

**Thaicom Public Company Limited
and its Subsidiaries**

Interim financial statements
for the three-month and six-month periods ended
30 June 2014
and
Independent auditor's report
on review of interim financial information

Independent Auditor's Report on Review of Interim Financial Information

To the Board of Directors of Thaicom Public Company Limited

I have reviewed the accompanying consolidated and separate statements of financial position of Thaicom Public Company Limited and its subsidiaries, and of Thaicom Public Company Limited, respectively, as at 30 June 2014; the consolidated and separate statements of income, and comprehensive income for the three-month and six-month periods ended 30 June 2014 and, the consolidated and separate changes in equity and cash flows for the six-month period ended 30 June 2014; and condensed notes ("interim financial information"). Management is responsible for the preparation and presentation of this interim financial information in accordance with Thai Accounting Standard 34, "Interim Financial Reporting". My responsibility is to express a conclusion on this interim financial information based on my review.

Scope of Review

I conducted my review in accordance with the Thai Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Thai Standards on Auditing and consequently does not enable me to obtain assurance that I would become aware of all significant matters that might be identified in an audit. Accordingly, I do not express an audit opinion.

Conclusion

Based on my review, nothing has come to my attention that causes me to believe that the accompanying interim financial information is not prepared, in all material respects, in accordance with Thai Accounting Standard 34, "Interim Financial Reporting".

(Supot Singhasaneh)
Certified Public Accountant
Registration No. 2826

KPMG Phoomchai Audit Ltd.
Bangkok
8 August 2014

Thaicom Public Company Limited and its Subsidiaries

Statements of financial position (Unaudited)

Assets	Note	Consolidated financial statements		Separate financial statements	
		30 June 2014	31 December 2013 (Restated)	30 June 2014	31 December 2013 (Restated)
		<i>(in thousand Baht)</i>			
Current assets					
Cash and cash equivalents		2,330,377	2,152,258	591,378	740,070
Current investments	5	2,662,007	1,305,171	1,977,292	1,305,172
Trade and other accounts receivable	6	1,513,465	1,421,957	1,122,998	1,025,434
Amounts due from related parties	4	32,591	20,033	151,920	200,736
Short-term loan to a jointly-controlled entity	4	140,481	142,074	286,695	289,946
Inventories		239,394	251,541	137,960	135,683
Prepaid insurance		54,720	97,886	47,582	94,825
Other current assets		59,760	33,159	20,377	21,932
Total current assets		7,032,795	5,424,079	4,336,202	3,813,798
Non-current assets					
Long-term loans to subsidiaries	4	-	-	11,265	13,026
Available-for-sale investments	5	-	699,840	-	-
Investments in subsidiaries	7	-	-	1,910,313	1,909,291
Investments in jointly - controlled entity	7	-	-	137,639	137,639
Investments in associate	7	491,962	487,493	-	-
Property and equipment	8	5,081,532	3,163,136	3,420,027	1,536,803
Intangible assets under operating agreements	3,8	14,267,623	15,041,928	14,267,623	15,041,928
Deferred charges	8	133,942	91,896	134,238	92,159
Intangible assets	8	941,165	840,934	661,533	705,131
Deferred tax assets		393,296	503,843	244,331	361,067
Other non-current assets		858,297	1,120,904	854,550	1,116,537
Total non-current assets		22,167,817	21,949,974	21,641,519	20,913,581
Total assets		29,200,612	27,374,053	25,977,721	24,727,379

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

Thaicom Public Company Limited and its Subsidiaries
Statements of financial position (Unaudited)

		Consolidated		Separate	
		financial statements		financial statements	
		30 June	31 December	30 June	31 December
Liabilities and equity	<i>Note</i>	2014	2013	2014	2013
			(Restated)		(Restated)
		<i>(in thousand Baht)</i>			
Current liabilities					
Short-term loans from financial institutions		1,460,319	-	1,460,319	-
Trade and other accounts payable		657,858	719,628	382,149	474,605
Accounts payable - property and equipment		176,978	112,777	123,720	89,290
Amounts due to related parties	4	1,526	2,797	215,723	322,698
Short-term loan from other related party	4	141,105	142,664	-	-
Current portion of long-term loans	10	4,331,374	4,343,759	4,264,739	4,269,098
Advance receipts from customers		731,782	931,770	655,410	822,681
Accrued operating agreement fee		722,192	265,274	722,192	265,274
Income tax payable		49,253	35,753	-	-
Other current liabilities		118,088	70,547	67,362	62,225
Total current liabilities		8,390,475	6,624,969	7,891,614	6,305,871
Non-current liabilities					
Long-term accounts payable					
- property and equipment		381,404	434,932	381,404	434,932
Long-term loans	10	3,656,653	4,028,345	3,645,302	3,966,805
Employee benefits obligations	9	356,771	335,619	195,101	181,461
Other non-current liabilities		411,043	368,725	397,618	358,496
Total non-current liabilities		4,805,871	5,167,621	4,619,425	4,941,694
Total liabilities		13,196,346	11,792,590	12,511,039	11,247,565
Equity					
Share capital	11				
Authorised share capital		5,489,086	5,483,098	5,489,086	5,483,098
Issued and paid-up share capital		5,479,688	5,479,688	5,479,688	5,479,688
Premium on ordinary shares	11	4,301,990	4,301,990	4,301,990	4,301,990
Retained earnings					
Appropriated					
Legal reserve		493,237	493,237	493,237	493,237
Share-based payment transactions	11	4,011	2,432	4,011	2,432
Unappropriated		4,816,619	4,413,069	3,187,756	3,202,467
Other components of equity		870,749	852,656	-	-
Equity attributable to owners of the Company		15,966,294	15,543,072	13,466,682	13,479,814
Non-controlling interests		37,972	38,391	-	-
Total equity		16,004,266	15,581,463	13,466,682	13,479,814
Total liabilities and equity		29,200,612	27,374,053	25,977,721	24,727,379

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

Thaicom Public Company Limited and its Subsidiaries

Statement of income (Unaudited)

	Note	Consolidated		Separate	
		financial statements		financial statements	
		Three-month periods ended 30 June		Three-month periods ended 30 June	
		2014	2013	2014	2013
			(Restated)		(Restated)
<i>(in thousand Baht)</i>					
Continuing operations					
Income					
Revenues from sale of goods and rendering of services	4	2,449,241	1,793,530	1,750,421	1,320,439
Construction revenue under operating agreement		5,292	137,618	5,292	137,618
Other income		24,864	18,777	46,315	204,030
Total income		2,479,397	1,949,925	1,802,028	1,662,087
Expenses					
Cost of sale of goods and rendering of services	4	1,107,382	840,586	858,369	653,708
Construction cost under operating agreement		5,292	137,618	5,292	137,618
Operating agreements fee		248,120	189,197	248,120	189,197
Selling expenses		59,803	33,939	37,695	33,361
Administrative expenses		363,554	300,370	189,014	178,463
Directors and management benefit expenses		18,027	18,464	18,027	18,464
Net foreign exchange loss		13,263	172,919	10,732	204,710
Finance costs		95,394	65,647	90,796	59,836
Total expenses		1,910,835	1,758,740	1,458,045	1,475,357
Share of profit of associate		42,365	47,871	-	-
Profit before income tax expense from continuing operations		610,927	239,056	343,983	186,730
Income tax expense		(113,152)	(48,651)	(69,178)	(8,735)
Profit from continuing operations		497,775	190,405	274,805	177,995
Discontinued operation					
Loss from discontinued operation, net of income tax		-	-	-	-
Profit for the period		497,775	190,405	274,805	177,995
Profit attributable to:					
Owner of the Company		497,775	190,405	274,805	177,995
Non-controlling interest		-	-	-	-
Profit for the period		497,775	190,405	274,805	177,995
Earnings per share					
Basic	13	0.45	0.17	0.25	0.16
Diluted		0.45	0.17	0.25	0.16
Earnings per share - continuing operations					
Basic	13	0.45	0.17	0.25	0.16
Diluted		0.45	0.17	0.25	0.16

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

Thaicom Public Company Limited and its Subsidiaries

Statement of comprehensive income (Unaudited)

	Consolidated		Separate	
	financial statements		financial statements	
	Three-month periods ended 30 June		Three-month periods ended 30 June	
	2014	2013	2014	2013
		(Restated)		(Restated)
	<i>(in thousand Baht)</i>			
Profit for the period	497,775	190,405	274,805	177,995
Other comprehensive income				
Foreign currency translation differences for foreign operations	51,010	80,938	-	-
Unrealised loss from increase in shareholding in a subsidiary	(1,022)	-	-	-
Changes in fair value of available-for-sale investments	20,990	-	-	-
Other comprehensive income for the period, net of income tax	70,978	80,938	-	-
Total comprehensive income for the period	568,753	271,343	274,805	177,995
Total comprehensive income attributable to:				
Owners of the Company	568,739	269,215	274,805	177,995
Non-controlling interests	14	2,128	-	-
Total comprehensive income for the period	568,753	271,343	274,805	177,995

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

Thaicom Public Company Limited and its Subsidiaries
Statement of income (Unaudited)

	Note	Consolidated financial statements		Separate financial statements	
		Six-month periods ended 30 June		Six-month periods ended 30 June	
		2014	2013 (Restated)	2014	2013 (Restated)
<i>(in thousand Baht)</i>					
Continuing operations					
Income	4				
Revenues from sale of goods and rendering of services		4,823,653	3,567,360	3,401,716	2,587,335
Construction revenue under operating agreement		173,176	247,526	173,176	247,526
Net foreign exchange gain		40,421	-	36,458	-
Other income		57,157	38,383	158,314	251,812
Total income		5,094,407	3,853,269	3,769,664	3,086,673
Expenses	4				
Cost of sale of goods and rendering of services		2,356,769	1,728,854	1,840,253	1,333,098
Construction cost under operating agreement		173,176	247,526	173,176	247,526
Operating agreements fee		490,417	373,513	490,417	373,483
Selling expenses		130,010	66,141	91,627	62,012
Administrative expenses		709,754	604,317	369,483	386,499
Directors and management benefit expenses		37,507	37,284	37,507	37,284
Net foreign exchange loss		-	53,459	-	86,737
Finance costs		182,122	131,652	172,005	119,952
Total expenses		4,079,755	3,242,746	3,174,468	2,646,591
Share of profit of associate	7	92,004	109,416	-	-
Profit before income tax expense from continuing operations		1,106,656	719,939	595,196	440,082
Income tax expense		(209,935)	(148,016)	(116,736)	(69,219)
Profit from continuing operations		896,721	571,923	478,460	370,863
Discontinued operation					
Loss from discontinued operation, net of income tax		-	(51,142)	-	-
Profit for the period		896,721	520,781	478,460	370,863
Profit attributable to:					
Owner of the Company		896,721	520,781	478,460	370,863
Non-controlling interest		-	-	-	-
Profit for the period		896,721	520,781	478,460	370,863
Earnings per share	13				
Basic		0.82	0.48	0.44	0.34
Diluted		0.82	0.48	0.44	0.34
Earnings per share - continuing operations	13				
Basic		0.82	0.52	0.44	0.34
Diluted		0.82	0.52	0.44	0.34

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

Thaicom Public Company Limited and its Subsidiaries

Statement of comprehensive income (Unaudited)

	Consolidated		Separate	
	financial statements		financial statements	
	Six-month periods ended 30 June		Six-month periods ended 30 June	
	2014	2013	2014	2013
		(Restated)		(Restated)
	<i>(in thousand Baht)</i>			
Profit for the period	896,721	520,781	478,460	370,863
Other comprehensive income				
Foreign currency translation differences for foreign operations	32,332	40,267	-	-
Unrealised loss from increase in shareholding in a subsidiary	(1,022)	-	-	-
Changes in fair value of available-for-sale investments	(13,636)	-	-	-
Other comprehensive income for the period, net of income tax	17,674	40,267	-	-
Total comprehensive income for the period	914,395	561,048	478,460	370,863
Total comprehensive income attributable to:				
Owners of the Company	914,814	560,469	478,460	370,863
Non-controlling interests	(419)	579	-	-
Total comprehensive income for the period	914,395	561,048	478,460	370,863

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

Thaicom Public Company Limited and its Subsidiaries
Statement of changes in equity (Unaudited)

Consolidated financial statements											
	Retained earnings				Other components of equity						
	Issued and paid-up	Share premium	Legal reserve	Unappropriated	Cumulative gain on dilution of investment in a subsidiary and an associate	Currency translation differences	Changes in fair value of available- for-sale investments	Total other components of equity	Equity attributable to owners of the Company	Non- controlling interests	Total equity
<i>Note</i>	share capital	Share premium	Legal reserve	Unappropriated	an associate	differences	investments	of equity	the Company	interests	equity
<i>(in thousand Baht)</i>											
Six-month period ended 30 June 2013											
Balance at 1 January 2013	5,479,688	4,301,990	453,153	3,763,907	331,457	(127,518)	-	203,939	14,202,677	35,839	14,238,516
Transactions with owners, recorded directly in equity											
Share-based payment transactions	11	-	-	336	-	-	-	-	336	-	336
Dividends to owners of the Company	14	-	-	(438,375)	-	-	-	-	(438,375)	-	(438,375)
Total transactions with owners, recorded directly in equity	-	-	-	(438,039)	-	-	-	-	(438,039)	-	(438,039)
Comprehensive income for the period											
Profit	-	-	-	520,781	-	-	-	-	520,781	-	520,781
Other comprehensive income	-	-	-	-	-	39,688	-	39,688	39,688	579	40,267
Total comprehensive income for the period	-	-	-	520,781	-	39,688	-	39,688	560,469	579	561,048
Balance at 30 June 2013	5,479,688	4,301,990	453,153	3,846,649	331,457	(87,830)	-	243,627	14,325,107	36,418	14,361,525

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

Thaicom Public Company Limited and its Subsidiaries
Statement of changes in equity (Unaudited)

Consolidated financial statements											
(in thousand Baht)											
Retained earnings											
Other components of equity											
Cumulative											
gain on dilution											
of investment in											
a subsidiary and											
an associate											
Currency											
translation											
differences											
Changes in											
fair value of											
available-											
for-sale											
investments											
Total											
other											
components											
of equity											
Equity											
attributable to											
owners of											
the Company											
Non-											
controlling											
interests											
Total											
equity											
Note	Issued and paid-up share capital	Share premium	Legal reserve	Unappropriated	an associate	Currency translation differences	Changes in fair value of available- for-sale investments	Total other components of equity	Equity attributable to owners of the Company	Non- controlling interests	Total equity
Six-month period ended 30 June 2014											
Balance at 1 January 2014											
	5,479,688	4,301,990	493,237	4,415,501	331,457	(42,464)	563,663	852,656	15,543,072	38,391	15,581,463
Transactions with owners, recorded directly in equity											
Share-based payment transactions	11	-	-	1,580	-	-	-	-	1,580	-	1,580
Dividends to owners of the Company	14	-	-	(493,172)	-	-	-	-	(493,172)	-	(493,172)
Total transactions with owners, recorded directly in equity		-	-	(491,592)	-	-	-	-	(491,592)	-	(491,592)
Comprehensive income for the period											
Profit		-	-	896,721	-	-	-	-	896,721	-	896,721
Other comprehensive income		-	-	-	(1,022)	32,751	(13,636)	18,093	18,093	(419)	17,674
Total comprehensive income for the period		-	-	896,721	(1,022)	32,751	(13,636)	18,093	914,814	(419)	914,395
Balance at 30 June 2014	5,479,688	4,301,990	493,237	4,820,630	330,435	(9,713)	550,027	870,749	15,966,294	37,972	16,004,266

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

Thaicom Public Company Limited and its Subsidiaries

Statement of changes in equity (Unaudited)

	Note	Separate financial statements			Total equity	
		Issued and paid-up share capital	Share premium	Retained earnings		
			Legal reserve	Unappropriated		
			<i>(in thousand Baht)</i>			
Six-month period ended 30 June 2013						
Balance at 1 January 2013		5,479,688	4,301,990	453,153	2,879,238	13,114,069
Transactions with owners, recorded directly in equity						
Share-based payment transactions	11	-	-	-	336	336
Dividends to owners of the Company	14	-	-	-	(438,375)	(438,375)
Total transactions with owners, recorded directly in equity		-	-	-	(438,039)	(438,039)
Comprehensive income for the period						
Profit		-	-	-	370,863	370,863
Total comprehensive income for the period		-	-	-	370,863	370,863
Balance at 30 June 2013		5,479,688	4,301,990	453,153	2,812,062	13,046,893

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

Thaicom Public Company Limited and its Subsidiaries

Statement of changes in equity (Unaudited)

	Note	Separate financial statements			Total equity	
		Issued and paid-up share capital	Share premium	Retained earnings		
			Legal reserve	Unappropriated		
			<i>(in thousand Baht)</i>			
Six-month period ended 30 June 2014						
Balance at 1 January 2014		5,479,688	4,301,990	493,237	3,204,899	13,479,814
Transactions with owners, recorded directly in equity						
Share-based payment transactions	11	-	-	-	1,580	1,580
Dividends to owners of the Company	14	-	-	-	(493,172)	(493,172)
Total transactions with owners, recorded directly in equity		-	-	-	(491,592)	(491,592)
Comprehensive income for the period						
Profit		-	-	-	478,460	478,460
Total comprehensive income for the period		-	-	-	478,460	478,460
Balance at 30 June 2014		5,479,688	4,301,990	493,237	3,191,767	13,466,682

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

Thaicom Public Company Limited and its Subsidiaries
Statement of cash flows (Unaudited)

	Note	Consolidated financial statements		Separate financial statements	
		Six-month periods ended 30 June		Six-month periods ended 30 June	
		2014	2013	2014	2013
<i>(in thousand Baht)</i>					
Cash flows from operating activities					
Profit for the period		896,721	520,781	478,460	370,863
<i>Adjustments for</i>					
Depreciation of property and equipment	8	286,747	312,539	109,828	112,782
Amortisation of intangible assets					
under operating agreements	8	947,480	670,291	947,480	670,291
Amortisation of deferred charges	8	10,818	19,030	10,785	18,794
Amortisation of intangible assets	8	53,361	50,356	46,059	45,465
(Reversal of) Impairment on assets		(4,974)	6,731	-	6,731
Investment income		(32,434)	(16,232)	(89,787)	(183,467)
Share-based payment	11	1,580	336	1,580	336
Finance cost		182,122	131,652	172,005	119,952
(Gain) loss on exchange rate		(49,710)	98,386	(50,634)	91,143
Amortisation of borrowing costs	10	1,228	1,229	1,228	1,229
(Reversal of) allowance for doubtful accounts	6	5,203	(12,332)	(2,796)	(5,414)
Allowance for obsolete inventory		39,328	4,616	2,552	976
(Gain) loss on disposal of property and equipment		2,761	(2,249)	(664)	(8,012)
Write-off property and equipment		1,003	4,145	1,002	5,249
Share of profits of associate	7	(92,004)	(109,416)	-	-
Income tax expense		209,935	148,016	116,736	69,219
		<u>2,459,165</u>	<u>1,827,879</u>	<u>1,743,834</u>	<u>1,316,137</u>
Changes in operating assets and liabilities					
Trade and other accounts receivable		(67,588)	(186,851)	(88,044)	(199,980)
Amounts due from related parties		(12,558)	(6,390)	19,747	(35,998)
Inventories		1,891	46,981	(2,086)	36,737
Prepaid insurance		43,437	20,184	47,244	19,691
Other current assets		(6,171)	(63,278)	(535)	3,087
Other non-current assets		(24,819)	40,840	(24,819)	39,749
Trade and other accounts payable		11,179	(182,452)	(100,343)	(175,770)
Amounts due to related parties		(1,272)	(938)	(100,075)	(1,767)
Advance receipts from customers		(204,624)	241,051	(167,271)	69,132
Accrued operating agreement fee		456,917	340,983	456,917	340,983
Other current liabilities		(22,787)	(61,707)	5,560	15,212
Other non-current liabilities		44,082	27,668	40,885	38,106
Defined benefit obligations	9	14,390	15,474	10,143	9,920
Income tax paid		(141,114)	(97,185)	(61,625)	(20,519)
Net cash from operating activities		<u>2,550,128</u>	<u>1,962,259</u>	<u>1,779,532</u>	<u>1,454,720</u>

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

Thaicom Public Company Limited and its Subsidiaries

Statement of cash flows

	Note	Consolidated financial statements		Separate financial statements	
		Six-month periods ended 30 June		Six-month periods ended 30 June	
		2014	2013	2014	2013
<i>(in thousand Baht)</i>					
<i>Cash flows from investing activities</i>					
Interest received		15,514	10,720	12,756	7,348
Dividends received	7	87,535	75,030	88,282	-
Current investment		(672,120)	(392,286)	(672,120)	(392,286)
Payment for property and equipment		(2,034,376)	(475,903)	(1,823,445)	(384,981)
Proceeds from sale of property and equipment		3,222	2,751	685	3,249
Proceeds from long-term loan to subsidiary	4	-	-	1,634	5,763
Payments for deferred charges		(52,864)	(2,465)	(52,864)	(2,465)
Purchase of intangible assets		(2,461)	(11,783)	(2,461)	(8,571)
Net cash outflow on acquisition of direct subsidiary		-	-	-	(32,733)
Net cash outflow on acquisition of indirect subsidiary		(174,241)	-	-	-
Net cash used in investing activities		(2,829,791)	(793,936)	(2,447,533)	(804,676)
<i>Cash flows from financing activities</i>					
Dividends paid to owners of the Company	14	(493,172)	(438,375)	(493,172)	(438,375)
Proceeds from short-term financial institutions	10	1,455,810	45,000	1,455,810	-
Proceeds from long-term borrowings	10	3,635	194,834	3,635	194,834
Repayments of long-term borrowings	10	(330,824)	(49,595)	(272,130)	(3,258)
Interest paid		(175,566)	(120,468)	(170,665)	(114,028)
Net cash from (used in) financing activities		459,883	(368,604)	523,478	(360,827)
Net increase (decrease) in cash and cash equivalents					
		180,220	799,719	(144,523)	289,217
Cash and cash equivalents at 1 January		2,152,258	2,057,409	740,070	660,379
Effect of acquisition of indirect subsidiary		2,068	-	-	-
Effect of exchange rate changes on balances held in foreign currencies		(4,169)	23,021	(4,169)	23,021
Cash and cash equivalents at 30 June		2,330,377	2,880,149	591,378	972,617
<i>Non-cash transactions</i>					
Acquisition of property and equipment by issue of debt		32,407	24,107	26,797	14,205

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

Thaicom Public Company Limited and its Subsidiaries
Notes to the interim financial statements
For the three-month and six-month periods ended 30 June 2014 (Unaudited)

Note	Contents
1	General information
2	Basis of preparation of the interim financial statements
3	Changes in accounting policies
4	Related parties
5	Other investments
6	Trade and other accounts receivable
7	Investments in subsidiaries, jointly-controlled entity and an associate
8	Capital expenditure and commitments
9	Employee benefit obligations
10	Interest-bearing liabilities
11	Share capital and share-base payment transaction
12	Segment information
13	Earnings per share
14	Dividends
15	Commitments with non-related parties
16	Contingent liabilities
17	Other events
18	Event after the reporting period
19	Reclassification

Thaicom Public Company Limited and its Subsidiaries
Notes to the interim financial statements
For the three-month and six-month periods ended 30 June 2014 (Unaudited)

These notes form an integral part of the interim financial statements.

The interim financial statements issued for Thai regulatory reporting purposes are prepared in the Thai language. These English language financial statements have been prepared from the Thai language statutory financial statements, and were approved and authorised for issue by the Board of Directors on 8 August 2014.

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 parent company during the period was Intouch Holdings Public Company Limited (formerly named Shin Corporation Public Company Limited) (41.14% shareholding) which is incorporated in Thailand.

The Company, its subsidiaries, jointly controlled entity and associate (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, broadcasting television service, telecommunication, 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 expire in 2021.

The Company received a license from the National Broadcasting and Telecommunications Commission (“NBTC”), to provide telecommunication services on its network for domestic and international communications. The license has a term of 20 years and will expire in 2032.

Thaicom Public Company Limited and its Subsidiaries
Notes to the interim financial statements
For the three-month and six-month periods ended 30 June 2014 (Unaudited)

Details of the Company's subsidiaries jointly controlled and associate entities as at 30 June 2014 and 31 December 2013 were as follows:

Name of the entity	Type of business	Country of incorporation	Ownership interest (%)	
			30 June 2014	31 December 2013
<i>Direct subsidiaries</i>				
DTV Service Company Limited	Providing meeting center via internet and broadband content services and sale of direct television equipment	Thailand	99.99	99.99
iPSTAR Company Limited	Providing Thaicom 4 transponder services	The British Virgin Islands	99.98	99.96
Star Nucleus Company Limited	Providing broadband technological services via Thaicom 4 satellite	The British Virgin Islands	100	100
Spacecode LLC	Providing engineering and development services, technology and electronics	The United States of America	70	70
IPSTAR International Pte Limited	Providing Thaicom 4 transponder services	Singapore	100	100
IPSTAR Global Services Company Limited	Providing Thaicom 4 transponder services	Mauritius	100	100
Cambodian DTV Network Limited	Sale of direct television equipment	Cambodia	100	100
IPSTAR Australia Pty Limited	Sale of user terminal of Thaicom 4 and providing Thaicom 4 transponder services in Australia.	Australia	100	100
TC Broadcasting Company Limited	Providing broadcasting, television and telecommunication	Thailand	99.99	99.99
IPSTAR Japan Company Limited	Sale of user terminal of Thaicom 4 and providing Thaicom 4 transponder services in Japan.	Japan	100	100
IPSTAR New Zealand Company Limited	Sale of user terminal of Thaicom 4 and providing Thaicom 4 transponder services in New Zealand	New Zealand	100	100

Thaicom Public Company Limited and its Subsidiaries
Notes to the interim financial statements
For the three-month and six-month periods ended 30 June 2014 (Unaudited)

Name of the entity	Type of business	Country of incorporation	Ownership interest (%)	
			30 June 2014	31 December 2013
<i>Indirect subsidiary</i>				
Orion Satellite Systems Pty Limited	Sale of user terminal and providing transponder services in Australia	Australia	100	-
<i>Jointly-controlled entity</i>				
Shenington Investments Pte Limited	Holding company for investment in international telecommunications	Singapore	51	51
<i>Subsidiary of Shenington Investments Pte Limited</i>				
Mfone Company Limited	Providing fixed line, mobile phone and Internet services	Cambodia	51	51
<i>Jointly-controlled entity 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
<i>Associate</i>				
CS Loxinfo Public Company Limited	Providing internet data center service, internet and satellite uplink-downlink services	Thailand	42.07	42.07

2 Basis of preparation of the interim financial statements

(a) Statement of compliance

The interim financial statements are prepared on a condensed basis in accordance with Thai Accounting Standard (TAS) No. 34 (revised 2012) *Interim Financial Reporting*; guidelines promulgated by the Federation of Accounting Professions (FAP); and applicable rules and regulations of the Thai Securities and Exchange Commission.

The interim financial statements are prepared to provide an update on the financial statements for the year ended 31 December 2013. They do not include all of the financial information required for full annual financial statements but 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 of the Company and its subsidiaries for the year ended 31 December 2013.

Thaicom Public Company Limited and its Subsidiaries
Notes to the interim financial statements
For the three-month and six-month periods ended 30 June 2014 (Unaudited)

The accounting policies and methods of computation applied in these interim financial statements are consistent with those applied in the financial statements for the year ended 31 December 2013 except that the Group has adopted all the new and revised TFRS that are effective for annual periods beginning on or after 1 January 2014. The adoption of these new and revised TFRS did not have any material effect on the accounting policies, methods of computation, financial performance or position of the Group or the Company except as disclosed in note 3.

(b) *Functional and presentation currency*

The interim financial statements are prepared and presented in Thai Baht, which is the Group's functional currency. All financial information presented in Thai Baht has been rounded to the nearest thousand unless otherwise stated.

(c) *Use of estimates and judgements*

The preparation of interim financial statements in conformity with TFRS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates

Measurement of defined benefit obligations

The calculation of the defined benefit obligation is sensitive to the assumptions on mortality and future salary rates as set out in note 9.

Measurement of share-based payments

The calculation of the share-base payment is sensitive to the assumptions on fair value at grant date, share price at grant date, exercise price, expected volatility, expected dividend and risk-free interest rate as set out in note 11.

Allowance

The calculation of the allowance for doubtful accounts of trade accounts receivable, allowance for obsolete and damaged inventories and others are related to the assumptions on analysis of payment histories and future expectations of customer payments, slow-moving information of inventories and recoverable amounts.

Utilisation of assets

The assumption of the useful lives and residual value of plant and equipment, intangible assets under the Agreements for operations and intangible assets are reviewed on an ongoing basis.

Thaicom Public Company Limited and its Subsidiaries
Notes to the interim financial statements
For the three-month and six-month periods ended 30 June 2014 (Unaudited)

3 Changes in accounting policies

From 1 January 2014, consequent to the adoption of new and revised TFRS as set out in note 2, the Group has changed its accounting policies having a material effect on the Group's financial statements which is Accounting for Service Concession Arrangements. A description of the nature and effect of these changes in accounting policies as follow:

TFRIC 12 gives guidance on the accounting by operators for public-to-private service concession agreements under which the grantor controls and regulates the services provided; to whom they are provided; and at what price; and also controls any significant residual interest in the related infrastructure at the end of the agreement term. The operator recognises its interest in the concession as either a financial asset or an intangible asset arising from the concession agreement, depending on criteria set out in TFRIC 12, and not as property, plant and equipment. The Group's accounting policy for service concession agreements is as follows:

The Group recognises an intangible asset arising from a service concession arrangement when it has a right to charge for usage of the concession infrastructure. An intangible asset received as consideration for providing construction or upgrade services in a service concession arrangement is measured at fair value upon initial recognition. Subsequent to initial recognition the intangible asset is measured at cost, which includes capitalised borrowing costs, less accumulated amortisation and accumulated impairment losses.

Revenue relating to construction or upgrade services under a service concession arrangement is recognised based on the stage of completion of the work performed, consistent with the Group's accounting policy on recognising revenue on construction contracts. Operation or service revenue is recognised in the period in which the services are provided by the Group. When the Group provides more than one service in a service concession arrangement, the consideration received is allocated by reference to the relative fair values of the services delivered.

The Group has recognized no profit margin on such revenues because the (i) model of Agreements for operation is not designed to generate profits from the infrastructure construction, but from the service rendered; (ii) the way the Group manages the construction is highly based on outsourced services and; (iii) there are no forecasted margins on these operations in the Group business plans. Management so believes that any gains on these operations are irrelevant and, accordingly, no amount in addition to the effective costs has been considered as a part of revenues. Therefore, construction revenues and costs are presented in the statements of income in the same amounts.

Thaicom Public Company Limited and its Subsidiaries
Notes to the interim financial statements
For the three-month and six-month periods ended 30 June 2014 (Unaudited)

The Group adopted TFRIC 12-Service Concession Arrangements. The effects of the change are recognised retrospectively in the financial statements. The impact of the change on the financial statements is as follows:

	Consolidated financial statements			Separated financial statements		
	As reported	Adjustment	Restated	As reported	Adjustment	Restated
<i>(in thousand Baht)</i>						
Statements of financial position as at 31 December 2013						
Assets						
Non-current assets						
Property and equipment	8,074,396	(4,911,260)	3,163,136	6,448,063	(4,911,260)	1,536,803
Property and equipment under operating agreement	10,130,668	(10,130,668)	-	10,130,668	(10,130,668)	-
Intangible assets under operating agreements	-	15,041,928	15,041,928	-	15,041,928	15,041,928
Total non-current assets		-			-	

	Consolidated financial statements			Separated financial statements		
	As reported	Adjustment	Restated	As reported	Adjustment	Restated
<i>(in thousand Baht)</i>						
Statements of income for the three-month period ended 30 June 2013						
Construction revenue under operating agreement	-	137,618	137,618	-	137,618	137,618
Construction cost under operating agreement	-	(137,618)	(137,618)	-	(137,618)	(137,618)
Profit for the period		-			-	

	Consolidated financial statements			Separated financial statements		
	As reported	Adjustment	Restated	As reported	Adjustment	Restated
Statements of income for the six-month period ended 30 June 2013						
Construction revenue under operating agreement	-	247,526	247,526	-	247,526	247,526
Construction cost under operating agreement	-	(247,526)	(247,526)	-	(247,526)	(247,526)
Profit for the period		-			-	

Thaicom Public Company Limited and its Subsidiaries
Notes to the interim financial statements
For the three-month and six-month periods ended 30 June 2014 (Unaudited)

The changes in the financial statements for the six-month period ended 30 June 2014 (current period), which are impacted from applying the new accounting policy.

	Consolidated financial statements			Separated financial statements		
	Before adoption	Adopted	After adoption <i>(in thousand Baht)</i>	Before adoption	Adopted	After adoption
Statements of financial position as at 30 June 2014						
Assets						
Non-current assets						
Property and equipment						
under operating agreement	14,267,623	(14,267,623)	-	14,267,623	(14,267,623)	-
Intangible assets under						
operating agreements	-	<u>14,267,623</u>	14,267,623	-	<u>14,267,623</u>	14,267,623
Total non-current assets		<u>-</u>			<u>-</u>	
	Consolidated financial statements			Separated financial statements		
	Before adoption	Adopted	After adoption <i>(in thousand Baht)</i>	Before adoption	Adopted	After adoption
Statements of income						
for the three-month period ended 30 June 2014						
Construction revenue under						
operating agreement	-	5,292	5,292	-	5,292	5,292
Construction cost under						
operating agreement	-	<u>(5,292)</u>	(5,292)	-	<u>(5,292)</u>	(5,292)
Profit for the period		<u>-</u>			<u>-</u>	
Statements of income						
for the six-month period ended 30 June 2014						
Construction revenue under						
operating agreement	-	173,176	173,176	-	173,176	173,176
Construction cost under						
operating agreement	-	<u>(173,176)</u>	(173,176)	-	<u>(173,176)</u>	(173,176)
Profit for the period		<u>-</u>			<u>-</u>	

Thaicom Public Company Limited and its Subsidiaries
Notes to the interim financial statements
For the three-month and six-month periods ended 30 June 2014 (Unaudited)

4 Related parties

Enterprises and/or 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 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 Intouch Holdings Public Company Limited (formerly named Shin Corporation Public Company Limited) (“Intouch”) (incorporated in Thailand), which owns 41.14% (31 December 2013: 41.14%) of the Company’s shares. Transactions with Intouch Group and shareholders of the Intouch 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.; other related company were conducted based on hourly rates plus reimbursement of actual expenses.

Significant transactions for the three-month periods ended 30 June 2014 and 2013 with related parties were as follows:

Three-month period ended 30 June	Consolidated		Separate	
	financial statements		financial statements	
	2014	2013	2014	2013
	<i>(in thousand Baht)</i>			
Sales				
Sales and services income				
Subsidiaries	-	-	453,865	391,770
Associate	2,529	2,520	2,520	2,520
Related parties under common control	15,902	12,977	13,410	12,625
Other income				
Subsidiaries	-	-	27,460	185,415
Jointly-controlled entities	2,098	2,084	4,282	4,253
Associate	746	461	746	461
Total	21,275	18,042	502,283	597,044

Thaicom Public Company Limited and its Subsidiaries
Notes to the interim financial statements
For the three-month and six-month periods ended 30 June 2014 (Unaudited)

<i>Three-month period ended 30 June</i>	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
	<i>(in thousand Baht)</i>			
Expenses				
Purchases of goods and services				
Subsidiaries	-	-	18,343	22,069
Associate	8,747	5,429	8,747	5,330
Related parties under common control	1,059	138	5	138
Other related party	3,527	3,348	3,527	3,348
Selling and administrative expenses				
Subsidiaries	-	-	240	12,118
Associate	287	634	188	659
Related parties under common control	1,625	4,309	1,483	4,206
Other related party	-	2,164	-	-
Director and management' remuneration	18,175	18,589	18,175	18,589
Other expenses				
Other related party	1,072	1,028	-	-
Total	34,492	35,639	50,708	66,457

Significant transactions for the six-month periods ended 30 June 2014 and 2013 with related parties were as follows:

<i>Six-month period ended 30 June</i>	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
	<i>(in thousand Baht)</i>			
Sales				
Sales and services income				
Subsidiaries	-	-	862,910	770,086
Jointly-controlled entity	-	17	-	-
Associate	5,055	27,114	5,040	27,114
Related parties under common control	29,677	26,120	26,885	25,222
Other related party	-	43	-	-
Other income				
Subsidiaries	-	-	113,676	206,770
Jointly-controlled entity	4,226	8,439	8,625	17,223
Associate	1,567	869	1,567	869
Total	40,525	62,602	1,018,703	1,047,284

Thaicom Public Company Limited and its Subsidiaries
Notes to the interim financial statements
For the three-month and six-month periods ended 30 June 2014 (Unaudited)

<i>Six-month period ended 30 June</i>	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
	<i>(in thousand Baht)</i>			
Expenses				
Purchases of goods and services				
Subsidiaries	-	-	38,190	38,580
Associate	19,149	12,490	19,081	12,358
Related party under common control	1,064	315	10	231
Other related parties	7,463	6,386	7,463	6,381
Selling and administrative expenses				
Subsidiaries	-	-	429	23,737
Associate	515	1,309	383	1,314
Related parties under common control	4,597	8,037	4,349	7,651
Other related parties	-	2,164	-	-
Directors and management remuneration	37,803	37,532	37,803	37,532
Other expense				
Other related party	2,141	2,057	-	-
Total	72,732	70,290	107,708	127,784

Balances as at 30 June 2014 and 31 December 2013 with related parties were as follows:

	Consolidated financial statements		Separate financial statements	
	30 June 2014	31 December 2013	30 June 2014	31 December 2013
	<i>(in thousand Baht)</i>			
Trade accounts receivable and accrued income				
<i>Trade accounts receivable</i>				
Subsidiaries	-	-	174,212	126,048
Associate	904	907	899	899
Related party under common control	5,704	10,732	4,656	10,393
Other related party	54,169	54,516	2,631	2,661
Total	60,777	66,155	182,398	140,001
<i>Accrued income</i>				
Subsidiaries	-	-	1,103	1,176
Associate	34,785	35,729	34,784	35,729
Related parties under common control	4,476	4,559	4,476	4,459
Total	39,261	40,288	40,363	41,364
Total trade accounts receivable and accrued income	100,038	106,443	222,761	181,365
<i>Less allowance for doubtful accounts</i>	(53,919)	(54,515)	(2,631)	(2,661)
Net	46,119	51,928	220,130	178,704

Thaicom Public Company Limited and its Subsidiaries
Notes to the interim financial statements
For the three-month and six-month periods ended 30 June 2014 (Unaudited)

	Consolidated financial statements		Separate financial statements	
	30 June 2014	31 December 2013	30 June 2014	31 December 2013
	<i>(in thousand Baht)</i>			
Other receivables				
Parent	36	-	36	-
Subsidiaries	-	-	88,196	114,520
Jointly-controlled entities	9,669	8,680	63,683	86,183
Associate	5	33	5	33
Other related party	22,881	11,320	-	-
Total	32,591	20,033	151,920	200,736
Short-term loan to a jointly- controlled entity	140,481	142,074	286,695	289,946

As at 30 June 2014, short-term loan to a jointly-controlled entity bears interest at the rate of 2.73% - 3.78% per annum (*31 December 2013: 2.74% - 3.10% per annum*) and is repayable upon request.

Movements during the six-month periods ended 30 June 2014 and 2013 of short-term loan to a jointly-controlled entity were as follows:

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
	<i>(in thousand Baht)</i>			
At 1 January	142,074	132,543	289,946	270,496
Unrealised gain (loss) on exchange rate	(1,593)	2,178	(3,251)	4,445
At 30 June	140,481	134,721	286,695	274,941

	Consolidated financial statements		Separate financial statements	
	30 June 2014	31 December 2013	30 June 2014	31 December 2013
	<i>(in thousand Baht)</i>			
Other current assets				
Subsidiaries	-	-	15	74
Jointly-controlled entity	10,644	8,614	21,722	17,579
Related party under common control	61	-	-	-
Total	10,705	8,614	21,737	17,653
Long-term loan to a subsidiary	-	-	11,265	13,026

As at 30 June 2014, long-term loan to subsidiary bears interest at the rate of 4.58% per annum (*31 December 2013: 4.84%*).

Thaicom Public Company Limited and its Subsidiaries
Notes to the interim financial statements
For the three-month and six-month periods ended 30 June 2014 (Unaudited)

Movements during the six-month periods ended 30 June 2014 and 2013 of long-term loans to a subsidiary were as follows:

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
	<i>(in thousand Baht)</i>			
At 1 January	-	-	13,026	18,249
Decrease	-	-	(1,634)	(5,763)
Net foreign exchange loss	-	-	(127)	(134)
At 30 June	-	-	11,265	12,352

	Consolidated financial statements		Separate financial statements	
	30 June 2014	31 December 2013	30 June 2014	31 December 2013
	<i>(in thousand Baht)</i>			
Trade accounts payable				
Subsidiary	-	-	18,206	49,153
Jointly-controlled entity	249	249	333	332
Associate	5,911	4,003	5,784	3,954
Related party under common control	490	673	79	50
Other related party	12,430	8,875	4,759	1,252
Total	19,080	13,800	29,161	54,741
Other accounts payable				
Subsidiaries	-	-	215,186	322,322
Related party under common control	790	857	537	376
Other related party	736	1,940	-	-
Total	1,526	2,797	215,723	322,698
Advance receipts from customers				
Subsidiary	-	-	339,018	511,945
Related party under common control	6	6	-	-
Total	6	6	339,018	511,945
Accrued expenses				
Subsidiaries	-	-	1,018	-
Associate	-	1,978	-	1,978
Related parties under common control	259	48	256	43
Other related party	10,744	8,697	-	-
Total	11,003	10,723	1,274	2,021
Other current liabilities				
Subsidiaries	-	-	9,213	2,414
Related party under common control	160	160	160	160
Total	160	160	9,373	2,574
Short-term loan from other related party	141,105	142,664	-	-

Thaicom Public Company Limited and its Subsidiaries
Notes to the interim financial statements
For the three-month and six-month periods ended 30 June 2014 (Unaudited)

As at 30 June 2014, short-term loan from other related party bears interest at the rate of 2.73%-3.08% per annum (*31 December 2013: 2.74% - 3.10% per annum*) and is repayable upon request.

Movements during the six-month periods ended 30 June 2014 and 2013 of short-term loan from other related party was as follows:

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
	<i>(in thousand Baht)</i>			
At 1 January	142,664	133,177	-	-
Unrealised (gain) loss on exchange rate	<u>(1,559)</u>	<u>2,154</u>	<u>-</u>	<u>-</u>
At 30 June	<u>141,105</u>	<u>135,331</u>	<u>-</u>	<u>-</u>

Key management personnel compensation

Key management personnel compensation comprised:

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
<i>Three-month period ended 30 June</i>	<i>(in thousand Baht)</i>			
Short-term employee benefits	17,198	17,785	17,198	17,785
Long-term benefits				
- Current service costs, included in administrative expenses	503	485	503	485
- Interest on obligation, included in finance costs	148	124	148	124
- Share-based payment	326	195	326	195
Total	<u>18,175</u>	<u>18,589</u>	<u>18,175</u>	<u>18,589</u>

Six-month period ended 30 June

Short-term employee benefits	35,518	36,120	35,518	36,120
Long-term benefits				
- Current service costs, included in administrative expenses	1,007	969	1,007	969
- Interest on obligation, included in finance costs	295	248	295	248
- Share-based payment	983	195	983	195
Total	<u>37,803</u>	<u>37,532</u>	<u>37,803</u>	<u>37,532</u>

From time to time directors of the Group, or their related entities, may purchase goods from the Group. These purchases are on the same terms and conditions as those entered into by other Group employees or customers.

Directors' remuneration

The directors' remuneration represents monthly compensation, annual remuneration, and meeting fees. The directors' remuneration was 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 six-month periods ended 30 June 2014 (Unaudited)

Significant agreements with related parties

- a. The Company entered into an agreement with an associate, 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 until the end of contract at approximately Baht 23.73 million (*31 December 2013: approximately Baht 29.67 million*).
- b. The Company and subsidiary entered into agreements with subsidiaries, under which the Company and subsidiaries were committed to pay royalty fee at 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.
- c. The Company entered into agreements with subsidiaries and associate, under which the Company was committed to provide transponder service, IPSTAR bandwidth service and advisory service. Subsidiaries and associate were committed to pay the Company for the service of the agreements at approximately USD 70.97 million and Baht 27.50 million (*31 December 2013: approximately USD 81.16 million and Baht 31.25 million*). The service fees of contracts vary to the actual used or number of installed user terminal at the rate stated in the contract.
- d. 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 one year with an option to renew. The company was committed to pay for the service in respect of the agreements at approximately Baht 7.49 million (*31 December 2013: approximately Baht 13.58 million*).
- e. The Company entered into an agreement with an associate, under which the Company was committed to provide satellite uplink equipment for a period of approximately three years and six months. An associate was committed to pay for rental fee in respect of the agreements until the end of contract at approximately Baht 30.21 million. (*31 December 2013: approximately Baht 37.76 million*).
- f. The Company had entered into agreements with a subsidiary, under which a subsidiary was committed to provide broadcasting, television and telecommunication service. The company was committed to pay for the service in respect of the agreements at approximately USD 6,480 per channel/ per year.

5 Other investments

	Consolidated		Separate	
	financial statements		financial statements	
	30 June	31 December	30 June	31 December
	2014	2013	2014	2013
	<i>(in thousand Baht)</i>			
<i>Current investments</i>				
Short-term deposits at financial institutions	1,977,292	1,305,171	1,977,292	1,305,172
Equity securities available for sale	684,715	-	-	-
	<u>2,662,007</u>	<u>1,305,171</u>	<u>1,977,292</u>	<u>1,305,172</u>
<i>Other long-term investments</i>				
Equity securities available for sale	-	699,840	-	-
	<u>-</u>	<u>699,840</u>	<u>-</u>	<u>-</u>
Total	<u>2,662,007</u>	<u>2,005,011</u>	<u>1,977,292</u>	<u>1,305,172</u>

Thaicom Public Company Limited and its Subsidiaries
Notes to the interim financial statements
For the three-month and six-month periods ended 30 June 2014 (Unaudited)

As of 30 June 2014, current investments have interest rates of 2.00% to 3.45% per annum (31 December 2013: 0.30% to 3.45%) and mature within 1 year.

At the extra general meeting of Synertone held on 10 February 2014, the Shareholders passed a resolution to approve the bonus issue of shares on the basis of four bonus shares for every one existing share. IPSTAR International Company Limited is eligible to get the Bonus issue of shares amounting to 256 million shares.

For the investment in Synertone of 64 million shares, the Company had agreed a lock-up period, in which the Company will not sell, transfer or enter into any agreement to transfer the shares, for the period of one year, starting from 16 October 2013 to 15 October 2014.

Movements during the periods ended 30 June 2014 and 2013 of marketable equity securities available for sale was as follow:

	Consolidated financial statements	
	2014	2013
	<i>(in thousand Baht)</i>	
Available-for-sale securities		
At 1 January	699,840	-
Valuation adjustment	(13,636)	-
Unrealised loss on exchange rate	(1,489)	-
At 30 June	<u>684,715</u>	<u>-</u>

6 Trade and other accounts receivable

	Consolidated financial statements		Separate financial statements	
	30 June	31 December	30 June	31 December
<i>Note</i>	2014	2013	2014	2013
	<i>(in thousand Baht)</i>			
Trade accounts receivable				
Related parties	4 60,777	66,155	182,398	140,001
Other parties	1,205,556	1,027,753	716,715	548,965
Total	<u>1,266,333</u>	<u>1,093,908</u>	<u>899,113</u>	<u>688,966</u>
Accrued income				
Related parties	4 39,261	40,288	40,363	41,364
Other parties	138,901	204,598	131,599	200,735
Total	<u>178,162</u>	<u>244,886</u>	<u>171,962</u>	<u>242,099</u>
Other accounts receivable				
Prepaid expenses	95,084	121,686	38,250	65,862
Advance payments	145,635	145,641	55,763	92,062
Others	33,680	17,063	41,350	23,694
Total	<u>274,399</u>	<u>284,390</u>	<u>135,363</u>	<u>181,618</u>
Total trade accounts receivable accrued income and other accounts receivable	<u>1,718,894</u>	<u>1,623,184</u>	<u>1,206,438</u>	<u>1,112,683</u>
<i>Less allowance for doubtful accounts</i>	<i>(205,429)</i>	<i>(201,227)</i>	<i>(83,440)</i>	<i>(87,249)</i>
Net	<u>1,513,465</u>	<u>1,421,957</u>	<u>1,122,998</u>	<u>1,025,434</u>

Thaicom Public Company Limited and its Subsidiaries
Notes to the interim financial statements
For the three-month and six-month periods ended 30 June 2014 (Unaudited)

	Consolidated		Separate	
	financial statements	financial statements	financial statements	financial statements
	30 June	31 December	30 June	31 December
(Reversal of) bad and doubtful debts expenses for the six-month period ended 30 June	<u>5,203</u>	<u>(12,332)</u>	<u>(2,796)</u>	<u>(5,414)</u>

Aging analyses for trade accounts receivable were as follows:

	Consolidated		Separate	
	financial statements	financial statements	financial statements	financial statements
	30 June	31 December	30 June	31 December
	2014	2013	2014	2013
	<i>(in thousand Baht)</i>			
Within credit terms	335,476	303,506	304,138	207,149
Overdue:				
Less than 3 months	410,706	401,126	243,145	251,943
3 - 6 months	301,865	174,595	200,585	71,486
6 - 12 months	30,328	21,039	37,759	27,909
Over 12 months	187,958	193,642	113,486	130,479
	<u>1,266,333</u>	<u>1,093,908</u>	<u>899,113</u>	<u>688,966</u>
Less allowance for doubtful accounts	<u>(205,429)</u>	<u>(201,227)</u>	<u>(83,440)</u>	<u>(87,249)</u>
Net	<u>1,060,904</u>	<u>892,681</u>	<u>815,673</u>	<u>601,717</u>

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

7 Investments in subsidiaries, jointly-controlled entity and an associate

	Consolidated		Separate	
	financial statements	financial statements	financial statements	financial statements
<i>Six-month period ended 30 June</i>	2014	2013	2014	2013
	<i>(in thousand Baht)</i>			
At 1 January	487,493	455,549	2,046,930	1,803,272
Acquisition	-	-	1,022	32,733
Share of net profits of investments in associate				
- equity method	92,004	109,416	-	-
Dividend income	<u>(87,535)</u>	<u>(75,030)</u>	<u>-</u>	<u>-</u>
At 30 June	<u>491,962</u>	<u>489,935</u>	<u>2,047,952</u>	<u>1,836,005</u>

Thaicom Public Company Limited and its Subsidiaries
Notes to the interim financial statements
For the three-month and six-month periods ended 30 June 2014 (Unaudited)

Investments in subsidiaries, jointly-controlled entities and associate as at 30 June 2014 and 31 December 2013, and dividend income from those investments for the six-month periods ended 30 June 2014 and 2013 were as follows:

	Consolidated financial statements											
	Ownership interest		Paid-up capital		Cost		Equity		Fair value of listed securities		Dividend income for six-month period	
	30 June 2014	31 December 2013	30 June 2014	31 December 2013	30 June 2014	31 December 2013	30 June 2014	31 December 2013	30 June 2014	31 December 2013	30 June 2014	30 June 2013
	(%)		<i>(in million Baht)</i>									
Associate												
CS Loxinfo Public Company Limited	42.07	42.07	148	148	1,482	1,482	492	487	6,183	6,005	88	75
Total					<u>1,482</u>	<u>1,482</u>	<u>492</u>	<u>487</u>			<u>88</u>	<u>75</u>

Thaicom Public Company Limited and its Subsidiaries
Notes to the interim financial statements
For the three-month and six-month periods ended 30 June 2014 (Unaudited)

Significant movements in investments in subsidiaries, jointly controlled entity and an associate for the six-month period ended 30 June 2014 were as follows:

Subsidiaries

- a) *Acquisition of ordinary shares in Orion Satellite Systems Pty Limited (“OSS”) by IPSTAR Australia Pty Limited (“IPA”), a subsidiary of the Company*

On 7 February 2014, IPA had acquired 5.96 million ordinary shares of OSS from Orion Satellite Investment Limited, equivalent to 100% of registered share capital of OSS, totalling of AUD 5.96 million.

- b) *Dividend payment of IPSTAR Australia Pty Limited (“IPA”)*

At the Board of Directors’ meeting of IPA, on 31 March 2014, the Directors approved the appropriation of dividends from retained earnings as at 31 December 2013 of AUD 2 million. The dividend was paid to shareholder in April 2014.

- c) *Acquisition of additional ordinary shares in IPSTAR Company Limited (“IPST”)*

In June 2014, the Company acquired an additional 31,220 ordinary shares in IPST at USD 1 per share, equivalent to 0.02% of the paid-up share capital of IPST, at a total price of USD 31,220. As a result of this acquisition, the Company owns interest in IPST of 99.98%.

Jointly controlled entity

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

At the Annual General Meeting of the shareholders of LTC held on 29 January 2014, the shareholders approved the appropriation of dividend from 2013 operation of USD 15 million.

Associate

- e) *Proposed dividend payment of CS Loxinfo Public Company Limited (“CSL”)*

At the annual general meeting of the shareholders of CSL held on 27 March 2014, the shareholders approved the appropriation of dividend of Baht 0.35 per share, amounting to Baht 208 million. The dividend was paid to shareholders on 22 April 2014.

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.

Thaicom Public Company Limited and its Subsidiaries
Notes to the interim financial statements
For the three-month and six-month periods ended 30 June 2014 (Unaudited)

8 Capital expenditure and commitments

	Consolidated financial statements			
	Property and equipment	Intangible assets under agreements for operation <i>(in thousand Baht)</i>	Deferred charges	Intangible assets
Transactions during the six-month period ended 30 June 2014				
Opening net book value	3,163,136	15,041,928	91,896	840,934
Additions	2,046,743	-	52,864	154,339
Disposal, net	(1,009)	-	-	-
Transfer, net	148,608	173,175	-	-
Write-offs, net	(1,003)	-	-	-
Depreciation / amortisation charges	(286,747)	(947,480)	(10,818)	(53,361)
Foreign currency translation adjustments	11,804	-	-	(747)
Closing net book value	<u>5,081,532</u>	<u>14,267,623</u>	<u>133,942</u>	<u>941,165</u>
As at 30 June 2014				
Cost	10,065,051	26,233,166	784,259	1,807,670
Less accumulated depreciation / amortisation	(4,964,434)	(11,965,543)	(650,317)	(866,505)
Less accumulated impairment loss	(19,085)	-	-	-
Net book value	<u>5,081,532</u>	<u>14,267,623</u>	<u>133,942</u>	<u>941,165</u>

The gross amount of the Group's fully depreciated property and equipment that was still in use as at 30 June 2014 amounted to Baht 2,354.53 million (31 December 2013: Baht 2,193.00 million).

As at 30 June 2014 the accumulated impairment loss of Baht 19.1 million (31 December 2013: Baht 19.1 million) comprised an impairment loss for IPSTAR ground system of the Company amounting to Baht 6.7 million and an impairment loss for rural telephone network of another jointly controlled entity amounting to Baht 12.4 million.

	Separate financial statements			
	Property and equipment	Intangible assets under agreements for operation <i>(in thousand Baht)</i>	Deferred charges	Intangible assets
Transactions during the six-month period ended 30 June 2014				
Opening net book value	1,536,803	15,041,928	92,159	705,131
Additions	1,823,445	-	52,864	2,461
Disposal, net	(21)	-	-	-
Transfer, net	170,630	173,175	-	-
Write-offs, net	(1,002)	-	-	-
Depreciation / amortisation charges	(109,828)	(947,480)	(10,785)	(46,059)
Closing net book value	<u>3,420,027</u>	<u>14,267,623</u>	<u>134,238</u>	<u>661,533</u>
As at 30 June 2014				
Cost	5,585,770	26,233,166	784,677	1,432,236
Less accumulated depreciation / amortisation	(2,159,012)	(11,965,543)	(650,439)	(770,703)
Less accumulated impairment loss	(6,731)	-	-	-
Net book value	<u>3,420,027</u>	<u>14,267,623</u>	<u>134,328</u>	<u>661,533</u>

Thaicom Public Company Limited and its Subsidiaries
Notes to the interim financial statements
For the three-month and six-month periods ended 30 June 2014 (Unaudited)

The gross amount of the Company's fully depreciated property and equipment that was still in use as at 30 June 2014 amounted to Baht 1,555.34 million (31 December 2013: Baht 1,516.48 million).

As at 30 June 2014, property and equipment included a project in progress of Baht 2,751.54 million, relating to the Thaicom 8 project. The Company provides telecommunication services under licenses granted by the National Broadcasting and Telecommunications Commission ("NBTC"). The Thaicom 8 project will be expected to finish within 2016.

Capital expenditure commitments

Capital expenditure contracted but not provided for at the reporting date were as follows:

	Currency	Consolidated financial statements		Separate financial statements	
		30 June 2014	31 December 2013	30 June 2014	31 December 2013
		<i>(in thousand)</i>			
THAICOM 4 Project	USD	26	26	26	26
THAICOM 6 Project	USD	-	2,380	-	2,380
120°E Project	USD	171,000	171,000	171,000	171,000
THAICOM 8 Project	USD	69,498	-	69,498	-
Telephone network	USD	1,007	3,473	-	-
Total	USD	<u>241,531</u>	<u>176,879</u>	<u>240,524</u>	<u>173,406</u>
Total equivalent to Thai Baht		<u>7,873,424</u>	<u>5,828,049</u>	<u>7,840,742</u>	<u>5,713,620</u>

The Company entered into a cooperation agreement to preserve the orbital location of 120 degrees East by co-investment in a satellite construction with Asia Satellite Telecommunications Company Limited in the total amount of USD 171 million.

9 Employee benefit obligations

The statement of financial position obligation was determined as follows:

	Consolidated financial statements		Separate financial statements	
	30 June 2014	31 December 2013	30 June 2014	31 December 2013
	<i>(in thousand Baht)</i>			
Present value of unfunded obligations	<u>356,771</u>	<u>335,619</u>	<u>195,101</u>	<u>181,461</u>
Statement of financial position obligation	<u>356,771</u>	<u>335,619</u>	<u>195,101</u>	<u>181,461</u>

Thaicom Public Company Limited and its Subsidiaries
Notes to the interim financial statements
For the three-month and six-month periods ended 30 June 2014 (Unaudited)

Movement in the present value of the defined benefit obligations:

	Consolidated		Separate	
	financial statements		financial statements	
<i>Six-month period ended 30 June</i>	2014	2013	2014	2013
	<i>(in thousand Baht)</i>			
Defined benefit obligations at 1 January	335,619	287,320	181,461	155,443
Benefits paid by the plan	(1,679)	(151)	(146)	(151)
Current service costs and interest	22,379	21,131	13,669	12,967
Past service costs	123	125	117	117
Loss from foreign exchange rate	329	6,908	-	-
Defined benefit obligations at 30 June	<u>356,771</u>	<u>315,333</u>	<u>195,101</u>	<u>168,376</u>

Expense recognised in profit or loss:

	Consolidated		Separate	
	financial statements		financial statements	
<i>Six-month period ended 30 June</i>	2014	2013	2014	2013
	<i>(in thousand Baht)</i>			
Current service costs of employee	15,947	15,500	10,172	9,954
Past service costs	123	125	117	117
Interest on obligation	6,432	5,631	3,497	3,013
Total	<u>22,502</u>	<u>21,256</u>	<u>13,786</u>	<u>13,084</u>

Principal actuarial assumptions at the reporting date (expressed as weighted averages):

	Consolidated		Separate	
	financial statements		financial statements	
	30	31	30	31
	June	December	June	December
	2014	2013	2014	2013
	%			
Discount rate	3.90	3.90	3.90	3.90
Future salary increases	8.00-15.00	8.00-15.00	8.00	8.00

Thaicom Public Company Limited and its Subsidiaries
Notes to the interim financial statements
For the three-month and six-month periods ended 30 June 2014 (Unaudited)

10 Interest-bearing liabilities

	Consolidated financial statements		Separate financial statements	
	30 June 2014	31 December 2013	30 June 2014	31 December 2013
	<i>(in thousand Baht)</i>			
<i>Current</i>				
<i>Short-term loans</i>				
Short-term loans from financial institution	1,460,319	-	1,460,319	-
Total short-term loans	<u>1,460,319</u>	<u>-</u>	<u>1,460,319</u>	<u>-</u>
<i>Current portion of long-term borrowings</i>				
Loans from financial institutions	619,507	633,537	557,436	563,435
Loans from others	12,736	12,319	8,172	7,760
Total current portion of long-term borrowings	<u>632,243</u>	<u>645,856</u>	<u>565,608</u>	<u>571,195</u>
Current portion of long-term debentures	<u>3,699,131</u>	<u>3,697,903</u>	<u>3,699,131</u>	<u>3,697,903</u>
Total current interest – bearing liabilities	<u>4,331,374</u>	<u>4,343,759</u>	<u>4,264,739</u>	<u>4,269,098</u>
<i>Non-current</i>				
<i>Long-term borrowings</i>				
Loans from financial institutions	3,623,334	3,994,248	3,623,334	3,944,043
Loans from others	33,319	34,097	21,968	22,762
Total long-term borrowings	<u>3,656,653</u>	<u>4,028,345</u>	<u>3,645,302</u>	<u>3,966,805</u>
Total non-current interest – bearing liabilities	<u>3,656,653</u>	<u>4,028,345</u>	<u>3,645,302</u>	<u>3,966,805</u>
Total	<u>9,448,346</u>	<u>8,372,104</u>	<u>9,370,360</u>	<u>8,235,903</u>

Thaicom Public Company Limited and its Subsidiaries
Notes to the interim financial statements
For the three-month and six-month periods ended 30 June 2014 (Unaudited)

Long-term debentures were as follows:

As at 30 June 2014, the Company had a tranche of Baht 3,700 million, with a par value of Baht 1,000 each, unsubordinated and unsecured with having registered and bond holders representative debentures as follows:

Issue date	No. of units (Million)	Amount (Million Baht)	Interest rate per annum	Term of interest payment	Principal payment term	Outstanding balance as at 30 June 2014 <i>(in million Baht)</i>
6 November 2009	3.7	3,700	6.15%	Quarterly	Entirely redeemed on 6 November 2014	3,700
<i>Less bond issuing cost</i>						<i>(1)</i>
Net						<u>3,699</u>

Under the terms and conditions of the debentures, the Company has to comply with certain restrictions and maintain certain financial ratios.

Thaicom Public Company Limited and its Subsidiaries
Notes to the interim financial statements
For the three-month and six-month periods ended 30 June 2014 (Unaudited)

The movements in the borrowings can be analysed as follows:

	Consolidated financial statements	Separate financial statements
	<i>(in thousand Baht)</i>	
For the six-month period ended 30 June 2014		
Opening net book value	8,372,104	8,235,903
Proceeds from short-term loans from financial institutions	1,455,810	1,455,810
Proceeds from long-term borrowings, net of financial costs	3,635	3,635
Repayment of long-term borrowings	(330,824)	(272,130)
Amortisation of finance costs	1,228	1,228
Unrealised foreign exchange gain	(53,607)	(54,087)
Closing net book value	<u>9,448,346</u>	<u>9,370,359</u>

The Group has to maintain the financial ratios restricted in the long-term agreements.

Credit facilities

As at 30 June 2014 available credit facilities for loans from local and overseas banks are Baht 1,469 million and USD 0.64 million (*31 December 2013: Baht 1,718 million and USD 20 million*).

Facility agreement in relation to the financing of the Thaicom 6 satellite project

The Company entered into a Loan Agreement with a local bank on 29 August 2011 for USD 137 million, to support the Thaicom 6 satellite project. The term of the loan is 10 years with the interest rate based on margins over the London Inter-Bank Offer Rate (“LIBOR”). In addition, the Company must comply with the conditions in the Loan Agreement in respect of maintaining certain financial ratios, dividend payment policy, guarantee, sale or transfer of assets and investment.

11 Share capital and share-base payment transaction

	<i>Par value per share (Baht)</i>	2014		2013	
		Number	Amount	Number	Amount
		<i>(thousand shares / thousand Baht)</i>			
Authorised					
At 1 January					
- ordinary shares	5	1,096,619	5,483,098	1,132,082	5,660,412
Reduction of shares	5	-	-	(36,145)	(180,724)
Increase of new shares	5	1,198	5,988	682	3,410
At 30 June					
- ordinary shares	5	<u>1,097,817</u>	<u>5,489,086</u>	<u>1,096,619</u>	<u>5,483,098</u>
Issued and paid-up					
At 1 January					
- ordinary shares	5	1,095,938	5,479,688	1,095,938	5,479,688
At 30 June					
- ordinary shares	5	<u>1,095,938</u>	<u>5,479,688</u>	<u>1,095,938</u>	<u>5,479,688</u>

Thaicom Public Company Limited and its Subsidiaries
Notes to the interim financial statements
For the three-month and six-month periods ended 30 June 2014 (Unaudited)

The holders of ordinary shares are entitled to receive dividends as declared from time to time, and are entitled to one vote per share at meetings of the Company.

Issue of ordinary shares

At the annual general meeting of the shareholders of the Company held on 27 March 2014, a resolution was passed to approve the issuance of 1,197,700 ordinary shares at the par value of Baht 5 per share, in total of Baht 5,988,500 to reserve for the exercise of the warrant. The Company registered the increased share capital with the Ministry of Commerce on 21 April 2014.

Share-based payment transaction

a) Information of project

The issuance and offering of warrants to purchase ordinary shares to directors and employees of the Company and its subsidiaries. The warrants are offered directly to full-time employees who have qualifications according to the plan.

	Project I	Project II
Issued date:	28 March 2013	27 March 2014
Issued:	682,000 units	1,197,700 units
Exercise price:	23.266 Baht/Share	38.265 Baht/Share
Number of reserved shares:	682,000 shares	1,197,700 shares
Offer period:	5 years after first time to offered the warrant	5 years after first time to offered the warrant
Offer price per unit:	Baht 0 (zero Baht)	Baht 0 (zero Baht)
Exercise ratio:	One unit of warrant per one ordinary share	One unit of warrant per one ordinary share

Movements in the number of warrants outstanding are as follows:

	Opening balance 1 January 2014	Issue during the period	Return during the period	Transfer during the period	Closing Balance 30 June 2014
	<i>(in thousand unit)</i>				
ESOP - Grant I					
Directors	382	-	-	48	430
Employees	300	-	(56)	(48)	196
Total	682	-	(56)	-	626
ESOP - Grant II					
Directors	-	843	-	-	843
Employees	-	355	-	-	355
Total	-	1,198	-	-	1,198
Grand Total	682	1,198	(56)	-	1,824

Thaicom Public Company Limited and its Subsidiaries
Notes to the interim financial statements
For the three-month and six-month periods ended 30 June 2014 (Unaudited)

b) Fair value measurement

The measurement is in reference to the fair value of the offered ordinary shares issued at the grant date using Monte Carlo Simulation techniques. The assumptions are as below:

	Project I	Project II
Fair value at grant date	Baht 35.037	Baht 27.864
Share price at grant date	Baht 35.750	Baht 40.50
Exercise price	Baht 23.266	Baht 38.265
Expected volatility	55.392%	41.562%
Expected dividend	1.119%	1.111%
Risk-free interest rate	3.074%	3.082%

Reconciliation of other reserve-shared-base payment:

	Consolidate financial statements		Separate financial statements	
	2014	2013	2014	2013
<i>For the six-month period ended 30 June</i>				
At 1 January	2,432	-	2,432	-
Total expense recognised during period	2,224	336	2,224	336
Decrease during period	(645)	-	(645)	-
At 30 June	4,011	336	4,011	336

Share premium

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

Thaicom Public Company Limited and its Subsidiaries
Notes to the interim financial statements
For the three-month and six-month periods ended 30 June 2014 (Unaudited)

12 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

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. Lao PDRs' main activities are sales and services relating to telephone network business and satellite business services. Australia China India and Japan main activities are sales and services relating to satellite business.

The Group comprises the following main geographic segments:

Segment 1	Thailand
Segment 2	Lao People's Democratic Republic
Segment 3	Australia
Segment 4	China
Segment 5	India
Segment 6	Japan
Segment 7	Others

Thaicom Public Company Limited and its Subsidiaries
Notes to the interim financial statements
For the three-month and six-month periods ended 30 June 2014 (Unaudited)

Revenue and results, based on business segments, in the consolidated financial statements for the three-month and six-month periods ended 30 June 2014 and 2013 were as follows:

	Satellite business services		Internet services and media		Telephone network		Consolidation eliminations		Total continuing operations		Discontinued operation		Consolidated financial statements	
	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013
<i>For the three-month periods ended 30 June</i>														
	<i>(in million Baht)</i>													
Revenues	2,158	1,587	39	29	265	200	(12)	(22)	2,450	1,794	-	-	2,450	1,794
Construction revenue under operating agreement	5	138	-	-	-	-	-	-	5	138	-	-	5	138
Shares of net results from associate	-	-	42	48	-	-	-	-	42	48	-	-	42	48
Cost of sales and services	(1,184)	(882)	(44)	(30)	(140)	(129)	12	11	(1,356)	(1,030)	-	-	(1,356)	(1,030)
Construction cost under operating agreement	(5)	(138)	-	-	-	-	-	-	(5)	(138)	-	-	(5)	(138)
Selling and administrative expenses	(336)	(307)	(39)	(8)	(69)	(45)	2	7	(442)	(353)	-	-	(442)	(353)
Segment results	638	398	(2)	39	56	26	2	(4)	694	459	-	-	694	459
Other income									25	19	-	-	25	19
Net loss on foreign exchange									(13)	(173)	-	-	(13)	(173)
Profit before finance cost and income tax									706	305	-	-	706	305
Finance costs									(95)	(66)	-	-	(95)	(66)
Operating profit									611	239	-	-	611	239
Income tax									(113)	(49)	-	-	(113)	(49)
Non-controlling interests									-	-	-	-	-	-
Net profit									498	190	-	-	498	190

Thaicom Public Company Limited and its Subsidiaries
Notes to the interim financial statements
For the three-month and six-month periods ended 30 June 2014 (Unaudited)

	Satellite business services		Internet services and media		Telephone network		Consolidation eliminations		Total continuing operations		Discontinued operation		Consolidated financial statements	
	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013
<i>For the six-month periods ended 30 June</i>														
	<i>(in million Baht)</i>													
Revenues	4,261	3,129	73	76	518	404	(28)	(42)	4,824	3,567	-	41	4,824	3,608
Construction revenue under operating agreement	173	247	-	-	-	-	-	-	173	247	-	-	173	247
Shares of net results from associate	-	-	92	109	-	-	-	-	92	109	-	-	92	109
Cost of sales and services	(2,500)	(1,792)	(92)	(77)	(278)	(253)	23	20	(2,847)	(2,102)	-	(36)	(2,847)	(2,138)
Construction cost under operating agreement	(173)	(247)	-	-	-	-	-	-	(173)	(247)	-	-	(173)	(247)
Selling and administrative expenses	(685)	(644)	(58)	(23)	(143)	(123)	8	32	(878)	(758)	-	(55)	(878)	(813)
Segment results	1,076	693	15	85	97	28	3	10	1,191	816	-	(50)	1,191	766
Other income									57	38	-	-	57	38
Net gain(loss) on foreign exchange									41	(53)	-	-	41	(53)
Reversal of impairment on asset									-	51	-	-	-	51
Profit (loss) before finance cost and income tax									1,289	852	-	(50)	1,289	802
Finance costs									(182)	(132)	-	(1)	(182)	(133)
Operating profit (loss)									1,107	720	-	(51)	1,107	669
Income tax									(210)	(148)	-	-	(210)	(148)
Non-controlling interests									-	-	-	-	-	-
Net profit (loss)									897	572	-	(51)	897	521

Thaicom Public Company Limited and its Subsidiaries
Notes to the interim financial statements
For the three-month and six-month periods ended 30 June 2014 (Unaudited)

Total assets and total liabilities, based on business segments, in the consolidated financial statements for the period ended 30 June 2014 and 31 December 2013 were as follows:

	Satellite business services		Internet services and media		Telephone network		Consolidation eliminations		Consolidated financial statements	
	30 June 2014	31 December 2013	30 June 2014	31 December 2013	30 June 2014	31 December 2013	30 June 2014	31 December 2013	30 June 2014	31 December 2013
	<i>(in million Baht)</i>									
Segment assets	26,894	25,142	174	232	1,823	1,749	(323)	(378)	28,568	26,745
Loan to other related party	298	303	-	-	-	-	(157)	(161)	141	142
Associate	-	-	492	487	-	-	-	-	492	487
Total assets									29,201	27,374
Segment liabilities	3,163	2,870	140	154	416	381	(112)	(127)	3,607	3,278
Loan from other related party	-	-	-	-	288	291	(147)	(148)	141	143
Borrowings	9,370	8,236	-	45	78	91	-	-	9,448	8,372
Total liabilities									13,196	11,793

Thaicom Public Company Limited and its Subsidiaries
Notes to the interim financial statements
For the three-month and six-month periods ended 30 June 2014 (Unaudited)

Revenue and results, based on geographical segments, in the consolidated financial statements for the three-month and six-month periods ended 30 June 2014 and 2013 were as follows:

	Three-month periods ended 30 June		Six-month periods ended 30 June	
	2014	2013	2014	2013
	<i>(in thousand Baht)</i>			
Segment revenue				
Thailand	1,139,684	805,745	2,215,416	1,572,818
Lao PDR	273,242	211,428	539,092	427,725
Australia	351,321	292,968	667,066	580,063
China	69,489	3,460	138,532	9,459
India	101,275	79,078	202,250	156,441
Japan	173,503	168,367	384,538	351,762
Others	340,727	232,484	676,759	469,076
Total continuing operations	2,449,241	1,793,530	4,823,653	3,567,344
Discontinued operation	-	-	-	41,166
Total	2,449,241	1,793,530	4,823,653	3,608,510

Major customers

For the three-month and six-month periods ended 30 June 2014 and 2013, the Group has no revenue transactions with a single external customer amount to 10 percent or more of the Group's revenues.

	Three-month periods ended 30 June		Six-month periods ended 30 June	
	2014	2013	2014	2013
	<i>(in thousand Baht)</i>			
Segment results				
Thailand	509,523	471,524	861,158	902,062
Lao PDR	64,306	40,115	127,222	74,881
Australia	156,693	125,025	299,187	253,327
China	(106,351)	(131,127)	(216,497)	(257,814)
India	(37,172)	(39,282)	(79,750)	(104,136)
Japan	92,635	74,638	192,060	138,764
Others	15,089	(82,047)	7,822	(191,551)
Total continuing operations	694,723	458,846	1,191,202	815,533
Discontinued operation	-	-	-	(49,314)
Total	694,723	458,846	1,191,202	766,219

Thaicom Public Company Limited and its Subsidiaries
Notes to the interim financial statements
For the three-month and six-month periods ended 30 June 2014 (Unaudited)

Other non-current assets based on geographical segments, in the consolidated financial statements for the periods ended 30 June 2014 and 31 December 2013 were as follows:

	30 June 2014	31 December 2013
	<i>(in thousand Baht)</i>	
<i>Other non-current assets</i>		
Thailand	19,651,763	18,809,620
Lao PDR	1,461,281	1,420,887
Australia	286,804	143,084
China	20,029	722,554
India	83,546	110,201
Japan	54,205	53,257
Others	216,893	186,527
Total	<u>21,774,521</u>	<u>21,446,130</u>

Thaicom Public Company Limited and its Subsidiaries
Notes to the interim financial statements
For the three-month and six-month periods ended 30 June 2014 (Unaudited)

13 Earnings per share

Basic earnings per share

The calculation of basic earnings per share for the three-month and six-month periods ended 30 June 2014 and 2013 was based on the earnings for the period attributable to equity holders of the Company and the number of ordinary shares outstanding during each period as follows:

	Consolidated financial statements						Separate financial statements					
	2014			2013			2014			2013		
For the three-month period ended 30 June	Continuing operations	Discontinued operation	Total	Continuing operations	Discontinued operation	Total	Continuing operations	Discontinued operation	Total	Continuing operations	Discontinued operation	Total
	(in thousand Baht /thousand shares)											
Profit for the period	<u>497,775</u>	<u>-</u>	<u>497,775</u>	<u>190,405</u>	<u>-</u>	<u>190,405</u>	<u>274,805</u>	<u>-</u>	<u>274,805</u>	<u>177,995</u>	<u>-</u>	<u>177,995</u>
Profit attributable to ordinary shareholders of the Company (basic)	<u>497,775</u>	<u>-</u>	<u>497,775</u>	<u>190,405</u>	<u>-</u>	<u>190,405</u>	<u>274,805</u>	<u>-</u>	<u>274,805</u>	<u>177,995</u>	<u>-</u>	<u>177,995</u>
Number of ordinary shares outstanding	<u>1,095,938</u>	<u>1,095,938</u>	<u>1,095,938</u>	<u>1,095,938</u>	<u>1,095,938</u>	<u>1,095,938</u>	<u>1,095,938</u>	<u>1,095,938</u>	<u>1,095,938</u>	<u>1,095,938</u>	<u>1,095,938</u>	<u>1,095,938</u>
Earnings per share (basic) (in Baht)	<u>0.45</u>	<u>-</u>	<u>0.45</u>	<u>0.17</u>	<u>-</u>	<u>0.17</u>	<u>0.25</u>	<u>-</u>	<u>0.25</u>	<u>0.16</u>	<u>-</u>	<u>0.16</u>

Thaicom Public Company Limited and its Subsidiaries
Notes to the interim financial statements
For the three-month and six-month periods ended 30 June 2014 (Unaudited)

	Consolidated financial statements						Separate financial statements					
	2014			2013			2014			2013		
For the six-month period ended 30 June	Continuing operations	Discontinued operation	Total	Continuing operations	Discontinued operation	Total	Continuing operations	Discontinued operation	Total	Continuing operations	Discontinued operation	Total
	(in thousand Baht /thousand shares)											
Profit (loss) for the period	<u>896,721</u>	<u>-</u>	<u>896,721</u>	<u>571,923</u>	<u>(51,142)</u>	<u>520,781</u>	<u>478,460</u>	<u>-</u>	<u>478,460</u>	<u>370,863</u>	<u>-</u>	<u>370,863</u>
Profit (loss) attributable to ordinary shareholders of the Company (basic)	<u>896,721</u>	<u>-</u>	<u>896,721</u>	<u>571,923</u>	<u>(51,142)</u>	<u>520,781</u>	<u>478,460</u>	<u>-</u>	<u>478,460</u>	<u>370,863</u>	<u>-</u>	<u>370,863</u>
Number of ordinary shares outstanding	<u>1,095,938</u>	<u>1,095,938</u>	<u>1,095,938</u>	<u>1,095,938</u>	<u>1,095,938</u>	<u>1,095,938</u>	<u>1,095,938</u>	<u>1,095,938</u>	<u>1,095,938</u>	<u>1,095,938</u>	<u>1,095,938</u>	<u>1,095,938</u>
Earnings (loss) per share (basic) (in Baht)	<u>0.82</u>	<u>-</u>	<u>0.82</u>	<u>0.52</u>	<u>(0.04)</u>	<u>0.48</u>	<u>0.44</u>	<u>-</u>	<u>0.44</u>	<u>0.34</u>	<u>-</u>	<u>0.34</u>

Thaicom Public Company Limited and its Subsidiaries
Notes to the interim financial statements
For the three-month and six-month periods ended 30 June 2014 (Unaudited)

Diluted earnings per share

The calculation of diluted earnings per share for the three-month and six-month periods ended 30 June 2014 and 2013 was based on the earnings for the period attributable to equity holders of the Company and the number of ordinary shares outstanding during the period after adjusting for the effects of all dilutive potential ordinary shares as follows:

	Consolidated financial statements						Separate financial statements					
	2014	2014	Total	2013	2013	Total	2014	2014	Total	2013	2013	Total
For the three-month period ended 30 June	Continuing operations	Discontinued operation		Continuing operations	Discontinued operation		Continuing operations	Discontinued operation		Continuing operations	Discontinued operation	
	(in thousand Baht /thousand shares)											
Profit for the period	<u>497,775</u>	<u>-</u>	<u>497,775</u>	<u>190,405</u>	<u>-</u>	<u>190,405</u>	<u>274,805</u>	<u>-</u>	<u>274,805</u>	<u>177,995</u>	<u>-</u>	<u>177,995</u>
Profit attributable to ordinary shareholders of the Company (diluted)	<u>497,775</u>	<u>-</u>	<u>497,775</u>	<u>190,405</u>	<u>-</u>	<u>190,405</u>	<u>274,805</u>	<u>-</u>	<u>274,805</u>	<u>177,995</u>	<u>-</u>	<u>177,995</u>
Weighted average number of ordinary shares outstanding (basic)	1,095,938	1,095,938	1,095,938	1,095,938	1,095,938	1,095,938	1,095,938	1,095,938	1,095,938	1,095,938	1,095,938	1,095,938
Effect of exercise of shares options	<u>268</u>	<u>268</u>	<u>268</u>	<u>203</u>	<u>203</u>	<u>203</u>	<u>268</u>	<u>268</u>	<u>268</u>	<u>203</u>	<u>203</u>	<u>203</u>
Weighted average number of ordinary shares outstanding (diluted)	<u>1,096,206</u>	<u>1,096,206</u>	<u>1,096,206</u>	<u>1,096,141</u>	<u>1,096,141</u>	<u>1,096,141</u>	<u>1,096,206</u>	<u>1,096,206</u>	<u>1,096,206</u>	<u>1,096,141</u>	<u>1,096,141</u>	<u>1,096,141</u>
Earnings per share (diluted) (in Baht)	<u>0.45</u>	<u>-</u>	<u>0.45</u>	<u>0.17</u>	<u>-</u>	<u>0.17</u>	<u>0.25</u>	<u>-</u>	<u>0.25</u>	<u>0.17</u>	<u>-</u>	<u>0.17</u>

Thaicom Public Company Limited and its Subsidiaries
Notes to the interim financial statements
For the three-month and six-month periods ended 30 June 2014 (Unaudited)

For the six-month period ended 30 June	Consolidated financial statements						Separate financial statements					
	Continuing operations	2014 Discontinued operation	Total	Continuing operations	2013 Discontinued operation	Total	Continuing operations	2014 Discontinued operation	Total	Continuing operations	2013 Discontinued operation	Total
	(in thousand Baht /thousand shares)											
Profit (loss) for the period	896,721	-	896,721	571,923	(51,142)	520,781	478,460	-	478,460	370,863	-	370,863
Profit (loss) attributable to ordinary shareholders of the Company (diluted)	896,721	-	896,721	571,923	(51,142)	520,781	478,460	-	478,460	370,863	-	370,863
Weighted average number of ordinary shares outstanding (basic)	1,095,938	1,095,938	1,095,938	1,095,938	1,095,938	1,095,938	1,095,938	1,095,938	1,095,938	1,095,938	1,095,938	1,095,938
Effect of exercise of shares options	257	257	257	203	203	203	257	257	257	203	203	203
Weighted average number of ordinary shares outstanding (diluted)	1,096,195	1,096,195	1,096,195	1,096,141	1,096,141	1,096,141	1,096,195	1,096,195	1,096,195	1,096,141	1,096,141	1,096,141
Earnings (loss) per share (diluted) (in Baht)	0.82	-	0.82	0.52	(0.04)	0.48	0.44	-	0.44	0.34	-	0.34

Thaicom Public Company Limited and its Subsidiaries
Notes to the interim financial statements
For the three-month and six-month periods ended 30 June 2014 (Unaudited)

14 Dividends

At the annual general meeting of the shareholders of the Company held on 27 March 2014, the shareholders approved the appropriation of dividend of Baht 0.45 per share, amounting to Baht 493 million. The dividend was paid to shareholders on 23 April 2014.

At the annual general meeting of the shareholders of the Company held on 28 March 2013, the shareholders approved the appropriation of dividend of Baht 0.40 per share, amounting to Baht 438 million. The dividend was paid to shareholders on 24 April 2013.

15 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 June 2014, the remaining minimum fee is Baht 585 million (*31 December 2013: Baht 618 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) 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 Shin Corporation Public Company Limited. (formerly name of Shinawatra Computer and Communications 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 entity 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 7). 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 2014, LTC has remaining additional investment of approximately USD 48.62 million (*31 December 2013: USD 71.54 million*).

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

CS Loxinfo Public Company Limited (“CSL”), 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 six-month periods ended 30 June 2014 (Unaudited)

Currently, the National Broadcasting and Telecommunications Commission (“NBTC”) (previously termed “the National Telecommunications Commission (“NTC”)) is responsible for granting licenses to provide telecommunication services and internet access services in Thailand. The Company, subsidiaries and an associate operate the business to provide internet, broadcasting and telecommunication services under licenses granted by NBTC as follow:

Type of license	Issued Date	Period
License of the Company		
Telecom Operation License Type I	16 August 2011	5 years
Telecom Operation License Type III	26 June 2012	20 years
License of DTV Service Company Limited		
Internet Operation License Type I	18 October 2009	5 years
Broadcasting Operation License	28 January 2014	2 years
License of TC Broadcasting Company Limited		
Broadcasting Operation License	4 March 2013	15 years
Licenses of CSL		
Telecom Operation License Type III	20 December 2007	15 years
Internet Operation License Type I	8 September 2009	5 years
Telecom Operation License Type I	11 October 2009	5 years
Internet Operation License Type II	26 April 2012	5 years

d) 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 287.79 million) for the procurement and installation of Phase IV, V and 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 and interest rate of loan 1% to 4% per annum, respectively. As at 30 June 2014 and 31 December 2013, LTC has recognised the network assets relating to Phase IV, V and VI and the related portion of the loan in the amount of Kip 57.85 billion (approximately Baht 237.20 million) and has paid loan repayment for the loan in the amount of Kip 42.34 billion (approximately Baht 173.60 million).

e) Obligation from share 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. As of 30 June 2014, the remaining share option was 0.05 million shares (31 December 2013: 0.08 million).

Thaicom Public Company Limited and its Subsidiaries
Notes to the interim financial statements
For the three-month and six-month periods ended 30 June 2014 (Unaudited)

f) Operating lease commitments

Group has future aggregate minimum lease payments under non-cancellable operating leases are as follows:

	Currency	Consolidated financial statements		Separate financial statements	
		30 June 2014	31 December 2013	30 June 2014	31 December 2013
		<i>(in thousands)</i>			
Within one year	THB	20,313	21,919	20,313	21,919
	YEN	5,273	5,717	-	-
	USD	5,191	7,342	5,155	7,307
	Rupee	4,169	801	4,169	801
	Rupiah	38,736	56,461	38,736	56,461
	Ringgit	112	132	112	132
	PHP	1,786	1,194	1,786	1,194
	CNY	549	733	549	733
	KIP	461,044	301,480	-	-
	AUD	167	307	-	-
	NZD	307	164	-	-
Total equivalent Baht		<u>214,834</u>	<u>286,582</u>	<u>196,285</u>	<u>269,526</u>
After one year but within five years	THB	21,740	30,185	21,740	30,185
	YEN	7,825	13,448	-	-
	USD	10,615	12,076	10,615	12,043
	Rupee	6,950	-	6,950	-
	Ringgit	22	66	22	66
	PHP	12	60	12	60
	CNY	-	183	-	183
	KIP	560,574	432,636	-	-
	AUD	252	331	-	-
	NZD	409	819	-	-
Total equivalent Baht		<u>396,141</u>	<u>467,023</u>	<u>372,003</u>	<u>428,631</u>
After five years	THB	4,153	5,933	4,153	5,933
	USD	261	2,183	261	2,183
	YEN	-	2,000	-	-
	KIP	290,809	302,513	-	-
Total equivalent Baht		<u>13,869</u>	<u>79,728</u>	<u>12,677</u>	<u>77,856</u>
Grand total equivalent Baht		<u>624,844</u>	<u>833,333</u>	<u>580,965</u>	<u>776,013</u>

Thaicom Public Company Limited and its Subsidiaries
Notes to the interim financial statements
For the three-month and six-month periods ended 30 June 2014 (Unaudited)

g) Other commitments

The Group has commitments 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 June 2014	31 December 2013	30 June 2014	31 December 2013
<i>(in thousands)</i>					
Minimum operating agreement fee payable to Ministry of Information Communication and Technology	THB	13,002	44,667	13,002	44,667
IPSTAR equipment sales	USD	147	144	147	144
	THB	985	860	985	860
Satellite space leasing by customers	USD	3,174	2,249	3,174	2,249
	THB	446,972	433,750	446,972	433,750
	AUD	5,000	5,000	-	-
Others	THB	3,332	3,332	3,322	3,322

16 Contingent liabilities

Assessment for income tax in India

The Tax Authority in India ('the Tax 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 income is not taxable in India.

The Tax Authority still insists on its consideration and has raised the tax demand including surcharge, education and interest aggregating to Rs. 829.2 million (approximately Baht 448 million) against the said payment received by it from the customers and also levied penalty of Rs. 566.1 million (approximately Baht 306 million) for the Assessment Year ('AY') 1998-1999 to 2010-2011 (1 April 1997 to 30 March 2010).

So far, the Company had received Withholding Tax Certificates ('WTC') from its customers until Assessment Year ('AY') 2009-2010 net amounting to Rs. 498.4 million (approximately Baht 269 million), in which part of the amount is substituted and paid by the customer on behalf of the Company. The Company had also deposited Rs. 460.2 million (approximately Baht 249 million). The deposit is presented as non-current assets in the statements of financial position.

On 4 March 2011 Income Tax Appellate Tribunal (ITAT) gave its decision that the Company's income from transponder services in India was not a royalty and as the Company has no permanent establishment in India, such income was not taxable in India.

Thaicom Public Company Limited and its Subsidiaries
Notes to the interim financial statements
For the three-month and six-month periods ended 30 June 2014 (Unaudited)

As the consequence, the Company does not have to pay interest and penalty imposed by the Revenue Department of India, and ITAT also decided that the demand for penalty for the assessment year 1998-1999, 1999-2000, 2000-2001, 2001-2002 and 2002-2003 made by the Revenue Department of India against the Company be cancelled. The Revenue Department of India did not appeal against the ITAT's decision on penalty for the said assessment years to the High Court of Delhi and the ITAT's decision on penalty was final. On 30 December 2011, the Tax authority notified the partial return of deposit placed by the Company against the penalty for the Assessment Year ('AY') 1998-1999 to 2001-2002 and interest, aggregating to Rs. 162.4 million (approximately Baht 88 million.)

Further to ITAT decision as stated in the preceding paragraphs, the Company is in the process of requesting the refund of the remaining deposit and withholding tax from the Tax Authority. Upon the final decision of the Supreme Court and the receipt of refund, the Company will forward the Customer the amount they substituted on behalf of the Company.

On September 28, 2011, the Tax Authority has filed an appeal against the decision of High Court on 17 February 2011 which decided that the Company's income from transponder services in India was not a royalty, to the Supreme Court. At the moment, this issue is still under the consideration of the Supreme Court.

The Supreme Court of India issued a letter dated 9 November 2011, to inform the agent of the Company's tax consultant of the appeal. Currently, the matter is in process, awaiting the Supreme Court of India's consideration.

17 Other events

- a) According to the judgment of the Supreme Court, Criminal Division for Persons Holding Political Positions rendered on 26 February 2010, concerns the Company and its affiliated companies in many aspects. The Company is of the opinion that the consequence of the judgment is limited to the holding that some property of the person holding political position was improperly acquired by an abuse of power while being in a political position. The judgment does not contain any order indicating that the Company or its affiliated companies shall take any actions as the Company is not involved to the case. The Company and its affiliated companies have been operating to the best of its ability in accordance with the law and the agreements and in good faith. The Company and its affiliated companies have every right available under the law and agreements to provide the facts to prove its innocence and good faith in any proceeding which may be initiated by the relevant government agencies in accordance with the law and justice.
- b) 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. On 10 June 2011, CAC has dismissed the case.

On 8 July 2011, Mr. Supong Limthanakul has filed an appeal with the Supreme Administrative Court ("SAC"). The case is under consideration by SAC. On 23 September 2011, the Company has filed an argument against appeal with the Supreme Administrative Court ("SAC").

Thaicom Public Company Limited and its Subsidiaries
Notes to the interim financial statements
For the three-month and six-month periods ended 30 June 2014 (Unaudited)

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.

18 Event after the reporting period

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

At the meeting of the Board of Directors of CSL held on 7 August 2014, the directors approved the appropriation of interim dividend of Baht 0.41 per share, amounting to Baht 244 million.

19 Reclassification

Certain accounts in the statements of financial position as at 31 December 2013 and the statements of comprehensive income for the three-month and six-month periods ended 30 June 2013, which are included in the 2014 interim financial statements for comparative purposes, have been reclassified to conform to the presentation in the 2014 interim financial statements.

	2013					
	Consolidated financial statements			Separate financial statements		
	Before reclass	Reclass	After reclass	Before reclass	Reclass	After reclass
	<i>(in thousand Baht)</i>					
<i>Statement of financial position as of 31 December</i>						
Account payable – property and equipments	547,709	(434,932)	112,777	524,222	(434,932)	89,290
Long-term accounts payable – property and equipment	-	<u>434,932</u>	434,932	-	<u>434,932</u>	434,932
		<u>-</u>			<u>-</u>	
<i>Statement of income for the three-month period ended 30 June</i>						
Administrative expenses	306,090	(5,720)	300,370	184,243	(5,780)	178,463
Directors and management benefit expenses	12,744	<u>5,720</u>	18,464	12,684	<u>5,780</u>	18,464
		<u>-</u>			<u>-</u>	
<i>Statement of income for the six-month period ended 30 June</i>						
Administrative expenses	615,762	(11,445)	604,317	398,059	(11,560)	386,499
Directors and management benefit expenses	25,839	<u>11,445</u>	37,284	25,724	<u>11,560</u>	37,284
		<u>-</u>			<u>-</u>	