

1 Basis of preparation

These interim consolidated and company financial statements have been 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) have been prepared in the full format as required by the Securities and Exchange Commission. The notes to the interim financial statements have been prepared in a condensed format according to Thai Accounting Standard No. 41, 'Interim Financial Reporting', and additional information is presented as required by the Securities and Exchange Commission.

Shin Satellite Public Company Limited ("the Company") and its subsidiaries are collectively referred to as "the Group".

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

The preparation of financial statements in conformity with Thai generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and the amounts of revenues and expenses in the reported periods. Although these estimates are based on management's best knowledge of current events and actions, actual results may differ from those estimates.

The accounting principles applied may differ from generally accepted accounting principles adopted in other countries and jurisdictions. The accompanying consolidated and company financial statements are therefore not intended to present the financial position and results of operations and cash flows in accordance with jurisdictions other than Thailand. Consequently, these interim consolidated and company financial statements are only addressed to those who are informed about Thai generally accepted accounting principles and practices.

Costs that are incurred unevenly during the financial year are recognised as expenses or deferred in the interim report only if it would also be 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. Where necessary, comparative figures have been adjusted to conform with changes in presentation in the three-month period ended 31 March 2007.

These interim consolidated and company financial statements have been authorised for issue by the Board of Directors on 11 May 2007.

Amendment to Accounting Standards effective in 2007 and 2008

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

- TAS No. 25 "Cash Flow Statements"
- TAS No. 33 "Borrowing Costs"
- TAS No. 44 "Consolidated and Separate Financial Statements"
- TAS No. 45 "Investment in Associates"
- TAS No. 46 "Interests in Joint Ventures"
- TAS No. 49 "Construction Contracts"

The effective date for the revised TAS No. 44 "Consolidated and Separate Financial Statements", TAS No. 45 "Investment in Associates" and TAS No. 46 "Interests in Joint Ventures" is for the accounting periods beginning on or after 1 January 2007. The effects relating to the revised standards are stated in Note 2.

TAS No. 25 "Cash Flow Statements", TAS No. 33 "Borrowing Costs" and TAS No. 49 "Construction Contracts" will be effective for the accounting periods beginning on or after 1 January 2008.

1 Basis of preparation (Continued)

Financial status and negotiations on the rescheduling of loan repayments terms

As of 31 March 2007, the Company 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. The Company 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, the Company's management is of the opinion that the Company's proposed changes on the repayment terms of long-term loans will be approved by the lenders.

As of 31 March 2007, the Company 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.

2 Change in accounting policy

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.

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:

	Company Restated Baht '000
Balance sheet as of 31 December 2006	
Decrease in investment in subsidiaries and an associate net of provision for liabilities	
- Decrease in equity method (Note 6)	(2,702,849)
- Increase in cost method, net (Note 6)	1,014,300
Decrease in deferred tax assets (Note 9)	(1,083)
Decrease in deferred tax liabilities (Note 9)	14,149
Total increase in deferred tax assets	<u>13,066</u>
Shareholders' equity	
Decrease in unrealised cumulative gains on dilution of investment in a subsidiary	(376,225)
Increase in cumulative foreign currency translation adjustment	310,913
Decrease in closing balance of retained earnings	(1,610,171)
Decrease in beginning balance of retained earnings	(982,991)
Statement of Income for the three-month period ended 31 March 2006	
Decrease in share of net results from investments-equity method	(144,241)
Decrease in income tax	202
Decrease in net profit	<u>(144,039)</u>
Decrease in basic earnings per share (Baht)	(0.14)
Decrease in diluted earnings per share (Baht)	(0.14)

2 Change in accounting policy (Continued)

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 segment

	For the three-month period ended 31 March 2007 (Baht '000)					
	Satellite business services	Internet services	Telephone network	Others	Consolidation eliminations	Group
Revenues	1,091,084	24,510	644,950	-	(142,881)	1,617,663
Share of net results from associate	-	22,781	-	-	-	22,781
Total revenues	<u>1,091,084</u>	<u>47,291</u>	<u>644,950</u>	<u>-</u>	<u>(142,881)</u>	<u>1,640,444</u>
Segment results	<u>(304,375)</u>	<u>33,593</u>	<u>183,757</u>	<u>(1,821)</u>	<u>14,547</u>	<u>(74,299)</u>
Operating profit						<u>(74,299)</u>
	For the three-month period ended 31 March 2006 (Baht '000)					
	Satellite business services	Internet services	Telephone network	Others	Consolidation eliminations	Group
Revenues	1,178,101	20,173	581,773	-	(25,047)	1,755,000
Share of net results from associate	-	24,696	-	-	-	24,696
Total revenues	<u>1,178,101</u>	<u>44,869</u>	<u>581,773</u>	<u>-</u>	<u>(25,047)</u>	<u>1,779,696</u>
Segment results	<u>(312,167)</u>	<u>23,815</u>	<u>217,734</u>	<u>(224)</u>	<u>6,349</u>	<u>(64,493)</u>
Operating profit						<u>(64,493)</u>

The Group is organised into the following business segments:

- Services relating to the satellite business and the transponder services segment
- Sales and services relating to the Internet business
- Sales and services relating to the telephone network business in Cambodia and the Laos People's Democratic Republic.
- Printing and publishing of business telephone directories

3 Segment information (Continued)

Financial information by business geographical areas

The group is organised into geographical areas based on customers' countries in which the Group provided the services to.

The areas of operation in Thailand are principally satellite business services and internet services. Cambodia and Laos PDRs' main activities are sales and services relating to telephone network business and satellite business services.

	Revenue		Segment results	
	31 March 2007 Baht'000	31 March 2006 Baht'000	31 March 2007 Baht'000	31 March 2006 Baht'000
Thailand	591,287	942,847	(269,298)	(267,021)
Cambodia	377,062	349,109	125,542	93,908
Lao PDR	317,542	276,753	79,353	121,969
Others	354,553	210,987	(9,896)	(13,349)
	<u>1,640,444</u>	<u>1,779,696</u>	<u>(74,299)</u>	<u>(64,493)</u>

Revenue and segment results organised into each country based on customers' locations.

Costs and expenses at entity level which is not directly attributable to reportable segment of the Group, is allocated to the reportable segment by incurred revenue of each geographical segment.

4 Basic and diluted earnings (loss) per share

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

For diluted earnings (loss) per share, the weighted average number of ordinary shares in issue is adjusted to assume 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 the dilutive potential ordinary shares into ordinary shares. The assumed proceeds from the exercise of warrants should be considered to have been received from the issue of shares at fair value. These represent warrants 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 and 2006.

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4 Basic and diluted earnings (loss) per share (Continued)

Basic and diluted earnings (loss) per share are as follows:

	Consolidated		Company	
	2007	2006	2007	2006
				Restated
For the three-month periods ended 31 March				
Net profit (loss) (Baht '000)				
- As previously reported	134,884	(58,201)	(40,748)	(58,201)
- Prior period adjustment (Note 2)	-	-	-	(144,039)
- As restated	<u>134,884</u>	<u>(58,201)</u>	<u>(40,748)</u>	<u>(202,240)</u>
Number of shares ('000 shares)	1,091,069	1,090,758	1,091,069	1,090,758
The effect of dilutive potential ordinary shares (ESOP)	-	-	-	-
Diluted shares ('000 shares)	<u>1,091,069</u>	<u>1,090,758</u>	<u>1,091,069</u>	<u>1,090,758</u>
Basic earnings (loss) per shares (Baht)	0.12	(0.05)	(0.04)	(0.19)
The effect of dilutive potential ordinary shares (ESOP)	-	-	-	-
Diluted earnings (loss) per share (Baht)	<u>0.12</u>	<u>(0.05)</u>	<u>(0.04)</u>	<u>(0.19)</u>

5 Trade accounts receivable and accrued income, net

	Consolidated		Company	
	31 March 2007	31 December 2006	31 March 2007	31 December 2006
	Baht '000	Baht '000	Baht '000	Baht '000
Trade accounts receivable				
-Third parties	1,431,461	1,687,787	667,275	947,621
-Related parties (Note 14)	<u>10,556</u>	<u>14,171</u>	<u>219,830</u>	<u>209,919</u>
Total trade accounts receivable	1,442,017	1,701,958	887,105	1,157,540
Accrued income				
-Third parties	161,916	146,032	159,874	145,380
-Related parties (Note 14)	<u>1,967</u>	<u>8,510</u>	<u>24,051</u>	<u>27,776</u>
Total accrued income	163,883	154,542	183,925	173,156
Total trade accounts receivable and accrued income	1,605,900	1,856,500	1,071,030	1,330,696
<u>Less</u> Allowance for doubtful accounts	<u>(504,551)</u>	<u>(510,057)</u>	<u>(244,679)</u>	<u>(247,889)</u>
Total trade accounts receivable and accrued income, net	<u>1,101,349</u>	<u>1,346,443</u>	<u>826,351</u>	<u>1,082,807</u>

Outstanding trade accounts receivable as at 31 March 2007 and 31 December 2006 can be aged as follows:

	Consolidated		Company	
	31 March 2007	31 December 2006	31 March 2007	31 December 2006
	Baht '000	Baht '000	Baht '000	Baht '000
Current	224,022	293,040	140,367	149,118
Overdue less than 3 months	274,218	564,094	156,157	442,167
Overdue 3-6 months	291,105	85,750	201,337	95,214
Overdue 6-12 months	57,831	85,028	61,646	67,160
Overdue over 12 months	<u>594,842</u>	<u>674,046</u>	<u>327,598</u>	<u>403,881</u>
Total trade accounts receivable	1,442,018	1,701,958	887,105	1,157,540
<u>Less</u> Allowance for doubtful accounts	<u>(504,551)</u>	<u>(510,057)</u>	<u>(244,679)</u>	<u>(247,889)</u>
Total	<u>937,467</u>	<u>1,191,901</u>	<u>642,426</u>	<u>909,651</u>

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6 Investments in subsidiaries and an associate

a) Investments in subsidiaries and an associate as at 31 March 2007 and 31 December 2006 comprise:

	Consolidated		Company	
	31 March 2007	31 December 2006	31 March 2007	31 December 2006
	Baht '000	Baht '000	Baht '000	Restated Baht '000
Investment in cost method				
Investments in subsidiaries	-	-	1,414,300	1,414,300
Less: Impairment loss of investment in a subsidiary	-	-	(400,000)	(400,000)
Investments in subsidiaries, net	-	-	1,014,300	1,014,300
Investment in equity method				
Investments in an associate	708,831	686,050	-	-

b) Movements in investments in subsidiaries and an associate for the three-month periods ended 31 March 2007 and 2006 are as follows:

	Consolidated (Equity Method)		Company (Equity Method)	
	31 March 2007	31 March 2006	31 March 2007	31 March 2006
	Baht '000	Baht '000	Baht '000	Restated Baht '000
Transactions during the three-month periods ended				
Opening net book value				
- As previously reported	686,050	832,445	2,702,849	2,243,401
- Adjustment from change in accounting policy from equity method to cost method (Note 2)	-	-	(2,702,849)	(2,243,401)
Opening net book value - restated	686,050	832,445	-	-
Share of net results from investments	22,781	24,696	-	-
Closing net book value	708,831	857,141	-	-

	Consolidated (Cost Method)		Company (Cost Method)	
	31 March 2007	31 March 2006	31 March 2007	31 March 2006
	Baht '000	Baht '000	Baht '000	Restated Baht '000
Transactions during the three-month periods ended				
Opening net book value				
- As previously reported	-	-	-	-
- Adjustment from change in accounting policy from equity method to cost method (Note 2)	-	-	1,014,300	1,014,300
Opening net book value - restated	-	-	1,014,300	1,014,300
Movements in investments during the period	-	-	-	-
Closing net book value	-	-	1,014,300	1,014,300

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6 Investments in subsidiaries and an associate (Continued)

c) The details of investments in subsidiaries and an associate can be summarised as follows:

<u>Name</u>	<u>Business</u>	<u>Country</u>	<u>Currency</u>
Subsidiaries of the Company			
Shin Broadband Internet (Thailand) Company Limited	Providing meeting center via Internet and broadband content services and sale of direct television equipments	Thailand	THB
Shenington Investments Pte Limited	Holding company for investment in international telecommunications	Singapore	SGD
iPSTAR Company Limited	Providing iPSTAR transponder services	The British Virgin Islands	USD
Spacecode LLC	Providing engineering and development services, technology and electronics	The United States of America	USD
Star Nucleus Company Limited	Providing broadband technological services via iPSTAR satellite (not yet commenced business operations)	The British Virgin Islands	USD
IPSTAR International Pte Limited	Providing iPSTAR transponder services (not yet commenced business operations)	Singapore	SGD
IPSTAR Global Services Company Limited	Providing iPSTAR transponder services (not yet commenced business operations)	Mauritius	USD
Subsidiary of Shin Broadband Internet (Thailand) Company Limited			
NTU (Thailand) Company Limited	Manufacture communication equipment and toll media for transmission by cable or radio frequency	Thailand	THB
Subsidiary of Shenington Investments Pte Limited			
Cambodia Shinawatra Company Limited	Providing fixed line, mobile phone and Internet services	Cambodia	USD
Subsidiaries of iPSTAR Company Limited			
IPSTAR Australia Pty Limited	Sale of user terminal of iPSTAR and providing iPSTAR transponder services in Australia	Australia	AUD
IPSTAR New Zealand Company Limited	Sale of user terminal of iPSTAR and providing iPSTAR transponder services in New Zealand	New Zealand	NZD
Associate of Shin Broadband Internet (Thailand) Company Limited			
CS Loxinfo Public Company Limited	Providing Internet data center services, Internet and satellite uplink-downlink services	Thailand	THB

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6 Investments in subsidiaries and an associate (Continued)

c) The details of investments in subsidiaries and an associate can be summarised as follows: (Continued)

Name	Business	Country	Currency
Subsidiaries of CS Loxinfo Public Company Limited			
Loxley Information Services Company Limited	Providing Internet services	Thailand	THB
Teleinfo Media Public Company Limited	Publishing telephone directories and advertising	Thailand	THB
AD Venture Company Limited	Holding company for investment in mobile contents	Thailand	THB
Associate of CS Loxinfo Public Company Limited			
CS Loxinfo Solutions Company Limited	In the process of liquidation	Thailand	THB
Subsidiaries of AD Venture Company Limited			
Shineedotcom Company Limited	Mobile contents	Thailand	THB
- Hunsa Dot Com Company Limited	Banner advertising	Thailand	THB
- Sodamag Corp Company Limited	Banner advertising	Thailand	THB
Joint venture of Shenington Investments Pte Company Limited			
Lao Telecommunications Company Limited	Providing fixed line phone, mobile phone, public phone, public international facilities and Internet services	Laos	KIP

As at 31 March 2007, Star Nucleus Company Limited, IPSTAR International Pte Limited and IPSTAR Global Service Company Limited had not yet commenced business operations.

d) Carrying value of investments in subsidiaries and an associate can be summarised as follows:

	Consolidated - 31 March 2007 (Baht Million)			
	(Equity method)			
	Paid-up capital	Investment portion (%)	At cost	At equity
Associated company				
CS Loxinfo Public Company Limited	THB Million 625.00	40.02	<u>1,669.10</u>	<u>708.83</u>
Consolidated - 31 December 2006 (Baht Million)				
(Equity method)				
	Paid-up capital	Investment portion (%)	At cost	At equity
Associated company				
CS Loxinfo Public Company Limited	THB Million 625.00	40.02	<u>1,669.10</u>	<u>686.05</u>

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6 Investments in subsidiaries and an associate (Continued)

d) Carrying value of investments in subsidiaries and an associate can be summarised as follows: (Continued)

	Company - 31 March 2007 (Baht Million)				
	(Cost method)				
Subsidiaries	Paid-up capital	Investment portion (%)	At cost	Impairment loss of investment	Investment in subsidiaries, net
Shin Broadband Internet (Thailand) Company Limited	Baht Million 947.29	100.00	947.29	(400.00)	547.29
Shenington Investments Pte Limited	SGD Million 14.66	100.00	269.88	-	269.88
Spacecode LLC	USD Million 4.29	70.00	118.65	-	118.65
iPSTAR Company Limited	USD Million 2.00	99.14	78.48	-	78.48
Star Nucleus Company Limited	USD Million -	70.00	-	-	-
IPSTAR International Pte Limited	SGD Million -	100.00	-	-	-
IPSTAR Global Services Company Limited	USD Million -	100.00	-	-	-
Total			1,414.30	(400.00)	1,014.30

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6 Investments in subsidiaries and an associate (Continued)

d) Carrying value of investments in subsidiaries and an associate can be summarised as follows: (Continued)

	Company - 31 December 2006 (Baht Million)				
	Paid-up capital	Investment portion (%)	At cost	Impairment loss of investment	Investment in subsidiaries, net
Subsidiaries					
Shin Broadband Internet (Thailand) Company Limited	Baht Million 947.29	100.00	947.29	(400.00)	547.29
Shenington Investments Pte Limited	SGD Million 14.66	100.00	269.88	-	269.88
Spacecode LLC	USD Million 4.29	70.00	118.65	-	118.65
iPSTAR Company Limited	USD Million 2.00	99.14	78.48	-	78.48
Star Nucleus Company Limited	USD Million -	70.00	-	-	-
IPSTAR International Pte Limited	SGD Million -	100.00	-	-	-
IPSTAR Global Services Company Limited	USD Million -	100.00	-	-	-
Total			<u>1,414.30</u>	<u>(400.00)</u>	<u>1,014.30</u>

6 Investments in subsidiaries and an associate (Continued)

- e) Significant movements in investments in subsidiaries and an associate for the three-month period ended 31 March 2007 were as follows:

Subsidiary

1) Shin Broadband Internet (Thailand) Company Limited

Impairment loss of investment in Shin Broadband Internet (Thailand) Company Limited

The Company has adopted accounting policies for investment in subsidiaries and associates in the separate financial statements from 1 January 2007 (Note 2). The Company applied retrospective adjustments as if the accounting policy has always been in use. Therefore, the 2006 comparative figures are prepared on the assumption that the new accounting policy has been applied. The Company has reviewed for impairment loss of the investment at cost method and found that the recoverable amount of investment in Shin Broadband Internet (Thailand) Company Limited (“SBI”) is less than the book value which indicated the impairment loss of investment in SBI. In determining the recoverable amount of investment, the Company discounted the anticipated future cash flows with a discount rate of 8% per annum. The Company recognised the impairment loss of investment in SBI amounting to Baht 400 million in the separate financial statements by adjusting to retained earnings as at 1 January 2007.

Associate

2) CS Loxinfo Public Company Limited

At the Board of Director’s meeting of CS Loxinfo Public Company Limited (“CSL”) held on 22 February 2007, the Board of Directors passed a resolution to approve the allocation of 8,354,400 ordinary shares, equivalent to 1.34% of the CSL’s total paid-up share capital as at the date on which the warrant allocation will be approved, under an ESOP scheme (Grant V), by granting warrants to directors and employees of CSL and its subsidiary. The exercise ratio will be one warrant per ordinary share. The warrants will be in registered form and will be non-transferable. The term of the warrants will not exceed five years from the date on which they are granted and the warrants will have no offering price. The exercise price will be the weighted-average closing price of the Company’s shares traded on the Stock Exchange of Thailand for the period of 30 days prior to the shareholders’ meeting on 23 April 2007. One-third of the allocated warrants may be exercised to purchase ordinary shares; one year from the grant date for the first exercise, and two years and three years from the grant date for the second and third exercises, respectively. The Board of Directors of CSL will propose this to the shareholders for approval.

As a result of the payment of interim dividend on 4 September 2006, the exercise ratio of the warrants issued under ESOP Grant I, Grant II, Grant III and Grant IV has been affected. At the Board of Directors’ meeting of CSL on 22 February 2007, a resolution was passed to approve the issuance of 3,475,000 additional ordinary shares to support the change in the exercise ratio, equivalent to 0.56% of the total issued and paid-up share capital of CSL as of 31 March 2007. The Board of Directors of CSL will propose this to the shareholders for approval.

On 22 February 2007, the Board of Directors of CSL passed a resolution to recommend to shareholders for the payment of dividends for the second half of 2006. The proposed dividends must be approved by the shareholders at the annual ordinary shareholders meeting. The proposed dividend is greater than 50% of the net profit after tax. As a result, the exercise ratio and exercise price of the warrants under the ESOP schemes (Grant I, Grant II, Grant III and Grant IV) will be affected, hence CSL changed the exercise ratio and exercise price of the warrants, effective from 28 March 2007 onwards.

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6 Investments in subsidiaries and an associate (Continued)

- e) Significant movements in investments in subsidiaries and an associate for the three-month period ended 31 March 2007 were as follows:

Joint Venture

3) Lao Telecommunications Company Limited

At the ordinary shareholders' meeting of Lao Telecommunications Company Limited ("LTC") on 17 January 2007, the shareholders passed a resolution to approve a dividend payment of USD 8.0 million to shareholders in respect of the operations of LTC in 2006.

The following amounts represent the Group's share of 49% of the assets, liabilities, total revenues and net profit of LTC and are included in the consolidated balance sheets as at 31 March 2007 and 31 December 2006 and the consolidated income statements for the three-month periods ended 31 March 2007 and 2006.

	Consolidated	
	31 March 2007	31 December 2006
	Baht '000	Baht '000
Balance sheets		
Current assets	220,022	174,978
Non-current assets	2,045,008	2,081,531
Current liabilities	(465,437)	(562,715)
Non-current liabilities	(52,712)	(49,795)
Net assets	<u>1,746,881</u>	<u>1,643,999</u>
	Consolidated	
	31 March 2007	31 March 2006
	Baht '000	Baht '000
Income statements for the three-month periods ended		
Total revenues	303,692	262,076
Net profit	<u>121,555</u>	<u>126,657</u>

According to the joint venture agreement between the Group and the Government of the Laos PDR, the Group must transfer all of its shares in LTC to the Government of the Laos PDR, without any charges or compensation on the expiration date of the joint venture agreement in 2021 (Note 16c).

Capital expenditure commitments

As at 31 March 2007, the Group's portion of LTC's capital expenditure contracted but not recognised in the financial statements was USD 11 million (approximately Baht 378 million).

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7 Long-term loan to another company

The long-term loan to another company is unsecured and bears fixed interest rate; however the accumulated interest amount charged on this loan cannot exceed the amount specified in the agreement. The Company has already stopped charging the interest and the recognition of interest income because the accumulated interest charge reached the maximum interest charge as specified in the agreement. The loan will be settled by offsetting with the royalty fees that the Company is required to pay to the other company until the principal and interest of the loan is fully repaid.

8 Capital expenditure and commitments

	Consolidated (Baht '000)			
	Property and equipment	Property and equipment under concession agreements	Deferred charges	Intangible assets
Transactions during the three-month period ended 31 March 2007				
Opening net book value	6,821,667	20,489,154	90,904	1,388,827
Additions	245,737	-	1,928	5,878
Write-offs, net	(77)	-	-	-
Transfers, net	(4,983)	-	-	4,676
Depreciation / amortisation charges	(206,626)	(422,544)	(1,127)	(25,075)
Foreign currency translation adjustments	(107,697)	-	(2,023)	(4,513)
Closing net book value	<u>6,748,021</u>	<u>20,066,610</u>	<u>89,682</u>	<u>1,369,793</u>
As at 31 March 2007				
Cost	10,194,363	26,561,990	145,200	1,530,530
<u>Less</u> Accumulated depreciation / amortisation	(3,393,021)	(6,495,380)	(55,518)	(160,737)
<u>Less</u> Accumulated impairment loss	(53,321)	-	-	-
Net book value	<u>6,748,021</u>	<u>20,066,610</u>	<u>89,682</u>	<u>1,369,793</u>

In 2006, a joint venture recognised an impairment loss of its rural telephone network amounting to Baht 21.5 million because the anticipated discounted future cash flows from continuing use of the network is less than its carrying amount. In calculating the anticipated discounted future cash flows, the joint venture applied a discount rate of 1% per annum, which is the interest rate of the borrowing costs of the assets.

As at 31 March 2007, the accumulated impairment loss of Baht 53.3 million comprises an impairment loss for analogue mobile telephone network of a subsidiary which has been ceased its operation in 2005 amounting to Baht 31.8 million and an impairment loss for rural telephone network of a joint venture amounting to Baht 21.5 million as described in the above.

Property and equipment includes property and equipment under concession agreements of a subsidiary, Cambodia Shinawatra Company Limited (“CAM”), of approximately Baht 2,670 million (31 December 2006: Baht 2,728 million). According to the concession agreement, CAM 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 (Note 16b).

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8 Capital expenditure and commitments (Continued)

	Company (Baht '000)			
	Property and equipment	Property and equipment under concession agreements	Deferred charges	Intangible assets
Transactions during the three-month period ended 31 March 2007				
Opening net book value	1,974,114	20,489,154	18,441	1,226,869
Additions	69,387	-	-	5,878
Write-off, net	(24)	-	-	-
Transfer, net	(4,983)	-	-	4,676
Depreciation / amortisation charges	(91,890)	(422,544)	(532)	(22,352)
Closing net book value	<u>1,946,604</u>	<u>20,066,610</u>	<u>17,909</u>	<u>1,215,071</u>
As at 31 March 2007				
Cost	3,582,763	26,561,990	20,311	1,347,625
<u>Less</u> Accumulated depreciation / amortisation	<u>(1,636,159)</u>	<u>(6,495,380)</u>	<u>(2,402)</u>	<u>(132,554)</u>
Net book value	<u>1,946,604</u>	<u>20,066,610</u>	<u>17,909</u>	<u>1,215,071</u>

Capital expenditure commitments

Capital expenditure contracted for at the balance sheet date is presented as follows:

	Currency	Consolidated		Company	
		31 March 2007	31 December 2006	31 March 2007	31 December 2006
		'000	'000	'000	'000
IPSTAR Project	USD	26	101	26	101
	NOK	1,900	1,900	1,900	1,900
	NZD	-	986	-	-
Telephone network	USD	11,659	16,374	-	-
Total	USD	<u>11,685</u>	<u>16,475</u>	<u>26</u>	<u>101</u>
	NOK	1,900	1,900	1,900	1,900
	NZD	-	986	-	-
Total in Thai Baht		<u>421,976</u>	<u>633,247</u>	<u>11,832</u>	<u>14,648</u>

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9 Deferred income tax

Deferred income taxes are calculated in full on temporary differences based on the liability method using a principal tax rate of 30% for the interim company financial statements (2006 : 30%) and 20% - 30% for the interim consolidated financial statements (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 subsidiaries have tax loss carried forward to offset future taxable income, which is not recognised in the interim consolidated financial statements as follows:

Year Expired	31 March 2007 Million Baht	31 December 2006 Million Baht
2007	9,153	9,153
2008	78,142	78,142
2009	87,767	87,767
2010	42,007	42,007
2011	76,965	62,064
No expiry date	85,808	122,015
Total	379,842	401,148

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset the income taxes levied by the same taxation authority. The following amounts, determining after appropriate offsetting, are shown in the consolidated and the company balance sheets:

	Consolidated		Company	
	31 March 2007 Baht '000	31 December 2006 Baht '000	31 March 2007 Baht '000	31 December 2006 Restated Baht '000
Deferred tax assets	584,635	505,300	480,077	483,566
Deferred tax liabilities	(100,950)	(99,426)	-	-
	483,685	405,874	480,077	483,566

The movement in deferred tax is as follows:

For the three-month periods ended	Consolidated		Company	
	31 March 2007 Baht '000	31 March 2006 Baht '000	31 March 2007 Baht '000	31 March 2006 Restated Baht '000
Deferred tax				
Balance brought forward	405,874	168,398	483,566	241,456
Charged to statement of income (Note 13)	75,292	78,687	(3,489)	85,838
Recognised in the shareholders' equity	2,519	5,529	-	-
Balance carried forward	483,685	252,614	480,077	327,294

Deferred income tax recognised in shareholders' equity is arising from the translation of deferred tax assets and deferred tax liabilities in foreign entities. Currency translation differences are recognised in statement of change in shareholders' equity as part of the cumulative foreign currency translation adjustment.

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9 Deferred income tax (Continued)

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

Consolidated (Baht '000)									
For the three-month period ended 31 March 2007									
Deferred tax assets	Loss carried forward	Allowance for doubtful accounts	Allowance for obsolete inventory	Depreciation	Deposits	Interest expense	Advance receipts from customers	Others	Total
Balance brought forward	430,220	3,791	38,447	19,595	20,227	9,114	10,605	1,081	533,080
Charged to statement of income	21,324	(514)	(2,780)	14,322	217	(6,547)	38,798	5,902	70,722
Recognised in the shareholders' equity	-	(55)	(17)	(237)	-	(395)	(122)	24	(802)
Balance carried forward	451,544	3,222	35,650	33,680	20,444	2,172	49,281	7,007	603,000

Consolidated (Baht '000)							
For the three-month period ended 31 March 2007							
Deferred tax liabilities	Deferred expenses	Amortisation assets under concession	Depreciation/ amortisation	Investment	Gain on foreign exchange	Others	Total
Balance brought forward		645	109,224	3,188	14,149	-	127,206
Charged to statement of income		(11)	(4,945)	(54)	-	418	(4,570)
Recognised in the shareholders' equity		-	(3,318)	-	-	(3)	(3,321)
Balance carried forward		634	100,961	3,134	14,149	415	119,315

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9 Deferred income tax (Continued)

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

	Company (Baht '000)				
	For the three-month period ended 31 March 2007 (Restated)				
	Loss carried forward	Allowance for obsolete inventory	Deposits	Others	Total
Deferred tax assets					
Balance brought forward	430,220	36,953	20,226	1,083	488,482
Prior period adjustment	-	-	-	(1,083)	(1,083)
Balance brought forward - restated	430,220	36,953	20,226	-	487,399
Charged to statement of income	(1,008)	(2,762)	217	-	(3,553)
Balance carried forward	429,212	34,191	20,443	-	483,846

	Company (Baht '000)			
	For the three-month period ended 31 March 2007 (Restated)			
	Deferred expenses	Depreciation/ amortisation	Investment	Total
Deferred tax liabilities				
Balance brought forward	645	3,188	14,149	17,982
Prior period adjustment	-	-	(14,149)	(14,149)
Balance brought forward - restated	645	3,188	-	3,833
Charged to statement of income	(11)	(53)	-	(64)
Balance carried forward	634	3,135	-	3,769

10 Borrowings

	Consolidated		Company	
	31 March 2007	31 December 2006	31 March 2007	31 December 2006
	Baht '000	Baht '000	Baht '000	Baht '000
Short-term borrowings				
Loans from financial institutions	296,068	306,078	-	-
Trust Receipt	85,699	-	-	-
Total short-term borrowings	381,767	306,078	-	-
Current portion of long-term borrowings				
Loans from financial institutions	4,002,238	3,294,015	3,695,009	3,044,070
Loans from others	15,431	14,878	1,687	560
Total current portion of long-term borrowings	4,017,669	3,308,893	3,696,696	3,044,630
Long-term borrowings				
Loans from financial institutions	11,030,328	12,234,728	9,751,852	10,814,544
Loans from others	431,561	439,500	6,710	2,503
Total long-term borrowings	11,461,889	12,674,228	9,758,562	10,817,047
Total borrowings	15,861,325	16,289,199	13,455,258	13,861,677

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10 Borrowings (Continued)

The movements in the borrowings can be analysed as follows:

	Consolidated Baht '000	Company Baht '000
For the three-month period ended 31 March 2007		
Opening net book value	16,289,199	13,861,677
Proceeds from short-term borrowings	85,699	-
Proceeds from long-term borrowings, net of financial expenses	5,562	5,562
Repayments of long-term borrowings	(58,931)	(227)
Amortisation of finance costs	28,932	28,932
Unrealised gain on exchange rate	(440,686)	(440,686)
Foreign currency translation adjustments	(48,450)	-
Closing net book value	<u>15,861,325</u>	<u>13,455,258</u>

Credit facilities

As at 31 March 2007, available credit facilities for loans from local and oversea banks are Baht 1,588 million and USD 3.5 million (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, the Company entered into a USD 389.3 million credit agreement, which comprises three agreements as follows:

- A. Loan credit agreement for USD 184.5 million. The guarantor is the Export-Import Bank of the United States.
- B. Loan credit agreement for USD 79.8 million. The guarantor is a French export and import bank (Compagnie Francaise d'Assurance pour le Commerce Exterieur).
- C. 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. The Company is required to pay a commitment fee in respect of the unused portion of the facilities. In addition, under the aforementioned credit agreements, the Company 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 principle and interest is paid 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 Exterieur are from November 2005 to May 2013 and other loans from another group of commercial banks are from November 2005 to November 2009.

Facility agreement in relation to the financing of the Thaicom 5 satellite project

The Company entered into credit agreements guaranteed by the French export and import bank for the purpose of the Thaicom 5 satellite project on 8 August 2005 and 13 October 2005 amounting to USD 33.01 million with 8.75 years and USD 38.36 million with 8.58 years, respectively. These credit agreements bear interest at fixed rates. The Company must comply with the conditions in the aforesaid credit agreements with regards to maintaining certain financial ratios, dividend payment policy, guarantees, and sale or transfer of assets. The initial repayment of principal will be six-month after the In - Orbit Acceptance of the Thaicom 5 satellite.

10 Borrowings (Continued)

The negotiation on the rescheduling of loan repayments on long-term loans for the iPSTAR satellite and Thaicom 5 satellite projects

In the fourth quarter of 2006, the Company issued a letter to the group of lenders for the iPSTAR satellite and Thaicom 5 satellite projects requesting for negotiations on the rescheduling of loan repayments on the long-term loans for the iPSTAR satellite and Thaicom 5 satellite projects. During the first quarter of 2007, the Company is still engaged in the negotiation process. The Company received the latest forbearance letter from the group of lenders, which allowed the Company to defer the principal amounts that were due for repayment from 15 November 2006 to 15 May 2007 of USD 43.6 million (Baht 1,533 million) to be payable on 1 June 2007.

The Company still has to pay the full amount of interest as specified in the existing credit facility agreements and to comply with the conditions as specified in this forbearance letter. In the meantime, the Company is in the process of negotiation with the group of lenders about the rescheduling of the repayment terms. These negotiations are not finalised yet. However, the Company's management is of the opinion that the Company's proposed rescheduling of loan repayments on the long-term loans will be approved by the lenders.

As of 31 March 2007, the Company presented long-term loans before net of financial expenses in these financial statements with a current portion of Baht 3,812 million and a non-current portion of Baht 10,323 million, in accordance with the terms of existing loan agreements (as at 31 December 2006: Baht 3,161 million and Baht 11,414 million, respectively)

11 Share capital and premium on share capital

	For the three-month period ended 31 March 2007			
	Number of shares Thousand shares	Ordinary shares Baht '000	Share premium Baht '000	Total Baht '000
Issued and paid-up share capital				
Opening balance	1,091,069	5,455,346	4,295,763	9,751,109
Increase during the period	-	-	-	-
Closing balance	<u>1,091,069</u>	<u>5,455,346</u>	<u>4,295,763</u>	<u>9,751,109</u>

The Company's registered share capital as at 31 March 2007 comprised 1,132.1 million ordinary shares (31 December 2006: 1,132.1 million ordinary shares) of Baht 5 each (31 December 2006: Baht 5 each). 1,091.1 million ordinary shares are issued and fully paid-up (31 December 2006: 1,091.1 million ordinary shares).

As at 31 March 2007, the Company has five ESOP schemes allocated to directors and employees of the Company and its subsidiaries. The warrants are in registered form and are non-transferable. The terms of the warrants do not exceed five years and there is no offering price. The exercise price and period are detailed below:

	Issued date	Issued (million units)	Exercise ratio (unit : share)	Exercise price (Baht/share)	Exercise period	
					First	Last
ESOP - Grant I	27 March 2002	8.00	1 : 2.04490	13.081	Expired on 26 March 2007	
ESOP - Grant II	30 May 2003	4.40	1 : 2.04490	6.279	30 May 2004	30 May 2008
ESOP - Grant III	31 May 2004	5.89	1 : 1.02245	13.913	31 May 2005	31 May 2009
ESOP - Grant IV	31 May 2005	7.56	1 : 1.02245	16.441	31 May 2006	31 May 2010
ESOP - Grant V	31 May 2006	10.06	1 : 1.00000	11.87	31 May 2007	31 May 2011

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11 Share capital and premium on share capital (Continued)

Movements in the number of warrants outstanding for the three-month period ended 31 March 2007 (thousand units) are as follows:

	Opening balance	Issued during the period	Exercised during the period	Expired during the period	Closing balance
ESOP - Grant I					
Directors	2,559	-	-	(2,559)	-
Employees	3,369	-	-	(3,369)	-
Total	<u>5,928</u>	<u>-</u>	<u>-</u>	<u>(5,928)</u>	<u>-</u>
ESOP - Grant II					
Directors	1,967	-	-	-	1,967
Employees	514	-	-	-	514
Total	<u>2,481</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,481</u>
ESOP - Grant III					
Directors	1,754	-	-	-	1,754
Employees	4,140	-	-	-	4,140
Total	<u>5,894</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,894</u>
ESOP - Grant IV					
Directors	2,967	-	-	-	2,967
Employees	4,595	-	-	-	4,595
Total	<u>7,562</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>7,562</u>
ESOP - Grant V					
Directors	1,099	-	-	-	1,099
Employees	8,960	-	-	-	8,960
Total	<u>10,059</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>10,059</u>
Grand Total	<u>31,924</u>	<u>-</u>	<u>-</u>	<u>(5,928)</u>	<u>25,996</u>

Compensation costs related to the warrants are not recognised in these interim financial statements for the fair value of the non-exercised warrants granted.

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12 Cash flows from operating activities

Reconciliation of net profit (loss) to cash flows from operating activities for the three-month periods ended 31 March 2007 and 2006:

	Notes	Consolidated		Company	
		31 March 2007 Baht '000	31 March 2006 Baht '000	31 March 2007 Baht '000	31 March 2006 Baht '000 Restated
Net profit (loss) for the period		134,884	(58,201)	(40,748)	(202,240)
Adjustments for:					
Reversal of allowance for doubtful accounts		(5,506)	(32,314)	(3,210)	(25,600)
Write-off of doubtful accounts		(2,181)	-	(2,181)	-
Provision for defective stock		-	12,118	-	12,118
Reversal for defective stock		(9,570)	(25,782)	(9,384)	(14,236)
Write-off of property and equipment	8	77	143	24	(1)
Depreciation of property and equipment	8	206,626	196,549	91,890	88,515
Amortisation of property and equipment under concession agreements	8	422,544	513,311	422,544	513,311
Amortisation of deferred charges	8	1,127	2,137	532	50
Amortisation of intangible assets	8	25,075	24,411	22,352	21,420
Amortisation of borrowing costs	10	28,932	42,583	28,932	42,583
Gain on sales of property and equipment		-	(2,170)	-	(2,170)
Deferred tax	9	(75,291)	(78,687)	3,489	(85,838)
Unrealised gain on exchange rate		(435,248)	(116,904)	(442,029)	(142,665)
Realised gain on exchange rate		-	(29,347)	-	(29,347)
Minority interests		297	1,324	-	-
Share of net results investments	6b	(22,781)	(24,696)	-	-
Changes in operating assets and liabilities					
- trade accounts receivable and accrued income		252,781	(123,996)	261,847	(140,967)
- amounts due from related parties		446	(795)	(13,518)	(344)
- inventories		(56,571)	170,232	29,834	151,684
- insurance compensation receivable		-	50,902	-	50,902
- prepaid insurance		94,889	84,446	93,937	83,596
- other current assets		(3,964)	63,370	(32,434)	11,316
- other non-current assets		(50,310)	(96,099)	(47,617)	(96,707)
- trade accounts payable		(83,284)	(59,688)	(94,769)	(107,817)
- amounts due to related parties		(12,065)	174	(11,921)	850
- advance receipts from customers		310,891	308,177	273,811	324,635
- accrued concession fee		1,763	103,584	(4,606)	88,995
- accrued expenses		(148,917)	(55,945)	(152,027)	(28,103)
- accrued income tax		56,371	9,803	-	-
- other current liabilities		24,192	38,484	40,514	(12,448)
- other non-current liabilities		94,553	(9,689)	(14,487)	(10,649)
Cash generated from operating activities		749,760	907,435	400,775	490,843

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13 Income tax expense

	Consolidated		Company	
	31 March 2007	31 March 2006	31 March 2007	31 March 2006 Restated
	Baht '000	Baht '000	Baht '000	Baht '000
Current tax	93,004	40,388	-	-
Deferred tax (Note 9)	(75,292)	(78,687)	3,489	(85,838)
	<u>17,712</u>	<u>(38,299)</u>	<u>3,489</u>	<u>(85,838)</u>

Reconciliation of income tax expense and the result of the accounting profit multiplied by the income tax rate is as follows:

	Consolidated		Company	
	31 March 2007	31 March 2006	31 March 2007	31 March 2006 Restated
	Baht '000	Baht '000	Baht '000	Baht '000
Profit (loss) before tax	152,893	(95,176)	(37,259)	(288,078)
Tax rate	30%	25%	30%	25%
The result of the accounting profit (loss) multiplied by the income tax rate	45,868	(23,794)	(11,178)	(72,019)
Share of net results from investments - equity method	(6,834)	(7,409)	-	-
Effect of different tax rates	(17,723)	(21,348)	-	(10,901)
Effect of the different basis of income tax calculation in other countries	(607)	13,678	-	-
Tax losses not recognised as deferred tax asset	(14,121)	15,315	-	-
Effect of the income recognised in the different period between accounting and tax	(2,052)	(14,808)	-	1,741
Effect of the non-deductible tax expense and expense recognised in the different period between accounting and tax	13,181	67	14,667	(4,659)
Tax charge	<u>17,712</u>	<u>(38,299)</u>	<u>3,489</u>	<u>(85,838)</u>

As a listed company, the Company has 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.

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14 Related party transactions

The Company is controlled by Shin Corporation Public Company Limited (“Shin”) (incorporated in Thailand), which owns 41.32% (31 December 2006: 41.32%) of the Company’s shares. Transactions with Shin Group, Cedar Group, Aspen Group, and Temasek Group are recognised as related party transactions of the Group.

Sales and service transactions with related parties were conducted under normal commercial terms and conditions, which were the same as for other customers. Consulting and management services were charged at an agreed percentage of assets. Transactions between the Company and Codespace, Inc. were conducted based on hourly rates plus reimbursement of actual expenses.

The Group had significant related party transactions as follows:

a) Revenues

For the three-month periods ended	Consolidated		Company	
	31 March	31 March	31 March	31 March
	2007	2006	2007	2006
	Baht '000	Baht '000	Baht '000	Baht '000
<u>Sales and services income</u>				
Subsidiaries	-	-	177,864	27,165
Associates	3,702	9,053	3,442	8,825
Joint venture	4,268	3,906	8,369	7,660
Related parties under common control	23,786	28,863	21,105	26,542
<u>Other income</u>				
Subsidiaries	-	-	15,346	5,526
Associates	-	1	-	1
Joint venture	91	-	179	-
Related parties under common control	-	349	-	209
Total revenue	31,847	42,172	226,305	75,928

b) Expenses

For the three-month periods ended	Consolidated		Company	
	31 March	31 March	31 March	31 March
	2007	2006	2007	2006
	Baht '000	Baht '000	Baht '000	Baht '000
<u>Purchases of goods and services</u>				
Subsidiaries	-	-	6,920	10,174
Associates	4,942	7,052	4,289	5,908
Related parties under common control	914	665	914	665
Other related party	5,978	4,914	5,978	4,914
<u>Selling and administrative expenses</u>				
Parent company	113	11,037	-	10,685
Subsidiaries	-	-	-	104
Associates	734	347	700	309
Related parties under common control	1,578	2,926	1,564	2,926
Other related party	-	886	-	886
<u>Interest expense</u>				
Other related party	-	6,935	-	-
Total expenses	14,259	34,762	20,365	36,571

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14 Related party transactions (Continued)

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

	Consolidated		Company	
	31 March 2007 Baht '000	31 December 2006 Baht '000	31 March 2007 Baht '000	31 December 2006 Baht '000
<u>Trade accounts receivable and accrued income - related parties</u>				
Trade accounts receivable - related parties				
Subsidiaries	-	-	208,788	208,737
Associates	7,050	6,346	6,580	323
Joint venture	2,275	438	4,462	859
Related parties under common control	1,231	7,387	-	-
Total trade accounts receivable - related parties	10,556	14,171	219,830	209,919
Accrued income - related parties				
Subsidiaries	-	-	21,543	18,328
Associate	1,151	4,209	1,144	4,207
Joint venture	696	1,010	1,364	1,980
Related parties under common control	120	3,291	-	3,261
Total accrued income - related parties	1,967	8,510	24,051	27,776
Total trade accounts receivable and accrued income - related parties	12,523	22,681	243,881	237,695
<u>Amounts due from related parties</u>				
Subsidiaries	-	-	23,609	9,608
Associates	667	1,073	666	1,073
Joint venture	62	102	45	121
Total amounts due from related parties	729	1,175	24,320	10,802
<u>Other current assets - related parties</u>				
Related parties under common control	281	281	281	281
Other related party	4,174	4,303	-	-
Total other current assets - related parties	4,455	4,584	281	281

Shin Satellite Public Company Limited
Unaudited Condensed Notes to the Interim Consolidated and Company Financial Statements
For the three-month periods ended 31 March 2007 and 2006

14 Related party transactions (Continued)

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

	Consolidated		Company	
	31 March 2007 Baht '000	31 December 2006 Baht '000	31 March 2007 Baht '000	31 December 2006 Baht '000
<u>Trade accounts payable - related parties</u>				
Subsidiaries	-	-	44,322	45,270
Associates	14,676	29,157	29,558	27,115
Related parties under common control	1,331	889	797	882
Total trade accounts payable - related parties	16,007	30,046	74,677	73,267
<u>Amounts due to related parties</u>				
Parent company	10,350	13,635	9,714	13,095
Subsidiaries	-	-	216	189
Associates	2,659	10,178	2,547	9,993
Related parties under common control	1,151	3,770	1,071	3,549
Other related party	2,680	1,322	2,680	1,322
Total amounts due to related parties	16,840	28,905	16,228	28,148
<u>Advance receipts from customers - related parties</u>				
Subsidiaries	-	-	18,675	77,220
Related parties under common control	45,233	60,010	43,562	57,569
Total advance receipts from customers - related parties	45,233	60,010	62,237	134,789
<u>Accrued expenses - related parties</u>				
Related parties under common control	146	258	146	258
Total accrued expenses - related parties	146	258	146	258
<u>Other non current liabilities - related parties</u>				
Joint venture	27	27	54	54
Related parties under common control	84,528	84,913	84,528	84,913
Total other non-current liabilities - related parties	84,555	84,940	84,582	84,967

Shin Satellite Public Company Limited
Unaudited Condensed Notes to the Interim Consolidated and Company Financial Statements
For the three-month periods ended 31 March 2007 and 2006

14 Related party transactions (Continued)

d) Short-term loans and advances to subsidiaries and an associate

	Consolidated		Company	
	31 March 2007 Baht '000	31 December 2006 Baht '000	31 March 2007 Baht '000	31 December 2006 Baht '000
Short-term loans and advances to subsidiaries and an associate				
Associate	-	19	-	19
Total short-term loans and advances to subsidiaries and an associate	-	19	-	19

As at 31 December 2006, advance to an associated company bears no interest and has no fixed term of repayment.

The movements of short-term loans and advances to related parties can be analysed as follows:

	Consolidated Baht '000	Company Baht '000
For the three-month period ended 31 March 2007		
Opening balance	19	19
Repayment of advance to an associate	(19)	(19)
Closing balance	-	-

e) Warrants of Shin Corporation Public Company Limited granted to directors which are management of the Company

Shin Corporation Public Company Limited (“Shin”), a parent company, issued warrants, which are in registered form and non-transferable, to directors who are management of the Company. The terms of the warrants do not exceed five years and there is no offering price, as detailed below:

	Issued date	Issued (units)	Exercise ratio (unit : share)	Exercise price (Baht/share)	Exercise period	
					First	Last
ESOP - Grant I	27 March 2002	18,336,300	1: 1.06942	16.645	Expired on 26 March 2007	
ESOP - Grant II	30 May 2003	12,222,100	1: 1.06942	12.782	31 May 2004	30 May 2008
ESOP - Grant III	31 May 2004	8,823,100	1: 1.06942	34.046	31 May 2005	30 May 2009
ESOP - Grant IV	31 May 2005	8,329,800	1: 1.05540	39.568	31 May 2006	30 May 2010
ESOP - Grant V	31 May 2006	7,823,000	1: 1.02307	36.830	31 May 2007	30 May 2011

f) Directors' remuneration

For the three-month period ended 31 March 2007, directors' remuneration of the Group was Baht 1.96 million (for the three-month period ended 31 March 2006: Baht 1.62 million). Directors' remuneration represents monthly compensation, bonus, and meeting fees as approved by the shareholders of the Group and the Company at their Annual General Meetings.

g) Commitments with related parties

The commitments with related parties are discussed in Note 16d.

15 Contingencies

a) Bank guarantees and letters of credit

The Group had contingencies with banks, whereby the banks issued letters of guarantee, letters of credit and other guarantees in respect of business contracts for the following amounts:

	Currency	Consolidated		Company	
		31 March 2007 '000	31 December 2006 '000	31 March 2007 '000	31 December 2006 '000
Minimum concession fee payable to Ministry of Information					
Communication and Technology	THB	50,000	50,000	50,000	50,000
IPSTAR equipment sales	THB	49,949	65,360	49,949	65,360
Satellite space leasing by customers	USD	313	317	313	317
	THB	487,000	487,000	487,000	487,000
IPSTAR Gateway	USD	1,115	1,115	1,115	1,115
Standby letters of credit	USD	43,000	43,000	43,000	43,000
Letters of credit	USD	145	1,283	145	1,283
Others	THB	3,266	3,302	2,898	2,934
	AUD	29	29	-	-

b) Assessment for income tax in India

The Income Tax Authority of India ("Tax Authority") has raised an assessment against the Company 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, the Company deposited for the income tax and penalty for the assessment years 1998/99 to 2003/04 totally Rupees 293 million (approximately Baht 226 million). The Company did not agree with the tax assessments of the Tax Authority and filed appeals against these assessments. The Company's tax advisor in India was of the opinion that the outcome would be in favour of the Company. Therefore, the Company 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 the Company 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 the Company for the assessment on revenues from Indian non-residents for the same assessment years. The Company 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. The Company 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 the Company'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). The Company 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, the Company 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.

15 Contingencies (Continued)

b) Assessment for income tax in India (Continued)

- 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. The Company 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 the Company'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). The Company 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 the Company has filed an appeal against CIT(A)'s decision with ITAT. In the first quarter of 2007, the Tax Authority raised a penalty assessment in amount of Rupees 83.26 million (approximately Baht 72 million). The Company filed an appeal against the penalty assessment with CIT(A) in April 2007.

- 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 the Company in the amount of Rupees 106 million (approximately Baht 92 million), excluding penalty. The Company 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, the Company 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. The Company 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, the Company 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 the Company in the amount of Rupees 103 million (approximately Baht 89 million). During the first quarter of 2007, the Company had deposited Rupees 30 million (approximately Baht 24 million) and presented the amount paid as other non-current assets. The Company filed an appeal against the assessment with CIT(A) and is waiting for the hearing.

16 Commitments

a) Concession agreement

The Company 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 the Ministry of Information Communication and Technology (“MICT”).

Under the aforementioned agreement, the Company 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, the Company, 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.

b) Asset transfer commitment under telephone network agreement in Cambodia

Cambodia Shinawatra Company Limited, the 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).

c) Shareholder agreement

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 the Company, 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 (Note 6e). 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.

d) Commitments with related parties

As at 31 March 2007, the Company had provided guarantees relating to the borrowings of Shin Broadband Internet (Thailand) Company Limited amounting to Baht 807 million (31 December 2006: Baht 807 million). In addition, the Company had issued a letter of comfort to banks to provide financial support to Cambodia Shinawatra Company Limited and Shin Broadband Internet (Thailand) Company Limited. Under the terms of the letter of comfort, the Company must hold its interests in its subsidiaries and cannot pledge any of its shares until the loans are fully repaid.

16 Commitments (Continued)

e) Concession contracts of associated companies for the satellite uplink-downlink and Internet services and Internet services in Thailand

CS Loxinfo Public Company Limited (“CSL”), which is an associate of the Group, has 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, and to provide internet services in Thailand for a period of ten years from 16 April 1997 to 15 April 2007. Currently, the National Telecommunications Commission (“NTC”) is responsible for granting licenses to provide Internet access services in Thailand.

CSL and its subsidiary received one-year Type I licenses from NTC to provide Internet access services for one year from 8 September 2006 to 7 September 2007 and 29 June 2006 to 28 June 2007, respectively. According to the conditions specified by NTC, if the authorised licensee is not in significant violation of the conditions as specified in the license, NTC will consider renewing the license as a normal procedure.

Certain equipment that CSL has been using is equipment for which the title has been transferred to CAT under a concession contract, for which such contract will expire on 15 April 2007. CSL is currently in the process of purchasing the equipment from CAT. As at 31 March 2007, the book value of equipment under concession was Baht 8.6 million.

f) Obligation under “Financing and Project Agreement”

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.

17 Subsequent events

a) Approved dividend payment of CS Loxinfo Public Company Limited (“CSL”)

At the annual ordinary shareholders’ meeting of CSL held on 23 April 2007, the Board passed a resolution to approve the dividend payment for 2006 of Baht 0.14 per share, totaling Baht 87.50 million.

b) Approved dividend payment and allocation of warrants of CSL granted to directors, employees of CSL and CSL’s subsidiary

At the annual ordinary shareholders meeting of CSL held on 23 April 2007, the shareholders passed a resolution to approve the allocation of 8,354,400 ordinary shares, equivalent to 1.34% of CSL’s total issued and paid-up share capital as at the date the warrants allocation was approved, under an ESOP scheme (Grant V), by granting warrants to directors and employees of CSL and CSL’s subsidiary. The exercise ratio is one warrant per ordinary share. The warrants are in registered form and are non-transferable. The term of the warrants does not exceed five years from the date on which they were granted, and the warrants have no offering price. The exercise price is the weighted-average closing price of CSL’s shares traded on the Stock Exchange of Thailand during the period of 30 days prior to the annual ordinary shareholders meeting held on 23 April 2007. One-third of the allocated warrants may be exercised to purchase ordinary shares, one year from the grant date for the first exercise, and two years and three years from the grant date for the second and third exercises, respectively. CSL is currently in the process of obtaining approval from the Securities and Exchange Commission.

17 Subsequent events (Continued)

b) Approved dividend payment and allocation of warrants of CSL granted to directors, employees of CSL and CSL's subsidiary (Continued)

In addition, the shareholders also passed a resolution to approve the increase in registered share capital from 649,020,074 ordinary shares at a par value of Baht 1 each to 660,849,474 ordinary shares at a par value of Baht 1 each by registering 11,829,400 additional ordinary shares. These newly registered ordinary shares will be reserved for exercising the rights under ESOP Grant I to Grant IV (3,475,000 shares) in accordance with the exercise ratio adjustment. The remaining 8,354,400 newly issued ordinary shares will be reserved for the exercise of ESOP Grant V. The increase in the registered share capital is currently in the process of registration with the Ministry of Commerce.

c) The offset of legal reserve and premium on share capital with deficit of CSL

At the annual ordinary shareholders meeting of CSL held on 23 April 2007, the shareholders passed a resolution to approve the offset of legal reserve of Baht 45.6 million and premium on share capital of Baht 574.5 million, totaling Baht 620.1 million with deficit. The offset is allowed under the Public Limited Companies Act section 119; which states "Where approval of the shareholder meeting has been obtained, the company may transfer the reserve fund referred to premium on share, the reserve fund referred to legal reserve or other reserves to compensate for the deficit of the company".

d) Acquisition of Watta Classified Company Limited of CSL

On 25 April 2007, CSL acquired 120,000 common shares of Watta Classified Company Limited ("Watta") at Baht 733.34 per share, equivalent to 60% of the share capital of Watta at a total price of approximately Baht 88 million. CSL made payment for the shares on 27 April 2007. As a result, Watta and CSL's subsidiaries changed status to be CSL's subsidiary from the date on which control was transferred to CSL.

e) Acquisition of common shares, land and a building from Point Asia Dot Com (Thailand) Company Limited of CSL

At the Board of Director's meeting of CSL held on 10 May 2007, the Board of Directors passed a resolution to approve the acquisition of 991,593 ordinary shares of Loxley Information Services Company Limited from Point Asia Dot Com (Thailand) Company Limited at Baht 2.02 per share, equivalent to 3.81% of the share capital of Loxley Information Services Company Limited at a total price of approximately Baht 2 million. Moreover, the Board of Directors passed a resolution to approve the acquisition of the land and building, located at Pattaya and used as CSL's branch office, from Point Asia Dot Com (Thailand) Company Limited, amounting to Baht 3.2 million.

SHIN SATELLITE PUBLIC COMPANY LIMITED

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

31 MARCH 2007