

**Thaicom Public Company Limited
and its Subsidiaries**

Financial statements for the year ended
31 December 2015
and
Independent Auditor's Report

Independent Auditor's Report

To the shareholders of Thaicom Public Company Limited

I have audited the accompanying consolidated and separate financial statements of Thaicom Public Company Limited and its subsidiaries (the "Group"), and of Thaicom Public Company Limited (the "Company"), respectively, which comprise the consolidated and separate statements of financial position as at 31 December 2015, the consolidated and separate statements of income and comprehensive income, changes in equity and cash flows for the year then ended, and notes comprising a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated and Separate Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated and separate financial statements in accordance with Thai Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of consolidated and separate financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

My responsibility is to express an opinion on these consolidated and separate financial statements based on my audit. I conducted my audit in accordance with Thai Standards on Auditing. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated and separate financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my opinion, the consolidated and separate financial statements present fairly, in all material respects, the financial position of the Group and the Company, respectively, as at 31 December 2015 and their financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards.

Emphasis of Matter

Without qualifying my opinion, I draw attention to note 3 to the financial statements describing the effects of the Company's adoption from 1 January 2015 of certain new accounting policies in accordance with revised and new Thai Financial Reporting Standards promulgated by the Federation of Accounting Professions. The corresponding figures presented are based on the audited financial statements as at and for the year ended 31 December 2014 after making the adjustments described in note 3."

(Supot Singhasaneh)
Certified Public Accountant
Registration No. 2826

KPMG Phoomchai Audit Ltd.
Bangkok
10 February 2016

Thaicom Public Company Limited and its Subsidiaries
Statements of financial position

Assets	Note	Consolidated financial statements			Separate financial statements	
		31 December 2015	31 December 2014 (Restated)	1 January 2014 (Restated) <i>(in Baht)</i>	31 December 2015	31 December 2014
Current assets						
Cash and cash equivalents	6	3,401,140,969	2,769,147,544	2,278,596,372	1,253,746,837	443,266,569
Current investments	7	1,645,152,691	1,736,196,182	1,305,171,495	1,574,220,655	800,000,000
Trade and other accounts receivable	8	2,417,498,479	1,946,173,884	1,963,379,369	1,361,316,236	1,124,232,044
Amounts due from related parties	5	82,402,936	71,226,944	115,082,803	211,886,621	141,707,165
Short-term loan to a joint venture	5	168,520,658	291,143,866	289,946,028	168,520,658	291,143,866
Inventories	9	229,799,487	236,495,205	305,963,129	160,423,960	155,493,915
Other current assets		60,603,544	21,241,533	33,968,610	32,865,381	16,096,089
Total current assets		8,005,118,764	7,071,625,158	6,292,107,806	4,762,980,348	2,971,939,648
Non-current assets						
Long-term loans to related parties	5	2,161,864,194	-	-	2,161,864,194	9,843,840
Available-for-sale investments		-	-	699,839,569	-	-
Investments in subsidiaries	10	-	-	-	1,460,031,422	1,913,540,009
Investments in a joint venture	10	1,210,350,988	1,082,914,067	909,144,877	137,638,749	137,638,749
Property and equipment	12	9,031,833,653	8,352,631,411	2,326,145,223	8,073,204,433	7,346,224,811
Intangible assets under operating agreement	13	11,227,186,999	13,249,340,669	15,041,927,575	11,227,186,999	13,249,340,669
Deferred charges	13	19,652,871	44,363,784	34,693,489	19,667,859	44,691,030
Intangible assets	13	829,134,657	966,818,173	1,480,198,271	515,934,767	615,260,720
Deferred tax assets	14	240,035,956	248,168,172	497,904,359	86,460,112	121,229,144
Other non-current assets	15	866,580,447	871,851,808	1,144,726,265	838,416,858	844,082,477
Total non-current assets		25,586,639,765	24,816,088,084	22,134,579,628	24,520,405,393	24,281,851,449
Total assets		33,591,758,529	31,887,713,242	28,426,687,434	29,283,385,741	27,253,791,097

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

Thaicom Public Company Limited and its Subsidiaries
Statements of financial position

Liabilities and equity	<i>Note</i>	Consolidated financial statements			Separate financial statements	
		31 December 2015	31 December 2014 (Restated)	1 January 2014 (Restated) <i>(in Baht)</i>	31 December 2015	31 December 2014
Current liabilities						
Short-term loans from financial institutions	16	1,650,520,587	871,104,665	-	1,460,520,587	641,104,665
Trade and other accounts payable	17	1,225,857,976	1,060,951,506	1,011,940,298	546,644,863	497,917,964
Accounts payable - property and equipment		92,463,112	173,000,945	89,290,205	92,454,418	157,851,361
Amounts due to related parties	5	224,004	279,671	1,228,311	37,330,754	32,819,230
Current portion of long-term loans	16	69,063,419	639,536,315	4,375,628,418	7,992,543	577,777,039
Short-term loan from related party	5	-	-	-	1,126,768,104	-
Advance receipts from customers		733,956,359	783,381,453	1,127,704,071	676,917,443	689,883,475
Accrued operating agreement fee		333,401,729	285,698,928	265,274,094	333,401,729	285,698,929
Income tax payable		161,902,384	53,616,473	46,220,398	55,972,634	-
Other current liabilities	18	112,541,535	118,382,572	63,943,976	72,919,034	70,952,531
Total current liabilities		4,379,931,105	3,985,952,528	6,981,229,771	4,410,922,109	2,954,005,194
Non-current liabilities						
Long-term accounts payable - property and equipment		250,151,220	307,952,760	434,932,080	250,151,220	307,952,760
Long - term loans	16	10,030,358,222	9,590,329,196	4,031,419,495	9,905,129,460	9,426,066,748
Employee benefits obligations	19	404,259,941	337,040,959	308,180,720	208,848,138	199,066,920
Other non - current liabilities	20	416,277,287	381,808,569	382,145,481	392,876,579	354,835,789
Total non - current liabilities		11,101,046,670	10,617,131,484	5,156,677,776	10,757,005,397	10,287,922,217
Total liabilities		15,480,977,775	14,603,084,012	12,137,907,547	15,167,927,506	13,241,927,411

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

Thaicom Public Company Limited and its Subsidiaries
Statements of financial position

	Note	Consolidated financial statements			Separate financial statements	
		31 December 2015	31 December 2014 (Restated)	1 January 2014 (Restated) <i>(in Baht)</i>	31 December 2015	2014
Liabilities and equity						
Equity						
Share capital	21					
Authorised share capital		5,494,512,700	5,489,086,200	5,483,097,700	5,494,512,700	5,489,086,200
Issued and paid-up share capital		5,479,687,700	5,479,687,700	5,479,687,700	5,479,687,700	5,479,687,700
Premium on ordinary shares	21	4,301,989,672	4,301,989,672	4,301,989,672	4,301,989,672	4,301,989,672
Retained earnings						
Appropriated						
Legal reserve	22	549,451,270	544,154,995	493,237,236	549,451,270	544,154,995
Unappropriated		6,715,451,453	5,469,863,284	4,413,069,092	3,767,092,570	3,676,732,850
Other components of equity		637,244,902	1,091,666,228	855,087,943	17,237,023	9,298,469
Equity attributable to owners of the Company		17,683,824,997	16,887,361,879	15,543,071,643	14,115,458,235	14,011,863,686
Non - controlling interests		426,955,757	397,267,351	745,708,244	-	-
Total equity		18,110,780,754	17,284,629,230	16,288,779,887	14,115,458,235	14,011,863,686
Total liabilities and equity		33,591,758,529	31,887,713,242	28,426,687,434	29,283,385,741	27,253,791,097

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

Thaicom Public Company Limited and its Subsidiaries

Statements of income

	Note	Consolidated financial statements		Separate financial statements	
		For the year ended 31 December		For the year ended 31 December	
		2015	2014 (Restated)	2015	2014
		(in Baht)			
Income	5				
Revenues from sale of goods and rendering of services	25	12,453,089,955	11,893,030,438	7,653,798,891	6,989,624,431
Construction revenue under operating agreement		543,915	172,270,278	543,915	172,270,278
Net foreign exchange gain		-	71,871,278	-	-
Other income	26	489,105,936	172,648,576	689,901,811	438,956,134
Total income		12,942,739,806	12,309,820,570	8,344,244,617	7,600,850,843
Expenses	5				
Cost of sale of goods and rendering of services		6,287,173,476	6,055,782,897	3,815,117,464	3,727,668,083
Construction cost under operating agreement		543,915	172,270,278	543,915	172,270,278
Operating agreements fee		1,066,618,826	985,260,005	1,066,618,826	985,260,005
Selling expenses		338,451,733	376,275,952	167,041,702	211,823,594
Administrative expenses		1,676,992,895	1,825,063,317	798,084,481	799,304,797
Impairment loss on investment in subsidiary	10	-	-	453,508,587	-
Impairment loss on goodwill	13	-	550,013,793	-	-
Directors and management benefit expenses		102,593,824	102,631,718	72,871,517	74,936,839
Net foreign exchange loss		595,024,208	-	631,945,714	9,085,775
Finance costs		306,037,479	384,475,690	283,757,455	362,308,345
Total expenses		10,373,436,356	10,451,773,650	7,289,489,661	6,342,657,716
Share of profits of investment in joint venture	10	193,659,781	154,057,274	-	-
Profit before income tax expense		2,762,963,231	2,012,104,194	1,054,754,956	1,258,193,127
Income tax expense	29	(458,280,748)	(498,078,112)	(260,699,622)	(239,837,947)
Profit for the year		2,304,682,483	1,514,026,082	794,055,334	1,018,355,180
Profit attributable to:					
Owner of the Company		2,122,147,081	1,600,883,844	794,055,334	1,018,355,180
Non-controlling interest		182,535,402	(86,857,762)	-	-
Profit for the year		2,304,682,483	1,514,026,082	794,055,334	1,018,355,180
Earnings per share	31				
Basic earning per share (in Baht)		1.94	1.46	0.72	0.93
Diluted earning per share (in Baht)		1.94	1.46	0.72	0.93

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

Thaicom Public Company Limited and its Subsidiaries
Statements of comprehensive income

	Consolidated		Separate	
	financial statements		financial statements	
	For the year ended 31 December		For the year ended 31 December	
<i>Note</i>	2015	2014	2015	2014
	(Restated)			
	<i>(in Baht)</i>			
Profit for the year	2,304,682,483	1,514,026,082	794,055,334	1,018,355,180
Other comprehensive income	23			
<i>Items that will never be reclassified to profit or loss</i>				
Defined benefit plan actuarial gains (losses)	(19,743,251)	-	13,960,062	-
Share of other comprehensive loss of investments in joint ventures	10	(157,897,336)	-	-
		(177,640,587)	13,960,062	-
<i>Items that are or may be reclassified to profit or loss</i>				
Foreign currency translation differences for foreign operations	334,925,885	(3,238,369)	-	-
Unrealised loss from increase in shareholding in a subsidiary	(216)	(2,612,055)	-	-
Changes in fair value of available-for-sale investments transfers to profit and loss	(335,334,101)	-	-	-
Changes in fair value of available-for-sale investments	(458,294,533)	235,736,603	-	-
		(458,702,965)	-	-
Other comprehensive income for the year, net of income tax		229,886,179	13,960,062	-
Total comprehensive income for the year	1,668,338,931	1,743,912,261	808,015,396	1,018,355,180
Total comprehensive income attributable to:				
Owners of the Company	1,500,883,965	1,830,595,227	808,015,396	1,018,355,180
Non-controlling interests	167,454,966	(86,682,966)	-	-
Total comprehensive income for the year	1,668,338,931	1,743,912,261	808,015,396	1,018,355,180

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

Thaicom Public Company Limited and its Subsidiaries
Statements of changes in equity

		Consolidated financial statements											
		Retained earnings				Other components of equity							
	Note	Issued and paid-up share capital	Share premium	Legal reserve	Unappropriated	Other reserve for share-based payment	Cumulative gain on dilution of investment in a subsidiaries <i>(in Baht)</i>	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
Year ended 31 December 2014													
Balance at 1 January 2014 - as reported		5,479,687,700	4,301,989,672	493,237,236	4,413,069,092	2,431,567	331,456,927	(42,463,680)	563,663,129	855,087,943	15,543,071,643	38,391,462	15,581,463,105
Impact of changes in accounting policies	3	-	-	-	-	-	-	-	-	-	-	707,316,782	707,316,782
Balance at 1 January 2014 - restated		5,479,687,700	4,301,989,672	493,237,236	4,413,069,092	2,431,567	331,456,927	(42,463,680)	563,663,129	855,087,943	15,543,071,643	745,708,244	16,288,779,887
Transactions with owners, recorded directly in equity													
Share-based payment transactions	21	-	-	-	-	6,866,902	-	-	-	6,866,902	6,866,902	-	6,866,902
Dividends to owners of the Company	32	-	-	-	(493,171,893)	-	-	-	-	-	(493,171,893)	(261,757,927)	(754,929,820)
Total contributions by and distributions to owners of the Company		-	-	-	(493,171,893)	6,866,902	-	-	-	6,866,902	(486,304,991)	(261,757,927)	(748,062,918)
Comprehensive income for the year													
Profit	31	-	-	-	1,600,883,844	-	-	-	-	-	1,600,883,844	(86,857,762)	1,514,026,082
Other comprehensive income	23	-	-	-	-	-	(2,612,055)	(3,413,165)	235,736,603	229,711,383	229,711,383	174,796	229,886,179
Total comprehensive income for the year		-	-	-	1,600,883,844	-	(2,612,055)	(3,413,165)	235,736,603	229,711,383	1,830,595,227	(86,682,966)	1,743,912,261
Transfer to retained earnings	22	-	-	50,917,759	(50,917,759)	-	-	-	-	-	-	-	-
Balance at 31 December 2014		5,479,687,700	4,301,989,672	544,154,995	5,469,863,284	9,298,469	328,844,872	(45,876,845)	799,399,732	1,091,666,228	16,887,361,879	397,267,351	17,284,629,230

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

Thaicom Public Company Limited and its Subsidiaries

Statements of changes in equity

Consolidated financial statements

	Note	Consolidated financial statements											Total equity	
		Retained earnings				Other components of equity								
		Issued and paid-up share capital	Share premium	Legal reserve	Unappropriated	Other reserve for share-based payment transactions	Cumulative		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
							gain on dilution of investment in a subsidiary and an associate	(in Baht)						
Year ended 31 December 2015														
Balance at 1 January 2015 - as reported		5,479,687,700	4,301,989,672	544,154,995	5,469,863,284	9,298,469	328,844,872	(45,876,845)	799,399,732	1,091,666,228	16,887,361,879	38,566,258	16,925,928,137	
Impact of changes in accounting policies	3	-	-	-	-	-	-	-	-	-	-	358,701,093	358,701,093	
Balance at 1 January 2015 - restated		5,479,687,700	4,301,989,672	544,154,995	5,469,863,284	9,298,469	328,844,872	(45,876,845)	799,399,732	1,091,666,228	16,887,361,879	397,267,351	17,284,629,230	
Transactions with owners, recorded directly in equity														
Share-based payment transactions	21	-	-	-	-	7,938,554	-	-	-	7,938,554	7,938,554	-	7,938,554	
Dividends to owners of the Company	32	-	-	-	(712,359,401)	-	-	-	-	-	(712,359,401)	(137,766,560)	(850,125,961)	
Total contributions by and distributions to owners of the Company		-	-	-	(712,359,401)	7,938,554	-	-	-	7,938,554	(704,420,847)	(137,766,560)	(842,187,407)	
Comprehensive income for the year														
Profit	31	-	-	-	2,122,147,081	-	-	-	-	-	2,122,147,081	182,535,402	2,304,682,483	
Other comprehensive income	23	-	-	-	-	-	(216)	331,268,970	(793,628,634)	(462,359,880)	(462,359,880)	3,656,915	(458,702,965)	
Defined benefit plan actuarial losses		-	-	-	(158,903,236)	-	-	-	-	-	(158,903,236)	(18,737,351)	(177,640,587)	
Total comprehensive income for the year		-	-	-	1,963,243,845	-	(216)	331,268,970	(793,628,634)	(462,359,880)	1,500,883,965	167,454,966	1,668,338,931	
Transfer to legal reserve	22	-	-	5,296,275	(5,296,275)	-	-	-	-	-	-	-	-	
Balance at 31 December 2015		5,479,687,700	4,301,989,672	549,451,270	6,715,451,453	17,237,023	328,844,656	285,392,125	5,771,098	637,244,902	17,683,824,997	426,955,757	18,110,780,754	

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

Thaicom Public Company Limited and its Subsidiaries

Statements of changes in equity

	Note	Issued and paid-up share capital	Share premium	Separate financial statements		Other reserve for share-based payment transactions	Total equity
				Retained earnings			
				Legal reserve	Unappropriated		
				(in Baht)			
Year ended 31 December 2014							
Balance at 1 January 2014		5,479,687,700	4,301,989,672	493,237,236	3,202,467,322	2,431,567	13,479,813,497
Transactions with owners, recorded directly in equity							
Share-based payment transactions	21	-	-	-	-	6,866,902	6,866,902
Dividends to owners of the Company	32	-	-	-	(493,171,893)	-	(493,171,893)
Total contributions by and distributions to owners of the Company		-	-	-	(493,171,893)	6,866,902	(486,304,991)
Comprehensive income for the year							
Profit	31	-	-	-	1,018,355,180	-	1,018,355,180
Total comprehensive income for the year		-	-	-	1,018,355,180	-	1,018,355,180
Transfer to legal reserve	22	-	-	50,917,759	(50,917,759)	-	-
Balance at 31 December 2014		5,479,687,700	4,301,989,672	544,154,995	3,676,732,850	9,298,469	14,011,863,686
Year ended 31 December 2015							
Balance at 1 January 2015		5,479,687,700	4,301,989,672	544,154,995	3,676,732,850	9,298,469	14,011,863,686
Transactions with owners, recorded directly in equity							
Share-based payment transactions	21	-	-	-	-	7,938,554	7,938,554
Dividends to owners of the Company	32	-	-	-	(712,359,401)	-	(712,359,401)
Total contributions by and distributions to owners of the Company		-	-	-	(712,359,401)	7,938,554	(704,420,847)
Comprehensive income for the year							
Profit	31	-	-	-	794,055,334	-	794,055,334
Defined benefit plan actuarial gains		-	-	-	13,960,062	-	13,960,062
Total comprehensive income for the year		-	-	-	808,015,396	-	808,015,396
Transfer to legal reserve	22	-	-	5,296,275	(5,296,275)	-	-
Balance at 31 December 2015		5,479,687,700	4,301,989,672	549,451,270	3,767,092,570	17,237,023	14,115,458,235

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

Thaicom Public Company Limited and its Subsidiaries

Statements of cash flows

	Note	Consolidated financial statements		Separate financial statements	
		For the year ended 31 December		For the year ended 31 December	
		2015	2014	2015	2014
			(Restated)		
		(in Baht)			
Cash flows from operating activities					
Profit for the year		2,304,682,483	1,514,026,082	794,055,334	1,018,355,180
<i>Adjustments for</i>					
Depreciation of property and equipment	12,27	618,756,522	465,747,576	390,382,861	245,763,190
Amortisation of intangible assets					
under operating agreement	13	2,022,697,586	1,967,011,496	2,022,697,586	1,964,857,184
Amortisation of deferred charges	13	25,038,947	10,506,121	25,023,170	10,385,865
Amortisation of intangible assets	13	135,551,462	129,050,088	96,131,055	96,171,219
(Reversal of) impairment loss on assets		(42,202,254)	59,769,666	(42,984,186)	36,252,820
Impairment loss on investment in subsidiary	10	-	-	453,508,587	-
Impairment loss on goodwill	13	-	550,013,793	-	-
Investments income		(413,554,874)	(72,917,054)	(506,497,013)	(296,074,760)
Share-based payment transactions		7,938,554	6,866,902	7,938,554	6,866,902
Finance cost		306,037,479	384,475,690	283,757,455	362,308,345
(Gain) loss on exchange rate		269,756,156	(28,356,326)	158,523,087	(11,453,783)
Amortisation of borrowing costs	16,27	1,065,891	2,363,082	1,065,891	2,363,082
(Reversal of) allowance for doubtful accounts	8	61,686,173	17,750,840	29,376,863	(13,339,090)
(Reversal of) allowance for obsolete inventory		(49,956,287)	31,049,627	(1,639,603)	(10,472,693)
(Gain) loss on disposal of property and equipment	26	(3,464,432)	1,436,405	(7,462,636)	(3,217,565)
Write-off property and equipment	12	25,864,490	18,795,521	25,163,609	17,460,392
Write-off intangible assets		5,265,187	530,498	5,256,633	-
Share of profits of investment in joint venture	10	(193,659,781)	(154,057,274)	-	-
Income tax expense	29	458,280,748	498,078,112	260,699,622	239,837,947
		5,539,784,050	5,402,140,845	3,994,996,869	3,666,064,235
Changes in operating assets and liabilities					
Trade and other accounts receivable		(507,531,468)	(13,600,702)	(241,869,583)	48,801,281
Amounts due from related parties		(11,060,619)	(22,446,209)	(66,414,266)	(20,955,889)
Inventories		73,667,168	54,068,913	13,731,770	2,487,451
Other current assets		(5,380,731)	54,474,064	(15,451,421)	7,119,948
Other non-current assets		(16,304,734)	(51,184,109)	(16,318,830)	336,721
Trade and other accounts payable		(80,372,259)	(65,605,966)	(133,858,822)	(46,085,165)
Amounts due to related parties		(231,187)	(918,640)	4,336,003	(281,536,850)
Advance receipts from customers		(49,458,190)	(348,930,035)	(12,966,031)	(132,797,176)
Accrued operating agreement fee		47,702,801	20,424,834	47,702,801	20,424,834
Other current liabilities		27,554,216	53,046,860	(4,408,662)	8,833,192
Other non-current liabilities		1,668,716	3,087,128	5,240,787	10,612,018
Employee benefit obligations		29,638,859	17,025,639	19,185,559	(236,179)
Income tax paid		(321,032,123)	(270,469,622)	(126,608,914)	(78,449,097)
Net cash from operating activities		4,728,644,499	4,831,113,000	3,467,297,260	3,204,619,324

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

Thaicom Public Company Limited and its Subsidiaries

Statements of cash flows

	Note	Consolidated financial statements		Separate financial statements	
		For the year ended 31 December		For the year ended 31 December	
		2015	2014 (Restated)	2015	2014
<i>(in Baht)</i>					
Cash flows from investing activities					
Interest received		73,346,642	66,145,014	63,274,326	59,676,719
Dividends received	11	-	68,572,943	434,208,879	327,831,870
Current investment		(364,637,489)	505,171,495	(774,220,655)	505,171,495
Purchase of property and equipment		(1,247,044,720)	(6,344,029,910)	(1,095,731,911)	(5,947,966,153)
Proceeds from sale of property and equipment		5,249,401	8,052,413	14,575,359	4,738,801
Proceeds from short-term loan to joint venture	5	137,214,949	-	137,214,949	-
Proceeds from long-term loan to subsidiaries	5	-	-	9,843,840	3,222,836
Long-term loan to joint venture		(1,972,424,724)	-	(2,069,568,372)	-
Payments for deferred charges		-	(20,176,416)	-	(20,176,416)
Purchase of intangible assets		(9,539,366)	(22,087,035)	(741,035)	(6,300,825)
Net cash outflow on acquisition of subsidiaries		-	-	-	(1,590,405)
Net cash outflow on acquisition of indirect subsidiaries		-	(174,240,846)	-	-
Net cash used in investing activities		(3,377,835,307)	(5,912,592,342)	(3,281,144,620)	(5,075,392,078)
Cash flows from financing activities					
Dividends paid to owner of the company	32	(850,125,380)	(754,927,084)	(712,353,200)	(493,171,893)
Proceeds from short-term borrowings	16	1,351,393,541	2,074,029,743	1,011,393,541	1,844,029,743
Repayment of short-term borrowings	16	(657,305,743)	(1,202,925,078)	(277,305,743)	(1,202,925,078)
Proceeds from long-term borrowings	16	3,768,146,233	6,289,929,848	3,746,090,159	6,007,641,624
Repayments of long-term borrowings	16	(4,038,021,583)	(4,485,395,384)	(3,976,243,423)	(4,246,160,740)
Proceeds from short-term loan from related party	5	-	-	1,103,643,420	-
Interest paid		(290,293,793)	(353,248,221)	(268,362,176)	(337,941,312)
Net cash from (used in) financing activities		(716,206,725)	1,567,463,824	626,862,578	1,571,472,344
Net increase (decrease) in cash and cash equivalents		634,602,467	485,984,482	813,015,218	(299,300,410)
Cash and cash equivalents at 1 January		2,769,147,544	2,278,596,372	443,266,569	740,069,890
Effect of acquisition of indirect subsidiary		-	2,067,829	-	-
Effects of exchange rate changes on balances held in foreign currencies		(2,609,042)	2,498,861	(2,534,950)	2,497,089
Cash and cash equivalents at 31 December	6	3,401,140,969	2,769,147,544	1,253,746,837	443,266,569
Non-cash transactions					
Acquisition of property and equipment by issue of debt		41,156,368	49,512,224	28,488,844	37,006,234
Finance lease liabilities		52,104,847	38,431,530	45,805,209	32,409,806

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

Thaicom Public Company Limited and its Subsidiaries

Notes to the financial statements

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Thaicom Public Company Limited and its Subsidiaries

Notes to the financial statements

These notes form an integral part of the financial statements.

The financial statements issued for Thai statutory and regulatory reporting purposes are prepared in the Thai language. These English translations of the financial statements have been prepared from the Thai language statutory financial statements, and were approved and authorized for issue by the Board of Directors on 10 February 2016.

1 General information

Thaicom Public Company Limited, the “Company”, is incorporated in Thailand and has its registered office at 414 Phaholyotin Road, SamsenNai, 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 (41.14% shareholding) which is incorporated in Thailand.

The Company, its subsidiaries and a joint venture (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 financial statements

Details of the Company's subsidiaries and a joint venture as at 31 December 2015 and 2014 were as follows:

Name of the entity	Type of business	Country of incorporation	Ownership interest (%)	
			2015	2014
<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	100	100
Star Nucleus Company Limited	Providing engineering and development services, technology and electronics	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 and sale of satellite equipment of Thaicom 4	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	Providing Thaicom 4 transponder services and sale of user terminal of Thaicom 4 in Australia	Australia	100	100
TC Broadcasting Company Limited	Providing broadcasting, television and telecommunication	Thailand	99.99	99.99
IPSTAR Japan Company Limited	Providing Thaicom 4 transponder services and sale of user terminal of Thaicom 4 in Japan	Japan	100	100
IPSTAR New Zealand Company Limited	Providing Thaicom 4 transponder services and sale of user terminal of Thaicom 4 in New Zealand	New Zealand	100	100

Thaicom Public Company Limited and its Subsidiaries
Notes to the financial statements

Name of the entity	Type of business	Country of incorporation	Ownership interest (%)	
			2015	2014
International Satellite Company Limited	Providing Thaicom 7 and Thaicom 8 transponder services	Mauritius	100	100
Indirect subsidiaries				
CS Loxinfo Public Company Limited	Providing internet data center service, internet and satellite uplink-downlink services	Thailand	42.07	42.07
Orion Satellite Systems Pty Limited	Providing satellite communication services and business solutions in Australia	Australia	100	100
Joint venture				
Shenington Investments Pte Limited	Holding company for investment in international telecommunications	Singapore	51	51
Joint ventures of Shenington Investments Pte Limited				
Lao Telecommunications Company Limited	Providing fixed line, mobile phone, public phone, public international facilities and Internet services	Lao PDR	24.99	24.99

2 Basis of preparation of the financial statements

(a) Statement of compliance

The financial statements are prepared in accordance with Thai Financial Reporting Standards (TFRS); guidelines promulgated by the Federation of Accounting Professions (“FAP”); and applicable rules and regulations of the Thai Securities and Exchange Commission.

The FAP has issued new and revised TFRS effective for annual accounting periods beginning on or after 1 January 2015. The initial application of these new and revised TFRS has resulted in changes in certain of the Group’s accounting policies. The effects of these changes, where such effects are considered material to the financial statements, are disclosed in note 3.

In addition to the above new and revised TFRS, the FAP has issued a number of other new and revised TFRS which are effective for annual financial periods beginning on or after 1 January 2016 and have not been adopted in the preparation of these financial statements. Those new and revised TFRS that are relevant to the Group’s operations are disclosed in note 38.

(b) Basis of measurement

The financial statements have been prepared on the historical cost basis unless otherwise stated.

Thaicom Public Company Limited and its Subsidiaries

Notes to the financial statements

(c) *Functional and presentation currency*

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

(d) *Use of estimates and judgements*

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

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

(i) Judgements

Information about judgements made in applying accounting policies that have the most significant effects on the amounts recognised in the financial statements is included in the following notes:

Note 11	Classification of the joint venture
Note 11	Consolidation: whether the Group has de facto control over an investee

(ii) Assumptions and estimation uncertainties

Information about significant areas of estimation uncertainties that have a significant risk of resulting in a material adjustments to the amounts recognised in the financial statements is included in the following notes:

Note 8	Allowance for doubtful accounts
Note 9	Realisable value of inventory
Note 10	Key assumptions used in discounted cash flow projections
Note 12	Estimated useful lives and measurement of the recoverable amounts of property and equipment
Note 13	Estimated useful lives and measurement of the recoverable amounts of intangible asset under operating agreements and other intangible assets.
Note 14	Deferred income tax
Note 19	Measurement of employee benefits
Note 21	Measurement of share-based payment
Note 33	The measurement of fair values of foreign currency forward contracts
Note 34 and 35	Provisions and contingencies

Thaicom Public Company Limited and its Subsidiaries

Notes to the financial statements

3 Changes in accounting policies

From 1 January 2015, The Group has adopted the issued and revised TFRS, which has resulted in changes in its accounting policies applied in the financial statements for the year ended 31 December 2014. The following new and revised TFRS having a material effect on the Group's financial statements:

- *TFRS 10 Consolidated Financial Statements*

TFRS 10 introduces a control model to determine whether the investees should be consolidated. As a result, the investor has to re-consider and review its investments if it has to consolidate its investees, which could result to the change in its current accounting.

As a result, the Group reassessed and changed the control conclusion for CS Loxinfo Public Company Limited ("CSL"), held by DTV Service Company Limited. The Company shall recognise investment in CSL as investment in subsidiary and include CSL in consolidation.

- *TFRS 11 Joint Arrangements*

TFRS 11 requires a joint venture to recognise its interests in joint arrangements as an investment and shall account for that investment using the equity method. TAS 31 (revised 2012) Interests in Joint Ventures which permit joint venture to be accounted for using proportionate consolidation has been withdrawn.

As a result of TFRS 11, the Group has changed the accounting policy of the investment in Shenington Investment Pte Limited ("SHEN") from proportionate consolidation to the equity method.

- *TFRS 12 Disclosure of Interests in Other Entities*

TFRS 12 brings all the disclosure requirements about the Group's interest in its subsidiaries, joint arrangements, associates and unconsolidated structured companies together into a single standard. TFRS 12 requires the disclosure of information about the nature, risks and financial effects of these interests.

TFRS 12 only impacts the Group's disclosure.

Thaicom Public Company Limited and its Subsidiaries
Notes to the financial statements

The following table summaries the material impacts from the above change in accounting policies on the Group's financial position and comprehensive income and cashflows.

	Effect of changes in accounting policies			
	As previously reported	Subsidiary <i>(in thousand Baht)</i>	Joint venture	As restated
Consolidated statement of financial position at 1 January 2014				
Cash and cash equivalents	2,152,258	281,991	(155,653)	2,278,596
Trade and other accounts receivable	1,568,488	495,570	(100,679)	1,963,379
Amounts due from related parties	28,647	(33)	86,469	115,083
Short-term loan to a joint venture	142,074	-	147,872	289,946
Inventories	251,541	68,006	(13,584)	305,963
Other current assets	33,158	7,103	(6,292)	33,969
Investment in joint venture	-	-	909,145	909,145
Investment in associate	487,493	(487,493)	-	-
Property and equipment	3,163,136	597,488	(1,434,479)	2,326,145
Deferred charges	34,637	56	-	34,693
Intangible assets	840,934	645,342	(6,078)	1,480,198
Deferred tax assets	503,843	53,764	(59,703)	497,904
Other non-current assets	1,120,904	23,822	-	1,144,726
Others	17,046,940	-	-	17,046,940
Total assets	<u>27,374,053</u>	<u>1,685,616</u>	<u>(632,982)</u>	<u>28,426,687</u>
Trade and other accounts payable	719,628	404,431	(112,119)	1,011,940
Accounts payable - property and equipment	112,777	-	(23,486)	89,291
Amounts due to related parties	2,797	371	(1,940)	1,228
Short-term loan from other related party	142,664	-	(142,664)	-
Current portion of long-term loans	4,343,759	61,530	(29,661)	4,375,628
Advance receipts from customers	931,770	259,621	(63,687)	1,127,704
Income tax payable	35,753	21,612	(11,144)	46,221
Other current liabilities	70,547	1,405	(8,007)	63,945
Long-term loans	4,028,345	64,614	(61,540)	4,031,419
Employee benefit obligations	335,619	123,012	(150,450)	308,181
Other non-current liabilities	368,726	22,873	(9,454)	382,145
Others	700,205	-	-	700,205
Total liabilities	<u>11,792,590</u>	<u>959,469</u>	<u>(614,152)</u>	<u>12,137,907</u>
Non-controlling interests	38,391	707,317	-	745,708
Retained earnings	4,413,069	-	-	4,413,069
Others	11,130,003	-	-	11,130,003
Total equity	<u>15,581,463</u>	<u>707,317</u>	<u>-</u>	<u>16,288,780</u>

Thaicom Public Company Limited and its Subsidiaries
Notes to the financial statements

Effect of changes in accounting policies

	As previously reported	Subsidiary <i>(in thousand Baht)</i>	Joint venture	As restated
Consolidated statement of financial position at 31 December 2014				
Cash and cash equivalents	2,564,934	386,198	(181,984)	2,769,148
Trade and other accounts receivable	1,589,960	445,411	(89,197)	1,946,174
Amounts due from related parties	53,185	-	18,042	71,227
Short-term loan to a joint venture	142,661	-	148,483	291,144
Inventories	225,274	42,824	(31,603)	236,495
Other current assets	49,349	(421)	(27,687)	21,241
Investment in joint venture	-	-	1,082,914	1,082,914
Investment in associate	234,339	(234,339)	-	-
Property and equipment	9,093,305	814,586	(1,555,260)	8,352,631
Deferred charges	44,363	1	-	44,364
Intangible assets	889,671	82,510	(5,363)	966,818
Deferred tax assets	254,417	52,981	(59,230)	248,168
Other non-current assets	848,229	23,623	-	871,852
Others	14,985,537	-	-	14,985,537
Total assets	30,975,224	1,613,374	(700,885)	31,887,713
Short-term loans from financial institutions	641,105	230,000	-	871,105
Trade and other accounts payable	791,216	423,349	(153,614)	1,060,951
Accounts payable - property and equipment	293,623	-	(120,622)	173,001
Amounts due to related parties	759	229	(708)	280
Short-term loan from other related party	143,313	-	(143,313)	-
Current portion of long-term loans	579,670	61,759	(1,893)	639,536
Advance receipts from customers	646,368	185,562	(48,549)	783,381
Income tax payable	59,566	12,046	(17,996)	53,616
Other current liabilities	129,619	1,258	(12,494)	118,383
Long-term loans	9,435,530	164,262	(9,463)	9,590,329
Employee benefit obligations	367,310	133,680	(163,949)	337,041
Other non-current liabilities	367,565	23,699	(9,455)	381,809
Others	593,652	-	-	593,652
Total liabilities	14,049,296	1,235,844	(682,056)	14,603,084
Non-controlling interests	38,566	358,701	-	397,267
Retained earnings	5,469,863	-	-	5,469,863
Others	11,417,499	-	-	11,417,499
Total equity	16,925,928	358,701	-	17,284,629

Thaicom Public Company Limited and its Subsidiaries
Notes to the financial statements

	Effect of changes in accounting policies			
	As previously reported	Subsidiary	Joint venture	As restated
	<i>(in thousand Baht)</i>			
Consolidated statement of income				
For the year ended 31 December 2014				
Revenues from sale of goods and rendering of services	10,004,056	2,965,398	(1,076,424)	11,893,030
Construction revenue under operating agreement	172,270	-	-	172,270
Others	199,630	28,654	16,237	244,521
Total income	10,375,956	2,994,052	(1,060,187)	12,309,821
Cost of sale of goods and rendering of services	4,866,412	1,741,311	(551,940)	6,055,783
Construction cost under operating agreement	172,270	-	-	172,270
Operating agreement fees	985,260	-	-	985,260
Selling expenses	289,013	139,475	(52,212)	376,276
Administrative expenses	1,492,917	1,118,075	(235,915)	2,375,077
Finance costs	381,206	15,359	(12,089)	384,476
Income tax expense	449,979	102,073	(53,974)	498,078
Others	74,937	27,695	-	102,632
Total expenses	8,711,994	3,143,988	(906,130)	10,949,852
Income from equity method	(63,078)	63,078	154,057	154,057
Profit for the year	1,600,884	(86,858)	-	1,514,026
Profit attributable to:				
Owners of the Company	1,600,884	-	-	1,600,884
Non-controlling interests	-	(86,858)	-	(86,858)
Profit for the year	1,600,884	(86,858)	-	1,514,026

	Effect of changes in accounting policies			
	As previously reported	Subsidiary	Joint venture	As restated
	<i>(in thousand Baht)</i>			
Consolidated statement of cash flows				
For the year ended 31 December 2014				
Net cash provided from operating activities	4,876,417	573,673	(618,977)	4,831,113
Net cash used in investing activities	(5,908,213)	(517,854)	513,475	(5,912,592)
Net cash provided from financing activities	1,439,907	48,388	79,169	1,567,464
Cash and cash equivalents	2,564,934	386,201	(181,987)	2,769,148

Thaicom Public Company Limited and its Subsidiaries

Notes to the financial statements

4 Significant accounting policies

The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

(a) *Basis of consolidation*

The consolidated financial statements relate to the Company and its subsidiaries and joint ventures.

Business combinations

The Group applies the acquisition method for all business combinations when control is transferred to the Group other than those with entities under common control.

Control is the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, the Group takes into consideration potential voting rights that currently are exercisable. The acquisition date is the date on which control is transferred to the acquirer. Judgment is applied in determining the acquisition date and determining whether control is transferred from one party to another.

Goodwill is measured as the fair value of the consideration transferred including the recognized amount of any non-controlling interest in the acquiree, less the net recognised amount (generally fair value) of the identifiable assets acquired and liabilities assumed, all measured as of the acquisition date.

Consideration transferred includes the fair values of the assets transferred, liabilities incurred by the Group to the previous owners of the acquiree, and equity interests issued by the Group. Consideration transferred also includes the fair value of any contingent consideration and share-based payment awards of the acquiree that are replaced mandatorily in the business combination. If a business combination results in the termination of pre-existing relationships between the Group and the acquiree, then the lower of the termination amount, as contained in the agreement, and the value of the off-market element is deducted from the consideration transferred and recognised in other expenses.

When share-based payment awards exchanged (replacement awards) for awards held by the acquiree's employees (acquiree's awards) relate to past services, then a part of the market-based measure of the awards replaced is included in the consideration transferred. If they require future services, then the difference between the amount included in consideration transferred and the market-based measure of the replacement awards is treated as post-combination compensation cost.

A contingent liability of the acquiree is assumed in a business combination only if such a liability represents a present obligation and arises from a past event, and its fair value can be measured reliably.

The Group measures any non-controlling interest at its proportionate interest in the identifiable net assets of the acquiree.

Transaction costs that the Group incurs in connection with a business combination, such as legal fees, and other professional and consulting fees are expensed as incurred.

Thaicom Public Company Limited and its Subsidiaries

Notes to the financial statements

Acquisitions from entities under common control

Business combinations arising from transfers of interests in entities that are under the control of the shareholder that controls the Group are accounted for as if the acquisition had occurred at the beginning of the earliest comparative period presented or, if later, at the date that common control was established; for this purpose comparatives are revised. The assets and liabilities acquired are recognised at the carrying amounts recognised previously in the Group controlling shareholder's consolidated financial statements. The components of equity of the acquired entities are added to the same components within Group equity except that any share capital of the acquired entities is recognised as part of share premium. Any cash paid for the acquisition is recognised directly in equity.

Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

Loss of control

When the Group loses control over a subsidiary, it derecognises the assets and liabilities of the subsidiary, and any related non-controlling interests and other components of equity. Any resulting gain or loss is recognised in profit or loss. Any interest retained in the former subsidiary is measured at fair value when control is lost.

Interests in equity-accounted investees

The Group's interests in equity-accounted investees comprise interests in associates and a joint venture.

Associates are those entities in which the Group has significant influence, but not control or joint control, over the financial and operating policies. A joint venture is an arrangement in which the Group has joint control, whereby the Group has rights to the net assets of the arrangement, rather than rights to its assets and obligations for its liabilities.

Interests in associates and joint ventures are accounted for using the equity method. They are recognised initially at cost, which includes transaction costs. Subsequent to initial recognition, the consolidated financial statements include the Group's share of the profit or loss and other comprehensive income of equity-accounted investees, until the date on which significant influence or joint control ceases.

Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income or expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements. Unrealised gains arising from transactions with associates and jointly-controlled entities are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

(b) Foreign currencies

Foreign currency transactions

Transactions in foreign currencies are translated to the functional currency (Baht) at the dates of the transactions.

Thaicom Public Company Limited and its Subsidiaries

Notes to the financial statements

Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated to the functional currency at the foreign exchange rates ruling at that date. Foreign exchange differences arising on translation are recognised in profit or loss.

Non-monetary assets and liabilities measured at cost in foreign currencies are translated to the functional currency at the foreign exchange rates ruling at the dates of the transactions.

Foreign entities

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on acquisition, are translated to Thai Baht at the foreign exchange rates ruling at the reporting date.

Goodwill and fair value adjustments arising on the acquisition of foreign operations are stated at exchange rates ruling on the reporting date.

The revenues and expenses of foreign operations are translated to Thai Baht at the weighted average foreign exchange rates for the year.

Foreign exchange differences are recognised in other comprehensive income and accumulated in the translation reserve, except to extent that the translation difference is allocated to non-controlling interest.

When a foreign operation is disposed of in its entirety or partially such that control, significant influence or joint control is lost, the cumulative amount in the translation reserve related to that foreign operation is reclassified to profit or loss as part of the gain or loss on disposal. If the Group disposes of part of its interest in a subsidiary but retains control, then the relevant proportion of the cumulative amount is reattributed to non-controlling interests. When the Group disposes of only part of an associate or joint venture while retaining significant influence or joint control, the relevant proportion of the cumulative amount is reclassified to profit or loss.

(c) *Derivative financial instruments*

Derivative financial instruments are used to manage exposure to foreign exchange arising from operational, financing and investment activities. Derivative financial instruments are not used for trading purposes. However, derivatives that do not qualify for hedge accounting are accounted for as trading instruments.

Derivative financial instruments are recognised initially at fair value; attributable transaction costs are recognised in the profit or loss when incurred. Subsequent to initial recognition, they are remeasured at fair value. The gain or loss on remeasurement to fair value is recognised immediately in profit or loss. However, where derivatives qualify for hedge accounting, recognition of any resultant gain or loss depends on the nature of the item being hedged.

The fair value of forward exchange contracts is based on their listed market price, if available. If a listed market price is not available, then fair value is estimated by discounting the difference between the contractual forward price and the current forward price at the reporting date for the residual maturity of the contract using a risk-free interest rate (based on government bonds).

(d) *Cash and cash equivalents*

Cash and cash equivalents in the statements of cash flows comprise cash balances, call deposits and highly liquid short-term investments with original maturities of three months or less. Bank overdrafts that are repayable on demand are a component of operating activities for the purpose of the statement of cash flows.

Thaicom Public Company Limited and its Subsidiaries

Notes to the financial statements

(e) Trade and other accounts receivable

Trade and other accounts receivable are stated at their invoice value less allowance for doubtful accounts.

The allowance for doubtful accounts is assessed primarily on analysis of payment histories and future expectations of customer payments, net of deposit from customers. Bad debts are written off when incurred.

(f) Inventories

Inventories are measured at the lower of cost and net realisable value.

Cost is calculated using the weighted average cost principle, and comprises all costs of purchase and costs directly attributable to the acquisition of the inventory, such as taxes and transportation charges, less all attributable discounts, allowances or rebates. The cost of finished goods and work in progress comprises raw materials, direct labour, other direct costs and related production overheads based on normal operating capacity, but excludes borrowing costs.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs to complete and to make the sale.

(g) Investments

Investments in subsidiaries and joint ventures

Investments in subsidiaries and joint ventures in the separate financial statements of the Company are accounted for using the cost method. Investments in joint ventures in the consolidated financial statements are accounted for using the equity method.

Investments in other debt and equity securities

Debt securities and marketable equity securities held for trading are classified as current assets and are stated at fair value, with any resultant gain or loss recognised in profit or loss.

Debt securities that the Group has the positive intent and ability to hold to maturity are classified as held-to-maturity investments. Held-to-maturity investments are stated at amortised cost, less any impairment losses. The difference between the acquisition cost and redemption value of such debt securities is amortised using the effective interest rate method over the period to maturity.

Debt securities and marketable equity securities, other than those securities held for trading or intended to be held to maturity, are classified as available-for-sale investments. Available-for-sale investments are, subsequent to initial recognition, stated at fair value, and changes therein, other than impairment losses and foreign currency differences on available-for-sale monetary items, are recognised directly in equity. Impairment losses and foreign exchange differences are recognised in profit or loss. When these investments are derecognised, the cumulative gain or loss previously recognised directly in equity is recognised in profit or loss. Where these investments are interest-bearing, interest calculated using the effective interest method is recognised in profit or loss.

Equity securities which are not marketable are stated at cost less any impairment losses.

The fair value of financial instruments classified as held-for-trading and available-for-sale is determined as the quoted bid price at the reporting date.

Thaicom Public Company Limited and its Subsidiaries

Notes to the financial statements

Disposal of investments

On disposal of an investment, the difference between net disposal proceeds and the carrying amount together with the associated cumulative gain or loss that was reported in equity is recognised in profit or loss.

If the Group disposes of part of its holding of a particular investment, the deemed cost of the part sold is determined using the weighted average method applied to the carrying value of the total holding of the investment.

(h) Property, plant and equipment

Owned assets

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labour, any other costs directly attributable to bringing the assets to a working condition for their intended use, the costs of dismantling and removing the items and restoring the site on which they are located, and capitalised borrowing costs.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property and equipment.

Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property and equipment, and are recognised net in profit or loss.

Leased assets

Leases in terms of which the Group substantially assumes all the risk and rewards of ownership are classified as finance leases. Property, plant and equipment acquired by way of finance leases is capitalised at the lower of its fair value and the present value of the minimum lease payments at the inception of the lease, less accumulated depreciation and impairment losses. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged directly to the profit or loss.

Assets for rent

Assets leased out under operating leases are included in property and equipment in the Statements of financial position. They are depreciated over their expected useful lives on a basis consistent with similar fixed assets.

Subsequent costs

The cost of replacing a part of an item of property and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Group, and its cost can be measured reliably. The carrying amount of the replaced part is derecognised. The costs of the day-to-day servicing of property and equipment are recognised in profit or loss as incurred.

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Notes to the financial statements

Depreciation

Depreciation is calculated based on the depreciable amount, which is the cost of an asset, or other amount substituted for cost, less its residual value.

Depreciation is charged to profit or loss on a straight-line basis over the estimated useful lives of each component of an item of property and equipment or, if shorter, the lease term. The estimated useful lives are as follows:

Leasehold land	30 years
Buildings and improvements	5-10 years
Equipment	5-18 years
Furniture fixtures and office equipment	5-18 years
Computer equipment	3-5 years
Motor vehicles	5 years

No depreciation is provided on freehold land or assets under construction.

Depreciation methods, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

(i) *Intangible assets under operating agreement*

Intangible assets under operating agreement comprise rights of the charges for satellite services under the operating agreement.

Amortisation is amortised on the straight-line basis over the lower of the period of useful lives or operating agreement.

(j) *Deferred charges*

Deferred charges principally represent bond issuing and long-term borrowing costs and are amortised on the straight-line basis over the period of time to maturity of the bond or long-term loan agreement.

(k) *Intangible assets*

Goodwill

Goodwill that arises upon the acquisition of subsidiaries is included in intangible assets. The measurement of goodwill at initial recognition is described in note 4(a). Subsequent to initial recognition, goodwill is measured at cost less accumulated impairment losses. In respect of equity-accounted investees, the carrying amount of goodwill is included in the carrying amount of the investment, and an impairment loss on such an investment is not allocated to any asset, including goodwill, that forms part of the carrying amount of the equity-accounted investee.

Research and development

Expenditure on research activities, undertaken with the prospect of gaining new scientific or technical knowledge and understanding, is recognised in profit or loss as incurred.

Costs incurred on development projects (relating to the design and testing of new or improved products) are recognised as intangible assets when it is probable that the project will be a success considering its commercial and technological feasibility, and only if the cost can be measured reliably. Other development expenditure is recognised as an expense as incurred. Development costs previously recognised as an expense are not recognised as an asset in a subsequent period.

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Notes to the financial statements

Development costs that have been capitalised are amortised from the commencement of the commercial production of the product.

Capitalised development expenditure is measured at cost less accumulated amortisation and accumulated impairment losses.

Other intangible assets

Other intangible assets that are acquired by the Group and have finite useful lives are measured at cost less accumulated amortisation and accumulated impairment losses.

The cost of other intangible assets comprises the development of IPSTAR technology, expenditure on acquired software, patents, trademarks and licenses and is amortised using the straight-line method over their period of their benefits of related assets for a period of 5 to 15.75 years.

Specific software is recognised as assets when acquired and operated to intend purposes and is amortised using the straight-line method over their expected benefits for a period of 3 - 5 years.

Amortisation methods, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

(l) Impairment

The carrying amounts of the Group's assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the assets' recoverable amounts are estimated. For goodwill and intangible assets that have indefinite useful lives or are not yet available for use, the recoverable amount is estimated each year, at the same time.

An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. The impairment loss is recognised in profit or loss.

Calculation of recoverable amount

The recoverable amount of available-for-sale financial assets is calculated by reference to the fair value.

The recoverable amount of a non-financial asset is the greater of the asset's value in use and fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate cash inflows largely independent of those from other assets, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

Reversals of impairment

An impairment loss in respect of a financial asset is reversed if the subsequent increase in recoverable amount can be related objectively to an event occurring after the impairment loss was recognised in profit or loss. For available-for-sale financial assets that are equity securities, the reversal is recognised in other comprehensive income.

An impairment loss in respect of goodwill is not reversed. Impairment losses recognised in prior periods in respect of other non-financial assets are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

Thaicom Public Company Limited and its Subsidiaries

Notes to the financial statements

(m) Interest-bearing liabilities

Interest-bearing liabilities are recognised initially at fair value less attributable transaction charges. Subsequent to initial recognition, interest-bearing liabilities are stated at amortised cost with any difference between cost and redemption value being recognised in profit or loss over the period of the borrowings on an effective interest basis.

(n) Trade and other accounts payable

Trade and other accounts payable are stated at cost.

(o) Employee Benefit

Defined contribution plans

The Group operates a provident fund, which is a defined contribution plan. The assets of which are held in a separate trust fund which is managed by external fund manager. The provident fund is funded by payments from employees and by the relevant Group companies. Contributions to the provident fund are charged to the statements of income in the year to which they relate.

Defined benefit plans

The Group's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount.

The calculation of defined benefit obligations is performed at least one in three years by a qualified actuary using the projected unit credit method. When the calculation results in a potential asset for the Group, the recognised asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan. To calculate the present value of economic benefits, consideration is given to any application minimum funding requirements.

Remeasurements of the net defined benefit liability, actuarial gain or loss are recognized immediately in other comprehensive income. The Group determines the interest expense on the net defined benefit liability for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period, taking into account any changes in the net defined benefit liability during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognized in profit or loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognised immediately in profit or loss. The Group recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

Other long-term employee benefits

The Group's net obligation in respect of long-term employee benefits is the amount of future benefit that employees have earned in return for their service in the current and prior periods. That benefit is discounted to determine its present value. Remeasurements are recognized in profit or loss in the period in which they arise.

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Notes to the financial statements

Termination benefits

Termination benefits are expensed at the earlier of when the Group can no longer withdraw the offer of those benefits and when the Group recognizes costs for a restructuring. If benefits are not expected to be settled wholly within 12 months of the end of the reporting period, then they are discounted.

Short-term employee benefits

Short-term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

Share-based payments

The grant-date fair value of equity-settled share-based payment awards granted to employees is generally recognised as an expense, with a corresponding increase in equity, over the vesting period of the awards. The amount recognised as an expense is adjusted to reflect the number of awards for which the related service and non-market performance conditions are expected to be met, such that the amount ultimately recognised is based on the number of awards that meet the related service and non-market performance conditions at the vesting date. For share-based payment awards with non-vesting conditions, the grant-date fair value of the share-based payment is measured to reflect such conditions and there is no true-up for differences between expected and actual outcomes.

The fair value of the amount payable to employees in respect of share appreciation rights, which are settled in cash, is recognised as an expense with a corresponding increase in liabilities, over the period that the employees become unconditionally entitled to payment. The liability is remeasured at each reporting date and at settlement date. Any changes in the fair value of the liability are recognised as personnel expenses in profit or loss.

(p) Provisions

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost.

Warranties

A provision for warranties is recognised when the underlying products or services are sold. The provision is based on historical expense related to warranty data and a weighting of all possible outcomes against their associated probabilities.

(q) Revenue

Revenue excludes value added taxes and is arrived at after deduction of trade discounts.

Sale of goods and services rendered

Revenue is recognised in profit or loss when the significant risks and rewards of ownership have been transferred to the buyer. No revenue is recognised if there is continuing management involvement with the goods or there are significant uncertainties regarding recovery of the consideration due, associated costs or the probable return of goods.

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Notes to the financial statements

Revenue and cost of sales of gateway equipment with installation are recognised using the percentage of completion method. The stage of completion is measured by reference to the related contract costs incurred for work performed to date compared with the estimated total costs for the contract. When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognised as an expense immediately.

Revenue from rendering transponder services and services related to the satellite business, internet services, and other business related to the internet business, and telephone services is recognised when the said services are provided to customers and there are certainties regarding recovery of the consideration due.

Revenue from leases on equipment is recognised over the period and at the rate of the leasing contract.

Revenue arising from royalties is recognised on an accrual basis in accordance with the substance of the relevant agreements.

Dividend income

Dividend income is recognised in profit or loss on the date the Group's right to receive payments is established.

Interest income

Interest income is recognised in profit or loss as it accrues.

(r) Finance costs

Finance costs comprise interest expense on borrowings, unwinding of the discount on provisions and contingent consideration, losses on disposal of available-for-sale financial assets, dividends on preference shares classified as liabilities, fair value losses on financial assets at fair value through profit or loss, impairment losses recognised on financial assets (other than trade receivables), and losses on hedging instruments that are recognised in profit or loss.

Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognised in profit or loss using the effective interest method.

(s) Lease payment

Payments made under operating leases are recognised in profit or loss on a straight line basis over the term of the lease. Contingent lease payments are accounted for by revising the minimum lease payments over the remaining term of the lease when the lease adjustment is confirmed.

Determining whether an arrangement contains a lease

At inception of an arrangement, the Group determines whether such an arrangement is or contains a lease. A specific asset is the subject of a lease if fulfilment of the arrangement is dependent on the use of that specified asset. An arrangement conveys the right to use the asset if the arrangement conveys to the Group the right to control the use of the underlying asset.

At inception or upon reassessment of the arrangement, the Group separates payments and other consideration required by such an arrangement into those for the lease and those for other elements on the basis of their relative fair values. If the Group concludes for a finance lease that it is impracticable to separate the payments reliably, an asset and a liability are recognised at an amount equal to the fair value of the underlying asset. Subsequently the liability is reduced as payments are made and an imputed finance charge on the liability is recognised using the Group's incremental borrowing rate.

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Notes to the financial statements

(t) Income tax

Income tax expense for the year comprises current and deferred tax. Current and deferred tax are recognised in profit or loss except to the extent that they relate to a business combination, or items recognised directly in equity or in other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities and the amounts used for taxation purposes. Deferred tax is not recognised for the following temporary differences: the initial recognition of goodwill; the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss; and differences relating to investments in subsidiaries and joint venture to the extent that it is probable that they will not reverse in the foreseeable future.

The measurement of deferred tax reflects the tax consequences that would follow the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date.

In determining the amount of current and deferred tax, the Group takes into account the impact of uncertain tax positions and whether additional taxes and interest may be due. The Group believes that its accruals for tax liabilities are adequate for all open tax years based on its assessment of many factors, including interpretations of tax law and prior experience. This assessment relies on estimates and assumptions and may involve a series of judgements about future events. New information may become available that causes the Group to change its judgement regarding the adequacy of existing tax liabilities; such changes to tax liabilities will impact tax expense in the period that such a determination is made.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilised. Deferred tax assets are reviewed at each reporting date and reduced to the extent that it is no longer probable that the related tax benefit will be realised.

5 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.

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Notes to the financial statements

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% (2014: 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.; an other related company, were conducted based on hourly rates plus reimbursement of actual expenses.

Significant transactions for the years ended 31 December 2015 and 2014 with related parties were as follows:

	Consolidated		Separate	
	financial statements	financial statements	financial statements	financial statements
	2015	2014	2015	2014
	<i>(in thousand Baht)</i>			
Revenue				
<i>Revenue from sale of goods and rendering of services</i>				
Parent	1,000	1,292	-	-
Subsidiaries	-	-	1,922,014	1,776,995
Related parties under common control	430,864	454,385	117,316	66,090
Other related party	2,460	2,460	-	-
<i>Other income</i>				
Subsidiaries	-	-	597,869	353,688
Joint venture	45,583	17,294	45,583	17,294
Related parties under common control	2,126	1,456	815	13
Total revenue	<u>482,033</u>	<u>476,887</u>	<u>2,683,597</u>	<u>2,214,040</u>
Expenses				
<i>Purchases of goods and services</i>				
Parent	125	436	-	-
Subsidiaries	-	-	89,361	105,396
Joint venture	5,859	993	-	-
Related parties under common control	18,450	10,314	28	26
Other related party	49,993	24,496	15,220	14,886
<i>Selling and administrative expenses</i>				
Parent	958	1,294	692	-
Subsidiaries	-	-	12,774	10,389
Related parties under common control	27,984	42,898	8,925	11,240
Director and management benefit expenses	103,586	103,492	73,564	75,528
<i>Finance cost</i>				
Subsidiary	-	-	6,637	-
Total expenses	<u>206,955</u>	<u>183,923</u>	<u>207,201</u>	<u>217,465</u>

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Notes to the financial statements

Balance as at 31 December 2015 and 2014 with related parties were as follows:

	Consolidated		Separate	
	financial statements	financial statements	financial statements	financial statements
	2015	2014	2015	2014
	<i>(in thousand Baht)</i>			
Trade accounts receivable and accrued income				
<i>Trade accounts receivable</i>				
Parent	41	686	-	-
Subsidiaries	-	-	87,468	63,751
Related parties under common control	129,152	61,780	67,952	-
Other related party	61,110	55,970	2,926	2,672
Total	190,303	118,436	158,346	66,423
<i>Accrued income</i>				
Subsidiaries	-	-	215,702	81,857
Related parties under common control	5,208	14,409	5,125	14,409
Total	5,208	14,409	220,827	96,266
Total trade accounts receivable and accrued income	195,511	132,845	379,172	162,689
<i>Less allowance for doubtful accounts</i>	<i>(59,955)</i>	<i>(54,762)</i>	<i>(2,926)</i>	<i>(2,672)</i>
Net	135,556	78,083	376,247	160,017
Other receivables				
Parent	-	138	-	138
Subsidiaries	-	-	171,708	106,179
Joint venture	40,179	35,390	40,179	35,390
Other related party	42,224	35,699	-	-
Total	82,403	71,227	211,887	141,707
Short-term loan to a joint venture	168,521	291,144	168,521	291,144

The short-term loan to a joint venture bears interest rate at the rate of LIBOR + 2.50 and LIBOR + 2.75 per annum and is repayable upon request.

Movements for the year ended 31 December 2015 and 2014 of short-term loan to a joint venture were as follows:

	Consolidated and separate	
	financial statements	financial statements
	2015	2014
	<i>(in thousand Baht)</i>	
At 1 January	291,144	289,946
Decrease	(137,215)	-
Unrealised gain on foreign exchange	14,592	1,198
At 31 December	168,521	291,144

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Notes to the financial statements

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
	<i>(in thousand Baht)</i>			
Other current assets				
Subsidiaries	-	-	560	560
Related party under common control	-	30	-	-
Other related party	17	17	-	-
Total	17	47	560	560

	Interest rate per annum		Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014	2015	2014
	<i>(%)</i>		<i>(in thousand Baht)</i>			
Long-term loan to						
Subsidiary	-	4.35	-	-	-	9,844
Joint venture	LIBOR + 3	-	2,161,864	-	2,161,864	-
			2,161,864	-	2,161,864	9,844

The term of the long-term loan to a joint venture is 10 years.

Movements of long-term loan to a subsidiary and joint venture for the years ended 31 December 2015 and 2014 were as follows:

<i>Long-term loan to related parties</i> <i>For year ended 31 December</i>	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
	<i>(in thousand Baht)</i>			
Subsidiary				
At 1 January	-	-	9,844	13,026
Decrease	-	-	(9,844)	(3,223)
Gain on foreign exchange	-	-	-	41
At 31 December	-	-	-	9,844
Joint venture				
At 1 January	-	-	-	-
Increase	2,069,568	-	2,069,568	-
Unrealised gain on foreign exchange	92,296	-	92,296	-
At 31 December	2,161,864	-	2,161,864	-

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Notes to the financial statements

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
	<i>(in thousand Baht)</i>			
Trade accounts payable				
Parent	28	206	-	206
Subsidiary	-	-	26,276	32,736
Joint venture	832	332	332	333
Related parties under common control	6,046	12,363	196	3,607
Other related party	5,000	3,611	2,458	1,125
Total	11,906	16,512	29,262	38,007
Other payables				
Subsidiaries	-	-	37,175	32,789
Related parties under common control	224	280	156	-
Total	224	280	37,331	32,819
Advances receipts from customers				
Parent	35	95	-	-
Subsidiaries	-	-	366,762	385,612
Related party under common control	8,899	1,885	3,941	-
Total	8,934	1,980	370,703	385,612
Accrued expenses				
Subsidiary	-	-	3,504	5,717
Joint venture	-	997	-	-
Related parties under common control	442	794	379	465
Other related parties	13,545	-	-	-
Total	13,987	1,791	3,883	6,182
Other current liabilities				
Subsidiary	-	-	5,334	12,695
Related parties under common control	6,854	530	4,832	160
Total	6,854	530	10,166	12,855
Short-term loan from subsidiary	-	-	1,126,768	-

As at 31 December 2015, the short-term loan from subsidiary bears interest at the rate of 1.43% per annum.

Movements for the year ended 31 December 2015 and 2014 of short-term loan from subsidiary were as follows:

	Separate financial statements	
	2015	2014
	<i>(in thousand Baht)</i>	
At 1 January	-	-
Increase	1,103,643	-
Unrealised loss on foreign exchange	23,125	-
At 31 December	1,126,768	-

Thaicom Public Company Limited and its Subsidiaries

Notes to the financial statements

Key management personnel compensation

Key management personnel compensation comprised:

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
<i>For the year ended 31 December</i>				
Short-term benefits	96,583	95,678	67,359	68,463
Other long-term benefits				
- Current service costs, included in administrative expenses	2,591	2,493	2,092	2,013
- Interest on obligation, included in finance costs	992	860	693	591
- Share-based payment	3,420	4,461	3,420	4,461
Total	103,586	103,492	73,564	75,528

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 the Group with 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 was presented as part of directors and management benefit expenses presented in the statement of income.

Significant agreements with related parties

- The Company entered into an agreement with a subsidiary, under which the subsidiary 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 10.33 million (2014: approximately Baht 17.80 million).
- The Company and subsidiary entered into agreements with a subsidiary, 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 Thaicom 4 bandwidth (IPSTAR).
- The Company entered into agreements with subsidiaries, under which the Company was committed to provide transponder service, IPSTAR bandwidth service and advisory service. Subsidiaries were committed to pay the Company for the service of the agreements at approximately USD 45.16 million and Baht 49.58 million (2014: approximately USD 65.01 million and Baht 23.75 million). The service fees of contracts vary to the actual used or number of installed user terminal at the rate stated in the contract.
- The Company had entered into agreements with a certain related party, under which the related party was committed to maintain accounting program service. The company was committed to pay for the service in respect of the agreements at approximately Baht 5.63 million (2014: approximately Baht 7.15 million).

Thaicom Public Company Limited and its Subsidiaries
Notes to the financial statements

- e) The Company entered into an agreement with a subsidiary, under which the Company was committed to provide satellite uplink equipment. The subsidiary was committed to pay for rental fee in respect of the agreements until the end of contract at approximately Baht 7.55 million. (2014: approximately Baht 22.66 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 USD 6,480 per channel/ per year.

6 Cash and Cash equivalents

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
	<i>(in thousand Baht)</i>			
Cash on hand	7,044	2,022	867	627
Current accounts and saving deposits	2,424,685	1,429,817	982,880	442,640
Highly liquid short-term investments	969,412	1,337,309	270,000	-
Total	<u>3,401,141</u>	<u>2,769,148</u>	<u>1,253,747</u>	<u>443,267</u>
The weighted average interest rate of saving deposits and fixed deposits	<u>0.75%</u>	<u>0.76%</u>	<u>0.70%</u>	<u>0.44%</u>

7 Other investments

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
	<i>(in thousand Baht)</i>			
Current investments				
Short-term deposits at financial institutions	1,609,221	800,000	1,574,221	800,000
Equity securities available for sale	35,932	936,196	-	-
	<u>1,645,153</u>	<u>1,736,196</u>	<u>1,574,221</u>	<u>800,000</u>

As of 31 December 2015, current investments have interest rates of 1.45% - 1.80% (2014: 2.85% to 3.00%) and mature within 1 year.

Movements during the years ended 31 December 2015 and 2014 of marketable equity securities available for sale was as follow:

	Consolidated financial statements	
	2015	2014
	<i>(in thousand Baht)</i>	
Available-for-sale securities		
At 1 January	936,196	699,840
Decrease	(447,562)	-
Valuation adjustment	(455,315)	235,736
Unrealised gain on exchange rate	2,613	620
At 31 December	<u>35,932</u>	<u>936,196</u>

Thaicom Public Company Limited and its Subsidiaries
Notes to the financial statements

8 Trade and other accounts receivable

	Note	Consolidated financial statements		Separate financial statements	
		2015	2014	2015	2014
<i>(in thousand Baht)</i>					
Trade accounts receivable					
Related parties	5	190,303	118,436	158,346	66,423
Other parties		1,572,810	1,258,139	520,976	542,734
Total		1,763,113	1,376,575	679,322	609,157
Accrued income					
Related parties	5	5,208	14,409	220,827	96,266
Other parties		549,032	480,284	381,282	414,213
Total		554,240	494,693	602,109	510,479
Other accounts receivable					
Prepaid expenses		114,248	135,045	30,178	45,216
Advance payments		152,887	53,796	105,247	25,463
Others		64,389	106,974	9,196	5,179
Total		331,524	295,815	144,621	75,858
Total trade accounts receivable accrued income and other accounts receivable					
		2,648,877	2,167,083	1,426,052	1,195,494
Less allowance for doubtful accounts		(231,379)	(220,909)	(64,736)	(71,262)
Net		2,417,498	1,946,174	1,361,316	1,124,232
(Reversal) bad and doubtful debts expenses for the year					
		61,686	17,751	29,377	(13,339)

Aging analyses for trade accounts receivable were as follows:

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
<i>(in thousand Baht)</i>				
Related parties				
Within credit terms	117,660	50,559	141,443	24,106
Overdue:				
Less than 3 months	11,285	11,145	5,755	1,897
3 - 6 months	505	800	17	-
6 - 12 months	153	570	-	3,611
Over 12 months	60,700	55,362	11,131	36,809
	190,303	118,436	158,346	66,423
Less allowance for doubtful accounts	(59,955)	(54,762)	(2,926)	(2,672)
	130,348	63,674	155,420	63,751

Thaicom Public Company Limited and its Subsidiaries
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	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
	<i>(in thousand Baht)</i>			
Other parties				
Within credit terms	391,675	454,664	121,344	148,854
Overdue:				
Less than 3 months	622,465	464,132	245,310	243,473
3 - 6 months	349,609	162,934	61,313	62,971
6 - 12 months	77,051	53,077	47,705	23,425
Over 12 months	132,010	123,332	45,304	64,011
	1,572,810	1,258,139	520,976	542,734
<i>Less allowance for doubtful accounts</i>	<i>(171,424)</i>	<i>(166,147)</i>	<i>(61,810)</i>	<i>(68,590)</i>
	1,401,386	1,091,992	459,166	474,144
Net	1,531,734	1,155,666	614,586	537,895

The normal credit term for general customers were granted by the Group ranging 15 - 120 days.

9 Inventories

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
	<i>(in thousand Baht)</i>			
Raw material and supplies	53,225	72,201	50,701	51,039
Work in process	3,764	11,365	-	-
Finished goods	216,225	260,808	127,827	137,707
Goods in transit	23,590	9,984	23,491	9,983
	296,804	354,358	195,016	198,729
<i>Less allowance for decline in value</i>	<i>(67,005)</i>	<i>(117,863)</i>	<i>(41,595)</i>	<i>(43,235)</i>
Net	229,799	236,495	160,424	155,494

10 Investments in subsidiaries and a joint venture

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
	<i>(in thousand Baht)</i>			
At 1 January	1,082,914	909,145	2,051,179	2,046,930
Acquisition	-	-	-	4,249
Share of profit of investment in a joint venture - equity method	193,660	154,057	-	-
Allowance for impairment	-	-	(453,509)	-
Defined benefit plan actuarial losses	(157,897)	-	-	-
Foreign currency translation adjustments	91,674	19,712	-	-
At 31 December	1,210,351	1,082,914	1,597,670	2,051,179

Thaicom Public Company Limited and its Subsidiaries
Notes to the financial statements

Investments in subsidiaries and joint venture as at 31 December 2015 and 2014 and dividend income from those investments for the years then ended were as follows:

	Consolidated financial statements									
	Ownership interest		Paid-up capital		Cost		Equity		Dividend income	
	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014
	(%)						<i>(in million Baht)</i>			
Joint venture										
Shenington										
Investments										
Pte Limited	51.00	51.00	SGD 15 million	SGD 15 million	138	138	1,210	1,083	-	-
					<u>138</u>	<u>138</u>	<u>1,210</u>	<u>1,083</u>	<u>-</u>	<u>-</u>

None of the Company's joint venture is publicly listed and consequently do not have published price quotations.

Thaicom Public Company Limited and its Subsidiaries
Notes to the financial statements

Separate financial statements

	Ownership interest		Paid-up capital		Cost		Impairment		Cost - net of impairment		Dividend income	
	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014
	(%)						<i>(in million Baht)</i>					
<i>Subsidiaries</i>												
DTV Service Company Limited	99.99	99.99	Baht 399 million	Baht 399 million	399	399	-	-	399	399	120	-
Spacecode LLC	70.00	70.00	USD 4 million	USD 4 million	118	118	-	-	118	118	-	-
iPSTAR Company Limited	100.00	100.00	USD 2 million	USD 2 million	157	157	-	-	157	157	-	-
Star Nucleus Company Limited	100.00	100.00	-	-	-	-	-	-	-	-	-	-
IPSTAR International Pte Limited	100.00	100.00	SGD 20,000	SGD 20,000	1	1	-	-	1	1	175	-
IPSTAR Global Services Company Limited	100.00	100.00	USD 20,000	USD 20,000	1	1	-	-	1	1	36	91
Cambodian DTV Network Limited	100.00	100.00	USD 600,000	USD 600,000	21	21	-	-	21	21	-	-
IPSTAR Australia Pty Limited	100.00	100.00	AUD 6.95 million	AUD 6.95 million	971	971	(454)	-	517	971	75	114
TC Broadcasting Company Limited	99.99	99.99	Baht 0.25 million	Baht 0.25 million	-	-	-	-	-	-	4	-
IPSTAR Japan Company Limited	100.00	100.00	JPY 100 million	JPY 100 million	33	33	-	-	33	33	-	-
IPSTAR New Zealand Company Limited	100.00	100.00	NZD 8.51 million	NZD 8.51 million	211	211	-	-	211	211	28	25
International Satellite Company Limited	100.00	100.00	USD 50,000	USD 50,000	2	2	-	-	2	2	-	-
Total					1,914	1,914	(454)	-	1,460	1,914	438	230
<i>Indirect subsidiary</i>												
CS Loxinfo Public Company Limited	42.07	42.07	Baht 148 million	Baht 148 million	754	754	-	-	754	754	100	190
Orion Satellite Systems Pty Limited	100.00	100.00	AUD 5.96 million	AUD 5.96 million	174	174	-	-	174	174	-	-
Total					928	928	-	-	928	928	100	190
<i>Joint venture</i>												
Shenington Investments Pte Limited	51.00	51.00	SGD 15 million	SGD 15 million	138	138	-	-	138	138	-	-

Thaicom Public Company Limited and its Subsidiaries
Notes to the financial statements

Joint Venture

The following table summarises the financial information of the joint ventures as included in their own financial statements, adjusted for fair value adjustments at acquisition and differences in accounting policies. The table also reconciles the summarized financial information to the carrying amount of the Group's interest in these companies.

	Reporting date	Ownership (%)	Current assets	Non-current assets	Current liabilities	Non-current liabilities	Net assets (in thousand Baht)	Total revenues	Net profit	Other comprehensive income (loss)	Total other comprehensive income
2015											
Shenington Investments Pte Limited	31 December	51	33,150	7,007,203	(76,803)	(4,590,415)	2,373,135	74	379,725	(130,971)	248,754
Total			33,150	7,007,203	(76,803)	(4,590,415)	2,373,135	74	379,725	(130,971)	248,754
2014											
Shenington Investments Pte Limited	31 December	51	157,445	2,607,334	(68,038)	(573,482)	2,123,259	-	302,073	38,312	340,385
Total			157,445	2,607,334	(68,038)	(573,482)	2,123,259	-	302,073	38,312	340,385

Thaicom Public Company Limited and its Subsidiaries

Notes to the financial statements

Significant movements in investments in subsidiaries and joint ventures for the year ended 31 December 2015 were as follows:

Subsidiaries

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

At the annual general meeting of the shareholders of CSL held on 25 March 2015, the shareholders approved the appropriation of dividend of Baht 0.16 per share, amounting to Baht 95 million. The dividend was paid to shareholders on 22 April 2015.

At the Board of directors’ meeting of CSL held on 7 August 2015, the directors approved the appropriation of interim dividend of Baht 0.24 per share, amounting to Baht 143 million. The dividend was paid to shareholders on 4 September 2015.

b) Dividend payment of IPSTAR International Pte Limited (“IPIN”)

At the Board of directors’ meeting of IPIN, on 31 July 2015, the directors approved the appropriation of interim dividend of USD 250 per share, amounting to USD 5 million. The dividend was paid to shareholder in August 2015.

c) Dividend payment of IPSTAR New Zealand Company Limited (“IPN”)

At the Board of Directors’ meeting of IPN, on 24 August 2015, the directors approved the appropriation of dividends from 2014 operation of NZD 1 million. The dividend was paid to shareholder in September 2015.

At the Board of Directors’ meeting of IPN, on 3 November 2015, the directors approved the appropriation of dividends of IPN 0.2 million. The dividend was paid to shareholder in November 2015.

d) Dividend payment of IPSTAR Australia Pty Limited (“IPA”)

At the Board of Directors’ meeting of IPA, on 1 September 2015, the directors approved the appropriation of dividends of AUD 3 million. The dividend was paid to shareholder in October 2015.

e) Dividend payment of IPSTAR Global Services Company Limited (“IPGS”)

At the Board of Directors’ meeting of IPGS, on 9 September 2015, the directors approved the appropriation of dividend of USD 1 million. The dividend was paid to shareholder in October 2015.

f) Dividend payment of DTV Service Company Limited (“DTV”)

At the Board of directors’ meeting of DTV held on 22 September 2015, the directors approved the appropriation of interim dividend of Baht 3.00909 per share, amounting to Baht 120 million. The dividend was paid to shareholder in October 2015.

g) Dividend payment of TC Broadcasting Company Limited (“TCB”)

At the Board of directors’ meeting of TCB held on 22 September 2015, the directors approved the appropriation of interim dividend of Baht 36.50 per share, amounting to Baht 3.65 million

Thaicom Public Company Limited and its Subsidiaries

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Joint venture

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

At the Annual General Meeting of the shareholders of LTC held on 9 February 2015, the shareholders approved the appropriation of dividend from 2014 operation of USD 18 million.

Significant movements in investments in subsidiaries and joint ventures for the year ended 31 December 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, totaling 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.

At the Board of Directors’ meeting of IPA, on 5 December 2014, the directors approved the appropriation of interim dividend of AUD 2 million. The dividend was paid to shareholder in December 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%.

In August 2014, the Company acquired an additional 50,000 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 50,000. As a result of this acquisition, the Company owns interest in IPST of 100%.

d) Dividend payment of IPSTAR New Zealand Company Limited (“IPN”)

At the Board of Directors’ meeting of IPN, on 10 November 2014, the Directors approved the appropriation of dividends from retained earnings as at 31 December 2013 of NZD 1 million. The dividend was paid to shareholder in December 2014.

e) Dividend payment of IPSTAR Global Services Company Limited (“IPGS”)

At the Board of Directors’ meeting of IPGS, on 5 November 2014, the Directors approved the appropriation of dividend of USD 2.8 million. The dividend was paid to shareholder in December 2014.

Thaicom Public Company Limited and its Subsidiaries

Notes to the financial statements

f) The incorporation of International Satellite Company Limited (“ISC”)

At the Board of Director’s meeting of the Company, on 18 September 2014, the Directors approved the incorporation of International Satellite Company Limited. The authorised share capital of ISC is USD 50,000, divided into 50,000 ordinary shares of USD 1 par value. The capital is fully paid up. The Company holds 50,000 shares, equivalent to 100% shareholding.

g) 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.

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. The dividend was paid to shareholders on 4 September 2014.

h) Recognition impairment loss on goodwill of investment of Teleinfo Media Public Company Limited (“TMC”)

The significantly declining trend of the print advertising industry has affected the operating results of Teleinfo Media Public Company Limited (“TMC”). As a consequence, CSL has assessed and recorded the impairment of goodwill in TMC in the expense of Baht 550 million for the year ended 31 December 2014.

Joint Venture

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

At the annual general meeting of the shareholders of LTC, on 29 January 2014, the shareholders approved the appropriation of dividend from 2013 operation of USD 15 million.

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 2046 (Note 34 b)).

Thaicom Public Company Limited and its Subsidiaries
Notes to the financial statements

11 Non-controlling interests

The following table summarises the information relating to each of the Group's subsidiaries (CS Loxinfo Public Company Limited ("CSL")) that has a material non-controlling interest, before any intra-group eliminations:

As at 31 December	CSL	
	2015	2014
	<i>(in thousand Baht)</i>	
Non-controlling interest percentage	57.93%	57.93%
Current assets	946,465	921,060
Non-current assets	961,768	973,703
Current liabilities	(917,422)	(953,920)
Non-current liabilities	(333,995)	(328,973)
Net assets	656,816	611,871
Carrying amount of non-controlling interest	380,494	354,457
Revenue	2,963,844	3,044,906
Profit (loss)	315,097	(149,936)
Other comprehensive income	(32,345)	-
Total comprehensive income	282,752	(149,936)
Profit (loss) allocated to non-controlling interest	182,535	(86,858)
Other comprehensive income allocated to non-controlling interest	163,798	-

Thaicom Public Company Limited and its Subsidiaries
Notes to the financial statements

12 Property, plant and equipment

	Consolidated financial statements				
	Land Leasehold land & building	Equipment	Vehicles & equipment <i>(in thousand Baht)</i>	Asset under construction	Total
Cost					
At 1 January 2014	529,078	3,866,264	1,176,829	829,137	6,401,308
Additions	56,543	3,117,626	102,180	3,117,059	6,393,408
Acquisitions through business combinations	21,958	15,287	3,541	-	40,786
Transfers	94,768	(165,533)	79,501	138,453	147,189
Disposals	(5,651)	(161,997)	(40,861)	-	(208,509)
Write-offs	(3,154)	(207,018)	(12,962)	-	(223,134)
Foreign currency translation adjustments	(26,499)	(25,511)	(4,964)	661	(56,313)
At 31 December 2014 and 1 January 2015	667,043	6,439,118	1,303,264	4,085,310	12,494,735
Additions	22,999	242,075	90,267	932,860	1,288,201
Transfers	9,593	8,082	17,222	(54,854)	(19,957)
Disposals	(367)	(80,009)	(60,896)	-	(141,272)
Write-offs	(6,197)	(132,536)	(2,466)	(193)	(141,392)
Foreign currency translation adjustments	(5,247)	20,671	1,867	51	17,342
At 31 December 2015	687,824	6,497,401	1,349,258	4,963,174	13,497,657
Depreciation and impairment loss					
At 1 January 2014	273,338	3,010,332	791,493	-	4,075,163
Depreciation for the year	50,769	298,354	116,625	-	465,748
Acquisitions through business combinations	10,652	14,882	2,876	-	28,410
Impairment loss	-	36,253	-	-	36,253
Transfers	-	(14,822)	-	-	(14,822)
Disposals	(5,652)	(161,283)	(37,069)	-	(204,004)
Write-offs	(2,598)	(189,793)	(11,948)	-	(204,339)
Foreign currency translation adjustments	(20,164)	(15,941)	(4,200)	-	(40,305)
At 31 December 2014 and 1 January 2015	306,345	2,977,982	857,777	-	4,142,104
Depreciation for the year	52,005	446,806	119,946	-	618,757
Transfers	842	(3,166)	(74)	-	(2,398)
Disposals	(324)	(79,521)	(60,642)	-	(140,487)
Write-offs	(5,367)	(150,898)	(2,246)	-	(158,511)
Foreign currency translation adjustments	(3,518)	9,423	453	-	6,358
At 31 December 2015	349,983	3,200,626	915,214	-	4,465,823
Net book value					
At 1 January 2014					
Owned assets	255,740	855,932	356,169	829,137	2,296,978
Assets under finance leases	-	-	29,167	-	29,167
	255,740	855,932	385,336	829,137	2,326,145

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Notes to the financial statements

	Consolidated financial statements				Total
	Land Leasehold land & building	Equipment	Vehicles & equipment <i>(in thousand Baht)</i>	Asset under construction	
At 31 December 2014 and 1 January 2015					
Owned assets	360,698	3,461,136	416,016	4,085,310	8,323,160
Assets under finance leases	-	-	29,471	-	29,471
	<u>360,698</u>	<u>3,461,136</u>	<u>445,487</u>	<u>4,085,310</u>	<u>8,352,631</u>
At 31 December 2015					
Owned assets	337,841	3,296,775	388,911	4,963,174	8,986,701
Assets under finance leases	-	-	45,133	-	45,133
	<u>337,841</u>	<u>3,296,775</u>	<u>434,044</u>	<u>4,963,174</u>	<u>9,031,834</u>

The gross amount of the Group's fully depreciated property and equipment that was still in use as at 31 December 2015 amounted to Baht 3,063.85 million (2014: Baht 2,265.12 million).

Impairment loss for the year ended 31 December 2014 amounted to Baht 36.25 million was from IPSTAR ground system of the Company.

	Separate financial statements				Total
	Leasehold land & building	Equipment	Vehicles & equipment <i>(in thousand Baht)</i>	Asset under construction	
Cost					
At 1 January 2014	97,011	2,530,753	218,114	784,520	3,630,398
Additions	25,609	2,976,553	26,819	2,918,985	5,947,966
Transfers	-	(203,408)	-	346,550	143,142
Disposals	(5,652)	(123,639)	(21,579)	-	(150,870)
Write-offs	(524)	(201,025)	(3,255)	-	(204,804)
At 31 December 2014 and 1 January 2015	<u>116,444</u>	<u>4,979,234</u>	<u>220,099</u>	<u>4,050,055</u>	<u>9,365,832</u>
Additions	20,719	176,364	51,382	875,756	1,124,221
Transfers	-	(19,977)	(9)	-	(19,986)
Disposals	(367)	(70,138)	(20,835)	-	(91,340)
Write-offs	(5,657)	(82,005)	(693)	-	(88,355)
At 31 December 2015	<u>131,139</u>	<u>4,983,478</u>	<u>249,944</u>	<u>4,925,811</u>	<u>10,290,372</u>

Thaicom Public Company Limited and its Subsidiaries
Notes to the financial statements

	Separate financial statements				Total
	Leasehold land & building	Equipment	Vehicles & equipment <i>(in thousand Baht)</i>	Asset under construction	
<i>Depreciation and impairment loss</i>					
At 1 January 2014	63,793	1,867,138	162,664	-	2,093,595
Depreciation for the year	7,850	212,738	25,175	-	245,763
Impairment loss	-	36,253	-	-	36,253
Transfers	-	(19,311)	-	-	(19,311)
Disposals	(5,652)	(123,420)	(20,277)	-	(149,349)
Write-offs	(330)	(183,801)	(3,213)	-	(187,344)
At 31 December 2014 and 1 January 2015	65,661	1,789,597	164,349	-	2,019,607
Depreciation for the year	13,711	349,519	27,153	-	390,383
Transfers	-	(2,413)	(7)	-	(2,420)
Disposals	(324)	(63,203)	(20,701)	-	(84,228)
Write-offs	(5,134)	(100,367)	(674)	-	(106,175)
At 31 December 2015	73,914	1,973,133	170,120	-	2,217,167
<i>Net book value</i>					
At 1 January 2014					
Owned assets	33,218	663,615	31,316	784,520	1,512,669
Assets under finance leases	-	-	24,134	-	24,134
	33,218	663,615	55,450	784,520	1,536,803
At 31 December 2014 and 1 January 2015					
Owned assets	50,783	3,189,637	30,939	4,050,055	7,321,414
Assets under finance leases	-	-	24,811	-	24,811
	50,783	3,189,637	55,750	4,050,055	7,346,225
At 31 December 2015					
Owned assets	57,225	3,010,345	39,999	4,925,811	8,033,380
Assets under finance leases	-	-	39,825	-	39,825
	57,225	3,010,345	79,824	4,925,811	8,073,205

The gross amount of the Company's fully depreciated property and equipment that was still in use as at 31 December 2015 amounted to Baht 1,491.49 million (2014: Baht 1,274.39 million).

Borrowing costs for the year ended 31 December 2015 in the amount of Baht 134.09 million (2014: 35.63 million), arise on financing specifically entered into for assets under construction.

As at 31 December 2015, property and equipment included a project in progress of Baht 4,925.81 million (31 December 2014: Baht 4,050.05 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.

Thaicom Public Company Limited and its Subsidiaries
Notes to the financial statements

Capital expenditure commitments

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

	Currency	Consolidated financial statements		Separate financial statements	
		2015	2014	2015	2014
		<i>(in thousand)</i>			
THAICOM 8 Project	USD	9,336	30,777	9,336	30,777
Internet network	Baht	1,778	2,464	-	-
Total equivalent to Thai Baht		340,243	1,021,589	338,465	1,019,125

13 Intangible assets under operating agreement, deferred charges and intangible assets

	Intangible asset under operating agreement	Consolidated financial statements			
		Deferred charges	Intangible assets		
			Goodwill	Other intangible assets	Total intangible assets
		<i>(in thousand Baht)</i>			
Cost					
1 January 2014	26,250,570	653,656	880,675	1,780,086	2,660,761
Additions	-	20,176	99,534	22,211	121,745
Acquisitions through business combinations	-	-	-	53,003	53,003
Transfer	174,429	-	-	(1,231)	(1,231)
Disposal	-	-	-	(67)	(67)
Write-offs	(2,159)	-	-	(26,505)	(26,505)
Foreign currency translation adjustment	-	-	-	513	513
At 31 December 2014 and 1 January 2015	26,422,840	673,832	980,209	1,828,010	2,808,219
Additions	-	-	-	10,860	10,860
Transfer	544	540	-	(29)	(29)
Disposal	-	-	-	(958)	(958)
Write-offs	-	-	-	(5,299)	(5,299)
Foreign currency translation adjustment	-	-	(10,043)	11,456	1,413
As at 31 December 2015	26,423,384	674,372	970,166	1,844,040	2,814,206

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	Consolidated financial statements				
	Intangible asset under operating agreement	Deferred charges	Intangible assets		
			Goodwill <i>(in thousand Baht)</i>	Other intangible assets	Total intangible assets
<i>Amortisation and impairment loss</i>					
1 January 2014	11,208,642	618,962	275,916	904,647	1,180,563
Amortisation for the year	1,967,011	10,506	-	129,050	129,050
Acquisitions through business combinations	-	-	-	658	658
Impairment loss	-	-	550,014	6,810	556,824
Disposals	-	-	-	(58)	(58)
Write-offs	(2,154)	-	-	(25,975)	(25,975)
Foreign currency translation adjustment	-	-	-	339	339
At 31 December 2014 and 1 January 2015	13,173,499	629,468	825,930	1,015,471	1,841,401
Amortisation for the year	2,022,698	25,039	-	135,551	135,551
Impairment loss	-	-	-	1,781	1,781
Transfers	-	212	-	(22)	(22)
Disposals	-	-	-	(965)	(965)
Write-offs	-	-	-	(33)	(33)
Foreign currency translation adjustment	-	-	-	7,358	7,358
At 31 December 2015	15,196,197	654,719	825,930	1,159,141	1,985,071
<i>Net book value</i>					
At 1 January 2014	15,041,928	34,694	604,759	875,439	1,480,198
At 31 December 2014 and 1 January 2015	13,249,341	44,364	154,279	812,539	966,818
At 31 December 2015	11,227,187	19,653	144,236	684,899	829,135

	Separate financial statements		
	Intangible asset under operating agreement	Deferred charges <i>(in thousand Baht)</i>	Other intangible assets
<i>Cost</i>			
1 January 2014	26,059,991	654,139	1,429,775
Additions	-	20,177	6,509
Transfers	174,429	-	-
Disposals	-	-	(20)
Write-offs	(2,159)	-	(14,734)
At 31 December 2014 and 1 January 2015	26,232,261	674,316	1,421,530
Additions	-	-	2,062
Transfers	544	-	-
Write-offs	-	-	(5,286)
As at 31 December 2015	26,232,805	674,316	1,418,306

Thaicom Public Company Limited and its Subsidiaries
Notes to the financial statements

	Separate financial statements		
	Intangible asset under operating agreement	Deferred charges	Other intangible assets
<i>Amortisation and impairment loss</i>			
1 January 2014	11,018,063	619,239	724,644
Amortisation for the year	1,967,011	10,386	96,171
Disposals	-	-	(10)
Write-offs	(2,154)	-	(14,536)
At 31 December 2014 and 1 January 2015	12,982,920	629,625	806,269
Amortisation for the year	2,022,698	25,023	96,131
Write-offs	-	-	(29)
At 31 December 2015	15,005,618	654,648	902,371
<i>Net book value</i>			
At 1 January 2014	15,041,928	34,900	705,131
At 31 December 2014 and 1 January 2015	13,249,341	44,691	615,261
At 31 December 2015	11,227,187	19,668	515,935

14 Deferred tax

Deferred tax assets and liabilities determined after appropriate off-setting are included in the statement of financial position as follows:

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
	<i>(in thousand Baht)</i>			
Deferred tax assets	240,036	248,168	86,460	121,229
Net	240,036	248,168	86,460	121,229

Deferred tax assets for tax loss carried forward are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

The subsidiaries have tax losses carried forward to offset future taxable income, which are not recognised in the consolidated financial statements as follows:

Year expired	2015	2014
	<i>(in thousand Baht)</i>	
2015	-	9,128
2016	24,369	24,369
2017	82,924	82,924
2018	34,652	34,652
2019	68,589	68,589
2020	45,717	-
Total	256,251	219,662

Thaicom Public Company Limited and its Subsidiaries
Notes to the financial statements

Movements in total deferred tax assets and liabilities during the year were as follows:

	Consolidated financial statements			
	At 1 January 2015	<u>(Charged)/credited to:</u>		At 31 December 2015
		Profit or loss (Note 29)	Other comprehensive income	
		<i>(in thousand Baht)</i>		
Deferred tax assets				
Loss carry forward	28,474	4,975	(1,768)	31,681
Allowance for doubtful accounts	10,175	189	(5)	10,359
Allowance for obsolete inventory	9,184	(150)	(6)	9,028
Deposits	42,966	119	-	43,085
Advance receipts from customers	51,634	(45,065)	(2,115)	4,454
Employee benefit	66,674	8,451	4,595	79,720
Others	39,061	21,770	878	61,709
Total	248,168	(9,711)	1,579	240,036

	Consolidated financial statements			
	At 1 January 2014	<u>(Charged)/credited to:</u>		At 31 December 2014
		Profit or loss (Note 29)	Other comprehensive income	
		<i>(in thousand Baht)</i>		
Deferred tax assets				
Loss carry forward	270,766	(242,292)	-	28,474
Allowance for doubtful accounts	9,541	637	(3)	10,175
Allowance for obsolete inventory	11,880	(2,629)	(67)	9,184
Deposits	41,964	1,002	-	42,966
Advance receipts from customers	116,082	(56,408)	(8,040)	51,634
Employee benefit	61,019	5,655	-	66,674
Others	(13,348)	51,039	1,370	39,061
Total	497,904	(242,996)	(6,740)	248,168

	Separate financial statements			
	At 1 January 2015	<u>(Charged)/credited to:</u>		At 31 December 2015
		Profit or loss (Note 29)	Other comprehensive income	
		<i>(in thousand Baht)</i>		
Deferred tax assets				
Loss carry forward	23,900	(23,900)	-	-
Allowance for obsolete inventory	8,647	(328)	-	8,319
Deposits	42,966	119	-	43,085
Employee benefit	39,814	5,446	(3,490)	41,770
Others	5,902	(12,616)	-	(6,714)
Total	121,229	(31,279)	(3,490)	86,460

Thaicom Public Company Limited and its Subsidiaries
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	At 1 January 2014	Separate financial statements (Charged)/credited to:		At 31 December 2014
		Profit or loss (Note 29) (in thousand Baht)	Other comprehensive income	
<i>Deferred tax assets</i>				
Loss carry forward	262,451	(238,551)	-	23,900
Allowance for obsolete inventory	10,770	(2,123)	-	8,647
Deposits	41,964	1,002	-	42,966
Employee benefit	36,293	3,521	-	39,814
Others	9,589	(3,687)	-	5,902
Total	361,067	(239,838)	-	121,229

15 Other non-current assets

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
	<i>(in thousand Baht)</i>			
Withholding taxes receivable	623,564	655,202	619,009	651,056
Tax assessment's deposits	235,358	213,943	235,358	213,943
Others deposit	39,447	39,202	15,838	15,579
Advance payment for equipment	7,141	2,434	7,141	2,434
	905,509	910,781	877,346	883,012
<i>Less accumulated impairment loss</i>	<i>(38,929)</i>	<i>(38,929)</i>	<i>(38,929)</i>	<i>(38,929)</i>
Total	866,580	871,852	838,417	844,083

Thaicom Public Company Limited and its Subsidiaries
Notes to the financial statements

16 Interest-bearing liabilities

	Consolidated		Separate	
	financial statements		financial statements	
	2015	2014	2015	2014
	<i>(in thousand Baht)</i>			
<i>Current</i>				
<i>Short-term loans</i>				
Short-term loans from financial institution	1,650,521	871,105	1,460,521	641,105
Total short-term loans	<u>1,650,521</u>	<u>871,105</u>	<u>1,460,521</u>	<u>641,105</u>
<i>Current portion of long-term borrowings</i>				
Loans from financial institutions	60,000	626,236	-	566,236
Loans from others	9,063	13,300	7,992	11,541
Total current portion of long-term borrowings	<u>69,063</u>	<u>639,536</u>	<u>7,992</u>	<u>577,777</u>
Total current interest –bearing liabilities	<u>1,719,584</u>	<u>1,510,641</u>	<u>1,468,513</u>	<u>1,218,882</u>
<i>Non-current</i>				
<i>Long-term borrowings</i>				
Loans from financial institutions	5,442,203	5,021,150	5,322,203	4,861,150
Loans from others	43,041	25,131	37,813	20,869
Total long-term borrowings	<u>5,485,244</u>	<u>5,046,281</u>	<u>5,360,016</u>	<u>4,882,019</u>
Long-term debentures	<u>4,545,114</u>	<u>4,544,048</u>	<u>4,545,114</u>	<u>4,544,048</u>
Total non-current interest –bearing liabilities	<u>10,030,358</u>	<u>9,590,329</u>	<u>9,905,130</u>	<u>9,426,067</u>
Total	<u>11,749,942</u>	<u>11,100,970</u>	<u>11,373,643</u>	<u>10,644,949</u>

Thaicom Public Company Limited and its Subsidiaries
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Long-term debentures

As at 31 December 2015, the Company has two tranches totaling Baht 4,550 million, with a par value of Baht 1,000 each, unsubordinated and unsecured with having registered and bond holders' representative debentures as follow:

Issue date	No. of units (Million)	Amount (Million Baht)	Interest rate (per annum)	Term of interest payment	Principal payment term	Outstanding balance as at 31 December 2015 (in million Baht)
29 September 2014	2,275	2,275	4.28%	Semiannually	Entirely redeemed on 2 October 2019	2,275
29 September 2014	2,275	2,275	4.68%	Semiannually	Entirely redeemed on 2 October 2021	2,275
Total debentures						<u>4,550</u>
Less bond issuing cost						<u>(5)</u>
Net						<u><u>4,545</u></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 financial statements

The movements in the borrowing can be analysed as follows:

	Note	Consolidated financial statements		Separate financial statements	
		2015	2014	2015	2014
<i>(in thousand Baht)</i>					
For the year ended 31 December					
Opening net book value		11,100,970	8,407,048	10,644,949	8,235,904
Proceeds from short-term borrowings		1,351,394	2,074,030	1,011,393	1,844,030
Proceeds from long-term borrowings, net of financial costs		3,794,135	6,301,754	3,772,079	6,007,642
Repayment of short-term borrowings		(657,306)	(1,202,925)	(277,306)	(1,202,925)
Repayment of long-term borrowings		(4,038,022)	(4,485,395)	(3,976,243)	(4,246,161)
Amortisation of finance costs	27	1,066	2,363	1,066	2,363
Loss on exchange rate		197,705	4,095	197,705	4,096
Closing net book value		11,749,942	11,100,970	11,373,643	10,644,949

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

The interest rate exposure of the borrowings of the Group is as follows:

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
<i>(in thousand Baht)</i>				
Total borrowings:				
- at fixed rates	4,597,219	4,582,480	4,590,919	4,576,458
- at floating rates	7,152,723	6,518,490	6,782,724	6,068,491
Total	11,749,942	11,100,970	11,373,643	10,644,949
Weighted average interest rates:				
- Loans	2.47%	2.73%	2.42%	2.66%
- Debentures	4.48%	4.48%	4.48%	4.48%

The periods to maturity of long-term borrowings and long-term debentures net of financial costs were as follows:

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
<i>(in thousand Baht)</i>				
Later than 1 year but not later than 2 years	797,325	632,350	673,666	571,073
Later than 2 years but not later than 5 years	4,299,375	4,638,671	4,297,805	4,535,687
Later than 5 years	4,933,658	4,319,308	4,933,659	4,319,307
Total	10,030,358	9,590,329	9,905,130	9,426,067

Credit facilities

As at 31 December 2015 available credit facilities for loans from local and overseas banks are Baht 5,106,94 million and USD 90.80 million (2014: Baht 3,089.96 million and USD 192.19 million).

Thaicom Public Company Limited and its Subsidiaries
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Facility agreement in relation to the financing of the Thaicom 6 and Thaicom 8 satellite project

On 20 October 2014, the Company entered into a Loan Agreement with local banks for USD 207.6 million, for the purpose of the Thaicom 8 satellite project and refinancing of loan for Thaicom 6 project amounting to USD 105 million and USD 102.6 million respectively. The term of the loan is 10 years with the interest rate based on margins over the London Inter-Bank Offer Rate (“LIBOR”). The Company must comply with the conditions in the Loan Agreement in respect of maintaining certain financial ratios; debt to equity ratio may not exceed 2:1. On 1 October 2015, the loan for Thaicom 6 project refinancing has been executed.

17 Trade and other accounts payable

	Note	Consolidated financial statements		Separate financial statements	
		2015	2014	2015	2014
		<i>(in thousand Baht)</i>			
Trade accounts payable					
- Related parties	5	11,906	16,512	29,262	38,007
- Other parties		571,095	422,041	197,219	115,028
Total		583,001	438,553	226,481	153,035
Other accounts payable					
- Accrued expenses		559,668	479,592	269,942	253,019
- Others		83,189	142,806	50,222	91,864
Total		642,857	622,398	320,164	344,883
Total trade and other accounts payable		1,225,858	1,060,951	546,645	497,918

18 Other current liabilities

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
	<i>(in thousand Baht)</i>			
Short-term deposits from customers	20,822	24,914	22,474	25,082
Other taxes	89,596	92,698	50,428	45,840
Others	2,124	770	17	31
Total	112,542	118,382	72,919	70,953

19 Employee benefit obligations

The statement of financial position obligation was determined as follows:

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
	<i>(in thousand Baht)</i>			
Present value of unfunded obligations	404,260	337,041	208,848	199,067
Statement of financial position	404,260	337,041	208,848	199,067

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Movements in the present value of the employee benefit obligations:

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
	<i>(in thousand Baht)</i>			
Employee benefit obligations at 1 January	337,041	308,181	199,067	181,461
Benefits paid by the plan	(2,962)	(18,271)	(2,153)	(9,966)
Include in profit or loss:				
Current service costs and interest	45,842	43,272	29,384	27,572
Curtailment loss	-	3,859	-	-
	<u>45,842</u>	<u>47,131</u>	<u>29,384</u>	<u>27,572</u>
Included in other comprehensive income:				
Actuarial (gain) losses in other comprehensive income	24,339	-	(17,450)	-
	<u>24,339</u>	<u>-</u>	<u>(17,450)</u>	<u>-</u>
Employee benefit obligations at 31 December	<u>404,260</u>	<u>337,041</u>	<u>208,848</u>	<u>199,067</u>

Actuarial gains (losses) recognised in other comprehensive income arising from:

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
	<i>(in thousand Baht)</i>			
Demographic assumptions	28,942	-	44,524	-
Financial assumptions	(19,852)	-	(10,410)	-
Experience adjustment	(33,429)	-	(16,664)	-
Total	<u>(24,339)</u>	<u>-</u>	<u>17,450</u>	<u>-</u>

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

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
	<i>(%)</i>			
Discount rate	3.50	3.90	3.50	3.90
Future salary increases	7.00-8.00	7.00-8.00	8.00	8.00

Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below.

	Consolidated financial statements		Separate financial statements	
	Increase	Decrease	Increase	Decrease
	<i>(in thousand Baht)</i>			
Defined benefit obligation 31 December 2015				
Discount rate (1% movement)	(49,557)	59,084	(25,736)	30,521
Future salary growth (1% movement)	55,752	(47,934)	28,725	(24,846)

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Although the analysis does not take account of the full distribution of cash flows expected under the plan, it does provide an approximation of the sensitivity of the assumptions shown.

20 Other non-current liabilities

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
	<i>(in thousand Baht)</i>			
Long-term deposits from customers	263,388	232,466	256,225	225,009
Others	152,889	149,343	136,652	129,827
Total	416,277	381,809	392,877	354,836

21 Share capital and warrants

	<i>Par value per share (Baht)</i>	2015		2014	
		Number	Amount	Number	Amount
		<i>(thousand shares / thousand Baht)</i>			
Authorised					
At 1 January					
- ordinary shares	5	1,097,817	5,489,086	1,096,619	5,483,098
Increase of new shares	5	1,085	5,427	1,198	5,988
At 31 December					
- ordinary shares	5	1,098,902	5,494,513	1,097,817	5,489,086
Issued and paid-up					
At 1 January					
- ordinary shares	5	1,095,938	5,479,688	1,095,938	5,479,688
At 31 December					
- ordinary shares	5	1,095,938	5,479,688	1,095,938	5,479,688

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 26 March 2015, a resolution was passed to approve the issuance of 1,085,300 ordinary shares at the par value of Baht 5 per share, in total of Baht 5,426,500 to reserve for the exercise of the warrant. The Company registered the increased share capital with the Ministry of Commerce on 8 May 2015.

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.

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Share-based payment

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	Project III
Issued date	28 March 2013	27 March 2014	26 March 2015
Issued	682,000 units	1,197,700 units	1,085,300 units
Exercise price	23.266 Baht/Share	38.265 Baht/Share	37.626 Baht/Share
Number of reserved shares	682,000 shares	1,197,700 shares	1,085,300 shares
Offer period	5 years after first time to offered the warrant		
Offer price per unit	Baht 0 (zero Baht)		
Exercise ratio	One unit of warrant per one ordinary share		

Movements in the number of warrants outstanding are as follows:

	Opening balance 1 January 2015	Issue during the period	Return during the period	Transfer during the period	Closing balance 31 December 2015
	<i>(in thousand Baht)</i>				
ESOP - Grant I					
Directors	112	-	(112)	77	77
Employees	514	-	-	(77)	437
Total	626	-	(112)	-	514
ESOP - Grant II					
Directors	167	-	(168)	116	115
Employees	976	-	-	(116)	860
Total	1,143	-	(168)	-	975
ESOP - Grant III					
Directors	-	165	(165)	89	89
Employees	-	780	-	(89)	691
Total	-	945	-	-	780
Grand Total	1,769	945	(445)	-	2,269

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	Project III
Fair value at grant date	Baht 35.037	Baht 27.864	Baht 20.424
Share price at grant date	Baht 35.750	Baht 40.500	Baht 36.500
Exercise price	Baht 23.266	Baht 38.265	Baht 37.626
Expected volatility	55.392 %	41.562 %	39.894 %
Expected dividend	1.119 %	1.111 %	1.781 %
Risk-free interest rate	3.074 %	3.082 %	2.340 %

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Reconciliation of other reserve-shared-base payment:

	Consolidated and separate financial statements	
	2015	2014
	<i>(in thousand Baht)</i>	
<i>For the year ended 31 December</i>		
At 1 January	9,298	2,432
Total expense recognised during period	11,323	7,037
Decrease during the year	(3,384)	(171)
At 31 December	<u>17,237</u>	<u>9,298</u>

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.

22 Reserves

Reserves comprise:

Appropriations of profit and/or retained earnings

Legal reserve

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

Other components of equity

Currency translation differences

The currency translation differences account within equity comprises all foreign currency differences arising from the translation of the financial statements of foreign operations.

Fair value changes in available-for-sale investments

The fair value changes in available-for-sale investments account within equity comprise the cumulative net change in the fair value of available-for-sale investments until the investments are derecognised or impaired.

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23 Other comprehensive income

The components of other comprehensive income are as follows:

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
	<i>(in thousand Baht)</i>			
<i>For the year ended 31 December</i>				
Foreign currency translation differences for foreign operations	334,926	(3,238)	-	-
Unrealised loss from increase in shareholding in a subsidiary	-	(2,612)	-	-
Changes in fair value of available-for-sale investments transfers to profit and loss	(335,334)	-	-	-
Changes in fair value of available-for-sale investments	(458,295)	235,736	-	-
Defined benefit plan actuarial losses	(19,744)	-	13,960	-
Share of other comprehensive loss of investments in joint venture	(157,897)	-	-	-
Total other comprehensive income, net of tax	(636,344)	229,886	13,960	-

The tax impact to the component of other comprehensive income is as follows:

	Consolidated financial statements					
	2015		2014			
	Amount before tax	Tax income	Net of tax <i>(in thousand Baht)</i>	Amount before tax	Tax income (expense)	Net of tax
<i>For the year ended 31 December</i>						
Foreign currency translation differences for foreign operations	334,926	-	334,926	(3,238)	-	(3,238)
Unrealised loss from increase in shareholding in a subsidiary	-	-	-	(2,612)	-	(2,612)
Changes in fair value of available- for-sale investments transfers to profit and loss	(335,334)	-	(335,334)	-	-	-
Changes in fair value of available- for-sale investments	(458,295)	-	(458,295)	235,736	-	235,736
Defined benefit plan actuarial losses	(24,339)	4,595	(19,744)	-	-	-
Share of other comprehensive loss of investments in joint venture	(197,372)	39,475	(157,897)	-	-	-
Total other comprehensive income	(680,414)	44,070	(636,344)	229,886	-	229,886

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	Separate financial statements					
	2015			2014		
	Amount before tax	Tax expense	Net of tax <i>(in thousand Baht)</i>	Amount before tax	Tax income (expense)	Net of tax
<i>For the year ended 31 December</i>						
Defined benefit plan actuarial gains	17,450	(3,490)	13,960	-	-	-
Total other comprehensive income	17,450	(3,490)	13,960	-	-	-

24 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. Australia, China, India, Japan and Myanmar main activities are sales and services relating to satellite business.

The Group comprises the following main geographic segments:

Segment 1 Thailand

Segment 2 Australia

Segment 3 China

Segment 4 India

Segment 5 Japan

Segment 6 Myanmar

Segment 7 Others

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Revenue and results, based on business segments, in the consolidated financial statements for the three-month and nine-month periods ended 31 December 2015 and 2014 were as follows:

<i>For the year ended 31 December</i>	Satellite business services		Internet services and media		Telephone network		Consolidation eliminations		Consolidated financial statements	
	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014
	<i>(in million Baht)</i>									
Revenues	9,258	8,783	3,272	3,230	-	-	(77)	(120)	12,453	11,893
Construction revenue under operating agreement	1	172	-	-	-	-	-	-	1	172
Shares of profit of investment in joint venture	-	-	-	-	194	154	-	-	194	154
Cost of sales and services	(5,302)	(5,140)	(2,115)	(2,005)	-	-	63	104	(7,354)	(7,041)
Construction cost under operating agreement	(1)	(172)	-	-	-	-	-	-	(1)	(172)
Selling and administrative expenses	<u>(1,413)</u>	<u>(1,465)</u>	<u>(720)</u>	<u>(1,401)</u>	<u>-</u>	<u>-</u>	<u>15</u>	<u>12</u>	<u>(2,118)</u>	<u>(2,854)</u>
Segment results	2,543	2,178	437	(176)	194	154	1	(4)	3,175	2,152
Other income									489	173
Net gain (loss) on foreign exchange									<u>(595)</u>	<u>72</u>
Profit before finance cost and income tax									3,069	2,397
Finance costs									<u>(306)</u>	<u>(385)</u>
Operating profit									2,763	2,012
Income tax expense									(458)	(498)
Non-controlling interests									<u>(183)</u>	<u>87</u>
Net profit									<u>2,122</u>	<u>1,601</u>

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	Satellite business services		Internet services and media		Telephone network		Consolidation eliminations		Consolidated financial statements	
	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014
	<i>(in million Baht)</i>									
Segment assets	28,533	29,114	2,157	2,102	-	-	(639)	(702)	30,051	30,514
Loan to related parties	2,330	301	-	-	-	-	-	(10)	2,331	291
Investment in joint venture	-	-	-	-	1,210	1,083	-	-	1,210	1,083
Total assets									<u>33,592</u>	<u>31,888</u>
Segment liabilities	2,803	2,707	1,009	921	-	-	(81)	(126)	3,731	3,502
Borrowings	11,374	10,645	384	477	-	-	(8)	(21)	11,750	11,101
Total liabilities									<u>15,481</u>	<u>14,603</u>

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Revenue and results, based on geographical segments, in the consolidated financial statements for the years ended 31 December 2015 and 2014 were as follows:

	2015	2014
	<i>(in thousand Baht)</i>	
<i>Segment revenue</i>		
Thailand	7,875,557	7,623,260
Australia	1,269,932	1,393,602
China	316,591	292,987
India	548,255	413,484
Japan	640,596	718,948
Myanmar	626,621	489,449
Others	1,175,538	961,300
Total	<u>12,453,090</u>	<u>11,893,030</u>

Major customer

For the year ended 31 December 2015 and 2014, the Group has no revenue transactions with a single external customer amount to 10 percent or more of the Group's revenues.

Other non-current assets based on geographical segments in the consolidated financial statements as at 31 December 2015 and 2014 were as follows:

	2015	2014
	<i>(in thousand Baht)</i>	
<i>Other non-current assets</i>		
Thailand	21,558,796	22,943,263
Australia	183,583	245,254
China	18,243	19,247
India	19,076	56,622
Japan	48,486	44,008
Myanmar	178	660
Others	3,518,242	1,258,866
Total	<u>25,346,604</u>	<u>24,567,920</u>

25 Revenues from sale of goods and rendering of services

	Consolidated		Separate	
	financial statements		financial statements	
	2015	2014	2015	2014
	<i>(in thousand Baht)</i>			
Revenues from sale of goods	1,227,772	771,060	377,287	239,884
Revenues from rendering of services	11,225,318	11,121,970	7,276,512	6,749,740
Total	<u>12,453,090</u>	<u>11,893,030</u>	<u>7,653,799</u>	<u>6,989,624</u>

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26 Other income

	Note	Consolidated financial statements		Separate financial statements	
		2015	2014	2015	2014
<i>(in thousand Baht)</i>					
Gain on sale available for sale securities	23	335,334	-	-	-
Dividend income	10	-	-	437,859	230,351
Consulting and management fees		-	-	158,677	128,010
Interest income		78,221	75,048	68,638	65,724
Gain (loss) on sale of equipment		3,464	(1,436)	7,463	3,218
Compensation from customers		-	31,419	-	-
Others		72,087	67,618	17,265	11,653
Total		489,106	172,649	689,902	438,956

27 Expenses by nature

The statements of income include an analysis of expenses by function. Expenses by nature disclosed in accordance with the requirements of various TFRS were as follows:

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
<i>(in thousand Baht)</i>				
Depreciation of property and equipment	618,757	465,748	390,383	245,763
Amortisation of intangible assets under the agreements for operations, deferred charges and intangible assets	2,183,288	2,106,568	2,143,852	2,071,414
Amortisation of finance costs	1,066	2,363	1,066	2,363
Staff costs	1,730,894	1,697,908	930,032	903,046

28 Provident funds

The defined contribution plans comprise provident funds established by the Group for its employees. Membership to the funds is on a voluntary basis. Contributions are made monthly by the employees at rates ranging from 3% to 7% of their basic salaries and by the Group at rates ranging from 3% to 7% of the employees' basic salaries. The provident funds are registered with the Ministry of Finance as juristic entities and are managed by a licensed Fund Manager.

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29 Income tax expense

	Note	Consolidated financial statements		Separate financial statements	
		2015	2014	2015	2014
		<i>(in thousand Baht)</i>			
Current tax expense		(448,570)	(255,082)	(229,421)	-
Deferred tax expense					
Movement in temporary differences	14	(9,711)	(242,996)	(31,279)	(239,838)
Total		(458,281)	(498,078)	(260,700)	(239,838)

Reconciliation of effective tax rate

	Consolidated financial statements			
	2015		2014	
	Rate (%)	(in thousand Baht)	Rate (%)	(in thousand Baht)
Profit for the year		2,122,147		1,600,884
Total income tax expense		458,281		498,078
Profit before total income tax expense		<u>2,580,428</u>		<u>2,098,962</u>
Income tax using the Thai corporation tax rate	20	(516,086)	20	(419,792)
Income tax reduction - deferred		-		(3,612)
Effect of different tax rates in foreign jurisdictions		77,188		(32,982)
Income not subject to tax		88,284		84,099
Effect of the income recognised in different periods for account and tax purposes		20,029		(1,002)
Expenses not deductible for tax purposes and expense recognised in different periods for accounting and tax purposes		(124,846)		(104,890)
Recognition of previously unrecognised tax losses		-		(4,978)
Current year losses for which no deferred tax asset was recognised		(1,754)		(13,718)
Under provided in prior years		(1,096)		(1,203)
Total	18	(458,281)	24	(498,078)

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	Separate financial statements			
	2015		2014	
	<i>Rate</i> <i>(%)</i>	<i>(in</i> <i>thousand</i> <i>Baht)</i>	<i>Rate</i> <i>(%)</i>	<i>(in</i> <i>thousand</i> <i>Baht)</i>
Profit for the year		794,055		1,018,355
Total income tax expense		<u>260,700</u>		<u>239,838</u>
Profit before total income tax expense		<u>1,054,755</u>		<u>1,258,193</u>
Income tax using the Thai corporation tax rate	20	(210,951)	20	(251,638)
Income tax reduction - deferred		-		2,515
Income not subject to tax		87,572		46,083
Effect of the income recognised in different periods for account and tax purposes		(119)		(1,002)
Effect of the non-deductible tax expense and expense recognised in different periods for accounting and tax purposes		<u>(137,202)</u>		<u>(35,796)</u>
Total	25	(260,700)	19	(239,838)

Income tax reduction

Royal Decree No. 577 B.E. 2557 dated 10 November 2014 grants the reduction to 20% of net taxable profit for the accounting period 2015 which begins on or after 1 January 2015.

On 22 January 2016, The National Legislative Assembly has approved a reduction of the corporate income tax rate from 30% to 20% of net taxable profit for the accounting period begins on or after 1 January 2016.

The Group has applied the tax rate of 20% in measuring deferred tax asset and liabilities as at 31 December 2015 and 2014 in accordance with the clarification issued by the FAP in 2012.

30 Promotional privileges

The Company was granted promotional privileges under the Investment Promotion Act (B.E. 2520) by the Board of Investment (BOI) in respect of earnings derived from rendering telecommunication services of Thaicom 3 satellite project to customers outside Thailand. Promotional privileges include exemption from corporate income tax for a period of 8 years commencing from December 1997, when its revenue was first earned from the promoted business. The Company must comply with certain terms and conditions required for the promoted industries.

On 19 November 2003, the Company was granted promotional privileges under the Investment Promotion Act (B.E. 2520) as amended by the Investment Promotion Act (No. 3) B.E. 2544 by the BOI in respect of earnings derived from rendering telecommunication services of THAICOM 4 satellite project to customers outside Thailand. Promotion privileges include exemption from corporate income tax for a period of 8 years, when its revenue was first earned from the promoted business. The Company must comply with certain terms and conditions required for the promoted industries. The promotional privileges have expired on October 2014.

In 2014 the Company has revenue from promoted business of Baht 1,517 million.

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31 Earnings per share

Basic earnings per share

The calculations of basic earnings per share for the years ended 31 December 2015 and 2014 were based on the profit for the years attributable to ordinary shareholders of the Company and the number of ordinary shares outstanding during the years as follows:

<i>For the year ended 31 December</i>	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
	<i>(in thousand Baht/thousand share)</i>			
Profit attributable to ordinary shareholders of the Company (basic)	<u>2,122,147</u>	<u>1,600,884</u>	<u>794,055</u>	<u>1,018,355</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>
Earnings per share (basic) (in Baht)	<u>1.94</u>	<u>1.46</u>	<u>0.72</u>	<u>0.93</u>

Diluted earnings per share

The calculations of diluted earnings per share for the years ended 31 December 2015 and 2014 were based on the profit for the years attributable to ordinary shareholders of the Company and the number of ordinary shares outstanding during the years after adjusting for the effects of all dilutive potential ordinary shares as follows:

<i>For the year ended 31 December</i>	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
	<i>(in thousand Baht/thousand share)</i>			
Profit attributable to ordinary shareholders of the Company (diluted)	<u>2,122,147</u>	<u>1,600,884</u>	<u>794,055</u>	<u>1,018,355</u>
Weighted average number of ordinary shares outstanding (basic)	1,095,938	1,095,938	1,095,938	1,095,938
Effect of exercise of shares options	<u>160</u>	<u>285</u>	<u>160</u>	<u>285</u>
Weighted average number of ordinary shares outstanding (diluted)	<u>1,096,098</u>	<u>1,096,223</u>	<u>1,096,098</u>	<u>1,096,223</u>
Earnings per share (diluted) (in Baht)	<u>1.94</u>	<u>1.46</u>	<u>0.72</u>	<u>0.93</u>

32 Dividends

At the annual general meeting of the shareholders of the Company held on 26 March 2015, the shareholders approved the appropriation of dividend of Baht 0.65 per share, amounting to Baht 712 million. The dividend was paid to shareholders on 23 April 2015.

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.

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33 Financial instruments

Financial risk management policies

The principal financial risks faced by the Group are interest rate risk and exchange rate risk. The Group borrows at fixed and floating rates of interest to finance its operations. Certain sales, purchases and a portion of borrowings are denominated in foreign currencies. In order to manage the risks arising from fluctuations in exchange rates and interest rates, the Group makes use of derivative financial instruments.

The objectives of using derivative financial instruments are to reduce uncertainty over future cash flows arising from movements in interest and exchange rates, and to manage the liquidity of cash resources. The following strategies are employed to achieve these objectives. Interest rate exposures are managed through interest rate swaps taken out with commercial banks and foreign exchange forward contracts and foreign currency options are taken out to manage the currency risks in future sales, purchases and loan repayments. Decisions on the level of risk undertaken are governed by corporate policy, which has established limits by transaction type and by counterparty.

Trading for speculative purposes is prohibited. All derivative transactions are subject to approval of the management before execution.

Management of currency and interest rate exposures is the responsibility of the Treasury Department. Management reports contain detail of cost and market value for all derivative financial instruments including outstanding forward contracts and cross currency and interest rate swap. An analysis of exposures against the limits established by the management is also provided. These limits principally cover the maximum permitted exposure in respect of short-term investment regarding to guideline to short-term investment policy.

Capital management

The primary objective of the Company's capital management is to provide good returns to shareholders and benefits to other stakeholders and to maintain an optimal capital structure in order to support asset management plan and new investment opportunities which will create value and strengthen financial position for the whole group.

Foreign currency risk

The Group is exposed to foreign currency risk relating to purchases and sales which are denominated in foreign currencies.

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At 31 December 2015 and 2014, the Group and the Company were exposed to foreign currency risk in respect of financial assets and liabilities denominated in the following currencies:

	Consolidated financial statements			
	2015		2014	
	Foreign currency	Baht	Foreign currency	Baht
	<i>(in million)</i>			
Assets				
US Dollars	85.79	3,082.04	23.86	782.62
India Rupee	448.39	227.87	429.47	207.48
New Zealand Dollars	1.76	43.45	1.96	50.67
Total		<u>3,353.36</u>		<u>1,040.77</u>
Liabilities				
US Dollars	207.72	7,530.70	201.78	6,681.10
Singapore Dollars	0.05	1.32	0.06	1.60
India Rupee	239.65	138.40	239.36	131.31
New Zealand Dollars	1.91	47.29	0.59	15.28
Total		<u>7,717.71</u>		<u>6,829.29</u>

Foreign currency assets mainly represent cash in bank and accounts receivable. Foreign currency liabilities mainly represent trade accounts payable, accounts payable - property and equipment and borrowings.

Credit risk

The Group has no significant concentrations of credit risks. The Group has policies in place to ensure that sales of products and services are made to customers with an appropriate credit history. Derivative counterparties and cash transactions are limited to high quality financial institutions.

Liquidity risk

The Group monitors its liquidity risk and maintains a level of cash and cash equivalents deemed adequate by management to finance the Group's operations, including finding short term credit facility from various banks for reserve in case of necessary and to mitigate the effects of fluctuations in cash flows.

Determination of Fair values

The fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction.

The carrying amount of cash and cash equivalents, short-term investments, trade receivables, amounts due from related parties, short-term loans and advances to related parties, trade creditors, accounts payable-property and equipment, amounts due to related parties, and borrowings are assumed to approximate their fair value due to the short maturities of these instruments. The fair values of long-term borrowings and debentures are provided in Note 16.

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Fair values of interest-bearing liabilities, together with the carrying amount values shown in the balance sheets as follows:

	Carrying amount	Consolidated financial statements			
		Fair Value			
		Level 1	Level 2	Level 3	Total
<i>(in thousand Baht)</i>					
As at 31 December 2015					
Current					
Equity securities available for sale	35,932	35,932	-	-	35,932
Short-term loan to a joint venture	168,521	-	-	168,521	168,521
Short-term loans from financial institution	1,650,521	-	-	1,650,521	1,650,521
Non - current					
Long-term loan to related parties	2,161,864	-	-	1,832,930	1,832,930
Debentures	4,545,114	-	4,693,457	-	4,693,457
Long term loans	5,554,307	-	-	5,527,487	5,527,487
As at 31 December 2014					
Current					
Equity securities available for sale	936,196	936,196	-	-	936,196
Short-term loan to a joint venture	291,143	-	-	291,143	291,143
Short-term loans from financial institution	871,105	-	-	871,105	871,105
Non - current					
Long term loans	5,685,817	-	-	5,713,066	5,713,066
Debentures	4,544,048	-	4,693,457	-	4,693,457
	Carrying amount	Separate financial statements			
		Fair Value			
		Level 1	Level 2	Level 3	Total
<i>(in thousand Baht)</i>					
As at 31 December 2015					
Current					
Short-term loan to a joint venture	168,521	-	-	168,521	168,521
Short-term loans from financial institution	1,460,521	-	-	1,460,521	1,460,521
Long-term loan from related parties	1,126,768	-	-	1,126,768	1,126,768
Non - current					
Long-term loan to related parties	2,161,864	-	-	1,832,930	1,832,930
Long term loans	5,368,008	-	-	5,339,962	5,339,962
Debentures	4,545,114	-	4,693,457	-	4,693,457

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	Carrying amount	Separate financial statements			
		Fair Value			Total
		Level 1	Level 2	Level 3	
		<i>(in thousand Baht)</i>			
As at 31 December 2014					
<i>Current</i>					
Short-term loan to a joint venture	291,143	-	-	291,143	291,143
Short-term loans from financial institution	641,104			641,104	641,104
<i>Non - current</i>					
Long-term loan to related parties	9,844	-	-	9,844	9,844
Debentures	4,544,048	-	4,693,457	-	4,693,457
Long term loans	5,459,796	-	-	5,485,574	5,485,574

Fair value hierarchy

The table above analyses recurring fair value measurements for financial assets. These fair value measurements are categorised into different levels in the fair value hierarchy based on the inputs to valuation techniques used. The different levels are defined as follows.

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities that the Group/Company can access at the measurement date.
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3: unobservable inputs for the asset or liability.

The Group determines Level 2 fair values for debentures have been determined based on quoted selling prices from The Thai Bond Market Association at the close of the business on the reporting date.

The Group determines Level 3 fair values for borrowing have been estimated using discounted cash flows based on the Group's incremental borrowing rates for similar types of borrowings.

34 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 31 December 2015, the remaining minimum fee is Baht 479 million (2014: Baht 550 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.

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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 Intouch Holdings Public Company Limited (formerly named 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 (“SHEN”), which is a joint venture of the Company, owns 49% of LTC’s registered shares. After the end of the 20th year, in 2016, the Government of the Lao People’s Democratic Republic (LAOGOV) shall have the right to consider purchasing all LTC’s shares at a market price. And after the end of 23rd year, in 2019, the Group has a right to submit a proposal to LAOGOV to consider the extension of the term of agreement. Otherwise at the end of the 25th year, in 2021, the Group has to transfer all of LTC’s shares to LAOGOV without any charges (Note 10). 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.

On 23 October 2015, SHEN and LAOGOV have officially reached the agreement to extend the Joint Venture Agreement and the Master Agreement for the Development of Telecommunications Services in the Lao PDR, as a result LTC obtain right to operate communication service in Lao PDR for a further period of 25 years until 2046 . According to the amended agreements, LTC is required to invest at least USD 400 million in the projects specified in the agreements within 25 years.

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

CS Loxinfo Public Company Limited (“CSL”), a subsidiary 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.

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 and its subsidiaries operate the business to provide internet, broadcasting and telecommunication services under licenses granted by NBTC as follow:

Type of license	Issued Date	Period
Licenses of the Company		
Telecom Operation License Type I	16 August 2011	5 years
Telecom Operation License Type III	26 June 2012	20 years
Licenses of DTV Service Company Limited		
Broadcasting Operation License	21 January 2013	15 years
Broadcasting Operation License (Lao Star)	28 January 2014	2 years
Broadcasting Operation License (D-Channel)	28 January 2014	2 years
Broadcasting Operation License (Bayon TV)	9 March 2015	1 year
Broadcasting Operation License (Lao PSTV)	13 July 2015	1 year
Broadcasting Operation License (LNTV 3)	13 July 2015	1 year
Broadcasting Operation License (TVK)	13 July 2015	1 year
Broadcasting Operation License (TV Lao)	24 November 2015	2 years

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Type of license	Issued Date	Period
License of TC Broadcasting Company Limited		
Broadcasting Operation License	4 March 2013	15 years
Telecom Operation License Type III	10 November 2015	15 years
Licenses of CS Loxinfo Public Company Limited		
Internet Operation License Type I	8 September 2014	5 years
Telecom Operation License Type I	11 October 2014	5 years
Internet Operation License Type II	26 April 2012	5 years
Telecom Operation License Type III	20 December 2007	15 years

Revenue of the Company under the NBTC's regulation

Revenue from rendering of services and equipment rentals of the Company for the year ended 31 December 2015 and 2014 was classified as follows:

	Separate financial statements	
	2015	2014
	<i>(in thousand Baht)</i>	
Telecom Operation License Type III	303,146	6,398
Other service income	7,350,653	6,983,226
Total	7,653,799	6,989,624

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 for the procurement, installation and consulting service 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.

e) Operating lease commitments

As at 31 December 2015 and 2014, the Group has future aggregate minimum lease payments under non-cancellable operating leases are as follows:

Currency	Consolidated financial statements		Separate financial statements		
	2015	2014	2015	2014	
	<i>(in thousands Baht)</i>				
Within one year	THB	71,472	56,995	14,917	18,690
	YEN	5,131	5,443	-	-
	USD	3,959	5,008	3,913	4,999
	Rupee	4,170	4,170	4,170	4,170
	Rupiah	-	39,461	-	39,461
	Ringgit	56	70	56	70
	PHP	246	306	246	306
	CNY	745	183	745	183
	AUD	163	149	-	-
	NZD	230	307	-	-
Total equivalent Baht		<u>233,807</u>	<u>240,622</u>	<u>164,052</u>	<u>188,491</u>

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	Currency	Consolidated financial statements		Separate financial statements	
		2015	2014	2015	2014
		<i>(in thousands Baht)</i>			
After one year but within five years	THB	100,097	36,456	28,935	28,090
	YEN	-	4,564	-	-
	USD	7,260	7,820	7,250	7,820
	Rupee	695	4,865	695	4,865
	AUD	4	123	-	-
	NZD	-	204	-	-
Total equivalent Baht		<u>363,815</u>	<u>308,031</u>	<u>292,187</u>	<u>289,689</u>
After five years	THB	2,373	5,933	2,373	5,933
	USD	1,930	914	1,930	914
Total equivalent Baht		<u>72,334</u>	<u>36,196</u>	<u>72,334</u>	<u>36,196</u>
Grand total equivalent Baht		<u>669,956</u>	<u>584,849</u>	<u>528,572</u>	<u>514,376</u>

f) Other commitments

The Group had 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	
		2015	2014	2015	2014
		<i>(in thousands)</i>			
Minimum operating agreement fee payable to Ministry of Information Communication and Technology	THB	48,667	47,333	48,667	47,333
Satellite space leasing by customers	USD	3,707	3,617	3,707	3,617
	THB	433,750	448,861	433,750	448,861
	AUD	5,000	5,000	-	-
Others	THB	46,283	34,581	12,696	9,371

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35 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 insisted on its consideration and raised the tax demand including surcharge, education tax and interest aggregating to Rs. 859.4 million (approximately Baht 467 million) against the said payment received by it from the customers and also levied penalty of Rs. 566.1 million (approximately Baht 307 million) for the Assessment Year ('AY') 1998-1999 to 2012-2013 (1 April 1997 to 30 March 2012).

So far, the Company had received Withholding Tax Certificates ('WTC') from its customers until Assessment Year ('AY') 2012-2013 net amounting to Rs. 593.8 million (approximately Baht 322 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. 480.4 million (approximately Baht 261 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.

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.

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36 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 verdict.

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”).

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.

- c) On 26 December 2015, Golden Town Film Company Limited (“Plaintiff”) has filed the Intellectual Property Court a lawsuit against Thaicom Public Company Limited (“THAICOM” or “the Company”), Directors of the Company, and a customer of the Company (“Defendant”), and claimed that Defendant has broadcasted a movie through satellite TV channel leased from THAICOM infringing the movie copyrights owned by Plaintiff. The Intellectual Property Court has defined the first appointment for hearing on 21 March 2016. The Management is of the opinion that the Company is only the satellite services provider and does not involve the infringements of any movie copyrights.

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37 Events after the reporting period

a) *The incorporation of IPSTAR (India) Private Limited (“IPI”)*

On 19 January 2016, the company has incorporated IPSTAR (India) Private Limited. The authorised share capital of IPIN is Rs. 3 million, divided into 3 million ordinary shares of Rs. 1 par value. The company holds 3 million shares, equivalent to 100% shareholding.

b) *Proposed dividend payment of the Company*

At the Board of directors’ meeting of the Company held on 10 February 2016, the directors passed a resolution to approve the appropriation of dividend of Baht 0.65 per share, amounting to Baht 712 million. The proposed dividends must be approved by the shareholders at their meeting.

c) *Dividend declaration of Lao Telecommunications Company Limited (“LTC”)*

At the annual general meeting of the shareholders of LTC held on 3 February 2015, the shareholders approved the appropriation of dividend from 2015 operation of USD 22 million.

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

At the meeting of the Board of Directors of CSL held on 10 February 2016, the directors approved the appropriation of dividend of Baht 0.20 per share, amounting to Baht 119 million. The proposed dividend must be approved by the shareholders at their meeting.

38 Thai Financial Reporting Standards (TFRS) not yet adopted

The Group has not adopted the new and revised TFRS that have been issued but are not yet effective. Those new and revised TFRS that are applicable to the Group, which become effective for annual financial periods beginning on or after 1 January in the year indicated in the following table, are as follows:

TFRS	Topic	Year effective
TAS 1 (revised 2015)	Presentation of Financial Statements	2016
TAS 2 (revised 2015)	Inventories	2016
TAS 7 (revised 2015)	Statement of Cash Flows	2016
TAS 8 (revised 2015)	Accounting Policies, Changes in Accounting Estimates and Errors	2016
TAS 10 (revised 2015)	Events After the Reporting Period	2016
TAS 11 (revised 2015)	Construction Contracts	2016
TAS 12 (revised 2015)	Income Taxes	2016
TAS 16 (revised 2015)	Property, Plant and Equipment	2016
TAS 17 (revised 2015)	Leases	2016
TAS 18 (revised 2015)	Revenue	2016
TAS 19 (revised 2015)	Employee Benefits	2016
TAS 21 (revised 2015)	The Effects of Changes in Foreign Exchange Rates	2016
TAS 23 (revised 2015)	Borrowing Costs	2016
TAS 24 (revised 2015)	Related Party Disclosures	2016
TAS 27 (revised 2015)	Separate Financial Statements	2016
TAS 28 (revised 2015)	Investments in Associates and Joint Ventures	2016
TAS 33 (revised 2015)	Earnings Per Share	2016
TAS 34 (revised 2015)	Interim Financial Reporting	2016
TAS 36 (revised 2015)	Impairment of Assets	2016
TAS 37 (revised 2015)	Provisions, Contingent Liabilities and Contingent Assets	2016
TAS 38 (revised 2015)	Intangible Assets	2016

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TFRS	Topic	Year effective
TAS 40 (revised 2015)	Investment Property	2016
TFRS 2 (revised 2015)	Share-based Payment	2016
TFRS 3 (revised 2015)	Business Combinations	2016
TFRS 5 (revised 2015)	Non-current Assets Held for Sale and Discontinued Operations	2016
TFRS 6 (revised 2015)	Exploration for and Evaluation of Mineral Assets	2016
TFRS 8 (revised 2015)	Operating Segments	2016
TFRS 10 (revised 2015)	Consolidated Financial Statements	2016
TFRS 11 (revised 2015)	Joint Arrangements	2016
TFRS 12 (revised 2015)	Disclosure of Interests in Other Entities	2016
TFRS 13 (revised 2015)	Fair Value Measurement	2016
TSIC 15 (revised 2015)	Operating Leases – Incentives	2016
TSIC 25 (revised 2015)	Income Taxes – Changes in the Tax Status of an Enterprise or its Shareholders	2016
TSIC 27 (revised 2015)	Evaluating the Substance of Transactions in the Legal Form of a Lease	2016
TSIC 29 (revised 2015)	Disclosure – Service Concession Arrangements	2016
TSIC 31 (revised 2015)	Revenue – Barter Transactions Involving Advertising Services	2016
TFRIC 1 (revised 2015)	Changes in Existing Decommissioning, Restoration and Similar Liabilities	2016
TFRIC 4 (revised 2015)	Determining Whether an Arrangement Contains a Lease	2016
TFRIC 10 (revised 2015)	Interim Financial Reporting and Impairment	2016
TFRIC 12 (revised 2015)	Service Concession Arrangements	2016
TFRIC 15 (revised 2015)	Agreements for the Construction of Real Estate	2016
TFRIC 21 (revised 2015)	Levies	2016

The Group has made a preliminary assessment of the potential initial impact on the consolidated and separate Company's financial statements of these new and revised TFRS and expects that there will be no material impact on the financial statements in the period of initial application.