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Ref No. TC 032/2017

1 February 2017

Subject: Submission of the Audited Financial Statements for the Year 2016

To: The President
Stock Exchange of Thailand

Enclosure: (1) One Set of the Audited Financial Statements for 2016 – Thai Language Version
(2) One Set of the Audited Financial Statements for 2016 – English Language Version
(3) Management Discussion and Analysis for 2016

Thaicom Public Company Limited ("the Company") would like to submit its audited financial statements for the year 2016, ended December 31, 2016 together with an explanation of changes in operating results.

The Company reported total consolidated revenue for 2016 of Baht 11,871 million, a decrease of Baht 1,072 million or 8.3% over the same period last year (Baht 12,493 million), and consolidated net profit for 2016 of Baht 1,612 million, a decrease of Baht 510 million or 24.0% over the same period last year (Baht 2,122 million). This is an explanation of the changes in operating results of the consolidated financial statements.

1. The Company reported total consolidated revenue for 2016 of Baht 11,871 million, a decrease of Baht 1,072 million or 8.3% over the same period last year (Baht 12,493 million). This was due to the following reasons:

   - Revenue from satellite transponders and related services in 2016 was Baht 8,414 million, a decrease of Baht 844 million or 9.1% compared to Baht 9,258 million in 2015. This was mainly because of a decrease of conventional satellite revenue from the drop of overall transponder utilization rate and revenue from value-added services, together with a decrease of revenue from the Thaicom 4 Broadband Satellite due to the decrease of bandwidth usage and satellite equipment sales.

   - Revenue from Internet and media services in 2016 was Baht 3,185 million, down by Baht 87 million or 2.7% compared to Baht 3,272 million in 2015. The revenue drop was mainly contributed by the decrease of sales and service revenue from CS Loxinfo Plc ("CSL") and the decrease of sales revenue from satellite receiver sets in Cambodia, offsetting with the increase in revenue from DTV Service Co., Ltd. ("DTV").

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- Net gain on foreign exchange gain in 2016 was Baht 152 million, largely impacted by the revaluation of USD borrowings.
- Other income in 2016 was Baht 202 million, down by Baht 287 million or 58.7% compared to Baht 489 million in 2015 due mainly to the decrease of gain from selling of the investment.

2. The Company's total consolidated expenses for 2016 was Baht 9,938 million, a decrease of Baht 435 million or 4.2% over the previous year (Baht 10,373 million). This was due to the following reasons:
   - Cost relating to transponder leasing and related services in 2016 was Baht 5,419 million, an increase of Baht 117 million or 2.2% from Baht 5,302 million in 2015 due to the depreciation of the Thaicom 8 Satellite and warranty expense on UT in Australia, together with the increase of percentage of operating fee under Agreement for Operation of Domestic Communication Satellites (Concession Agreement), offsetting with the decrease of cost of sales and services following revenue drop.
   - Cost relating to Internet and media services for 2016 amounted to Baht 2,019 million, a decrease of Baht 96 million or 4.5% from Baht 2,115 million in 2015, due mainly to the decreases of cost of sales and services from CSL, cost of sales from satellite receiver sets in Cambodia, and cost of sales from DTV.
   - Selling and administrative expenses in 2016 were Baht 2,225 million, an increase of Baht 107 million or 5.1% from Baht 2,118 million in 2015. This was due mainly to the increase of provision for doubtful debts for the satellite business, the reversal of provision for DTV's obsolete stock, offsetting by the decrease in staff and marketing expenses.
   - Net foreign exchange loss in 2015 was Baht 595 million while the Company had a gain in 2016.
   - Finance costs totaled Baht 359 million in 2016, up by Baht 53 million, or 17.3%, compared with Baht 306 million in 2015. This was mainly to interest expense of the Thaicom 8 project which started to provide services since Q3/2016.
3. Share of profits of investment in joint venture in 2016 was Baht 198 million, up by Baht 4 million or 2.1% from Baht 194 million in 2015.
4. The Company reported a profit of Baht 1,612 million for 2016, a drop of Baht 510 million or 24.0% from Baht 2,122 million for 2015. This was mainly contributed by the decrease of revenue from sales of goods and rendering of services from both satellite business and Internet and media businesses, together with the increase of costs and expenses relating to the Thaicom 8 Satellite.

Yours faithfully,

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