

**Thaicom Public Company Limited
and its Subsidiaries**

Interim financial statements
and
Review Report of Certified Public Accountant

For the three-month and nine-month periods ended
30 September 2011

Review Report of Certified Public Accountant

To the Board of Directors of Thaicom Public Company Limited

I have reviewed the accompanying consolidated and separate statements of financial position as at 30 September 2011, the related statements of income and comprehensive income for the three-month and nine-month periods ended 30 September 2011 and 2010; and the related statements of changes in equity and cash flows for the nine-month periods ended 30 September 2011 and 2010, of Thaicom Public Company Limited and its subsidiaries, and of Thaicom Public Company Limited, respectively. The Company's management is responsible for the correctness and completeness of information presented in these financial statements. My responsibility is to issue a report on these financial statements based on my reviews.

I conducted my reviews in accordance with the auditing standard on review engagements. This Standard requires that I plan and perform the review to obtain moderate assurance as to whether the financial statements are free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit in accordance with generally accepted auditing standards. I have not performed an audit and, accordingly, I do not express an audit opinion on the reviewed financial statements.

Based on my reviews, nothing has come to my attention that causes me to believe that the financial statements referred to above are not presented fairly, in all material respects, in accordance with Financial Reporting Standards.

As explained in notes 2 and 3 to the financial statements, with effect from 1 January 2011 the Company has adopted certain new and revised financial reporting standards. The consolidated and separate financial statements for the three-month and nine-month periods ended 30 September 2010, which are included in the accompanying financial statements for comparative purposes, have been restated accordingly.

I have previously audited the consolidated and separate financial statements for the year ended 31 December 2010 of Thaicom Public Company Limited and its subsidiaries, and of Thaicom Public Company Limited, respectively, in accordance with generally accepted auditing standards and expressed an unqualified opinion on those financial statements in my report dated 16 February 2011. As explained in notes 2 and 3 to the accompanying financial statements, those financial statements have been restated consequent to the adoption of certain new and revised financial reporting standards. I have audited the adjustments that were applied to the restatement of those financial statements and in my opinion those adjustments are appropriate and have been properly applied. Other than the audit of those adjustments, I have not performed any auditing procedures since the date of my audit report. The consolidated and separate statements of financial position as at 31 December 2010, which are included in the accompanying financial statements for comparative purposes, are components of those restated financial statements.

(Winid Silamongkol)
Certified Public Accountant
Registration No. 3378

KPMG Phoomchai Audit Ltd.
Bangkok
10 November 2011

Thaicom Public Company Limited and its Subsidiaries

Statements of financial position

As at 30 September 2011 and 31 December 2010

Assets	Note	Consolidated financial statements		Separate financial statements	
		30 September 2011 (Unaudited)	31 December 2010 (Restated)	30 September 2011 (Unaudited)	31 December 2010 (Restated)
<i>(in thousand Baht)</i>					
Current assets					
Cash and cash equivalents		2,166,227	1,271,920	1,047,471	518,439
Trade accounts receivable and accrued income	5	1,189,188	1,022,742	1,183,465	772,643
Amounts due from related parties	4	3,084	1,480	150,304	122,981
Short-term loan to a jointly-controlled entity	4	28,805	-	58,786	-
Inventories		294,870	413,012	182,988	258,518
Prepaid insurance		64,643	63,406	62,914	61,115
Other current assets		239,182	253,628	64,049	115,881
Total current assets		3,985,999	3,026,188	2,749,977	1,849,577
Non-current assets					
Long-term loans to subsidiaries	4	-	-	215,543	208,540
Investments in subsidiaries, jointly - controlled entities and associate	6	429,039	439,868	830,200	830,200
Property and equipment	7	6,414,394	5,262,646	2,360,871	1,089,280
Property and equipment under operating agreements	7	13,168,689	14,177,126	13,168,689	14,177,126
Deferred charges	7	112,718	41,053	111,245	38,942
Intangible assets	7	1,037,483	1,103,078	884,585	947,955
Deferred tax assets		1,217,092	1,157,837	1,096,308	1,053,434
Other non-current assets		708,539	660,312	680,593	632,223
Total non-current assets		23,087,954	22,841,920	19,348,034	18,977,700
Total assets		27,073,953	25,868,108	22,098,011	20,827,277

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

Thaicom Public Company Limited and its Subsidiaries

Statements of financial position

As at 30 September 2011 and 31 December 2010

Liabilities and equity	Note	Consolidated financial statements		Separate financial statements	
		30 September 2011 (Unaudited)	31 December 2010 (Restated)	30 September 2011 (Unaudited)	31 December 2010 (Restated)
<i>(in thousand Baht)</i>					
Current liabilities					
Short-term loans from financial institutions	9	1,032,198	-	1,032,198	-
Trade accounts payable		480,850	530,829	263,830	305,730
Accounts payable - property and equipment		1,010,225	920,780	404,073	28,454
Amounts due to related parties	4	2,352	3,635	11,380	52,578
Short-term loan from jointly-controlled entity	4	28,935	-	-	-
Current portion of long-term loans	9	1,300,392	854,474	5,064	5,444
Advance receipts from customers		281,945	320,372	139,771	22,652
Accrued operating agreement fee		108,407	205,457	37,572	129,837
Accrued expenses		283,056	268,873	153,353	166,422
Income tax payable		96,770	131,345	-	-
Other current liabilities		243,578	163,582	149,829	88,080
Total current liabilities		4,868,708	3,399,347	2,197,070	799,197
Non-current liabilities					
Long-term loans	9	7,312,444	7,543,879	7,009,292	7,005,284
Employee benefit obligations	8	162,954	150,876	92,285	88,604
Deferred tax liabilities		124,441	130,806	-	-
Other non-current liabilities		162,846	99,971	152,587	89,173
Total non-current liabilities		7,762,685	7,925,532	7,254,164	7,183,061
Total liabilities		12,631,393	11,324,879	9,451,234	7,982,258

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

Thaicom Public Company Limited and its Subsidiaries

Statements of financial position

As at 30 September 2011 and 31 December 2010

Liabilities and equity	Note	Consolidated financial statements		Separate financial statements	
		30 September 2011 (Unaudited)	31 December 2010 (Restated)	30 September 2011 (Unaudited)	31 December 2010 (Restated)
<i>(in thousand Baht)</i>					
Equity					
Share capital	10				
Authorised share capital		5,660,412	5,660,412	5,660,412	5,660,412
Issued and paid-up share capital		5,479,688	5,479,688	5,479,688	5,479,688
Premium on share capital		4,301,990	4,301,990	4,301,990	4,301,990
Retained earnings					
Appropriated					
Legal reserve		413,853	413,853	413,853	413,853
Unappropriated		4,046,905	4,222,515	2,451,246	2,649,488
Other components of equity		146,850	80,310	-	-
Equity attributable to owners of the Company		14,389,286	14,498,356	12,646,777	12,845,019
Non-controlling interests		53,274	44,873	-	-
Total equity		14,442,560	14,543,229	12,646,777	12,845,019
Total liabilities and equity		27,073,953	25,868,108	22,098,011	20,827,277

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

Thaicom Public Company Limited and its Subsidiaries

Statements of income

For the three-month periods ended 30 September 2011 and 2010 (Unaudited)

	Note	Consolidated financial statements		Separate financial statements	
		2011	2010 (Restated)	2011	2010 (Restated)
<i>(in thousand Baht)</i>					
Income	4				
Revenues from sale of goods and rendering of services		1,968,440	1,618,126	1,303,320	882,892
Other income		18,507	14,684	19,774	23,915
Total income		1,986,947	1,632,810	1,323,094	906,807
Expenses	4				
Cost of sale of goods and rendering of services		1,273,820	1,299,073	861,022	782,712
Operating agreements fee		154,912	124,050	149,825	116,414
Selling expenses		38,973	71,910	17,479	20,715
Administrative expenses		325,802	363,939	179,089	220,527
Directors and management benefit expenses		25,208	11,015	25,082	10,890
Net foreign exchange loss		22,801	32,061	38,829	68,703
Total expenses		1,841,516	1,902,048	1,271,326	1,219,961
Share of profit of associate		31,834	30,783	-	-
Profit (loss) before finance costs and income tax expense		177,265	(238,455)	51,768	(313,154)
Finance costs		(118,703)	(120,687)	(105,275)	(104,895)
Profit (loss) before income tax expense		58,562	(359,142)	(53,507)	(418,049)
Income tax expense		(39,945)	42,340	8,502	98,735
Profit (loss) for the period		18,617	(316,802)	(45,005)	(319,314)
Profit (loss) attributable to:					
Owners of the Company		16,035	(317,456)	(45,005)	(319,314)
Non-controlling interests		2,582	654	-	-
Profit (loss) for the period		18,617	(316,802)	(45,005)	(319,314)
Earnings (loss) per share	13				
Basic <i>(in Baht)</i>		0.01	(0.29)	(0.04)	(0.29)
Diluted <i>(in Baht)</i>		0.01	(0.29)	(0.04)	(0.29)

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

Thaicom Public Company Limited and its Subsidiaries

Statements of comprehensive income

For the three-month periods ended 30 September 2011 and 2010 (Unaudited)

	<i>Note</i>	Consolidated financial statements		Separate financial statements	
		2011	2010 (Restated)	2011	2010 (Restated)
<i>(in thousand Baht)</i>					
Profit (loss) for the period		18,617	(316,802)	(45,005)	(319,314)
Other comprehensive income	<i>11</i>				
Foreign currency translation differences		(56,325)	(69,014)	-	-
Other comprehensive income for the period, net of income tax		(56,325)	(69,014)	-	-
Total comprehensive income for the period		(37,708)	(385,816)	(45,005)	(319,314)
Total comprehensive income attributable to:					
Owners of the Company		(41,101)	(383,639)	(45,005)	(319,314)
Non-controlling interests		3,393	(2,177)	-	-
Total comprehensive income for the period		(37,708)	(385,816)	(45,005)	(319,314)

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

Thaicom Public Company Limited and its Subsidiaries

Statements of income

For the nine-month periods ended 30 September 2011 and 2010 (Unaudited)

	Note	Consolidated financial statements		Separate financial statements	
		2011	2010 (Restated)	2011	2010 (Restated)
<i>(in thousand Baht)</i>					
Income	4				
Revenues from sale of goods and rendering of services		5,400,336	5,047,800	3,376,106	2,912,174
Other income		59,084	84,252	61,623	112,028
Total income		5,459,420	5,132,052	3,437,729	3,024,202
Expenses	4				
Cost of sale of goods and rendering of services		3,720,045	4,026,481	2,315,962	2,532,342
Operating agreements fee		430,471	369,185	413,894	340,747
Selling expenses		126,885	177,742	54,541	57,663
Administrative expenses		974,122	910,310	505,797	524,286
Directors and management benefit expenses		49,603	32,685	49,226	32,304
Net foreign exchange loss		45,473	83,187	28,436	89,263
Total expenses		5,346,599	5,599,590	3,367,856	3,576,605
Share of profit of associate	6	118,872	107,541	-	-
Profit (loss) before finance costs and income tax expense		231,693	(359,997)	69,873	(552,403)
Finance costs		(359,380)	(377,133)	(310,989)	(322,893)
Loss before income tax expense		(127,687)	(737,130)	(241,116)	(875,296)
Income tax expense		(41,292)	107,084	42,874	213,080
Loss for the period		(168,979)	(630,046)	(198,242)	(662,216)
Profit (loss) attributable to:					
Owners of the Company		(175,610)	(633,918)	(198,242)	(662,216)
Non-controlling interests		6,631	3,872	-	-
Loss for the period		(168,979)	(630,046)	(198,242)	(662,216)
Loss per share	13				
Basic <i>(in Baht)</i>		(0.16)	(0.58)	(0.18)	(0.60)
Diluted <i>(in Baht)</i>		(0.16)	(0.58)	(0.18)	(0.60)

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

Thaicom Public Company Limited and its Subsidiaries

Statements of comprehensive income

For the nine-month periods ended 30 September 2011 and 2010 (Unaudited)

	<i>Note</i>	Consolidated financial statements		Separate financial statements	
		2011	2010 (Restated)	2011	2010 (Restated)
<i>(in thousand Baht)</i>					
Loss for the period		(168,979)	(630,046)	(198,242)	(662,216)
Other comprehensive income	<i>11</i>				
Foreign currency translation differences		67,959	(144,600)	-	-
Other comprehensive income for the period, net of income tax		67,959	(144,600)	-	-
Total comprehensive income for the period		(101,020)	(774,646)	(198,242)	(662,216)
Total comprehensive income attributable to:					
Owners of the Company		(109,421)	(774,454)	(198,242)	(662,216)
Non-controlling interests		8,401	(192)	-	-
Total comprehensive income for the period		(101,020)	(774,646)	(198,242)	(662,216)

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

Thaicom Public Company Limited and its Subsidiaries

Statements of changes in equity

For the nine-month periods ended 30 September 2011 and 2010 (Unaudited)

Consolidated financial statements										
Equity attributable to owners of the Company										
	Retained earnings				Other components of equity			Equity attributable to owners of the Company	Non-controlling interests	Total equity
	Issued and paid-up share capital	Premium on share capital	Legal reserve	Unappropriated	Cumulative gain on dilution of investment in a subsidiary and an associate	Currency translation differences	Total other components of equity			
Note	<i>(in thousand Baht)</i>									
Balance at 1 January 2010 - as reported	5,479,688	4,301,990	413,853	5,146,786	349,348	(108,967)	240,381	15,582,698	43,113	15,625,811
Impact of changes in accounting policies	3	-	-	(118,565)	-	-	-	(118,565)	(69)	(118,634)
Balance at 1 January 2010 - restated	5,479,688	4,301,990	413,853	5,028,221	349,348	(108,967)	240,381	15,464,133	43,044	15,507,177
Transactions with owners, recorded directly in equity										
Unrealised loss from decrease in shareholding in a subsidiary and an associate	-	-	-	-	(15,835)	-	(15,835)	(15,835)	-	(15,835)
Total transactions with owners, recorded directly in equity	-	-	-	-	(15,835)	-	(15,835)	(15,835)	-	(15,835)
Comprehensive income for the period										
Profit (loss) for the period	-	-	-	(633,918)	-	-	-	(633,918)	3,872	(630,046)
Other comprehensive income	11	-	-	-	-	(140,536)	(140,536)	(140,536)	(4,064)	(144,600)
Total comprehensive income for the period	-	-	-	(633,918)	-	(140,536)	(140,536)	(774,454)	(192)	(774,646)
Balance at 30 September 2010	5,479,688	4,301,990	413,853	4,394,303	333,513	(249,503)	84,010	14,673,844	42,852	14,716,696

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

Thaicom Public Company Limited and its Subsidiaries
Statements of changes in equity
For the nine-month periods ended 30 September 2011 and 2010 (Unaudited)

Consolidated financial statements										
Equity attributable to owners of the Company										
	Retained earnings				Other components of equity					
	Issued and paid-up share capital	Premium on share capital	Legal reserve	Unappropriated	Cumulative gain on dilution of investment in a subsidiary and an associate	Currency translation differences	Total other components of equity	Equity attributable to owners of the Company	Non- controlling interests	Total equity
<i>Note</i>	<i>(in thousand Baht)</i>									
Balance at 1 January 2011 - as reported	5,479,688	4,301,990	413,853	4,357,853	333,830	(253,520)	80,310	14,633,694	44,958	14,678,652
Impact of changes in accounting policies	-	-	-	(135,338)	-	-	-	(135,338)	(85)	(135,423)
Balance at 1 January 2011 - restated	5,479,688	4,301,990	413,853	4,222,515	333,830	(253,520)	80,310	14,498,356	44,873	14,543,229
Transactions with owners, recorded directly in equity										
Unrealised gain from decrease in shareholding in an associate	-	-	-	-	351	-	351	351	-	351
Net income recognised directly in equity	-	-	-	-	351	-	351	351	-	351
Comprehensive income for the period										
Profit (loss) for the period	-	-	-	(175,610)	-	-	-	(175,610)	6,631	(168,979)
Other comprehensive income	-	-	-	-	-	66,189	66,189	66,189	1,770	67,959
Total comprehensive income for the period	-	-	-	(175,610)	-	66,189	66,189	(109,421)	8,401	(101,020)
Balance at 30 September 2011	5,479,688	4,301,990	413,853	4,046,905	334,181	(187,331)	146,850	14,389,286	53,274	14,442,560

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

Thaicom Public Company Limited and its Subsidiaries

Statements of changes in equity

For the nine-month periods ended 30 September 2011 and 2010 (Unaudited)

		Separate financial statements				
		Issued and paid-up share capital	Premium on share capital	Retained earnings		Total equity
				Legal reserve	Unappropriated	
		<i>(in thousand Baht)</i>				
	<i>Note</i>					
Balance at 1 January 2010 - as reported		5,479,688	4,301,990	413,853	3,476,747	13,672,278
Impact of changes in accounting policies	3	-	-	-	(56,264)	(56,264)
Balance at 1 January 2010 - restated		5,479,688	4,301,990	413,853	3,420,483	13,616,014
Comprehensive income for the period						
Loss for the period		-	-	-	(662,216)	(662,216)
Total comprehensive income for the period		-	-	-	(662,216)	(662,216)
Balance at 30 September 2010		5,479,688	4,301,990	413,853	2,758,267	12,953,798
Balance at 1 January 2011 - as reported		5,479,688	4,301,990	413,853	2,714,387	12,909,918
Impact of changes in accounting policies	3	-	-	-	(64,899)	(64,899)
Balance at 1 January 2011 - restated		5,479,688	4,301,990	413,853	2,649,488	12,845,019
Comprehensive income for the period						
Loss for the period		-	-	-	(198,242)	(198,242)
Total comprehensive income for the period		-	-	-	(198,242)	(198,242)
Balance at 30 September 2011		5,479,688	4,301,990	413,853	2,451,246	12,646,777

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

Thaicom Public Company Limited and its Subsidiaries

Statements of cash flows

For the nine-month periods ended 30 September 2011 and 2010 (Unaudited)

	Note	Consolidated financial statements		Separate financial statements	
		2011	2010 (Restated)	2011	2010 (Restated)
<i>(in thousand Baht)</i>					
<i>Cash flows from operating activities</i>					
Loss for the period		(175,610)	(633,918)	(198,242)	(662,216)
<i>Adjustments for</i>					
Depreciation of property and equipment	7	821,527	829,252	266,846	291,468
Amortisation of property and equipment under operating agreements	7	1,010,355	1,010,221	1,010,355	1,010,221
Amortisation of deferred charges	7	21,484	12,795	20,765	12,099
Amortisation of intangible assets	7	74,984	80,038	67,567	71,547
Current service costs of employee	8	9,368	8,195	6,146	5,157
Interest income		(31,911)	(23,217)	(23,599)	(29,122)
Finance cost		359,380	377,133	310,989	322,893
Loss on exchange rate		56,276	64,052	33,784	4,953
Amortisation of borrowing costs	9	4,592	4,591	4,592	4,591
Allowance for doubtful accounts	5	44,464	41,289	272	50,700
Gain on non - controlling interest		6,631	3,872	-	-
Allowance for obsolete inventory		31,171	24,933	32,457	15,592
Gain on disposal of property and equipment		(739)	(6,066)	(38,030)	(5,839)
Write-off property and equipment	7	10,065	14,916	535	1,086
Share of profits of associate	6	(118,872)	(107,541)	-	-
Income tax expense		41,291	(107,084)	(42,874)	(213,080)
		<u>2,164,456</u>	<u>1,593,461</u>	<u>1,451,563</u>	<u>880,050</u>
<i>Changes in operating assets and liabilities</i>					
Trade accounts receivable and accrued income		(210,909)	67,866	(411,094)	16,010
Amounts due from related parties		(1,603)	(950)	(27,323)	(26,474)
Inventories		152,783	(26,149)	43,073	17,401
Prepaid insurance		(1,237)	12,149	(1,799)	10,976
Other current assets		16,644	(25,872)	53,787	(53,679)
Other non-current assets		8,104	43,809	8,522	40,791
Trade accounts payable		(49,979)	41,214	(41,900)	62,197
Amounts due to related parties		(1,283)	(1,585)	(41,198)	(12,738)
Advance receipts from customers		(38,427)	65,869	117,119	105,202
Accrued operating agreement fee		(97,050)	(538,274)	(92,265)	(519,187)
Accrued expenses		8,469	(42,551)	(15,847)	(21,483)
Other current liabilities		79,995	162,942	61,749	17,717
Other liabilities		62,875	(9,458)	63,414	(4,263)
Defined benefit obligations paid	8	(6,091)	-	(6,091)	-
Interest received		28,011	21,691	21,644	29,266
Cash generated from operating activities		<u>2,114,758</u>	<u>1,364,162</u>	<u>1,183,354</u>	<u>541,786</u>
Income tax paid		<u>(237,123)</u>	<u>(168,820)</u>	<u>(56,892)</u>	<u>(55,275)</u>
Net cash from operating activities		<u>1,877,635</u>	<u>1,195,342</u>	<u>1,126,462</u>	<u>486,511</u>

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

Thaicom Public Company Limited and its Subsidiaries

Statements of cash flows

For the nine-month periods ended 30 September 2011 and 2010 (Unaudited)

	Note	Consolidated financial statements		Separate financial statements	
		2011	2010 (Restated)	2011	2010 (Restated)
<i>(in thousand Baht)</i>					
<i>Cash flows from investing activities</i>					
Dividends received		130,052	130,052	-	-
Additional investment in subsidiary		-	-	-	(16,700)
Payment of property and equipment		(1,493,621)	(506,547)	(1,262,718)	(162,726)
Payment for property and equipment under operating agreements		(1,859)	-	(1,859)	-
Proceeds from sale of property and equipment		1,565	7,173	137,316	6,653
Short-term loan to a jointly-controlled entity		(28,805)	-	(58,786)	-
Long-term loans to subsidiaries		-	-	(4,931)	27,566
Payments for deferred charges		(93,149)	(732)	(93,068)	-
Purchase of intangible assets		(4,713)	(7,750)	(4,427)	(7,750)
Proceeds from sale of intangible assets		249	-	249	-
Net cash used in investing activities		(1,490,281)	(377,804)	(1,288,224)	(152,957)
<i>Cash flows from financing activities</i>					
Received from short-term loans from financial institutions	9	1,782,276	-	1,782,276	-
Repayments of short-term borrowings	9	(780,768)	(80,869)	(780,768)	(73,351)
Proceeds from long-term borrowings	9	3,038	115,702	3,038	-
Repayments of long-term borrowings	9	(174,933)	(230,368)	(4,001)	(2,148)
Proceeds from short-term from jointly - controlled entities	4	28,935	-	-	-
Interest paid		(346,430)	(372,762)	(304,586)	(322,507)
Net cash used in financing activities		512,118	(568,297)	695,959	(398,006)
Net decrease in cash and cash equivalents					
		899,472	249,241	534,197	(64,452)
Cash and cash equivalents at 1 January		1,271,920	797,639	518,439	158,253
Effects of exchange rate changes on balances held in foreign currencies		(5,165)	480	(5,165)	480
Cash and cash equivalents at 30 September		2,166,227	1,047,360	1,047,471	94,281
<i>Non-cash transactions</i>					
Acquisition of property and equipment by issue of debt		58,306	91,732	401,841	48,217

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

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

The interim financial statements were authorised for issue by the Board of Directors on 10 November 2011.

1 General information

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

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

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

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

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

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

Details of the Company’s subsidiaries and jointly controlled entities as at 30 September 2011 and 31 December 2010 were as follows:

Name of the entity	Type of business	Country of incorporation	Ownership interest (%)	
			30 September 2011	31 December 2010
<i>Direct subsidiaries</i>				
DTV Service Company Limited	Providing meeting center via internet and broadband content services and sale of direct television equipment	Thailand	100	100
iPSTAR Company Limited	Providing Thaicom 4 transponder services	The British Virgin Islands	99.94	99.94
Star Nucleus Company Limited	Providing broadband technological services via Thaicom 4 satellite	The British Virgin Islands	70	70

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Name of the entity	Type of business	Country of incorporation	Ownership Interest (%)	
			30 September 2011	31 December 2010
Spacecode LLC	Providing engineering and development services, technology and electronics	The United States of America	70	70
IPSTAR International Pte Limited	Providing Thaicom 4 transponder services	Singapore	100	100
IPSTAR Global Services Company Limited	Providing Thaicom 4 transponder service	Mauritius	100	100
Cambodian DTV Network Limited	Sale of direct television equipment	Cambodia	100	100
Indirect subsidiaries				
<i>Subsidiary of DTV Service Company Limited</i>				
NTU (Thailand) Company Limited	Provide organizing services related to conduct training, educational seminar and spread the various kind of knowledge.	Thailand	88.52	88.52
<i>Subsidiaries of iPSTAR Company Limited</i>				
IPSTAR Australia Pty Limited	Sale of user terminal of Thaicom 4 and providing Thaicom 4 transponder services in Australia.	Australia	100	100
IPSTAR New Zealand Company Limited	Sale of user terminal of Thaicom 4 and providing Thaicom 4 transponder services in New Zealand	New Zealand	100	100
Jointly-controlled entities				
Shenington Investments Pte Limited	Holding company for investment in international telecommunications	Singapore	51	51
Subsidiaries of Shenington Investments Pte Limited				
Mfone Company Limited	Providing fixed line, mobile phone and Internet services	Cambodia	51	51
Jointly- controlled of Shenington Investments Pte Limited				
Lao Telecommunications Company Limited	Providing fixed line, mobile phone, public phone, public international facilities and Internet services	Lao PDR	24.99	24.99

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As at 30 September 2011, a subsidiary of jointly-controlled entities has deficits of Baht 465.58 million (31 December 2010: Baht 61.62 million) and capital deficiency of Baht 84.09 million (31 December 2010: equity of Baht 307.43 million). However, the Company's management believed a subsidiary of jointly-controlled entities will continue its operations to generate cash inflow and fulfill all of its current financial obligation. Accordingly, its financial statements entities have been prepared based on a going concern basis.

2 Basis of preparation of the interim financial statements

(a) Statement of compliance

The interim financial statements issued for Thai reporting purposes are prepared in the Thai language. This English translation of the interim financial statements has been prepared for the convenience of readers not conversant with the Thai language.

The interim financial statements are prepared on a condensed basis in accordance with Thai Accounting Standard (TAS) No. 34 (revised 2009) *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 2010. 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 2010.

The Group's accounting policies and methods of computation applied in the interim financial statements for the three-month and nine-month periods ended 30 September 2011 are consistent with those applied in the financial statements for the year ended 31 December 2010, except for the changes in the Group's accounting policies. The effects of these changes are disclosed in note 3.

(b) Presentation currency

The interim financial statements are prepared and presented in Thai Baht. All financial information presented in Thai Baht has been rounded to the nearest thousand unless otherwise stated.

(c) Use of estimates and judgements

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

Except as disclosed below, 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 2010. Changes principally derive from the adoption of new and revised TFRS from 1 January 2011.

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Estimates

Measurement of defined benefit obligations

The calculation of the defined benefit obligation is sensitive to the assumptions on discount rate, salary increases and mortality rate as set out in note 8.

Allowance

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

Utilisation of assets

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

3 Changes in accounting policies

(a) Overview

From 1 January 2011, consequent to the adoption of new and revised Thai Financial Reporting Standards (“TFRS”) as set out in note 32 of the financial statements for the year ended 31 December 2010, the Group has changed its accounting policies in the following areas:

- Presentation of financial statements
- Accounting for business combinations
- Accounting for acquisitions of non-controlling interests
- Accounting for property, plant and equipment
- Accounting for borrowing costs
- Accounting for employee benefits
- Accounting for share-based payment

Details of the new accounting policies adopted by the Group and the impact of the changes on the financial statements are included in notes 3(b) to 3(i) below.

(b) Presentation of financial statements

The Group has adopted TAS 1 Presentation of Financial Statements (Revised 2009). Under the revised standard, a set of financial statements comprises:

- Statement of financial position;
- Statement of comprehensive income;
- Statement of changes in equity;
- Statement of cash flows; and
- Notes to the financial statements.

As a result, the Group presents all owner changes in equity in the statement of changes in equity and all non-owner changes in equity in the statement of comprehensive income. Previously, all such changes were included in the statement of changes in equity.

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Comparative information has been re-presented so that it is also in conformity with the revised standard. Since the change in accounting policy only impacts presentation aspects, there is no impact on reported profit or earnings per share.

(c) Accounting for business combinations

The Group has adopted TFRS 3 Business Combinations (revised 2009) and TAS 27 Consolidated and Separate Financial Statements (revised 2009) for all business combinations on or after 1 January 2011. The new policy for accounting for business combinations, together with information on the previous policy, is given below. The new policy has been applied prospectively from 1 January 2011 in accordance with the transitional provisions of the revised standards. There have been no business combinations during 2011 and, accordingly, adoption of these two revised standards has had no impact on profit or earnings per share for the three-month and nine-month periods ended 30 September 2011.

Business combinations are accounted for using the acquisition method as at the acquisition date, which is the date on which control is transferred to the Group. 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 are currently exercisable.

Acquisitions on or after 1 January 2011

The Group measures goodwill at the acquisition date as:

- the fair value of the consideration transferred; plus
- the recognised amount of any non-controlling interests in the acquiree; plus
- if the business combination is achieved in stages, the fair value of the existing equity interest in the acquiree; less
- the net recognised amount (generally fair value) of the identifiable assets acquired and liabilities assumed.

When the excess is negative, a bargain purchase gain is recognized immediately in profit or loss.

The consideration transferred does not include amounts related to the settlement of pre-existing relationships. Such amounts are generally recognised in profit or loss.

Costs related to the acquisition, other than those associated with the issue of debt or equity securities, that the Group incurs in connection with a business combination are expensed as incurred.

Any contingent consideration payable is recognised at fair value at the acquisition date. If the contingent consideration is classified as equity, it is not remeasured and settlement is accounted for within equity. Otherwise, subsequent changes to the fair value of the contingent consideration are recognised in profit or loss.

When share-based payment awards (replacement awards) are required to be exchanged for awards held by the acquiree's employees (acquiree's awards) and relate to past services, then all or a portion of the amount of the acquiree's replacement awards is included in measuring the consideration transferred in the business combination. This determination is based on the market-based value of the replacement awards compared with the market-based value of the acquiree's awards and the extent to which the replacement awards relate to past and/or future service.

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Acquisitions between 1 January 2008 and 31 December 2010

Goodwill represented the excess of the cost of the acquisition over the Group's interest in the recognised amount (generally fair value) of the identifiable assets, liabilities and contingent liabilities of the acquiree. When the excess was negative, a bargain purchase gain was recognised immediately in profit or loss.

Transaction costs, other than those associated with the issue of debt or equity securities, that the Group incurred in connection with business combinations were capitalised as part of the cost of the acquisition.

Acquisitions prior to 1 January 2008

Goodwill was measured in the same way as described in the preceding paragraph. However, both positive and negative goodwill were amortised over their estimated useful life of 10 years. On 1 January 2008, on adoption of the former TAS 43 (revised 2007), the Group discontinued amortising goodwill. Negative goodwill carried in the financial statements as at 31 December 2007 was derecognised by crediting unappropriated retained earnings on 1 January 2008.

(d) Accounting for acquisitions of non-controlling interests (previously termed 'minority interests')

The Group has adopted TAS 27 Consolidated and Separate Financial Statements (revised 2009) for all acquisitions of non-controlling interests in subsidiaries. The new policy for accounting for acquisitions of non-controlling interests, together with information on the previous policy, is given below. The new policy has been applied prospectively from 1 January 2011 in accordance with the transitional provisions of the revised standard. There have been no acquisitions of non-controlling interests during the three-month period ended 31 March 2011 and, accordingly, adoption of this revised standard has had no impact on profit or earnings per share for the three-month and nine-month periods ended 30 September 2011.

Under the new accounting policy, acquisitions of non-controlling interests are accounted for as transactions with owners in their capacity as owners and therefore no goodwill is recognised as a result of such transactions. The adjustments to non-controlling interests are based on a proportionate amount of the net assets of the subsidiary.

Previously, goodwill was recognised on the acquisition of non-controlling interests in a subsidiary, which represented the excess of the cost of the additional investment over the carrying amount of the interest in the net assets acquired at the date of the transaction.

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(e) Accounting for property, plant and equipment

The Group has adopted TAS 16 (revised 2009) Property, Plant and Equipment in determining and accounting for the cost and depreciable amount of property, plant and equipment.

The principal changes introduced by the revised TAS 16 and affecting the Group are that (i) costs of asset dismantlement, removal and restoration have to be included as asset costs and subject to annual depreciation; (ii) the depreciation charge has to be determined separately for each significant part of an asset; and (iii) in determining the depreciable amount, the residual value of an item of property, plant and equipment has to be measured at the amount estimated receivable currently for the asset if the asset were already of the age and in the condition expected at the end of its useful life. Furthermore, the residual value and useful life of an asset have to be reviewed at least at each financial year-end.

The changes have been applied prospectively in accordance with the transitional provisions of the revised standard, except that consideration of the costs of asset dismantlement, removal and restoration, have been applied retrospectively. The changes have had no material impact on the profit and earnings per share for the three-month and nine-month periods ended 30 September 2011 and 2010.

(f) Accounting for borrowing costs

The Group has adopted TAS 23 (revised 2009) Borrowing Costs.

Under the revised standard, borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset are capitalised as part of the cost of that asset. Under the former standard, there was also an option to expense borrowing costs on qualifying assets when incurred.

It was the Group's policy under the former TAS 23 to capitalise borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset. Consequently the adoption of the revised standard has had no impact on reported profit or earnings per share.

(g) Accounting for employee benefits

The Group has adopted TAS 19 Employee Benefits.

Under the new policy, the Group's liability for post-employment benefits and other long-term employee benefit obligations is recognised in the financial statements based on calculations performed at least once in three years by a qualified actuary using the projected unit credit method. Previously, this liability was recognised as and when payments were made.

The change in accounting policy has been applied retrospectively and the Group's 2010 financial statements, which are included in the Group's 2011 financial statements for comparative purposes, have been restated accordingly. The impact on the consolidated and separated financial statements was in note 3 (i).

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(h) Accounting for share-based payments

The Group has adopted TFRS 2 Share-based Payment.

Under TFRS 2, share-based payment awards granted to employees are recognised as an employee expense, with a corresponding increase in equity, over the period that the employees unconditionally become entitled to the awards. The amount recognised as an expense is adjusted to reflect the number of awards for which the related service and non-market vesting conditions are expected to be met such that the amount ultimately recognised as an expense 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 Group has not applied the above accounting policy for share-based payment awards granted before 1 January 2011 in accordance with transitional provisions of TFRS 2. The adoption of TFRS 2 has had no material impact on the profit and earnings per share for the three-month and nine-month periods ended 30 September 2011.

(i) The adjustment of financial statements to comply with new accounting policy

The retrospective adjustments to comply TAS 19 Employee Benefits were as follows:

	Consolidated financial statements			Separate financial statements		
	As reported	Adjustment	Restated	As reported	Adjustment	Restated
<i>(in thousand Baht)</i>						
Statements of financial position as at 1 January 2010						
Assets						
Non-current assets						
Investments in subsidiaries, jointly-controlled entities and associate	418,505	(17,975)	400,530	813,500	-	813,500
Deferred tax assets	868,081	34,173	902,254	763,184	24,113	787,297
Total		16,198			24,113	
Liabilities						
Current liabilities						
Accrued expenses	232,547	3,139	235,686	143,775	2,862	146,637
Total		3,139			2,862	
Non-current liabilities						
Long-term employee benefit obligations	-	131,691	131,691	-	77,515	77,515
Total		131,691			77,515	
Total		134,830			80,377	
Equity						
Unappropriated retain earnings	5,146,786	(118,565)	5,028,221	3,476,747	(56,264)	3,420,483
Non-controlling interests	43,113	(69)	43,044	-	-	-
Total		(118,634)			(56,264)	

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	Consolidated financial statements			Separate financial statements		
	As reported	Adjustment	Restated	As reported	Adjustment	Restated
<i>(in thousand Baht)</i>						
Statements of financial position as at 31 December 2010						
Assets						
Non-current assets						
Investments in subsidiaries, jointly-controlled entities and associate	459,264	(19,396)	439,868	830,200	-	830,200
Deferred tax assets	1,118,532	39,305	1,157,837	1,025,621	27,813	1,053,434
Total		19,909			27,813	
Liabilities						
Current liabilities						
Accrued expenses	256,991	4,457	261,448	162,314	4,108	166,422
Total current liabilities		4,457			4,108	
Non-current liabilities						
Long-term employee benefit obligations	-	150,876	150,876	-	88,604	88,604
Total		150,876			88,604	
Total		155,333			92,712	
Equity						
Unappropriated retain earnings	4,357,853	(135,338)	4,222,515	2,714,387	(64,899)	2,649,488
Non-controlling interests	44,958	(85)	44,873	-	-	-
Total		(135,423)			(64,899)	
<i>(in thousand Baht)</i>						
	Consolidated financial statements			Separate financial statements		
	As reported	Adjustment	Restated	As reported	Adjustment	Restated
Statements of income						
for the three-month period ended 30 September 2010						
Share of profit of associate	31,138	(355)	30,783	-	-	-
Administrative expenses	(361,032)	(2,907)	(363,939)	(218,651)	(1,876)	(220,527)
Directors and management benefit expenses	(10,861)	(154)	(11,015)	(10,736)	(154)	(10,890)
Finance costs	(118,622)	(2,065)	(120,687)	(103,841)	(1,054)	(104,895)
Income tax	41,056	1,284	42,340	97,810	925	98,735
Total		(4,197)			(2,159)	
Profit (loss) attributable to						
Owners of the Company	(313,263)	(4,193)	(317,456)	(317,155)	(2,159)	(319,314)
Non-controlling interests	658	(4)	654	-	-	-
		(4,197)			(2,159)	
Loss per share						
Basic	(0.29)		(0.29)	(0.29)		(0.29)
Diluted	(0.29)		(0.29)	(0.29)		(0.29)

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	Consolidated financial statements			Separate financial statements		
	As reported	Adjustment	Restated	As reported	Adjustment	Restated
<i>(in thousand Baht)</i>						
Statements of income						
for the nine-month period ended 30 September 2010						
Share of profit of associate	108,606	(1,065)	107,541	-	-	-
Administrative expenses	(901,589)	(8,721)	(910,310)	(518,658)	(5,628)	(524,286)
Directors and management benefit expenses	(32,223)	(462)	(32,685)	(31,842)	(462)	(32,304)
Finance costs	(370,938)	(6,195)	(377,133)	(319,731)	(3,162)	(322,893)
Income tax	103,232	3,852	107,084	210,305	2,775	213,080
Total		(12,591)			(6,477)	
Profit (loss) attributable to						
Owners of the Company	(621,339)	(12,579)	(633,918)	(655,739)	(6,477)	(662,216)
Non-controlling interests	3,884	(12)	3,872	-	-	-
		(12,591)			(6,477)	
Loss per share						
Basic	(0.57)		(0.58)	(0.60)		(0.60)
Diluted	(0.57)		(0.58)	(0.60)		(0.60)

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The changes in the financial statements for the three-month and nine-month periods ended 30 September 2011 (current period), which are impacted from applying the new accounting policy

	Consolidated financial statements			Separate financial statements		
	Before recognition	Recognised	After recognition	Before recognition	Recognised	After recognition
<i>(in thousand Baht)</i>						
Statements of financial position as at 30 September 2011						
Assets						
Non-current assets						
Investments in subsidiaries, jointly-controlled entities and associate	448,826	(19,787)	429,039	830,200	-	830,200
Deferred tax assets	1,175,156	41,936	1,217,092	1,067,390	28,918	1,096,308
Total		22,149			28,918	
Liabilities						
Current liabilities						
Accrued expenses	278,599	4,457	283,056	149,245	4,108	153,353
Total current liabilities		4,457			4,108	
Non-current liabilities						
Long-term employee benefit obligations	-	162,954	162,954	-	92,285	92,285
Total		162,954			92,285	
Total		167,411			96,393	
Equity						
Unappropriated retain earnings	4,192,068	(145,163)	4,046,905	2,518,721	(67,475)	2,451,246
Non-controlling interests	53,373	(99)	53,274	-	-	-
Total		(145,262)			(67,475)	

	Consolidated financial statements			Separate financial statements		
	Before recognition	Recognised	After recognition	Before recognition	Recognised	After recognition
<i>(in thousand Baht)</i>						
Statements of income for the three-month period ended 30 September 2011						
Share of profit of associate	32,153	(319)	31,834	-	-	-
Administrative expenses	(322,826)	(2,976)	(325,802)	(177,202)	(1,887)	(179,089)
Directors and management benefit expenses	(25,046)	(162)	(25,208)	(24,920)	(162)	(25,082)
Finance costs	(116,551)	(2,152)	(118,703)	(104,067)	(1,208)	(105,275)
Income tax	(41,282)	1,337	(39,945)	7,525	977	8,502
Total		(4,272)			(2,280)	
Profit (loss) attributable to						
Owners of the Company	20,302	(4,267)	16,035	(42,725)	(2,280)	(45,005)
Non-controlling interests	2,587	(5)	2,582	-	-	-
		(4,272)			(2,280)	
Profit (loss) per share						
Basic	0.02		0.01	(0.04)		(0.04)
Diluted	0.02		0.01	(0.04)		(0.04)

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	Consolidated financial statements			Separate financial statements		
	Before recognition	Recognised	After recognition	Before recognition	Recognised	After recognition
	<i>(in thousand Baht)</i>					
Statements of income						
for the nine-month period ended 30 September 2011						
Share of profit of associate	119,828	(956)	118,872	-	-	-
Administrative expenses	(965,331)	(8,791)	(974,122)	(500,228)	(5,569)	(505,797)
Directors and management benefit expenses	(55,117)	5,514	(49,603)	(54,740)	5,514	(49,226)
Finance costs	(352,969)	(6,411)	(359,380)	(307,363)	(3,626)	(310,989)
Income tax	(43,443)	2,151	(41,292)	41,769	1,105	42,874
Total		<u>(8,493)</u>			<u>(2,576)</u>	
Profit (loss) attributable to						
Owners of the Company	(167,131)	(8,479)	(175,610)	(195,666)	(2,576)	(198,242)
Non-controlling interests	6,645	(14)	6,631	-	-	-
		<u>(8,493)</u>			<u>(2,576)</u>	
Loss per share						
Basic	(0.15)		(0.16)	(0.18)		(0.18)
Diluted	(0.15)		(0.16)	(0.18)		(0.18)

4 Related party transactions and balances

Enterprises and individuals that directly, or indirectly through one or more intermediaries, control, or are controlled by, or are under common control with, the Company, including holding companies, subsidiaries and fellow subsidiaries are related parties of the Company. Associates and individuals owning, directly or indirectly, an interest in the voting power of the Company that gives them significant influence over the enterprise, key management personnel, including directors and officers of the Company and close members of the family of these individuals, and companies associated with these individuals also constitute related parties. In considering each possible related party relationship, attention is directed to the substance of the relationship, and not merely the legal form.

The Company is controlled by Shin Corporation Public Company Limited (“Shin”) (incorporated in Thailand), which owns 41.14% (31 December 2010: 41.14%) of the Company’s shares. Transactions with Intouch Group, Cedar Group, Aspen Group, and Temasek Group are recognised as related party transactions of the Group.

Sales and service transactions with related parties were conducted under normal commercial terms and conditions, which were the same as for other customers. Consulting and management services were charged at an agreed percentage of assets. Transactions between the Company and Codespace, Inc. were conducted based on hourly rates plus reimbursement of actual expenses.

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Significant transactions for the three-month periods ended 30 September 2011 and 2010 with related parties were as follows:

	Consolidated financial statements		Separate financial statements	
	2011	2010	2011	2010
	<i>(in thousand Baht)</i>			
Sales				
Sales and services income				
Subsidiaries	-	-	487,990	163,043
Associate	2,588	1,783	2,520	1,748
Jointly-controlled entities	1,420	3,885	-	338
Related parties under common control	12,382	15,233	12,696	13,458
Other related party	222	251	-	-
Other income				
Subsidiaries	-	-	8,404	15,029
Jointly-controlled entities	464	252	947	515
Related parties under common control	(5)	-	-	-
Total	<u>17,071</u>	<u>21,404</u>	<u>512,557</u>	<u>194,131</u>

Thaicom Public Company Limited and its Subsidiaries
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	Consolidated financial statements		Separate financial statements	
	2011	2010	2011	2010
	<i>(in thousand Baht)</i>			
Expense				
Purchases of goods and services				
Subsidiaries	-	-	14,471	10,786
Associate	5,665	2,425	5,622	2,397
Jointly-controlled entities	905	933	1,847	1,904
Related parties under common control	220	16	10	16
Other related party	10,583	8,133	3,284	3,373
Selling and administrative expenses				
Subsidiaries	-	-	620	8,851
Associate	712	1,123	656	721
Jointly-controlled entities	11	659	23	1,251
Related parties under common control	5,438	8,317	1,985	3,555
Director and management benefit expenses	25,046	10,861	24,920	10,736
Total	48,580	32,467	53,438	43,590

Significant transactions for the nine-month periods ended 30 September 2011 and 2010 with related parties were as follows:

	Consolidated financial statements		Separate financial statements	
	2011	2010	2011	2010
	<i>(in thousand Baht)</i>			
Sales				
Sales and services income				
Subsidiaries	-	-	989,166	726,440
Associate	7,674	10,958	7,560	10,858
Jointly-controlled entities	8,589	16,597	354	2,763
Related parties under common control	44,398	48,039	38,418	41,321
Other related party	745	1,064	-	-
Other income				
Subsidiaries	-	-	31,191	46,881
Jointly-controlled entities	1,055	756	2,152	1,544
Related parties under common control	(5)	-	-	-
Total	62,456	77,414	1,068,841	829,807

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	Consolidated financial statements		Separate financial statements	
	2011	2010	2011	2010
	<i>(in thousand Baht)</i>			
<i>Expense</i>				
<i>Purchases of goods and services</i>				
Subsidiaries	-	-	34,501	31,857
Associate	15,473	7,536	15,345	7,508
Jointly-controlled entities	2,762	2,868	5,634	5,853
Related parties under common control	525	42	25	42
Other related party	23,464	19,694	10,174	10,467
<i>Selling and administrative expenses</i>				
Subsidiaries	-	-	1,373	10,529
Associate	2,311	3,141	2,039	2,345
Jointly-controlled entities	38	659	78	1,251
Related parties under common control	12,497	24,353	8,223	12,594
Other related party	-	317	-	-
Directors and management benefit expenses	49,117	32,223	48,740	31,842
Total	<u>106,187</u>	<u>90,833</u>	<u>126,132</u>	<u>114,288</u>

Thaicom Public Company Limited and its Subsidiaries
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Balances as at 30 September 2011 and 31 December 2010 with related parties were as follows:

	Consolidated financial statements		Separate financial statements	
	30 September 2011	31 December 2010	30 September 2011	31 December 2010
	<i>(in thousand Baht)</i>			
Trade accounts receivable and accrued income - related parties				
<i>Trade accounts receivable - related parties</i>				
Subsidiaries	-	-	397,763	37,683
Associate	858	-	858	-
Jointly-controlled entities	29,265	20,973	2,775	2,309
Related parties under common control	6,032	7,495	4,500	4,551
Other related party	324	520	-	-
Total	36,479	28,988	405,896	44,543
<i>Accrued income - related parties</i>				
Subsidiaries	-	-	236,433	199,215
Associate	908	2,487	840	2,487
Jointly-controlled entities	-	1,372	-	1,478
Related parties under common control	4,567	4,476	4,262	4,287
Total	5,475	8,335	241,535	207,467
Total trade accounts receivable and accrued income from related parties	41,954	37,323	647,431	252,010
Amounts due from related parties				
Parent	-	98	-	98
Subsidiaries	-	-	57,867	37,486
Associate	41	924	41	924
Jointly-controlled entities	3,043	458	92,396	84,473
Total	3,084	1,480	150,304	122,981
Short-term loan to a jointly-controlled entity	28,805	-	58,786	-

As at 30 September 2011, the short-term loan to a jointly-controlled entity bears interest at the rate of 3.29% per annum and is repayable when requested.

Thaicom Public Company Limited and its Subsidiaries
Notes to the interim financial statements
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Movements during the nine-month periods ended 30 September 2011 and 2010 of short-term loan to a jointly-controlled entity were as follows:

	Consolidated financial statements		Separate financial statements	
	2011	2010	2011	2010
	<i>(in thousand Baht)</i>			
At 1 January	-	-	-	-
Increase	27,964	-	57,069	-
Decrease	-	-	-	-
Unrealised (gain) loss on exchange rate	841	-	1,717	-
At 30 September	28,805	-	58,786	-

	Consolidated financial statements		Separate financial statements	
	30 September 2011	31 December 2010	30 September 2011	31 December 2010
	<i>(in thousand Baht)</i>			
Other current assets - related parties				
Subsidiaries	-	-	987	11,771
Jointly-controlled entities	173	186	353	313
Related parties under common control	-	16	-	16
Total	173	202	1,340	12,100
Long-term loans to subsidiaries	-	-	215,543	208,540

As at 30 September 2011, the long-term loan to subsidiaries bear interest at the rate of 6.00 - 6.33% per annum (31 December 2010: 6.00 - 6.73% per annum) and is repayable within three months.

Thaicom Public Company Limited and its Subsidiaries
Notes to the interim financial statements
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Movements during the nine-month periods ended 30 September 2011 and 2010 of long-term loan to subsidiaries were as follows:

	Consolidated financial statements		Separate financial statements	
	2011	2010	2011	2010
	<i>(in thousand Baht)</i>			
At 1 January	-	-	208,540	334,076
Increase	-	-	-	-
Decrease	-	-	-	(5,295)
Unrealised (gain) loss on exchange rate	-	-	7,003	(28,172)
At 30 September	-	-	215,543	300,609

	Consolidated financial statements		Separate financial statements	
	30 September 2011	31 December 2010	30 September 2011	31 December 2010
	<i>(in thousand Baht)</i>			

**Trade accounts payable
- related parties**

Subsidiaries	-	-	194	726
Associate	12,582	11,546	12,554	11,518
Jointly-controlled entities	317	274	332	332
Related parties under common control	9,014	7,974	124	417
Other related party	1,149	-	1,149	-
Total	23,062	19,794	14,353	12,993

Amounts due to related parties

Subsidiaries	-	-	9,516	49,469
Jointly-controlled entities	350	82	626	167
Related parties under common control	1,380	887	1,238	879
Other related party	622	2,666	-	2,063
Total	2,352	3,635	11,380	52,578

**Advance receipts from customers
- related parties**

Associate	257	46	-	-
Related parties under common control	6	11	-	-
Total	263	57	-	-

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For the three-month and nine-month periods ended 30 September 2011 (Unaudited)

	Consolidated financial statements		Separate financial statements	
	30 September 2011	31 December 2010	30 September 2011	31 December 2010
	<i>(in thousand Baht)</i>			
Accrued expenses				
- related parties				
Subsidiaries	-	-	18,426	33,952
Associate	1,108	268	1,108	268
Jointly-controlled entities	920	890	1,878	1,815
Related parties under common control	85	710	134	303
Other related party	1,096	-	1,096	-
Total	3,209	1,868	22,642	36,338
Other current liabilities				
- related parties				
Subsidiaries	-	-	142	58
Related parties under common control	160	160	160	160
Total	160	160	302	218
Other non - current liabilities				
jointly-controlled entities	32	40	42	54
Short term loan from a jointly -controlled entity	28,935	-	-	-

Movements during the nine-month periods ended 30 September 2011 and 2010 of short-term loan from a jointly-controlled entity were as follows:

	Consolidated financial statements		Separate financial statements	
	2011	2010	2011	2010
	<i>(in thousand Baht)</i>			
At 1 January	-	-	-	-
Increase	27,307	-	-	-
Unrealised loss on exchange rate	1,628	-	-	-
At 30 September	28,935	-	-	-

As at 30 September 2011, the short-term loan from a jointly-controlled entity bears interest at the rate of 2.75% per annum and is repayable when requested.

Thaicom Public Company Limited and its Subsidiaries
Notes to the interim financial statements
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Key management personnel compensation

Key management personnel compensation comprised:

	Consolidated financial statements		Separate financial statements	
	2011	2010	2011	2010
<i>Three-month period ended 30 September</i>				
Short-term employee benefits	25,046	10,861	24,920	10,736
Long-term benefits				
- Current service costs, included in administrative expenses	162	154	162	154
- Interest on obligation, included in finance costs	162	147	162	147
Total	<u>25,370</u>	<u>11,162</u>	<u>25,244</u>	<u>11,037</u>
<i>Nine-month period ended 30 September</i>				
Short-term employee benefits	49,117	32,223	48,740	31,842
Long-term benefits				
- Current service costs, included in administrative expenses	486	462	486	462
- Interest on obligation, included in finance costs	486	294	486	294
Total	<u>50,089</u>	<u>32,979</u>	<u>49,712</u>	<u>32,598</u>

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

Thaicom Public Company Limited and its Subsidiaries

Notes to the interim financial statements

For the three-month and nine-month periods ended 30 September 2011 (Unaudited)

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

As at 30 September 2011, Shin Corporation Public Company Limited (“Shin”), the parent company, issued warrants which are in registered form, are non-transferable and have no offering price, to directors who are management of the Company. The term of the warrant is not exceeding five years. The five ESOP are ESOP - Grant I, ESOP-Grant II, ESOP-Grant III, ESOP-Grant IV and ESOP-Grant V were expired during 2007 - 2011.

Directors’ remuneration

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

Commitments for related parties

The Company had issued letters of comfort to the bankers of subsidiaries and subsidiaries of jointly-controlled entities. Under the terms of the letters of comfort, the Company must hold its interests in its subsidiaries and subsidiaries of jointly-control entities at the ratio as specified in the letters. The Company also confirms to the banks that the Company will provide necessary financial support to these subsidiaries and subsidiaries of jointly-controlled entities to ensure that these subsidiaries and subsidiaries of jointly-controlled entities will be able to meet their repayment obligations under their related loan agreements.

As at 30 September 2011, the letters of comfort to the bankers of subsidiaries and subsidiaries of jointly-controlled entities are USD 5.9 million (*31 December 2010: USD 8.2 million*).

Significant agreements with related parties

- a. The Company had entered into an agreement with an associated company, under which the associate was committed to provide uplink data service for a period of approximately five years. The Company was committed to pay for the service in respect of the agreements at approximately Baht 10.62 million (*31 December 2010: approximately Baht 16.79 million*).
- b. The Company had entered into an agreement with a jointly-controlled entity, under which the jointly-controlled entity was committed to responsible for ensuring the IPSTAR gateway system perform in accordance with the industry standard and provide maintenance service in Cambodia for a period of approximately five years. The Company was committed to pay for the service in respect of the agreements at approximately USD 0.22 million (*31 December 2010: approximately USD 0.40 million*).
- c. The Company and subsidiary had entered into agreements with subsidiaries, under which the Company and subsidiaries were committed to pay royalty fee 1% of revenue from sale or lease of IPSTAR gateway, 1% of revenue from sale or lease of IPSTAR User terminal and 3% of revenue from sale or service of IPSTAR bandwidth.

Thaicom Public Company Limited and its Subsidiaries

Notes to the interim financial statements

For the three-month and nine-month periods ended 30 September 2011 (Unaudited)

- d. The Company had entered into agreements with subsidiaries, associate and jointly-controlled entities, under which the Company was committed to provide transponder service, IPSTAR bandwidth service and advisory service. Subsidiaries, associate and jointly-controlled entities were committed to pay the Company for the service of the agreements at approximately USD 120.37 million (31 December 2010: approximately USD 134.75 million and Baht 7.56 million). The service fees of some contracts vary to the actual used or number of installed user terminal at the rate stated in the contract.
- e. The Company had entered into agreements with a certain related party, under which the related party was committed to maintain accounting program service for a period of one year with an option to renew. The Company was committed to pay for services in respect of the agreements at approximately Baht 1.18 million per year (31 December 2010, the Company was not committed to pay).

5 Trade accounts receivable and accrued income

	Note	Consolidated financial statements		Separate financial statements	
		30 September 2011	31 December 2010	30 September 2011	31 December 2010
<i>(in thousand Baht)</i>					
Trade accounts receivable					
Related parties	4	36,479	28,988	405,896	44,543
Other parties		1,353,500	1,189,904	618,059	637,604
Total		1,389,979	1,218,892	1,023,955	682,147
Accrued income					
Related parties	4	5,475	8,335	241,535	207,467
Other parties		123,924	85,947	104,417	76,877
Total		129,399	94,282	345,952	284,344
Total trade accounts receivable and accrued income		1,519,378	1,313,174	1,369,907	966,491
Less allowance for doubtful accounts		(330,190)	(290,432)	(186,442)	(193,848)
Net		1,189,188	1,022,742	1,183,465	772,643
Bad and doubtful debts expense for the nine-month period ended 30 September		44,464	41,289	272	50,700

Thaicom Public Company Limited and its Subsidiaries
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For the three-month and nine-month periods ended 30 September 2011 (Unaudited)

Aging analysis for trade accounts receivable were as follows:

	Consolidated		Separate	
	financial statements		financial statements	
	30 September	31 December	30 September	31 December
	2011	2010	2011	2010
	<i>(in thousand Baht)</i>			
Within credit terms	596,347	483,600	330,956	277,359
Overdue:				
Less than 3 months	208,458	242,573	306,630	105,846
3 - 6 months	146,732	91,644	161,473	75,169
6 - 12 months	46,775	86,555	24,512	28,528
over 12 months	391,667	314,520	200,384	195,245
Total	1,389,979	1,218,892	1,023,955	682,147
Less allowance for doubtful accounts	(330,190)	(290,432)	(186,442)	(193,848)
Net	1,059,789	928,460	837,513	488,299

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

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

	Consolidated		Separate	
	financial statements		financial statements	
	2011	2010	2011	2010
	<i>(in thousand Baht)</i>			
At 1 January	439,868	400,530	830,200	813,500
Share profits of associate	118,872	107,541	-	-
Acquisitions	-	-	-	16,700
Unrealised gain from decrease in shareholding in an associate	351	864	-	-
Dividend income	(130,052)	(130,052)	-	-
At 30 September	429,039	378,883	830,200	830,200

Thaicom Public Company Limited and its Subsidiaries
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Investments in subsidiaries, jointly-controlled entities and associate as at 30 September 2011 and 31 December 2010, and dividend income from those investments for the nine-month periods ended 30 September 2011 and 2010 were as follows:

	Consolidated financial statements												Dividend income for	
	Ownership interest		Paid-up capital		Cost method		Equity method		Impairment		At equity - net		nine months ended	
	30 September 2011	31 December 2010	30 September 2011	31 December 2010	30 September 2011	31 December 2010	30 September 2011	31 December 2010	30 September 2011	31 December 2010	30 September 2011	31 December 2010	30 September 2011	30 September 2010
	(%)				(in million Baht)									
<i>Associate</i>														
CS Loxinfo Public Company Limited	42.08	42.19	148	148	1,482	1,482	429	440	-	-	429	440	130	130
Total					1,482	1,482	429	440	-	-	429	440	130	130

Thaicom Public Company Limited and its Subsidiaries
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Separate financial statements

	Ownership interest		Paid-up capital		Cost method		Impairment		At cost - net		Dividend income for nine months ended	
	30	31	30	31	30	31	30	31	30	31	30	30
	September 2011	December 2010	September 2011	December 2010	September 2011	December 2010	September 2011	December 2010	September 2011	December 2010	September 2011	September 2010
	(%)				(in million Baht)							
Subsidiaries												
DTV Service Company Limited	100.00	100.00	Baht 399 million	Baht 399 million	399	399	-	-	399	399	-	-
Spacecode LLC	70.00	70.00	USD 4 million	USD 4million	119	119	-	-	119	119	-	-
iPSTAR Company Limited	99.94	99.94	USD 2 million	USD 2million	152	152	-	-	152	152	-	-
Star Nucleus Company Limited	70.00	70.00	-	-	-	-	-	-	-	-	-	-
IPSTAR International Pte Limited	100.00	100.00	SGD 20,000	SGD 20,000	1	1	-	-	1	1	-	-
IPSTAR Global Services Company Limited	100.00	100.00	USD 20,000	USD 20,000	1	1	-	-	1	1	-	-
Cambodian DTV Network Company Limited	100.00	100.00	USD 600,000	USD 600,000	21	21	-	-	21	21	-	-
Jointly-controlled entity												
Shenington Investments Pte Limited	51.00	51.00	SGD 15 million	SGD 15 million	137	137	-	-	137	137	-	-
Total					830	830	-	-	830	830	-	-

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Significant movements in investments in subsidiaries, jointly controlled entities and an associate for the nine-month period ended 30 September 2011 were as follows:

Subsidiary

a) Dividend payment of Ipstar Australia Pty Company Limited (“IPA”)

During the second quarter of 2011, IPA declared dividends from 2010 operation to the shareholders of AUD 4 million. The dividend of AUD 1 million was paid in May 2011.

Jointly-controlled entity

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

During 2010, the shareholders meetings of LTC approved the dividend from 2009 operation of USD 35 million. The dividend of USD 22.5 million was paid during 2010 and 2011.

On 15 February 2011, at the Annual General Meeting of the shareholders, the shareholders approved the appropriation of dividend from 2010 operation of USD 15 million.

Associate

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

At the Annual General Meeting of the shareholders of CSL held on 30 March 2011, the shareholders approve the appropriation of dividend payment of the CSL of Baht 0.25 per share, amounting to Baht 148 million. The dividend was paid to shareholders on 25 April 2011.

At the Board of Directors’ meeting of CSL held on 10 August 2011, the directors passed a resolution to approve the interim dividends of Baht 0.27 per share, totaling Baht 160 million. The dividend was paid to shareholders on 6 September 2011.

d) Increase and reduction of share capital of CS Loxinfo Public Company Limited (“CSL”)

Increase of share capital

At the annual general meeting of the shareholders of CSL held on 30 March 2011, a resolution was passed to approve the issuance of 750,000 additional ordinary shares to reserve for the change in the exercise ratio, equivalent to 0.13% of the total issued and paid-up share capital of CSL. As a result of the proposed dividend payment, the exercise ratio of the warrants issued under ESOP-Grant IV and ESOP Grant V has been affected. CSL has registered the increased share capital to the Ministry of Commerce on 22 April 2011.

Reduction of share capital

At the Annual General Meeting of the shareholders of CSL held on 30 March 2011, the shareholders approve the reduction the ordinary shares because the warrant of CSL for ESOP-Grant II and ESOP-Grant III expired on 30 April 2010 and on 30 May 2010 respectively, in number of 21,518,736 shares, equivalent to 3.63% of the total issued and paid-up shares capital of CSL. CSL has registered the decreased share capital to the Ministry of Commerce on 21 April 2011.

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

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

7 Capital expenditure and commitments

Consolidated financial statements

	Property and equipment	Property and equipment under operating agreements <i>(in thousand Baht)</i>	Deferred charges	Intangible assets
Transactions during the nine-month period ended 30 September 2011				
Opening net book value	5,262,646	14,177,126	41,053	1,103,078
Additions	1,917,196	1,918	93,149	6,432
Disposal, net	(826)	-	-	(249)
Write-offs, net	(10,065)	-	-	-
Transferred, net	(65,812)	-	-	-
Depreciation/amortisation charges	(821,527)	(1,010,355)	(21,484)	(74,984)
Foreign currency translation adjustments	132,782	-	-	3,206
Closing net book value	6,414,394	13,168,689	112,718	1,037,483
As at 30 September 2011				
Cost	12,646,459	21,140,092	709,714	1,668,707
Less accumulated depreciation/amortisation	(6,203,473)	(7,971,403)	(596,996)	(631,224)
Less accumulated impairment loss	(28,592)	-	-	-
Net book value	6,414,394	13,168,689	112,718	1,037,483

The gross amount of the Group's fully depreciated property, plant and equipment that was still in use as at 30 September 2011 amounted to Baht 2,556.40 million (31 December 2010: Baht 2,363.32 million).

As at 30 September 2011 the accumulated impairment loss of Baht 28.6 million (31 December 2010: Baht 28.6 million) comprised an impairment loss for analogue mobile telephone network of a jointly controlled entity which ceased its operation in 2005 amounting to Baht 16.2 million and an impairment loss for rural telephone network of another jointly controlled entity amounting to Baht 12.4 million.

As at 30 September 2011, property and equipment includes property and equipment under agreements of operation of a jointly-controlled entity, Mfone Company Limited ("Mfone"), of approximately Baht 2,082.4 million (31 December 2010: Baht 2,317.96 million). According to the agreement, Mfone must transfer its ownership of the property and equipment to the government of Cambodia on the expiration date of the agreements of operation, on 4 March 2028 (Note 14b).

Thaicom Public Company Limited and its Subsidiaries
Notes to the interim financial statements
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	Property and equipment	Separate financial statements		
		Property and equipment under agreements for operation (in thousand Baht)	Deferred charges	Intangible Assets
Transactions during the nine-month period ended 30 September 2011				
Opening net book value	1,089,280	14,177,126	38,942	947,955
Additions	1,638,259	1,918	93,068	4,446
Disposal, net	(445)	-	-	(249)
Write-offs, net	(535)	-	-	-
Transferred, net	(98,842)	-	-	-
Depreciation/amortisation charges	(266,846)	(1,010,355)	(20,765)	(67,567)
Closing net book value	<u>2,360,871</u>	<u>13,168,689</u>	<u>111,245</u>	<u>884,585</u>
As at 30 September 2011				
Cost	5,283,395	21,140,092	674,978	1,457,578
Less accumulated depreciation/amortisation	(2,922,524)	(7,971,403)	(563,733)	(572,993)
Net book value	<u>2,360,871</u>	<u>13,168,689</u>	<u>111,245</u>	<u>884,585</u>

The gross amount of the Company's fully depreciated property, plant and equipment that was still in use as at 30 September 2011 amounted to Baht 2,011.76 million (31 December 2010: Baht 1,863.68 million).

Borrowing costs for the nine-month period ended 30 September 2011 of Baht 3.39 million arising on financing specifically entered into for assets under construction, were capitalised during the period.

As at 30 September 2011, property and equipment included a project in progress of Baht 1,361.37 million relating to the Thaicom 6 project. The Thaicom 6 project will be fully operational with the launch of Thaicom 6 satellite within 2013. According to the operating agreement made with the Ministry of Information Communication and Technology ("MICT"), the Company must transfer its ownership of the Thaicom 6 satellite to MICT on the date of completion of construction and installation.

Capital expenditure commitments

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

Currency	Consolidated financial statements		Separate financial statements		
	30 September 2011	31 December 2010	30 September 2011	31 December 2010	
	(in thousand)				
THAICOM 4 Project	USD	26	270	26	270
THAICOM 6 Project	USD	96,530	-	96,530	-
Telephone network	USD	4,478	12,296	-	-
Total	USD	<u>101,034</u>	<u>12,566</u>	<u>96,556</u>	<u>270</u>
Total equivalent to Thai Baht		<u>3,418,973</u>	<u>380,692</u>	<u>3,009,391</u>	<u>8,169</u>

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8 Employee benefit obligations

The Group and the Company adopted TAS 19 - Employee Benefits with effect from 1 January 2011; the effect on the financial statements is discussed in note 3 (i).

The statement of financial position obligation was determined as follows:

	Consolidated		Separate	
	financial statements		financial statements	
	30	31	30	31
	September	December	September	December
	2011	2010	2011	2010
	<i>(in thousand Baht)</i>			
Present value of unfunded obligations	162,954	150,876	92,285	88,604
Statement of financial position obligation	162,954	150,876	92,285	88,604

Movement in the present value of the defined benefit obligations:

	Consolidated		Separate	
	financial statements		financial statements	
	2011	2010	2011	2010
	<i>(in thousand Baht)</i>			
<i>Nine-month period ended 30 September</i>				
Defined benefit obligations at 1 January	150,876	131,691	88,604	77,515
Benefits paid by the plan	(6,091)	-	(6,091)	-
Current service costs of employee and interest on obligation	15,780	14,390	9,772	8,319
Loss on exchange rate	2,389	-	-	-
Defined benefit obligations at 30 September	162,954	146,081	92,285	85,834

Expense recognised in profit or loss:

	Consolidated		Separate	
	financial statements		financial statements	
	2011	2010	2011	2010
	<i>(in thousand Baht)</i>			
<i>Nine-month period ended 30 September</i>				
Current service costs of employee	9,368	8,195	6,146	5,157
Interest on obligation	6,412	6,195	3,626	3,162
Total	15,780	14,390	9,772	8,319

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

	Consolidated		Separate	
	financial statements		financial statements	
	30	31	30	31
	September	December	September	December
	2011	2010	2011	2010
	%			
Discount rate at	4.98	4.98	5.00	5.00
Future salary increases	6.00	6.00	6.00	6.00

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9 Interest-bearing liabilities

	Consolidated financial statements		Separate financial statements	
	30 September 2011	31 December 2010	30 September 2011	31 December 2010
	<i>(in thousand Baht)</i>			
Current				
Short-term loans from financial institutions	1,032,198	-	1,032,198	-
<i>Current portion of long-term loans</i>				
Loans from financial institutions	223,570	190,214	-	-
Loans from others	1,071,284	658,595	-	-
Current portion of finance lease liabilities	5,538	5,665	5,064	5,444
Total current portion of long-term loans	1,300,392	854,474	5,064	5,444
Non-current				
<i>Long-term loans</i>				
Loans from financial institutions	280,598	459,725	-	-
Loans from others	22,553	78,454	-	-
Finance lease liabilities	20,992	21,991	20,992	21,575
Total long-term loans	324,143	560,170	20,992	21,575
Long-term debentures	6,988,301	6,983,709	6,988,300	6,983,709
Total non-current	7,312,444	7,543,879	7,009,292	7,005,284
Total	9,645,034	8,398,353	8,046,554	7,010,728

The short-term borrowings are borrowings of the Company from a commercial bank of USD 22.57 million for the propose of the Thaicom 6 satellite project. The interest is based on margins over the London London Inter-Bank Offer Rate (“LIBOR”) for a period of three month. The principal amount of the loan and interest will mature in the fourth quarter of 2011.

As at 30 September, borrowings from others are borrowings of subsidiary of jointly-controlled entities of Bath 1,065.65 million (*31 December 2010: Bath 706.25 million*) for the propose of the telecommunication project. The weighted average interest rate is 3.82% per annum (*31 December 2010: 3.82%*). As at 30 September 2011, an aforementioned borrowing was reclassified to current portion of long term-borrowings in full amount.

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Long-term debentures were as follows:

As at 30 September 2011, the Company issued 2 tranches of Baht 7,000 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 30 September 2011
						<i>(in million Baht)</i>
6 November 2009	3.3	3,300	5.25%	Quarterly	Entirely redeemed on 6 November 2012	3,300
6 November 2009	3.7	3,700	6.15%	Quarterly	Entirely redeemed on 6 November 2014	3,700
Total debentures						7,000
Less bond issuing cost						(12)
Net						6,988

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

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The movements in the borrowings can be analysed as follows:

	Consolidated financial statements	Separate financial statements
	<i>(in thousand Baht)</i>	
<i>For the six-month period ended 30 September 2011</i>		
Opening net book value	8,398,353	7,010,728
Proceeds from short-term loans	1,782,276	1,782,276
Proceeds from finance lease liabilities	3,038	3,038
Repayment of short-term borrowings	(780,768)	(780,768)
Repayment of finance lease liabilities	(4,165)	(4,001)
Repayment of long-term borrowings	(170,768)	-
Amortisation of finance costs	4,592	4,592
Increase from change in status from accounts payable - property and equipment	334,207	-
Loss on exchange rate	78,269	30,689
Closing net book value	<u>9,645,034</u>	<u>8,046,554</u>

Credit facilities

As at 30 September 2011, available credit facilities for loans from local and oversea banks are Baht 657.69 million and USD 20.12 million (*31 December 2010: Baht 799 million and USD 26 million*).

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

The Company entered into a Loan Agreement with Kasikorn Bank on 29 August 2011 for USD 136.8 million loan, for the purpose of the Thaicom 6 satellite project. The term of the loan is 10 years with drawdown period of two years from the agreement date. The interest rate under the Loan Agreement is based on margins over the London Inter-Bank Offer Rate ("LIBOR") for a period of six months. The company is required to pay a commitment fee in respect of the undisbursed portion of the facility. In addition, the Company must comply with the conditions in the Loan Agreement in respect of maintaining certain financial ratios, dividend payment policy, guarantee, sale or transfer of assets and investment. The repayment term of principal and interest is semi-annually, commencing from March 2012 to September 2021.

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10 Share capital and warrants

	<i>Par value per share (Baht)</i>	2011		2010	
		Number	Amount	Number	Amount
		<i>(thousand shares / thousand Baht)</i>			
Authorised capital					
At 30 September ordinary shares	5	<u>1,132,082</u>	<u>5,660,412</u>	<u>1,132,082</u>	<u>5,660,412</u>
Issued and paid up					
At 1 January ordinary shares	5	<u>1,095,938</u>	<u>5,479,688</u>	<u>1,095,938</u>	<u>5,479,688</u>
At 30 September ordinary shares	5	<u>1,095,938</u>	<u>5,479,688</u>	<u>1,095,938</u>	<u>5,479,688</u>

Warrants

As at 30 September 2011, the Company has five ESOP schemes allocated to directors and employees of the Company and its subsidiaries. The warrants are in registered form, are non-transferable and have no offering price. The terms of the warrants do not exceed five years. The five ESOP are ESOP - Grant I, ESOP-Grant II, ESOP-Grant III, ESOP-Grant IV and ESOP-Grant V were expired during 2007 – 2011.

11 Other comprehensive income

The component of other comprehensive income is as follows:

	Consolidated financial statements		Separate financial statements	
	2011	2010	2011	2010
		(Restated)		(Restated)
	<i>(in thousand Baht)</i>			
For the three-month period ended 30 September				
Currency translation differences	(56,325)	(69,014)	-	-
Tax related to the component of other comprehensive income	-	-	-	-
Total other comprehensive income for the period, net of tax	<u>(56,325)</u>	<u>(69,014)</u>	<u>-</u>	<u>-</u>
For the nine-month period ended 30 September				
Currency translation differences	67,959	(144,600)	-	-
Tax related to the component of other comprehensive income	-	-	-	-
Total other comprehensive income for the period, net of tax	<u>67,959</u>	<u>(144,600)</u>	<u>-</u>	<u>-</u>

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

	Consolidated financial statements					
	Amount before tax	2011 Tax income (expense)	Net of tax	Amount before tax	2010 Tax income (expense)	Net of tax
	<i>(in thousand Baht)</i>					
<i>For the three-month period ended 30 September</i>						
Foreign currency translation differences	<u>(56,325)</u>	<u>-</u>	<u>(56,325)</u>	<u>(69,014)</u>	<u>-</u>	<u>(69,014)</u>
Total other comprehensive Income for the period	<u>(56,325)</u>	<u>-</u>	<u>(56,325)</u>	<u>(69,014)</u>	<u>-</u>	<u>(69,014)</u>
<i>For the nine-month period ended 30 September</i>						
Foreign currency translation differences	<u>67,959</u>	<u>-</u>	<u>67,959</u>	<u>(144,600)</u>	<u>-</u>	<u>(144,600)</u>
Total other comprehensive Income for the period	<u>67,959</u>	<u>-</u>	<u>67,959</u>	<u>(144,600)</u>	<u>-</u>	<u>(144,600)</u>

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12 Segment information

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

Business segments

The Group comprises the following main business segments:

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

Geographic segments

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

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

The Group comprises the following main geographic segments:

Segment 1	Thailand
Segment 2	Cambodia
Segment 3	The Lao People's Democratic Republic
Segment 4	Australia
Segment 5	China
Segment 6	India
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 30 September 2011 and 2010 were as follows:

	For the three-month periods ended 30 September										Consolidated	
	Satellite business services		Internet services and media		Telephone network		Others		Consolidation eliminations		financial statements	
	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010
	<i>(in thousand Baht)</i>											
Revenues	1,576,962	1,064,619	128,584	218,709	277,011	320,517	-	-	(14,117)	14,281	1,968,440	1,618,126
Shares of profit of associate	-	-	31,834	30,783	-	-	-	-	-	-	31,834	30,783
Cost of sale and services	(1,018,782)	(904,974)	(116,203)	(168,060)	(315,978)	(331,450)	-	-	22,231	(18,639)	(1,428,732)	(1,423,123)
Selling and administrative expenses	(294,113)	(329,647)	(22,598)	(33,478)	(65,215)	(75,235)	(10,484)	(15,272)	2,427	6,768	(389,983)	(446,864)
Segment results	264,067	(170,002)	21,617	47,954	(104,182)	(86,168)	(10,484)	(15,272)	10,541	2,410	181,559	(221,078)
Other income											18,507	14,684
Loss on foreign exchange											(22,801)	(32,061)
Profit (loss) before interest expenses and income tax											177,265	(238,455)
Finance cost											(118,703)	(120,687)
Operating income (loss)											58,562	(359,142)
Income tax											(39,945)	42,340
Non-controlling interests											(2,582)	(654)
Net profit (loss)											16,035	(317,456)

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For the nine-month periods ended 30 September

	Satellite business services		Internet services and media		Telephone network		Others		Consolidation eliminations		Consolidated financial statements	
	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010
	<i>(in thousand Baht)</i>											
Revenues	4,211,136	3,434,314	366,383	496,399	871,925	1,135,691	-	-	(49,108)	(18,604)	5,400,336	5,047,800
Shares of profit of associate	-	-	118,872	107,541	-	-	-	-	-	-	118,872	107,541
Cost of sale and services	(2,908,643)	(2,976,883)	(323,979)	(398,464)	(969,412)	(1,029,615)	-	-	51,518	9,296	(4,150,516)	(4,395,666)
Selling and administrative expenses	<u>(854,740)</u>	<u>(775,355)</u>	<u>(60,874)</u>	<u>(86,084)</u>	<u>(198,564)</u>	<u>(219,898)</u>	<u>(41,350)</u>	<u>(49,222)</u>	<u>4,918</u>	<u>9,822</u>	<u>(1,150,610)</u>	<u>(1,120,737)</u>
Segment results	447,753	(317,924)	100,402	119,392	(296,051)	(113,822)	(41,350)	(49,222)	7,328	514	218,082	(361,062)
Other income											59,084	84,252
Loss on foreign exchange											<u>(45,473)</u>	<u>(83,187)</u>
Profit (loss) before interest expenses and income tax											231,693	(359,997)
Finance cost											<u>(359,380)</u>	<u>(377,133)</u>
Operating loss											<u>(127,687)</u>	<u>(737,130)</u>
Income tax											(41,292)	107,084
Non-controlling interests											<u>(6,631)</u>	<u>(3,872)</u>
Net loss											<u>(175,610)</u>	<u>(633,918)</u>

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Revenue and results, based on geographical segments, in the consolidated financial statements for the three-month and nine-month periods ended 30 September 2011 and 2010 were as follows:

	Three-month periods ended 30 September		Nine-month periods ended 30 September	
	2011	2010	2011	2010
	<i>(in thousand Baht)</i>			
Segment revenue				
Thailand	711,045	746,400	2,102,633	2,068,872
Cambodia	187,316	222,721	630,652	791,275
Lao PDR	160,021	154,720	453,307	528,921
Australia	316,677	204,657	804,687	798,688
China	4,675	215	11,843	21,627
India	58,582	41,302	221,909	83,843
Others	561,958	278,894	1,294,177	862,115
Total	<u>2,000,274</u>	<u>1,648,909</u>	<u>5,519,208</u>	<u>5,155,341</u>
Segment results				
Thailand	324,197	286,660	977,864	851,928
Cambodia	(108,197)	(132,016)	(299,462)	(289,112)
Lao PDR	25,945	22,825	44,746	143,823
Australia	132,625	(14,751)	238,963	73,177
China	(110,937)	(124,191)	(360,739)	(343,738)
India	(39,500)	(106,468)	(124,354)	(277,130)
Others	(42,574)	(153,137)	(258,936)	(520,010)
Total	<u>181,559</u>	<u>(221,078)</u>	<u>218,082</u>	<u>(361,062)</u>

13 Earnings (loss) per share

Basic earnings (loss) per share

The calculation of basic earnings (loss) per share for the three-month and nine-month periods ended 30 September 2011 and 2010 was based on the profit (loss) for the period attributable to equity holders of the Company and the number of ordinary shares outstanding during each period as follows:

<i>Three-month period ended 30 September</i>	Consolidated financial statements		Separate financial statements	
	2011	2010	2011	2010
	(Restated)		(Restated)	
	<i>(in thousand Baht / thousand shares)</i>			
Profit (loss) attributable to ordinary shareholders of the Company (basic)	<u>16,035</u>	<u>(317,456)</u>	<u>(45,005)</u>	<u>(319,314)</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 (loss) per share (basic) <i>(in Baht)</i>	<u>0.01</u>	<u>(0.29)</u>	<u>(0.04)</u>	<u>(0.29)</u>

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<i>Nine-month period ended 30 September</i>	Consolidated financial statements		Separate financial statements	
	2011	2010 (Restated)	2011	2010 (Restated)
	<i>(in thousand Baht / thousand shares)</i>			
Loss attributable to ordinary shareholders of the Company (basic)	<u>(175,610)</u>	<u>(633,918)</u>	<u>(198,242)</u>	<u>(662,216)</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>
Loss per share (basic) (in Baht)	<u>(0.16)</u>	<u>(0.58)</u>	<u>(0.18)</u>	<u>(0.60)</u>

Diluted earnings (loss) per share

The calculation of diluted earnings (loss) per share for the three-month and nine-month periods ended 30 September 2011 and 2010 was based on the profit (loss) 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:

<i>Three-month period ended 30 September</i>	Consolidated financial statements		Separate financial statements	
	2011	2010 (Restated)	2011	2010 (Restated)
	<i>(in thousand Baht / in thousand shares)</i>			
Profit (loss) attributable to ordinary shareholders of the Company (diluted)	<u>16,035</u>	<u>(317,456)</u>	<u>(45,005)</u>	<u>(319,314)</u>
Number of ordinary shares outstanding (basic)	1,095,938	1,095,938	1,095,938	1,095,938
Effect of shares warrants on issue	-	-	-	-
Number of ordinary shares outstanding (diluted)	<u>1,095,938</u>	<u>1,095,938</u>	<u>1,095,938</u>	<u>1,095,938</u>
Earnings (loss) per share (diluted) (in Baht)	<u>0.01</u>	<u>(0.29)</u>	<u>(0.04)</u>	<u>(0.29)</u>

<i>Nine-month period ended 30 September</i>	Consolidated financial statements		Separate financial statements	
	2011	2010 (Restated)	2011	2010 (Restated)
	<i>(in thousand Baht / in thousand shares)</i>			
Loss attributable to ordinary shareholders of the Company (diluted)	<u>(175,610)</u>	<u>(633,918)</u>	<u>(198,242)</u>	<u>(662,216)</u>
Number of ordinary shares outstanding (basic)	1,095,938	1,095,938	1,095,938	1,095,938
Effect of shares warrants on issue	-	-	-	-
Number of ordinary shares outstanding (diluted)	<u>1,095,938</u>	<u>1,095,938</u>	<u>1,095,938</u>	<u>1,095,938</u>
Loss per share (diluted) (in Baht)	<u>(0.16)</u>	<u>(0.58)</u>	<u>(0.18)</u>	<u>(0.60)</u>

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14 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 Communication and Technology (“MICT”).

Under the aforementioned agreement, the Company must pay an annual fee to MICT based on a percentage of certain service incomes or at the minimum level specified in the agreement, whichever is higher. As at 30 September 2011, the remaining minimum fee is Baht 762 million (*31 December 2010: Baht 806 million*). In addition, the Company, according to the aforementioned agreement, must transfer its ownership of all satellites, and monitoring stations and other operating equipments to MICT on the date of completion of construction and installation.

b) Assets transfer commitment under telephone network agreement in Cambodia

Mfone Company Limited (“Mfone”), a jointly-controlled entity in Cambodia, has obtained agreements for operation from the Directorate of Posts and Telecommunications of Cambodia to operate a domestic telephone network under an agreement dated 4 March 1993 and an amendment thereto dated 4 March 1997, for a period of 35 years. Under the agreement, Mfone will transfer its ownership of all fixed assets to the Government of Cambodia on the expiration date of the agreement in 2028 (Note 7).

c) Shareholder agreement

Lao Telecommunications Company Limited (“LTC”) is a joint venture, which was established under the terms of a Joint Venture Contract dated 8 October 1996, signed by the Government of the Lao People’s Democratic Republic and Shinawatra Computer and Communications Public Company Limited. According to the aforementioned Joint Venture Contract, LTC has the right to provide telecommunication services - fixed line phone, mobile phone, international facilities, internet and paging - within the Lao PDR for 25 years. Currently, Shenington Investments Pte Company Limited, which is a joint venture of the Company, owns 49% of LTC’s registered shares. At the end of the 25th year, in 2021, the Group has to transfer all of LTC’s shares to the Government of the Lao People’s Democratic Republic without any charges (Note 6). According to the shareholder agreement, LTC is required to invest at least USD 400 million in the projects specified in the agreement within 25 years. As at 30 September 2011, LTC has remaining additional investment of approximately USD 77.15 million (*31 December 2010: USD 81.45 million*).

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

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

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

Type of license	Issued Date	Period
License of DTV Service Company Limited		
Internet Operation License Type I	18 October 2009	5 years
Telecom Operation License Type I	19 July 2010	5 years
Licenses of CSL		
Internet Operation License Type II	26 April 2007	5 years
Internet Operation License Type I	8 September 2009	5 years
Telecom Operation License Type I	11 October 2009	5 years
Telecom Operation License Type III	20 December 2007	15 years

e) Obligation under “Financing and Project Agreement”

Lao Telecommunications Company Limited (“LTC”) entered into a “Financing and Project Agreement” with the government of the Lao People’s Democratic Republic (“government”) and an organisation in Germany (KfW, Frankfurt am Main) on 25 October 2004 of an amount not exceeding Euro 6.5 million (approximately Baht 274.58 million) for the procurement and installation of Phase VI of a rural telecommunication network. Under the agreement, the ownership of network assets will be transferred to LTC through loan at 30% of the network assets’ value excluding consulting services project and interest rate of loan 4% per year. LTC has recognised the network assets relating to Phase VI and the related portion of the loan in the amount of Baht 70.1 million in last year. During 2010 and 2011, LTC has paid loan repayment for the loan of Phase IV & V in the amount of Baht 15.7 million.

f) Obligation from shares buy back options

On 23 October 2003, the Company and Codespace Inc. entered into a “Memorandum of Agreement”, which provides Codespace Inc. an option to sell 2.2 million shares of iPSTAR Co., Ltd. to the Company, with the condition that the Company has the first option to purchase these shares. If the offered price per share is greater than the higher of USD 1 or fair market value at offering date, the Company has the right to refuse. If the offered price per share is equal to the higher of USD 1 or fair market value at offering date, the Company has to purchase those shares from Codespace Inc. The Company believes that Codespace Inc. will not exercise the option because according to the result of the financial analysis of the Company, the value per share of iPSTAR Co., Ltd.’s shares is higher than USD 1. Therefore, the Company does not recognise this obligation as its liabilities in these interim financial statements. As of 30 September 2011, the remaining share option was 0.12 million shares (*31 December 2010: 0.12 million shares*).

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g) Operating lease commitments

As at 30 September 2011 and 31 December 2010, the Group has future aggregate minimum lease payments under non-cancellable operating leases are as follows:

	Currency	Consolidated financial statements		Separate financial statements	
		30 September 2011	31 December 2010	30 September 2011	31 December 2010
		<i>(in thousands)</i>			
Within one year	THB	22,560	41,323	22,560	41,323
	YEN	4,347	362	4,347	362
	USD	7,033	7,306	5,508	5,713
	Rupee	4,721	4,622	4,721	4,622
	Rupiah	56,500	39,500	56,500	39,500
	Ringgit	66	116	66	116
	KIP	125,922	-	-	-
	PHP	2,263	2,977	2,263	2,977
	AUD	91	89	-	-
Total equivalent Baht		<u>467,900</u>	<u>272,220</u>	<u>416,875</u>	<u>221,222</u>
After one year but within five years	THB	17,779	43,201	17,779	43,201
	YEN	2,536	453	2,536	453
	USD	14,196	10,731	8,132	4,582
	Rupee	6,596	4,532	6,596	4,532
	Ringgit	7	67	7	67
	KIP	514,944	614	-	-
	PHP	492	1,970	492	1,970
	AUD	17	86	-	-
Total equivalent Baht		<u>470,678</u>	<u>376,431</u>	<u>278,313</u>	<u>187,477</u>
After five years	THB	13,902	16,559	13,902	16,559
	USD	1,621	2,389	-	-
	KIP	7,212	187,009	-	-
Total equivalent Baht		<u>64,676</u>	<u>89,640</u>	<u>13,902</u>	<u>16,559</u>
Grand total equivalent Baht		<u>1,003,254</u>	<u>738,291</u>	<u>709,090</u>	<u>425,258</u>

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h) Other commitments

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

	Currency	Consolidated financial statements		Separate financial statements	
		30 September 2011	31 December 2010	30 September 2011	31 December 2010
		<i>(in thousands)</i>			
Minimum operating agreement fee payable to Ministry of Information Communication and Technology	THB	284,000	222,000	284,000	222,000
IPSTAR equipment sales	THB	644	522	644	522
Satellite space leasing by customers	USD	2,411	1,442	2,411	1,442
	THB	492,198	487,000	492,198	487,000
IPSTAR Gateway	USD	-	379	-	379
Forward contracts	AUD	1,498	2,318	-	-
	THB	375,270	730,702	375,270	730,702
Letters of credit	USD	250	472	-	222
Others	THB	3,647	3,405	3,322	3,322

15 Contingent liabilities

Assessment for income tax in India

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

The Tax Authority has raised the tax demand including surcharge, education cess and interest aggregating to Rs. 779.5 million (approximately Baht 495 million) against the said payment received by it from the customers and also levied penalty of Rs. 566.1 million (approximately Baht 359 million) for the Assessment Year ('AY') 1998-99 to 2007-08 (1 April 1997 to 31 March 2007).

The Company had received Withholding Tax Certificates ('WTC') from its Customers until AY 2007-2008 net amounting to Rs. 487.9 million (approximately Baht 310 million), in which part of the amount is substituted and paid by the Customer on behalf of the Company. The Company had also deposited Rs. 460.2 million (approximately Baht 292 million). The Company presents the deposit as non-current assets in the Statements of financial position.

Since the management and Tax Advisor in India are of the opinion that the income from the TPS is not subject to Tax in India, the Company did not make any provision for the liability against the balance amount of Rs. 397.5 million (approximately Baht 252 million), payable to the said Authority.

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On 4 March 2011 Income Tax Appellate Tribunal (ITAT) (Special Bench) 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. The Company does not have to pay interest and penalty imposed by the Revenue Department of India.

Further to ITAT decision as stated in the preceding paragraphs, the Company is in the process of requesting the refund of deposit and withholding tax. Upon the finally decision of the Supreme court and the receipt of refund, the Company will forward part of the receipt to the Customer up to the amount they substituted on behalf of the Company.

On August 30, 2011, the Commission of Income Tax (Appeals) gave its ruling that the Company was not liable for penalty for the Assessment Years 2003-2004 and 2004-2005.

The Revenue department of India has filed an appeal against the ITAT decision to the High Court of Delhi. The Company believed the appeal would finally be filed further to the Supreme Court. If the Supreme court decides finally that the Company's income is taxable in India, the total tax liability demanded by the said Authority of Rs. 779.5 million (approximately Baht 495 million) which will be charged as expense immediately, but the Company will not be required to make any additional tax payment as the amount of WTC and the deposit made by the Company fully cover the tax demand. This, however, does not include the Penalty and the interest related to the Penalty already assessed in the amount of Rs. 566.1 million (approximately Baht 359 million) which will be charged as expenses if there is a final judgement that the Company is liable for Penalty and interest related to such Penalty, which the Company has already placed deposit against part of the Penalty and interest related to such Penalty leaving the total liability for Penalty and interest related to such Penalty in the amount of Rs. 397.5 million (approximately Baht 252 million) as stated in the preceding paragraphs together with interest at the maximum rate not exceeding one (1) percent per month as from the date of receipt of the Demand Notice until the date the payment.

16 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.

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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 10 July 2011, Mr Supong Thanakun 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.

17 Events after the reporting period

Effected from the change in the corporate income tax rate

On 11 October 2011, the Cabinet announced the change in the corporate income tax rate 23% for accounting periods ending 31 December 2012 or after, and to 20% for accounting periods beginning on or after 1 January 2013. The effect of this subsequent change in tax rate on the Group's 30 September 2011 financial statements would be to reduce the recorded deferred tax asset carried as at 30 September 2011 in the consolidated and separate financial statements by Baht 256 - 365 million and investment in associate by Baht 5 - 6 million.

Impact from the flooding

Since October 2011, there has been severe flooding in Thailand. However, based on preliminary assessment of the Group's management, the Group's assets were not impacted from flooding. Upon the date of the auditor's report, the flooding situation has not been resolved; nonetheless, the management expects the damage caused by this incident will not materially affect the Group's financial statements.

18 Reclassification of accounts

Certain accounts in the statements of financial position as at 31 December 2010 have been reclassified to conform to the presentation in the 2011 interim financial statements as follows:

	2010					
	Consolidated financial statements			Separate financial statements		
	Before reclass.	Reclass.	After reclass.	Before reclass.	Reclass.	After reclass.
	<i>(in thousand Baht)</i>					
Statement of financial position						
Accrued expenses	261,448	7,425	268,873	-	-	-
Other current liabilities	171,007	<u>(7,425)</u>	163,582	-	<u>-</u>	-
		<u>-</u>			<u>-</u>	

The reclassifications have been made because, in the opinion of management, the new classification is more appropriate to the Company's business.