

**Thaicom 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 2009

Review Report of Certified Public Accountant

To the Board of Directors of Thaicom Public Company Limited

I have reviewed the accompanying consolidated and separate balance sheets as at 30 September 2009, and the related statements of income for the three-month and nine-month periods ended 30 September 2009 and 2008, and the related statements of changes in equity and cash flows for the nine-month periods ended 30 September 2009 and 2008 of Thaicom Public Company Limited and its subsidiaries, and of Thaicom 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.

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.

I have previously audited the consolidated and separate financial statements for the year ended 31 December 2008 of Thaicom Public Company Limited and its subsidiaries, and of Thaicom Public Company Limited, respectively, in accordance with generally accepted auditing standards and expressed an unqualified opinion on those financial statements in my report dated 19 February 2009. I have not performed any auditing procedures since that date. The consolidated and separate balance sheets as at 31 December 2008, 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
11 November 2009

Thaicom Public Company Limited and its Subsidiaries
Notes to the interim financial statements
For the three-month and nine-month periods ended 30 September 2009 (Unaudited)

Note	Contents
1	General information
2	Basis of preparation of the financial statements
3	Related party transactions and balances
4	Trade accounts receivable and accrued income
5	Investments in subsidiaries, jointly-controlled entities and associates
6	Capital expenditure and commitment
7	Interest-bearing liabilities
8	Share capital and warrants
9	Segment information
10	Earnings (loss) per share
11	Commitments with non-related parties
12	Contingent liabilities
13	Other event
14	Events after the balance sheet date
15	Reclassification of accounts

Thaicom Public Company Limited and its Subsidiaries
Notes to the interim financial statements
For the three-month and nine-month periods ended 30 September 2009 (Unaudited)

These notes form an integral part of the financial statements.

The interim financial statements were authorised for issue by the Board of Directors on 11 November 2009.

1 General information

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

The Company was listed on the Stock Exchange of Thailand in January 1994.

The Company’s major shareholders during the financial period was Shin Corporation Public Company Limited which is incorporated in Thailand, with 41.14% shareholding.

The Company, its subsidiaries, associate, and jointly controlled entities (Collectively referred to as “the Group”) are primarily involved in transponder services for domestic and international communications, sale of user terminal of iPSTAR, broadband content services, sale of direct television equipment, Internet data center services, Internet services, satellite uplink-downlink services, printing and publishing of business telephone directories, banner advertising, telephone network services, mobile contents, and engineering and development services on communication technology and electronics, which are mainly operated under agreements for operation.

The Group has operations in 10 countries; Thailand, Singapore, Cambodia, Lao PDR, Australia, New Zealand, the United States of America, Mauritius, the British Virgin Islands and Japan.

The Company obtained agreements for operation from the Ministry of Transport and Communications for a period of 30 years to operate and administer satellite projects and to render transponder services for domestic and international communications as well as the right to collect, for a 30-year period, service charges from users of the transponders. These agreements for operation have been transferred to the Ministry of Information Communication and Technology and will be expired in 2021.

Details of the Company’s subsidiaries and jointly controlled entities as at 30 September 2009 and 31 December 2008 were as follows:

Name of the entity	Type of business	Country of incorporation	Ownership interest	
			30 September 2009	31 December 2008
<i>Direct subsidiaries</i>				
DTV Service Company Limited	Providing meeting center via internet and broadband content services and sale of direct television equipments	Thailand	100	100
iPSTAR Company Limited	Providing iPSTAR transponder services	The British Virgin Islands	99.68	99.68
Star Nucleus Company Limited	Providing broadband technological services via iPSTAR satellite	The British Virgin Islands	70	70

Thaicom Public Company Limited and its Subsidiaries
Notes to the interim financial statements
For the three-month and nine-month periods ended 30 September 2009 (Unaudited)

Name of the entity	Type of business	Country of incorporation	Ownership interest	
			30 September 2009	31 December 2008
Spacecode LLC	Providing engineering and development services, technology and electronics	The United States of America	70	70
IPSTAR International Pte Limited	Providing iPSTAR transponder services	Singapore	100	100
IPSTAR Global Services Company Limited	Providing iPSTAR transponder service	Mauritius	100	100
Cambodian DTV Network Limited	Sale of direct television equipment	Cambodia	100	100
Indirect subsidiaries				
Subsidiary of DTV Service Company Limited				
NTU (Thailand) Company Limited	Provide organising services related to conduct training, educational seminar and spread the various kind of knowledge	Thailand	88.52	88.52
Subsidiaries of iPSTAR Company Limited				
IPSTAR Australia Pty Limited	Sale of user terminal of iPSTAR and providing iPSTAR transponder services in Australia	Australia	100	100
IPSTAR New Zealand Company Limited	Sale of user terminal of iPSTAR and providing iPSTAR transponder services in New Zealand	New Zealand	100	100
Jointly-controlled entities				
Shenington Investments Pte Limited	Holding company for investment in international telecommunications	Singapore	51	51
Subsidiaries of Shenington Investments Pte Limited				
Mfone Company Limited	Providing fixed line, mobile phone and internet services	Cambodia	51	51
Jointly-controlled of Shenington Investments Pte Limited				
Lao Telecommunications Company Limited	Providing fixed line, mobile phone, public phone, public international facilities and internet services	Lao PDR	24.99	24.99

Thaicom Public Company Limited and its Subsidiaries
Notes to the interim financial statements
For the three-month and nine-month periods ended 30 September 2009 (Unaudited)

2 Basis of preparation of the 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. 34 *Interim Financial Reporting* (formerly TAS 41) including related interpretations and guidelines promulgated by the Federation of Accounting Professions (“FAP”), 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 statement for the year ended 31 December 2008. 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 2008.

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

On 15 May 2009, the FAP has made the announcement No. 12/2009 to renumber Thai Accounting Standards (TAS) to be the same as International Accounting Standards (IAS).

The Group has adopted the following revised Thai Accounting Standards (TAS), Thai Financial Reporting Standards (TFRS), and accounting guidance which were issued by the FAP during 2008 and 2009 and effective for annual accounting periods beginning on or after 1 January 2009:

TAS 36 (revised 2007) *Impairment of Assets (formerly TAS 36)*

TFRS 5 (revised 2007) *Non-current Assets Held for Sale and Discontinued Operations
(formerly TAS 54)*

Framework for the Preparation and Presentation of Financial Statements (revised 2007) (effective on 26 June 2009)

Accounting Guidance about Leasehold Right (effective on 26 June 2009)

Accounting Guidance about Business Combination under Common Control

The adoption of these revised TAS/TFRS and accounting guidance does not have any material impact on the consolidated or separate financial statements.

Accounting policies and methods of computation applied in the interim financial statements for the three-month and nine-month periods ended 30 September 2009 are consistent with those applied in the financial statements for the year ended 31 December 2008, except for change in accounting estimate on the useful lives of assets as discussed in note 6.

3 Related party transactions and balances

Enterprises and individuals that directly, or indirectly through one or more intermediaries, control, or are controlled by, or are under common control with, the Company, including holding companies, subsidiaries and fellow subsidiaries are related parties of the Company. Associates and individuals owning, directly or indirectly, an interest in the voting power of the Company that gives them

Thaicom Public Company Limited and its Subsidiaries
Notes to the interim financial statements
For the three-month and nine-month periods ended 30 September 2009 (Unaudited)

significant influence over the enterprise, key management personnel, including directors and officers of the Company and close members of the family of these individuals, and companies associated with these individuals also constitute related parties. In considering each possible related party relationship, attention is directed to the substance of the relationship, and not merely the legal form.

The Company is controlled by Shin Corporation Public Company Limited (“Shin”) (incorporated in Thailand), which owns 41.14% (31 December 2008: 41.14%) 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.

Significant transactions for the three-month periods ended 30 September 2009 and 2008 with related parties were as follows:

	Consolidated		Separate	
	financial statements	financial statements	financial statements	financial statements
	2009	2008	2009	2008
	<i>(in thousand Baht)</i>			
<i>Sales and services income</i>				
Subsidiaries	-	-	250,388	126,614
Associate	2,110	-	1,671	-
Jointly-controlled entities	3,659	7,050	1,179	6,187
Related parties under common control	16,413	14,888	14,656	13,161
<i>Other income</i>				
Subsidiaries	-	-	4,623	3,350
Jointly-controlled entities	210	280	428	572
Total	<u>22,392</u>	<u>22,218</u>	<u>272,945</u>	<u>149,884</u>
<i>Purchases of goods and services</i>				
Subsidiaries	-	-	9,648	25,458
Associate	3,327	5,934	2,820	4,469
Jointly-controlled entities	1,091	43	2,228	88
Related parties under common control	(103)	24	(103)	24
Other related party	4,387	3,605	4,387	3,605
<i>Selling and administrative expenses</i>				
Parent company	16	-	-	-
Subsidiaries	-	-	232	43
Associate	678	814	641	723
Jointly-controlled entities	60	-	123	-
Related parties under common control	4,277	6,693	3,416	4,167
Other related party	986	-	-	-
Directors and management benefit expenses	8,360	27,878	8,227	27,743
<i>Finance costs</i>				
Other related party	-	88	-	88
Total	<u>23,079</u>	<u>45,079</u>	<u>31,619</u>	<u>66,408</u>

Thaicom Public Company Limited and its Subsidiaries
Notes to the interim financial statements
For the three-month and nine-month periods ended 30 September 2009 (Unaudited)

Significant transactions for the nine-month periods ended 30 September 2009 and 2008 with related parties were as follows:

	Consolidated financial statements		Separate financial statements	
	2009	2008	2009	2008
	<i>(in thousand Baht)</i>			
<i>Sales and services income</i>				
Subsidiaries	-	-	770,340	656,863
Associate	7,493	829	7,014	794
Jointly-controlled entities	18,202	34,426	14,243	46,627
Related parties under common control	50,151	43,339	42,428	38,349
<i>Other income</i>				
Subsidiaries	-	-	12,578	9,903
Jointly-controlled entities	630	1,425	1,285	2,495
Total	76,476	80,019	847,888	755,031
<i>Purchases of goods and services</i>				
Subsidiaries	-	-	21,698	32,418
Associate	11,240	17,555	9,692	14,406
Jointly-controlled entities	3,168	121	6,466	247
Related parties under common control	486	818	479	818
Other related party	16,781	11,230	12,108	11,230
<i>Selling and administrative expenses</i>				
Parent company	98	-	-	-
Subsidiaries	-	-	527	1,068
Associate	2,494	4,230	1,972	4,057
Jointly-controlled entities	(532)	1,719	(1,113)	3,508
Related parties under common control	13,001	15,949	10,626	11,126
Other related party	3,017	-	-	-
Directors and management benefit expenses	29,487	82,952	29,082	82,558
<i>Finance costs</i>				
Other related party	-	213	-	213
Total	79,240	134,787	91,537	161,649

Thaicom Public Company Limited and its Subsidiaries
Notes to the interim financial statements
For the three-month and nine-month periods ended 30 September 2009 (Unaudited)

Balances as at 30 September 2009 and 31 December 2008 with related parties were as follows:

	Consolidated financial statements		Separate financial statements	
	30 September 2009	31 December 2008	30 September 2009	31 December 2008
	<i>(in thousand Baht)</i>			
<i>Trade accounts receivable and accrued income - related parties</i>				
<i>Trade accounts receivable - related parties</i>				
Subsidiaries	-	-	207,213	206,606
Associate	904	3,665	901	3,636
Jointly-controlled entities	8,588	11,757	3,953	5,750
Related parties under common control	9,915	3,645	6,726	-
Total	19,407	19,067	218,793	215,992
<i>Accrued income - related parties</i>				
Subsidiaries	-	-	159,624	135,031
Associate	932	15,205	932	15,205
Jointly-controlled entities	368	2,303	710	3,187
Related parties under common control	9,616	2,280	9,398	-
Total	10,916	19,788	170,664	153,423
Total trade accounts receivable and accrued income from related parties	30,323	38,855	389,457	369,415
<i>Amounts due from related parties</i>				
Subsidiaries	-	-	7,099	79,023
Associate	24	68,601	24	1,074
Jointly-controlled entities	1,434	2,278	86,644	4,483
Total	1,458	70,879	93,767	84,580
<i>Other current assets - related parties</i>				
Subsidiaries	-	-	1,640	7,748
Related parties under common control	3	281	-	281
Total	3	281	1,640	8,029
<i>Short-term loans and advances to subsidiaries</i>				
Subsidiaries	-	-	336,415	168,805
Total	-	-	336,415	168,805

As at 30 September 2009, the short-term loan to a subsidiary bears interest at the rate of 3.83 - 3.90% per annum (31 December 2008: 5.14 - 6.58% per annum) and is repayable within three months.

Thaicom Public Company Limited and its Subsidiaries

Notes to the interim financial statements

For the three-month and nine-month periods ended 30 September 2009 (Unaudited)

Movements during the nine-month periods ended 30 September 2009 and 2008 of short-term loans and advance to a subsidiary were as follows:

	Consolidated financial statements		Separate financial statements	
	2009	2008	2009	2008
	<i>(in thousand Baht)</i>			
As at 1 January	-	-	168,805	200,255
Increase	-	-	194,915	-
Decrease	-	-	(17,436)	(40,764)
Unrealised gain (loss) on exchange rate	-	-	(9,869)	5,046
As at 30 September	-	-	336,415	164,537

	Consolidated financial statements		Separate financial statements	
	30 September 2009	31 December 2008	30 September 2009	31 December 2008
	<i>(in thousand Baht)</i>			

Trade accounts payable - related parties

Subsidiaries	-	-	1,179	10,165
Associate	22,186	25,234	21,441	17,574
Jointly-controlled entities	249	249	332	332
Related parties under common control	6,202	9,065	89	492
Other related party	1,279	4,306	1,279	4,306
Total	29,916	38,854	24,320	32,869

Amounts due to related parties

Subsidiaries	-	-	33,602	18,812
Jointly-controlled entities	148	2,845	303	5,807
Related parties under common control	1,530	1,743	1,031	855
Other related party	3,672	1,344	2,714	-
Total	5,350	5,932	37,650	25,474

Advance receipts from customers - related parties

Subsidiaries	-	-	46,173	-
Associate	219	-	-	-
Related parties under common control	3	27,345	-	27,345
Total	222	27,345	46,173	27,345

Accrued expenses - related parties

Subsidiaries	-	-	32,936	-
Associate	186	26	186	26
Jointly-controlled entities	330	-	674	-
Related parties under common control	1,061	691	912	515
Total	1,577	717	34,708	541

Thaicom Public Company Limited and its Subsidiaries

Notes to the interim financial statements

For the three-month and nine-month periods ended 30 September 2009 (Unaudited)

	Consolidated financial statements		Separate financial statements	
	30 September 2009	31 December 2008	30 September 2009	31 December 2008
	<i>(in thousand Baht)</i>			
Other non current liabilities				
- related parties				
Jointly-controlled entities	40	40	54	54
Total	40	40	54	54

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

Shin Corporation Public Company Limited (“Shin”), the parent company, issued warrants which are in registered form are non-transferable and have no offering price, to directors who are management of the Company. The term of the warrant is not exceeding five years. As at 30 September 2009, the details were as follows:

	Issued date	Issued (units)	Exercise ratio (unit : share)	Exercise	Exercise period	
				price (Baht/share)	First	Last
ESOP - Grant I	27 March 2002	18,336,300	1 : 1.06942	16.645	Expired on 27 March 2007	
ESOP - Grant II	30 May 2003	12,222,100	1 : 1.11410	12.269	Expired on 30 May 2008	
ESOP - Grant III	31 May 2004	8,823,100	1 : 1.11410	32.681	Expired on 30 May 2009	
ESOP - Grant IV	31 May 2005	8,329,800	1 : 1.09950	37.981	31 May 2006	30 May 2010
ESOP - Grant V	31 July 2006	7,823,000	1 : 1.06582	35.353	31 July 2007	30 July 2011

Directors’ remuneration

The directors’ remuneration represent monthly compensation, annual remuneration, and meeting fees whereas the directors benefit approved by the shareholders of the Company at their Annual General Meetings. The directors’ remuneration is as part of directors and management benefit expenses presented in the statement of income.

Thaicom Public Company Limited and its Subsidiaries
Notes to the interim financial statements
For the three-month and nine-month periods ended 30 September 2009 (Unaudited)

Commitments with related parties

As at 30 September 2009, the Company had issued letters of comfort to the bankers for credit facility of subsidiaries. Under the terms of the letters of comfort, the Company must hold its interests in its subsidiaries at the ratio as specified in the letters. The Company also confirms to the banks that the Company will provide necessary financial support to these subsidiaries to ensure that these subsidiaries will be able to meet their repayment obligations under their related loan agreements.

Significant agreements with related parties

- a. The Company had entered into agreements with a certain related party, under which the related party was committed to maintain accounting program service for a period of approximately one year to five years with an option to renew. The Company was committed to pay for services in respect of the agreements at approximately Baht 5.47 million per year (*31 December 2008: approximately Baht 7.32 million per year*).
- b. The Company had entered into an agreement with an associated company, under which the associate was committed to provide uplink data service for a period of approximately five years. The Company was committed to pay for the service in respect of the agreements at approximately Baht 11.47 million (*31 December 2008: approximately Baht 16.15 million*).
- c. The Company had entered into an agreement with a jointly-controlled entity, under which the jointly-controlled entity was committed to responsible for ensuring the IPSTAR gateway system perform in accordance to the industry standard and provide maintenance service for a period of approximately five years. The Company was committed to pay for the service in respect of the agreements at approximately USD 0.70 million (*31 December 2008: approximately USD 0.88 million*).
- d. The Company and subsidiary had entered into agreements with subsidiaries, under which the Company and subsidiaries were committed to pay royalty fee 1% of revenue from sale or lease of IPSTAR gateway, 1% of revenue from sale or lease of IPSTAR user terminal and 3% of revenue from sale or service of IPSTAR bandwidth.
- e. The Company had entered into agreements with subsidiaries, associate and jointly-controlled entities, under which the Company was committed to provide transponder service, IPSTAR bandwidth service and advisory service. Subsidiaries, associate and jointly-controlled entities were committed to pay the Company for the service of the agreements at approximately USD 156.52 million (*31 December 2008: approximately USD 66.08 million*). The service fees of some contracts vary to the actual used or number of installed user terminal at the rate stated in the contract.

Thaicom Public Company Limited and its Subsidiaries
Notes to the interim financial statements
For the three-month and nine-month periods ended 30 September 2009 (Unaudited)

4 Trade accounts receivable and accrued income

	Note	Consolidated financial statements		Separate financial statements	
		30 September 2009	31 December 2008	30 September 2009	31 December 2008
<i>(in thousand Baht)</i>					
<i>Trade accounts receivable</i>					
Related parties	3	19,407	19,067	218,793	215,992
Other parties		1,251,983	1,353,115	609,248	780,251
Total		1,271,390	1,372,182	828,041	996,243
<i>Accrued income</i>					
Related parties	3	10,916	19,788	170,664	153,423
Other parties		121,289	100,827	129,680	96,882
Total		132,205	120,615	300,344	250,305
Total trade accounts receivable and accrued income		1,403,595	1,492,797	1,128,385	1,246,548
<i>Less Allowance for doubtful accounts</i>		<i>(503,756)</i>	<i>(574,935)</i>	<i>(334,882)</i>	<i>(396,846)</i>
Net		899,839	917,862	793,503	849,702
		2009	2008	2009	2008
<i>(in thousand Baht)</i>					
(Reversal of) bad and doubtful debts expenses for the nine-month periods ended 30 September		(53,126)	18,998	(47,433)	-

Aging analysis for trade accounts receivable were as follows:

	Consolidated financial statements		Separate financial statements	
	30 September 2009	31 December 2008	30 September 2009	31 December 2008
<i>(in thousand Baht)</i>				
Within credit terms	347,884	354,467	283,274	210,892
Overdue:				
Less than 3 months	280,297	174,509	172,001	231,437
3 - 6 months	132,757	191,821	29,414	79,828
6 - 12 months	55,230	94,176	42,784	80,549
over 12 months	455,222	557,209	300,568	393,537
Total	1,271,390	1,372,182	828,041	996,243
<i>Less allowance for doubtful accounts</i>	<i>(503,756)</i>	<i>(574,935)</i>	<i>(334,882)</i>	<i>(396,846)</i>
Net	767,634	797,247	493,159	599,397

The normal credit term for general customers were granted by the Group ranging 30 - 60 days.

Thaicom Public Company Limited and its Subsidiaries
Notes to the interim financial statements
For the three-month and nine-month periods ended 30 September 2009 (Unaudited)

5 Investments in subsidiaries, jointly-controlled entities and an associate

	Consolidated		Separate	
	financial statements	financial statements	financial statements	financial statements
	2009	2008	2009	2008
	<i>(in thousand Baht)</i>			
At 1 January	380,791	676,232	795,789	882,059
Share of net profits of investments in associate - equity method	94,039	80,271	-	-
Acquisitions	-	-	17,712	4,480
Unrealised gain from decrease in shareholding in an associate	3,056	-	-	-
Capital reduction	-	(187,575)	-	-
Dividend income	(90,036)	(107,543)	-	-
At 30 September	<u>387,850</u>	<u>461,385</u>	<u>813,501</u>	<u>886,539</u>

Thaicom Public Company Limited and its Subsidiaries
Notes to the interim financial statements
For the three-month and nine-month periods ended 30 September 2009 (Unaudited)

Investments in subsidiaries, jointly-controlled entities and associate as at 30 September 2009 and 31 December 2008, and dividend income from those investments for the nine-month periods ended 30 September 2009 and 2008 were as follows:

	Consolidated financial statements												Dividend income for	
	Ownership interest (%)		Paid-up capital		Cost method		Equity method		Impairment		At equity - net		nine months ended	
	30 September 2009	31 December 2008	30 September 2009	31 December 2008	30 September 2009	31 December 2008	30 September 2009	31 December 2008	30 September 2009	31 December 2008	30 September 2009	31 December 2008	30 September 2009	30 September 2008
	<i>(in million Baht)</i>													
<i>Associate</i>														
CS Loxinfo Public Company Limited	42.56	43.48	159.82	157.35	1,481.52	1,481.52	387.85	380.79	-	-	387.85	380.79	90.04	107.54
Total			159.82	157.35	1,481.52	1,481.52	387.85	380.79	-	-	387.85	380.79	90.04	107.54

Thaicom Public Company Limited and its Subsidiaries
Notes to the interim financial statements
For the three-month and nine-month periods ended 30 September 2009 (Unaudited)

	Separate financial statements											
	Ownership Interest (%)		Paid-up capital		Cost method		Impairment		At cost - net		Dividend income for nine months ended	
	30	31	30	31	30	31	30	31	30	31	30	30
	September 2009	December 2008	September 2009	December 2008	September 2009	December 2008	September 2009	December 2008	September 2009	December 2008	September 2009	September 2008
(in million Baht)												
<i>Subsidiaries</i>												
DTV Service Company Limited	100.00	100.00	Baht 398.79 million	Baht 398.79 million	398.79	398.79	-	-	398.79	398.79	-	-
Spacecode LLC	70.00	70.00	USD 4.29 million	USD 4.29 million	118.65	118.65	-	-	118.65	118.65	-	-
iPSTAR Company Limited	99.68	99.68	USD 2.00 million	USD 2.00 million	136.23	136.23	-	-	136.23	136.23	-	-
Star Nucleus Company Limited	70.00	70.00	-	-	-	-	-	-	-	-	-	-
IPSTAR International Pte Limited	100.00	100.00	SGD 20,000	SGD 20,000	0.45	0.45	-	-	0.45	0.45	-	-
IPSTAR Global Services Company Limited	100.00	100.00	USD 20,000	USD 20,000	0.69	0.69	-	-	0.69	0.69	-	-
Cambodian DTV Network Company Limited	100.00	100.00	USD 600,000	USD 100,000	21.05	3.34	-	-	21.05	3.34	-	-
<i>Jointly-controlled entity</i>												
Shenington Investments Pte Limited	51.00	51.00	SGD 14.66 million	SGD 14.66 million	137.64	137.64	-	-	137.64	137.64	83.94	-
Total					813.50	795.79	-	-	813.50	795.79	83.94	-

Thaicom Public Company Limited and its Subsidiaries
Notes to the interim financial statements
For the three-month and nine-month periods ended 30 September 2009 (Unaudited)

Significant movements in investments in subsidiaries, jointly controlled entities and an associate for the nine-month period ended 30 September 2009 were as follows:

Associate

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

At the Annual General Meeting of the shareholders of CSL held on 8 April 2009, the shareholders approved the appropriation of dividend payment for the last seven-month operation of 2008 of the Company of Baht 0.22 per share, amounting to Baht 127 million. The dividend was paid on 6 May 2009.

On 11 August 2009, the Board of Directors’ meeting of CSL passed a resolution to approve the interim dividends of Baht 0.14 per share, totaling amount of Baht 81.62 million. CSL paid dividend to shareholder on 8 September 2009.

Jointly-controlled entities

b) Dividend payment of Lao Telecommunications Company Limited (“LTC”)

At the Annual General Meeting of the shareholders of LTC held on 3 February 2009, the shareholders approved the appropriation of dividend from 2008 operation of USD 25 million which including interim dividend of USD 10 million, approved at the Extraordinary General Meeting of shareholders 1/2008 held on 26 July 2008. The final dividend of USD 15 million was paid on 13 February 2009 and 17 February 2009.

At the Extraordinary General Meeting of the shareholders No. 1/2009, held on 14 July 2009, of LTC, the shareholders approved the appropriation of interim dividend from 2009 operation of USD 10 million

c) Additional share capital of Mfone Company Limited

On 8 January 2009, Mfone Company Limited (“Mfone”) registered additional share capital with the Ministry of Commerce of Cambodia. The board of director passed a resolution to approve the increase of ordinary share of USD 4.8 million from USD 19.2 million to USD 24 million, comprise of 24 million ordinary shares at USD 1 each.

d) Dividend payment of Shenington

On 3 March 2009, the Board of Directors of Shenington Investments Pte Limited passed the circulation of resolution to approve the appropriation of interim dividends of SGD 0.4844 per share, amounting to SGD 7.1 million in respect of the Company’s operation in 2008.

e) Increase of share capital of Cambodian DTV Network Company Limited

On 10 April 2009, Cambodian DTV Network Company Limited (“CDN”) registered additional capital with the Ministry of Commerce of Cambodia for Cambodian Riel 2,000 million (USD 500,000) from registered share capital Cambodian Riel 400 million (USD 100,000), divided into 1,000 shares of Cambodian Riel 400,000 each (USD 100) to be registered share capital of Cambodian Riel 2,400 million (USD 600,000), divided into 1,000 shares of Cambodian Riel 2,400,000 each (USD 600).

Thaicom Public Company Limited and its Subsidiaries
Notes to the interim financial statements
For the three-month and nine-month periods ended 30 September 2009 (Unaudited)

f) Additional share capital of IPSTAR New Zealand Company Limited

In June 2009, at the board of directors' meeting and the extraordinary shareholders meeting of IPSTAR New Zealand Company Limited passed the resolution to approve the increase of share capital of USD 4 million (approximately NZD 6.01 million) from registered share capital NZD 2.5 million to be registered share capital NZD 8.51 million, divided into 8,514,133 shares of NZD 1 each. The additional share capital was registered with the Ministry of Commerce of New Zealand on 21 August 2009.

Commitments

According to the joint venture agreement between the Group and the Government of the Lao People's Democratic Republic, the Group must transfer all of LTC's shares to the Government of the Lao People's Democratic Republic, without any charges or compensation, on the expiration date of the joint venture agreement in 2021.

6 Capital expenditure and commitments

	Consolidated financial statements			
	Property and equipment	Property and equipment under agreements for operation <i>(in thousand Baht)</i>	Deferred charges	Intangible assets
Transactions during the nine-month period ended 30 September 2009				
Opening net book value	5,515,249	17,069,060	10,065	1,281,313
Additions	1,492,970	140	40,609	41,317
Disposal, net	(1,975)	-	-	-
Write-offs, net	(6,610)	-	(7,884)	-
Transfers, net	(2,092)	113	27,161	-
Depreciation / amortisation charges	(832,333)	(1,163,385)	(9,658)	(85,809)
Foreign currency translation adjustments	(114,925)	-	-	(4,759)
Closing net book value	<u>6,050,284</u>	<u>15,905,928</u>	<u>60,293</u>	<u>1,232,062</u>
As at 30 September 2009				
Cost	10,420,934	26,567,212	101,504	1,655,293
<i>Less</i> accumulated depreciation / amortisation	(4,342,058)	(10,661,284)	(41,211)	(423,231)
<i>Less</i> accumulated impairment loss	(28,592)	-	-	-
Net book value	<u>6,050,284</u>	<u>15,905,928</u>	<u>60,293</u>	<u>1,232,062</u>

Effective from 1 January 2009, Mfone Company Limited ("Mfone") has revised its accounting estimate on the useful lives of network assets from 15 years to 5 - 10 years. The change results in an increase in depreciation for the nine-month period ended 30 September 2009 in the consolidated financial statements in the amount of Baht 155.93 million.

As at 30 September 2009, property and equipment includes property and equipment under agreements of operation of a jointly-controlled entity, Mfone Company Limited ("Mfone"), of approximately Baht 3,014.19 million (*31 December 2008: Baht 1,409 million*). According to the agreement, Mfone must transfer its ownership of the property and equipment to the government of Cambodia on the expiration date of the agreements of operation, on 4 March 2028 (Note 11 b).

Thaicom Public Company Limited and its Subsidiaries
Notes to the interim financial statements
For the three-month and nine-month periods ended 30 September 2009 (Unaudited)

	Separate financial statements			
	Property and equipment	Property and equipment under agreements for operation <i>(in thousand Baht)</i>	Deferred charges	Intangible Assets
Transactions during the nine-month period ended 30 September 2009				
Opening net book value	1,405,718	17,069,060	8,458	1,087,059
Additions	148,814	140	39,238	40,477
Disposal, net	(1,712)	-	-	-
Write-offs, net	(653)	-	(7,884)	-
Transfers, net	(5,302)	113	27,161	-
Depreciation / amortisation charges	(278,216)	(1,163,385)	(8,665)	(76,011)
Closing net book value	<u>1,268,649</u>	<u>15,905,928</u>	<u>58,308</u>	<u>1,051,525</u>
As at 30 September 2009				
Cost	3,657,632	26,567,212	66,400	1,436,433
Less accumulated depreciation / amortisation	(2,388,983)	(10,661,284)	(8,092)	(384,908)
Net book value	<u>1,268,649</u>	<u>15,905,928</u>	<u>58,308</u>	<u>1,051,525</u>

Capital expenditure commitments

Capital expenditure contracted but not provided for at the balance sheet date was as follows:

	Currency	Consolidated financial statements		Separate financial statements	
		30 September 2009	31 December 2008	30 September 2009	31 December 2008
<i>(in thousand)</i>					
IPSTAR Project	USD	432	693	432	693
	AUD	265	324	-	-
Telephone network	USD	15,217	15,393	-	-
Total	USD	15,649	16,086	432	693
	AUD	265	324	-	-
Total equivalent to Thai Baht		<u>535,196</u>	<u>572,227</u>	<u>14,562</u>	<u>24,315</u>

7 Interest-bearing liabilities

	Consolidated financial statements		Separate financial statements	
	30 September 2009	31 December 2008	30 September 2009	31 December 2008
<i>(in thousand Baht)</i>				
Current				
<i>Short-term borrowings</i>				
Loans from financial institutions	21,877	296,202	7,877	-
Total short-term borrowings	<u>21,877</u>	<u>296,202</u>	<u>7,877</u>	<u>-</u>

Thaicom Public Company Limited and its Subsidiaries

Notes to the interim financial statements

For the three-month and nine-month periods ended 30 September 2009 (Unaudited)

	Consolidated financial statements		Separate financial statements	
	30 September 2009	31 December 2008	30 September 2009	31 December 2008
<i>(in thousand Baht)</i>				
<i>Current portion of long-term borrowings</i>				
Loans from financial institutions	1,805,885	1,219,222	1,658,782	1,132,464
Loans from others	<u>388,320</u>	<u>73,200</u>	<u>2,341</u>	<u>2,449</u>
Total current portion of long-term borrowings	<u>2,194,205</u>	<u>1,292,422</u>	<u>1,661,123</u>	<u>1,134,913</u>
Non-current				
<i>Long-term borrowings</i>				
Loans from financial institutions	6,172,341	7,426,485	5,486,047	6,862,091
Loans from others	<u>536,501</u>	<u>294,920</u>	<u>4,989</u>	<u>6,187</u>
Total long-term borrowings	<u>6,708,842</u>	<u>7,721,405</u>	<u>5,491,036</u>	<u>6,868,278</u>
Total borrowings	<u>8,924,924</u>	<u>9,310,029</u>	<u>7,160,036</u>	<u>8,003,191</u>

The movements in the borrowings are as follows:

	Consolidated financial statements	Separate financial statements
<i>(in thousand Baht)</i>		
For the nine-month period ended 30 September 2009		
Opening net book value	9,310,029	8,003,191
Proceeds from short-term borrowings	24,917	7,917
Proceeds from finance leases	717	717
Proceeds from long-term borrowings, net of finance costs	292,268	-
Repayment of short-term borrowings	(296,961)	-
Repayments of long-term borrowings	(919,071)	(630,300)
Amortisation of finance costs	81,867	81,867
Increase from change in status from accounts payable	767,036	-
- property and equipment		
Realised (gain) loss on exchange rate	(11,337)	7,319
Unrealised gain on exchange rate	<u>(324,541)</u>	<u>(310,675)</u>
Closing net book value	<u>8,924,924</u>	<u>7,160,036</u>

Credit facilities

As at 30 September 2009, available credit facilities for loans from local and oversea banks are Baht 1,282 million and USD 17 million (31 December 2008: Baht 1,344.8 million and USD 22.5 million).

Thaicom Public Company Limited and its Subsidiaries
Notes to the interim financial statements
For the three-month and nine-month periods ended 30 September 2009 (Unaudited)

8 Share capital and warrants

	<i>Par value per share (Baht)</i>	2009		2008	
		Number	Amount	Number	Amount
		<i>(thousand shares / thousand Baht)</i>			
Authorised capital					
At 30 September					
ordinary shares	5	<u>1,132,082</u>	<u>5,660,412</u>	<u>1,132,082</u>	<u>5,660,412</u>
Issued and paid up					
At 1 January					
ordinary shares	5	1,095,938	5,479,688	1,092,219	5,461,094
Issue of new shares	5	-	-	3,719	18,594
At 30 September					
ordinary shares	5	<u>1,095,938</u>	<u>5,479,688</u>	<u>1,095,938</u>	<u>5,479,688</u>

Warrants

As at 30 September 2009, the Company has five ESOP schemes allocated to directors and employees of the Company and its subsidiaries. The warrants are in registered form, are non-transferable and have no offering price. The terms of the warrants do not exceed five years. The exercise price and period are detailed below:

	Issued date	Issued <i>(million units)</i>	Exercise ratio <i>(unit : share)</i>	Exercise price <i>(Baht/share)</i>	Exercise period	
					First	Last
ESOP – Grant I	27 March 2002	8.00	1 : 2.04490	13.081	Expired on 27 March 2007	
ESOP – Grant II	30 May 2003	4.40	1 : 2.04490	6.279	Expired on 30 May 2008	
ESOP – Grant III	31 May 2004	5.89	1 : 1.02245	13.913	Expired on 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	10.03	1 : 1.00000	11.870	31 May 2007	31 May 2011

Movements in the number of warrants outstanding for the nine-month period ended 30 September 2009 are as follows:

	Opening balance	Issue during the period	Exercise during the period	Expired during the period	Closing balance
	<i>(in thousand unit)</i>				
ESOP - Grant III					
Directors	1,754	-	-	(1,754)	-
Employees	4,140	-	-	(4,140)	-
Total	<u>5,894</u>	<u>-</u>	<u>-</u>	<u>(5,894)</u>	<u>-</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	8,934	-	-	-	8,934
Total	<u>10,033</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>10,033</u>
Grand Total	<u>23,489</u>	<u>-</u>	<u>-</u>	<u>(5,894)</u>	<u>17,595</u>

Thaicom Public Company Limited and its Subsidiaries
Notes to the interim financial statements
For the three-month and nine-month periods ended 30 September 2009 (Unaudited)

9 Segment information

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

Business segments

The Group comprises the following main business segments:

Segment 1	Services relating to the satellite business and the transponder services segment
Segment 2	Sales and services relating to the Internet and media business
Segment 3	Sales and services relating to the telephone network business in Cambodia and the Lao People's Democratic Republic.
Segment 4	Others

Geographic segments

In presenting information on the basis of geographical segments, segment revenue is based on the geographic location of customers.

The areas of operation in Thailand are principally satellite business services, internet and media services and printing and publishing of business telephone directories services. Cambodia and Lao PDRs' main activities are sales and services relating to telephone network business and satellite business services. Australia main activities are sales and services relating to satellite business.

The following are the main geographical locations:

Segment 1	Thailand
Segment 2	Cambodia
Segment 3	The Lao People's Democratic Republic
Segment 4	Australia
Segment 5	Others

Revenue and results, based on business segments, in the consolidated financial statements for the three-month and nine-month periods ended 30 September 2009 and 2008 were as follows:

	Three-month periods ended 30 September		Nine-month periods ended 30 September	
	2009	2008	2009	2008
	<i>(in thousand Baht)</i>			
<i>Segment revenue</i>				
Satellite business services	1,194,908	1,163,628	3,375,006	3,599,846
Internet services	145,832	149,465	352,940	386,866
Telephone network	515,144	484,647	1,666,091	1,363,081
Share of profit from associate	33,927	33,089	94,039	80,271
Eliminations	(18,021)	(15,525)	(45,068)	(58,690)
Total	1,871,790	1,815,304	5,443,008	5,371,374

Thaicom Public Company Limited and its Subsidiaries

Notes to the interim financial statements

For the three-month and nine-month periods ended 30 September 2009 (Unaudited)

	Three-month periods ended 30 September		Nine-month periods ended 30 September	
	2009	2008	2009	2008
	<i>(in thousand Baht)</i>			
Segment results				
Satellite business services	(31,008)	(171,859)	(383,761)	(403,886)
Internet services	39,934	16,910	97,521	79,587
Telephone network	94,711	143,331	396,624	504,113
Other segments	(30,955)	(16,440)	(95,273)	(44,151)
Eliminations	(28,886)	35,495	(33,797)	5,144
Total	43,796	7,437	(18,686)	140,807

Revenue and results, based on geographical segments, in the consolidated financial statements for the three-month and nine-month periods ended 30 September 2009 and 2008 were as follows:

	Three-month periods ended 30 September		Nine-month periods ended 30 September	
	2009	2008	2009	2008
	<i>(in thousand Baht)</i>			
Segment revenue				
Thailand	610,181	688,842	1,800,556	2,177,027
Cambodia	472,459	414,987	1,344,841	1,078,482
Lao PDR	177,409	157,544	559,013	514,039
Australia	347,983	307,361	1,035,429	905,064
Others	263,758	246,570	703,169	696,762
Total	1,871,790	1,815,304	5,443,008	5,371,374
Segment results				
Thailand	(119,537)	(204,360)	(406,076)	(701,886)
Cambodia	(25,306)	75,306	159,962	361,640
Lao PDR	60,807	75,273	163,733	176,506
Australia	69,178	79,216	249,202	271,571
Others	58,654	(17,998)	(185,507)	32,976
Total	43,796	7,437	(18,686)	140,807

10 Earnings (loss) per share

Basic earnings (loss) per share

The calculation of basic earnings (loss) per share for the three-month and nine-month periods ended 30 September 2009 and 2008 was based on the net profit (loss) attributable to equity holders of the Company and the weighted average number of ordinary shares outstanding during each period as follows:

Thaicom Public Company Limited and its Subsidiaries
Notes to the interim financial statements
For the three-month and nine-month periods ended 30 September 2009 (Unaudited)

Three-month periods ended 30 September	Consolidated financial statements		Separate financial statements	
	2009	2008	2009	2008
	<i>(in thousand Baht/thousand shares)</i>			
Profit (loss) for the period	<u>50,788</u>	<u>(114,962)</u>	<u>(58,935)</u>	<u>(324,943)</u>
Net profit (loss) attributable to equity holders of the Company (basic)	<u>50,788</u>	<u>(114,962)</u>	<u>(58,935)</u>	<u>(324,943)</u>
Number of ordinary shares outstanding at 1 July	1,095,938	1,095,938	1,095,938	1,095,938
Effect of shares issued during the period	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Weighted average number of ordinary shares outstanding (basic)	<u>1,095,938</u>	<u>1,095,938</u>	<u>1,095,938</u>	<u>1,095,938</u>
Profit (loss) per share (basic) (in Baht)	<u>0.05</u>	<u>(0.10)</u>	<u>(0.05)</u>	<u>(0.30)</u>
	Consolidated		Separate	
	financial statements		financial statements	
Nine-month periods ended 30 September	2009	2008	2009	2008
	<i>(in thousand Baht/thousand shares)</i>			
Profit (loss) for the period	<u>29,242</u>	<u>(116,099)</u>	<u>(301,197)</u>	<u>(746,996)</u>
Net profit (loss) attributable to equity holders of the Company (basic)	<u>29,242</u>	<u>(116,099)</u>	<u>(301,197)</u>	<u>(746,996)</u>
Number of ordinary shares outstanding at 1 January	1,095,938	1,092,219	1,095,938	1,092,219
Effect of shares issued during the period	<u>-</u>	<u>2,125</u>	<u>-</u>	<u>2,125</u>
Weighted average number of ordinary shares outstanding (basic)	<u>1,095,938</u>	<u>1,094,344</u>	<u>1,095,938</u>	<u>1,094,344</u>
Profit (loss) per share (basic) (in Baht)	<u>0.03</u>	<u>(0.11)</u>	<u>(0.27)</u>	<u>(0.68)</u>

Thaicom Public Company Limited and its Subsidiaries

Notes to the interim financial statements

For the three-month and nine-month periods ended 30 September 2009 (Unaudited)

Diluted earnings (loss) per share

The calculation of diluted earnings (loss) per share for the three-month and nine-month periods ended 30 September 2009 and 2008 was based on the profit (loss) for the period attributable to equity holders of the Company and the weighted average number of shares outstanding during the period after adjusting for the effects of all dilutive potential ordinary shares as follows:

	Consolidated financial statements		Separate financial statements	
	2009	2008	2009	2008
Three-month periods ended 30 September	<i>(in thousand Baht/thousand shares)</i>			
Net profit (loss) attributable to equity holders of the Company (diluted)	<u>50,788</u>	<u>(114,962)</u>	<u>(58,935)</u>	<u>(324,943)</u>
Weighted average number of ordinary shares outstanding (basic)	1,095,938	1,095,938	1,095,938	1,095,938
Effect of shares warrants on issue	-	-	-	-
Weighted average number of ordinary shares outstanding (diluted)	<u>1,095,938</u>	<u>1,095,938</u>	<u>1,095,938</u>	<u>1,095,938</u>
Profit (loss) per share (diluted) (in Baht)	<u>0.05</u>	<u>(0.10)</u>	<u>(0.05)</u>	<u>(0.30)</u>
	Consolidated		Separate	
	financial statements		financial statements	
Nine-month periods ended 30 September	2009	2008	2009	2008
	<i>(in thousand Baht/thousand shares)</i>			
Net profit (loss) attributable to equity holders of the Company (diluted)	<u>29,242</u>	<u>(116,099)</u>	<u>(301,197)</u>	<u>(746,996)</u>
Weighted average number of ordinary shares outstanding (basic)	1,095,938	1,094,344	1,095,938	1,094,344
Effect of shares warrants on issue	-	-	-	-
Weighted average number of ordinary shares outstanding (diluted)	<u>1,095,938</u>	<u>1,094,344</u>	<u>1,095,938</u>	<u>1,094,344</u>
Profit (loss) per share (diluted) (in Baht)	<u>0.03</u>	<u>(0.11)</u>	<u>(0.27)</u>	<u>(0.68)</u>

Thaicom Public Company Limited and its Subsidiaries
Notes to the interim financial statements
For the three-month and nine-month periods ended 30 September 2009 (Unaudited)

11 Commitments with non-related parties

a) Agreement for operation of domestic communication satellite

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 agreements for operation have been transferred to the Ministry of Information and Communication 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. As at 30 September 2009, the remaining minimum fee is Baht 878 million. In addition, the Company, according to the aforementioned agreement, must transfer its ownership of all satellites, and monitoring stations and other operating equipments to MICT on the date of completion of construction and installation.

b) Assets transfer commitment under telephone network agreement in Cambodia

Mfone Company Limited (“Mfone”), a jointly-controlled entity in Cambodia, has obtained agreements for operation 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, Mfone will transfer its ownership of all fixed assets to the Government of Cambodia on the expiration date of the agreement in 2028 (Note 6).

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 Lao PDR for 25 years. Currently, Shenington Investments Pte Company Limited, which is a jointly-controlled entities 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 5). 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 30 September 2009, LTC has remaining additional investment of approximately USD 122.21 million (*31 December 2008: USD 149 million*).

d) Agreements for operation of a subsidiary company and associated companies for the satellite uplink-downlink and Satellite Internet services and Internet services in Thailand

CS Loxinfo Public Company Limited (“CSL”), which is an associate of the Company, entered into agreements for operation 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 internet services.

Thaicom Public Company Limited and its Subsidiaries

Notes to the interim financial statements

For the three-month and nine-month periods ended 30 September 2009 (Unaudited)

Currently, the National Telecommunications Commission (“NTC”) is responsible for granting licenses to provide internet access services in Thailand. DTV Service Company Limited, a company’s subsidiary and CSL operate the business to provide internet and telecommunication services under licenses granted by NTC as follow:

Type of license	Issued Date	Period
License of DTV Service Company Limited		
Internet Operation License Type I	18 October 2009	1 year
Licenses of CSL		
Internet Operation License Type II	26 April 2007	5 years
Internet Operation License Type I	8 September 2009	5 year
Telecom Operation License Type I	11 October 2009	5 year
Telecom Operation License Type III	20 December 2007	15 years

e) **Obligation under “Financing and Project Agreement”**

Lao Telecommunications Company Limited (“LTC”) entered into a “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 an amount not exceeding Euro 6.5 million (approximately Baht 349.2 million) for the procurement and installation of Phase VI of a rural telecommunication network. Under the agreement, the ownership of network assets will be transferred to LTC through loan at 30% of the network assets’ value excluding consulting services project. However, LTC has not yet recognised the network assets relating to Phase VI and the related portion of the loan in these interim financial statements because the project has not commenced yet.

f) **Capital commitment**

At 30 September 2009, Shennington Group has capital commitment according to the percentage of share hold by the Group amount of USD 15.22 million (approximately Baht 512.75 million) (31 December 2008: USD 15.4 million; approximately Baht 540 million).

g) **Obligation from shares buy back options**

On 23 October 2003, the Company and Codespace Inc. entered into a “Memorandum of Agreement”, which provides Codespace Inc. an option to sell 2.2 million shares of iPSTAR Co., Ltd. to the Company, with the condition that the Company has the first option to purchase these shares. If the offered price per share is greater than the higher of USD 1 or fair market value at offering date, the Company has the right to refuse. If the offered price per share is equal to the higher of USD 1 or fair market value at offering date, the Company has to purchase those shares from Codespace Inc. The Company believes that Codespace Inc. will not exercise the option because according to the result of the financial analysis of the Company, the value per share of iPSTAR Co., Ltd.’s shares is higher than USD 1. Therefore, the Company does not recognise this obligation as its liabilities in these interim financial statements. As of 30 September 2009, the remaining share option was 0.63 million shares (31 December 2008: 0.63 million shares).

Thaicom Public Company Limited and its Subsidiaries
Notes to the interim financial statements
For the three-month and nine-month periods ended 30 September 2009 (Unaudited)

h) Operating lease commitments

As at 30 September 2009 and 31 December 2008, the Group has future aggregate minimum lease payments under non-cancellable operating leases are as follows:

	Currency	Consolidated financial statements		Separate financial statements	
		30 September 2009	31 December 2008	30 September 2009	31 December 2008
<i>(in thousand)</i>					
Within one year	THB	27,361	95,818	27,361	95,818
	USD	5,819	6,542	4,209	5,048
	KIP	-	14,043	-	-
Total equivalent Baht		<u>223,459</u>	<u>325,400</u>	<u>169,205</u>	<u>272,927</u>
After one year but within five years	THB	49,519	26,206	49,519	26,206
	USD	15,059	10,986	8,576	5,561
	KIP	2,455	44,557	-	-
Total equivalent Baht		<u>556,969</u>	<u>411,789</u>	<u>338,496</u>	<u>221,302</u>
After five years	THB	21,130	29,499	21,130	29,499
	USD	3,814	3,709	-	-
	KIP	735,288	198,747	-	-
Total equivalent Baht		<u>152,591</u>	<u>160,432</u>	<u>21,130</u>	<u>29,499</u>
Grand total equivalent Baht		<u>933,019</u>	<u>897,621</u>	<u>528,831</u>	<u>523,728</u>

12 Contingent liabilities

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 financial statements		Separate financial statements	
		30 September 2009	31 December 2008	30 September 2009	31 December 2008
<i>(in thousand)</i>					
Minimum operating agreement fee payable to Ministry of Information and Communication Technology	THB	163,000	80,000	163,000	80,000
IPSTAR equipment sales	THB	5,319	27,482	5,319	27,482
Satellite space leasing by Customers	USD	199	281	199	281
	THB	488,772	487,000	488,414	487,000
IPSTAR Gateway	USD	379	379	379	379
Standby letters of credit	USD	45,542	43,584	45,542	43,584
Letters of credit	USD	250	-	-	-
Others	THB	3,730	3,322	3,322	3,322

Thaicom Public Company Limited and its Subsidiaries
Notes to the interim financial statements
For the three-month and nine-month periods ended 30 September 2009 (Unaudited)

b) Assessment for income tax in India

The Income Tax Authority in India ('the said Authority') has held that the payments received by the Company for providing Transponder Services ('TPS') to its Indian Customers and non-resident customers targeting Indian audience ('the Customer') was Royalty under both the Indian Income Tax Act ('the Act'), and the Double Taxation Avoidance Agreement between Thailand and India ('the DTAA') and subject to withholding tax at the rate of 15% on gross basis, but the Company considered income from Transponder Services to be business income, and as the Company does not have permanent establishment in India, such incomes are not taxable in India.

The Tax Authority has raised the tax demand including surcharge and education cess aggregating Rs. 612.1 million (approximately Baht 451 million) exclusive of interest amounting to Rs. 92.7 million (approximately Baht 68 million) against the said payment received by it from the customers for the Assessment Year ('AY') 1998-99 to 2005-06 (1 April 1997 to 31 March 2005). Further, the said Authority has also levied penalty of Rs. 324.9 million (approximately Baht 240 million) for AY 1998-99 to 2001-02.

From Authority's letter dated 22 August 2008, the Authority had asked for payment of the said income tax including interest for late payment amounting to Rs. 83.2 million (approximately Baht 61 million) (calculated up to the ended of August 2008). And from Authority's letter dated 3 December 2008, the authority raised the tax demand for AY 2006-07 including related interest amounting to Rs. 22.6 million (approximately Baht 17 million).

The Company had received Withholding Tax Certificates ('WTC') from its Customers until AY 2007-08 net amounting to Rs. 487.96 million (approximately Baht 360 million). The Company had also deposited Rs. 405.3 million (approximately Baht 299 million). In February 2009, the Company paid additional deposit Rs. 22.6 million (approximately Baht 17 million). As the result, deposit is totally Rs. 427.9 million (approximately Baht 316 million). The Company presents the deposit as non-current assets in the Balance Sheet.

Since the management and Tax Advisor in India are of the opinion that the income from the TPS is not subject to Tax in India, the Company did not make any provision for the liability against the balance amount of Rs.219.6 million (approximately Baht 162 million), payable to the said Authority.

On 16 October 2009, the ITAT (Special Bench) pronounced its decision on the Company's appeal against the order of the Income Tax Authority of India and CIT (A) on the issue whether the income from transponder service is a royalty or a business income that the income from transponder service is a royalty and subject to withholding tax at the rate prescribed by law, and the use of transponder service constitutes the use of a process. However, the decision related to the income tax and interest thereon only, and did not include the issue of penalty and interest thereon, which is still pending before ITAT.

However, the Company's tax consultant in India is of the opinion that the decision of the ITAT (Special Bench) is likely to be incorrect as it is not in accordance with the decision of the High Court on telecom service which can be used as precedent by analogy and the decision in the PanAmSat International Systems Inc. case and should be challenged before the High Court, and the Company intends and is proceeding to file an appeal against the ITAT (Special Bench) decision with the High Court within 120 days as required by laws. Therefore, the Company's management takes the view that the Company's income is not taxable in India and the case will be decided in the Company's favour on appeal.

Thaicom Public Company Limited and its Subsidiaries

Notes to the interim financial statements

For the three-month and nine-month periods ended 30 September 2009 (Unaudited)

If the Supreme court decides finally that the Company's income is taxable in India, the total tax liability demanded by the said Authority of Rs. 747.2 million (approximately Baht 551 million) which will be charged as expense immediately, but the Company will not be required to make any additional tax payment as the amount of WTC and the deposit made by the Company fully cover the tax demand. This, however, does not include the Penalty and the interest related to the Penalty already assessed in the amount of Rs. 388.3 million (approx. Baht 286 million) which will be charged as expenses if there is a final judgement that the Company is liable for Penalty and interest related to such Penalty, which the Company has already placed deposit against part of the Penalty and interest related to such Penalty leaving the total liability for Penalty and interest related to such Penalty in the amount of Rs. 219.6 million (approx. Baht 162 million) as stated in the preceding paragraphs together with interest at the maximum rate not exceeding one (1) percent per month as from the date of receipt of the Demand Notice until the date the payment.

However, even though it has been decided that the income from transponder service is a Royalty, if the Company did not conceal any income or intentionally declared incorrect amount of income in its income tax returns, the Penalty and interest imposed on the Company may be set aside.

13 Other event

On 19 April 2007, Mr. Supong Limthanakul brought legal actions against the National Telecommunications Commission ("NTC"), the office of the NTC and the Ministry of Information and Communication Technology ("MICT") in the Central Administrative Court ("CAC") on the ground that the three state agencies neglected to perform their duties in overseeing whether the Company has been carrying on its telecommunications business lawfully after the sale of Shin Corporation Public Company Limited's shares to the new shareholder.

CAC issued an order dated 8 April 2009 making the Company the fourth respondent in order to allow the Company to file the Reply to the petitioner's claim including evidence, documentary or otherwise to CAC and the Company filed the Reply and supporting evidence in July 2009

The Company is of the opinion that it will not be adversely affected in any way as the actions were brought against NTC, office of the NTC and MICT for neglecting to perform their duties and will not constitute a cause for terminating the operating agreement as the Company has fully complied with the terms and conditions of the operating agreement.

14 Events after the balance sheet date

On 6 November 2009, the Company issued 2 tranches of Baht 7,000 million unsubordinated and unsecured with having registered and bond holders representative debentures as follow:

- 1) Debenture 1/2009 No. 1 with maturity of 3 years, Baht 1,000 each, amounting to Baht 3,300 million. Such debentures bear interest at fixed rate 5.25% p.a., payable on a quarterly basis commencing from issuing date. These debentures will be entirely redeemed on 6 November 2012.
- 2) Debenture 1/2009 No. 2 with maturity of 5 years, Baht 1,000 each, amounting to Baht 3,700 million. Such debentures bear interest at fixed rate 6.15% p.a., payable on a quarterly basis commencing from issuing date. These debentures will be entirely redeemed on 6 November 2014.

Thaicom Public Company Limited and its Subsidiaries
Notes to the interim financial statements
For the three-month and nine-month periods ended 30 September 2009 (Unaudited)

15 Reclassification of accounts

Certain accounts in the statement of income for the three-month and nine-month period ended 30 September 2008 have been reclassified to conform to the presentation in the 2009 interim financial statements as follows:

	2008					
	Consolidated financial statements			Separate financial statements		
	Before reclass.	Reclass.	After reclass.	Before reclass.	Reclass.	After reclass.
	<i>(in thousand Baht)</i>					
Statement of income						
Three-month period ended						
30 September						
Selling and administrative expenses	336,782	(336,782)	-	201,233	(201,233)	-
Selling expenses	-	43,198	43,198	-	13,618	13,618
Administrative expenses	-	251,430	251,430	-	147,334	147,334
Directors and management benefit expenses	1,985	25,893	27,878	1,850	25,893	27,743
Finance costs	-	119,208	119,208	-	100,653	100,653
Interest expenses	102,947	<u>(102,947)</u>	-	86,265	<u>(86,265)</u>	-
		<u>-</u>			<u>-</u>	
Nine-month period ended						
30 September						
Selling and administrative expenses	992,245	(992,245)	-	635,932	(635,932)	-
Selling expenses	-	157,456	157,456	-	84,448	84,448
Administrative expenses	-	709,558	709,558	-	430,352	430,352
Directors and management benefit expenses	5,517	77,435	82,952	5,123	77,435	82,558
Finance costs	-	387,893	387,893	-	326,199	326,199
Interest expenses	340,097	<u>(340,097)</u>	-	282,502	<u>(282,502)</u>	-
		<u>-</u>			<u>-</u>	

The reclassifications have been made to comply with the classification set out in the Pronouncement of the Department of Business Development *Re: Determination of items in the financial statements B.E. 2552* dated 30 January 2009.