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TC-CP 020/2020

12 November 2020

**Subject:** Clarification on the Ministry of Digital Economy and Society's demand regarding  
Thaicom 5

**To:** The President  
The Stock Exchange of Thailand

Reference is made to the Ministry of Digital Economy and Society (MDES)'s demand that the Company build and transfer the ownership of a new satellite to replace Thaicom 5 or otherwise pay MDES compensation in an amount equal to the price of a new satellite, which has resulted in a dispute to be resolved by arbitration.

Thaicom Public Company Limited (the "Company") would like to clarify that the Company has already fulfilled its obligation to launch satellites as required by the terms of the Concession. Therefore, the Company has no obligation to build a new satellite to replace Thaicom 5 as demanded by MDES. In addition, currently there are still two other satellites, i.e. Thaicom 4 and Thaicom 6, in operation, the ownership of which the Company has transferred to MDES. The operational life of the two satellites is also beyond the term of the Concession, and MDES has the right to manage the two satellites thereafter.

The Concession was entered into nearly 30 years ago, with the parties agreeing to the terms regarding the work plan and principles for contract implementation which reflected the plan which had been proposed by the Company and approved by MDES. The focus was on the continuity of satellite service throughout the term of the Concession. The work plan, which forms part of the Concession, states that the Company will build 2 generations of satellites, with a total of 4 satellites. Each generation consists of a primary satellite and a backup satellite. When the Concession expires, MDES will have the right to manage satellites which have not reached their operational life.

In carrying out the contract from the start of the Concession until present the Company has built and transferred the ownership of a total of 6 satellites to the government, which is more than specified in the plan. With regards to the incident that occurred to Thaicom 5, which required the satellite to be deorbited, MDES was aware of the design life of Thaicom 5 (which was until 2018)



at the time of the approval for launch, and when Thaicom 5 incident occurred, Thaicom 5 had already operated beyond its design life, and had to be deorbited on 26 February 2020. The Company had already consulted with MDES and the NBTC in advance, notified all parties concerned and sought approval before the deorbit. Furthermore, the Company has compensated MDES by submitting the revenue share in respect of customers affected by Thaicom 5 incident and by negotiating with the insurer in order to obtain compensation for MDES. Currently, Thaicom 4 and Thaicom 6 are continuously providing services until the end of the Concession and MDES will have the right to manage these satellites thereafter, all in accordance with the terms of the Concession.

Based on the above, the Company is of the view that the Company has fulfilled all of its obligations under the Concession while the State has not lost any benefit because the Company has brought into use and transferred the ownership of all satellites to MDES as required by the Concession. In addition, up until now the Company has paid revenue share in respect of the 6 satellites in the total amount of Baht 13,792.23 million, while the minimum revenue share as required by the Concession is Baht 1,415 million. Furthermore, the Company played an important role in acquiring the right to use orbital slots for the country and always assisted in protecting the country's right to use orbital slots until today. The State has additionally received the transfer of the World's first broadband internet satellite, which has brought a good reputation for the country and tremendous benefits to the public, particularly with increased access to the Internet both in Thailand and abroad including Japan, India and Australia.

The Company would like to reiterate that, throughout the term of the Concession, the Company has acted transparently with government officials, gone through the required approval processes and complied with all steps required under the Concession, including cooperating with the government agency concerned in submitting the revenue share, providing training to government officials, and providing audit reports of the Company's documents and assets every year.

The Company is confident that the Company has correctly and completely fulfilled all of its obligations in the Concession in all respects.

Yours sincerely,

-Signed-

(Mr. Salil Charuchinda)  
Head of Legal and Compliance Department  
Thaicom Public Company Limited

