

- Translation -

TC-CP 026/2012

November 12, 2012

Subject: Disposal of an investment in Mfone Company Limited

To: The President
The Stock Exchange of Thailand

The Board of Directors of THAICOM Public Company Limited (the “Company”) at its Meeting No.8/2012 held on November 12, 2012 the Meeting commenced from 9.30 o’clock to 13.40 o’clock at the Meeting Room, 20th Floor, Intouch Tower, No.414 Phahonyothin Road, Samsen Nai, Phayathai, Bangkok 10400, the Company passed a resolution approving the transaction for Shenington Investment Pte. Ltd. (“SHEN”) which is the Company’s subsidiary in which the Company holds 51 percent of paid up share capital to dispose of all 24,000,000 ordinary shares of 24,000,000 ordinary shares of Mfone Company Limited (“Mfone”), equivalent to 100% of its total paid up capital, to INT Management Service Company Limited (INT), the details of the transaction are as follow:

Date of Transaction:

This transaction contains condition precedent as stated in Type of Transaction / The basic used to determine the value of consideration. In case, the condition precedent is fullfiled, the transaction shall become effective which will be no later January 2013.

Parties involved:

Transferor	Number of Share	Portion (%)
Shenington Investment Pte. Ltd. (“SHEN”) which is the Company’s subsidiary in which the Company holds 51 percent of paid up share capital	24,000,000	100

Transferee	Number of Share	Portion (%)
INT Management Service Company Limited	24,000,000	100

Information of Transferee:

INT Management Service Company Limited has no relationships with the Company and none of the connected person.



Type of General Transaction / The basic used to determine the value of consideration:

The Company sells the ordinary shares in Mfone, its subsidiary of the Company, holds a share of 100% of the registered capital, the sale 24,000,000 ordinary to INT. The value of this transaction is equal to the enterprise value of Mfone which calculated to be 98.44 million US Dollars. This value will be net with all debts of Mfone with creditor.

This transaction has condition precedent which both parties must completely perform within 60 days so that the transaction will become effective.

The value of SHEN's transaction represents 7% of the total assets of the Company as per the most recent financial statements of the company as at September 30, 2012 which is not eligible to be reported to the SET. However, the Company disposes an investment in Mfone which results in that Mfone ceasing to be the Company's subsidiary, so the Company has to report to the SET. This transaction is the transaction between connected person of subsidiary and the subsidiary which falls into an acceptance under *Notification of the Capital Market Supervisory Board No. TorChor.21/2551 Re: Rules and regulations on connected transactions*.

Details of Asset:

The Company sells the ordinary shares in Mfone, its subsidiary of the Company, holds a share of 100% of the registered capital, the sale 24,000,000 ordinary shares to INT. The value of this transaction is equal to the enterprise value of Mfone which calculated to be 98.44 million US Dollars. This value will be net with all debts of Mfone with creditor.

Brief information of Mfone:

Type of Business: Providing fixed phone and mobile phone services in Cambodia
Shares in issue: 24,000,000 shares.
Par value: 1 USD per share
Paid-up capital: 24,000,000 USD

Financial Statements of Mfone:

unit: million USD

	2009	2010	2011	6 Months/2012
Summary of Balance Sheet				
Total Assets	198.01	171.92	143.24	123.38
Total Liabilities	148.90	151.93	156.37	161.53
Paid-up Capital	24.00	24.00	24.00	24.00
Shareholders' Equity	49.31	19.99	(13.12)	(38.15)
Summary of Income Statement				
Total Revenue	81.08	52.48	40.52	21.49
Cost of Sale/Service	(70.21)	(68.86)	(62.40)	(41.99)
Operation Cost	(11.85)	(10.91)	(10.40)	(4.17)
Operating Profit/Loss	(0.97)	(27.29)	(32.29)	(24.66)
Other Income	0.38	0.0037	0.021	0.036
Net Profit/Loss	(3.28)	(29.32)	(33.12)	(25.02)

Source: Mfone's Financial Statements

The calculation of the sizes of the transaction:**The calculation of the sizes of the transaction on comparison basis**

	Calculation	Value (%)
1. Asset value	NTA of Watta in proportion to sales / NTA of the Company	N/A
2. Net Profit from operation (The latest 4 quarters)	Net profit of last 4 quarters of Watta / Net profit of latest 4 quarters of the Company	N/A
3. Value of consideration (Assess the book value, the value of loan, value of guarantee and other obligations which such Watta still owes to the Company and subsidiaries)	The total value of return received / total assets of the Company	7% of the total assets of the Company
4. Value of securities issued for the payment	The number of newly issued shares / shares issued and paid up of the Company	Incompatible rules as no new shares were issued

Remark: The calculation of the sizes of the transaction calculated from the latest Financial Statement as of September 30, 2012 which is reviewed by the Company's Auditor.

This transaction is the disposition of assets under of the announcement of the acquisition or disposal of any on the criteria set by the value calculated from the rules of any criteria; this found that the size was 7% of the total assets of the Company which was lower than 15%, so that is not eligible to be reported to the SET. However, the Company disposes an investment in Mfone which results in that Mfone ceasing to be the Company's subsidiary, so the Company has to report to the SET. This transaction is the transaction between conneted person of subsidiary and the subsidiary which fails into an acception under *Notification of the Capital Market Supervisory Board No. TorChor.21/2551 Re: Rules and regulations on connected transactions.*

Reasonable and necessary:

As a result of loss of Mfone during the past 3 years including the intense competition in the mobile market, Mfone faced an impact consecutively. The Company was of an opinion that there will be a negative impact of the group. Therefore, in order to obtain consecutive growth, the execution of this transaction is actually necessary and benefit the Company and subsidiaries.

The Opinion of the Board of Directors about this transaction:

The Board of Directors considered that the execution of the transaction to sell ordinary shares of Mfone was very necessary to enable the business operation of the subsidiary to continue smoothly without interruption and was beneficial to the Company and the subsidiary.

Please be informed accordingly.

Yours faithfully,

- Signed -

Mr. Salil Charuchinda

Assistant Vice President of Legal Department

THAICOM Public Company Limited