

**REPORT ON REVIEW OF INTERIM FINANCIAL INFORMATION
BY THE INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS**

**TO THE BOARD OF DIRECTORS
THAICOM PUBLIC COMPANY LIMITED**

We have reviewed the consolidated statement of financial position of Thaicom Public Company Limited and its subsidiaries and the separate statement of financial position of Thaicom Public Company Limited as at March 31, 2018, and the related consolidated and separate statements of profit or loss, profit or loss and other comprehensive income, changes in equity and cash flows for the three-month period ended March 31, 2018, and the condensed notes to the financial statements. The Company's management is responsible for the preparation and presentation of this interim financial information in accordance with Thai Accounting Standard No. 34 "Interim Financial Reporting". Our responsibility is to express a conclusion on this interim financial information based on our review.

Scope of Review

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

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the aforementioned interim financial information is not prepared, in all material respects, in accordance with Thai Accounting Standard No. 34 "Interim Financial Reporting".

Emphasis of Matter

Without modifying our conclusion, we draw attention to Note 6 to the financial statements that a subsidiary of the Company has sold its entire investment in CS Loxinfo Public Company Limited to Advance Wireless Network Co., Ltd. on January 25, 2018. The Company presented the net profit from CS Loxinfo Public Company Limited as net profit from discontinued operation in the consolidated and separate statements of profit or loss for the three-month periods ended March 31, 2018 and 2017.

BANGKOK
May 9, 2018

Chavala Tienpasertkij
Certified Public Accountant (Thailand)
Registration No. 4301
DELOITTE TOUCHE TOHMATSU JAIYOS AUDIT CO., LTD.

Thaicom Public Company Limited and its Subsidiaries
Statement of financial position
At 31 March 2018

	Notes	Consolidated		Separate	
		financial statements		financial statements	
		31 March 2018	31 December 2017	31 March 2018	31 December 2017
		Baht'000	Baht'000	Baht'000	Baht'000
Assets					
<i>Current assets</i>					
Cash and cash equivalents		2,469,404	1,960,771	847,731	683,765
Current investments	4	4,885,683	3,407,069	4,931,368	3,436,462
Trade and other current receivables	5	1,798,563	1,666,859	2,082,614	1,957,413
Amounts due from related parties	3	91,527	90,825	145,342	190,369
Current portion of long-term loan to related party	3	233,629	244,591	233,629	244,591
Inventories		160,613	124,814	114,788	106,893
Other current assets		86,558	93,203	23,135	25,952
Non-current assets classified as held for sale	6	-	1,837,189	-	-
Total current assets		9,725,977	9,425,321	8,378,607	6,645,445
<i>Non-current assets</i>					
Long-term loans to related parties	3	1,635,400	1,712,138	1,685,400	1,752,138
Investments in subsidiaries	7	-	-	1,640,198	1,674,859
Investments in a joint venture	7	1,351,148	1,356,701	1,351,148	1,356,701
Property, plant and equipment	8	7,694,138	7,859,316	7,635,943	7,794,041
Intangible assets under operating agreement	8	3,707,837	3,986,569	3,707,837	3,986,569
Deferred charges	8	15,135	15,633	15,135	15,633
Intangible assets	8	400,772	427,048	310,278	333,565
Deferred tax assets		777,463	775,825	702,858	704,853
Other non-current assets		379,508	380,643	361,160	361,623
Total non-current assets		15,961,401	16,513,873	17,409,957	17,979,982
Total assets		25,687,378	25,939,194	25,788,564	24,625,427

See condensed notes to the financial statements

Thaicom Public Company Limited and its Subsidiaries
Statements of financial position (Continued)
At 31 March 2018

	Notes	Consolidated		Separate	
		financial statements		financial statements	
		31 March 2018	31 December 2017	31 March 2018	31 December 2017
		Baht'000	Baht'000	Baht'000	Baht'000
Liabilities and equity					
Current liabilities					
Trade and other current payables		2,082,857	866,662	1,956,619	658,855
Amounts due to related parties	3	72	830	3,348	23,523
Current portion of long-term borrowings	9	403,403	421,788	403,403	421,788
Advance receipts from customers		341,929	218,392	55,568	60,020
Accrued operating agreement fee		467,694	263,345	467,694	263,345
Income tax payable		63,272	7,226	117	-
Other current liabilities		107,332	95,844	58,353	63,253
Liabilities directly associated with non-current assets classified as held for sale	6	-	1,055,257	-	-
Total current liabilities		3,466,559	2,929,344	2,945,102	1,490,784
Non-current liabilities					
Long-term borrowings	9	6,749,873	7,024,629	6,752,873	7,061,629
Long-term accounts payable - property and equipment		216,703	226,646	216,703	226,646
Net liabilities in subsidiaries	7	-	-	651,484	576,045
Non-current provisions for employee benefit		181,363	175,940	153,501	148,951
Other non-current liabilities		291,321	302,926	287,342	299,279
Total non-current liabilities		7,439,260	7,730,141	8,061,903	8,312,550
Total liabilities		10,905,819	10,659,485	11,007,005	9,803,334
Equity					
Share capital	10				
Authorised share capital		5,499,884	5,499,884	5,499,884	5,499,884
Issued and paid-up share capital		5,480,333	5,480,333	5,480,333	5,480,333
Premium on ordinary shares	10	4,324,626	4,324,626	4,324,626	4,324,626
Retained earnings					
Appropriated					
Legal reserve		549,988	549,988	549,988	549,988
Unappropriated		4,574,951	4,201,676	4,574,951	4,201,676
Other components of equity		(148,339)	265,470	(148,339)	265,470
Equity attributable to owners of the Company		14,781,559	14,822,093	14,781,559	14,822,093
Non-controlling interests		-	457,616	-	-
Total equity		14,781,559	15,279,709	14,781,559	14,822,093
Total liabilities and equity		25,687,378	25,939,194	25,788,564	24,625,427

See condensed notes to the financial statements

Thaicom Public Company Limited and its Subsidiaries
Statements of profit or loss (Unaudited)
For the three-month period ended 31 March 2018

	Notes	Consolidated financial statements		Separate financial statements	
		31 March 2018	31 March 2017	31 March 2018	31 March 2017
		Baht'000	Baht'000	Baht'000	Baht'000
Continuing operations					
Income					
	3				
Revenues from sales of goods and rendering of services		1,503,607	2,017,981	1,329,162	1,744,541
Construction revenue under operating agreement		-	186	-	186
Net foreign exchange gain		-	94,819	-	91,823
Gain from sale of investment	6	1,949,516	-	-	-
Other income		43,966	43,510	53,857	76,762
Total income		3,497,089	2,156,496	1,383,019	1,913,312
Expenses					
	3				
Cost of sales of goods and rendering of services		776,367	1,161,597	664,853	1,046,683
Construction cost under operating agreement		-	186	-	186
Operating agreements fee		224,599	265,664	224,599	265,664
Selling expenses		38,677	38,425	33,273	37,201
Administrative expenses		460,098	322,815	264,877	206,577
Directors and management benefit expenses		23,660	15,808	23,568	14,790
Net foreign exchange loss		24,074	-	20,014	-
Finance costs		80,168	100,713	79,325	99,290
Total expenses		1,627,643	1,905,208	1,310,509	1,670,391
Share of profit of investment in subsidiaries and joint venture		32,760	24,424	1,780,424	38,484
Profit before income tax expense from continuing operations		1,902,206	275,712	1,852,934	281,405
Income tax expense		(50,790)	(52,634)	(1,518)	(58,327)
Profit from continuing operations		1,851,416	223,078	1,851,416	223,078
Discontinued operation					
Profit from discontinued operation, net of income tax	6	29,649	84,730	12,509	35,647
Profit for the period		1,881,065	307,808	1,863,925	258,725
Profit attributable to:					
Owner of the Company		1,863,925	258,725	1,863,925	258,725
Non-controlling interest					
Continuing operation		-	-	-	-
Discontinued operation		17,140	49,083	-	-
Profit for the period		1,881,065	307,808	1,863,925	258,725
Earnings per share (Baht)					
	12				
Basic earning per share		1.70	0.24	1.70	0.24
Diluted earning per share		1.70	0.24	1.70	0.24
Earnings per share - continuing operation (Baht)					
	12				
Basic earning per share		1.69	0.20	1.69	0.20
Diluted earning per share		1.69	0.20	1.69	0.20

See condensed notes to the financial statements

Thaicom Public Company Limited and its Subsidiaries
Statements of profit or loss and other comprehensive income (Unaudited)
For the three-month period ended 31 March 2018

Notes	Consolidated		Separate	
	financial statements		financial statements	
	31 March 2018	31 March 2017	31 March 2018	31 March 2017
	Baht'000	Baht'000	Baht'000	Baht'000
Profit for the period	1,881,065	307,808	1,863,925	258,725
Other comprehensive income				
Items that maybe reclassified to profit or loss				
Change in cumulative gain on dilution of investment in a subsidiary	(350,971)	-	(350,971)	-
Foreign currency translation differences for foreign operations	(66,135)	(108,283)	(66,135)	(108,283)
Changes in fair value of available-for-sale investment	2,969	776	2,969	776
Income tax on other comprehensive income	(594)	(155)	(594)	(155)
Other comprehensive income for the period, net of income tax	(414,731)	(107,662)	(414,731)	(107,662)
Total comprehensive income for the period	1,466,334	200,146	1,449,194	151,063
Total comprehensive income attributable to:				
Owners of the Company	1,449,194	151,063	1,449,194	151,063
Non-controlling interests	17,140	49,083	-	-
Total comprehensive income for the period	1,466,334	200,146	1,449,194	151,063

See condensed notes to the financial statements

Thaicom Public Company Limited and its Subsidiaries
Statements of changes in equity (Unaudited)
For the three-month period ended 31 March 2018

	Notes	Consolidated financial statements											
		Retained earnings				Other components of equity							
		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 subsidiary	Foreign 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
Baht'000	Baht'000	Baht'000	Baht'000	Baht'000	Baht'000	Baht'000	Baht'000	Baht'000	Baht'000	Baht'000	Baht'000		
Three-month period ended 31 March 2017													
Balance at 1 January 2017		5,479,970	4,305,387	549,988	7,614,334	21,521	328,845	210,628	(1,067)	559,927	18,509,606	411,566	18,921,172
Transactions with owners, recorded directly in equity													
Share-based payment transactions	10	-	-	-	-	2,553	-	-	-	2,553	2,553	-	2,553
Dividends to owners of the Company	13	-	-	-	(767,196)	-	-	-	-	-	(767,196)	(75,771)	(842,967)
Total transactions with owners, recorded directly in equity		-	-	-	(767,196)	2,553	-	-	-	2,553	(764,643)	(75,771)	(840,414)
Comprehensive income for the period													
Profit for the period		-	-	-	258,725	-	-	-	-	-	258,725	49,083	307,808
Other comprehensive income		-	-	-	-	-	(108,283)	621	(107,662)	(107,662)	-	-	(107,662)
Total comprehensive income for the period		-	-	-	258,725	-	(108,283)	621	(107,662)	151,063	49,083	-	200,146
Balance at 31 March 2017		5,479,970	4,305,387	549,988	7,105,863	24,074	328,845	102,345	(446)	454,818	17,896,026	384,878	18,280,904

See condensed notes to the financial statements

Thaicom Public Company Limited and its Subsidiaries
Statements of changes in equity (Unaudited) (Continued)
For the three-month period ended 31 March 2018

		Consolidated financial statements												
		Retained earnings				Other components of equity								
Notes	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 subsidiary	Foreign 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		
	Baht'000	Baht'000	Baht'000	Baht'000	Baht'000	Baht'000	Baht'000	Baht'000	Baht'000	Baht'000	Baht'000	Baht'000		
Three-month period ended 31 March 2018														
	5,480,333	4,324,626	549,988	4,201,676	11,793	328,845	(77,647)	2,479	265,470	14,822,093	457,616	15,279,709		
	Balance at 1 January 2018													
Transactions with owners, recorded directly in equity														
	Share-based payment transactions	10	-	-	-	-	922	-	-	-	922	922	-	922
	Dividends to owners of the Company	13	-	-	-	(1,490,650)	-	-	-	-	(1,490,650)	-	-	(1,490,650)
	Disposal of investment in indirect subsidiary		-	-	-	-	-	-	-	-	-	(474,756)	(474,756)	
	Total transactions with owners, recorded directly in equity		-	-	-	(1,490,650)	922	-	-	-	922	(1,489,728)	(474,756)	(1,964,484)
Comprehensive income for the period														
	Profit for the period		-	-	-	1,863,925	-	-	-	-	1,863,925	17,140	1,881,065	
	Other comprehensive income		-	-	-	-	(350,971)	(66,135)	2,375	(414,731)	(414,731)	-	(414,731)	
	Total comprehensive income for the period		-	-	-	1,863,925	-	(350,971)	(66,135)	2,375	(414,731)	1,449,194	17,140	1,466,334
	Balance at 31 March 2018	5,480,333	4,324,626	549,988	4,574,951	12,715	(22,126)	(143,782)	4,854	(148,339)	14,781,559	-	14,781,559	

See condensed notes to the financial statements

Thaicom Public Company Limited and its Subsidiaries
Statements of changes in equity (Unaudited)
For the three-month period ended 31 March 2018

	Notes	Separate financial statements									
		Retained earnings				Other components of equity					
		Issued and paid-up share capital Baht'000	Share premium Baht'000	Legal reserve Baht'000	Unappropriated Baht'000	Other reserve for share-based payment Baht'000	Cumulative gain on dilution of investment in a subsidiary Baht'000	Foreign currency translation differences Baht'000	Changes in fair value of available-for-sale investments Baht'000	Total other components of equity Baht'000	Total equity Baht'000
Three-month period ended 31 March 2017											
Balance at 1 January 2017		5,479,970	4,305,387	549,988	7,614,334	21,521	328,845	210,628	(1,067)	559,927	18,509,606
Transactions with owners, recorded directly in equity											
Share-based payment transactions	10	-	-	-	-	2,553	-	-	-	2,553	2,553
Dividends to owners of the Company	13	-	-	-	(767,196)	-	-	-	-	-	(767,196)
Total transactions with owners, recorded directly in equity		-	-	-	(767,196)	2,553	-	-	-	2,553	(764,643)
Comprehensive income for the period											
Profit for the period		-	-	-	258,725	-	-	-	-	-	258,725
Other comprehensive income		-	-	-	-	-	(108,283)	621	(107,662)	(107,662)	
Total comprehensive income for the period		-	-	-	258,725	-	(108,283)	621	(107,662)	151,063	
Balance at 31 March 2017		<u>5,479,970</u>	<u>4,305,387</u>	<u>549,988</u>	<u>7,105,863</u>	<u>24,074</u>	<u>328,845</u>	<u>102,345</u>	<u>(446)</u>	<u>454,818</u>	<u>17,896,026</u>

See condensed notes to the financial statements

Thaicom Public Company Limited and its Subsidiaries
Statements of changes in equity (Unaudited) (Continued)
For the three-month period ended 31 March 2018

Notes	Separate financial statements									
	Retained earnings				Other components of equity					
	Issued and paid-up share capital Baht'000	Share premium Baht'000	Legal reserve Baht'000	Unappropriated Baht'000	Other reserve for share-based payment Baht'000	Cumulative gain on dilution of investment in a subsidiary Baht'000	Foreign currency translation differences Baht'000	Changes in fair value of available-for-sale investments Baht'000	Total other components of equity Baht'000	Total equity Baht'000
Three-month period ended 31 March 2018										
Balance at 1 January 2018	5,480,333	4,324,626	549,988	4,201,676	11,793	328,845	(77,647)	2,479	265,470	14,822,093
Transactions with owners, recorded directly in equity										
Share-based payment transactions	-	-	-	-	922	-	-	-	922	922
Dividends to owners of the Company	-	-	-	(1,490,650)	-	-	-	-	-	(1,490,650)
Total transactions with owners, recorded directly in equity	-	-	-	(1,490,650)	922	-	-	-	922	(1,489,728)
Comprehensive income for the period										
Profit for the period	-	-	-	1,863,925	-	-	-	-	-	1,863,925
Other comprehensive income	-	-	-	-	-	(350,971)	(66,135)	2,375	(414,731)	(414,731)
Total comprehensive income for the period	-	-	-	1,863,925	-	(350,971)	(66,135)	2,375	(414,731)	1,449,194
Balance at 31 March 2018	5,480,333	4,324,626	549,988	4,574,951	12,715	(22,126)	(143,782)	4,854	(148,339)	14,781,559

See condensed notes to the financial statements

Thaicom Public Company Limited and its Subsidiaries
Statement of cash flows (Unaudited)
For the three-month period ended 31 March 2018

	Notes	Consolidated		Separate	
		financial statements		financial statements	
		31 March 2018 Baht'000	31 March 2017 Baht'000	31 March 2018 Baht'000	31 March 2017 Baht'000
<i>Cash flows from operating activities</i>					
Profit for the period		1,881,065	307,808	1,863,925	258,725
<i>Adjustments for</i>					
Depreciation of property and equipment	8	173,475	229,657	169,217	173,883
Amortisation of intangible assets under operating agreements	8	278,732	498,670	278,732	498,670
Amortisation of deferred charges	8	498	497	498	497
Amortisation of intangible assets	8	25,551	30,821	23,287	23,415
Investment income		(39,643)	(38,122)	(39,505)	(37,127)
Share-based payment	10	922	2,553	922	2,553
Finance costs		80,168	105,568	79,325	99,290
Gain on exchange rate		(21,505)	(141,951)	844	(96,758)
Amortisation of borrowing costs	9	263	263	263	263
Bad and doubtful debts expense	5	154,950	33,392	111,381	10,221
(Reversal of) allowance for obsolete inventory		(507)	(1,376)	(118)	2,284
Gain on disposal of property and equipment		(164)	(1,537)	(162)	(1,182)
Write-off property and equipment		63	71	63	33
Gain from sale of investment in subsidiary		(1,949,516)	-	-	-
Share of profits of investment in subsidiaries and a joint venture	7	(32,760)	(24,424)	(1,792,933)	(74,132)
Income tax expense		59,273	75,192	1,518	58,327
		<u>610,865</u>	<u>1,077,082</u>	<u>697,257</u>	<u>918,962</u>
<i>Changes in operating assets and liabilities</i>					
Trade and other current receivables		(313,830)	5,203	(269,722)	(158,569)
Amounts due from related parties		(908)	(19,766)	44,822	74,984
Inventories		(37,612)	127,535	(10,096)	126,369
Other current assets		6,645	(18,521)	1,814	(10,650)
Other non-current assets		(18,247)	(4,478)	(18,919)	(2,808)
Trade and other current payables		(305,509)	(324,154)	(179,384)	(112,459)
Amounts due to related parties		(758)	925	(20,158)	650
Advance receipts from customers		123,537	(327,166)	(4,452)	(203,495)
Accrued operating agreement fee		204,349	246,414	204,349	246,414
Other current liabilities		8,155	(21,174)	(8,233)	(33,353)
Other non-current liabilities		(1,401)	(4,557)	(1,734)	(4,619)
Defined benefit obligations		3,192	168	3,090	5,275
Income tax paid		(7,342)	(33,407)	-	(18,748)
Net cash from operating activities		<u>271,136</u>	<u>704,104</u>	<u>438,634</u>	<u>827,953</u>

See condensed notes to the financial statements

Thaicom Public Company Limited and its Subsidiaries
Statement of cash flows (Unaudited) (Continued)
For the three-month period ended 31 March 2018

	Notes	Consolidated		Separate	
		financial statements		financial statements	
		31 March 2018 Baht'000	31 March 2017 Baht'000	31 March 2018 Baht'000	31 March 2017 Baht'000
<i>Cash flows from investing activities</i>					
Interest received		25,751	33,430	31,576	33,890
Dividend received	7	-	-	1,491,480	-
Current investment		(1,441,644)	456,730	(1,491,937)	473,904
Payment for property and equipment		(7,104)	(71,296)	(6,118)	(12,352)
Proceeds from sales of property and equipment		176	1,665	170	1,182
Proceed from sale of investment in subsidiary	6	1,950,780	-	-	-
Loan to a subsidiary		-	-	(10,000)	(10,000)
Purchase of intangible asset		-	(8,003)	-	(6,150)
Net cash from investing activities		527,959	412,526	15,171	480,474
<i>Cash flows from financing activities</i>					
Proceeds from borrowings	9	-	230,000	-	-
Repayments of borrowings	9	(200,063)	(563,025)	(200,063)	(332,799)
Interest paid		(90,419)	(94,871)	(89,796)	(92,883)
Net cash used in financing activities		(290,482)	(427,896)	(289,859)	(425,682)
Net increase in cash and cash equivalents		508,613	688,734	163,946	882,745
Cash and cash equivalents at 1 January		1,960,771	2,683,685	683,765	477,958
Effect of exchange rate changes on balances held in foreign currencies		20	18	20	16
Cash and cash equivalents at 31 March		2,469,404	3,372,437	847,731	1,360,719
<i>Non-cash transactions</i>					
Acquisition of property and equipment through credit		2,803	10,625	2,753	626
Finance lease liabilities		-	40,677	-	36,094

See condensed notes to the financial statements

Thaicom Public Company Limited and its Subsidiaries
Notes to the interim financial statements
For the three-month period ended 31 March 2018 (Unaudited)

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Thaicom Public Company Limited and its Subsidiaries
Notes to the interim financial statements
For the three-month period ended 31 March 2018 (Unaudited)

These interim financial statements have been approved for issuing by the authorised directors on 9 May 2018.

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 financial 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 service is 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, providing technical support in relation satellite business, 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, Mauritius, the British Virgin Islands, Japan and India.

The Company obtained agreements for operation from the Ministry of Transport and Communication 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 Digital Economy and Society 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.

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Details of the Company's subsidiaries and a joint venture as at 31 March 2018 and 31 December 2017 were as follows:

Name of the entity	Type of business	Country of incorporation	Ownership interest	
			31 March 2018 (%)	31 December 2017 (%)
<i>Direct subsidiaries</i>				
DTV Service Company Limited	Sale of direct television equipment, providing system integration consultancy service for broadband network and broadband content services	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
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 services	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
International Satellite Company Limited	Providing Thaicom 7 and Thaicom 8 transponder services	Mauritius	100	100
IPSTAR (India) Private Limited	Providing of service for technical support for satellite network	India	100	100
TC Global Services Company Limited	Providing technology service	Mauritius	100	100

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Name of the entity	Type of business	Country of incorporation	Ownership interest	
			31 March 2018 (%)	31 December 2017 (%)
<i>Indirect subsidiaries</i>				
CS Loxinfo Public Company Limited	Providing internet data center service, internet and satellite uplink-downlink services	Thailand	-(¹)	42.07
Orion Satellite Systems Pty Limited	Providing satellite communication services and business solutions	Australia	100	100
<i>Joint venture</i>				
Shenington Investments Pte Limited	Holding company for investment in international telecommunications	Singapore	51	51
<i>Joint ventures of Shenington Investments Pte Limited</i>				
Lao Telecommunications Company Limited	Providing fixed line, mobile phone, public phone, public international facilities and internet services	Lao PDR	24.99	24.99

⁽¹⁾The Group sold all of investment in CS Loxinfo Public Company Limited on 25 January 2018 (Note6).

Material intercompany transactions between the Company and its subsidiaries have been eliminated from this consolidated financial statements. The consolidated financial statements for the three-month period ended 31 March 2018 have included the interim financial information of the subsidiaries and joint venture for the three-month period ended 31 March 2018 which were reviewed.

2. Basis of preparation of the interim financial statements

2.1 Statement of compliance

The interim financial statements are prepared on a condensed basis in accordance with Thai Accounting Standard (TAS) No. 34 (revised 2017) “Interim Financial Reporting”; guidelines promulgated by the Federation of Accounting Professions (FAP); and applicable rules and regulations of the Thai Securities and Exchange Commission.

The interim financial statements are prepared to provide an update on the financial statements for the year ended 31 December 2017. They do not include all of the financial information required for full annual financial statements but focus on new activities, events and circumstances to avoid repetition of information previously reported. Accordingly, these interim financial statements should be read in conjunction with the financial statements of the Company and its subsidiaries for the year ended 31 December 2017.

The consolidated and separate statements of financial position as at 31 December 2017, presented herein for comparison, have been derived from the consolidated and separate financial statements for the year then ended which have been audited.

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The accounting policies and methods of computation applied in these interim financial statements are consistent with those applied in the financial statements for the year ended 31 December 2017 except that the Group has adopted all the new and revised TFRS that are effective for annual period beginning on or after 1 January 2018. The adoption of these new and revised TFRS did not have any material effect on the accounting policies, methods of computation, financial performance or position of the Group or the Company.

The Federation of Accounting Professions has issued the Notification regarding 56 Thai Financial Reporting Standards (“TFRSs”) that have been effective for the financial statements for the period beginning on or after January 1, 2018 onwards, which has been announced in the Royal Gazette on September 26, 2017. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards, with most of the changes directed towards revision of wording and terminology, and provision of interpretations and accounting guidance to users of standards.

The Federation of Accounting Professions has issued the Notification regarding Thai Financial Reporting Standard No.15 “Revenue from Contracts with Customers” which has been announced in the Royal Gazette on March 14, 2018 and will be effective for the financial statements for the period beginning on or after January 1, 2019 onwards.

The Group’s management will adopt such TFRSs in the preparation of the Group’s financial statements when it becomes effective. The Group’s management is in the process to assess the impact of this TFRS on the financial statements of the Group in the period of initial application.

2.2 Functional and presentation currency

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

2.3 Judgements and estimates

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

In preparing these interim financial statements, the significant judgements made by management in applying the Group’s accounting policies and the key sources of estimation uncertainty were the same as those that applied to the financial statements for the year ended 31 December 2017.

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3. Related parties

Related parties are 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. Joint ventures and individuals owning, directly or indirectly, an interest in the voting power of the Company that gives them significant influence over the enterprise, key management personnel, including directors and officers of the Company and close members of the family of these individuals, and companies associated with these individuals also constitute related parties. In considering each possible related party relationship, attention is directed to the substance of the relationship, and not merely the legal form.

The Company is controlled by Intouch Holdings Public Company Limited (“Intouch”) (incorporated in Thailand), which owns 41.14% (31 December 2017: 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.

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Significant transactions for the three-month periods ended 31 March 2018 and 2017 with related parties were as follows:

Three-month period ended	Consolidated financial statements		Separate financial statements	
	31 March 2018	31 March 2017	31 March 2018	31 March 2017
	Baht'000	Baht'000	Baht'000	Baht'000
Sales				
<i>Sales and services income</i>				
Parent	91	247	-	-
Subsidiaries	-	-	421,265	638,795
Related parties under common control	33,435	86,485	12,931	16,312
Other related party	45	402	-	-
<i>Other income</i>				
Subsidiaries	-	-	12,618	35,782
Joint venture	24,401	24,512	24,401	24,512
Related parties under common control	3	45	3	5
Total revenues	57,975	111,691	471,218	715,406
Expenses				
<i>Purchases of goods and services</i>				
Subsidiaries	-	-	25,975	28,425
Joint venture	1,299	1,606	-	-
Related parties under common control	2,075	5,130	362	7
Other related parties	5,993	10,986	2,193	3,709
<i>Selling and administrative expenses</i>				
Parent	190	130	145	130
Subsidiaries	-	-	4,640	4,576
Related parties under common control	2,158	3,198	1,636	1,835
Director and management remuneration	23,866	22,470	23,774	14,938
Total expenses	35,581	43,520	58,725	53,620

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Balances as at 31 March 2018 and 31 December 2017 with related parties were as follows:

	Consolidated		Separate	
	financial statements		financial statements	
	31 March	31 December	31 March	31 December
	2018	2017	2018	2017
	Baht'000	Baht'000	Baht'000	Baht'000
Trade receivables and accrued income				
<i>Trade receivables</i>				
Subsidiaries	-	-	459,453	332,109
Related parties under common control	25,156	52	14,597	22
Other related parties	52,407	54,293	2,529	2,648
Total	77,563	54,345	476,579	334,779
<i>Accrued income</i>				
Subsidiaries	-	-	333,352	325,817
Related parties under common control	4,275	5,305	3,711	5,305
Total	4,275	5,305	337,063	331,122
Total trade receivables and accrued income	81,838	59,650	813,642	665,901
<i>Less allowance for doubtful accounts</i>	(51,884)	(54,293)	(2,529)	(2,648)
Net	29,954	5,357	811,113	663,253
Other receivables				
Subsidiaries	-	-	53,803	99,544
Joint venture	91,527	90,825	91,539	90,825
Total	91,527	90,825	145,342	190,369
Loan to related parties				
Current portion of long-term loans				
Joint venture	233,629	244,591	233,629	244,591
	233,629	244,591	233,629	244,591
Long-term loans				
Subsidiary	-	-	50,000	40,000
Joint venture	1,635,400	1,712,138	1,635,400	1,712,138
	1,635,400	1,712,138	1,685,400	1,752,138
Total	1,869,029	1,956,729	1,919,029	1,996,729

The term of the long-term loan to subsidiary is 2 years. As at 31 March 2018, the interest rate at the rate of 4.92% to 4.93% per annum (31 December 2017: rate of 5.05% to 5.17% per annum).

The term of the long-term loan to a joint venture is 10 years with the interest rate at the rate of LIBOR + 3.

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Movements during the three-month periods ended 31 March 2018 and 2017 of loans to subsidiary and a joint venture were as follows:

Three-month periods ended	Consolidated and Separate financial statements			
	31 March 2018		31 March 2017	
	Baht'000		Baht'000	
Short-term loans to a joint venture				
At 1 January	-	-	18,186	-
Net foreign exchange loss	-	-	(700)	-
At 31 March	-		17,486	
	Consolidated financial statements		Separate financial statements	
	31 March 2018	31 March 2017	31 March 2018	31 March 2017
	Baht'000	Baht'000	Baht'000	Baht'000
Long-term loans				
Subsidiary				
At 1 January	-	-	40,000	30,000
Increase	-	-	10,000	10,000
At 31 March	-		50,000	
Joint venture				
At 1 January	1,956,729	2,145,947	1,956,729	2,145,947
Unrealised loss on exchange	(87,700)	(82,634)	(87,700)	(82,634)
At 31 March	1,869,029	2,063,313	1,869,029	2,063,313

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	Consolidated financial statements		Separate financial statements	
	31 March 2018 Baht'000	31 December 2017 Baht'000	31 March 2018 Baht'000	31 December 2017 Baht'000
Other current assets				
Subsidiaries	-	-	561	560
Related party under common control	-	2	-	2
Total	-	2	561	562
Trade payables				
Subsidiaries	-	-	27,289	16,956
Related parties under common control	1,775	919	1,698	765
Other related parties	3,603	3,732	2,272	2,339
Total	5,378	4,651	31,259	20,060
Other payables				
Subsidiaries	-	-	3,277	23,398
Related parties under common control	72	830	71	125
Total	72	830	3,348	23,523
Advance receipts from customers				
Subsidiaries	-	-	11,684	14,178
Related parties under common control	4,115	5,714	3,005	4,649
Total	4,115	5,714	14,689	18,827
Accrued expenses				
Subsidiaries	-	-	107,841	109,696
Joint venture	3,001	1,794	-	-
Related parties under common control	1,852	928	1,849	926
Other related party	4,362	8,011	-	-
Total	9,215	10,733	109,690	110,622
Other current liabilities				
Subsidiaries	-	-	10	10
Related parties under common control	2,200	2,200	160	160
Total	2,200	2,200	170	170
Other non-current liabilities				
Subsidiaries	-	-	1,444	1,444

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Key management personnel compensation

Key management personnel compensation comprised:

Three-month periods ended 31 March	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
	Baht'000	Baht'000	Baht'000	Baht'000
Short-term employee benefits	14,775	21,532	14,683	14,274
Long-term benefits				
- Current service costs, included in administrative expenses	288	435	288	264
- Interest on obligation, included in finance costs	206	251	206	148
- Share-based payment	8,597	252	8,597	252
Total	23,866	22,470	23,774	14,938

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

Directors' remuneration

The directors' remuneration represents monthly compensation, annual remuneration, and meeting fees and other benefits. The directors' remuneration was approved by the shareholders of the Company at their Annual General Meetings. The directors' remuneration is part of directors and management benefit expenses presented in the statement of profit or loss.

Significant agreements with related parties

1. 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.
2. The Company entered into agreements with subsidiaries and related parties under common control, under which the Company was committed to provide transponder service and advisory service. Subsidiaries and related parties under common control were committed to pay the Company for the service of the agreements at approximately USD 28.85 million and Baht 13.14 million (31 December 2017: approximately USD 33.48 million and Baht 14.60 million). The service fees of contracts vary to the actual used or number of installed user terminal at the rate stated in the contract.
3. 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.

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4. Current investments

	Consolidated financial statements		Separate financial statements	
	31 March 2018	31 December 2017	31 March 2018	31 December 2017
	Baht'000	Baht'000	Baht'000	Baht'000
<i>Current investments</i>				
Short-term deposit and bill of exchange	2,942,367	2,501,522	2,897,367	2,412,500
Debt securities available for sale	1,943,316	905,547	2,034,001	1,023,962
Total	4,885,683	3,407,069	4,931,368	3,436,462

As at 31 March 2018, short-term deposit and bill of exchange have interest rates of 1.35% to 2.56% per annum (31 December 2017: 1.35% to 1.70% per annum) and mature within 1 year.

5. Trade and other current receivables

	Note	Consolidated financial statements		Separate financial statements	
		31 March 2018	31 December 2017	31 March 2018	31 December 2017
		Baht'000	Baht'000	Baht'000	Baht'000
<i>Trade receivables</i>					
Related parties	3	77,563	54,345	476,579	334,779
Other parties		1,865,244	1,708,865	1,009,652	985,674
Total		1,942,807	1,763,210	1,486,231	1,320,453
<i>Accrued income</i>					
Related parties	3	4,275	5,305	337,063	331,122
Other parties		456,301	413,580	444,772	407,601
Total		460,576	418,885	781,835	738,723
<i>Other receivables</i>					
Prepaid expenses		42,547	46,744	25,169	31,125
Advance payments		168,954	158,977	154,831	136,060
Others		63,964	33,102	22,229	14,300
Total		275,465	238,823	202,229	181,485
Total trade receivables accrued income and other receivables		2,678,848	2,420,918	2,470,295	2,240,661
Less allowance for doubtful accounts		(880,285)	(754,059)	(387,681)	(283,248)
Net		1,798,563	1,666,859	2,082,614	1,957,413
		2018	2017	2018	2017
		Baht'000	Baht'000	Baht'000	Baht'000
Bad and doubtful debts expenses for the three-month period ended 31 March		154,950	33,392	111,381	10,221

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Aging analyses for trade receivables were as follows:

	Consolidated financial statements		Separate financial statements	
	31 March 2018 Baht'000	31 December 2017 Baht'000	31 March 2018 Baht'000	31 December 2017 Baht'000
Related parties				
Within credit terms	14,754	22	301,674	291,797
Overdue:				
Less than 3 months	10,027	30	169,941	38,667
3 - 6 months	-	-	1,536	768
6 - 12 months	-	-	-	-
Over 12 months	52,782	54,293	3,428	3,547
	77,563	54,345	476,579	334,779
<i>Less allowance for doubtful accounts</i>	<i>(51,884)</i>	<i>(54,293)</i>	<i>(2,529)</i>	<i>(2,648)</i>
	25,679	52	474,050	332,131
Other parties				
Within credit terms	238,305	253,857	97,562	146,600
Overdue:				
Less than 3 months	338,365	426,551	214,574	187,225
3 - 6 months	252,370	395,136	132,790	192,006
6 - 12 months	710,544	389,601	291,659	264,450
Over 12 months	325,660	243,720	273,067	195,393
	1,865,244	1,708,865	1,009,652	985,674
<i>Less allowance for doubtful accounts</i>	<i>(828,401)</i>	<i>(699,766)</i>	<i>(385,152)</i>	<i>(280,600)</i>
	1,036,843	1,009,099	624,500	705,074
Net	1,062,522	1,009,151	1,098,550	1,037,205

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

6. Non-current assets classified as held for sale and liabilities directly associated with non-current assets classified as held for sale

Investment in CS Loxinfo Public Company Limited (“CSL”) is presented as assets held for sale following the Shares Tender Agreement of the Group’s subsidiary, DTV Service Company Limited (“DTV”) on 6 October 2017 to sell entire ordinary shares held in CSL amount of 250,099,990 shares or 42.07% of the issue and paid-up share capital to Advance Wireless Network Company Limited (“AWN”) at the bid price of Baht 7.80 per share, totaling of Baht 1,950.78 million. The disposal of CSL is accomplished on 25 January 2018 and there were gain on sale of investment in the amount of Baht 1,949.52 million and profit from discontinued operation in the amount of Baht 29.65 million in consolidated financial statements.

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At 31 December 2017, the disposal group comprised of;

Details of non-current assets held for sale and liabilities directly associated with non-current assets held for sale are as follows:

	Consolidated financial statements
	As at
	31 December 2017
	<u>Baht'000</u>
Assets	
Cash and cash equivalents	329,573
Trade and other current receivables	446,297
Inventories	43,767
Other current assets	797
Property, plant and equipment	872,880
Intangible assets	68,617
Deferred tax assets	51,683
Other non-current assets	23,575
	<u>1,837,189</u>
Liabilities	
Short-term borrowing from financial institution	250,000
Trade and other current payables	432,790
Amount due to related parties	90
Current portion of long-term borrowings	60,548
Advance receipts from customers	121,549
Income tax payable	6,585
Other current liabilities	7,464
Long-term borrowings	1,799
Non-current provisions for employee benefit	154,983
Other non-current liabilities	19,449
	<u>1,055,257</u>

The statement of profit or loss for the three-month periods ended 31 March 2018 and 2017 has been re-presented to show the discontinued operations separately from continuing operations.

	Consolidated financial statements	
	2018	2017
	<u>Baht'000</u>	<u>Baht'000</u>
<i>For the three-month periods ended 31 March</i>		
Discontinued operation		
Revenue	227,372	720,686
Expenses	(189,241)	(613,398)
Profit before income tax expense	<u>38,131</u>	<u>107,288</u>
Income tax expense	(8,482)	(22,558)
Profit for the period from discontinued operation, net of income tax	<u>29,649</u>	<u>84,730</u>
Earnings per share		
Basic earnings per share (Baht)	<u>0.03</u>	<u>0.08</u>
Diluted earnings per share (Baht)	<u>0.03</u>	<u>0.08</u>

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7. Investments in subsidiaries and a joint venture

	Consolidated financial statements		Separate financial statements	
	31 March 2018 Baht'000	31 December 2017 Baht'000	31 March 2018 Baht'000	31 December 2017 Baht'000
Investments in subsidiaries	-	-	988,714	1,098,814
Investments in a joint venture	1,351,148	1,356,701	1,351,148	1,356,701
Total investments - net	1,351,148	1,356,701	2,339,862	2,455,515

Presentation in the statement of financial position as follows:

Investments - equity method	1,351,148	1,356,701	2,991,346	3,031,560
Net liabilities in subsidiaries	-	-	(651,484)	(576,045)
Total investments - net	1,351,148	1,356,701	2,339,862	2,455,515

Three-month periods ended	Consolidated financial statements		Separate financial statements	
	31 March 2018 Baht'000	31 March 2017 Baht'000	31 March 2018 Baht'000	31 March 2017 Baht'000
At 1 January	1,356,701	1,417,201	2,455,515	1,290,210
Impacted from changes accounting policies	-	-	-	2,071,867
Share of net profits of investments in equity method	32,760	24,424	1,792,933	74,132
Dividend	-	-	(1,491,480)	-
Write-off from sale of investment in Subsidiary	-	-	(350,971)	-
Foreign currency translation adjustments	(38,313)	(68,016)	(66,135)	(108,283)
At 31 March	1,351,148	1,373,609	2,339,862	3,327,926

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Investments in subsidiaries and a joint venture as at 31 March 2018 and 31 December 2017, and dividend income from those investments for the three-month periods ended 31 March 2018 and 2017 were as follows:

	Consolidated financial statements									
	Ownership interest		Paid-up capital		Cost method		Equity method		Dividend income for the three-month periods ended	
	31 March 2018	31 December 2017	31 March 2018	31 December 2017	31 March 2018	31 December 2017	31 March 2018	31 December 2017	31 March 2018	31 March 2017
	%	%			Million Baht	Million Baht	Million Baht	Million Baht	Million Baht	Million Baht
Joint venture										
Shenington Investments Pte Limited	51.00	51.00	SGD 15 million	SGD 15 million	138	138	1,351	1,357	-	-
					138	138	1,351	1,357	-	-

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Separate financial statements

	Ownership interest		Paid-up capital		Cost - net of impairment		Equity method		Dividend income for the three-month periods ended	
	31 March 2018	31 December 2017	31 March 2018	31 December 2017	31 March 2018	31 December 2017	31 March 2018	31 December 2017	31 March 2018	31 March 2017
	%	%			Million Baht	Million Baht	Million Baht	Million Baht	Million Baht	Million Baht
Subsidiaries										
DTV Service Company Limited	99.99	99.99	Baht 399 million	Baht 399 million	399	399	479	419	1,491	-
IPSTAR Company Limited	100.00	100.00	USD 2 million	USD 2 million	157	157	(636)	(564)	-	-
Star Nucleus Company Limited	100.00	100.00	-	-	-	-	149	149	-	-
IPSTAR International Pte Limited	100.00	100.00	SGD 20,000	SGD 20,000	1	1	(4)	37	-	-
IPSTAR Global Services Company Limited	100.00	100.00	USD 20,000	USD 20,000	1	1	44	43	-	-
Cambodian DTV Network Limited	100.00	100.00	USD 600,000	USD 600,000	21	21	69	68	-	-
IPSTAR Australia Pty Limited	100.00	100.00	AUD 6.95 million	AUD 6.95 million	425	425	303	383	-	-
TC Broadcasting Company Limited	99.99	99.99	Baht 0.25 million	Baht 0.25 million	-	-	11	5	-	-
IPSTAR Japan Company Limited	100.00	100.00	JPY 100 million	JPY 100 million	33	33	228	202	-	-
IPSTAR New Zealand Company Limited	100.00	100.00	NZD 3.20 million	NZD 3.20 million	98	98	102	108	-	-
International Satellite Company Limited	100.00	100.00	USD 50,000	USD 50,000	2	2	234	240	-	-
IPSTAR (India) Private Limited	100.00	100.00	INR 30 million	INR 30 million	16	16	22	21	-	-
TC Global Services Company Limited	100.00	100.00	USD 12,500	USD 12,500	1	1	(12)	(12)	-	-
Total					1,154	1,154	989	1,099	1,491	-
Joint venture										
Shenington Investments Pte Limited	51.00	51.00	SGD 15 million	SGD 15 million	138	138	1,351	1,357	-	-

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Significant movements in investments in subsidiaries and joint venture for the three-month period ended 31 March 2018 were as follows:

Joint venture

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

At the Annual General Meeting of the shareholders of LTC held on 9 February 2018, the shareholders approved the appropriation of dividend from 2017 operation of USD 28 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 14.2).

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8. Capital expenditure and commitments

<i>Three-month periods ended 31 March</i>	Consolidated financial statements							
	2018				2017			
	Property, plant and equipment	Intangible assets under operating agreement	Deferred charges	Intangible assets	Property, plant and equipment	Intangible assets under operating agreement	Deferred charges	Intangible assets
	Baht'000	Baht'000	Baht'000	Baht'000	Baht'000	Baht'000	Baht'000	Baht'000
Cost								
At 1 January	12,265,924	26,233,096	20,177	2,583,310	14,531,775	26,232,910	20,233	2,820,310
Additions	9,907	-	-	-	71,922	-	-	8,003
Transfers	2,319	-	-	-	(991)	186	-	-
Disposals	(18,764)	-	-	(298)	(11,695)	-	-	-
Write-offs	(1,328)	-	-	-	(7,621)	-	(56)	-
Foreign currency translation adjustments	(39,148)	-	-	-	(1,137)	-	-	(3,346)
At 31 March	12,218,910	26,233,096	20,177	2,583,012	14,582,253	26,233,096	20,177	2,824,967
Depreciation and amortisation								
At 1 January	4,406,608	22,246,527	4,544	2,156,262	5,184,615	17,028,162	2,583	2,109,538
Depreciation and amortisation charges for the period	173,475	278,732	498	25,551	229,657	498,670	497	30,821
Transfers	-	-	-	-	(2)	-	-	-
Disposals	(18,752)	-	-	(298)	(11,566)	-	-	-
Write-offs	(1,265)	-	-	-	(7,550)	-	(56)	-
Foreign currency translation adjustments	(35,294)	-	-	725	1,264	-	-	(3,511)
At 31 March	4,524,772	22,525,259	5,042	2,182,240	5,396,418	17,526,832	3,024	2,136,848
Net book value								
At 1 January	7,859,316	3,986,569	15,633	427,048	9,347,160	9,204,748	17,650	710,772
At 31 March	7,694,138	3,707,837	15,135	400,772	9,185,835	8,706,264	17,153	688,119

The gross amount of the Group's fully depreciated property and equipment that was still in use as at 31 March 2018 amounted to Baht 2,093.61 million (31 December 2017: Baht 2,123.43 million).

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<i>Three-month periods ended 31 March</i>	Separate financial statements							
	2018				2017			
	Property and equipment <u>Baht'000</u>	Intangible assets under operating agreement <u>Baht'000</u>	Deferred charges <u>Baht'000</u>	Intangible assets <u>Baht'000</u>	Property and equipment <u>Baht'000</u>	Intangible assets under operating agreement <u>Baht'000</u>	Deferred charges <u>Baht'000</u>	Intangible assets <u>Baht'000</u>
Cost								
At 1 January	10,946,265	26,233,096	20,177	1,426,004	11,056,560	26,232,910	20,177	1,419,784
Additions	8,871	-	-	-	12,978	-	-	6,149
Transfers	2,319	-	-	-	(189)	186	-	-
Disposals	(18,755)	-	-	(298)	(4,194)	-	-	-
Write-offs	(212)	-	-	-	(6,788)	-	-	-
At 31 March	<u>10,938,488</u>	<u>26,233,096</u>	<u>20,177</u>	<u>1,425,706</u>	<u>11,058,367</u>	<u>26,233,096</u>	<u>20,177</u>	<u>1,425,933</u>
Depreciation and amortization								
At 1 January	3,152,224	22,246,527	4,544	1,092,439	2,615,424	17,028,162	2,527	997,445
Depreciation and amortization charges for the period	169,217	278,732	498	23,287	173,883	498,670	497	23,415
Transfers	-	-	-	-	(2)	-	-	-
Disposals	(18,747)	-	-	(298)	(4,194)	-	-	-
Write-offs	(149)	-	-	-	(6,756)	-	-	-
At 31 March	<u>3,302,545</u>	<u>22,525,259</u>	<u>5,042</u>	<u>1,115,428</u>	<u>2,778,355</u>	<u>17,526,832</u>	<u>3,024</u>	<u>1,020,860</u>
Net book value								
At 1 January	<u>7,794,041</u>	<u>3,986,569</u>	<u>15,633</u>	<u>333,565</u>	<u>8,441,136</u>	<u>9,204,748</u>	<u>17,650</u>	<u>422,339</u>
At 31 March	<u>7,635,943</u>	<u>3,707,837</u>	<u>15,135</u>	<u>310,278</u>	<u>8,280,012</u>	<u>8,706,264</u>	<u>17,153</u>	<u>405,073</u>

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The gross amount of the Company's fully depreciated property and equipment that was still in use as at 31 March 2018 amounted to Baht 1,571.74 million (31 December 2017: Baht 1,571.74 million).

9. Interest-bearing liabilities

	Consolidated financial statements		Separate financial statements	
	31 March 2018 Baht'000	31 December 2017 Baht'000	31 March 2018 Baht'000	31 December 2017 Baht'000
<i>Current</i>				
<i>Current portion of long-term borrowings</i>				
Loans from financial institutions	396,857	415,064	396,857	415,064
Loans from others	6,546	6,724	6,546	6,724
Total current portion of long-term borrowings	403,403	421,788	403,403	421,788
Total current interest-bearing liabilities	403,403	421,788	403,403	421,788
<i>Non-current</i>				
<i>Long-term borrowings</i>				
Loans from financial institutions	2,182,712	2,490,386	2,182,712	2,490,386
Loans from others	22,652	23,997	22,652	23,997
Total long-term borrowings	2,205,364	2,514,383	2,205,364	2,514,383
Long-term debentures	4,544,509	4,510,246	4,547,509	4,547,246
Total non-current interest-bearing liabilities	6,749,873	7,024,629	6,752,873	7,061,629
Total	7,153,276	7,446,417	7,156,276	7,483,417

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The movements in the borrowings can be analysed as follows:

	Consolidated financial statements	Separate financial statements
	Baht'000	Baht'000
For the three-month period ended 31 March 2018		
At 1 January 2018	7,446,417	7,483,417
Repayment of borrowings	(200,063)	(200,063)
Amortisation of finance costs	263	263
Other	34,000	-
Unrealised foreign exchange gain	(127,341)	(127,341)
At 31 March 2018	<u>7,153,276</u>	<u>7,156,276</u>

The Group has to maintain the financial ratios restricted in the long-term borrowing agreements and to comply with certain restrictions and maintain certain financial ratios under the terms and conditions of the debentures.

Credit facilities

As at 31 March 2018, available credit facilities for loans from local and overseas banks are Baht 4,453 million and USD 30 million (31 December 2017: Baht 4,583.03 million and USD 30 million).

Reconciliation of liabilities arising from financing activities

	Unit: Thousand Baht				
	Consolidated financial statements				
	Short- term loan	Finance lease liabilities	Long- term loans	Debentures	Total
As at 1 January 2018	-	30,721	2,905,450	4,510,246	7,446,417
<i>Change in cashflows</i>					
Repayment of borrowings	-	(1,523)	(198,540)	-	(200,063)
<i>Non-cash changes</i>					
Amortisation of finance costs	-	-	-	263	263
Investment in debentures within the Group	-	-	-	34,000	34,000
Change in currency translation	-	-	(127,341)	-	(127,341)
As at 31 March 2018	<u>-</u>	<u>29,198</u>	<u>2,579,569</u>	<u>4,544,509</u>	<u>7,153,276</u>

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Unit: Thousand Baht

Consolidated financial statements					
	Short-term loan	Finance lease liabilities	Long-term loans	Debentures	Total
As at 1 January 2017	230,000	43,369	5,405,311	4,546,180	10,224,860
<i>Change in cashflows</i>					
Proceed from borrowing	230,000	-	-	-	230,000
Repayment of borrowings	(230,000)	(2,693)	(330,332)	-	(563,025)
<i>Non-cash changes</i>					
Amortisation of finance costs	-	-	-	263	263
Investment in debentures within the Group	-	-	-	(34,000)	(34,000)
Change in currency translation	-	-	(191,042)	-	(191,042)
As at 31 March 2017	<u>230,000</u>	<u>40,676</u>	<u>4,883,937</u>	<u>4,512,443</u>	<u>9,667,056</u>

Unit: Thousand Baht

Separated financial statements				
	Finance lease liabilities	Long-term loans	Debentures	Total
As at 1 January 2018	30,721	2,905,450	4,547,246	7,483,417
<i>Change in cashflows</i>				
Repayment of borrowings	(1,523)	(198,540)	-	(200,063)
<i>Non-cash changes</i>				
Amortisation of finance costs	-	-	263	263
Change in currency translation	-	(127,341)	-	(127,341)
As at 31 March 2018	<u>29,198</u>	<u>2,579,569</u>	<u>4,547,509</u>	<u>7,156,276</u>

Unit: Thousand Baht

Separated financial statements				
	Finance lease liabilities	Long-term loans	Debentures	Total
As at 1 January 2017	38,561	5,285,311	4,546,180	9,870,052
<i>Change in cashflows</i>				
Repayment of borrowings	(2,467)	(330,332)	-	(332,799)
<i>Non-cash changes</i>				
Amortisation of finance costs	-	-	263	263
Change in currency translation	-	(191,042)	-	(191,042)
As at 31 March 2017	<u>36,094</u>	<u>4,763,937</u>	<u>4,546,443</u>	<u>9,346,474</u>

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10. Share capital and share-based payment transaction

	<i>Par value per share (Baht)</i>	2018		2017	
		Number Share'000	Amount Baht'000	Number Share'000	Amount Baht'000
<i>Authorised</i>					
At 1 January					
- ordinary shares	5	<u>1,099,977</u>	<u>5,499,884</u>	<u>1,099,977</u>	<u>5,499,884</u>
At 31 March					
- ordinary shares	5	<u>1,099,977</u>	<u>5,499,884</u>	<u>1,099,977</u>	<u>5,499,884</u>
<i>Issued and paid-up</i>					
At 1 January					
- ordinary shares	5	<u>1,096,067</u>	<u>5,480,333</u>	<u>1,095,994</u>	<u>5,479,970</u>
At 31 March					
- ordinary shares	5	<u>1,096,067</u>	<u>5,480,333</u>	<u>1,095,994</u>	<u>5,479,970</u>

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.

Share-based payment transactions

10.1 Share-based payment transaction which paid by share

10.1.1 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 employees who are full-time employed and qualify for the Performance Share Plan project ("Project"). Major information is listed below:

	Project I	Project II	Project III	Project IV
Issued date:	28 March 2013	27 March 2014	26 March 2015	30 March 2016
Issued:	682,000 units	1,197,700 units	1,085,300 units	1,074,300 units
Exercise price:	23.266 Baht/Share	38.265 Baht/Share	37.626 Baht/Share	25.918 Baht/Share
Number of reserved shares:	682,000 shares	1,197,700 shares	1,085,300 shares	1,074,300 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			

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Movements in the number of warrants outstanding are as follows:

	1 January 2018	Issue during the period	Return during the period	Exercise during the period	31 March 2018
	thousand unit	thousand unit	thousand unit	thousand unit	thousand unit
ESOP - Grant I					
Directors	360	-	-	-	360
Employees	193	-	-	-	193
Total	553	-	-	-	553
ESOP - Grant II					
Directors	374	-	-	-	374
Employees	769	-	-	-	769
Total	1,143	-	-	-	1,143
ESOP - Grant III					
Directors	254	-	-	-	254
Employees	691	-	-	-	691
Total	945	-	-	-	945
ESOP - Grant IV					
Directors	155	-	-	-	155
Employees	741	-	-	-	741
Total	896	-	-	-	896
Grand Total	3,537	-	-	-	3,537

10.1.2 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	Project IV
Fair value at grant date	Baht 35.037	Baht 27.864	Baht 20.424	Baht 12.475
Share price at grant date	Baht 35.750	Baht 40.500	Baht 36.500	Baht 27.000
Exercise price	Baht 23.266	Baht 38.265	Baht 37.626	Baht 25.918
Expected volatility	55.392%	41.562%	39.894%	36.534%
Expected dividend	1.119%	1.111%	1.781%	2.407%
Risk-free interest rate	3.074%	3.082%	2.340%	1.721%

Reconciliation of other reserve-shared-based payment which paid by share:

	Consolidate and Separate financial statements	
	2018	2017
<i>For three-month periods ended 31 March</i>	Baht'000	Baht'000
At 1 January	11,793	21,521
Total expense recognised in the statement of profit or loss during the period	922	2,553
At 31 March	12,715	24,074

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10.2 Share-based payment transaction which paid by cash

10.2.1 Information of project

Share-based payment on the Project V is based on the same method and basis of compensation calculation as of the four projects earlier. The compensation of the Project V will be paid in cash. Major information is listed below

	Project V
Issued date:	4 August 2017
Issued:	21,645,600 units
Exercise price:	15.986 Baht/Share
Offer period:	5 years from the start date of the Project

10.2.2 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 V
Fair value at grant date	Baht 5.091
Share price at grant date	Baht 16.10
Exercise price	Baht 15.986
Expected volatility	32.197%
Expected dividend	4.348%
Risk-free interest rate	1.817%

Reconciliation of liability - shared-based payment which paid by cash:

	Consolidate and Separate financial statements	
	2018	2017
<i>For three-month periods ended 31 March</i>	Baht'000	Baht'000
At 1 January	-	-
Total expense recognised in the statement of profit or loss during the period	18,988	-
At 31 March	18,988	-

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.

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11. Segment information

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

Business segments

The Group comprises the following main business segments:

Segment 1	Services relating to the satellite business and the transponder services segment
Segment 2	Sales and services relating to the internet and media business
Segment 3	Sales and services relating to the telephone network business

Geographic segments

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

The areas of operation in Thailand are principally satellite business services, internet and media services and printing and publishing of business telephone directories services. Lao PDRs' main activities are sales and services relating to telephone network business and satellite business services. Australia, China, India, 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	China
Segment 3	India
Segment 4	Japan
Segment 5	Myanmar
Segment 6	Others

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Revenue and results, based on business segments, in the consolidated financial statements for the three-month periods ended 31 March 2018 and 2017 were as follows:

<i>For the three-month periods ended 31 March</i>	Satellite business services		Internet services and media		Telephone network		Consolidation eliminations		Total continuing operations		Discontinued operation		Consolidated financial statements	
	2018 Million Baht	2017 Million Baht	2018 Million Baht	2017 Million Baht	2018 Million Baht	2017 Million Baht	2018 Million Baht	2017 Million Baht	2018 Million Baht	2017 Million Baht	2018 Million Baht	2017 Million Baht	2018 Million Baht	2017 Million Baht
Revenues	1,462	1,956	57	94	-	-	(15)	(32)	1,504	2,018	224	713	1,728	2,731
Shares of profit of investment in joint venture	-	-	-	-	33	24	-	-	33	24	-	-	33	24
Cost of sales and services	(980)	(1,383)	(46)	(71)	-	-	25	27	(1,001)	(1,427)	(137)	(443)	(1,138)	(1,870)
Selling and administrative expenses	(516)	(377)	(7)	(3)	-	-	1	3	(522)	(377)	(51)	(166)	(573)	(543)
Segment results	(34)	196	4	20	33	24	11	(2)	14	238	36	104	50	342
Other income									43	44	3	7	46	51
Net gain (loss) on foreign exchange									(24)	95	-	-	(24)	95
Gain on sale of investment in subsidiary									1,950	-	-	-	1,950	-
Profit before finance cost and income tax									1,983	377	39	111	2,022	488
Finance costs									(81)	(101)	(1)	(4)	(82)	(105)
Operating profit									1,902	276	38	107	1,940	383
Income tax									(51)	(53)	(8)	(22)	(59)	(75)
Non-controlling interests									-	-	(17)	(49)	(17)	(49)
Net Profit									1,851	223	13	36	1,864	259

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Revenue and results, based on geographical segments, in the consolidated financial statements for the three-month periods ended 31 March 2018 and 2017 were as follows:

<i>For the three-month periods ended 31 March</i>	2018	2017
	Baht'000	Baht'000
<i>Segment revenue</i>		
Thailand	780,704	956,105
China	1,151	73,927
India	177,638	173,511
Japan	182,789	261,417
Myanmar	52,436	118,108
Others	308,889	434,913
Total from operation segment	1,503,607	2,017,981
Discontinued operation	224,806	713,453
Total	1,728,413	2,731,434

Major customers

For the three-month periods ended 31 March 2018 and 2017, the Group has no revenue transactions with a single external customer amount to 10 percent or more of the Group's revenues.

12. Earnings per share

Basic earnings per share

The calculation of basic earnings per share for the three-month periods ended 31 March 2018 and 2017 was based on the earnings for the period attributable to equity holders of the Company and the number of ordinary shares outstanding during each period as follows:

	Consolidated financial statements and separate financial statements					
	2018			2017		
	Continuing operation	Discontinued operation	Total	Continuing operation	Discontinued operation	Total
	<i>(in thousand Baht/thousand shares)</i>					
<i>For the three-month periods ended 31 March</i>						
Profit attributable to ordinary shareholders of the Company (basic)	1,851,416	12,509	1,863,925	223,078	35,647	258,725
Number of ordinary shares outstanding	1,096,067	1,096,067	1,096,067	1,095,994	1,095,994	1,095,994
Earnings per share (basic) (in Baht)	1.69	0.01	1.70	0.20	0.04	0.24

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Diluted earnings per share

The calculation of diluted earnings per share for the three-month periods ended 31 March 2018 and 2017 was based on the earnings for the period attributable to equity holders of the Company and the number of ordinary shares outstanding during the period after adjusting for the effects of all dilutive potential ordinary shares as follows:

	Consolidated financial statements and separate financial statements					
	2018			2017		
	Continuing operation	Discontinued operation	Total	Continuing operation	Discontinued operation	Total
	<i>(in thousand Baht/thousand shares)</i>					
For the three-month periods ended 31 March						
Profit attributable to ordinary shareholders of the Company (diluted)	<u>1,851,416</u>	<u>12,509</u>	<u>1,863,925</u>	<u>223,078</u>	<u>35,647</u>	<u>258,725</u>
Weighted average number of ordinary shares outstanding (basic)	1,096,067	1,096,067	1,096,067	1,095,994	1,095,994	1,095,994
Effect of exercise of share options	-	-	-	-	-	-
Weighted average number of ordinary shares outstanding (diluted)	<u>1,096,067</u>	<u>1,096,067</u>	<u>1,096,067</u>	<u>1,095,994</u>	<u>1,095,994</u>	<u>1,095,994</u>
Earnings per share (diluted) (in Baht)	<u>1.69</u>	<u>0.01</u>	<u>1.70</u>	<u>0.20</u>	<u>0.04</u>	<u>0.24</u>

13. Dividends

At the annual general meeting of the shareholders of the Company held on 28 March 2018, the shareholders approved the appropriation of interim dividend of Baht 1.36 per share, amounting to Baht 1,491 million. The dividend was paid to shareholders on 25 April 2018.

At the annual general meeting of the shareholders of the Company held on 29 March 2017, the shareholders approved the appropriation of dividend of Baht 0.70 per share, amounting to Baht 767 million. The dividend was paid to shareholders on 26 April 2017.

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14. Commitments with non-related parties

14.1 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 Digital Economy and Society (“MDE”) (previously named Ministry of Information and Communication Technology (“MICT”)).

Under the aforementioned agreement, the Company must pay an annual fee to MDE based on a percentage of certain service incomes or at the minimum level specified in the agreement, whichever is higher. As at 31 March 2018, the remaining minimum fee is Baht 307 million (31 December 2017: Baht 327 million). In addition, the Company, according to the aforementioned agreement, must transfer its ownership of all satellites, and monitoring stations and other operating equipment to MDE on the date of completion of construction and installation.

14.2 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 (“LAOGOV”) 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, 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 9). 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.

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

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
License of the Company		
Telecom Operation License Type I	16 August 2016	5 years
Telecom Operation License Type III	26 September 2012	20 years
Internet Operation License Type I	7 May 2015	5 years
License of DTV Service Company Limited		
Broadcasting Operation License	21 January 2013	15 years
Broadcasting Operation License (Lao Star)	28 January 2016	5 years
Broadcasting Operation License (D-Channel)	28 January 2016	5 years
Broadcasting Operation License (Lao PSTV)	13 July 2016	2 years
Broadcasting Operation License (LNTV 3)	13 July 2016	2 years
Broadcasting Operation License (TV Lao)	24 November 2017	5 years
License of TC Broadcasting Company Limited		
Broadcasting Operation License	4 March 2013	15 years
Telecom Operation License Type III	10 November 2015	15 years

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14.4 Operating lease commitments

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

	Currency	Consolidated financial statements		Separate financial statements	
		31 March 2018	31 December 2017	31 March 2018	31 December 2017
		thousands	thousands	thousands	thousands
Within one year	THB	11,509	16,121	11,509	16,121
	YEN	1,452	1,452	-	-
	USD	205	247	118	195
	INR	2,434	2,434	-	-
	IDR	19,800	-	19,800	-
	MYR	26	-	26	-
	PHP	460	600	460	600
	VND	5,012	-	5,012	-
	CNY	186	-	186	-
	AUD	186	186	-	-
	NZD	-	26	-	-
Total equivalent Baht		<u>25,663</u>	<u>31,627</u>	<u>16,707</u>	<u>22,937</u>
After one year but within five years	THB	8,614	9,514	8,614	9,514
	YEN	5,441	5,441	-	-
	USD	-	36	-	-
	INR	3,651	1,825	-	-
	AUD	187	189	-	-
Total equivalent Baht		<u>16,668</u>	<u>18,013</u>	<u>8,614</u>	<u>9,514</u>
Grand total equivalent Baht		<u>42,331</u>	<u>49,640</u>	<u>25,321</u>	<u>32,451</u>

14.5 Other commitments

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

	Currency	Consolidated financial statements		Separate financial statements	
		31 March 2018	31 December 2017	31 March 2018	31 December 2017
		thousands	thousands	thousands	thousands
Minimum operating agreement fee payable to Ministry of Digital Economy and Society	THB	54,000	54,000	54,000	54,000
Satellite space leasing by customers	USD	2,565	2,529	2,558	2,522
	THB	17,389	21,235	17,233	21,079
Others	THB	17,684	16,681	17,415	16,411

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15. 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 INR 859.4 million (approximately Baht 413 million) against the said payment received by it from the customers and also levied penalty of INR 566.1 million (approximately Baht 272 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 INR 593.8 million (approximately Baht 285 million), in which part of the amount is substituted and paid by the customer on behalf of the Company and used it as deposit. The Company had also deposited INR 480.4 million (approximately Baht 231 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 INR 162.4 million (approximately Baht 78 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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16. Other events

- 16.1 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.
- 16.2 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 Digital Economy and Society (“MDE”) (previously named 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.

- 16.3 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.

On 8 September 2016, The Intellectual Property Court issued an order that THAICOM and its directors were dismissed from the case on the ground that THAICOM and its directors did not mutually infringe the movie copyright of the Plaintiff. At present, the Plaintiff got a permission from the Court to file the appeal of the Court Order within 8 November 2016. On 19 December 2016, THAICOM has filed an argument against appeal to Court. Currently, the matter is in process, awaiting the Supreme Court.

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16.4 A subsidiary of the company was being sued and claimed for the damages of satellite equipment in Australia since 2011. On 22 December 2016 the Court gave its judgement that the subsidiary shall compensate for damages of 5.3 million Australian dollars with interest which the impact of such expense was recorded in the financial statements for the year 2016. On 17 March 2017, the subsidiary has filed an argument against appeal to Court.

On 16 February 2018, the Court ordered the appeal be dismissed which a subsidiary paid an interest and a portion of expense after the Court's decision in the amount of 1.8 million Australian dollars. Nonetheless, the additional legal costs which a subsidiary shall compensate the plaintiff are being aggregated for the certain amount by the Court.

16.5 The Company and its partner have a different interpretation of certain clauses of the cooperation agreement. As a result, the Company and such company have submitted the case to the arbitrator to consider and find a solution for such different view. All witnesses from both parties have been already cross-examined, the arbitrator has already been considered that the interpretation of certain clauses of the Company is correct, and this decision is final.

16.6 Dispute over THAICOM 7 and THAICOM 8 satellites under Operating Agreement on Domestic Communication Satellite

On 5 October 2017, the Company received a letter from the Ministry of Digital Economy and Society (the "Ministry") stating that Thaicom 7 and Thaicom 8 satellites were the satellites under the Operating Agreement on Domestic Communication Satellite dated 11 September 1991 between Intouch Holdings Public Company Limited ("INTOUCH") and the Ministry (formerly known as the Ministry of Information and Communication Technology (MICT)) (the "Agreement"), which INTOUCH established the Company to operate works under the Agreement. In this regard, the letter from the Ministry stated a request for the full compliance with the Agreement on an urgent basis; e.g. transfer of ownership and delivery of assets, procurement of the backup satellite(s), payment of overdue revenue sharing, and property insurance.

The Extra-Ordinary Board of Directors' Meetings of the Company on 24 October 2017, respectively, considered such letter and consulted with legal advisor and then opined that Thaicom 7 and Thaicom 8 satellites were not the satellites under the Agreement as the procedures of Thaicom 7 and Thaicom 8 satellites fell under the scope of license received from the National Broadcasting and Telecommunications Commission. Moreover, the Company has fully complied with the terms and conditions of the Agreement and has not proceeded with any operations against or violating the Agreement. Therefore, the Company had a different opinion from the Ministry on Thaicom 7 and Thaicom 8 satellites. Accordingly, the Meetings resolved that the Company submit to an arbitrator the dispute, resulting from the terms of and compliance with the Agreement and that the parties thereto have not been able to resolve it, for further settlement. This is in accordance with Clause 45.1 of the Agreement and the Company has submitted the dispute to the Arbitration Institute on 25 October 2017, as appeared in the Black Case No. 97/2560.

During a period that the dispute is pending arbitration proceedings, the Company does not have any duties to comply with any of the foregoing requests made by the Ministry until an award is rendered, pursuant to Clause 45.6 of the Agreement, stating that in the event where there is a dispute pending arbitration proceedings, the parties shall still be obligated to comply with terms of the Agreement until an award is rendered.

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17. Reclassification of accounts

Certain accounts in the consolidated statement of profit or loss for the three-month period ended 31 March 2017, to conform to the presentation of discontinued operation for the comparative purpose of year 2018.

	2017		
	Consolidated financial statements		
	Before reclassifications Baht'000	Reclassifications Baht'000	After reclassifications Baht'000
<i>Statements of profit or loss</i>			
Revenues from sale of goods and rendering of services	2,731,434	(713,453)	2,017,981
Net foreign exchange gain	94,882	(63)	94,819
Other income	50,680	(7,170)	43,510
Total income	<u>2,877,182</u>	<u>(720,686)</u>	<u>2,156,496</u>
Cost of sale of goods and rendering of services	1,604,128	(442,531)	1,161,597
Selling expenses	69,045	(30,620)	38,425
Administrative expenses	451,795	(128,980)	322,815
Directors and management benefit expenses	22,220	(6,412)	15,808
Finance costs	105,568	(4,855)	100,713
Total expenses	<u>2,518,606</u>	<u>(613,398)</u>	<u>1,905,208</u>
Profit before income tax expense	<u>383,000</u>	<u>(107,288)</u>	<u>275,712</u>
Income tax expense	(75,192)	22,558	(52,634)
Profit for the period	<u>307,808</u>	<u>(84,730)</u>	<u>223,078</u>