

- Translation -

TC-CP 023/2016

20 October 2016

Subject: Report on the acquisition of assets concerning the entering into of a satellite procurement contract

To: The President
The Stock Exchange of Thailand

Enclosure: Information Memorandum on the Acquisition of Assets Concerning the Entering into of a Satellite Procurement Contract

Thaicom Public Company Limited (the “Company”) would like to inform the Stock Exchange of Thailand (“SET”) that on 20 October 2016, International Satellite Company Limited, a wholly-owned subsidiary of the Company has entered into a Satellite Procurement Contract with China Great Wall Industry Corporation (“CGWIC”) for procurement of the satellite according to the resolutions of the Board of Directors Meeting No. 9/2016 held on 13 October 2016. The transaction value is USD 208 million, which is equivalent to Baht 7,280 million (at the exchange rate of Baht 35 to USD 1, the average rate for the past 30 days as of 19 October 2016 from the Bank of Thailand). The calculation of the transaction size based on the total value of consideration is 21.39 percent of the Company’s total assets (The Company’s total assets as of 30 June 2016 is Baht 34,036 million). When considering the size of the transaction and the acquisition of the assets in the past six months, the total transaction size will be equivalent to 21.43 percent. This is considered as a Class 2 acquisition of assets transaction, meaning a transaction with a value equivalent to or higher than 15 percent but lower than 50 percent as defined by the Notification of the Capital Market Supervisory Board No. TorChor. 20/2551 Re: Rules on Entering into Material Transactions Deemed as Acquisition or Disposal of Assets and the Notification of the Board of Governors of the Stock Exchange of Thailand Re: Disclosure of Information and Other Acts of Listed Companies Concerning the Acquisition and Disposition of Assets B.E. 2547. Consequently, the Company is required to disclose the information memorandum regarding the entering into of the transaction to the SET and to deliver a written notice of its decision to enter into the transaction to the shareholders within a period of 21 days from the date on which the information memorandum is disclosed to the SET. Details of the transaction can be found in the Information Memorandum on the Acquisition of Assets of the Company attached herewith.

Yours sincerely,

-Signed-

(Ms. Yupapan Panclurbthong)
Vice President of Executive Office and Company Secretary
Thaicom Public Company Limited



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**Information Memorandum on the Acquisition of Assets Concerning the Entering into of
a Satellite Procurement Contract
of
Thaicom Public Company Limited**

On 20 October 2016, International Satellite Company Limited (“ISC”), a wholly-owned subsidiary of Thaicom Public Company Limited (the “Company”) has entered into a Satellite Procurement Contract with China Great Wall Industry Corporation (“CGWIC”) for procurement of the satellite according to the resolutions of the Board of Directors Meeting No. 9/2016 held on 13 October 2016, the details of which are as follows:

1. Date of Transaction: 20 October 2016

2. The parties involved and relationship with the Company:

Buyer: International Satellite Company Limited (“ISC”), a wholly-owned subsidiary of the Company

Seller: China Great Wall Industry Corporation (“CGWIC”), a satellite manufacturer in China. CGWIC is a state-owned by the Chinese government and a sole commercial organization authorized by the Chinese government to provide satellite, commercial launch services and to carry out international space cooperation.

Relationship with the Company: CGWIC neither has a relationship with nor is a connect person in regards to the Company or ISC

3. The general characteristics of the transaction:

ISC entered into the Satellite Procurement Contract with CGWIC for procurement of the satellite.

Type and size of transaction

The transaction value under the Satellite Procurement Contract is USD 208 million, which is equivalent to Baht 7,280 million (at the exchange rate of Baht 35 to USD 1, the average rate for the past 30 days as of 19 October 2016 from the Bank of Thailand). The calculation of the transaction size based on the total value of consideration is 21.39 percent of the Company’s total assets (The Company’s total assets as of 30 June 2016 is Baht 34,036 million). The details on the calculation of the transaction value are set out as follows:



Calculation Method	Transaction size
1. Net Tangible Asset (NTA)	Cannot be calculated as it is a satellite acquisition
2. Net Profit	Cannot be calculated as it is a satellite acquisition
3. Total value of Consideration	<u>The value paid or received x 100</u> Total assets of the Company = <u>7,280 x 100</u> 34,036 = 21.39%
4. Value of Capital Share	Cannot be calculated as it is a satellite acquisition

In this regards, during the period of the past six months, the Company has acquired assets concerning the purchase of telecommunication network assets, satellite uplink equipment of TC Broadcasting Company Limited for the total value of approximately Baht 12.35 million equivalent to the transaction size of 0.04 percent. After accumulating such transactions with the procurement of the satellite transaction, the total transaction size will be equivalent to 21.43 percent.

The aforementioned transaction is considered a Class 2 acquisition of assets transaction, meaning a transaction with the value equivalent to or higher than 15 percent but lower than 50 percent as defined by the Notification of the Capital Market Supervisory Board No. TorChor. 20/2551 Re: Rules on Entering into Material Transactions Deemed as Acquisition or Disposal of Assets and the Notification of the Board of Governors of the SET Re: Disclosure of Information and Other Acts of Listed Companies Concerning the Acquisition and Disposition of Assets B.E. 2547. Consequently, the Company is required to disclose the information memorandum on the entering into the transaction to the Stock Exchange of Thailand (“SET”) and to deliver a written notice of its decision to enter into the transaction to the shareholders within a period of 21 days from the date on which the information memorandum is disclosed to the SET.

4. The details of asset purchase:

The satellite having 37 GHz or 53 Gbps Ka-band capacity, an approximate operating lifetime of 15 years, and a service footprint in Asia covering China, Hong Kong, Taiwan, South Korea, Japan, Malaysia, Singapore, Philippines, Vietnam, Lao, Cambodia and Thailand.

5. The total value of consideration and condition of payment:

The total value of the procurement of the satellite is approximately USD 208 million, which is equivalent to Baht 7,280 million (at the exchange rate of Baht 35 to USD 1, the average rate for the past 30 days as of 19 October 2016 from the Bank of Thailand). The value includes the cost of the satellite and launch. The payment will be made in instalments based on the progress of



the work and agreement with the Seller. The Company expects the construction of the satellite to be completed around the end of the year 2019.

6. The value of assets purchased

The satellite has a total value of USD 208 million, which is equivalent to Baht 7,280 million (at the exchange rate of Baht 35 to USD 1, the average rate for the past 30 days as of 19 October 2016 from the Bank of Thailand).

7. The basis used to determine the value of consideration:

The value of consideration has been agreed upon by the Buyer and the Seller.

8. Expected benefits for the Company:

To increase the revenue of the Company from Ka-band capacity leasing services. In this regards, ISC agreed to lease out the entire capacity of the satellite to a major customer for the entire duration of the satellite's lifetime and will receive full payment of service fees in advance from that customer.

9. Source of fund:

ISC agreed to lease out the entire capacity of the satellite to a major customer for the entire duration of the satellite's lifetime. ISC will receive full payment of service fees in advance from that customer, which will be the source of funding for the payment of satellite construction expenses.

10. Board of Directors' opinion:

The Board of Directors gave its approval for the procurement of the satellite as it would increase the Company's competitive position, provide long-term benefit and increase future revenue for the Company.

11. Opinion of the Audit Committee and/or directors which are different from the opinion of the Board of Directors:

- None -

The company hereby certifies that the information contained in this information memorandum is correct and true in all respect and it is written with due diligence and in the best interests of the shareholders.

