

Thaicom Public Company Limited and its Subsidiaries
(former name: Shin Satellite Public Company Limited)
Notes to the interim financial statements
For the three-month and six-month periods ended 30 June 2008 (Unaudited)

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These notes form an integral part of the financial statements.

The interim financial statements were authorised for issue by the directors on 13 August 2008.

1 General information

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

At the Annual General Meeting of the Company shareholders, held on 9 April 2008, a resolution was passed approving the name change of the Company to “Thaicom Public Company Limited”, which was registered with the Ministry of Commerce on 10 April 2008.

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

The Company’s major shareholder was Shin Corporation Public Company Limited (41.14% shareholding) which is incorporated in Thailand.

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 concession agreements.

The Group has operations in 9 countries; Thailand, Singapore, Cambodia, Lao PDR, Australia, New Zealand, the United States of America, Mauritius and the British Virgin Islands.

The Company obtained concessions 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 concession agreements have been transferred to the Ministry of Information Communication and Technology and will expire in 2021.

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Details of the Company's subsidiaries and jointly controlled entities as at 30 June 2008 and 31 December 2007 are as follows:

Name of the entity	Type of business	Country of incorporation	Ownership interest	
			30 June 2008	31 December 2007
			(%)	
<i>Direct subsidiaries</i>				
DTV Service Company Limited (former name : Shin Broadband Internet (Thailand) Company Limited)	Providing meeting center via internet and broadband content services and sale of direct television equipment	Thailand	100	100
iPSTAR Company Limited	Providing iPSTAR transponder services	The British Virgin Islands	99.24	99.24
Star Nucleus Company Limited	Providing broadband technological services via iPSTAR satellite	The British Virgin Islands	70	70
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	Sales of direct television equipment	Cambodia	100	-

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Name of the entity	Type of business	Country of incorporation	Ownership interest	
			30 June 2008	31 December 2007
			(%)	
Indirect subsidiaries				
<i>Subsidiary of DTV Service Company Limited</i>				
NTU (Thailand) Company Limited	Provide organizing services related to conduct training, educational seminar and spread the various kind of knowledge.	Thailand	71.85	71.85
<i>Subsidiaries of iPSTAR Company Limited</i>				
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
<i>Subsidiaries of Shenington Investments Pte Limited</i>				
Cambodia Shinawatra Company Limited	Providing fixed line, mobile phone and Internet services	Cambodia	51	51
<i>Joint controlled of Shenington Investments Pte Limited</i>				
Lao Telecommunications Company Limited	Providing fixed line, mobile phone, public phone, public international facilities and Internet services	Lao PDR	24.99	24.99

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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. 41 (revised 2007) *Interim Financial Reporting* including related interpretations and guidelines promulgated by the Federation of Accounting Professions, applicable rules and regulations of the Securities and Exchange Commission and with generally accepted accounting principles in Thailand.

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

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

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

TAS 25 (revised 2007)	Cash Flow Statements
TAS 29 (revised 2007)	Leases
TAS 31 (revised 2007)	Inventories
TAS 33 (revised 2007)	Borrowing Costs
TAS 35 (revised 2007)	Presentation of Financial Statements
TAS 39 (revised 2007)	Accounting Policies, Changes in Accounting Estimates and Errors
TAS 41 (revised 2007)	Interim Financial Reporting
TAS 43 (revised 2007)	Business Combinations
TAS 49 (revised 2007)	Construction Contracts
TAS 51	Intangible Assets

The adoption of these new and revised TAS does not have any material impact on the consolidated or separated financial statements.

Accounting policies and methods of computation applied in the interim financial statements for the three-month and six-month periods ended 30 June 2008 are consistent with those applied in the financial statements for the year ended 31 December 2007 except for the change in accounting policy in respect of goodwill arising from business combinations.

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Changes in accounting policy

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

During 2007, the Federation of Accounting Professions issued Thai Accounting Standard (TAS) 43 (revised 2007) "Business Combinations" which is effective for annual accounting period beginning on or after 1 January 2008. TAS 43 (revised 2007) requires that the acquirer shall, at the acquisition date, recognize goodwill acquired in a business combination as an asset at cost. After initial recognition, goodwill shall be measured at cost less any accumulated impairment losses.

TAS 43 (revised 2007) also requires that any excess of the acquirer's interest in the net fair value of acquiree's identifiable assets, liabilities and contingent liabilities over cost, commonly referred to as "negative goodwill", shall be recognised immediately in profit or loss.

The Group has, accordingly, changed its accounting policy for goodwill and negative goodwill prospectively from 1 January 2008.

3 Related party transactions and balances

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

The Company is controlled by Shin Corporation Public Company Limited ("Shin") (incorporated in Thailand), which owns 41.14% (*31 December 2007: 41.28%*) of the Company's shares. Transactions with Shin Group, Cedar Group, Aspen Group, and Temasek Group are recognised as related party transactions.

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.

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

	Consolidated financial statements		Separate financial statements	
	2008	2007	2008	2007
	<i>(in thousand Baht)</i>			
<i>Sales and services income</i>				
Subsidiaries	-	-	291,735	251,937
Associate	1,932	3,511	1,919	3,284
Joint controlled	14,941	2,508	21,825	5,962
Related parties under common control	14,092	16,380	12,592	13,476
<i>Other income</i>				
Subsidiaries	-	-	3,318	14,686
Associates	-	2	-	2
Joint controlled	865	91	1,351	179
Total	31,830	22,492	332,740	289,526
<i>Purchases of goods and services</i>				
Subsidiaries	-	-	-	13,797
Associate	5,681	5,408	4,838	3,929
Joint controlled	73	-	148	-
Related parties under common control	14	1,091	31	1,091
Other related party	3,766	4,787	3,766	4,787
<i>Selling and administrative expenses</i>				
Parent company	-	1,255	-	-
Subsidiaries	-	-	892	249
Associate	659	492	609	459
Joint controlled	1,719	-	3,508	-
Related parties under common control	4,818	4,143	4,598	4,098
<i>Directors' remuneration</i>				
Directors	1,499	1,809	1,368	1,650
<i>Interest expense</i>				
Other related party	77	-	77	-
Total	18,306	18,985	19,835	30,060

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Significant transactions for the six-month periods ended 30 June 2008 and 2007 with related parties were as follows:

	Consolidated financial statements		Separate financial statements	
	2008	2007	2008	2007
	<i>(in thousand Baht)</i>			
<i>Sales and services income</i>				
Subsidiaries	-	-	530,249	429,801
Associate	2,375	7,213	2,347	6,726
Joint controlled	27,376	6,777	40,440	14,331
Related parties under common control	28,451	40,166	25,188	34,581
<i>Other income</i>				
Subsidiaries	-	-	6,553	30,033
Associate	-	2	-	2
Joint controlled	1,145	91	1,923	179
Total	<u>59,347</u>	<u>54,249</u>	<u>606,700</u>	<u>515,653</u>
<i>Purchases of goods and services</i>				
Subsidiaries	-	-	6,960	20,717
Associate	11,621	10,350	9,937	8,218
Joint controlled	78	-	159	-
Related parties under common control	843	2,005	794	2,005
Other related party	7,625	10,764	7,625	10,764
<i>Selling and administrative expenses</i>				
Parent company	-	1,368	-	-
Subsidiaries	-	-	1,025	249
Associate	3,416	1,226	3,334	1,159
Joint controlled	1,719	-	3,508	-
Related parties under common control	9,256	5,721	6,959	5,663
<i>Directors' remuneration</i>				
Directors	3,532	3,769	3,273	3,448
<i>Interest expense</i>				
Other related party	125	-	125	-
Total	<u>38,215</u>	<u>35,203</u>	<u>43,699</u>	<u>52,223</u>

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Balances as at 30 June 2008 and 31 December 2007 with related parties were as follows:

	Consolidated financial statements		Separate financial statements	
	30 June 2008	31 December 2007	30 June 2008	31 December 2007
	<i>(in thousand Baht)</i>			
<i>Trade accounts receivable and accrued income – related parties</i>				
<i>Trade accounts receivable from related parties</i>				
Subsidiaries	-	-	300,403	110,041
Associate	275	430	246	397
Joint controlled	29,320	20,725	50,460	36,422
Related parties under common control	2,703	4,328	-	-
Total	32,298	25,483	351,109	146,860
<i>Accrued income from related parties</i>				
Subsidiaries	-	-	11,891	64,915
Associate	-	10,346	-	10,346
Joint controlled	1,034	11,175	287	18,494
Related parties under common control	-	2,395	-	-
Total accrued income from related parties	1,034	23,916	12,178	93,755
Total	33,332	49,399	363,287	240,615
<i>Amounts due from related parties</i>				
Subsidiaries	-	-	24,164	44,648
Associate	245,210	-	113	-
Joint controlled	15,143	16,550	30,697	33,549
Related parties under common control	-	22	-	-
Other related party	-	3	-	3
Total	260,353	16,575	54,974	78,200

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	Consolidated financial statements		Separate financial statements	
	30 June 2008	31 December 2007	30 June 2008	31 December 2007
	<i>(in thousand Baht)</i>			
<i>Other current assets - related parties</i>				
Subsidiaries	-	-	3,221	4,079
Related parties under common control	281	281	281	281
Total	281	281	3,502	4,360
<i>Trade accounts payable - related parties</i>				
Subsidiaries	-	-	17,294	30,379
Associate	28,293	26,896	24,207	22,821
Joint controlled	249	249	332	332
Related parties under common control	4,064	649	948	551
Total	32,606	27,794	42,781	54,083
<i>Amounts due to related parties</i>				
Subsidiaries	-	-	3,529	2,434
Associate	-	2,029	-	1,957
Joint controlled	1,860	6,223	3,795	12,699
Related parties under common control	545	2,546	498	536
Other related party	5,716	2,942	4,039	2,942
Total	8,121	13,740	11,861	20,568
<i>Advance receipts from customers - related parties</i>				
Related parties under common control	56,129	59,825	56,129	57,569
Total	56,129	59,825	56,129	57,569
<i>Accrued expenses - related parties</i>				
Related parties under common control	1,070	2,157	516	1,080
Total	1,070	2,157	516	1,080
<i>Other non current liabilities - related parties</i>				
Joint controlled	40	40	54	54
Related parties under common control	-	27,345	-	27,345
Total	40	27,385	54	27,399

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	Consolidated financial statements		Separate financial statements	
	30 June 2008	31 December 2007	30 June 2008	31 December 2007
	<i>(in thousand Baht)</i>			
Short-term loans and advances				
Subsidiaries	-	-	162,026	200,255
Total	<u>-</u>	<u>-</u>	<u>162,026</u>	<u>200,255</u>

As at 30 June 2008, the short-term loan to a subsidiary bears interest at the rate of 6.52-6.58% per annum (31 December 2007: 6.52-6.58% per annum) and is repayable within three months.

Movements of short-term loans and advance to a subsidiary and an associate during the six-month period ended 30 June 2008 and 2007 were as follows:

	Consolidated financial statements		Separate financial statements	
	2008	2007	2008	2007
	<i>(in thousand Baht)</i>			
At 1 January	-	19	200,255	19
Increase	-	-	-	15,550
Decrease	-	(19)	(40,764)	(19)
Unrealised gain(loss) on exchange rate	-	-	2,535	(19)
At 30 June	<u>-</u>	<u>-</u>	<u>162,026</u>	<u>15,531</u>

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

Shin Corporation Public Company Limited, 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 June 2008, the details were as follow:

	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 : 1.11410	12.269	Expired on 30 May 2008	
ESOP - Grant III	31 May 2004	8,823,100	1 : 1.11410	32.681	31 May 2005	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

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Directors' remuneration

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

Commitments with related parties

As at 30 June 2008, the Company provided guarantees relating to the borrowings of DTV Service Company Limited, a subsidiary, amounting to Baht 597 million (*31 December 2007: Baht 807 million*). In addition, the Company issued letters of comfort to the banks of the subsidiary. Under the terms of the letters of comfort, the Company must hold its interests in its subsidiary at the ratio as specified in the letters until the subsidiary repays all loans to the banks. The Company also confirms to the banks that the Company will provide necessary financial support to the subsidiary to ensure that the subsidiary will be able to meet its repayment obligations under its related loan agreements.

4 Trade accounts receivable and accrued income

	Note	Consolidated financial statements		Separate financial statements	
		30 June 2008	31 December 2007	30 June 2008	31 December 2007
<i>(in thousand Baht)</i>					
<i>Trade accounts receivable</i>					
Related parties	3	32,298	25,483	351,109	146,860
Other parties		1,364,308	1,250,474	807,165	748,361
Total		1,396,606	1,275,957	1,158,274	895,221
<i>Accrued income</i>					
Related parties	3	1,034	23,916	12,178	93,755
Other parties		27,353	40,835	34,622	47,939
Total		28,387	64,751	46,800	141,694
Total trade accounts receivable and accrued income		1,424,993	1,340,708	1,205,074	1,036,915
<i>Less</i> allowance for doubtful accounts		(425,470)	(409,301)	(252,691)	(254,387)
Net		999,523	931,407	952,383	782,528
<i>(in thousand Baht)</i>					
Bad and doubtful debts expenses for the six-month periods ended 30 June		17,865	-	-	756

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Aging analyses for trade accounts receivable were as follows:

	Consolidated		Separate	
	financial statements		financial statements	
	30 June	31 December	30 June	31 December
	2008	2007	2008	2007
	<i>(in thousand Baht)</i>			
Within credit terms	476,521	235,800	396,416	137,932
Overdue:				
Less than 3 months	177,783	304,261	176,701	180,488
3-6 months	106,174	149,597	113,823	98,883
6-12 months	119,540	104,374	102,950	105,714
over 12 months	516,588	481,925	368,384	372,204
Total	1,396,606	1,275,957	1,158,274	895,221
Less allowance for doubtful accounts	(425,470)	(409,301)	(252,691)	(254,387)
Net	971,136	866,656	905,583	640,834

The normal credit term granted by the Group/Company ranges from 30 days to 60 days.

5 Investments in subsidiaries, jointly-controlled entities and associate

	Consolidated		Separate	
	financial statements		financial statements	
	2008	2007	2008	2007
	<i>(in thousand Baht)</i>			
At 1 January	676,232	686,050	882,059	1,014,300
Acquisitions	-	-	1,085	-
Share of net profits of investments - equity method	47,182	47,194	-	-
Capital reduction	(187,575)	-	-	-
Dividend income	(107,543)	(35,015)	-	-
At 30 June	428,296	698,229	883,144	1,014,300

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	Ownership		Paid-up capital		Separate financial statements						Dividend income for	
	Interest (%)		30 June 2008	31 December 2007	Cost method		Impairment		At cost - net		six months ended	
	30	31			30	31	30	31	30	31	30	30
	June	December	June	December	June	December	June	December	June	December	June	June
2008	2007	2008	2007	2008	2007	2008	2007	2008	2007	2008	2007	
	<i>(in million Baht)</i>											
<i>Subsidiaries</i>												
DTV Service Company Limited (former name : Shin Broadband Internet (Thailand) Company Limited)	100.00	100.00	947.29 Million Baht	947.29 Million Baht	947.29	947.29	(400.00)	(400.00)	547.29	547.29	-	-
Spacecode LLC	70.00	70.00	4.29 Million US\$	4.29 Million US\$	118.65	118.65	-	-	118.65	118.65	-	-
iPSTAR Company Limited	99.24	99.24	2.00 Million US\$	2.00 Million US\$	78.48	78.48	-	-	78.48	78.48	-	-
Star Nucleus Company Limited	70.00	70.00	-	-	-	-	-	-	-	-	-	-
IPSTAR International Pte Limited	100.00	100.00	0.02 Million SGD	-	0.39	-	-	-	0.39	-	-	-
IPSTAR Global Services Company Limited	100.00	100.00	0.02 Million US\$	-	0.66	-	-	-	0.66	-	-	-
Cambodian DTV Network Limited	100.00	100.00	0.10 Million US\$	-	0.03	-	-	-	0.03	-	-	-
<i>Jointly-controlled entities</i>												
Shenington Investments Pte Limited	51.00	51.00	14.66 Million SGD	14.66 Million SGD	137.64	137.64	-	-	137.64	137.64	-	138.07
Total					1,283.14	1,282.06	(400.00)	(400.00)	883.14	882.06	-	138.07

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Significant movements in investments in subsidiaries jointly controlled entities and associates for the six-month period ended 30 June 2008 were as follows:

Subsidiaries

a) Cambodian DTV Network Limited

On 14 November 2007, at the board of directors' meeting of the Company, the board of directors passed a resolution to approve the incorporation of Cambodian DTV Network Limited ("CDN") in Cambodia which is to carry out sales of television equipment. On 30 January 2008, CDN registered with the Ministry of Commerce of Cambodia with registered capital of Cambodian Riel 4 million (1,000 US Dollar).

On 28 May 2008, CDN registered additional capital of Cambodian Riel 400 million (100,000 US Dollar), divided into 1,000 shares of Cambodian Riel 400,000 each (100 US Dollar).

b) Shin Broadband Internet (Thailand) Company Limited changed its name to "DTV Service Company Limited"

Shin Broadband Internet (Thailand) Company Limited changed its name to "DTV Service Company Limited", which was registered with the Ministry of Commerce on 23 April 2008.

Associates

c) Acquisition of ordinary shares in Shineedotcom Company Limited

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

d) Reduction in par value per share and dividend payment of CS Loxinfo Public Company Limited

At the annual general meeting of the shareholders of CS Loxinfo Public Company Limited ("CSL"), held on 9 April 2008, the shareholders passed a resolution to approve the decrease of capital by reducing the par value of the company's shares from Baht 1 per share to Baht 0.25 per share, paid-up capital from Baht 629,387,302 to Baht 157,346,825.50 and registered capital from Baht 660,849,474 to Baht 165,212,368.50. The capital reduction was registered with the Ministry of Commerce on 30 June 2008. The amount to be returned to shareholders of Baht 433,265,476.50, excluding the amount payable on treasury shares, would be paid on 10 July 2008.

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

At the Board of Directors of CSL meeting, a resolution was passed to approve the interim dividend payment for the first five-months of 2008 (January – May 2008) of Baht 0.23 per share totalling Baht 132.86 million. The interim dividend was paid on 10 July 2008.

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e) Loxley Information Services Company Limited

At the extraordinary shareholders' meetings No. 1/2008 and No. 2/2008, on 6 May 2008 and 21 May 2008 respectively, of Loxley Information Services Company Limited, a subsidiary of CS Loxinfo Public Company Limited, passed a resolution to approve the liquidation of Loxley Information Service Company Limited. It was registered with the Ministry of Commerce on 29 May 2008. Currently, Loxley Information Services Company Limited is in the process of liquidation.

At the extraordinary shareholders' meeting No. 3/2008, held on 26 June 2008, of Loxley Information Services Company Limited, the shareholders passed a resolution to approve the partial capital return to its shareholders of Baht 10 per share, totaling Baht 260 million, and paid this to shareholders on 27 June 2008.

Jointly-controlled entities

f) Dividend payment of Lao Telecommunications Company Limited ("LTC")

At the Annual General Meeting of the shareholders of LTC held on 19 February 2008, the shareholders approved the appropriation of dividend from 2007 operation of USD 12 million.

Commitments

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

Capital expenditure commitments

As at 30 June 2008, Shenington Group has capital expenditure commitments, proportion of share held by Shenington Group, of USD 18.8 million (approximately Baht 632 million).

6 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 royalty fees payable to the other company until the principal and interest of the loan is fully repaid.

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7 Capital expenditure and commitments

	Consolidated financial statements			
	Property and equipment	Property and equipment under concession agreements <i>(in thousand Baht)</i>	Deferred charges	Intangible assets
Transactions during the six-month period ended 30 June 2008				
Opening net book value	4,504,868	18,776,989	51,068	1,302,194
Additions	766,347	-	235	28,406
Disposal, net	(22)	-	-	-
Write-offs, net	(10,930)	-	-	-
Transfers, net	(1,229)	4,524	(32,373)	-
Depreciation / amortisation charges	(333,033)	(851,488)	(1,657)	(51,735)
Foreign currency translation adjustments	82,813	-	(129)	(4,951)
Closing net book value	<u>5,008,814</u>	<u>17,930,025</u>	<u>17,144</u>	<u>1,273,914</u>
As at 30 June 2008				
Cost	8,227,458	26,566,514	565,941	1,554,139
<i>Less</i> accumulated depreciation / amortization	(3,190,053)	(8,636,489)	(548,797)	(280,225)
<i>Less</i> impairment loss	(28,591)	-	-	-
Net book value	<u>5,008,814</u>	<u>17,930,025</u>	<u>17,144</u>	<u>1,273,914</u>

As at 30 June 2008, the accumulated impairment loss of Baht 28.6 million (*31 December 2007 : Baht 28.6 million*) comprised an impairment loss for analogue mobile telephone network of a jointly controlled entity which ceased its operation in 2005 amounting to Baht 16.2 million and an impairment loss for rural telephone network of another jointly controlled entity amounting to Baht 12.4 million.

Property and equipment includes property and equipment under concession agreements of a jointly controlled entity, Cambodia Shinawatra Company Limited (“CAM”), of approximately Baht 1,476 million (*31 December 2007: Baht 1,611 million*). According to the concession agreement, CAM must transfer its ownership of the property and equipment to the government of Cambodia on the expiration date of the concession agreement, on 4 March 2028.

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	Property and equipment	Separate financial statements		
		Property and equipment under concession agreements (in thousand Baht)	Deferred charges	Intangible assets
Transactions during the six-month period ended 30 June 2008				
Opening net book value	1,595,752	18,776,990	16,620	1,160,299
Additions	76,309	-	-	25,867
Disposal, net	(22)	-	-	-
Write-offs, net	(5,242)	-	-	-
Transfers, net	(7,122)	4,523	-	-
Depreciation / amortisation charges	<u>(172,726)</u>	<u>(851,488)</u>	<u>(1,080)</u>	<u>(49,999)</u>
Closing net book value	<u>1,486,949</u>	<u>17,930,025</u>	<u>15,540</u>	<u>1,136,167</u>
As at 30 June 2008				
Cost	3,477,319	26,566,514	22,161	1,394,416
Less accumulated depreciation / amortisation	<u>(1,990,370)</u>	<u>(8,636,489)</u>	<u>(6,621)</u>	<u>(258,249)</u>
Net book value	<u>1,486,949</u>	<u>17,930,025</u>	<u>15,540</u>	<u>1,136,167</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 June 2008	31 December 2007	30 June 2008	31 December 2007
<i>(in thousand)</i>					
IPSTAR Project	USD	844	844	844	844
	AUD	2	2	-	-
Telephone network	USD	<u>18,785</u>	<u>35,818</u>	<u>-</u>	<u>-</u>
Total	USD	<u>19,629</u>	<u>36,662</u>	<u>844</u>	<u>844</u>
	AUD	<u>2</u>	<u>2</u>	<u>-</u>	<u>-</u>
Total equivalent to Thai Baht		<u>660,758</u>	<u>1,242,286</u>	<u>28,420</u>	<u>28,611</u>

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8 Borrowings

	Consolidated financial statements		Separate financial statements	
	30 June 2008	31 December 2007	30 June 2008	31 December 2007
	<i>(in thousand Baht)</i>			
Short-term borrowings				
Loans from financial institutions	384,329	285,252	-	-
Trust Receipts	30,218	59,581	-	-
Total short-term borrowings	<u>414,547</u>	<u>344,833</u>	<u>-</u>	<u>-</u>
Current portion of long-term borrowings				
Loans from financial institutions	1,310,951	1,095,322	809,432	541,139
Loans from others	24,613	43,899	2,059	1,850
Total current portion of long-term borrowings	<u>1,335,564</u>	<u>1,139,221</u>	<u>811,491</u>	<u>542,989</u>
Long-term borrowings				
Loans from financial institutions	7,476,457	8,235,665	7,108,775	7,704,837
Loans from others	106,733	124,908	6,930	6,229
Total long-term borrowings	<u>7,583,190</u>	<u>8,360,573</u>	<u>7,115,705</u>	<u>7,711,066</u>
Total borrowings	<u>9,333,301</u>	<u>9,844,627</u>	<u>7,927,196</u>	<u>8,254,055</u>

The movements in the borrowings can be analysed as follows:

For the six-month period Ended 30 June 2008	Consolidated financial statements	Separate financial statements
	<i>(in thousand Baht)</i>	
Opening net book value	9,844,627	8,254,055
Proceeds from short-term borrowings	130,261	-
Proceeds from long-term borrowings, net of financial expenses	70,796	2,389
Repayments of short-term borrowings	(59,496)	-
Repayments of long-term borrowings	(634,851)	(313,293)
Amortisation of finance costs	54,429	54,429
Unrealised gain on exchange rate	(83,317)	(83,317)
Realised gain on exchange rate	12,933	12,933
Foreign currency translation adjustments	(2,081)	-
Closing net book value	<u>9,333,301</u>	<u>7,927,196</u>

Credit facilities

As at 30 June 2008, available credit facilities for loans from local and oversea banks were Baht 1,194 million and USD 6.5 million (31 December 2007: Baht 1,199 million and USD 6.5 million).

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

The terms and conditions of the restructuring of the IPSTAR and Thaicom 5 facilities were agreed between the borrower and the lenders under agreements dated 28 March 2008. The repayment terms for the principal were extended from monthly repayments on the 15th of each month to semi annual repayment and interest payment was extended from monthly repayments on the 15th of each month to quarterly repayment. The first repayment of principal and interest is due on May 2008. The final repayment for iPSTAR satellite and Thaicom 5 projects is as follow:

	Principal (USD million) As at 30 June 2008	Principal repayment terms	Final principal repayment due
iPSTAR satellite project			
- US Ex-IM Bank Facility Agreement	107.54	Semi-annual	November 2013
- COFACE Facility Agreement	47.68	Semi-annual	November 2013
- Commercial Loan Facility Agreement	35.01	Semi-annual	May 2010
Thaicom 5 satellite project			
- COFACE Facility Agreement	<u>61.32</u>	Semi-annual	May 2015
Total	<u>251.55</u>		

The loans under each loan credit agreement bear interest at various rates ranging from 2.72% to 6.43% per annum. These rates are based on margins over the London Inter-Bank Offer Rate (“LIBOR”) for a period of six months and fixed rates.

9 Share capital and warrants

	<i>Par value per share (Baht)</i>	2008		2007	
		Number	Amount	Number	Amount
<i>Issued and paid up</i>					
At 1 January					
ordinary shares	5	1,092,219	5,461,094	1,091,069	5,455,346
Issue of new shares	5	<u>3,719</u>	<u>18,594</u>	-	-
At 30 June					
ordinary shares	5	<u>1,095,938</u>	<u>5,479,688</u>	<u>1,091,069</u>	<u>5,455,346</u>

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Warrants

As at 30 June 2008, the Company had five ESOP schemes for the 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	Expired on 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	10.03	1 : 1.00000	11.870	31 May 2007	31 May 2011

Movements in the number of warrants outstanding for the six-month period ended 30 June 2008 were as follows:

	Opening balance	Issue during the period	Exercise during the period <i>(in thousand unit)</i>	Expired during the period	Closing balance
ESOP - Grant II					
Directors	637	-	-	(637)	-
Employees	1,282	-	(699)	(583)	-
Total	1,919	-	(699)	(1,220)	-
ESOP - Grant III					
Directors	1,754	-	-	-	1,754
Employees	4,140	-	-	-	4,140
Total	5,894	-	-	-	5,894
ESOP - Grant IV					
Directors	1,430	-	-	-	1,430
Employees	6,132	-	-	-	6,132
Total	7,562	-	-	-	7,562
ESOP - Grant V					
Directors	2,000	-	-	-	2,000
Employees	8,033	-	-	-	8,033
Total	10,033	-	-	-	10,033
Grand Total	25,408	-	(699)	(1,220)	23,489

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10 Segment information

Segment information is presented in respect of the Group's business and geographic segments 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	Printing and publishing of business telephone directories

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	Lao PDR
Segment 4	Australia
Segment 5	Others

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

	Three-month periods ended 30 June		Six-month periods ended 30 June	
	2008	2007	2008	2007
	<i>(in thousand Baht)</i>			
Segment revenue				
Satellite business services	1,066,497	1,084,012	2,436,219	2,161,089
Internet services	153,480	42,611	237,400	81,129
Telephone network	455,438	694,455	878,434	1,339,405
Share of profit from associated company	20,491	24,413	47,182	47,194
Eliminations	(23,834)	(27,281)	(43,165)	(170,164)
Total	1,672,072	1,818,210	3,556,070	3,458,653

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	Three-month periods ended 30 June		Six-month periods ended 30 June	
	2008	2007	2008	2007
	<i>(in thousand Baht)</i>			
Segment results				
Satellite business services	(64,042)	(247,896)	(262,553)	(554,944)
Internet services	35,197	4,669	62,634	40,935
Telephone network	195,593	228,806	359,816	412,561
Other segments	(8,765)	(1,415)	(27,711)	(3,236)
Eliminations	(28,790)	699	(30,351)	15,248
Total	129,193	(15,137)	101,835	(89,436)

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

	Three-month periods ended 30 June		Six-month periods ended 30 June	
	2008	2007	2008	2007
	<i>(in thousand Baht)</i>			
Segment revenue				
Thailand	745,693	566,812	1,488,185	1,158,099
Cambodia	370,735	425,866	663,495	802,928
Lao PDR	164,562	316,193	356,495	633,735
Australia	162,285	261,412	597,704	421,383
Others	228,797	247,927	450,191	442,508
Total	1,672,072	1,818,210	3,556,070	3,458,653
Segment results				
Thailand	(300,113)	(271,125)	(518,024)	(540,423)
Cambodia	181,264	56,142	285,140	181,684
Lao PDR	41,063	160,360	99,649	239,713
Australia	110,285	44,132	190,626	56,283
Others	96,694	(4,646)	44,444	(26,693)
Total	129,193	(15,137)	101,835	(89,436)

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11 Earnings (loss) per share

Basic earnings (loss) per share

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

	Consolidated financial statements		Separate financial statements	
	2008	2007	2008	2007
Three-month period ended 30 June	<i>(in thousand Baht/thousand shares)</i>			
Loss for the period	(281,902)	(83,114)	(517,424)	(141,258)
Net loss attributable to equity holders of the Company (basic)	(281,902)	(83,114)	(517,424)	(141,258)
Number of ordinary shares outstanding at 1 April	1,092,453	1,091,069	1,092,453	1,091,069
Effect of shares issued during the period	2,333	-	2,333	-
Weighted average number of ordinary shares outstanding (basic)	1,094,786	1,091,069	1,094,786	1,091,069
Loss per share (basic) (in Baht)	(0.26)	(0.08)	(0.47)	(0.13)
Six-month period ended 30 June	<i>(in thousand Baht/thousand shares)</i>			
Profit (loss) for the period	(1,137)	51,769	(422,053)	(182,006)
Profit (loss) attributable to equity holders of the Company (basic)	(1,137)	51,769	(422,053)	(182,006)
Number of ordinary shares outstanding at 1 January	1,092,219	1,091,069	1,092,219	1,091,069
Effect of shares issued during the period	1,319	-	1,319	-
Weighted average number of ordinary shares (basic)	1,093,538	1,091,069	1,093,538	1,091,069
Earnings (loss) per share (basic) (in Baht)	(0.00)	0.05	(0.39)	(0.17)

Thaicom Public Company Limited and its Subsidiaries**(former name: Shin Satellite Public Company Limited)****Notes to the interim financial statements****For the three-month and six-month periods ended 30 June 2008 (Unaudited)***Diluted earnings (loss) per share*

The calculation of diluted earnings (loss) per share for the three-month and six-month periods ended 30 June 2008 and 2007 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		Separate	
	financial statements		financial statements	
Three-month period ended 30 June	2008	2007	2008	2007
	<i>(in thousand Baht/thousand shares)</i>			
Loss attributable to equity holders of the Company (diluted)	<u>(281,902)</u>	<u>(83,114)</u>	<u>(517,424)</u>	<u>(141,258)</u>
Weighted average number of ordinary shares outstanding (basic)	1,094,786	1,091,069	1,094,786	1,091,069
Effect of shares warrants on issue	-	-	-	-
Weighted average number of ordinary shares outstanding (diluted)	<u>1,094,786</u>	<u>1,091,069</u>	<u>1,094,786</u>	<u>1,091,069</u>
Loss per share (diluted) (in Baht)	<u>(0.26)</u>	<u>(0.08)</u>	<u>(0.47)</u>	<u>(0.13)</u>

	Consolidated		Separate	
	financial statements		financial statements	
Six-month period ended 30 June	2008	2007	2008	2007
	<i>(in thousand Baht/thousand shares)</i>			
Profit (loss) attributable to equity holders of the Company (diluted)	<u>(1,137)</u>	<u>51,769</u>	<u>(422,053)</u>	<u>(182,006)</u>
Weighted average number of ordinary shares outstanding (basic)	1,093,538	1,091,069	1,093,538	1,091,069
Effect of shares warrants on issue	-	805	-	-
Weighted average number of ordinary shares outstanding (diluted)	<u>1,093,538</u>	<u>1,091,874</u>	<u>1,093,538</u>	<u>1,091,069</u>
Earnings (loss) per share (diluted) (in Baht)	<u>(0.00)</u>	<u>0.05</u>	<u>(0.39)</u>	<u>(0.17)</u>

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12 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 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, 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

Cambodia Shinawatra Company Limited, a joint venture 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.

c) Shareholder agreement

Lao Telecommunications Company Limited (“LTC”) 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 joint venture 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 June 2008, LTC has remaining additional investment of approximately USD 182 million.

d) Concession contracts of a subsidiary company and associated companies for the satellite uplink-downlink and Internet services

CS Loxinfo Public Company Limited (“CSL”), which is an associate of the Company, entered into concession agreements with CAT Telecom Public Company Limited (“CAT”) for a period of 22 years from 9 August 1994 to 8 August 2016 to provide satellite uplink-downlink and internet services.

Currently, the National Telecommunications Commission (“NTC”) is responsible for granting licenses to provide internet access services in Thailand. DTV Service Company Limited (formerly name: Shin Broadband Internet (Thailand) Company Limited), a company’s subsidiary, and CSL

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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 (former name: Shin Broadband Internet (Thailand) Company Limited)		
Internet Operation License Type I	18 October 2007	1 year
Licenses of CSL		
Internet Operation License Type II	26 April 2007	5 years
Internet Operation License Type I	8 September 2007	1 year
Telecom Operation License Type I	11 October 2007	1 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 322.5 million) for the procurement and installation and consultant of Phase VI of a rural telecommunication network. Under the agreement, the ownership of network assets will be transferred to LTC through a loan arrangement 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 financial statements because the project has not commenced yet.

f) 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 is obligated 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 financial statements. As of 30 June 2008, the remaining share option was 1.49 million shares (31 December 2007: 1.49 million shares).

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13 Contingent liabilities

Assessment for income tax in India

The 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. The Company did not agree with the decision of the said Authority and followed the appeal process as provided under the Act.

In view of the above, the said Authority has raised the tax demand including surcharge and education cess aggregating to Rs.612.1 million (approximately Baht 506 million) exclusive of interest amounting to Rs 92.7 million (approximately Baht 77 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 269 million) for AY 1998-99 to 2001-02.

The Company had received Withholding Tax Certificates ('WTC') from its Customers against the deductions from its payment offset by its refund with interest from Income Tax department for Rs.462.2 million (approximately Baht 382 million). The Company had also deposited Rs.301 million (approximately Baht 220 million) during the said period.

Since the Tax Advisor in India is 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.266.1 million (approximately Baht 220 million), payable to the said Authority. Accordingly, the Company put the deposit as non-current assets in the Balance Sheet.

If the Company receives favorable Order from the Appellate Authority (ies), the entire amount which includes withholding tax together with its interest and deposits with interests shall be refunded and if the Company can show that there is no concealment of income, the penalty imposed by the Authority for the AY 1998-99 to 2001-02 would be set aside. Similarly, in case of adverse Order, the Company will be liable to pay the balance amount, with interest at the highest rates of which is not exceeding 1% per month starting from the last day specified for making payment in the notice till date of tax payment. However, even if the Appellate Authority (ies) decides that the income from TPS is a royalty but the Company did not conceal any income in its income tax returns, the Appellate Authority (ies) may decide to set aside the penalty imposed by the Authority on the Company.

Legal Disputes

On 30 May 2008, IPSTAR Australia Pty Ltd ("IPA"), a Company's subsidiary, sent the Notice of Termination of the Definitive Agreement dated 30 October 2007 to ETT Limited ("ETT"), the National Service Operator (NSO) of the iPSTAR service in Australia, effective on 7 June 2008. ETT argued that the notice of termination was invalid and filed an application for interlocutory relief to the Supreme Court of New South Wales. The Court granted interlocutory relief to ETT for the notice of termination and issued an order that the dispute between IPA and ETT will be referred to arbitration. However on 11 August 2008, IPA and ETT reached an agreement to settle their dispute relating to the Definitive Agreement under which obligations under the Agreement were terminated. In addition ETT agreed to return to IPA User Terminals currently in its warehouse. In return, IPA agreed to pay the repurchase fee to ETT.

Thaicom Public Company Limited and its Subsidiaries
(former name: Shin Satellite Public Company Limited)
Notes to the interim financial statements
For the three-month and six-month periods ended 30 June 2008 (Unaudited)

14 Events after the balance sheet date

Reduction in registered capital of DTV Service Company Limited

On 13 August 2008, the board of directors meeting of the Company passed a resolution to approve the decrease of registered capital of DTV Service Company Limited by reducing the number of its shares, in order to offset against the remaining deficits.

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

At the Extraordinary General Meeting of the shareholders of LTC held on 26 July 2008, the shareholders approved the appropriation of interim dividend of USD 10 million.

15 Reclassification of accounts

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