

REPORT OF THE INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

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

Opinion

We have audited the consolidated financial statements of Thaicom Public Company Limited and its subsidiaries (the “Group”) and the separate financial statements of Thaicom Public Company Limited (the “Company”), which comprise the consolidated and separate statements of financial position as at December 31, 2020, and the related consolidated and separate statements of profit or loss, profit or loss and other comprehensive income, changes in shareholders’ equity and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated and separate financial statements present fairly, in all material respects, the financial position of Thaicom Public Company Limited and its subsidiaries and of Thaicom Public Company Limited as at December 31, 2020, and its financial performance and its cash flows for the year then ended in accordance with Thai Financial Reporting Standards (“TFRSs”).

Basis for Opinion

We conducted our audit in accordance with Thai Standards on Auditing (“TSAs”). Our responsibilities under those standards are further described in the Auditor’s Responsibilities for the Audit of the Consolidated and Separate Financial Statements section of our report. We are independent of the Group in accordance with the Federation of Accounting Professions’ Code of Ethics for Professional Accountants together with the ethical requirements that are relevant to the audit of the consolidated and separate financial statements, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated and separate financial statements of the current period. These matters were addressed in the context of our audit of the consolidated and separate financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matters	Key Audit Responses
<p>Recognition of revenue from rendering of services</p> <p>The Group has many service agreements which have different terms and pricing conditions. Therefore, the key audit matter is occurrence, accuracy and completeness of recognition of revenue from rendering of services whether the revenue from rendering of services has been recorded according to the service agreements accurately in accordance with TFRSs.</p> <p>Accounting policy of revenue recognition and detail of revenue from rendering of services were disclosed in Note 3.17 and Note 23 to the financial statements, respectively.</p>	<p>Key audit procedures included:</p> <ul style="list-style-type: none"> • Understanding the revenue recognition process related to rendering of services and related internal control procedures • Testing the design and implementation of the internal control procedures related to rendering of services • Performing the operating effectiveness testing over the internal control procedures around revenue recognition process related to rendering of services including related information, and • Performing substantive testing as follows: <ul style="list-style-type: none"> – Examining the terms and condition of the service agreements and recalculating the revenues whether it has been recorded appropriately and examining the related supporting documents of those revenues from rendering of services – Performing substantive analytical procedures relating to the revenue from rendering of services.

Key Audit Matters	Key Audit Responses
<p>Allowance for expected credit loss</p> <p>Starting from January 1, 2020, the Thai Financial Reporting Standard No. 9 - Financial Instruments (“TFRS 9”) was applied. This standard requires the Bank and subsidiaries to recognize impairment loss based on expected credit loss.</p> <p>The allowance for expected credit loss was considered collectively (collective assessment) and individually (individual assessment) of trade receivables. For collective assessment, it represents management’s estimation of allowance for expected credit loss by using simplified approach. For individual assessment, the Group considered based on the payment histories and the ability to make payments in the future of each individual customer. Therefore, the key audit matter is whether as valuation of the trade receivables and the allowance for expected credit loss are in accordance with TFRSs.</p> <p>Accounting policy of allowance for expected credit loss and detail of trade receivables and allowance for expected credit loss were disclosed in Note 3.5 and Note 7 to the financial statements, respectively.</p>	<p>Key audit procedures included:</p> <ul style="list-style-type: none"> • Understanding the allowance for expected credit loss consideration process and related internal control procedures • Testing the design and implementation of the internal control procedures • Performing the operating effectiveness testing over the internal control procedures around the consideration of allowance for expected credit loss and • Performing substantive testing as follows: <ul style="list-style-type: none"> - Assessing the impact made to the opening balances on January 1, 2020, resulted from the first time adoption of TFRS 9. - Examining the supporting documents the managements used in considering the indicators of allowance for expected credit loss - For collective assessment, assessing the appropriateness of considering process and key assumption and information that management used in assessing the allowance for expected credit loss - For the individual assessment, we have performed, among the others, the following procedures; <ul style="list-style-type: none"> ▪ We have assessed the appropriateness of the process of identifying indicators of impairment. ▪ We assessed the appropriateness of estimation of allowances for a selected sample of exposures with identified evidence of impairment with respect to the appropriateness of the assumed collateral values and assumptions concerning other cash flows. - Testing the calculation of the allowance for expected credit loss.

Other Information

Management is responsible for the other information. The other information comprises information in the annual report, we have received such other information in the annual report that has been prepared for issuance before the date of this auditors' report.

Our opinion on the consolidated and separate financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated and separate financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

We have read other information in the annual report that has been prepared for issuance, we did not find any material inconsistency therein which we have to report.

Responsibilities of Management and Those Charged with Governance for the Consolidated and Separate Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated and separate financial statements in accordance with TFRSs, and for such internal control as management determines is necessary to enable the preparation of the consolidated and separate financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated and separate financial statements, management is responsible for assessing the Group's and the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group and the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated and Separate Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated and separate financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with TSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated and separate financial statements.

As part of an audit in accordance with TSAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated and separate financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

BANGKOK
February 5, 2021

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

Thaicom Public Company Limited and its Subsidiaries
Statements of financial position
As at 31 December 2020

	Notes	Consolidated financial statements		Separate financial statements	
		31 December 2020	31 December 2019	31 December 2020	31 December 2019
		Baht	Baht	Baht	Baht
Assets					
<i>Current assets</i>					
Cash and cash equivalents	5	2,298,895,168	2,621,710,435	1,525,014,135	1,717,356,107
Current investments	6	-	3,080,846,431	-	2,633,569,666
Trade and other current receivables	7	1,832,294,578	1,889,979,972	3,448,358,847	3,094,843,758
Amounts due from related parties	4	34,799,837	5,849,681	56,248,528	58,399,710
Current portion of long-term loan to related parties	4	853,012,944	630,634,826	873,012,944	655,634,826
Inventories	8	55,434,411	124,027,672	49,260,746	113,600,249
Current tax assets		40,553,094	78,804,510	40,553,094	78,804,510
Other current financial assets	6	4,320,271,307	-	3,905,788,751	-
Other current assets		37,512,266	28,188,571	23,924,803	21,203,460
Total current assets		9,472,773,605	8,460,042,098	9,922,161,848	8,373,412,286
<i>Non-current assets</i>					
Investments in subsidiaries	9	-	-	1,485,273,847	1,232,336,021
Investments in joint ventures	9	1,392,676,559	1,408,768,775	1,386,736,739	1,408,768,775
Long-term loans to related parties	4	898,710,066	1,127,498,629	898,710,066	1,127,498,629
Property, plant and equipment	10	3,091,012,185	3,312,615,980	2,981,089,302	3,305,220,394
Right-of-use assets	11	151,004,859	-	126,033,543	-
Intangible assets under operating agreement	12	559,684,832	1,365,689,010	559,684,832	1,365,689,010
Intangible assets	12	88,084,858	228,075,766	68,666,487	152,270,274
Deferred tax assets	13	727,994,748	797,296,114	687,165,599	741,912,231
Other non-current assets	14	294,335,715	299,195,600	283,979,734	287,412,153
Total non-current assets		7,203,503,822	8,539,139,874	8,477,340,149	9,621,107,487
Total assets		16,676,277,427	16,999,181,972	18,399,501,997	17,994,519,773

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

Thaicom Public Company Limited and its Subsidiaries
Statements of financial position (Continued)
As at 31 December 2020

	Notes	Consolidated financial statements		Separate financial statements	
		31 December 2020	31 December 2019	31 December 2020	31 December 2019
		Baht	Baht	Baht	Baht
Liabilities and equity					
<i>Current liabilities</i>					
Trade and other current payables	16	424,128,355	554,716,866	407,871,528	418,755,625
Amounts due to related parties	4	-	1,028,799	19,906,280	38,961,588
Current portion of long-term borrowings	15	2,704,232,667	392,001,950	2,729,038,251	392,001,950
Advance receipts from customers		191,056,475	349,788,454	77,181,946	105,904,926
Accrued operating agreement fee		117,411,422	171,654,807	117,411,422	171,654,807
Corporate income tax payable		4,192,833	140,438	-	-
Other current liabilities	17	61,128,356	56,577,787	20,145,187	23,788,529
Total current liabilities		3,502,150,108	1,525,909,101	3,371,554,614	1,151,067,425
<i>Non-current liabilities</i>					
Long-term borrowings	15	1,203,908,535	3,799,126,798	1,185,642,010	3,802,126,798
Long-term accounts payable					
- property and equipment		208,426,920	209,285,970	208,426,920	209,285,970
Net liabilities in subsidiaries	9	-	-	1,913,426,393	1,399,893,099
Non-current provisions for employee benefit	18	283,241,394	231,765,525	253,523,500	205,055,735
Deferred Tax Liabilities	13	6,358,223	-	-	-
Other non-current liabilities	19	225,113,712	238,134,841	219,849,763	232,130,747
Total non-current liabilities		1,927,048,784	4,478,313,134	3,780,868,586	5,848,492,349
Total liabilities		5,429,198,892	6,004,222,235	7,152,423,200	6,999,559,774
<i>Equity</i>					
Share capital	20				
Authorised share capital		5,499,884,200	5,499,884,200	5,499,884,200	5,499,884,200
Issued and paid-up share capital		5,480,509,770	5,480,509,770	5,480,509,770	5,480,509,770
Premium on ordinary shares	20	4,325,271,183	4,325,271,183	4,325,271,183	4,325,271,183
Retained earnings					
Appropriated					
Legal reserve	21	549,988,420	549,988,420	549,988,420	549,988,420
Unappropriated		1,127,222,588	873,555,310	1,127,222,588	873,555,310
Other components of equity		(235,913,164)	(234,364,684)	(235,913,164)	(234,364,684)
Equity attributable to owners of the Company		11,247,078,797	10,994,959,999	11,247,078,797	10,994,959,999
Non-controlling interests		(262)	(262)	-	-
Total equity		11,247,078,535	10,994,959,737	11,247,078,797	10,994,959,999
Total liabilities and equity		16,676,277,427	16,999,181,972	18,399,501,997	17,994,519,773

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

Thaicom Public Company Limited and its Subsidiaries

**Statements of profit or loss
For the year ended 31 December 2020**

	Notes	Consolidated		Separate	
		financial statements		financial statements	
		2020	2019	2020	2019
		Baht	Baht	Baht	Baht
<i>Income</i>	4				
Revenues from sale of goods and rendering of services	23	3,556,795,759	4,663,285,238	3,420,365,325	4,269,611,432
Other income	24	671,025,050	136,408,318	652,966,188	101,189,173
Total income		4,227,820,809	4,799,693,556	4,073,331,513	4,370,800,605
<i>Expenses</i>	4				
Cost of sale of goods and rendering of services		2,072,532,925	2,968,072,357	1,905,608,020	2,522,579,097
Operating agreements fee		505,839,320	702,808,759	505,839,320	702,808,759
Selling expenses		20,067,536	42,335,305	7,148,981	17,746,331
Administrative expenses		838,740,096	871,796,393	585,803,285	620,807,796
Impairment loss on assets		-	1,622,699,764	-	1,468,819,073
Directors and management benefit expenses		68,688,821	59,951,261	68,324,751	59,697,348
Net foreign exchange loss		58,559,054	128,326,746	46,727,462	136,340,095
Loss from sale of investment in a subsidiary		-	28,542,789	-	28,542,789
Total expenses		3,564,427,752	6,424,533,374	3,119,451,819	5,557,341,288
Profit (loss) from operating activities		663,393,057	(1,624,839,818)	953,879,694	(1,186,540,683)
Finance income		140,514,930	200,657,578	141,116,010	192,648,091
Finance costs		(188,228,918)	(299,742,497)	(184,301,579)	(294,758,082)
Bad debt and doubtful accounts		-	(65,866,756)	-	(111,680,903)
Reversal of loss on impairment (loss on impairment)					
Thai Financial Reporting Standard No.9		8,564,560	-	(36,632,628)	-
Share of profit (loss) of investment in subsidiaries and joint ventures		3,743,190	(116,447,819)	(293,806,716)	(597,865,755)
Profit (loss) before income tax expense		627,986,819	(1,906,239,312)	580,254,781	(1,998,197,332)
Income tax expense	27	(114,204,439)	(343,709,537)	(66,472,401)	(251,751,517)
Profit (loss) for the year		513,782,380	(2,249,948,849)	513,782,380	(2,249,948,849)
Profit (loss) attributable to:					
Owner of the Company		513,782,380	(2,249,948,849)	513,782,380	(2,249,948,849)
Non-controlling interest		-	-	-	-
Profit (loss) for the year		513,782,380	(2,249,948,849)	513,782,380	(2,249,948,849)
Earnings (loss) per share (Baht)	28				
Basic earnings (loss) per share		0.47	(2.05)	0.47	(2.05)
Diluted earnings (loss) per share		0.47	(2.05)	0.47	(2.05)

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

Thaicom Public Company Limited and its Subsidiaries
Statements of profit or loss and other comprehensive income
For the year ended 31 December 2020

	Notes	Consolidated financial statements		Separate financial statements	
		2020 Baht	2019 Baht	2020 Baht	2019 Baht
Profit (loss) for the year		513,782,380	(2,249,948,849)	513,782,380	(2,249,948,849)
Other comprehensive income					
<i>Items that will not be reclassified to profit or loss</i>					
Defined benefit plan actuarial gains (loss)		(49,450,094)	233,780,317	(49,450,094)	233,780,317
Income tax on other comprehensive income		8,551,683	(46,974,486)	8,551,683	(46,974,486)
		(40,898,411)	186,805,831	(40,898,411)	186,805,831
<i>Items that maybe reclassified to profit or loss</i>					
Exchange differences on translating financial statement		(5,902,399)	(98,016,940)	(5,902,399)	(98,016,940)
Changes in fair value of financial assets					
transfers to profit or loss		(7,714,663)	(2,677,724)	(7,714,663)	(2,677,724)
Changes in fair value of financial assets		12,149,086	23,722,310	12,149,086	23,722,310
Income tax on other comprehensive income		(886,884)	(4,208,917)	(886,884)	(4,208,917)
		(2,354,860)	(81,181,271)	(2,354,860)	(81,181,271)
Other comprehensive income for the year, net of income tax		(43,253,271)	105,624,560	(43,253,271)	105,624,560
Total comprehensive income for the year		470,529,109	(2,144,324,289)	470,529,109	(2,144,324,289)
Total comprehensive income attributable to:					
Owners of the Company		470,529,109	(2,144,324,289)	470,529,109	(2,144,324,289)
Non-controlling interests		-	-	-	-
Total comprehensive income for the year		470,529,109	(2,144,324,289)	470,529,109	(2,144,324,289)

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

Thaicom Public Company Limited and its Subsidiaries
Statement of changes in equity
For the year ended 31 December 2020

Consolidated financial statements													
		Retained earnings				Other components of equity							
	Issued and paid-up share capital	Share premium	Legal reserve	Unappropriated	Other reserve for share-based payment	Cumulative gain on dilution of investment in subsidiaries	Exchange differences on translating financial statement	Changes in fair value of financial assets	Total other components of equity	Equity attributable to owners of the Company	Non-controlling interests	Total equity	
Notes	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	
Year ended 31 December 2019													
Balance as at 1 January 2019	5,480,509,770	4,325,271,183	549,988,420	2,936,698,328	14,744,698	(22,126,049)	(139,576,361)	(8,452,165)	(155,409,877)	13,137,057,824	(262)	13,137,057,562	
Transactions with owners, recorded directly in equity													
Share-based payment transactions	20	-	-	-	-	2,226,464	-	-	-	2,226,464	2,226,464	-	2,226,464
Total transactions with owners, recorded directly in equity													
	-	-	-	-	2,226,464	-	-	-	2,226,464	2,226,464	-	2,226,464	
Comprehensive income for the year													
Loss	28	-	-	-	(2,249,948,849)	-	-	-	-	(2,249,948,849)	-	(2,249,948,849)	
Other comprehensive income		-	-	-	186,805,831	-	-	(98,016,940)	16,835,669	(81,181,271)	105,624,560	-	105,624,560
Total comprehensive income for the year													
	-	-	-	(2,063,143,018)	-	-	(98,016,940)	16,835,669	(81,181,271)	(2,144,324,289)	-	(2,144,324,289)	
Balance as at 31 December 2019													
	5,480,509,770	4,325,271,183	549,988,420	873,555,310	16,971,162	(22,126,049)	(237,593,301)	8,383,504	(234,364,684)	10,994,959,999	(262)	10,994,959,737	

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

Thaicom Public Company Limited and its Subsidiaries

Statement of changes in equity (Continued)

For the year ended 31 December 2020

Consolidated financial statements													
		Retained earnings				Other components of equity							
	Issued and paid-up share capital	Share premium	Legal reserve	Unappropriated	Other reserve for share-based payment	Cumulative gain on dilution of investment in subsidiaries	Exchange differences on translating financial statement	Changes in fair value of financial assets	Total other components of equity	Equity attributable to owners of the Company	Non-controlling interests	Total equity	
Notes	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	
Year ended 31 December 2020													
Balance as at 1 January 2020	5,480,509,770	4,325,271,183	549,988,420	873,555,310	16,971,162	(22,126,049)	(237,593,301)	8,383,504	(234,364,684)	10,994,959,999	(262)	10,994,959,737	
Transactions with owners, recorded directly in equity													
Share-based payment transactions	20	-	-	-	-	806,380	-	-	-	806,380	806,380	-	806,380
Dividends for shareholders of the company	29	-	-	-	(219,216,691)	-	-	-	-	(219,216,691)	-	(219,216,691)	
Total transactions with owners, recorded directly in equity		-	-	-	(219,216,691)	806,380	-	-	-	806,380	(218,410,311)	-	(218,410,311)
Comprehensive income for the year													
Profit	28	-	-	-	513,782,380	-	-	-	-	513,782,380	-	513,782,380	
Other comprehensive income		-	-	-	(40,898,411)	-	-	(5,902,399)	3,547,539	(2,354,860)	(43,253,271)	-	(43,253,271)
Total comprehensive income for the year		-	-	-	472,883,969	-	-	(5,902,399)	3,547,539	(2,354,860)	470,529,109	-	470,529,109
Balance as at 31 December 2020	5,480,509,770	4,325,271,183	549,988,420	1,127,222,588	17,777,542	(22,126,049)	(243,495,700)	11,931,043	(235,913,164)	11,247,078,797	(262)	11,247,078,535	

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

Thaicom Public Company Limited and its Subsidiaries
Statement of changes in equity
For the year ended 31 December 2020

		Separate financial statements								
		Retained earnings				Other components of equity				
Notes	Issued and paid-up share capital	Share premium	Legal reserve	Unappropriated	Other reserves for share-based payment	Cumulative gain on dilution of investment in subsidiaries	Exchange differences on translating financial statement	Changes in fair value of financial assets	Total other components of equity	Total equity
	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht
Year ended 31 December 2019										
Balance as at 1 January 2019	5,480,509,770	4,325,271,183	549,988,420	2,936,698,328	14,744,698	(22,126,049)	(139,576,361)	(8,452,165)	(155,409,877)	13,137,057,824
Transactions with owners, recorded directly in equity										
Share-based payment transactions	20	-	-	-	2,226,464	-	-	-	2,226,464	2,226,464
Total transactions with owners, recorded directly in equity		-	-	-	2,226,464	-	-	-	2,226,464	2,226,464
Comprehensive income for the year										
Loss	28	-	-	-	(2,249,948,849)	-	-	-	-	(2,249,948,849)
Other comprehensive income		-	-	-	186,805,831	-	(98,016,940)	16,835,669	(81,181,271)	105,624,560
Total comprehensive income for the year		-	-	-	(2,063,143,018)	-	(98,016,940)	16,835,669	(81,181,271)	(2,144,324,289)
Balance as at 31 December 2019		5,480,509,770	4,325,271,183	549,988,420	873,555,310	16,971,162	(22,126,049)	(237,593,301)	8,383,504	10,994,959,999

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

Thaicom Public Company Limited and its Subsidiaries

Statement of changes in equity (Continued)

For the year ended 31 December 2020

		Separate financial statements								
		Retained earnings				Other components of equity				
Notes	Issued and paid-up	Share premium	Legal reserve	Unappropriated	Other reserve for share-based payment	Cumulative gain on dilution of investment in subsidiaries	Exchange differences on translating financial statement	Changes in fair value of financial assets	Total other components of equity	Total equity
	share capital									
	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht
Year ended 31 December 2020										
Balance as at 1 January 2020	5,480,509,770	4,325,271,183	549,988,420	873,555,310	16,971,162	(22,126,049)	(237,593,301)	8,383,504	(234,364,684)	10,994,959,999
Transactions with owners, recorded directly in equity										
Share-based payment transactions	20	-	-	-	806,380	-	-	-	806,380	806,380
Dividends for shareholders of the company	29	-	-	-	(219,216,691)	-	-	-	-	(219,216,691)
Total transactions with owners, recorded directly in equity		-	-	-	(219,216,691)	806,380	-	-	806,380	(218,410,311)
Comprehensive income for the year										
Profit	28	-	-	-	513,782,380	-	-	-	-	513,782,380
Other comprehensive income		-	-	-	(40,898,411)	-	(5,902,399)	3,547,539	(2,354,860)	(43,253,271)
Total comprehensive income for the year		-	-	-	472,883,969	-	(5,902,399)	3,547,539	(2,354,860)	470,529,109
Balance as at 31 December 2020		5,480,509,770	4,325,271,183	549,988,420	1,127,222,588	17,777,542	(22,126,049)	(243,495,700)	11,931,043	11,247,078,797

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

Thaicom Public Company Limited and its Subsidiaries

Statements of cash flows

For the year ended 31 December 2020

	Notes	Consolidated		Separate	
		financial statements		financial statements	
		2020	2019	2020	2019
		Baht	Baht	Baht	Baht
<i>Cash flows from operating activities</i>					
Profit (loss) for the year		513,782,380	(2,249,948,849)	513,782,380	(2,249,948,849)
<i>Adjustments for</i>					
Depreciation of property and equipment	10	281,939,707	500,283,459	334,755,621	455,050,178
Amortisation of right-of-use assets	11	89,414,484	-	84,019,166	-
Amortisation of intangible assets					
under operating agreements	12	806,004,179	1,213,974,532	806,004,179	1,213,974,532
Amortisation of intangible assets	12	94,887,936	97,795,101	85,381,577	88,811,135
Impairment loss on assets		-	1,613,406,614	-	1,459,525,923
Impairment loss on intangible asset		-	9,293,150	-	9,293,150
Finance income		(140,514,930)	(200,657,578)	(141,116,010)	(192,648,091)
Investment income		(7,714,663)	(2,677,724)	-	-
Past and current service cost		15,607,270	68,413,647	13,374,320	56,421,438
Share-based payment	20	806,380	2,226,464	806,380	2,226,464
Finance costs		188,228,918	299,742,497	184,301,579	294,758,082
Loss on exchange rate		80,740,040	248,538,557	44,948,027	217,720,861
Amortisation of borrowing costs	15, 25	2,461,763	2,928,516	2,461,763	2,928,516
Expected credit loss (reversal)	7	(8,564,560)	65,866,756	36,632,628	111,680,903
Reversal of obsolete inventories		(5,889,645)	(5,570,270)	(4,681,163)	(7,333,429)
Gain on disposal of property and equipment		(5,508,136)	(5,161,397)	(5,208,931)	(4,812,966)
Loss from write-off inventories		8,030,205	-	8,030,205	-
Loss on written-off property and equipment		114,437	1,393,792	5,644	1,393,450
Loss on written-off intangible assets		54,751,223	-	5,912	-
Loss from write-off assets		98,415,000	-	98,415,000	-
Loss from sale of investment in a subsidiary		-	28,542,789	-	28,542,789
Share of (profits) loss of investment in subsidiaries and joint ventures	9	(3,743,190)	116,447,819	293,806,716	597,865,755
Income tax expense		114,204,439	343,709,537	66,472,401	251,751,517
		<u>2,177,453,237</u>	<u>2,148,547,412</u>	<u>2,422,197,394</u>	<u>2,337,201,358</u>
<i>Changes in operating assets and liabilities</i>					
Trade and other current receivables		(30,456,996)	(212,409,540)	(483,365,866)	(731,197,250)
Amounts due from related parties		(28,398,395)	36,341,168	2,702,944	27,768,502
Inventories		69,399,817	(5,494,623)	61,969,065	(17,128,156)
Other current assets		(5,830,149)	7,888,805	(2,770,976)	(1,819,929)
Other non-current assets		(578,145)	5,615,895	(111,807)	407,929
Trade and other current payables		(127,670,383)	(141,090,524)	(4,814,360)	(104,973,195)
Amounts due to related parties		(1,299,814)	1,183,688	(19,326,323)	35,550,377
Advance receipts from customers		(158,731,978)	74,308,197	(28,722,980)	39,997,086
Accrued operating agreement fee		(54,243,384)	(86,685,543)	(54,243,384)	(86,685,543)
Other current liabilities		3,745,852	(32,487,566)	(4,448,059)	(19,994,082)
Other non-current liabilities		(11,082,929)	(24,658,947)	(10,342,786)	(25,144,055)
Non-current provisions for employee benefit		(39,956,337)	(30,401,546)	(33,163,654)	(19,107,757)
Income tax paid		<u>(23,058,377)</u>	<u>(83,017,850)</u>	<u>-</u>	<u>(420,951)</u>
Net cash from operating activities		<u>1,769,292,019</u>	<u>1,657,639,026</u>	<u>1,845,559,208</u>	<u>1,434,454,334</u>

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

Thaicom Public Company Limited and its Subsidiaries
Statements of cash flows (Continued)
For the year ended 31 December 2020

		Consolidated		Separate	
		financial statements		financial statements	
Notes	2020	2019	2020	2019	
	Baht	Baht	Baht	Baht	
Cash flows from investing activities					
Interest received	145,147,100	208,956,365	142,334,341	198,650,148	
Dividends received	9	-	-	-	184,088,137
Decrease (increase) in other current financial assets	(1,227,275,790)	1,170,085,673	(1,267,784,663)	1,221,630,342	
Cash paid for purchase of property and equipment	(70,782,747)	(224,126,037)	(19,739,942)	(13,105,888)	
Proceeds from sale of property and equipment	9,239,304	25,290,324	5,374,732	6,532,828	
Cash received from loan to a subsidiary	4	-	-	5,000,000	25,000,000
Cash received from loan to a joint venture	4	-	46,858,086	-	46,858,086
Cash paid for purchase of intangible assets	(7,230,176)	(1,658,484)	(1,783,700)	-	
Cash received from sale of investment in subsidiaries	-	18,100,341	-	24,640,320	
Cash paid for investment in joint ventures	9	(13,500,000)	-	(7,500,000)	-
Net cash from (used in) investing activities		(1,164,402,309)	1,243,506,268	(1,144,099,232)	1,694,293,973
Cash flows from financing activities					
Dividends paid to shareholders of the Company	29	(219,216,691)	-	(219,216,691)	-
Repayments of borrowings	15	(494,357,972)	(2,790,944,948)	(489,446,014)	(2,812,944,948)
Investment in debentures within the group	15	(29,000,000)	-	-	-
Finance cost paid		(185,105,428)	(318,735,726)	(185,114,357)	(318,212,049)
Net cash used in financing activities		(927,680,091)	(3,109,680,674)	(893,777,062)	(3,131,156,997)
Net decrease in cash and cash equivalents		(322,790,381)	(208,535,380)	(192,317,086)	(2,408,690)
Cash and cash equivalents as at 1 January		2,621,710,435	2,830,234,585	1,717,356,107	1,719,753,567
Effect of exchange rate changes on ending balances held in foreign currencies		(24,886)	11,230	(24,886)	11,230
Cash and cash equivalents as at 31 December	5	2,298,895,168	2,621,710,435	1,525,014,135	1,717,356,107
Non-cash transactions					
Acquisition of property and equipment through credit		116,749	1,808,702	25,249	1,744,942
Lease liabilities		224,281,542	25,906,391	195,439,343	25,906,391

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

Thaicom Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2020

Note	Contents
1.	General information
2.	Basis of preparation of the financial statements
3.	Significant accounting policies
4.	Related parties
5.	Cash and cash equivalents
6.	Current investments and other current financial assets
7.	Trade and other current receivables
8.	Inventories
9.	Investments in subsidiaries and joint ventures
10.	Property, plant and equipment
11.	Right-of-use of assets
12.	Intangible assets under operating agreement and intangible assets
13.	Deferred tax assets / deferred tax liabilities
14.	Other non-current assets
15.	Interest-bearing liabilities
16.	Trade and other current payables
17.	Other current liabilities
18.	Non-current provisions for employee benefit
19.	Other non-current liabilities
20.	Share capital and share-based payment transaction
21.	Reserves
22.	Segment information
23.	Revenues from sale of goods and rendering of services
24.	Other income
25.	Expenses by nature
26.	Provident funds
27.	Income tax expense (income)
28.	Earnings (loss) per share
29.	Dividends
30.	Financial instruments
31.	Commitments with non-related parties
32.	Contingent liabilities
33.	Other events
34.	Reclassifications
35.	Event after the reporting period
36.	Thai Financial Reporting Standards announced in the Royal Gazette but not yet effective

Thaicom Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2020

These notes form an integral part of the financial statements.

The financial statements were approved and authorized for issuing by the Board of Directors on 5 February 2021.

1 General information

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

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

The Company’s parent company during the financial year was Intouch Holdings Public Company Limited (41.13% shareholding) which is incorporated in Thailand.

The Company, its subsidiaries and joint ventures (collectively referred to as “the Group”) are primarily involved in transponder service is for domestic and international communications, sale of user terminal of iPSTAR, broadband content services, sale of direct television equipment, internet data center services, internet services, satellite uplink-downlink services, providing technical support in relation satellite business, broadcasting television service, telecommunication, 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 9 countries; Thailand, Singapore, Lao PDR, Australia, New Zealand, Mauritius, the British Virgin Islands, Japan and India.

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

The Company received a license from the National Broadcasting and Telecommunications Commission (“NBTC”), to provide telecommunication services on its network for domestic and international communications. The license has a term of 20 years and will expire in 2032.

Thaicom Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2020

Details of the Company's subsidiaries and joint ventures as at 31 December 2020 and 2019 were as follows:

Name of the entity	Type of business	Country of incorporation	Ownership interest	
			2020 (%)	2019 (%)
<i>Direct subsidiaries</i>				
Thai Advance Innovation Company Limited	Sale of direct television equipment, providing system integration consultancy service for broadband network and broadband content services	Thailand	99.99	99.99
iPSTAR Company Limited	Providing Thaicom 4 transponder services	The British Virgin Islands	100	100
Star Nucleus Company Limited	Providing engineering and development services, technology and electronics	The British Virgin Islands	100	100
IPSTAR International Pte Limited	Providing Thaicom 4 transponder services and sale of satellite equipment of Thaicom 4	Singapore	100	100
IPSTAR Global Services Company Limited	Providing Thaicom 4 transponder services	Mauritius	100	100
IPSTAR Australia Pty Limited	Providing Thaicom 4 transponder services and sale of user terminal of Thaicom 4 in Australia	Australia	100	100
TC Broadcasting Company Limited	Providing broadcasting, television and telecommunication services	Thailand	99.99	99.99
IPSTAR Japan Company Limited	Providing Thaicom 4 transponder services and sale of user terminal of Thaicom 4 in Japan	Japan	100	100
IPSTAR New Zealand Company Limited	Providing Thaicom 4 transponder services and sale of user terminal of Thaicom 4 in New Zealand	New Zealand	100	100
International Satellite Company Limited	Providing Thaicom 7 and Thaicom 8 transponder services	Mauritius	100	100
IPSTAR (India) Private Limited	Providing of service for technical support for satellite network	India	100	100

Thaicom Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2020

Name of the entity	Type of business	Country of incorporation	Ownership interest	
			2020 (%)	2019 (%)
TC Global Services Company Limited	Providing technology service	Mauritius	100	100
Indirect subsidiaries				
Orion Satellite Systems Pty Limited	Providing satellite communication services and business solutions in Australia	Australia	100	100
Joint ventures				
Shenington Investments Pte Limited	Holding company for investment in international telecommunications	Singapore	51*	51
Nation Space and Technology Co., Ltd.	Provide service of communication satellite and the service relating to the satellite business	Thailand	75*	-
Joint venture of Shenington Investments Pte Limited				
Lao Telecommunications Public Company	Providing fixed line, mobile phone, public phone, public international facilities and Internet services	Lao PDR	24.99	24.99
Joint ventures of Thai Advance Innovation Company Limited				
ATI Technologies Company Limited	Developing, producing, and distribution unmanned aerial vehicle (drone) for Thailand's agricultural sector	Thailand	50	-

* The Group holds ordinary shares in these companies over 50% but classifies such investments as joint ventures of the Group since there are co-operation under shareholders agreement in these companies.

Material intercompany transactions between the Company and its subsidiaries have been eliminated from this consolidated financial statements. The consolidated financial statements for the year ended 31 December 2020 have included the subsidiaries' financial information for the year ended 31 December 2020 which were audited.

Coronavirus Disease 2019 Pandemic

The Coronavirus disease 2019 ("COVID-19") pandemic is continuing to evolve, resulting in an economic slowdown and adversely impacting most businesses and industries. This situation may bring uncertainties and have an impact on the environment in which the group operates. Nevertheless, the Group's management will continue to monitor the ongoing development and regularly assess the financial impact in respect of valuation of assets, provisions and contingent liabilities.

Thaicom Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2020

2. Basis of preparation of the financial statements

2.1 Statement of compliance

The Group maintains its accounting records in Thai Baht and prepares its statutory financial statements in the Thai language in conformity with Thai Financial Reporting Standards (“TFRSs”) and accounting practices generally accepted in Thailand.

The Group’s financial statements have been prepared in accordance with the Thai Accounting Standard (TAS) No. 1 “Presentation of Financial Statements”, which was effective for financial periods beginning on or after January 1, 2020 onward, and the Regulation of The Stock Exchange of Thailand (SET) dated October 2, 2017, regarding the preparation and submission of financial statements and reports for the financial position and results of operations of the listed companies B.E. 2560 and the Notification of the Department of Business Development regarding “The Brief Particulars in the Financial Statements (No.3) B.E. 2562” dated December 26, 2019.

During the period, the Group has adopted the revised and new financial reporting standards and guidelines on accounting issued by the Federation of Accounting Professions which become effective for fiscal years beginning on or after 1 January 2020. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards, with most of the changes directed towards revision of wording and terminology, and provision of interpretations and accounting guidance to users of standards. The adoption of these financial reporting standards does not have any significant impact on the Group’s financial statements. However, the new standards which become effective for fiscal year and involve changes to key principles are summarized below:

Group of Financial Instruments Standards

Thai Accounting Standards (“TAS”)

TAS 32 Financial Instruments: Presentation

Thai Financial Reporting Standards (“TFRS”)

TFRS 7 Financial Instruments: Disclosures

TFRS 9 Financial Instruments

Thai Financial Reporting Standard Interpretations (“TFRIC”)

TFRIC 16 Hedges of a Net Investment in a Foreign Operation

TFRIC 19 Extinguishing Financial Liabilities with Equity Instruments

These group of Standards make stipulations relating to the classification of financial instruments and their measurement at fair value or amortized cost; taking into account the type of instrument, the characteristics of the contractual cash flows and the Company’s business model, the calculation of impairment using the expected credit loss method, and the concept of hedge accounting. These include stipulations regarding the presentation and disclosure of financial instruments. These Standards will supersede the Standards and Interpretations relating to the financial instruments upon its effective date.

Thaicom Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2020

The Group has applied TFRS 9 in accordance with the transition provisions set out in TFRS 9.

(a) Classification and measurement of financial assets and financial liabilities

The date of initial application (i.e. the date on which the Group has assessed its existing financial assets and financial liabilities in terms of the requirements of TFRS 9) is 1 January 2020. Accordingly, the Group has applied the requirements of TFRS 9 to instruments that continue to be recognized as at 1 January 2020 and has not applied the requirements to instruments that have already been derecognized as at 1 January 2020. Comparative amounts in relation to instruments that continue to be recognized as at 1 January 2020 have not been restated.

All recognized financial assets that are within the scope of TFRS 9 are required to be measured subsequently at amortized cost or fair value on the basis of the entity's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets, specifically:

- Debt instruments that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal amount outstanding, are measured subsequently at amortized cost;
- Debt instruments that are held within a business model whose objective is both to collect the contractual cash flows and to sell the debt instruments, and that have contractual cash flows that are solely payments of principal and interest on the principal amount outstanding, are measured subsequently at fair value through other comprehensive income (FVTOCI);
- All other debt investments and equity investments are measured subsequently at fair value through profit or loss (FVTPL).

A significant change introduced by TFRS 9 in the classification and measurement of financial liabilities relates to the accounting for changes in the fair value of a financial liability designated as at FVTPL attributable to changes in the credit risk of the issuer.

Below tabulates the change in classification of the Group's financial assets and financial liabilities upon application of TFRS 9.

Thaicom Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2020

Unit : Thousand Baht				
Consolidated financial statements				
	Carrying amounts as at 31 December 2019	Reclassifications	Carrying amounts as at 1 January 2020	Category
Assets				
Current investment	3,080,846	(3,080,846)	-	
Other current financial assets				
Short-term deposit and investment in debt securities measured at amortized cost	-	1,135,692	1,135,692	Amortized cost
Investment in debt securities measured at fair value through other comprehensive income	-	1,945,154	1,945,154	FVTOCI

Unit : Thousand Baht				
Separate financial statements				
	Carrying amounts as at 31 December 2019	Reclassifications	Carrying amounts as at 1 January 2020	Category
Assets				
Current investment	2,633,570	(2,633,570)	-	
Other current financial assets				
Short-term deposit and investment in debt securities measured at amortized cost	-	524,892	524,892	Amortized cost
Investment in debt securities measured at fair value through other comprehensive income	-	2,108,678	2,108,678	FVTOCI

Besides, other financial assets and liabilities can be classified as follow:

- Cash and cash equivalents, trade receivables, other current receivables, loans to related parties are classified as financial assets measured at amortized cost.
- Trade payables, other current payables, long-term borrowings from financial institutions, debentures and lease liabilities are classified as financial liabilities measure at amortized cost.

(b) Impairment of financial assets

In relation to the impairment of financial assets, TFRS 9 requires an expected credit loss model. The expected credit loss model requires the Group to account for expected credit losses and changes in those expected credit losses at each reporting date to reflect changes in credit risk since initial recognition of the financial assets. In other words, it is no longer necessary for a credit event to have occurred before credit losses are recognized.

Thaicom Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2020

In particular, TFRS 9 requires the Group to measure the loss allowance for a financial instrument at an amount equal to the lifetime expected credit losses (ECL) if the credit risk on that financial instrument has increased significantly since initial recognition, or if the financial instrument is a purchased or originated credit-impaired financial asset. However, if the credit risk on a financial instrument has not increased significantly since initial recognition (except for a purchased or originated credit-impaired financial asset), for the collective assessment, the Group is required to measure the loss allowance for that financial instrument at an amount equal to 12-month ECL. TFRS 9 also requires a simplified approach for measuring the loss allowance at an amount equal to lifetime ECL for trade receivables in certain circumstances.

Individual assessment of account receivable, the expected credit loss is the present value of the entire amount that is not expected to be received throughout the expected life of the financial asset, with a discount at the effective interest rate, which is calculated from the estimation of risk positions in the event of default, multiplied by the probability of default and the percentage of damage that may occur when there is a default, discounted by the effective interest rate, calculated under each possible situation.

(c) General hedge accounting

The general hedge accounting requirements the three types of hedge accounting. In addition, the effectiveness test has been assessed. Disclosure requirements about the Group's risk management activities have also been introduced.

Thai Financial Reporting Standard No. 16 "Leases" ("TFRS 16")

TFRS 16 provides a comprehensive model for the identification if lease arrangements and their treatment in the financial statements of both lessees and lessors. This TFRS superseded the following lease Standards and Interpretations upon its effective date, which are Thai Accounting Standard No.17 "Leases", Thai Accounting Standard Interpretation No.15 "Operating Lease - Incentives", Thai Accounting Standard Interpretation No.27 "Evaluating the Substance of Transactions involving the Legal Form of a Lease" and Thai Financial Reporting Standard Interpretation No.4 "Determining whether on Arrangement contains a Lease".

For lessee accounting, there are significant changes to lease accounting in this TFRS by removing the distinction between operating and finance leases under TAS 17 and requiring a lessee to recognize a right-of-use asset and a lease liability at commencement for all leases, except for short-term- leases and leases of low value assets. However, the lessor accounting treatment continues to require a lessor to classify a lease either as an operating lease or a finance lease, using the same concept as TAS 17.

Financial impact of the initial application of TFRS 16

The Group recognises the lease liabilities relating to the previously classified as operating lease in accordance with Thai Accounting Standards No.17 "Leases". Leasehold Rights and measurement rights amount equal to liabilities under lease adjusted by the amount of advance payment or accrued payment related to the lease agreement recognised in the statement of financial position before the date of the initial application. Liabilities under lease contracts are measured at the present value of the remaining lease payments, discounted by the Group's additional borrowing interest rates. The weighted average interest rate of the additional hires of the lessee applied to the lease liabilities recognised in the statement of financial position as at 1 January 2020 is 3.75% - 5.50% per annum.

Thaicom Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2020

The following table shows the operating lease commitments disclosed in accordance with Thai Accounting Standard No. 17 “Leases” as at 31 December 2019, with a discounted interest rate on additional borrowings as at the initial application and lease liabilities agreements are recognised in the statement of financial position on the initial application.

	Consolidated financial statements	Unit: Thousand Baht Separate financial statements
Operating lease commitments as at 31 December 2019	87,260	52,869
Short-term leases and leases of low-value assets	(14,057)	(8,218)
Effect of discounting the above amounts	(4,851)	(2,254)
Finance lease liabilities recognised under TAS 17 as at 31 December 2019	15,140	15,140
Lease liabilities recognised as at 1 January 2020	83,492	57,537

The date that the initial application financial reporting standard No. 16 “Lease” is 1 January 2020.

In addition, the Federation of Accounting Professions has announced two Accounting Treatment Guidances, which have been announced in the Royal Gazette on 22 April 2020, detail as follows:

Accounting Treatment Guidance on “The temporary relief measures for entities supporting their debtors who effected from the situations that affected Thailand’s economy”

The objective of this accounting treatment guidance is to grant the temporary relief measures for entities helping their debtors who effected from the situations that affected Thailand’s economy with the helping period during 1 January 2020 to 31 December 2021 or until there are any changes from the Bank of Thailand, which require the compliance for such changes. The entities who support their debtors and elect to apply this accounting treatment guidance should be comply with all relief measures specified in this accounting treatment guidance.

The Group has not adopted such accounting treatment guidance in the preparation of the financial statements for the year ended 31 December 2020.

Accounting Treatment Guidance on “The temporary relief measures for additional accounting alternatives to alleviate the impacts from COVID-19 outbreak”

This accounting treatment guidance is the option for all entities applying Financial Reporting Standards for Publicly Accountable Entities. Since the preparation of financial statements during the period, which COVID-19 situation still be highly uncertainty as at the end of reporting period may cause the entities’ management to use the critical judgment in the estimation or the measurement and recognition of accounting transactions. Objective of this accounting treatment guidance is to alleviate some of the impact of applying certain financial reporting standards, and to provide clarification about accounting treatments during the period of uncertainty relating to this situation. The entities can apply this accounting treatment guidance for the preparation of financial statements with the reporting period ending within the period from 1 January 2020 to 31 December 2020.

The Group has not adopted such accounting treatment guidance in the preparation of the financial statements for the year ended 31 December 2020.

Thaicom Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2020

2.2 Basis of measurement

The financial statements have been prepared on the historical cost basis unless otherwise stated.

2.3 Functional and presentation currency

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

2.4 Use of estimates and judgements

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

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

(i) Judgements

Information about judgements made in applying accounting policies that have the most significant effects on the amounts recognised in the financial statements is included in the following notes:

Note 9	Classification of the joint venture
Note 9	Consolidation: whether the Group has De facto control over an investee

(ii) Assumptions and estimation uncertainties

Information about significant areas of estimation uncertainties that have a significant risk of resulting in a material adjustments to the amounts recognised in the financial statements is included in the following notes:

Note 7	Allowance for expected credit loss
Note 8	Realisable value of inventory
Note 9, 10, 11, 12	Key assumptions used in discounted cash flow projections
Note 10	Estimated useful lives and measurement of the recoverable amounts of property and equipment
Note 12	Estimated useful lives and measurement of the recoverable amounts of intangible asset under operating agreements and other intangible assets
Note 13	Deferred income tax
Note 18	Measurement of employee benefits
Note 20	Measurement of share-based payment
Note 30	The measurement of fair values
Note 32 and 33	Provisions and contingencies

Thaicom Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2020

3. Significant accounting policies

The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

3.1 Basis of consolidation

The consolidated financial statements relate to the Company and its subsidiaries and joint ventures.

Business combinations

The Group applies the acquisition method for all business combinations when control is transferred to the Group, as describe in subsidiaries section, other than those with entities under common control.

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 currently are exercisable. The acquisition date is the date on which control is transferred to the acquirer. Judgment is applied in determining the acquisition date and determining whether control is transferred from one party to another.

Goodwill is measured as the fair value of the consideration transferred including the recognized amount of any non-controlling interest in the acquiree, less the net recognised amount (generally fair value) of the identifiable assets acquired and liabilities assumed, all measured as of the acquisition date. Any gain on bargain purchase is recognised in profit or loss immediately.

Consideration transferred includes the fair values of the assets transferred, liabilities incurred by the Group to the previous owners of the acquiree, and equity interests issued by the Group. Consideration transferred also includes the fair value of any contingent consideration and share-based payment awards of the acquiree that are replaced mandatorily in the business combination. If a business combination results in the termination of pre-existing relationships between the Group and the acquiree, then the lower of the termination amount, as contained in the agreement, and the value of the off-market element is deducted from the consideration transferred and recognised in other expenses.

When share-based payment awards exchanged (replacement awards) for awards held by the acquiree's employees (acquiree's awards) relate to past services, then a part of the market-based measure of the awards replaced is included in the consideration transferred. If they require future services, then the difference between the amount included in consideration transferred and the market-based measure of the replacement awards is treated as post-combination compensation cost.

A contingent liability of the acquiree is assumed in a business combination only if such a liability represents a present obligation and arises from a past event, and its fair value can be measured reliably.

The Group measures any non-controlling interest at its proportionate interest in the identifiable net assets of the acquiree.

Transaction costs that the Group incurs in connection with a business combination, such as legal fees, and other professional and consulting fees are expensed as incurred.

Thaicom Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2020

Acquisitions from entities under common control

Business combinations arising from transfers of interests in entities that are under the control of the shareholder that controls the Group are accounted for as if the acquisition had occurred at the beginning of the earliest comparative period presented or, if later, at the date that common control was established; for this purpose comparatives are revised. The assets and liabilities acquired are recognised at the carrying amounts recognised previously in the Group controlling shareholder's consolidated financial statements. The components of equity of the acquired entities are added to the same components within Group equity except that any share capital of the acquired entities is recognised as part of share premium. Any cash paid for the acquisition is recognised directly in equity.

Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

Loss of control

When the Group loses control over a subsidiary, it derecognises the assets and liabilities of the subsidiary, and any related non-controlling interests and other components of equity. Any resulting gain or loss is recognised in profit or loss. Any interest retained in the former subsidiary is measured at fair value when control is lost.

Interests in equity - accounted investees

The Group's interests in equity-accounted investees is interests in a joint venture.

A joint venture is an arrangement in which the Group has joint control, whereby the Group has rights to the net assets of the arrangement, rather than rights to its assets and obligations for its liabilities.

Interests in joint ventures are accounted for using the equity method. They are initially recognised at cost, which includes transaction costs. Subsequent to initial recognition, the consolidated financial statements include the Group's share of the profit or loss and other comprehensive income of equity-accounted investees, until the date on which significant influence or joint control ceases.

Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income or expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements. Unrealised gains arising from transactions with associates and jointly-controlled entities are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

Thaicom Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2020

3.2 Foreign currencies

Foreign currency transactions

Transactions in foreign currencies are translated to the functional currency at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated to the functional currency at the foreign exchange rates ruling at that date. Foreign exchange differences arising on translation are recognised in profit or loss.

Non-monetary assets and liabilities measured at cost in foreign currencies are translated to the functional currency at the foreign exchange rates ruling at the dates of the transactions.

Foreign entities

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on acquisition, are translated to Thai Baht at the foreign exchange rates ruling at the reporting date.

Goodwill and fair value adjustments arising on the acquisition of foreign operations are translated to Thai Baht at the foreign exchange rates ruling on the reporting date.

The revenues and expenses of foreign operations are translated to Thai Baht at the weighted average foreign exchange rates for the year.

Foreign exchange differences are recognised in other comprehensive income and accumulated in the translation reserve, except to extent that the translation difference is allocated to non-controlling interest.

3.3 Derivative financial instruments

Derivative financial instruments are used to manage exposure to foreign exchange arising from operational, financing and investment activities. Derivative financial instruments are not used for trading purposes. However, derivatives that do not qualify for hedge accounting are accounted for as trading instruments.

Derivative financial instruments are recognised initially at fair value; attributable transaction costs are recognised in the profit or loss when incurred. Subsequent to initial recognition, they are remeasured at fair value. The gain or loss on remeasurement to fair value is recognised immediately in profit or loss. However, where derivatives qualify for hedge accounting, recognition of any resultant gain or loss depends on the nature of the item being hedged.

The fair value of forward exchange contracts is based on their listed market price, if available. If a listed market price is not available, then fair value is estimated by discounting the difference between the contractual forward price and the current forward price at the reporting date for the residual maturity of the contract using a risk-free interest rate (based on government bonds).

3.4 Cash and cash equivalents

Cash and cash equivalents comprise cash balances, all deposits at financial institutions and highly liquid short-term investments with original maturities of three months or less.

Thaicom Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2020

3.5 Trade and other current receivables

Policies applicable prior to 1 January 2020

Trade and other current receivables are stated at their invoice value less allowance for doubtful accounts.

The allowance for doubtful accounts is assessed primarily on analysis of payment histories and future expectations of customer payments, net of deposit from customers. Bad debts are written off when incurred.

Policies applicable from 1 January 2020

Trade receivables, other receivables are stated at their invoice value less allowance for expected credit losses.

The allowance for expected credit losses has disclosed in Note 3.8.

3.6 Inventories

Inventories are measured at the lower of cost and net realisable value.

Cost is calculated using the weighted average cost principle, and comprises all costs of purchase and costs directly attributable to the acquisition of the inventory, such as taxes and transportation charges, less all attributable discounts, allowances or rebates. The cost of finished goods and work in progress comprises raw materials, direct labour, other direct costs and related production overheads based on normal operating capacity, but excludes borrowing costs.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs to complete and to make the sale.

3.7 Investments

Investments in subsidiaries and joint ventures

Investments in subsidiaries and joint ventures in the separate financial statements of the Company are accounted for using the equity method. Investments in joint ventures in the consolidated financial statements are accounted for using the equity method.

Interests in associates, subsidiaries and joint ventures are accounted for using the equity method. They are initially recognised at cost, which includes transaction costs. Subsequent to initial recognition, the separate financial statements include the Company's share of the profit or loss and other comprehensive income of equity-accounted investees, until the date on which significant influence or joint control ceases.

Policies applicable prior to 1 January 2020

Investments in other debt and equity securities

Debt securities and marketable equity securities held for trading are classified as current assets and are stated at fair value, with any resultant gain or loss recognised in profit or loss.

Debt securities that the Group has the positive intent and ability to hold to maturity are classified as held-to-maturity investments. Held-to-maturity investments are stated at amortised cost, less any impairment losses. The difference between the acquisition cost and redemption value of such debt securities is amortised using the effective interest rate method over the period to maturity.

Thaicom Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2020

Debt securities and marketable equity securities, other than those securities held for trading or intended to be held to maturity, are classified as available-for-sale investments. Available-for-sale investments are, subsequent to initial recognition, stated at fair value, and changes therein, other than impairment losses and foreign currency differences on available-for-sale monetary items, are recognised in other comprehensive income. Impairment losses and foreign exchange differences are recognised in profit or loss. When these investments are derecognised, the cumulative gain or loss previously recognised in other comprehensive income is recognised in profit or loss. Where these investments are interest-bearing, interest calculated using the effective interest method is recognised in profit or loss.

Equity securities which are not marketable are stated at cost less any impairment losses.

The fair value of financial instruments classified as held-for-trading and available-for-sale is determined as the quoted bid price at the reporting date.

Disposal of investments

On disposal of an investment, the difference between net disposal proceeds and the carrying amount together with the associated cumulative gain or loss that was reported in equity is recognised in profit or loss.

If the Group disposes of part of its holding of a particular investment, the deemed cost of the part sold is determined using the weighted average method applied to the carrying value of the total holding of the investment.

3.8 Financial instruments

Policies applicable from 1 January 2020

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognized immediately in profit or loss.

All recognized financial assets are measured subsequently in their entirety at either amortized cost or fair value, depending on the classification of the financial assets.

Classification of financial assets

Debt instruments that meet the following conditions are measured subsequently at amortized cost;

- The financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Debt instruments that meet the following conditions are measured subsequently at fair value through other comprehensive income (FVTOCI);

- The financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling the financial assets; and

Thaicom Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2020

- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

All financial liabilities are measured subsequently at amortized cost using the effective interest method or at FVTPL.

Impairment of financial assets

The Group recognizes a loss allowance for expected credit losses on investments in debt instruments that are measured at amortized cost or at FVTOCI, and trade receivables. The amount of expected credit losses is updated at each reporting period date to reflect changes in credit risk since initial recognition of the respective financial instrument.

The Group always recognizes lifetime ECL for trade receivables. For collective assessment of account receivable, the expected credit losses on these financial assets are estimated using a provision matrix based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12-month ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

For individual assessment of account receivable, the expected credit loss is the present value of the entire amount that is not expected to be received throughout the expected life of the financial asset, with a discount at the effective interest rate, which is calculated from the estimation of risk positions in the event of default, multiplied by the probability of default and the percentage of damage that may occur when there is a default, discounted by the effective interest rate, calculated under each possible situation.

Hedge accounting

Derivative financial instruments are recognised initially at fair value. Subsequent to initial recognition, they are remeasured at fair value. The gain or loss on remeasurement to fair value is recognised immediately in profit or loss. However, where derivatives qualify for hedge accounting, recognition of any resultant gain or loss depends on the nature of the item being hedged.

3.9 Property, plant and equipment

Owned assets

Property, plant and equipment are measured at cost less accumulated depreciation and impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labour, any other costs directly attributable to bringing the assets to a working condition for their intended use, the costs of dismantling and removing the items and restoring the site on which they are located, and capitalised borrowing costs. Purchased software that is integral to the functionality of the related equipment is capitalized as part of that equipment.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property and equipment.

Thaicom Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2020

Any gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property and equipment, and are recognised net in profit or loss.

Leased assets (policy applicable prior to 1 January 2020)

Leases in terms of which the Group substantially assumes all the risk and rewards of ownership are classified as finance leases. Property, plant and equipment acquired by way of finance leases is capitalised at the lower of its fair value and the present value of the minimum lease payments at the inception of the lease, less accumulated depreciation and impairment losses. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged directly to the profit or loss.

Assets for rent

Assets leased out under operating leases are included in property and equipment in the statements of financial position. They are depreciated over their expected useful lives on a basis consistent with similar fixed assets.

Subsequent costs

The cost of replacing a part of an item of property and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Group, and its cost can be measured reliably. The carrying amount of the replaced part is derecognised. The costs of the day-to-day servicing of property and equipment are recognised as expenses in profit or loss as incurred.

Depreciation

Depreciation is calculated based on the depreciable amount, which is the cost of an asset, or other amount substituted for cost, less its residual value.

Depreciation is charged to profit or loss on a straight-line basis over the estimated useful lives of each component of an item of property and equipment or, if shorter, the lease term. The estimated useful lives are as follows:

Leasehold land	30 years
Buildings and improvements	5-10 years
Equipment	5-18 years
Furniture fixtures and office equipment	5-18 years
Computer equipment	3-5 years
Motor vehicles	5 years

No depreciation is provided on freehold land or assets under construction.

Depreciation methods, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

3.10 Intangible assets under operating agreement

Intangible assets under operating agreement comprise rights of the charges for satellite services under the operating agreement.

Amortisation is amortised on the straight-line basis over the lower of the period of useful lives or operating agreement.

Thaicom Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2020

3.11 Intangible assets

Goodwill

Goodwill that arises upon the acquisition of subsidiaries is included in intangible assets. The measurement of goodwill at initial recognition is described in note 3.1. Subsequent to initial recognition, goodwill is measured at cost less accumulated impairment losses. In respect of equity-accounted investees, the carrying amount of goodwill is included in the carrying amount of the investment, and an impairment loss on such an investment is not allocated to any asset, including goodwill, that forms part of the carrying amount of the equity-accounted investee.

Research and development

Expenditure on research activities, undertaken with the prospect of gaining new scientific or technical knowledge and understanding, is recognised in profit or loss as incurred.

Costs incurred on development projects (relating to the design and testing of new or improved products) are recognised as intangible assets when it is probable that the project will be a success considering its commercial and technological feasibility, and only if the cost can be measured reliably. Other development expenditure is recognised as an expense as incurred. Development costs previously recognised as an expense are not recognised as an asset in a subsequent period. Development costs that have been capitalised are amortised from the commencement of the commercial production of the product.

Capitalised development expenditure is measured at cost less accumulated amortisation and accumulated impairment losses.

Other intangible assets

Other intangible assets that are acquired by the Group and have finite useful lives are measured at cost less accumulated amortisation and accumulated impairment losses.

The cost of other intangible assets comprises the development of IPSTAR technology, expenditure on acquired software, patents, trademarks and licenses and is amortised using the straight-line method over their period of their benefits of related assets for a period of 5 to 15.75 years.

Specific software is recognised as assets when acquired and operated to intend purposes and is amortised using the straight-line method over their expected benefits for a period of 3 - 5 years.

Amortisation methods, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

3.12 Impairment

The carrying amounts of the Group's assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the assets' recoverable amounts are estimated. For goodwill and intangible assets that have indefinite useful lives or are not yet available for use, the recoverable amount is estimated each year, at the same time.

An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. The impairment loss is recognised in profit or loss.

Calculation of recoverable amount

The recoverable amount of financial assets is calculated by reference to the fair value.

Thaicom Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2020

The recoverable amount of a non-financial asset is the greater of the asset's value in use and fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate cash inflows largely independent of those from other assets, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

Reversals of impairment

An impairment loss in respect of a financial asset is reversed if the subsequent increase in recoverable amount can be related objectively to an event occurring after the impairment loss was recognised in profit or loss. For financial assets that are equity securities, the reversal is recognised in other comprehensive income.

An impairment loss in respect of goodwill is not reversed. Impairment losses recognised in prior periods in respect of other non-financial assets are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

3.13 Interest-bearing liabilities

Interest-bearing liabilities are recognised initially at fair value less attributable transaction charges. Subsequent to initial recognition, interest-bearing liabilities are stated at amortised cost with any difference between cost and redemption value being recognised in profit or loss over the period of the borrowings on an effective interest basis.

3.14 Trade and other current payables

Trade and other current payables are stated at cost.

3.15 Provision for employee benefits

Defined contribution plans

The Group operates a provident fund, which is a defined contribution plan. The assets of which are held in a separate trust fund which is managed by external fund manager. The provident fund is funded by payments from employees and by the relevant Group companies. Contributions to the provident fund are charged to the statements of profit or loss in the year to which they relate.

Defined benefit plans

The Group's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount.

The calculation of defined benefit obligations is performed at least one in three years by a qualified actuary using the projected unit credit method. When the calculation results in a potential asset for the Group, the recognised asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan. To calculate the present value of economic benefits, consideration is given to any application minimum funding requirements.

Thaicom Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2020

Remeasurements of the net defined benefit liability, actuarial gain or loss are recognised immediately in other comprehensive income. The Group determines the interest expense on the net defined benefit liability for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period, taking into account any changes in the net defined benefit liability during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognised in profit or loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognised immediately in profit or loss. The Group recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

Other long-term employee benefits

The Group's net obligation in respect of long-term employee benefits is the amount of future benefit that employees have earned in return for their service in the current and prior periods. That benefit is discounted to determine its present value. Remeasurements are recognised in profit or loss in the period in which they arise.

Termination benefits

Termination benefits are expensed at the earlier of when the Group can no longer withdraw the offer of those benefits and when the Group recognises costs for a restructuring. If benefits are not expected to be settled wholly within 12 months of the end of the reporting period, then they are discounted.

Short-term employee benefits

Short-term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

Share-based payments

The grant-date fair value of equity-settled share-based payment awards granted to employees is generally recognised as an expense, with a corresponding increase in equity, over the vesting period of the awards. The amount recognised as an expense is adjusted to reflect the number of awards for which the related service and non-market performance conditions are expected to be met, such that the amount ultimately recognised 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 fair value of the amount payable to employees in respect of share appreciation rights, which are settled in cash, is recognised as an expense with a corresponding increase in liabilities, over the period that the employees become unconditionally entitled to payment. The liability is remeasured at each reporting date and at settlement date. Any changes in the fair value of the liability are recognised as personnel expenses in profit or loss.

Thaicom Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2020

3.16 Provisions

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost.

Provision for warranties

A provision for warranties is recognised when the underlying products or services are sold. The provision is based on historical expense related to warranty data and a weighting of all possible outcomes against their associated probabilities.

3.17 Revenue

Revenue excludes value added tax and is arrived at after deduction of trade discounts.

Sale of goods and services rendered

Revenue is recognised when a performance obligation is satisfied by transferring a promised good or service to a customer. The revenue from contracts with customers should be allocated to the performance obligations in the contract by reference to their relative standalone selling prices.

Revenue from sale of goods includes revenue and cost of sales of equipment with installation are recognised in profit or loss when control of that goods or equipment with installation have been transferred to the buyer. That may indicate that the buyer has obtained the ability to direct the use of that goods or equipment with installation, and obtain substantially all of the remaining benefits from that goods or equipment with installation. Also, the Company's group has a right to receive payment for those goods and equipment with installation. No revenue is recognised if there is continuing management involvement with the goods or there are significant uncertainties regarding recovery of the consideration due, associated costs or the probable return of goods.

Revenue from rendering transponder services and services related to the satellite business, internet services, and other business related to the internet business, and telephone services is recognised when the said services are provided to customers and there are certainties regarding recovery of the consideration due.

Revenue from leases on equipment is recognised over the period and at the rate of the leasing contract.

Revenue arising from royalties is recognised on an accrual basis in accordance with the substance of the relevant agreements.

Interest income

Interest income is recognised in profit or loss as it accrues.

3.18 Finance costs

Finance costs comprise interest expense on borrowings, unwinding of the discount on provisions and contingent consideration, losses on disposal of financial assets, dividends on preference shares classified as liabilities, fair value losses on financial assets at fair value through profit or loss, impairment losses recognised on financial assets (other than trade receivables), and losses on hedging instruments that are recognised in profit or loss.

Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognised in profit or loss using the effective interest method.

Thaicom Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2020

3.19 Lease

Policies applicable prior to 1 January 2020

Payments made under operating leases are recognised in profit or loss on a straight line basis over the term of the lease. Contingent lease payments are accounted for by revising the minimum lease payments over the remaining term of the lease when the lease adjustment is confirmed.

Determining whether an arrangement contains a lease

At inception of an arrangement, the Group determines whether such an arrangement is or contains a lease. A specific asset is the subject of a lease if fulfilment of the arrangement is dependent on the use of that specified asset. An arrangement conveys the right to use the asset if the arrangement conveys to the Group the right to control the use of the underlying asset.

At inception or upon reassessment of the arrangement, the Group separates payments and other consideration required by such an arrangement into those for the lease and those for other elements on the basis of their relative fair values. If the Group concludes for a finance lease that it is impracticable to separate the payments reliably, an asset and a liability are recognised at an amount equal to the fair value of the underlying asset. Subsequently the liability is reduced as payments are made and an imputed finance charge on the liability is recognised using the Group's incremental borrowing rate.

Policies applicable from 1 January 2020

The Group as lessee

The Group assesses whether a contract is or contains a lease, at inception of the contract. The Company Group recognises a right-of-use asset and corresponding lease liability with respect to all lease arrangements in which it is the lease. The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Group uses its incremental borrowing rate.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day, less any lease incentives received and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Whenever the Group incurs an obligation for costs to dismantle and remove a leased asset, restore the site on which it is located or restore the underlying asset to the condition required by the terms and conditions of the lease, a provision is recognised and measured under TAS 37. To the extent that the costs relate to a right-of-use asset, the costs are included in the related right-of-use asset, unless those costs are incurred to produce inventories.

Right-of-use assets are depreciated over the shorter period of lease term and useful life of the underlying asset. If a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Company Group expects to exercise a purchase option, the related right-of-use is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease.

Thaicom Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2020

The Group as lessor

Leases for which the Group is a lessor are classified as finance or operating leases. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

When the Group is an intermediate lessor, it accounts for the head lease and the sub-lease as two separate contracts. The sub-lease is classified as a finance lease or operating lease by reference to the right-of-use asset arising from the head lease.

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

Amounts due from lessees under finance leases are recognised as receivables at the amount of the Group's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the Group's net investment outstanding in respect of the leases.

When a contract includes both lease and non-lease components, the Group applies TFRS 15 to allocate the consideration under the contract to each component.

3.20 Income tax

Income tax expense for the year comprises current and deferred tax. Current and deferred tax are recognised in profit or loss except to the extent that they relate to a business combination, or items recognised directly in equity or in other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities and the amounts used for taxation purposes. Deferred tax is not recognised for the following temporary differences: the initial recognition of goodwill; the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss; and differences relating to investments in subsidiaries and joint venture to the extent that it is probable that they will not reverse in the foreseeable future.

The measurement of deferred tax reflects the tax consequences that would follow the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date.

In determining the amount of current and deferred tax, the Group takes into account the impact of uncertain tax positions and whether additional taxes and interest may be due. The Group believes that its accruals for tax liabilities are adequate for all open tax years based on its assessment of many factors, including interpretations of tax law and prior experience. This assessment relies on estimates and assumptions and may involve a series of judgements about future events. New information may become available that causes the Group to change its judgement regarding the adequacy of existing tax liabilities; such changes to tax liabilities will impact tax expense in the period that such a determination is made.

Thaicom Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2020

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilised. Deferred tax assets are reviewed at each reporting date and reduced to the extent that it is no longer probable that the related tax benefit will be realised.

4. Related parties

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

The Company is controlled by Intouch Holdings Public Company Limited (“Intouch”) (incorporated in Thailand), which owns 41.13% of the Company’s shares. Transactions with Intouch Group and shareholders of the Intouch Group are recognised as related party transactions of the Group.

Sales and service transactions with related parties were conducted under normal commercial terms and conditions, which were the same as for other customers.

Significant transactions for the years ended 31 December 2020 and 2019 with related parties were as follows:

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
	Baht’000	Baht’000	Baht’000	Baht’000
Revenue				
<i>Revenue from sale of goods and rendering of services</i>				
Subsidiaries	-	-	1,256,620	1,709,980
Joint venture	271	-	-	-
Related parties under common control	79,490	73,077	59,341	52,346
Other income				
Subsidiaries	-	-	14,119	28,035
Joint venture	7,481	7,389	7,481	7,389
Related parties under common control	22	176	22	176
Finance income				
Subsidiaries	-	-	1,037	2,713
Joint venture	76,337	103,259	76,337	103,259
Total revenue	163,601	183,901	1,414,957	1,903,898

Thaicom Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2020

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
	Baht'000	Baht'000	Baht'000	Baht'000
Expenses				
<i>Purchases of goods and services</i>				
Subsidiaries	-	-	64,270	102,936
Joint venture	-	929	-	-
Related parties under common control	2,109	2,665	2,018	2,665
<i>Selling and administrative expenses</i>				
Parent	2,425	1,445	2,425	1,445
Subsidiaries	-	-	13,590	16,718
Related parties under common control	8,749	10,863	9,015	10,527
Director and management benefit expenses	69,463	60,673	69,099	60,419
Total expenses	82,746	76,575	160,417	194,710

Balance as at 31 December 2020 and 2019 with related parties were as follows:

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
	Baht'000	Baht'000	Baht'000	Baht'000
Trade receivables and accrued income				
<i>Trade receivables</i>				
Subsidiaries	-	-	2,420,580	2,025,736
Joint venture	100	-	-	-
Related parties under common control	3,687	8,762	3,209	5,705
Total	3,787	8,762	2,423,789	2,031,441
<i>Accrued income</i>				
Subsidiaries	-	-	1,219	2,372
Joint venture	169	-	-	-
Related parties under common control	5,843	3,505	5,524	3,388
Total	6,012	3,505	6,743	5,760
Total trade receivables and accrued income	9,799	12,267	2,430,532	2,037,201
<i>Less allowance for expected credit loss</i>	-	-	-	-
Net	9,799	12,267	2,430,532	2,037,201
Other current receivables				
Parent	233	180	233	180
Subsidiaries	-	-	21,449	52,550
Joint venture	34,567	5,670	34,567	5,670
Total	34,800	5,850	56,249	58,400

Thaicom Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2020

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
	Baht'000	Baht'000	Baht'000	Baht'000
Loan to related parties				
Current portion of long-term loans				
Subsidiary	-	-	20,000	25,000
Joint venture	853,013	630,635	853,013	630,635
	853,013	630,635	873,013	655,635
Long-term Loans				
Subsidiary	-	-	-	-
Joint venture	898,710	1,127,499	898,710	1,127,499
	898,710	1,127,499	898,710	1,127,499
Total	1,751,723	1,758,134	1,771,723	1,783,134

The term of the long-term loan to subsidiary is 2 years. As at 31 December 2020, the interest rate at the rate of 4.57 % per annum (31 December 2019: rate of 5.77% per annum).

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

Movements during the years ended 31 December 2020 and 2019 of loans to subsidiary and a joint venture were as follows:

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
	Baht'000	Baht'000	Baht'000	Baht'000
Long-term loans				
Subsidiary				
As at 1 January	-	-	25,000	50,000
Decrease	-	-	(5,000)	(25,000)
As at 31 December	-	-	20,000	25,000
Joint venture				
As at 1 January	1,758,134	1,942,899	1,758,134	1,942,899
Decrease	-	(46,858)	-	(46,858)
Unrealised loss on exchange rate	(6,411)	(137,907)	(6,411)	(137,907)
As at 31 December	1,751,723	1,758,134	1,751,723	1,758,134

Thaicom Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2020

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
	Baht'000	Baht'000	Baht'000	Baht'000
Other current assets				
Subsidiaries	-	-	3	3
Related party under common control	-	11	-	11
Total	-	11	3	14
Trade payables				
Parent	100	132	100	133
Subsidiaries	-	-	6,514	3,744
Related party under common control	1,924	2,499	1,879	1,985
Total	2,024	2,631	8,493	5,862
Other current payables				
Subsidiaries	-	-	19,906	38,254
Related party under common control	-	1,029	-	708
Total	-	1,029	19,906	38,962
Advance receipts from customers				
Subsidiaries	-	-	768	360
Related party under common control	910	5,294	5	4,386
Total	910	5,294	773	4,746
Accrued expenses				
Subsidiaries	-	-	122,139	126,726
Related party under common control	37	34	36	32
Total	37	34	122,175	126,758
Other current liabilities				
Related party under common control	1,740	1,740	-	-

Key management personnel compensation

Key management personnel compensation comprised:

	Consolidated financial statements		Separate financial statements	
<i>For the year ended 31 December</i>	2020	2019	2020	2019
	Baht'000	Baht'000	Baht'000	Baht'000
Short-term benefits	67,677	58,819	67,313	58,565
Other long-term benefits				
- Current service costs, included in administrative expenses	952	922	952	922
- Interest on obligation, included in finance costs	774	722	774	722
- Share-based payment	60	210	60	210
Total	69,463	60,673	69,099	60,419

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 the Group with employees or customers.

Thaicom Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2020

Directors' remuneration

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

Significant agreements with related parties

1. The Company and subsidiary entered into agreements with a subsidiary, under which the Company and subsidiaries were committed to pay royalty fee at 1% of revenue from sale or lease of IPSTAR gateway, 1% of revenue from sale or lease of IPSTAR user terminal and 3% of revenue from sale or service of Thaicom 4.
2. The Company entered into agreements with subsidiaries and related parties under common control, under which the Company was committed to provide transponder service and advisory service. Subsidiaries and related parties under common control were committed to pay the Company for the service of the agreements at approximately USD 0.4 million and Baht 4.6 million (2019: approximately USD 6.36 million and Baht 4.38 million). The service fees of contracts vary to the actual used or number of installed user terminal at the rate stated in the contract.
3. The Company had entered into agreements with a subsidiary, under which a subsidiary was committed to provide broadcasting, television and telecommunication service. The Company was committed to pay for the service in respect of the agreements at USD 6,480 per channel/per year.

5. Cash and cash equivalents

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
	Baht'000	Baht'000	Baht'000	Baht'000
Cash on hand	12,443	2,008	11,966	1,786
Current accounts and saving deposits	1,560,535	1,697,169	854,975	844,016
Highly liquid short-term investments	725,917	922,533	658,073	871,554
Total	2,298,895	2,621,710	1,525,014	1,717,356
The weighted average interest rate of saving deposits and fixed deposits	0.26%	0.47%	0.22%	0.58%

Thaicom Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2020

6. Current investments and other current financial assets

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
	Baht'000	Baht'000	Baht'000	Baht'000
Current investment				
Short-term deposit and bill of exchange	-	1,135,692	-	524,892
Debt securities available for sale	-	1,945,154	-	2,108,678
Total	-	3,080,846	-	2,633,570
Other current financial assets				
Short-term deposit and investment in debt securities measured at amortized cost	2,409,778	-	1,751,778	-
Investment in debt securities measured at fair value through other comprehensive income	1,910,493	-	2,154,011	-
Total	4,320,271	-	3,905,789	-

As at 31 December 2020, short-term deposit and bill of exchange have interest rates of 0.65% to 2.00% per annum (31 December 2019: 1.50% to 2.40% per annum) and mature within 1 year.

Thaicom Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2020

7. Trade and other current receivables

		Consolidated financial statements		Separate financial statements	
	Note	2020	2019	2020	2019
		Baht'000	Baht'000	Baht'000	Baht'000
<i>Trade receivables</i>					
Related parties	4	3,787	8,762	2,423,789	2,031,441
Other parties		2,175,091	1,910,811	1,165,722	989,884
Total		2,178,878	1,919,573	3,589,511	3,021,325
<i>Accrued income</i>					
Related parties	4	6,012	3,505	6,743	5,760
Other parties		246,917	557,974	240,984	415,304
Total		252,929	561,479	247,727	421,064
<i>Other current receivables</i>					
Prepaid expenses		38,163	55,240	27,845	41,228
Advance payments		30,013	96,123	28,838	95,328
Others		260,935	194,028	252,077	168,313
Total		329,111	345,391	308,760	304,869
Total trade receivables accrued income and other current receivables		2,760,918	2,826,443	4,145,998	3,747,258
<i>Less allowance for expected - credit loss</i>		(928,623)	(936,463)	(697,639)	(652,414)
Net		1,832,295	1,889,980	3,448,359	3,094,844
For the years ended 31 December		2020	2019	2020	2019
		Baht'000	Baht'000	Baht'000	Baht'000
Expected credit loss (reversal)		(8,565)	65,867	36,633	111,681

Thaicom Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2020

Aging analyses for trade receivables were as follows:

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
	Baht'000	Baht'000	Baht'000	Baht'000
Related parties				
Within credit terms	3,301	5,464	225,787	247,576
Overdue:				
Less than 3 months	485	2,837	284,471	361,480
3 - 6 months	-	-	278,610	376,769
6 - 12 months	-	-	489,240	1,045,155
Over 12 months	1	461	1,145,681	461
	3,787	8,762	2,423,789	2,031,441
<i>Less allowance for expected credit loss</i>	-	-	-	-
	3,787	8,762	2,423,789	2,031,441
Other parties				
Within credit terms	154,397	92,857	104,463	50,409
Overdue:				
Less than 3 months	97,714	147,626	87,677	101,957
3 - 6 months	239,687	188,277	40,114	76,523
6 - 12 months	495,921	525,542	145,833	65,030
Over 12 months	1,187,372	956,509	787,635	695,965
	2,175,091	1,910,811	1,165,722	989,884
<i>Less allowance for expected credit loss</i>	(873,312)	(811,815)	(642,327)	(527,766)
	1,301,779	1,098,996	523,395	462,118
Net	1,305,566	1,107,758	2,947,184	2,493,559

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

The average credit period on sales of goods is 60 days. No interest is charged on outstanding trade receivables.

The Group always measures the loss allowance for trade receivables at an amount equal to lifetime ECL. The expected credit losses on trade receivables are estimated using a provision matrix by reference to past default experience of the debtor and an analysis of the debtor's current financial position. The Group has recognized a loss allowance of 100% against all receivables over 360 days past due because historical experience has indicated that these receivables are generally not recoverable.

The Group has not changed its estimation method and key assumptions during the current reporting period.

Thaicom Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2020

The following table details the risk profile of trade receivables based on the Group's provision matrix. As the Group's historical credit loss experience does not show significantly different loss patterns for different customer segments, the provision for loss allowance based on past due status is not further distinguished between the Group's different customer segments.

Consolidated financial statements									
								Individually assessed	Total
Collectively assessed									
Trade receivables - days past due									
As at December 31, 2020	Not past due	≤ 90 days	91 - 180 days	181 - 270 days	271 - 360 days	≥ 360 days	Total		
	Baht'000	Baht'000	Baht'000	Baht'000	Baht'000	Baht'000	Baht'000	Baht'000	Baht'000
Expected credit loss rate	2%	7%	13%	51%	87%	100%			
Estimated total gross carrying amount at default amounts not past due	95,915	84,582	49,031	4,880	-	266,368	500,776	1,674,315	2,175,091
Lifetime expected credit loss	(1,682)	(6,097)	(6,353)	(2,473)	-	(266,368)	(282,973)	(590,339)	(873,312)
							<u>217,803</u>	<u>1,083,976</u>	<u>1,301,779</u>
Separate financial statements									
								Individually assessed	Total
Collectively assessed									
Trade receivables - days past due									
As at December 31, 2020	Not past due	≤ 90 days	91 - 180 days	181 - 270 days	271 - 360 days	≥ 360 days	Total		
	Baht'000	Baht'000	Baht'000	Baht'000	Baht'000	Baht'000	Baht'000	Baht'000	Baht'000
Expected credit loss rate	2%	7%	14%	51%	87%	100%			
Estimated total gross carrying amount at default amounts not past due	82,024	79,852	38,969	4,880	-	248,986	454,711	711,011	1,165,722
Lifetime expected credit loss	(1,271)	(5,596)	(5,605)	(2,473)	-	(248,986)	(263,931)	(378,396)	(642,327)
							<u>190,780</u>	<u>332,615</u>	<u>523,395</u>

Thaicom Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2020

8. Inventories

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
	Baht'000	Baht'000	Baht'000	Baht'000
Raw material and supplies	21,413	26,873	21,144	26,600
Work in process	22,390	72,144	22,390	72,144
Finished goods	92,382	110,852	69,195	83,005
Goods in transit	167	1,042	-	-
	136,352	210,911	112,729	181,749
<i>Less</i> allowance for decline in value	(80,918)	(86,883)	(63,468)	(68,149)
Net	55,434	124,028	49,261	113,600

9. Investments in subsidiaries and joint ventures

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
	Baht'000	Baht'000	Baht'000	Baht'000
Investments in subsidiaries	-	-	(428,153)	(167,557)
Investments in joint ventures	1,392,677	1,408,769	1,386,737	1,408,769
Total investments, net	1,392,677	1,408,769	958,584	1,241,212

**Presentation in the statement
of financial position as follows:**

Investments - equity method	1,392,677	1,408,769	2,872,011	2,641,105
Net liabilities in subsidiaries	-	-	(1,913,427)	(1,399,893)
Total investments, net	1,392,677	1,408,769	958,584	1,241,212

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
	Baht'000	Baht'000	Baht'000	Baht'000
As at 1 January	1,408,769	1,444,283	1,241,212	1,966,878
Share of net profits (loss) of investments in equity method	3,743	(116,448)	(293,807)	(597,866)
Additions	13,500	-	7,500	-
Dividend income	-	-	-	(184,088)
Defined benefit plan actuarial gain	16,274	207,939	9,581	207,488
Written-off from sale of investment in a subsidiary	-	-	-	(40,685)
Foreign currency translation adjustments	(49,609)	(127,005)	(5,902)	(110,515)
As at 31 December	1,392,677	1,408,769	958,584	1,241,212

Thaicom Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2020

Investments in subsidiaries and joint ventures as at 31 December 2020 and 2019 and dividend income from those investments for the years then ended were as follows:

	Consolidated financial statements									
	Ownership interest		Paid-up capital		Cost		Equity		Dividend income	
	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
	%	%			Million Baht	Million Baht	Million Baht	Million Baht	Million Baht	Million Baht
<i>Joint ventures</i>										
Shenington Investments Pte Limited	51.00	51.00	SGD 15 million	SGD 15 million	138	138	1,379	1,409	-	-
Nation Space and Technology Co., Ltd.	75.00	-	10 million Baht	-	7	-	8	-	-	-
<i>Joint venture of Thai Advance Innovation Company Limited</i>										
ATI Technologies Company Limited	50.00	-	12 million Baht	-	6	-	6	-	-	-
					<u>151</u>	<u>138</u>	<u>1,393</u>	<u>1,409</u>	<u>-</u>	<u>-</u>

Name of the Company's joint venture is not publicly listed and consequently do not have published price quotations.

Thaicom Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2020

Separate financial statements

	Ownership interest		Paid-up capital		Cost-net of impairment		Equity method		Dividend income	
	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
	%	%			Million Baht	Million Baht	Million Baht	Million Baht	Million Baht	Million Baht
Subsidiaries										
Thai Advance Innovation Company Limited	99.99	99.99	Baht 399 million	Baht 399 million	399	399	357	464	-	-
iPSTAR Company Limited	100.00	100.00	USD 2 million	USD 2 million	157	157	(1,759)	(1,331)	-	-
Star Nucleus Company Limited	100.00	100.00	-	-	-	-	99	88	-	-
IPSTAR International Pte Limited	100.00	100.00	SGD 20,000	SGD 20,000	1	1	(132)	(51)	-	-
IPSTAR Global Services Company Limited	100.00	100.00	USD 20,000	USD 20,000	1	1	25	17	-	44
Cambodian DTV Network Limited ⁽¹⁾	-	-	-	-	-	-	-	-	-	29
IPSTAR Australia Pty Limited	100.00	100.00	AUD 6.95 million	AUD 6.95 million	425	425	156	178	-	-
TC Broadcasting Company Limited	99.99	99.99	Baht 0.25 million	Baht 0.25 million	-	-	35	14	-	-
IPSTAR Japan Company Limited	100.00	100.00	JPY 100 million	JPY 100 million	33	33	407	301	-	-
IPSTAR New Zealand Company Limited	100.00	100.00	NZD 3.20 million	NZD 3.20 million	98	98	302	94	-	-
International Satellite Company Limited	100.00	100.00	USD 50,000	USD 50,000	2	2	59	41	-	111
IPSTAR (India) Private Limited	100.00	100.00	INR 30 million	INR 30 million	16	16	45	36	-	-
TC Global Services Company Limited	100.00	100.00	USD 50,000	USD 50,000	1	1	(22)	(19)	-	-
Total					1,133	1,133	(428)	(168)	-	184
Joint ventures										
Shenington Investments Pte Limited	51.00	51.00	SGD 15 million	SGD 15 million	138	138	1,379	1,409	-	-
Nation Space and Technology Co., Ltd.	75.00	-	Baht 10 million	-	7	-	8	-	-	-
					145	138	1,387	1,409	-	-

⁽¹⁾ The Group sold all of investment in Cambodian DTV Network Limited on 17 September 2019.

Thaicom Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2020

Joint Ventures

The following table summarises the financial information of the joint ventures as included in their own financial statements, adjusted for fair value adjustments at acquisition and differences in accounting policies. The table also reconciles the summarised financial information to the carrying amount of the Group's interest in this company.

	Reporting date	Ownership	Current assets	Non-current assets	Current liabilities	Non-current liabilities	Net assets	Total revenues	Net profit (loss)	Other comprehensive income (loss)	Total other comprehensive income (loss)
		(%)	Baht'000	Baht'000	Baht'000	Baht'000	Baht'000	Baht'000	Baht'000	Baht'000	Baht'000
2020											
Shenington Investments Pte Limited	31 December	51.00	1,804,892	4,523,748	(1,624,445)	(1,903,601)	2,800,594	-	7,726	(56,356)	(48,630)
Nation Space and Technology Co., Ltd.	31 December	75.00	10,493	-	(571)	-	9,922	315	(78)	-	(78)
ATI Technologies Company Limited	31 December	50.00	12,034	-	(312)	-	11,722	6	(278)	-	(278)
Total			1,827,419	4,523,748	1,625,328	(1,903,601)	2,822,238	321	7,370	(56,356)	(48,986)
2019											
Shenington Investments Pte Limited	31 December	51.00	1,714,903	4,591,210	(1,355,402)	(2,133,396)	2,817,315	-	(228,329)	(297,664)	(525,993)
Total			1,714,903	4,591,210	(1,355,402)	(2,133,396)	2,817,315	-	(228,329)	(297,664)	(525,993)

Thaicom Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2020

Significant movements in investments in subsidiaries and joint ventures for the year ended 31 December 2020 were as follows:

Joint ventures

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

At the Annual General Meeting of the shareholders of LTC held on 3 March 2020, the shareholders approved the appropriation of dividend from 2019 operation of USD 18 million.

Registration of Lao Mobile Money Sole Company Limited

On 22 April 2020, LTC established Lao Mobile Money Sole Company Limited with registered capital of KIP 10,000 million, at par value KIP 10,000 per share, which fully paid-up share capital. LTC holds 100% stake in share capital.

Registration of Nation Space and Technology Co., Ltd.

On 25 June 2020, CAT Telecom Public Company Limited (“CAT”) and Thaicom Public Company Limited (“THCOM”) established a new joint venture company to co-operate the company under the name of Nation Space and Technology Co., Ltd. (“NSAT”) to provide service of communication satellite and the service relating to the satellite business. Its registered capital is Baht 10 million at par value Baht 10 per share, which fully paid-up share capital. The share proportion between THCOM and CAT is 75% and 25% shareholding in share capital, respectively. CAT shall have the right to invest in new share subscription in NSAT at indicated price under the agreement between shareholders that would cause its shareholding proportion to be up to 49% of shares within 6 years after NSAT’s registration date.

Registration of ATI Technologies Company Limited

On 21 July 2020, AI and Robotics Ventures Company Limited (“ARV”), a subsidiary of PTT Exploration and Production Public Company Limited and Thai Advance Innovation Company Limited (“Thai AI”), a subsidiary of Thaicom Public Company Limited established a new joint venture company named ATI Technologies Company Limited (“ATI”) to develop, produce, and distribute unmanned aerial vehicle (drone) for Thailand’s agricultural sector. Its registered capital is Baht 20,000,000 at par value of Baht 5 per share which paid-up capital at Baht 12,000,000. The share proportion between Thai AI and ARV, each holds 50% and 50% in share capital, respectively.

Commitments

According to the joint venture agreement between the Group and the Government of the Lao People’s Democratic Republic, the Group must transfer all of LTC’s shares to the Government of the Lao People’s Democratic Republic, without any charges or compensation, on the expiration date of the joint venture agreement in 2046 (Note 31.2).

Thaicom Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2020

10. Property, plant and equipment

	Consolidated financial statements				
	Land Leasehold land & building	Equipment	Vehicles & equipment	Asset under construction	Total
	Baht'000	Baht'000	Baht'000	Baht'000	Baht'000
Cost					
As at 1 January 2019	410,276	11,425,910	352,228	8,963	12,197,377
Additions	35	183,713	7,666	10,365	201,779
Transfers	522	17,920	-	(9,711)	8,731
Disposals	(6,131)	(41,814)	(71,440)	(277)	(119,662)
Write-offs	(5,824)	(11,762)	(451)	-	(18,037)
Foreign currency translation adjustments	(18,927)	(30,361)	(7,042)	(773)	(57,103)
As at 31 December 2019	379,951	11,543,606	280,961	8,567	12,213,085
Effect of lease liabilities recognised under Thai Financial Reporting Standard No.16	-	-	(28,825)	-	(28,825)
As at 1 January 2020 - included effect of lease liabilities recognised under Thai Financial Reporting Standard No.16	379,951	11,543,606	252,136	8,567	12,184,260
Additions	125	22,220	13,886	35,426	71,657
Transfers	971	(63,740)	64,435	(4,538)	(2,872)
Disposals	(326)	(55,894)	(15,901)	-	(72,121)
Write-offs	(10,335)	(10,774)	(5,191)	-	(26,300)
Foreign currency translation adjustments	18,608	16,057	3,568	1,123	39,356
As at 31 December 2020	388,994	11,451,475	312,933	40,578	12,193,980
Accumulated depreciation and impairment loss					
As at 1 January 2019	368,769	6,733,175	280,730	-	7,382,674
Depreciation for the year	15,693	444,005	40,586	-	500,284
Loss on impairment	-	1,186,881	-	-	1,186,881
Transfers	-	(410)	-	-	(410)
Disposals	(3,762)	(41,046)	(54,725)	-	(99,533)
Write-offs	(5,615)	(11,762)	(418)	-	(17,795)
Foreign currency translation adjustments	(18,616)	(27,577)	(5,439)	-	(51,632)
As at 31 December 2019	356,469	8,283,266	260,734	-	8,900,469
Effect of lease liabilities recognised under Thai Financial Reporting Standard No.16	-	-	(20,835)	-	(20,835)
As at 1 January 2020 - included effect of lease liabilities recognised under Thai Financial Reporting Standard No.16	356,469	8,283,266	239,899	-	8,879,634
Depreciation for the year	11,552	247,263	23,125	-	281,940
Transfers	-	(29,273)	29,273	-	-
Disposals	(326)	(52,040)	(15,265)	-	(67,631)
Write-offs	(10,335)	(10,661)	(5,189)	-	(26,185)
Foreign currency translation adjustments	18,363	13,629	3,218	-	35,210
As at 31 December 2020	375,723	8,452,184	275,061	-	9,102,968

Thaicom Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2020

	Consolidated financial statements				
	Land Leasehold land & building Baht'000	Equipment Baht'000	Vehicles & equipment Baht'000	Asset under construction Baht'000	Total Baht'000
<i>Net book value</i>					
As at 1 January 2019					
Owned assets	41,507	4,692,735	55,131	8,963	4,798,336
Assets under finance leases	-	-	16,367	-	16,367
	41,507	4,692,735	71,498	8,963	4,814,703
As at 31 December 2019					
Owned assets	23,482	3,260,340	12,236	8,567	3,304,625
Assets under finance leases	-	-	7,991	-	7,991
	23,482	3,260,340	20,227	8,567	3,312,616
As at 31 December 2020					
Owned assets	13,271	2,999,291	37,872	40,578	3,091,012
	13,271	2,999,291	37,872	40,578	3,091,012

The gross amount of the Group's fully depreciated plant and equipment that was still in use as at 31 December 2020 of Baht 2,547.63 million (31 December 2019: Baht 2,422.43 million).

Impairment loss for equipment

The fierce competition in satellite industry has resulted to a significant market price erosion. As a consequence, the satellite operating result of the company has been affected. As at 31 December 2019, the Company has assessed the impairment of equipment which was measured by recoverable amount of the equipment (value in use) by way of discounted cash flow approach applying the discount rate of 8.3%. The book value of the assets were higher than the recoverable amount estimated by the discounted cash flow. Therefore, the impairment losses were recorded in the amount of Baht 1,187 million, which were presented as impairment losses for the year ended 31 December 2019.

Thaicom Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2020

	Separate financial statements				
	Leasehold land & building	Equipment	Vehicles & equipment	Asset under construction	Total
	Baht'000	Baht'000	Baht'000	Baht'000	Baht'000
<i>Cost</i>					
As at 1 January 2019	167,369	10,567,534	200,799	-	10,935,702
Additions	35	9,385	3,876	1,555	14,851
Transfers	-	9,478	-	(746)	8,732
Disposals	-	(39,198)	(26,244)	(55)	(65,497)
Write-offs	(5,824)	(11,713)	(355)	-	(17,892)
As at 31 December 2019	161,580	10,535,486	178,076	754	10,875,896
Effect of lease liabilities recognised under Thai Financial Reporting Standard No.16	-	-	(28,825)	-	(28,825)
As at 1 January 2020 - included effect of lease liabilities recognised under Thai Financial Reporting Standard No.16	161,580	10,535,486	149,251	754	10,847,071
Additions	-	9,503	10,262	-	19,765
Transfers	-	(450)	-	(529)	(979)
Disposals	(326)	(49,800)	(8,718)	-	(58,844)
Write-offs	(1,172)	(5,140)	(336)	-	(6,648)
As at 31 December 2020	160,082	10,489,599	150,459	225	10,800,365
<i>Accumulated depreciation and impairment loss</i>					
As at 1 January 2019	130,574	5,877,439	156,448	-	6,164,461
Depreciation for the year	14,927	419,462	20,661	-	455,050
Loss on impairment	-	1,033,000	-	-	1,033,000
Transfers	-	(410)	-	-	(410)
Disposals	-	(38,839)	(24,938)	-	(63,777)
Write-offs	(5,614)	(11,713)	(321)	-	(17,648)
As at 31 December 2019	139,887	7,278,939	151,850	-	7,570,676
Effect of lease liabilities recognised under Thai Financial Reporting Standard No.16	-	-	(20,835)	-	(20,835)
As at 1 January 2020 - included effect of lease liabilities recognised under Thai Financial Reporting Standard No.16	139,887	7,278,939	131,015	-	7,549,841
Depreciation for the year	10,947	313,079	10,731	-	334,757
Disposals	(326)	(49,718)	(8,634)	-	(58,678)
Write-offs	(1,172)	(5,137)	(335)	-	(6,644)
As at 31 December 2020	149,336	7,537,163	132,777	-	7,819,276

Thaicom Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2020

	Separate financial statements				
	Leasehold land & building	Equipment	Vehicles & equipment	Asset under construction	Total
	Baht'000	Baht'000	Baht'000	Baht'000	Baht'000
<i>Net book value</i>					
As at 1 January 2019					
Owned assets	36,795	4,690,095	27,984	-	4,754,874
Assets under finance leases	-	-	16,367	-	16,367
	36,795	4,690,095	44,351	-	4,771,241
As at 31 December 2019					
Owned assets	21,693	3,256,547	18,235	754	3,297,229
Assets under finance leases	-	-	7,991	-	7,991
	21,693	3,256,547	26,226	754	3,305,220
As at 31 December 2020					
Owned assets	10,746	2,952,436	17,682	225	2,981,089
	10,746	2,952,436	17,682	225	2,981,089

The gross amount of the Company's fully depreciated plant and equipment that was still in use as at 31 December 2020 amount of Baht 1,958.22 million (31 December 2019: Baht 1,860.39 million).

11. Right-of-use of assets

	Consolidated financial statements		
	Transponder	Other assets	Total
	Baht'000	Baht'000	Baht'000
<i>Cost</i>			
As at 1 January 2020 - included effect of lease liabilities recognised under Thai Financial Reporting Standard No.16	-	103,152	103,152
Additions	150,215	5,820	156,035
Disposals	-	(14,027)	(14,027)
Foreign currency translation adjustments	-	2,355	2,355
As at 31 December 2020	150,215	97,300	247,515
<i>Accumulated depreciation</i>			
As at 1 January 2020 - included effect of lease liabilities recognised under Thai Financial Reporting Standard No.16	-	20,835	20,835
Depreciation for the year	52,600	36,814	89,414
Disposals	-	(14,027)	(14,027)
Foreign currency translation adjustments	-	288	288
As at 31 December 2020	52,600	43,910	96,510

Thaicom Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2020

Consolidated financial statements

	Transponder Baht'000	Other assets Baht'000	Total Baht'000
Net book value			
As at 1 January 2020 - included effect of lease liabilities recognised under Thai Financial Reporting Standard No.16	-	82,317	82,317
As at 31 December 2020	97,615	53,390	151,005

Separate financial statements

	Transponder Baht'000	Other assets Baht'000	Total Baht'000
Cost			
As at 1 January 2020 - included effect of lease liabilities recognised under Thai Financial Reporting Standard No.16	-	77,846	77,846
Additions	150,215	2,827	153,042
Disposals	-	(14,027)	(14,027)
As at 31 December 2020	150,215	66,646	216,861
Accumulated depreciation			
As at 1 January 2020 - included effect of lease liabilities recognised under Thai Financial Reporting Standard No.16	-	20,835	20,835
Depreciation for the year	52,600	31,419	84,019
Disposals	-	(14,027)	(14,027)
As at 31 December 2020	52,600	38,227	90,827
Net book value			
As at 1 January 2020 - included effect of lease liabilities recognised under Thai Financial Reporting Standard No.16	-	57,011	57,011
As at 31 December 2020	97,615	28,419	126,034

The Group leases several assets including plant, buildings, transponder and vehicles. The lease term is 1.5 - 5 years.

The Group has options to purchase certain equipment for a nominal amount at the end of the lease term. The Group's obligations are secured by the lessors' title to the leased assets for such leases.

The maturity analysis of lease liabilities is presented in Note 15.

Thaicom Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2020

	Consolidated financial statements 2020 Thousand Baht	Separate financial statements 2020 Thousand Baht
Amounts recognized in profit or loss		
Depreciation on right-of-use assets	89,414	84,019
Interest expense on lease liabilities	6,270	5,580
Expense relating to short-term leases	4,675	3,979
Expense relating to leases of low-value assets	524	-

For the year ended 31 December 2020, total cash paid for lease agreements amounting to Baht 31.8 million, USD 1.6 million and AUD 0.3 million.

12. Intangible assets under operating agreement and intangible assets

	Consolidated financial statements			
	Intangible assets under operating agreement Baht'000	Intangible assets		
		Goodwill Baht'000	Other intangible assets Baht'000	Total intangible assets Baht'000
Cost				
As at 1 January 2019	26,251,077	962,407	1,603,144	2,565,551
Additions	-	-	1,658	1,658
Transfer	-	-	10,000	10,000
Disposal	(430)	-	(18)	(18)
Write-offs	(237,171)	-	(144)	(144)
Foreign currency translation adjustment	-	-	(12,390)	(12,390)
As at 31 December 2019				
and 1 January 2020	26,013,476	962,407	1,602,250	2,564,657
Additions	-	-	7,230	7,230
Transfer	-	-	1,893	1,893
Write-offs	-	-	(115)	(115)
Foreign currency translation adjustment	-	-	3,139	3,139
As at 31 December 2020	26,013,476	962,407	1,614,397	2,576,804

Thaicom Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2020

	Consolidated financial statements			
	Intangible assets under operating agreement Baht'000	Intangible assets		
		Goodwill Baht'000	Other intangible assets Baht'000	Total intangible assets Baht'000
<i>Accumulated amortisation and impairment loss</i>				
As at 1 January 2019	23,243,737	907,662	1,332,861	2,240,523
Amortisation for the year	1,213,975	-	97,795	97,795
Loss on impairment	426,526	-	9,293	9,293
Disposal	(430)	-	(1)	(1)
Write-offs	(236,021)	-	(144)	(144)
Foreign currency translation adjustment	-	-	(10,885)	(10,885)
As at 31 December 2019				
and 1 January 2020	24,647,787	907,662	1,428,919	2,336,581
Amortisation for the year	806,004	-	94,888	94,888
Loss on impairment	-	54,745	-	54,745
Disposals	-	-	(109)	(109)
Foreign currency translation adjustment	-	-	2,614	2,614
As at 31 December 2020	25,453,791	962,407	1,526,312	2,488,719
<i>Net book value</i>				
As at 1 January 2019	3,007,340	54,745	270,283	325,028
As at 31 December 2019				
and 1 January 2020	1,365,689	54,745	173,331	228,076
As at 31 December 2020	559,685	-	88,085	88,085

As at 31 December 2020, the Company together with the Ministry of Digital Economy and Society ("MDE") were in process of preparing the evidences to claim for the compensation of the Thaicom 5 Satellite under the insurance policy.

The insurance policy has been prepared to comply with the Operating Agreement on Domestic Communication Satellite, which the compensation would be further conferred between the Company and MDE.

As at 31 December 2020, the Company recorded loss from goodwill impairment which related to Thaicom 4 Satellite business amounting to Baht 54.7 million which presented in administrative expense.

Impairment loss for intangible assets under operating agreement

On 17 December 2019, the Thaicom 5 Satellite has experienced a technical incident on the status notification system. The Company, together with the manufacturer of Thaicom 5 Satellite and specialists are in process of attempting to restore the status notification system. Then the specialists will provide an opinion regarding administrative procedure of Thaicom 5 Satellite, which may result in ceasing of the service of Thaicom 5 Satellite in the future. Nonetheless, to be able to continuously render the service to the customers, the Company, together with all relevant customers, has been cooperating in order to migrate the customers to other satellites.

Thaicom Public Company Limited and its Subsidiaries

Notes to the financial statements

For the year ended 31 December 2020

The Company recognised an impairment loss for Thaicom 5 Satellite and related equipment with net book value amounting to Baht 222 million for the year ended 31 December 2019. In addition, the Company has assessed the impairment of intangible assets under operating agreement (excluded Thaicom 5 Satellite) which were measured by recoverable amount of intangible assets under operating agreement (value in use) by way of discounted cash flow approach applying discount rate of 8.3% resulting the recoverable amount was lower than the book value in the amount of Baht 205 million. The Company has recognised an impairment loss for the year ended 31 December 2019.

	Separate financial statements	
	Intangible assets under operating agreement Baht'000	Other intangible assets Baht'000
Cost		
As at 1 January 2019	26,251,077	1,418,980
Transfers	-	10,000
Disposals	(430)	-
Write-offs	(237,171)	(144)
As at 31 December 2019 and 1 January 2020	26,013,476	1,428,836
Additions	-	1,784
Disposals	-	(115)
As at 31 December 2020	26,013,476	1,430,505
Accumulated amortisation and impairment loss		
As at 1 January 2019	23,243,737	1,178,605
Amortisation for the year	1,213,975	88,812
Loss on impairment	426,526	9,293
Transfers	(430)	-
Disposal	(236,021)	(144)
As at 31 December 2019 and 1 January 2020	24,647,787	1,276,566
Amortisation for the year	806,004	85,382
Write-offs	-	(109)
As at 31 December 2020	25,453,791	1,361,839
Net book value		
As at 1 January 2019	3,007,340	240,375
As at 31 December 2019 and 1 January 2020	1,365,689	152,270
As at 31 December 2020	559,685	68,666

Thaicom Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2020

13. Deferred tax assets/ deferred tax liabilities

Deferred tax assets and deferred tax liabilities determined after appropriate off-setting are included in the statement of financial position as follows:

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
	Baht'000	Baht'000	Baht'000	Baht'000
Deferred tax assets	727,995	797,296	687,166	741,912
Deferred tax liabilities	(6,358)	-	-	-

Movements in total deferred tax assets during the year were as follows:

	Consolidated financial statements (Charged)/credited to:			
	As at 1 January 2020	Profit or loss (Note 27)	Other comprehensive income	As at 31 December 2020
	Baht'000	Baht'000	Baht'000	Baht'000
Deferred tax assets				
Loss carry forward	433	112	59	604
Allowance for expected credit loss	7,638	(4,652)	149	3,135
Allowance for obsolete inventories	13,629	(936)	-	12,693
Deposits	20,926	(3,033)	-	17,893
Advance receipts from customers	13,246	3,562	1,633	18,441
Employee benefit obligations	50,376	(7,153)	12,620	55,843
Accrued expenses	22,250	(5,857)	833	17,226
Impairment loss on assets	651,821	(55,639)	8,755	604,937
Others	16,977	(10,616)	(9,138)	(2,777)
	797,296	(84,212)	14,911	727,995
Deferred tax liabilities				
Advance receipts from customers	-	(4,715)	(2)	(4,717)
Others	-	(1,641)	-	(1,641)
	-	(6,356)	(2)	(6,358)
Total	797,296	(90,568)	14,909	721,637

	Consolidated financial statements (Charged)/credited to:			
	As at 1 January 2019	Profit or loss (Note 27)	Other comprehensive income	As at 31 December 2019
	Baht'000	Baht'000	Baht'000	Baht'000
Deferred tax assets				
Loss carry forward	61,228	(60,136)	(659)	433
Allowance for doubtful accounts	6,202	1,922	(486)	7,638
Allowance for obsolete inventories	15,096	(1,467)	-	13,629
Deposits	24,463	(3,537)	-	20,926
Advance receipts from customers	12,948	1,524	(1,226)	13,246
Employee benefit obligations	31,016	14,350	5,010	50,376
Accrued expenses	34,015	(9,950)	(1,815)	22,250
Impairment loss on assets	915,429	(261,421)	(2,187)	651,821
Others	16,621	6,398	(6,042)	16,977
Total	1,117,018	(312,317)	(7,405)	797,296

Thaicom Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2020

	As at 1 January 2020	Separate financial statements (Charged)/credited to:		As at 31 December 2020
		Profit or loss (Note 27)	Other comprehensive income	
	Baht'000	Baht'000	Baht'000	Baht'000
Deferred tax assets				
Allowance for obsolete inventories	13,629	(936)	-	12,693
Deposits	20,068	(2,410)	-	17,658
Employee benefit obligations	46,181	(8,097)	12,620	50,704
Impairment loss on assets	657,126	(53,289)	-	603,837
Others	4,908	(1,747)	(887)	2,274
Total	741,912	(66,479)	11,733	687,166

	As at 1 January 2019	Separate financial statements (Charged)/credited to:		As at 31 December 2019
		Profit or loss (Note 27)	Other comprehensive income	
	Baht'000	Baht'000	Baht'000	Baht'000
Deferred tax assets				
Allowance for obsolete inventories	15,096	(1,467)	-	13,629
Deposits	23,301	(3,233)	-	20,068
Employee benefit obligations	27,118	13,893	5,170	46,181
Impairment loss on assets	915,429	(258,303)	-	657,126
Others	11,337	(2,221)	(4,208)	4,908
Total	992,281	(251,331)	962	741,912

14. Other non-current assets

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
	Baht'000	Baht'000	Baht'000	Baht'000
Withholding taxes receivable	118,426	147,970	111,723	140,608
Tax assessment's deposits	177,051	182,701	177,051	182,701
Others deposit	15,254	15,256	15,254	15,256
Others	3,653	4,422	-	-
	314,384	350,349	304,028	338,565
Less accumulated impairment loss	(20,048)	(51,153)	(20,048)	(51,153)
Total	294,336	299,196	283,980	287,412

Thaicom Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2020

15. Interest-bearing liabilities

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
	Baht'000	Baht'000	Baht'000	Baht'000
<i>Current</i>				
<i>Current portion of long-term borrowings</i>				
Loans from financial institutions	381,700	383,273	381,700	383,273
Lease liabilities	79,866	8,729	72,671	8,729
Total current portion of long-term borrowings	461,566	392,002	454,371	392,002
Current portion of debenture	2,242,667	-	2,274,667	-
Total current interest-bearing liabilities	2,704,233	392,002	2,729,038	392,002
<i>Non-current</i>				
<i>Long-term borrowings</i>				
Loans from financial institutions	1,135,519	1,521,494	1,135,519	1,521,494
Lease liabilities	68,390	6,410	50,123	6,410
Total long-term borrowings	1,203,909	1,527,904	1,185,642	1,527,904
Long-term debentures	-	2,271,223	-	2,274,223
Total non-current interest-bearing liabilities	1,203,909	3,799,127	1,185,642	3,802,127
Total	3,908,142	4,191,129	3,914,680	4,194,129

Thaicom Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2020

Long-term debentures

As at 31 December 2020, the Company has one tranche totaling Baht 2,275 million, with a par value of Baht 1,000 each, unsubordinated and unsecured with having registered and bond holders' representative debentures as follows:

Issue date	No. of units	Amount	Interest rate (per annum)	Term of interest payment	Principal payment term	Outstanding balance as at 31 December 2020
	Million	Million Baht				Million Baht
29 September 2014	2.275	2,275	4.68%	Semiannually	Entirely redeemed on 2 October 2021	2,275
Total debenture						2,275
Less bond issuing cost						(1)
Net						2,274

Thaicom Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2020

The movements in the borrowing can be analysed as follows:

For the years ended 31 December	Consolidated financial statements		Separate financial statements	
	2020 Baht'000	2019 Baht'000	2020 Baht'000	2019 Baht'000
As at 1 January 2020	4,191,129	7,009,237	4,194,129	7,034,237
Effect of lease liabilities recognised under Thai Financial Reporting Standard No.16	68,352	-	42,397	-
As at 1 January 2020 - included effect of lease liabilities recognised under Thai Financial Reporting Standard No.16	4,259,481	7,009,237	4,236,526	7,034,237
Addition	155,929	-	153,042	-
Repayment of borrowings	(494,358)	(2,790,945)	(489,446)	(2,812,945)
Amortisation of finance costs*	2,462	2,929	2,462	2,929
Investment in debentures within the Group	(29,000)	-	-	-
(Gain) loss on exchange rate	13,628	(30,092)	12,096	(30,092)
Closing net book value	3,908,142	4,191,129	3,914,680	4,194,129

The Group has to maintain the financial ratios restricted in the long-term loan agreements.

* The Group has classified deferred charge net with long-term loan from financial institutions.

The interest rate exposure of the borrowings of the Group is as follows:

	Consolidated financial statements		Separate financial statements	
	2020 Baht'000	2019 Baht'000	2020 Baht'000	2019 Baht'000
Total borrowings:				
- at fixed rates	2,390,923	2,286,362	2,397,461	2,289,362
- at floating rates	1,517,219	1,904,767	1,517,219	1,904,767
Total	3,908,142	4,191,129	3,914,680	4,194,129

Weighted average interest rates:

- Loans	3.85%	4.27%	3.86%	4.27%
- Debentures	4.68%	4.68%	4.68%	4.68%

The periods to maturity of long-term borrowings and long-term debentures net of financial costs were as follows:

	Consolidated financial statements		Separate financial statements	
	2020 Baht'000	2019 Baht'000	2020 Baht'000	2019 Baht'000
Later than 1 year but not later than 2 years	418,801	2,656,315	413,302	2,659,315
Later than 2 years but not later than 5 years	785,108	1,142,812	772,340	1,142,812
Total	1,203,909	3,799,127	1,185,642	3,802,127

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

Thaicom Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2020

Credit facilities

As at 31 December 2020, available credit facilities for loans from local and overseas banks are Baht 3,253.91 million and USD 30.00 million (2019: Baht 3,247.57 million and USD 30.00 million).

Reconciliation of liabilities arising from financing activities

	Unit: Thousand Baht			
	Consolidated financial statements			
	Lease liabilities	Long-term loans	Debentures	Total
As at 1 January 2020	15,140	1,904,766	2,271,223	4,191,129
Effect of lease liabilities recognised under Thai Financial Reporting Standards No.16	68,352	-	-	68,352
As at 1 January 2020 - included effect of lease liabilities recognised under Thai Financial Reporting Standard No.16	83,492	1,904,766	2,271,223	4,259,481
<i>Change in cashflows</i>				
Repayment of borrowings	(88,279)	(406,079)	-	(494,358)
Investment in debentures within the Group	-	-	(29,000)	(29,000)
<i>Non-cash changes</i>				
Addition	155,929	-	-	155,929
Amortisation of finance costs	-	2,018	444	2,462
Change in currency translation	(2,886)	16,514	-	13,628
As at 31 December 2020	148,256	1,517,219	2,242,667	3,908,142

	Unit: Thousand Baht			
	Consolidated financial statements			
	Lease liabilities	Long-term loans	Debentures	Total
As at 1 January 2019	26,775	2,459,150	4,523,312	7,009,237
<i>Change in cashflows</i>				
Repayment of borrowings	(11,635)	(526,310)	(2,253,000)	(2,790,945)
<i>Non-cash changes</i>				
Amortisation of finance costs	-	2,018	911	2,929
Change in currency translation	-	(30,092)	-	(30,092)
As at 31 December 2019	15,140	1,904,766	2,271,223	4,191,129

Thaicom Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2020

Unit: Thousand Baht				
Separated financial statements				
	Lease liabilities	Long-term loans	Debentures	Total
As at 1 January 2020	15,140	1,904,766	2,274,223	4,194,129
Effect of lease liabilities recognised under Thai Financial Reporting Standards No.16	42,397	-	-	42,397
As at 1 January 2020 - included effect of lease liabilities recognised under Thai Financial Reporting Standard No.16	57,537	1,904,766	2,274,223	4,236,526
<i>Change in cashflows</i>				
Repayment of borrowings	(83,367)	(406,079)	-	(489,446)
<i>Non-cash changes</i>				
Addition	153,042	-	-	153,042
Amortisation of finance costs	-	2,018	444	2,462
Change in currency translation	(4,418)	16,514	-	12,096
As at 31 December 2020	122,794	1,517,219	2,274,667	3,914,680

Unit: Thousand Baht				
Separated financial statements				
	Lease liabilities	Long-term loans	Debentures	Total
As at 1 January 2019	26,775	2,459,150	4,548,312	7,034,237
<i>Change in cashflows</i>				
Repayment of borrowings	(11,635)	(526,310)	(2,275,000)	(2,812,945)
<i>Non-cash changes</i>				
Amortisation of finance costs	-	2,018	911	2,929
Change in currency translation	-	(30,092)	-	(30,092)
As at 31 December 2019	15,140	1,904,766	2,274,223	4,194,129

The maturity analysis of lease liabilities as at December 31, 2020 and 2019 are as follows:

Unit : Thousand Baht			
Consolidated financial statements			
As at December 31, 2020			
	≤ 1 year	1 - 5 years	Total
Future minimum lease payment	85,163	71,845	157,008
<u>Less</u> Deferred interest expenses	(5,297)	(3,455)	(8,752)
Present value of future minimum lease payments	79,866	68,390	148,256

Unit : Thousand Baht			
Consolidated financial statements			
As at December 31, 2019			
	≤ 1 year	1 - 5 years	Total
Future minimum lease payment	9,212	6,841	16,053
<u>Less</u> Deferred interest expenses	(483)	(430)	(913)
Present value of future minimum lease payments	8,729	6,411	15,140

Thaicom Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2020

	Unit : Thousand Baht		
	Separated financial statements		
	As at December 31, 2020		
	≤ 1 year	1 - 5 years	Total
Future minimum lease payment	77,153	52,468	129,621
<u>Less</u> Deferred interest expenses	(4,482)	(2,345)	(6,827)
Present value of future minimum lease payments	<u>72,671</u>	<u>50,123</u>	<u>122,794</u>

	Unit : Thousand Baht		
	Separated financial statements		
	As at December 31, 2019		
	≤ 1 year	1 - 5 years	Total
Future minimum lease payment	9,212	6,841	16,053
<u>Less</u> Deferred interest expenses	(483)	(430)	(913)
Present value of future minimum lease payments	<u>8,729</u>	<u>6,411</u>	<u>15,140</u>

16. Trade and other current payables

	Note	Consolidated financial statements		Separate financial statements	
		2020 Baht'000	2019 Baht'000	2020 Baht'000	2019 Baht'000
Trade payables					
- Related parties	4	2,024	2,631	8,493	5,862
- Other parties		79,938	248,507	73,228	127,679
Total		<u>81,962</u>	<u>251,138</u>	<u>81,721</u>	<u>133,541</u>
Other current payables					
- Accrued expenses		237,038	234,211	278,065	250,958
- Others		105,128	69,368	48,086	34,257
Total		<u>342,166</u>	<u>303,579</u>	<u>326,151</u>	<u>285,215</u>
Total trade and other current payables		<u>424,128</u>	<u>554,717</u>	<u>407,872</u>	<u>418,756</u>

17. Other current liabilities

	Consolidated financial statements		Separate financial statements	
	2020 Baht'000	2019 Baht'000	2020 Baht'000	2019 Baht'000
Short-term deposits from customers	42,093	22,228	12,655	19,677
Other taxes	17,925	33,592	7,490	4,111
Others	1,110	758	-	1
Total	<u>61,128</u>	<u>56,578</u>	<u>20,145</u>	<u>23,789</u>

Thaicom Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2020

18. Non-current provisions for employee benefit

The statement of financial position obligations was determined as follows:

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
	Baht'000	Baht'000	Baht'000	Baht'000
Present value of unfunded obligations	283,241	231,766	253,524	205,056
Statement of financial position obligations	283,241	231,766	253,524	205,056

Movements in the present value of the employee benefit obligations:

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
	Baht'000	Baht'000	Baht'000	Baht'000
Employee benefit obligations at 1 January	231,766	160,747	205,056	135,592
Benefits paid by the plan	(39,957)	(30,401)	(33,164)	(18,657)
Included in profit or loss:				
Current service costs and interest	21,640	75,278	18,531	62,269
	21,640	75,278	18,531	62,269
Included in other comprehensive income:				
Actuarial loss recognised during the year	69,792	26,142	63,101	25,852
	69,792	26,142	63,101	25,852
Employee benefit obligations as at 31 December	283,241	231,766	253,524	205,056

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

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
	%	%	%	%
Discount rate	1.61	2.40	1.61	2.40
Future salary increases	5.00	5.00	5.00	5.00

Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below.

	Consolidated financial statements		Separate financial statements	
	Baht'000	Baht'000	Baht'000	Baht'000
Defined benefit obligation 31 December 2020	Increase	Decrease	Increase	Decrease
Discount rate (0.5% movement)	(13,753)	14,723	(11,956)	12,834
Future salary growth (1% movement)	27,037	(23,958)	23,479	(20,831)

Although the analysis does not take account of the full distribution of cash flows expected under the plan, it does provide an approximation of the sensitivity of the assumptions shown.

Thaicom Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2020

19. Other non-current liabilities

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
	Baht'000	Baht'000	Baht'000	Baht'000
Long-term deposits from customers	117,526	127,165	112,262	121,161
Others	107,588	110,970	107,588	110,970
Total	225,114	238,135	219,850	232,131

20. Share capital and share-based payment transaction

	<i>Par value per share (Baht)</i>	2020		2019	
		Number Share'000	Amount Baht'000	Number Share'000	Amount Baht'000
<i>Authorised</i>					
At 1 January					
- ordinary shares	5	1,099,977	5,499,884	1,099,977	5,499,884
Increase of new shares	5	-	-	-	-
At 31 December					
- ordinary shares	5	1,099,977	5,499,884	1,099,977	5,499,884
<i>Issued and paid-up</i>					
At 1 January					
- ordinary shares	5	1,096,102	5,480,510	1,096,102	5,480,510
Issue of new shares from exercise warrants	5	-	-	-	-
At 31 December					
- ordinary shares	5	1,096,102	5,480,510	1,096,102	5,480,510

The holders of ordinary shares are entitled to receive dividends as declared from time to time, and are entitled to one vote per share at meetings of the Company.

Thaicom Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2020

Share-based payment transaction

20.1 Share-based payment transaction settled by equity

20.1.1 Information of project

The issuance and offering of warrants to purchase ordinary shares to directors and employees of the Company and its subsidiaries. The warrants are offered directly to employees who are full-time employed and qualify for the Performance Share Plan project (“Project”). Major information is listed below:

	Project III	Project IV
Issued date:	26 March 2015	30 March 2016
Issued:	1,085,300 units	1,074,300 units
Exercise price:	37.626 Baht/Share	25.918 Baht/Share
Number of reserved shares:	1,085,300 shares	1,074,300 shares
Offer period:	5 years after first time to offered the warrant	
Offer price per unit:	Baht 0 (zero Baht)	
Exercise ratio:	One unit of warrant per one ordinary share	

Movements in the number of outstanding warrants are as follows:

	1 January 2020 thousand unit	Issue during the period thousand unit	Return during the period thousand unit	Exercise during the period thousand unit	Expire during the period thousand unit	31 December 2020 thousand unit
ESOP - Grant III						
Directors	254	-	-	-	(254)	-
Employees	691	-	-	-	(691)	-
Total	945	-	-	-	(945)	-
ESOP - Grant IV						
Directors	155	-	-	-	-	155
Employees	741	-	-	-	-	741
Total	896	-	-	-	-	896
Grand Total	1,841	-	-	-	(945)	896

Thaicom Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2020

20.1.2 Fair value measurement

The measurement is in reference to the fair value of the offered ordinary shares issued at the grant date using Monte Carlo Simulation techniques. The assumptions are as below:

	Project III	Project IV
Fair value at grant date	Baht 20.424	Baht 12.475
Share price at grant date	Baht 36.500	Baht 27.000
Exercise price	Baht 37.626	Baht 25.918
Expected volatility	39.894%	36.534%
Expected dividend	1.781%	2.407%
Risk-free interest rate	2.340%	1.721%

Reconciliation of other reserve-shared-base payment settled by equity:

	Consolidated and separate financial statements	
<i>For the years ended 31 December</i>	2020	2019
	Baht'000	Baht'000
As at 1 January	16,971	14,745
Total expense recognised during the year in the statement of profit and loss	806	2,226
As at 31 December	17,777	16,971

20.2 Performance incentive payment settled by cash

On 9 May 2018, the Board of Director had a resolution to approve the revised amount of performance incentive payment to Baht 22.76 million allocating to the managements at the end of the project if the Absolute Total Shareholder Return and Relative Total Shareholder Return meet the criteria at the third year of the project. As at 31 December 2020, the Company remeasured the criteria of the project and found that the criteria cannot be met. Therefore, the Company did not recognise such expense.

Share premium

Section 51 of the Public Companies Act B.E. 2535 requires companies to set aside share subscription monies received in excess of the par value of the shares issued to a reserve account ("share premium"). Share premium is not available for dividend distribution.

Thaicom Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2020

21. Reserves

Reserves comprise:

Appropriations of profit and/or retained earnings

Legal reserve

The Public Companies Act B.E. 2535 Section 116 requires that a company shall allocate not less than 5% of its annual net profit, less any accumulated losses brought forward (if any), to a reserve account (“legal reserve”), until this account reaches an amount not less than 10% of the registered authorised capital. The legal reserve is not available for dividend distribution.

Other components of shareholders’ equity

Currency translation differences

The currency translation differences account within equity comprises all foreign currency differences arising from the translation of the financial statements of foreign operations.

Fair value changes in financial assets

The fair value changes in financial assets account within equity comprise the cumulative net change in the fair value of financial assets until the financial assets are derecognised or impaired.

Thaicom Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2020

22. Segment information

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

Business segments

The Group comprises the following main business segments:

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

Geographic segments

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

The areas of operation in Thailand are principally satellite business services, internet and media services. Lao PDRs' main activities are sales and services relating to telephone network business and satellite business services. Australia, India, Japan, Myanmar, Malaysia and Singapore main activities are sales and services relating to satellite business.

The Group comprises the following main geographic segments:

- Segment 1 Thailand
- Segment 2 Australia
- Segment 3 India
- Segment 4 Japan
- Segment 5 Myanmar
- Segment 6 Malaysia
- Segment 7 Singapore
- Segment 8 Others

Thaicom Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2020

Disaggregation of revenue

The Group derives its revenue from the transfer of goods and services over time and at a point in time in the following business segments. This is consistent with the revenue information that is disclosed for each reportable segment for the years ended 31 December 2020 and 2019 were as follows:

		Consolidated financial statements	
		2020	2019
		Baht'000	Baht'000
Segment revenues			
	Satellite business services	3,539,410	4,560,949
	Internet services and media	17,386	102,336
Total		3,556,796	4,663,285
Timing of revenue recognition			
At a point in time			
	Satellite business services	387,450	326,316
	Internet services and media	1,632	82,223
		389,082	408,539
Overtime			
	Satellite business services	3,151,960	4,234,633
	Internet services and media	15,754	20,113
		3,167,714	4,254,746
Total		3,556,796	4,663,285

Thaicom Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2020

Revenue and results, based on business segments, in the consolidated financial statements for the years ended 31 December 2020 and 2019 were as follows:

<i>For the years ended 31 December</i>	Satellite business services		Internet services and media		Telephone network		Consolidation eliminations		Consolidated financial statements	
	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
	Million Baht	Million Baht	Million Baht	Million Baht	Million Baht	Million Baht	Million Baht	Million Baht	Million Baht	Million Baht
Revenues	3,548	4,594	32	122	-	-	(24)	(53)	3,556	4,663
Shares of profit (loss) of investment in joint venture	-	-	-	-	4	(116)	-	-	4	(116)
Cost of sales and services	(2,587)	(3,613)	(15)	(112)	-	-	24	54	(2,578)	(3,671)
Selling and administrative expenses	(907)	(1,001)	(13)	(39)	-	-	1	1	(919)	(1,039)
Segment results	54	(20)	4	(29)	4	(116)	1	2	63	(163)
Loss from sale of investment in a subsidiary									-	(29)
Net loss on foreign exchange									(59)	(128)
Other income									671	136
Finance income									141	201
Loss on impairment asset									-	(1,623)
Profit (loss) before finance cost and income tax expense									816	(1,606)
Finance costs									(188)	(300)
Operating profit (loss)									628	(1,906)
Income tax expense									(114)	(344)
Net Profit (loss)									514	(2,250)

Thaicom Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2020

	Satellite business services		Internet services and media		Telephone network		Consolidation eliminations		Consolidated financial statements	
	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
	Million Baht	Million Baht	Million Baht	Million Baht	Million Baht	Million Baht	Million Baht	Million Baht	Million Baht	Million Baht
Segment assets	13,603	13,879	495	488	-	-	(567)	(535)	13,531	13,832
Loan to related parties	1,752	1,758	-	-	-	-	-	-	1,752	1,758
Investment in joint ventures	-	-	-	-	1,393	1,409	-	-	1,393	1,409
Total assets									16,676	16,999
Segment liabilities	1,516	1,806	9	14	-	-	(4)	(6)	1,521	1,814
Borrowings	3,908	4,190	-	-	-	-	-	-	3,908	4,190
Total liabilities									5,429	6,004

Thaicom Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2020

Revenues based on geographical segments, in the consolidated financial statements for the years ended 31 December 2020 and 2019 were as follows:

	2020 Baht'000	2019 Baht'000
<i>Segment revenue</i>		
Thailand	1,951,823	2,250,706
Australia	263,841	250,008
India	442,198	660,084
Japan	206,603	618,626
Myanmar	156,010	126,924
Malaysia	261,769	257,905
Others	274,552	499,032
Total	3,556,796	4,663,285

Major customers of the Group

For the years ended 31 December 2020 and 2019, the Group has no revenue transactions with a single external customer amount to 10 percent or more of the Group's revenues.

Non-current assets based on geographical segments in the consolidated financial statements as at 31 December 2020 and 2019 were as follows:

	2020 Baht'000	2019 Baht'000
<i>Non-current assets</i>		
Thailand	4,032,657	5,090,936
Australia	99,589	24,295
India	6,086	7,308
Japan	3,933	9,182
Singapore	2,291,387	2,536,267
Others	41,857	73,856
Total	6,475,509	7,741,844

23. Revenues from sale of goods and rendering of services

	Consolidated financial statements		Separate financial statements	
For the years ended 31 December	2020 Baht'000	2019 Baht'000	2020 Baht'000	2019 Baht'000
Revenues from sale of goods	130,529	264,909	111,170	147,187
Revenues from rendering of services	3,426,267	4,398,376	3,309,195	4,122,424
Total	3,556,796	4,663,285	3,420,365	4,269,611

Thaicom Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2020

24. Other income

For the years ended 31 December	Consolidated		Separate	
	financial statements		financial statements	
	2020	2019	2020	2019
	Baht'000	Baht'000	Baht'000	Baht'000
Compensation income under insurance policy abiding to Services Agreement for life-extension service of satellites	352,517	-	352,517	-
Compensation income under insurance policy	268,020	-	268,020	-
Consulting and management fees	7,480	7,389	21,375	35,425
Realized gain on investment	7,715	2,678	-	-
Gain on sale of equipment	4,750	5,161	5,209	4,813
Compensation from customer	21,440	59,530	-	-
Bad debt recovery	-	51,752	-	51,752
Others	9,103	9,898	5,845	9,199
Total	671,025	136,408	652,966	101,189

In May and June 2020, the Company received the proceeds from insurer according to other insurance policy amounting to USD 8.4 million or approximately Baht 268 million which was presented as compensation income under insurance policy.

In addition, the Company received the proceeds from insurer which was part of arrangement under Service Agreement for life-extension service of satellites and the amount was recognised as other income for the year ended 31 December 2020, amounting to Baht 353 million (net from write-off of advance payment under the said Service Agreement for USD 3 million or approximately Baht 98 million), respectively (see Note 31.6).

25. Expenses by nature

The statements of profit or loss include an analysis of expenses by function. Expenses by nature disclosed in accordance with the requirements of various TFRS were as follows:

For the year ended 31 December	Consolidated		Separate	
	financial statements		financial statements	
	2020	2019	2020	2019
	Baht'000	Baht'000	Baht'000	Baht'000
Impairment loss on assets	-	1,622,700	-	1,468,819
Depreciation of plant and equipment	281,940	500,283	334,757	455,050
Amortisation of intangible assets under the agreements for operations, right-of-use assets and intangible assets	990,307	1,311,769	975,405	1,302,786
Amortisation of finance costs	2,462	2,929	2,462	2,929
Staff costs	819,090	887,799	576,990	627,277

Thaicom Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2020

26. Provident funds

The defined contribution plans comprise provident funds established by the Group for its employees. Membership to the funds is on a voluntary basis. Contributions are made monthly by the employees at rates ranging from 3% to 7% of their basic salaries and by the Group at rates ranging from 3% to 7% of the employees' basic salaries. The provident funds are registered with the Ministry of Finance as juristic entities and are managed by a licensed Fund Manager.

27. Income tax expense

For the years ended 31 December	Note	Consolidated financial statements		Separate financial statements	
		2020	2019	2020	2019
		Baht'000	Baht'000	Baht'000	Baht'000
Current tax expense		(23,636)	(31,393)	7	(421)
Deferred tax expense					
Movement in temporary differences	13	(90,568)	(312,317)	(66,479)	(251,331)
Total		(114,204)	(343,710)	(66,472)	(251,752)
Total current tax expense		(114,204)	(343,710)	(66,472)	(251,752)

Thaicom Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2020

Reconciliation of effective tax rate

	Consolidated financial statements			
	2020		2019	
	Rate (%)	Baht'000	Rate (%)	Baht'000
Profit (loss) for the year		513,782		(2,249,949)
Total income tax expense		114,204		343,710
Profit (loss) before total income tax expense		<u>627,986</u>		<u>(1,906,239)</u>
Income tax using the Thai corporation tax rate	20	(125,597)	20	381,248
Effect of different tax rates in foreign jurisdictions		(63,446)		(131,972)
Share of profit (loss) of investment in a joint venture		749		(23,290)
Effect of the income recognised in different periods for account and tax purposes		2,410		-
Effect of non-deductible tax and expense recognised in different periods for accounting and tax purposes		165,347		(201,812)
Current year losses for which no deferred tax asset was recognised		(115,908)		(68,456)
Write-off of deferred tax asset		-		(269,213)
Others		22,241		(30,215)
Total	18	(114,204)	(18)	(343,710)

	Separate financial statements			
	2020		2019	
	Rate (%)	Baht'000	Rate (%)	Baht'000
Profit (loss) for the year		513,782		(2,249,949)
Total income tax expense		66,472		251,752
Profit (loss) before total income tax expense		<u>580,254</u>		<u>(1,998,197)</u>
Income tax using the Thai corporation tax rate	20	(116,051)	20	399,639
Income not subject to tax		-		5,951
Share of profit (loss) of investment in subsidiaries and a joint venture		(58,761)		(119,573)
Effect of the income recognised in different periods for account and tax purposes		2,410		-
Effect of the non-deductible tax expense and expense recognised in different periods for accounting and tax purposes		195,231		(200,557)
Current year losses for which no deferred tax asset was recognised		(91,238)		(67,999)
Write-off of deferred tax asset		-		(269,213)
Others		1,937		-
Total	11	(66,472)	(13)	(251,752)

Thaicom Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2020

28. Earnings (loss) per share

Basic earnings (loss) per share

The calculations of basic earnings (loss) per share for the years ended 31 December 2020 and 2019 were based on the profit (loss) for the years attributable to ordinary shareholders of the Company and the number of outstanding ordinary shares during the years by weighted average method as follows:

	Consolidated and separate financial statements	
	2020	2019
	<i>(in thousand Baht/thousand shares)</i>	
Profit (loss) attributable to ordinary shareholders of the Company (basic)	513,782	(2,249,949)
Number of outstanding ordinary shares	1,096,102	1,096,102
Earnings (loss) per share (basic) (in Baht)	0.47	(2.05)

Diluted earnings (loss) per share

The calculation of diluted earnings (loss) per share for the years ended 31 December 2020 and 2019, were based on the earnings (loss) for the period attributable to equity holders of the Company and the number of outstanding ordinary shares during the period after adjusting for the effects of all dilutive potential ordinary shares. However, for the years ended 31 December 2020 and 2019, the Company did not calculate diluted earnings per share since exercise price is higher than fair value of weighted ordinary shares during the year.

29. Dividend

At the Board of Director of the Company meeting held on 24 March 2020, approved the appropriation of interim dividend of Baht 0.20 per share, amounting to Baht 219 million. The dividend was paid to shareholders on 21 April 2020.

Thaicom Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2020

30. Financial instruments

Financial risk management policies

The principal financial risks faced by the Group are interest rate risk and exchange rate risk. The Group borrows at fixed and floating rates of interest for capital expenditure. Certain sales, purchases and a portion of borrowings are denominated in foreign currencies. In order to manage the risks arising from fluctuations in exchange rates and interest rates, the Group makes use of derivative financial instruments.

The objectives of using derivative financial instruments are to reduce uncertainty over future cash flows arising from movements in interest and exchange rates, and to manage the liquidity of cash resources. The following strategies are employed to achieve these objectives. Interest rate exposures are managed through interest rate swaps taken out with commercial banks and foreign exchange forward contracts and foreign currency options are taken out to manage the currency risks in future sales, purchases and loan repayments. Decisions on the level of risk undertaken are governed by corporate policy, which has established limits by transaction type and by counterparty.

Trading for speculative purposes is prohibited. All derivative transactions are subject to approval of the management before execution.

Management of currency and interest rate exposures is the responsibility of the Treasury Department. Management reports contain detail of cost and market value for all derivative financial instruments including outstanding forward contracts and cross currency and interest rate swap. An analysis of exposures against the limits established by the management is also provided. These limits principally cover the maximum permitted exposure in respect of short-term investment regarding to guideline to short-term investment policy.

Capital management

The primary objective of the Company's capital management is to provide good returns to shareholders and benefits to other stakeholders and to maintain an optimal capital structure in order to support asset management plan and new investment opportunities which will create value and strengthen financial position for the whole group.

Thaicom Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2020

Foreign currency risk

The Group is exposed to foreign currency risk relating to purchases and sales which are denominated in foreign currencies.

As at 31 December 2020 and 2019, the Group was exposed to foreign currency risk in respect of financial assets and liabilities denominated in the following currencies:

	Consolidated financial statements			
	2020		2019	
	Foreign currency million	Baht million	Foreign currency million	Baht million
Assets				
US Dollars	184.27	5,503.67	71.07	2,130.46
Euro	-	-	0.12	3.86
Yen	6.68	1.92	-	-
India Rupee	446.35	170.64	463.12	182.70
New Zealand Dollars	1.32	27.96	0.95	19.01
Vietnam Dong	23.33	3.01	-	-
Australia Dollars	10.04	225.97	0.06	1.26
Hong Kong Dollars	2.50	9.58	2.50	9.58
Total		<u>5,942.75</u>		<u>2,346.87</u>
Liabilities				
US Dollars	36.52	1,103.08	78.61	2,384.48
Singapore Dollars	0.09	1.96	-	-
India Rupee	5.08	2.21	246.87	110.97
Australia Dollars	4.52	105.42	0.06	1.25
New Zealand Dollars	0.34	7.35	0.34	6.90
Vietnam Dong	33.32	4.35	50.91	6.66
Total		<u>1,224.37</u>		<u>2,510.26</u>

Foreign currency assets mainly represent cash at bank and trade receivables. Foreign currency liabilities mainly represent trade payables, accounts payable - plant and equipment and borrowings.

Credit risk

The Group has no significant concentrations of credit risks. The Group has policies in place to ensure that sales of products and services are made to customers with an appropriate credit history. Derivative counterparties and cash transactions are limited to high quality financial institutions.

Liquidity risk

The Group monitors its liquidity risk and maintains a level of cash and cash equivalents deemed adequate by management to finance the Group's operations, including finding short term credit facility from various banks for reserve in case of necessary and to mitigate the effects of fluctuations in cash flows.

Thaicom Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2020

Determination of fair values

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction.

The carrying amount of cash and cash equivalents, other current financial assets, trade receivables, amounts due from related parties, short-term loans and advances to related parties, trade payables, accounts payable-plant and equipment, amounts due to related parties, and short-term borrowings are assumed to approximate their fair value due to the short maturities of these instruments.

Fair values of financial assets and financial liabilities, together with the carrying amount values shown in the statement of financial position as follows:

	Carrying amount	Consolidated financial statements			
		Fair value			
		Level 1	Level 2	Level 3	Total
	Baht'000	Baht'000	Baht'000	Baht'000	Baht'000
As at 31 December 2020					
<i>Current</i>					
Investment in debt securities measured at fair value through other comprehensive income	1,910,493	-	1,919,493	-	1,919,493
Current portion of long-term loan to a related party	853,013	-	-	823,601	823,601
Current portion of long-term borrowings	461,566	-	-	465,164	465,164
Debentures	2,242,667	-	2,275,181	-	2,275,181
<i>Non - current</i>					
Long-term loan to a related party	898,710	-	-	867,722	867,722
Long-term borrowings	1,203,909	-	-	1,205,808	1,205,808
As at 31 December 2019					
<i>Current</i>					
Debt securities available for sale	1,945,154	-	1,945,154	-	1,945,154
Current portion of long-term loan to a related party	630,635	-	-	632,116	632,116
Current portion of long-term borrowings	392,002	-	-	396,693	396,693
<i>Non - current</i>					
Long-term loan to a related party	1,127,499	-	-	1,130,148	1,130,148
Long-term borrowings	1,527,904	-	-	1,546,669	1,546,669
Debentures	2,271,223	-	2,410,492	-	2,410,492

Thaicom Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2020

	Carrying amount Baht'000	Separated financial statements			
		Fair value			
		Level 1 Baht'000	Level 2 Baht'000	Level 3 Baht'000	Total Baht'000
As at 31 December 2020					
<i>Current</i>					
Investment in debt securities measured at fair value through other comprehensive income	2,154,011	-	2,154,011	-	2,154,011
Current portion of long-term loan to related parties	873,013	-	-	843,601	843,601
Current portion of long-term borrowings	454,371	-	-	454,642	454,642
Debentures	2,274,667	-	2,307,641	-	2,307,641
<i>Non - current</i>					
Long-term loan to a related party	898,710	-	-	867,722	867,722
Long-term borrowings	1,185,642	-	-	1,186,453	1,186,453
As at 31 December 2019					
<i>Current</i>					
Debt securities available for sale	2,108,678	-	2,108,678	-	2,108,678
Current portion of long-term loan to related party	655,635	-	-	657,116	657,116
Current portion of long-term borrowings	392,002	-	-	396,693	396,693
<i>Non - current</i>					
Long-term loan to related parties	1,127,499	-	-	1,130,148	1,130,148
Long-term borrowings	1,527,904	-	-	1,546,669	1,546,669
Debentures	2,274,223	-	2,414,125	-	2,414,125

Thaicom Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2020

Fair value hierarchy

The table above analyses recurring fair value measurements for financial assets. These fair value measurements are categorised into different levels in the fair value hierarchy based on the inputs to valuation techniques used. The different levels are defined as follows.

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities that the Group/Company can access at the measurement date.
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3: unobservable inputs for the asset or liability.

The Group determines Level 2 fair values for debentures have been determined based on quoted selling prices from The Thai Bond Market Association at the close of the business on the reporting date.

The Company determines Level 3 fair values for borrowing have been estimated using discounted cash flows based on the Group's incremental borrowing rates for similar types of borrowings.

31. Commitments with non-related parties

31.1 Agreement for operation of domestic communication satellite

The Company was permitted by the Ministry of Transport and Communications, under an agreement dated 11 September 1991 and an amendment thereto dated 22 March 1992, to operate and administer certain satellite projects and to render transponder services for domestic and international communications as well as the right to collect, for a thirty-year period, service charges from users of the transponders. The agreements for operation have been transferred to the Ministry of Digital Economy and Society ("MDE") (previously named Ministry of Information and Communication Technology ("MICT")).

Under the aforementioned agreement, the Company must pay an annual fee to MDE based on a percentage of certain service incomes or at the minimum level specified in the agreement, whichever is higher. As at 31 December 2020, the remaining minimum fee is Baht 70 million (31 December 2019: Baht 159 million). In addition, the Company, according to the aforementioned agreement, must transfer its ownership of all satellites, and monitoring stations and other operating equipment to MDE on the date of completion of construction and installation.

31.2 Shareholder agreement

Lao Telecommunications Public Company ("LTC") is a joint venture, which was established under the terms of a Joint Venture Contract dated 8 October 1996, signed by the Government of the Lao People's Democratic Republic ("LAOGOV") and Intouch Holdings Public Company Limited (formerly named Shinawatra Computer and Communications Public Company Limited). According to the aforementioned Joint Venture Contract, LTC has the right to provide telecommunication services - fixed line phone, mobile phone, international facilities, internet and paging - within the Lao PDR for 25 years. Currently, Shenington Investments Pte Ltd. ("SHEN"), which is a joint venture of the Company, owns 49% of LTC's registered shares. After the end of the 20th year, in 2016, LAOGOV shall have the right to consider purchasing all LTC's shares at a market price. And after the end of the 23rd year, in 2019, the Group has a right to submit a proposal to LAOGOV to consider the extension of the term of agreement. Otherwise at the end of the 25th year, in 2021, the Group has to transfer all of LTC's shares to LAOGOV without any charges (Note 9). According to the shareholder agreement, LTC is required to invest at least USD 400 million in the projects specified in the agreement within 25 years, which LTC had invested completely according to the agreement.

Thaicom Public Company Limited and its Subsidiaries

Notes to the financial statements

For the year ended 31 December 2020

On 23 October 2015, SHEN and LAOGOV have officially reached the agreement to extend the Joint Venture Agreement and the Master Agreement for the Development of Telecommunications Services in the Lao PDR, as a result LTC obtain right to operate communication service in Lao PDR for a further period of 25 years until 2046. According to the amended agreements, LTC is required to invest at least USD 400 million in the projects specified in the agreements within 25 years.

31.3 Agreements for operation of the Company and subsidiary companies for the satellite uplink-downlink and Satellite Internet services and Internet services in Thailand

Currently, the National Broadcasting and Telecommunications Commission (“NBTC”) (previously termed the National Telecommunications Commission (“NTC”)) is responsible for granting licenses to provide telecommunication services and internet access services in Thailand. The Company and its subsidiaries operate the business to provide internet, broadcasting and telecommunication services under licenses granted by NBTC as follows:

Type of license	Issued Date	Period
License of the Company		
Telecom Operation License Type I	16 August 2011	Throughout the service period
Telecom Operation License Type III	26 June 2012	20 years
License of Thai Advance Innovation Company Limited		
Broadcasting Operation License	21 January 2013	15 years
Telecom Operation License Type I	12 July 2019	Throughout the service period
License of TC Broadcasting Company Limited		
Broadcasting Operation License	4 March 2013	15 years
Telecom Operation License Type III	10 November 2015	15 years
License of Nation Space and Technology Co., Ltd.		
Telecom Operation License Type I	5 October 2020	Throughout the service period

Revenue of the Company under the NBTC’s regulation

Revenue from rendering of services and equipment rentals of the Company for the years ended 31 December 2020 and 2019 was classified as follows:

	Separate financial statements	
	2020	2019
	Baht’000	Baht’000
Telecom Operation License Type I*	18,566	60,162
Telecom Operation License Type III	452,490	272,651
Other service income	2,949,309	3,936,798
Total	3,420,365	4,269,611

*Revenue from Telecom Operation License Type I comprised of Revenue from Telecom Operation License Type I and Internet Operation License Type I according to section 18 of NBTC Notification on Criteria and Procedure for Granting Telecommunication Business License B.E 2563.

Thaicom Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2020

31.4 Operating lease and service agreement commitments

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

	Currency	Consolidated financial statements		Separate financial statements	
		2020 thousands	2019 thousands	2020 thousands	2019 thousands
Within one year	THB	4,337	30,655	3,113	30,655
	IDR	45,000	42,000	45,000	42,000
	VND	-	13,420	-	13,420
	YEN	2,476	1,392	-	-
	USD	94	38	94	38
	INR	2,596	2,596	-	-
	PHP	-	85	-	85
	AUD	7	61	-	-
	CNY	-	188	-	188
Total equivalent Baht		<u>9,311</u>	<u>35,662</u>	<u>6,053</u>	<u>32,796</u>
After one year but within five years	THB	1,121	20,073	407	20,073
	YEN	-	2,657	-	-
	USD	12	9	12	-
	AUD	1	-	-	-
	INR	1,947	4,542	-	-
Total equivalent Baht		<u>2,363</u>	<u>23,046</u>	<u>769</u>	<u>20,073</u>
Grand total equivalent Baht		<u>11,674</u>	<u>58,708</u>	<u>6,822</u>	<u>52,869</u>

Nonetheless, the said operating lease agreements were short-term lease and lease of assets which has low-value amount, the Group recognizes the lease payments for these leases as an expense on a straight-line basis over the lease term.

31.5 Other commitments

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

	Currency	Consolidated financial statements		Separate financial statements	
		2020 thousands	2019 thousands	2020 thousands	2019 thousands
Minimum operating agreement fee payable to Ministry of Digital Economy and Society	THB	497,000	404,000	497,000	404,000
Satellite space leasing by customers	USD	2,394	2,372	2,387	2,364
	THB	58,554	50,799	58,351	50,635
Others	THB	10,949	29,356	10,939	29,087

Thaicom Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2020

31.6 Other services agreement

On 1 December 2017, the Company entered into the Services Agreement for life-extension service to the satellites for five years term with a minimum commitment until the end of concession period of USD 8.88 million and with a certain right of termination by the Company under term and condition specified in the agreement. Another service fee of USD 71.12 million depends on certain conditions of the agreement if the Company is allowed to operate the current concession satellites after the concession ends.

On 17 April 2020, the Company and the contract party mutually agreed to enter into a Termination Agreement to terminate the above said Services Agreement, resulting both parties were no longer held any contractual responsibilities.

The result from the above said Termination Agreement, the Company recorded the write-off of advance payment amounting to USD 3 million or approximately Baht 98 million in March 2020. Consequently, in May 2020, the Company was proceeded the compensation from insurer (this insurance was part of arrangement under the Services Agreement) amounting to USD 14 million or approximately Baht 451 million. The net amount after deduction of the write-off of advance payment was Baht 353 million which was presented as compensation income under insurance policy abiding to Services Agreement for life-extension service of satellites (see Note 24).

32. Contingent liabilities

Assessment for income tax in India

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

The Tax Authority still insisted on its consideration and raised the tax demand including surcharge, education tax and interest aggregating to INR 859.4 million (approximately Baht 351.6 million) against the said payment received by it from the customers and also levied penalty of INR 566.1 million (approximately Baht 231.6 million) for the Assessment Year ('AY') 1998-1999 to 2012-2013 (1 April 1997 to 30 March 2012).

So far, the Company had received Withholding Tax Certificates ('WTC') from its customers until Assessment Year ('AY') 2012-2013 net amounting to INR 593.8 million (approximately Baht 242.9 million), in which part of the amount is substituted and paid by the customer on behalf of the Company and used it as deposit. The Company had also deposited INR 480.4 million (approximately Baht 196.5 million). The deposit is presented as other non-current assets in the statements of financial position.

On 4 March 2011, Income Tax Appellate Tribunal (ITAT) gave its decision that the Company's income from transponder services in India was not a royalty and, as the Company has no permanent establishment in India, such income was not taxable in India.

Thaicom Public Company Limited and its Subsidiaries

Notes to the financial statements

For the year ended 31 December 2020

As the consequence, the Company does not have to pay interest and penalty imposed by the Revenue Department of India, and ITAT also decided that the demand for penalty for the assessment year 1998-1999, 1999-2000, 2000-2001, 2001-2002 and 2002-2003 made by the Revenue Department of India against the Company be cancelled. The Revenue Department of India did not appeal against the ITAT's decision on penalty for the said assessment years to the High Court of Delhi and the ITAT's decision on penalty was final. On 30 December 2011, the Tax authority notified the partial return of deposit placed by the Company against the penalty for the Assessment Year ('AY') 1998-1999 to 2001-2002 and interest, aggregating to INR 162.4 million (approximately Baht 66.5 million).

Further to ITAT decision as stated in the preceding paragraphs, the Company is in the process of requesting the refund of the remaining deposit and withholding tax from the Tax Authority. Upon the final decision of the Supreme Court and the receipt of refund, the Company will forward the Customer the amount they substituted on behalf of the Company.

On 28 September 2011, the Tax Authority has filed an appeal against the decision of High Court on 17 February 2011 which decided that the Company's income from transponder services in India was not a royalty, to the Supreme Court. At the moment, this issue is still under the consideration of the Supreme Court.

The Supreme Court of India issued a letter dated 9 November 2011, to inform the agent of the Company's tax consultant of the appeal. Currently, the matter is in process, awaiting the Supreme Court of India's consideration.

33. Other events

33.1 According to the judgment of the Supreme Court, Criminal Division for Persons Holding Political Positions rendered on 26 February 2010, concerns the Company and its affiliated companies in many aspects. The Company is of the opinion that the consequence of the judgment is limited to the holding that some property of the person holding political position was improperly acquired by an abuse of power while being in a political position. The judgment does not contain any order indicating that the Company or its affiliated companies shall take any actions as the Company is not involved to the case. The Company and its affiliated companies have been operating to the best of its ability in accordance with the law and the agreements and in good faith. The Company and its affiliated companies have every right available under the law and agreements to provide the facts to prove its innocence and good faith in any proceeding which may be initiated by the relevant government agencies in accordance with the law and justice.

33.2 On 19 April 2007, Mr. Supong Limthanakul brought legal actions against the National Broadcasting and Telecommunications Commission ("NBTC"), the office of the NBTC (previously named the National Telecommunications Commission) and the Ministry of Digital Economy and Society ("MDE") (previously named the Ministry of Information and Communication Technology ("MICT")) in the Central Administrative Court ("CAC") on the ground that the three state agencies neglected to perform their duties in overseeing whether the Company has been carrying on its telecommunications business lawfully after the sale of Shin Corporation Public Company Limited's shares to the new shareholder.

CAC issued an order dated 8 April 2009 making the Company the fourth respondent in order to allow the Company to file the Reply to the petitioner's claim including evidence, documentary or otherwise to CAC and the Company filed the Reply and supporting evidence in July 2009. On 10 June 2011, CAC has dismissed the verdict.

On 8 July 2011, Mr. Supong Limthanakul has filed an appeal with the Supreme Administrative Court ("SAC"). The case is under consideration by SAC. On 23 September 2011, the Company has filed an argument against appeal with the Supreme Administrative Court ("SAC").

Thaicom Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2020

On 28 December 2018, the Supreme Administrative Court issued an order that the ending date of the fact inquiry shall be held on 12 February 2019 which both plaintiff and defendant are required to submit the additional documents (if any) to the Court within the said period. After that, the Court shall further determine the first hearing date.

At present, the case is being considered by the Supreme Administrative Court.

The Company is of the opinion that it will not be adversely affected in any way as the actions were brought against NBTC, office of the NBTC 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.

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

On 16 February 2018, the Court ordered the appeal be dismissed which a subsidiary paid an interest and a portion of expense after the Court's decision in the amount of AUD 1.8 million. Nonetheless, the additional legal costs which a subsidiary shall compensate the plaintiff are being aggregated for the certain amount by the Court. Accordingly, a subsidiary compensated the legal costs including interest to the plaintiff in the amount of AUD 1.7 million which a subsidiary had completely paid to the plaintiff in April 2020.

- 33.4 The Company and its partner have a different interpretation of certain clauses of the cooperation agreement. As a result, the Company and such company have submitted the case to the arbitrator to consider and find a solution for such different view. All witnesses from both parties have been already cross-examined. During the year 2018, the arbitrator has already considered that the interpretation of certain clauses of the company is correct, and this decision is final.

Nonetheless, the said partner still has a different interpretation towards the Company's with execution considering breach of the cooperation agreement. The Company, therefore, had to submit the case to the arbitrator to re-consider. In January 2021, the witness hearing has been conducted according to the plan. At present, it is being on the post-hearing process.

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

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

Thaicom Public Company Limited and its Subsidiaries

Notes to the financial statements

For the year ended 31 December 2020

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

The case is in the arbitration process. The Company does not have any duties to comply with any of the foregoing requests until the case is final. At present, the arbitral tribunal has cancelled the date of witness hearing of both parties which previously fixed in February and March 2021 as requested by both parties and ordered to remain the date to determine the new date of witness hearing on 30 March 2021.

However, in August 2019, the Ministry filed a petition to the CAC on the arbitration jurisdiction over the Black Case No. 97/2560, and requesting the CAC's order to suspend the arbitration process. On 24 October 2019, the CAC had an order refusing to suspend the arbitration process. The Ministry and the Company have already submitted the required documents to the CAC, however, the CAC has not issued any order or determine the appointment date.

33.6 Dispute of Thaicom 5 Satellite

On 6 November 2020, the Company received the Notice of Arbitration including details of proposed dispute Thaicom 5 satellite ("TC5") from the Ministry of Digital Economy and Society ("MDES") requested the Company (1) to build and deliver the replacement satellite of TC5 or pay the money equivalent to the value of satellite at the amount of Baht 7.79 billion together with interest at the rate of 7.5% per annum for the period from 30 October 2020 until the payment completion date; (2) to pay the fine of Baht 4.98 million (calculated from 25 February 2020 to 30 October 2020) together with interest at the rate of 7.5% per annum; and (3) to pay the fine from 1 November 2020 until the replacement is delivered or the compensation is paid.

Currently, the said dispute is under arbitration process. The Company considered such dispute and is of the opinion that the Company has been complying with the Agreement for Operation of Domestic Communication Satellite; therefore, the Company does not have any duties to comply with MDES's requests. The management of the Company believes the case outcome would not have material impact to the Company's financial statements.

33.7 The Company has outstanding balance from one receivable in the amount of USD 4.4 million which the Company has recorded an allowance for credit loss in full amount. The Company filed a claim against this receivable for the default of payment and the said receivable has counterclaimed to the Company. Currently, the case is under the arbitration process in Singapore and the management of the Company believes there would not be an impact to the Company's financial statements.

Thaicom Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2020

34. Reclassifications

Certain accounts in the consolidated and separate financial statements for the year ended 31 December 2019 which were included in the 2020 financial statements for comparative purposes, have been reclassified to conform the presentation in the financial statements for the year ended 31 December 2020.

	Consolidated financial statement			Separate financial statement		
	Before Reclassi- fication	Reclassi- fication	After reclassi- fication	Before Reclassi- fication	Reclassi- fication	After reclassi- fication
	Baht'000	Baht'000	Baht'000	Baht'000	Baht'000	Baht'000
<i>Statements of financial position</i>						
Deferred charges	11,597	(11,597)	-	11,597	(11,597)	-
Long-term borrowing	3,810,724	(11,597)	3,799,127	3,813,724	(11,597)	3,802,127
<i>Statements of profit or loss</i>						
Other income	337,066	(200,658)	136,408	293,837	(192,648)	101,189
Administrative expenses	937,663	(65,867)	871,796	732,489	(111,681)	620,808
Finance income	-	200,658	200,658	-	192,648	192,648
Bad debt and doubtful accounts	-	65,867	65,867	-	111,681	111,681

35. Event after the reporting period

Dividend declaration of the Company

On 5 February 2021, the Company's Board of Directors passed a resolution to approve the dividend payment at Baht 0.2 per share, amounting to Baht 219 million. The Company will propose to the annual general shareholders' meeting for the year 2021 of the Company to approve afterward.

36. Thai Financial Reporting Standards announced in the Royal Gazette but not yet effective

The Federation of Accounting Professions has issued the Notification regarding Thai Accounting Standards, Thai Financial Reporting Standards, Thai Accounting Standards Interpretation and Thai Financial Reporting Standard Interpretation, which have been announced in the Royal Gazette and will be effective for the financial statements for the period beginning on or after January 1, 2021 onwards. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards, with most of the changes directed towards revisions to references to the Conceptual Framework in TFRSs, except for the revisions of definitions and accounting requirements as follows:

Conceptual Framework for Financial Reporting

The revised Conceptual Framework for Financial Reporting consisted of the revised definitions and recognition criteria of asset and liability as well as new guidance on measurement, derecognition of asset and liability, presentation and disclosure. In addition, this Conceptual Framework for Financial Reporting clearly clarifies management's stewardship of the entity's economic resources, prudence, and measurement uncertainty of financial information.

Thaicom Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2020

Definition of Materiality

The revised definition of materiality resulted in the amendment of Thai Accounting Standards No.1 “Presentation of Financial Statements” and Thai Accounting Standards No.8 “Accounting Policies, Changes in Accounting Estimates and Errors”, including other financial reporting standards which refer to materiality. This amendment is intended to make the definition of material to comply with the Conceptual Framework which requires prospective method for such amendment. Earlier application is permitted.

The Interest Rate Reform

Due to the interest rate reform, there are the amendments of specific hedge accounting requirements in Thai Financial Reporting Standard No.9 “Financial Instruments” and Thai Financial Reporting Standard No.7 “Financial Instruments: Disclosures”.

The Group’s management will adopt such TFRSs in the preparation of the Group’s financial statements when they become effective. The Group’s management is in the process to assess the impact of these TFRSs on the financial statements of the Group in the period of initial application.