	2,488	2,488	1,813	1,813
Reduction in par value from Baht 1 to Baht 0.25		-	(472,040)	-	-
<b>At 30 September</b>					
ordinary shares	1			<b>626,813</b>	<b>626,813</b>
ordinary shares	0.25	<b>629,387</b>	<b>157,347</b>		

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**Reduction in par value of the Company**

At the annual general meeting of the shareholders held on 9 April 2008, the shareholders passed a resolution to approve the decrease of capital by reducing the par value of the Company's shares from Baht 1 per share to Baht 0.25 per share, paid-up capital from Baht 629,387,302 to Baht 157,346,825.50 and registered capital from Baht 660,849,474 to Baht 165,212,368.50. The capital reduction was registered with the Ministry of Commerce on 30 June 2008 and the payment for return of capital was made to shareholders on 10 July 2008.

**Issue of new ordinary share under ESOP schemes**

	Exercise of warrants (unit)	Exercise price per share (Baht)	Issue of ordinary shares (shares)	Par value per share (Baht)	Share premium (Baht)	Registration date with the Ministry of Commerce
ESOP Grant IV	83,600	3.12	95,937	1	203,386	2 April 2008
ESOP Grant IV	1,996,400	3.12	2,291,021	1	4,856,957	3 June 2008
ESOP Grant V	101,000	3.58	101,000	1	260,580	3 June 2008
<b>Total</b>	<b><u>2,181,000</u></b>		<b><u>2,487,958</u></b>		<b><u>5,320,923</u></b>	

**Warrants under ESOP schemes**

At the Board of Directors' meeting of the Company on 12 June 2008, the Board of Directors passed a resolution to recommend to shareholders the payment of dividends for the five months of 2008. The proposed dividend is greater than 50% of the net profit after tax. In addition, the Company has reduced its share capital by par value reduction as stated above. These effect the exercise ratio and exercise price of the warrants under the ESOP schemes (Grant I, Grant II, Grant III, Grant IV and Grant V). Hence the Company changed the exercise ratio and exercise price of the warrants as detailed below, effective from 23 June 2008 onwards.

	Exercise ratio (unit:share)		Exercise price (Baht:unit)	
	Former	New	Former	New
ESOP - Grant I	1 : 1.24101	1 : 1.55592	7.252	5.784
ESOP - Grant II	1 : 1.24101	1 : 1.55592	7.487	5.972
ESOP - Grant III	1 : 1.21856	1 : 1.52778	5.686	4.535
ESOP - Grant IV	1 : 1.14758	1 : 1.43879	3.120	2.489
ESOP - Grant V	1 : 1.10000	1 : 1.25376	3.580	2.855

The details of the warrants of the Company as at 30 September 2008 are as follows:

	Issued date	Issued (units)	Exercise ratio (unit : share)	Exercise Price (Baht/unit)	Exercise period	
					First	Last
ESOP - Grant I	14 May 2004	3,096,300	1 : 1.55592	5.784	30 May 2004	30 April 2009
ESOP - Grant II	16 May 2005	2,213,700	1 : 1.55592	5.972	30 May 2005	30 April 2010
ESOP - Grant III	31 May 2005	8,559,100	1 : 1.52778	4.535	31 May 2006	30 May 2010
ESOP - Grant IV	31 May 2006	8,354,300	1 : 1.43879	2.489	31 May 2007	30 May 2011
ESOP - Grant V	30 May 2007	8,354,400	1 : 1.25376	2.855	30 May 2008	29 May 2012

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Movements in the number of outstanding warrants under the ESOP scheme are as follows:

	<b>For the nine-month period ended 30 September 2008</b>					Total
	ESOP - Grant I Employees	ESOP - Grant II Employees	ESOP - Grant III Employees <i>(thousand units)</i>	ESOP - Grant IV Employees	ESOP - Grant V Employees	
Opening balance	3,096	2,214	8,559	6,699	8,354	28,922
Exercised during the period	-	-	-	(2,080)	(101)	(2,181)
<b>Closing balance</b>	<b><u>3,096</u></b>	<b><u>2,214</u></b>	<b><u>8,559</u></b>	<b><u>4,619</u></b>	<b><u>8,253</u></b>	<b><u>26,741</u></b>

**12 Treasury shares and treasury shares reserve**

	<b>Consolidated and separate financial statement</b>	
	Treasury shares <i>(in thousand Baht)</i>	Treasury shares reserve
At 1 January 2008	(222,088)	222,088
Reduction in par value from Baht 1 to Baht 0.25	38,775	(38,775)
<b>At 30 September 2008</b>	<b><u>183,313</u></b>	<b><u>183,313</u></b>

At the Board of Directors' meeting of the Company held on 9 August 2007, a resolution was passed to approve a program for liquidity management purposes to repurchase the Company's share limited to 51.7 million shares, (8.3% of the total number of paid-up share capital) or not to exceed Baht 225 million. The repurchase of shares on the Stock Exchange of Thailand ("SET") occurred during the period from 27 August 2007 to 27 February 2008. The offer price for the repurchase of shares shall not exceed the average closing price of those shares for the preceding five business days, plus an amount of 15% of that average closing price. The repurchased shares may be resold during the period of 6 months to 3 years from the purchase date at not less than the average closing price of those shares for the preceding five business days, less an amount of 15% of that average closing price, in accordance with SET regulations.

On 22 November 2007, the Company had purchased 51.7 million ordinary shares (par value of Baht 1 each), or 8.3% of the total number of shares in issue, for a total of Baht 222.1 million under the program to repurchase shares approved by the Board of Directors. As at 30 September 2008, the Company had appropriated the full-required amount for the treasury shares reserve from retained earnings.

At the annual general meeting of shareholders of the Company held on 9 April 2008, the shareholders passed a resolution to approve the decrease of paid-up capital and registered capital by reducing the par value of the Company from Baht 1 per share to Baht 0.25 per share. Consequently, the treasury shares and reserve would be reduced by Baht 38.78 million.

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**13 Share premium and legal reserve**

*Share premium*

Section 51 of the Public Companies Act B.E. 2535 requires companies to set aside share subscription monies received in excess of the par value of the shares issued to a reserve account (“share premium”). Share premium is not available for dividend distribution.

*Legal reserve*

Section 116 of the Public Companies Act B.E. 2535 requires that a company shall allocate not less than 5% of its annual net profit, less any accumulated losses brought forward, to a reserve account (“legal reserve”), until this account reaches an amount not less than 10% of the registered authorised capital. The legal reserve is not available for dividend distribution.

**14 Segment information**

Segment information is presented in respect of the Group’s business and geographic segments. The primary format, business segments, is based on the Group’s management and internal reporting structure.

*Business segments*

The Group is organised into the following business segments:

- Segment 1 Satellite uplink-downlink services
- Segment 2 Sales and services relating to the internet business
- Segment 3 Media and advertising
- Segment 4 Mobile contents

Revenue and results, based on business segments, in the consolidated financial statements for the three-month and nine-month periods ended 30 September 2008 and 2007 were as follows:

	Three-month period ended 30 September		Nine-month period ended 30 September	
	2008	2007	2008	2007
	<i>(in thousand Baht)</i>			
<b><i>Segment revenue</i></b>				
Satellite uplink-downlink services	6,741	7,168	23,658	18,792
Internet services	375,681	342,740	1,095,492	1,038,850
Media and advertising	267,058	263,281	778,463	729,732
Mobile contents	29,850	34,671	72,443	122,515
Eliminations	(21,180)	(4,212)	(35,343)	(19,266)
<b>Total</b>	<b>658,150</b>	<b>643,648</b>	<b>1,934,713</b>	<b>1,890,623</b>
<b><i>Segment results</i></b>				
Satellite uplink-downlink services	2,303	2,315	7,426	5,376
Internet services	42,227	49,839	109,002	136,672
Media and advertising	36,409	48,418	125,669	110,525
Mobile contents	(3,402)	(508)	(15,260)	6,117
<b>Total</b>	<b>77,537</b>	<b>100,064</b>	<b>226,837</b>	<b>258,690</b>

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*Geographic segments*

Management considers that the Group operates in a single geographic area, namely in Thailand, and has, therefore, only one major geographic segment.

**15 Earnings per share**

*Basic earnings per share*

The calculation of basic earnings per share for the three-month and nine-month periods ended 30 September 2008 and 2007 were based on the profit for the period attributable to equity holders of the Company and the weighted average number of ordinary shares outstanding during the period as follows:

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2008	2007	2008	2007
<i>Three-month period ended 30 September</i>	<i>(in thousand Baht/thousand shares)</i>			
Profit for the period	75,633	101,522	72,465	78,323
<b>Profit attributable to equity holders of the Company (basic)</b>	<b>75,633</b>	<b>101,522</b>	<b>72,465</b>	<b>78,323</b>
Number of ordinary shares at 1 July	629,387	625,000	629,387	625,000
Treasury stocks	(51,700)	-	(51,700)	-
Effect of shares issued during the period	-	600	-	600
<b>Weighted average number of ordinary shares outstanding</b>	<b>577,687</b>	<b>625,600</b>	<b>577,687</b>	<b>625,600</b>
<b>Earnings per share (basic) (in Baht)</b>	<b>0.13</b>	<b>0.16</b>	<b>0.13</b>	<b>0.13</b>
<i>Nine-month period ended 30 September</i>	<i>(in thousand Baht/thousand shares)</i>			
Profit for the period	191,961	218,554	262,325	450,954
<b>Profit attributable to equity holders of the Company (basic)</b>	<b>191,961</b>	<b>218,554</b>	<b>262,325</b>	<b>450,954</b>
Number of ordinary shares at 1 January	626,899	625,000	626,899	625,000
Treasury stocks	(51,700)	-	(51,700)	-
Effect of shares issued during the period	1,111	255	1,111	255
<b>Weighted average number of ordinary shares outstanding (basic)</b>	<b>576,310</b>	<b>625,255</b>	<b>576,310</b>	<b>625,255</b>
<b>Earnings per share (basic) (in Baht)</b>	<b>0.33</b>	<b>0.35</b>	<b>0.46</b>	<b>0.72</b>

# CS Loxinfo Public Company Limited and its Subsidiaries

## Notes to the interim financial statements

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### *Diluted earnings per share*

The calculation of diluted earnings per share for the three-month and nine-month periods ended 30 September 2008 and 2007 were based on the profit for the period attributable to equity holders of the Company and the weighted average number of ordinary shares outstanding during the period after adjusting for the effects of all dilutive potential ordinary shares as follows:

	Consolidated financial statements		Separate financial statements	
	2008	2007	2008	2007
<i>Three-month period ended 30 September</i>	<i>(in thousand Baht/thousand shares)</i>			
Profit attributable to equity holders of the Company (basic)	75,633	101,522	72,465	78,323
<b>Profit attributable to equity holders of the Company (diluted)</b>	<b>75,633</b>	<b>101,522</b>	<b>72,465</b>	<b>78,323</b>
Weighted average number of ordinary shares outstanding (basic)	577,687	625,600	577,687	625,600
Effect of shares warrants on issue (ESOP)	1,179	3,536	1,179	3,536
<b>Weighted average number of ordinary shares outstanding (diluted)</b>	<b>578,866</b>	<b>629,136</b>	<b>578,866</b>	<b>629,136</b>
<b>Earnings per share (diluted) (in Baht)</b>	<b>0.13</b>	<b>0.16</b>	<b>0.13</b>	<b>0.12</b>
<i>Nine-month period ended 30 September</i>	<i>(in thousand Baht/thousand shares)</i>			
Profit attributable to equity holders of the Company (basic)	191,961	218,554	262,325	450,954
<b>Profit attributable to equity holders of the Company (diluted)</b>	<b>191,961</b>	<b>218,554</b>	<b>262,325</b>	<b>450,954</b>
Weighted average number of ordinary shares outstanding (basic)	576,310	625,255	576,310	625,255
Effect of shares warrants on issue (ESOP)	4,120	1,964	4,120	1,964
<b>Weighted average number of ordinary shares outstanding (diluted)</b>	<b>580,430</b>	<b>627,219</b>	<b>580,430</b>	<b>627,219</b>
<b>Earnings per share (diluted) (in Baht)</b>	<b>0.33</b>	<b>0.35</b>	<b>0.45</b>	<b>0.72</b>

## 16 Dividends

At the annual general meeting of the shareholders of the Company held on 9 April 2008, the shareholders approved the appropriation of dividends of Baht 0.20 per share, amounting to Baht 115.04 million. The dividend was paid to shareholders on 2 May 2008.

At the Board of Directors meeting of the Company held on 12 June 2008, a resolution was passed to approve the appropriation of interim dividend for the first five months of 2008 (1 January 2008 to 31 May 2008) of Baht 0.23 per share, amounting to Baht 132.86 million. The dividend was paid to shareholders on 10 July 2008.

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**17 Commitments with non-related parties**

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	30 September 2008	31 December 2007	30 September 2008	31 December 2007
	<i>(in thousand Baht)</i>			
<i>Non-cancellable operating lease Commitments</i>				
Within one year	71,538	50,248	45,456	19,730
After one year but within five years	86,009	44,578	66,368	4,786
<b>Total</b>	<b>157,547</b>	<b>94,826</b>	<b>111,824</b>	<b>24,516</b>
<i>Other commitments</i>				
Bank guarantees	19,773	15,088	11,773	12,019
<b>Total</b>	<b>19,773</b>	<b>15,088</b>	<b>11,773</b>	<b>12,019</b>

**18 Contingent liabilities**

In 2007, a debtor filed a lawsuit against a subsidiary in respect of an alleged default on an agreement seeking damages. The claim is currently being considered by the relevant courts. Based on appropriate legal advice, it is management's opinion that the resolution of this claim will not give rise to any significant loss. As such, the subsidiary has not recorded any provision.

**19 Reclassification of accounts**

Certain accounts in the 2007 interim financial statements have been reclassified to conform to the presentation in the 2008 interim financial statements.