Thaicom Public Company Limited and its Subsidiaries

Interim financial statements
and
Review Report of Certified Public Accountant

For the three-month period ended
31 March 2011

Review Report of Certified Public Accountant

To the Board of Directors of Thaicom Public Company Limited

I have reviewed the accompanying consolidated and separate statements of financial position as at 31 March 2011, and the related statements of income, statements of comprehensive income, changes in equity and cash flows for the three-month periods ended 31 March 2011 and 2010, of Thaicom Public Company Limited and its subsidiaries, and of Thaicom Public Company Limited, respectively. The Company's management is responsible for the correctness and completeness of information presented in these financial statements. My responsibility is to issue a report on these financial statements based on my reviews.

I conducted my reviews in accordance with the auditing standard on review engagements. This Standard requires that I plan and perform the review to obtain moderate assurance as to whether the financial statements are free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit in accordance with generally accepted auditing standards. I have not performed an audit and, accordingly, I do not express an audit opinion on the reviewed financial statements.

Based on my reviews, nothing has come to my attention that causes me to believe that the financial statements referred to above are not presented fairly, in all material respects, in accordance with generally accepted accounting principles.

As explained in notes 2 and 3 to the financial statements, with effect from 1 January 2011 the Company has adopted certain new and revised financial reporting standards. The consolidated and separate financial statements for the three-month period ended 31 March 2010, which are included in the accompanying financial statements for comparative purposes, have been restated accordingly.

I have previously audited the consolidated and separate financial statements for the year ended 31 December 2010 of Thaicom Public Company Limited and its subsidiaries, and of Thaicom Public Company Limited, respectively, in accordance with generally accepted auditing standards and expressed an unqualified opinion on those financial statements in my report dated 16 February 2011. As explained in notes 2 and 3 to the accompanying financial statements, those financial statements have been restated consequent to the adoption of certain new and revised financial reporting standards. I have audited the adjustments that were applied to the restatement of those financial statements and in my opinion those adjustments are appropriate and have been properly applied. Other than the audit of those adjustments, I have not performed any auditing procedures since the date of my audit report. The consolidated and separate statements of financial position as at 31 December 2010, which are included in the accompanying financial statements for comparative purposes, are components of those restated financial statements.

(Winid Silamongkol)
Certified Public Accountant
Registration No. 3378

KPMG Phoomchai Audit Ltd.
Bangkok
11 May 2011

Thaicom Public Company Limited and its Subsidiaries

Statements of financial position

As at 31 March 2011 and 31 December 2010

		Consolidated financial statements		Separate financial statements	
Assets	*Note*	2011 (Unaudited)	2010 (Restated)	2011 (Unaudited)	2010 (Restated)
		(in thousand Baht)			
Current assets					
Cash and cash equivalents		1,699,579	1,271,920	946,692	518,439
Trade accounts receivable and accrued income	*5*	993,060	1,022,742	863,499	772,643
Amounts due from related parties	*4*	64,549	1,480	127,011	122,981
Inventories		413,775	413,012	225,528	258,518
Prepaid insurance		35,282	63,406	33,364	61,115
Other current assets		270,772	253,628	100,588	115,881
Total current assets		**3,477,017**	**3,026,188**	**2,296,682**	**1,849,577**
Non-current assets					
Long-term loans and advance to subsidiaries	*4*	-	-	209,584	208,540
Investments in subsidiaries, jointly - controlled entities and associate	*6*	421,649	439,868	830,200	830,200
Property and equipment	*7*	5,218,476	5,262,646	1,093,551	1,089,280
Property and equipment under operating agreements	*7*	13,844,757	14,177,126	13,844,757	14,177,126
Deferred charges	*7*	54,914	41,053	52,945	38,942
Intangible assets	*7*	1,080,425	1,103,078	927,235	947,955
Deferred tax assets		1,162,809	1,157,837	1,084,266	1,053,434
Other non-current assets		711,407	660,312	683,497	632,223
Total non-current assets		**22,494,437**	**22,841,920**	**18,726,035**	**18,977,700**
Total assets		**25,971,454**	**25,868,108**	**21,022,717**	**20,827,277**

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

Thaicom Public Company Limited and its Subsidiaries

Statements of financial position

As at 31 March 2011 and 31 December 2010

		Consolidated financial statements		Separate financial statements	
Liabilities and equity	*Note*	2011	2010	2011	2010
		(Unaudited)	(Restated)	(Unaudited)	(Restated)
		(in thousand Baht)			
Current liabilities					
Trade accounts payable		445,764	530,829	223,309	305,730
Accounts payable - property and equipment		788,437	920,780	19,995	28,454
Amounts due to related parties	*4*	6,004	3,635	54,991	52,578
Current portion of long-term loans	*9*	1,140,238	854,474	5,116	5,444
Advance receipts from customers		567,848	320,372	349,990	22,652
Accrued operating agreement fee		318,290	205,457	243,791	129,837
Accrued expenses		218,654	268,873	98,665	166,422
Income tax payable		82,820	131,345	-	-
Other current liabilities		146,721	163,582	95,763	88,080
Total current liabilities		**3,714,776**	**3,399,347**	**1,091,620**	**799,197**
Non-current liabilities					
Long-term loans	*9*	7,450,738	7,543,879	7,009,392	7,005,284
Employee benefit obligations	*8*	150,098	150,876	85,862	88,604
Deferred tax liabilities		127,655	130,806	-	-
Other non-current liabilities		111,744	99,971	101,130	89,173
Total non-current liabilities		**7,840,235**	**7,925,532**	**7,196,384**	**7,183,061**
Total liabilities		**11,555,011**	**11,324,879**	**8,288,004**	**7,982,258**

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

Thaicom Public Company Limited and its Subsidiaries

Statements of financial position

As at 31 March 2011 and 31 December 2010

		Consolidated financial statements		Separate financial statements	
Liabilities and equity	*Note*	2011 (Unaudited)	2010 (Restated)	2011 (Unaudited)	2010 (Restated)
		(in thousand Baht)			
Equity					
Share capital	*10*				
Authorised share capital		5,660,412	5,660,412	5,660,412	5,660,412
Issued and paid-up share capital		5,479,688	5,479,688	5,479,688	5,479,688
Premium on share capital		4,301,990	4,301,990	4,301,990	4,301,990
Retained earnings					
Appropriated					
Legal reserve		413,853	413,853	413,853	413,853
Unappropriated		4,055,428	4,222,515	2,539,182	2,649,488
Other components of equity		119,715	80,310	-	-
Total equity attributable to equity owners of the Company		**14,370,674**	**14,498,356**	**12,734,713**	**12,845,019**
Non-controlling interests		45,769	44,873	-	-
Total equity		**14,416,443**	**14,543,229**	**12,734,713**	**12,845,019**
Total liabilities and equity		**25,971,454**	**25,868,108**	**21,022,717**	**20,827,277**

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

Thaicom Public Company Limited and its Subsidiaries

Statements of income

For the three-month periods ended 31 March 2011 and 2010 (Unaudited)

	Note	Consolidated financial statements		Separate financial statements	
		2011	2010 (Restated)	2011	2010 (Restated)
		(in thousand Baht)			
Income	*4*				
Revenues from sale of goods and rendering of services		1,570,090	1,783,759	959,125	1,097,422
Other income		11,351	29,773	16,079	42,901
Total income		**1,581,441**	**1,813,532**	**975,204**	**1,140,323**
Expenses	*4*				
Cost of sale of goods and rendering of services		1,171,071	1,399,289	695,702	935,634
Operating agreements fee		135,181	125,978	128,704	113,852
Selling expenses		37,407	54,200	15,882	20,418
Administrative expenses		316,245	292,619	160,795	165,107
Directors and management benefit expenses		13,027	10,453	12,902	10,325
Net foreign exchange loss		13,870	28,983	175	31,836
Total expenses		**1,686,801**	**1,911,522**	**1,014,160**	**1,277,172**
Share of profit of associate	*6*	44,151	36,359	-	-
Loss before finance costs and income tax expense		**(61,209)**	**(61,631)**	**(38,956)**	**(136,849)**
Finance costs		(119,979)	(125,453)	(102,181)	(107,395)
Loss before income tax expense		**(181,188)**	**(187,084)**	**(141,137)**	**(244,244)**
Income tax expense		14,767	26,700	30,831	59,151
Loss for the period		**(166,421)**	**(160,384)**	**(110,306)**	**(185,093)**
Loss attributable to:					
Owners of the Company		(167,087)	(161,295)	(110,306)	(185,093)
Non-controlling interests		666	911	-	-
Loss for the period		**(166,421)**	**(160,384)**	**(110,306)**	**(185,093)**
Loss per share	*13*				
Basic *(in Baht)*		(0.15)	(0.15)	(0.10)	(0.17)
Diluted *(in Baht)*		(0.15)	(0.15)	(0.10)	(0.17)

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

Thaicom Public Company Limited and its Subsidiaries

Statements of comprehensive income

For the three-month periods ended 31 March 2011 and 2010 (Unaudited)

	Note	Consolidated financial statements		Separate financial statements	
		2011	2010 (Restated)	2011	2010 (Restated)
		(in thousand Baht)			
Loss for the period		**(166,421)**	**(160,384)**	**(110,306)**	**(185,093)**
Other comprehensive income,	*11*				
Foreign currency translation differences		39,480	(74,183)	-	-
Other comprehensive income for the period, net of income tax		**39,480**	**(74,183)**	**-**	**-**
Total comprehensive income for the period		**(126,941)**	**(234,567)**	**(110,306)**	**(185,093)**
Total comprehensive income attributable to:					
Owners of the Company		(127,837)	(234,152)	(110,306)	(185,093)
Non-controlling interests		896	(415)	-	-
Total comprehensive income for the period		**(126,941)**	**(234,567)**	**(110,306)**	**(185,093)**

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

Thaicom Public Company Limited and its Subsidiaries

Statements of changes in equity

For the three-month periods ended 31 March 2011 and 2010 (Unaudited)

		Consolidated financial statements									
		Equity attributable to owners of the Company									
				Retained earnings		Other components of equity					
	Note	Issued and paid-up share capital	Premium on share capital	Legal reserve	Unappropriated	Cumulative gain on dilution of investment in a subsidiary and an associate	Currency translation differences	Total other components of equity	Equity attributable to owners of the Company	Non-controlling interests	Total equity
						(in thousand Baht)					
Balance at 1 January 2010 - as reported		**5,479,688**	**4,301,990**	**413,853**	**5,146,786**	**349,348**	**(108,967)**	**240,381**	**15,582,698**	**43,113**	**15,625,811**
Impact of changes in accounting policies	*3*	-	-	-	(118,565)	-	-	-	(118,565)	(69)	(118,634)
Balance at 1 January 2010 - restated		**5,479,688**	**4,301,990**	**413,853**	**5,028,221**	**349,348**	**(108,967)**	**240,381**	**15,464,133**	**43,044**	**15,507,177**
Transactions with owners, recorded directly in equity											
Unrealised gain from decrease in shareholding in an associate	*6*	-	-	-	-	28	-	28	28	-	28
Total transactions with owners, recorded directly in equity		**-**	**-**	**-**	**-**	**28**	**-**	**28**	**28**	**-**	**28**
Comprehensive income for the period											
Profit (loss) for the period		-	-	-	(161,295)	-	-	-	(161,295)	911	(160,384)
Other comprehensive income	*11*	-	-	-	-	-	(72,857)	(72,857)	(72,857)	(1,326)	(74,183)
Total comprehensive income for the period		**-**	**-**	**-**	**(161,295)**	**-**	**(72,857)**	**(72,857)**	**(234,152)**	**(415)**	**(234,567)**
Balance at 31 March 2010		**5,479,688**	**4,301,990**	**413,853**	**4,866,926**	**349,376**	**(181,824)**	**167,552**	**15,230,009**	**42,629**	**15,272,638**

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

Thaicom Public Company Limited and its Subsidiaries

Statements of changes in equity

For the three-month periods ended 31 March 2011 and 2010 (Unaudited)

		Consolidated financial statements									
		Equity attributable to owners of the Company									
				Retained earnings		Other components of equity					
	Note	Issued and paid-up share capital	Premium on share capital	Legal reserve	Unappropriated	Cumulative gain on dilution of investment in a subsidiary and an associate	Currency translation differences	Total other components of equity	Equity attributable to owners of the Company	Non-controlling interests	Total equity
						(in thousand Baht)					
Balance at 1 January 2011 - as reported		**5,479,688**	**4,301,990**	**413,853**	**4,357,853**	**333,830**	**(253,520)**	**80,310**	**14,633,694**	**44,958**	**14,678,652**
Impact of changes in accounting policies	*3*	-	-	-	(135,338)	-	-	-	(135,338)	(85)	(135,423)
Balance at 1 January 2011 - restated		**5,479,688**	**4,301,990**	**413,853**	**4,222,515**	**333,830**	**(253,520)**	**80,310**	**14,498,356**	**44,873**	**14,543,229**
Unrealised gain from decrease in shareholding in an associate	*6*	-	-	-	-	155	-	155	155	-	155
Net income recognised directly in equity		**-**	**-**	**-**	**-**	**155**	**-**	**155**	**155**	**-**	**155**
Comprehensive income for the period											
Profit (loss) for the period		-	-	-	(167,087)	-	-	-	(167,087)	666	(166,421)
Other comprehensive income	*11*	-	-	-	-	-	39,250	39,250	39,250	230	39,480
Total comprehensive income for the period		**-**	**-**	**-**	**(167,087)**	**-**	**39,250**	**39,250**	**(127,837)**	**896**	**(126,941)**
Balance at 31 March 2011		**5,479,688**	**4,301,990**	**413,853**	**4,055,428**	**333,985**	**(214,270)**	**119,715**	**14,370,674**	**45,769**	**14,416,443**

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

Thaicom Public Company Limited and its Subsidiaries

Statements of changes in equity

For the three-month periods ended 31 March 2011 and 2010 (Unaudited)

		Separate financial statements				
				Retained earnings		
	Note	Issued and paid-up share capital	Premium on share capital	Legal reserve	Unappropriated	Total equity
				(in thousand Baht)		
Balance at 1 January 2010 - as reported		**5,479,688**	**4,301,990**	**413,853**	**3,476,747**	**13,672,278**
Impact of changes in accounting policies	*3*	-	-	-	(56,264)	(56,264)
Balance at 1 January 2010 - restated		**5,479,688**	**4,301,990**	**413,853**	**3,420,483**	**13,616,014**
Comprehensive income for the period						
Loss for the period		-	-	-	(185,093)	(185,093)
Total comprehensive income for the period		**-**	**-**	**-**	**(185,093)**	**(185,093)**
Balance at 31 March 2010		**5,479,688**	**4,301,990**	**413,853**	**3,235,390**	**13,430,921**
Balance at 1 January 2011 - as reported		**5,479,688**	**4,301,990**	**413,853**	**2,714,387**	**12,909,918**
Impact of changes in accounting policies	*3*	-	-	-	(64,899)	(64,899)
Balance at 1 January 2011 - restated		**5,479,688**	**4,301,990**	**413,853**	**2,649,488**	**12,845,019**
Comprehensive income for the period						
Loss for the period		-	-	-	(110,306)	(110,306)
Total comprehensive income for the period		**-**	**-**	**-**	**(110,306)**	**(110,306)**
Balance at 31 March 2011		**5,479,688**	**4,301,990**	**413,853**	**2,539,182**	**12,734,713**

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

Thaicom Public Company Limited and its Subsidiaries

Statements of cash flows

For the three-month periods ended 31 March 2011 and 2010 (Unaudited)

	Note	Consolidated financial statements		Separate financial statements	
		2011	2010 (Restated)	2011	2010 (Restated)
		(in thousand Baht)			
Cash flows from operating activities					
Loss for the period		(167,087)	(161,295)	(110,306)	(185,093)
Adjustments for					
Depreciation of property and equipment	*7*	264,907	269,499	87,073	93,732
Amortisation of property and equipment under operating agreements	*7*	333,067	333,040	333,067	333,040
Amortisation of deferred charges	*7*	4,652	4,171	4,437	3,988
Amortisation of intangible assets	*7*	24,853	27,746	22,352	24,889
Current service costs of employee	*8*	3,103	2,731	2,049	1,718
Interest income		(8,242)	(3,682)	(5,342)	(5,877)
Finance cost		119,979	125,453	102,181	107,395
(Gain) loss on exchange rate		71,368	39,633	(629)	992
Amortisation of borrowing costs	*9*	1,514	1,514	1,514	1,514
Allowance for doubtful accounts	*5*	26,627	3,302	7,744	5,434
Loss on non - controlling interest		666	911	-	-
Allowance for obsolete inventory		10,651	9,349	10,548	10,436
(Gain) loss on disposal of property and equipment		(421)	(4,870)	31	125
Write-off property and equipment	*7*	7,248	5,241	307	279
Share of profits of associate	*6*	(44,151)	(36,359)	-	-
Income tax expense		(14,767)	(26,700)	(30,831)	(59,151)
		633,967	589,684	424,195	333,421
Changes in operating assets and liabilities					
Trade accounts receivable and accrued income		3,054	41,264	(98,600)	(21,019)
Amounts due from related parties		(544)	(749)	(4,030)	(18,225)
Inventories		(11,413)	57,146	22,442	96,057
Prepaid insurance		28,124	64,228	27,751	63,385
Other current assets		(13,748)	(33,699)	16,960	(11,754)
Other non-current assets		(22,493)	14,435	(22,730)	12,933
Trade accounts payable		(85,065)	5,826	(82,421)	37,060
Amounts due to related parties		2,370	1,411	2,413	12,894
Advance receipts from customers		247,476	618,067	327,338	326,051
Accrued operating agreement fee		112,832	(14,368)	113,954	(4,152)
Accrued expenses		(48,727)	(72,939)	(65,561)	(40,576)
Other current liabilities		(16,861)	8,854	7,683	2,880
Other liabilities		11,773	(13,781)	11,957	(11,150)
Defined benefit obligations paid	*8*	(6,000)	-	(6,000)	-
Interest received		4,845	1,324	3,675	4,651
Cash generated from operating activities		839,590	1,266,703	679,026	782,456
Income tax paid		(109,788)	(49,456)	(28,544)	(25,153)
Net cash from operating activities		**729,802**	**1,217,247**	**650,482**	**757,303**

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

Thaicom Public Company Limited and its Subsidiaries

Statements of cash flows

For the three-month periods ended 31 March 2011 and 2010 (Unaudited)

	Note	Consolidated financial statements		Separate financial statements	
		2011	2010 (Restated)	2011	2010 (Restated)
		(in thousand Baht)			
Cash flows from investing activities					
Payment of property and equipment		(166,446)	(184,116)	(101,342)	(65,427)
Payment for property and equipment under operating agreements		(699)	-	(699)	-
Proceeds from sale of property and equipment		804	5,237	343	229
Long-term loans and advance to related company		-	-	(1,175)	9,721
Payments for deferred charges		(18,513)	-	(18,440)	-
Purchase of intangible assets		(909)	(2,822)	(773)	(2,822)
Net cash used in investing activities		**(185,763)**	**(181,701)**	**(122,086)**	**(58,299)**
Cash flows from financing activities					
Repayments of short-term borrowings		-	(72,825)	-	(72,307)
Proceeds from long-term borrowings	*9*	3,528	99,036	3,528	-
Repayments of long-term borrowings	*9*	(1,315)	(79,051)	(1,262)	(487)
Interest paid		(119,353)	(125,586)	(103,169)	(109,522)
Net cash used in financing activities		**(117,140)**	**(178,426)**	**(100,903)**	**(182,316)**
Net decrease in cash and cash equivalents		**426,899**	**857,120**	**427,493**	**516,688**
Cash and cash equivalents at 1 January		1,271,920	797,639	518,439	158,253
Effects of exchange rate changes on balances held in foreign currencies		760	3,119	760	3,119
Cash and cash equivalents at 31 March		**1,699,579**	**1,657,878**	**946,692**	**678,060**
Non-cash transactions					
Acquisition of property and equipment by issue of debt		54,626	34,765	17,281	13,600

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

Thaicom Public Company Limited and its Subsidiaries
Notes to the interim financial statements
For the three-month period ended 31 March 2011 (Unaudited)

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These notes form an integral part of the financial statements.

The interim financial statements were authorised for issue by the Board of Directors on 11 May 2011.

1 General information

Thaicom Public Company Limited, the "Company", is incorporated in Thailand and has its registered office at 414 Phaholyotin Road, Samsen Nai, Phayathai, Bangkok 10400.

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

The Company's major shareholders during the financial period was Shin Corporation Public Company Limited which is incorporated in Thailand, with 41.14% shareholding.

The Company, its subsidiaries, associate, and jointly controlled entities (Collectively referred to as "the Group") are primarily involved in transponder services 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, printing and publishing of business telephone directories, banner advertising, 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 10 countries; Thailand, Singapore, Cambodia, Lao PDR, Australia, New Zealand, the United States of America, Mauritius, the British Virgin Islands and Japan.

The Company obtained agreements for operation from the Ministry of Transport and Communications 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 Information Communication and Technology and will be expired in 2021.

Details of the Company's subsidiaries and jointly controlled entities as at 31 March 2011 and 31 December 2010 were as follows:

Name of the entity	Type of business	Country of incorporation	Ownership interest (%)	
			31 March 2011	31 December 2010
Direct subsidiaries				
DTV Service Company Limited	Providing meeting center via internet and broadband content services and sale of direct television equipment	Thailand	100	100
iPSTAR Company Limited	Providing iPSTAR transponder services	The British Virgin Islands	99.94	99.94
Star Nucleus Company Limited	Providing broadband technological services via Thaicom 4 satellite	The British Virgin Islands	70	70

Name of the entity	Type of business	Country of incorporation	Ownership Interest (%)	
			31 March 2011	31 December 2010
Spacecode LLC	Providing engineering and development services, technology and electronics	The United States of America	70	70
IPSTAR International Pte Limited	Providing iPSTAR transponder services	Singapore	100	100
IPSTAR Global Services Company Limited	Providing iPSTAR transponder service	Mauritius	100	100
Cambodian DTV Network Limited	Sale of direct television equipment	Cambodia	100	100
Indirect subsidiaries				
Subsidiary of DTV Service Company Limited				
NTU (Thailand) Company Limited	Provide organizing services related to conduct training, educational seminar and spread the various kind of knowledge.	Thailand	88.52	88.52
Subsidiaries of iPSTAR Company Limited				
IPSTAR Australia Pty Limited	Sale of user terminal of iPSTAR and providing iPSTAR transponder services in Australia.	Australia	100	100
IPSTAR New Zealand Company Limited	Sale of user terminal of iPSTAR and providing iPSTAR transponder services in New Zealand	New Zealand	100	100
Jointly-controlled entities				
Shenington Investments Pte Limited	Holding company for investment in international telecommunications	Singapore	51	51
Subsidiaries of Shenington Investments Pte Limited				
Mfone Company Limited	Providing fixed line, mobile phone and Internet services	Cambodia	51	51
Jointly- controlled of Shenington Investments Pte Limited				
Lao Telecommunications Company Limited	Providing fixed line, mobile phone, public phone, public international facilities and Internet services	Lao PDR	24.99	24.99

2 Basis of preparation of the interim financial statements

(a) Statement of compliance

The interim financial statements issued for Thai reporting purposes are prepared in the Thai language. This English translation of the interim financial statements has been prepared for the convenience of readers not conversant with the Thai language.

The interim financial statements are prepared on a condensed basis in accordance with Thai Accounting Standard (TAS) No. 34 (revised 2009) *Interim Financial Reporting;* guidelines promulgated by the Federation of Accounting Professions (FAP); applicable rules and regulations of the Thai Securities and Exchange Commission; and with generally accepted accounting principles in Thailand.

The interim financial statements are prepared to provide an update on the financial statements for the year ended 31 December 2010. They do not include all of the financial information required for full annual financial statements but focus on new activities, events and circumstances to avoid repetition of information previously reported. Accordingly, these interim financial statements should be read in conjunction with the financial statements of the Company and its subsidiaries for the year ended 31 December 2010.

The Group's accounting policies and methods of computation applied in the interim financial statements for the three-month period ended 31 March 2011 are consistent with those applied in the financial statements for the year ended 31 December 2010, except for the changes in the Group's accounting policies. The effects of these changes are disclosed in note 3.

(b) Presentation currency

The interim financial statements are prepared and presented in Thai Baht. All financial information presented in Thai Baht has been rounded to the nearest thousand unless otherwise stated.

(c) Use of estimates and judgements

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

Except as disclosed below, in preparing these interim financial statements, the significant judgements made by management in applying the Group's/Company's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the financial statements for the year ended 31 December 2010. These changes principally derive from the adoption of new and revised TFRS from 1 January 2011.

Estimates

Measurement of defined benefit obligations

The calculation of the defined benefit obligation is sensitive to the assumptions on mortality and future salary rates as set out in note 8.

3 Changes in accounting policies

(a) Overview

From 1 January 2011, consequent to the adoption of new and revised Thai Financial Reporting Standards ("TFRS") as set out in note 32 of the financial statements for the year ended 31 December 2010, the Group has changed its accounting policies in the following areas:

- Presentation of financial statements
- Accounting for business combinations
- Accounting for acquisitions of non-controlling interests
- Accounting for property, plant and equipment
- Accounting for borrowing costs
- Accounting for employee benefits
- Accounting for share-based payment

Details of the new accounting policies adopted by the Group and the impact of the changes on the financial statements are included in notes 3(b) to 3(i) below.

(b) Presentation of financial statements

From 1 January 2011, the Group has applied TAS 1 Presentation of Financial Statements (Revised 2009). Under the revised standard, a set of financial statements comprises:

- Statement of financial position;
- Statement of comprehensive income;
- Statement of changes in equity;
- Statement of cash flows; and
- Notes to the financial statements.

As a result, the Group presents all owner changes in equity in the statement of changes in equity and all non-owner changes in equity in the statement of comprehensive income. Previously, all such changes were included in the statement of changes in equity.

Comparative information has been re-presented so that it also is in conformity with the revised standard. Since the change in accounting policy only impacts presentation aspects, there is no impact on reported profit or earnings per share.

(c) Accounting for business combinations

From 1 January 2011, the Group has adopted TFRS 3 Business Combinations (revised 2009) and TAS 27 Consolidated and Separate Financial Statements (revised 2009) for all business combinations on or after 1 January 2011. The new policy for accounting for business combinations, together with information on the previous policy, is given below. The new policy has been applied prospectively from 1 January 2011 in accordance with the transitional provisions of the revised standards. There have been no business combinations during 2011 and, accordingly, adoption of these two revised standards has had no impact on profit or earnings per share for the three-month period ended 31 March 2011.

Business combinations are accounted for using the acquisition method as at the acquisition date, which is the date on which control is transferred to the Group. 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 are currently exercisable.

Acquisitions on or after 1 January 2011

For acquisitions on or after 1 January 2011, the Group measures goodwill at the acquisition date as:

- the fair value of the consideration transferred; plus
- the recognised amount of any non-controlling interests in the acquiree; plus
- if the business combination is achieved in stages, the fair value of the existing equity interest in the acquiree; less
- the net recognised amount (generally fair value) of the identifiable assets acquired and liabilities assumed.

When the excess is negative, a bargain purchase gain is recognized immediately in profit or loss.

The consideration transferred does not include amounts related to the settlement of pre-existing relationships. Such amounts are generally recognised in profit or loss.

Costs related to the acquisition, other than those associated with the issue of debt or equity securities, that the Group incurs in connection with a business combination are expensed as incurred.

Any contingent consideration payable is recognised at fair value at the acquisition date. If the contingent consideration is classified as equity, it is not remeasured and settlement is accounted for within equity. Otherwise, subsequent changes to the fair value of the contingent consideration are recognised in profit or loss.

When share-based payment awards (replacement awards) are required to be exchanged for awards held by the acquiree's employees (acquiree's awards) and relate to past services, then all or a portion of the amount of the acquiree's replacement awards is included in measuring the consideration transferred in the business combination. This determination is based on the market-based value of the replacement awards compared with the market-based value of the acquiree's awards and the extent to which the replacement awards relate to past and/or future service.

Acquisitions between 1 January 2008 and 31 December 2010

For acquisitions between 1 January 2008 and 31 December 2010, goodwill represented the excess of the cost of the acquisition over the Group's interest in the recognised amount (generally fair value) of the identifiable assets, liabilities and contingent liabilities of the acquiree. When the excess was negative, a bargain purchase gain was recognised immediately in profit or loss.

Transaction costs, other than those associated with the issue of debt or equity securities, that the Group incurred in connection with business combinations were capitalised as part of the cost of the acquisition.

Acquisitions prior to 1 January 2008

For acquisitions prior to 1 January 2008, goodwill was measured in the same way as described in the preceding paragraph. However, both positive and negative goodwill were amortised over their estimated useful life of 10 years. On 1 January 2008, on adoption of the former TAS 43 (revised 2007), the Group discontinued amortising goodwill. Negative goodwill carried in the financial statements as at 31 December 2007 was derecognised by crediting unappropriated retained earnings on 1 January 2008.

(d) Accounting for acquisitions of non-controlling interests (previously termed 'minority interests')

From 1 January 2011, the Group has applied TAS 27 Consolidated and Separate Financial Statements (revised 2009) for all acquisitions of non-controlling interests in subsidiaries. The new policy for accounting for acquisitions of non-controlling interests, together with information on the previous policy, is given below. The new policy has been applied prospectively from 1 January 2011 in accordance with the transitional provisions of the revised standard. There have been no acquisitions of non-controlling interests during the three- month period ended 31 March 2011 and, accordingly, adoption of this revised standard has had no impact on profit or earnings per share for the three- month period ended 31 March 2011.

Under the new accounting policy, acquisitions of non-controlling interests are accounted for as transactions with owners in their capacity as owners and therefore no goodwill is recognised as a result of such transactions. The adjustments to non-controlling interests are based on a proportionate amount of the net assets of the subsidiary.

Previously, goodwill was recognised on the acquisition of non-controlling interests in a subsidiary, which represented the excess of the cost of the additional investment over the carrying amount of the interest in the net assets acquired at the date of the transaction.

(e) Accounting for property, plant and equipment

From 1 January 2011, the Group has applied TAS 16 (revised 2009) Property, Plant and Equipment in determining and accounting for the cost and depreciable amount of property, plant and equipment.

The principal changes introduced by the revised TAS 16 and affecting the Group are that (i) costs of asset dismantlement, removal and restoration have to be included as asset costs and subject to annual depreciation; (ii) the depreciation charge has to be determined separately for each significant part of an asset; and (iii) in determining the depreciable amount, the residual value of an item of property, plant and equipment has to be measured at the amount estimated receivable currently for the asset if the asset were already of the age and in the condition expected at the end of its useful life. Furthermore, the residual value and useful life of an asset have to be reviewed at least at each financial year-end.

The changes have been applied prospectively in accordance with the transitional provisions of the revised standard, except that consideration of the costs of asset dismantlement, removal and restoration, have been applied retrospectively. The changes have had no material impact on the profit and earnings per share for the three-month period ended 31 March 2011 and 2010.

(f) Accounting for borrowing costs

From 1 January 2011, the Group has adopted TAS 23 (revised 2009) Borrowing Costs.

Under the revised standard, borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset are capitalised as part of the cost of that asset. Under the former standard, there was also an option to expense borrowing costs on qualifying assets when incurred.

It was the Group's policy under the former TAS 23 to capitalise borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset. Consequently the adoption of the revised standard has had no impact on reported profit or earnings per share.

(g) Accounting for employee benefits

From 1 January 2011, the Group has applied TAS 19 Employee Benefits.

Under the new policy, the Group's obligation in respect of post-employment benefits is recognised in the financial statements based on calculations performed at least once in three years by a qualified actuary using the projected unit credit method. Previously, this obligation was recognised as and when payments were made.

The change in accounting policy has been applied retrospectively and the Group's 2010 financial statements, which are included in the Group's 2011 financial statements for comparative purposes, have been restated accordingly. The impact on the consolidated and separated financial statements was in note 3 (i).

(h) Accounting for share-based payments

From 1 January 2011, the Group has applied TFRS 2 Share-based Payment.

Under TFRS 2, share-based payment awards granted to employees are recognised as an employee expense, with a corresponding increase in equity, over the period that the employees unconditionally become entitled to the awards. The amount recognised as an expense is adjusted to reflect the number of awards for which the related service and non-market vesting conditions are expected to be met such that the amount ultimately recognised as an expense 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 Group has not applied the above accounting policy for share-based payment awards granted before 1 January 2011 in accordance with transitional provisions of TFRS 2. The adoption of TFSR 2 has had no material impact on the profit and earnings per share for the three-month period ended 31 March 2011.

(i) The adjustment of financial statements to comply with new accounting policy

The retrospective adjustments to comply TAS 19 Employee Benefits were as follows:

	Consolidated financial statements			Separate financial statements		
	As reported	Adjustment	Restated	As reported	Adjustment	Restated
			(in thousand Baht)			
Statements of financial position as at 1 January 2010						
Assets						
Non-current assets						
Investments in subsidiaries, jointly-controlled entities and associate	418,505	(17,975)	400,530	813,500	-	813,500
Deferred tax assets	868,081	34,173	902,254	763,184	24,113	787,297
Total non-current assets	**24,756,642**	**16,198**	**24,772,840**	**20,359,541**	**24,113**	**20,383,654**
Liabilities						
Current liabilities						
Accrued expenses	232,547	3,139	235,686	143,775	2,862	146,637
Total current liabilities	**2,694,325**	**3,139**	**2,697,464**	**1,225,201**	**2,862**	**1,228,063**
Non-current liabilities						
Long-term employee benefit obligations	-	131,691	131,691	-	77,515	77,515
Total non-current liabilities	**9,083,145**	**131,691**	**9,214,836**	**7,069,712**	**77,515**	**7,147,227**
Total liabilities	**11,777,470**	**134,830**	**11,912,300**	**8,294,913**	**80,377**	**8,375,290**

	Consolidated financial statements			Separate financial statements		
	As reported	Adjustment	Restated	As reported	Adjustment	Restated
			(in thousand Baht)			
Equity						
Unappropriated retain earnings	5,146,786	(118,565)	5,028,221	3,476,747	(56,264)	3,420,483
Non-controlling interests	43,113	(69)	43,044	-	-	-
Total equity	**15,625,811**	**(118,634)**	**15,507,177**	**13,672,278**	**(56,264)**	**13,616,014**

	Consolidated financial statements			Separate financial statements		
	As reported	Adjustment	Restated	As reported	Adjustment	Restated
			(in thousand Baht)			
Statements of financial position as at 31 December 2010						
Assets						
Non-current assets						
Investments in subsidiaries, jointly-controlled entities and associate	459,264	(19,396)	439,868	830,200	-	830,200
Deferred tax assets	1,118,532	39,305	1,157,837	1,025,621	27,813	1,053,434
Total non-current assets	**22,822,011**	**19,909**	**22,841,920**	**18,949,887**	**27,813**	**18,977,700**
Liabilities						
Current liabilities						
Accrued expenses	256,991	4,457	261,448	162,314	4,108	166,422
Total current liabilities	**3,394,890**	**4,457**	**3,399,347**	**795,089**	**4,108**	**799,197**
Non-current liabilities						
Long-term employee benefit obligations	-	150,876	150,876	-	88,604	88,604
Total non-current liabilities	**7,774,656**	**150,876**	**7,925,532**	**7,094,457**	**88,604**	**7,183,061**
Total liabilities	**11,169,546**	**155,333**	**11,324,879**	**7,889,546**	**92,712**	**7,982,258**
Equity						
Unappropriated retain earnings	4,357,853	(135,338)	4,222,515	2,714,387	(64,899)	2,649,488
Non-controlling interests	44,958	(85)	44,873	-	-	-
Total equity	**14,678,652**	**(135,423)**	**14,543,229**	**12,909,918**	**(64,899)**	**12,845,019**

	Consolidated financial statements			Separate financial statements		
	As reported	Adjustment	Restated	As reported	Adjustment	Restated
			(in thousand Baht)			
Statements of income						
for the three-month period ended 31 March 2010						
Share of profit of associate	36,714	(355)	36,359	-	-	-
Administrative expenses	(289,712)	(2,907)	(292,619)	(163,231)	(1,876)	(165,107)
Directors and management benefit expenses	(10,299)	(154)	(10,453)	(10,171)	(154)	(10,325)
Finance costs	(123,388)	(2,065)	(125,453)	(106,341)	(1,054)	(107,395)
Income tax	25,416	1,284	26,700	58,226	925	59,151
Loss for the period	**(156,187)**	**(4,197)**	**(160,384)**	**(182,934)**	**(2,159)**	**(185,093)**
Loss attributable to						
Owners of the Company	(157,102)	(4,193)	(161,295)	(182,934)	(2,159)	(185,093)
Non-controlling interests	915	(4)	911	-	-	-
	(156,187)	**(4,197)**	**(160,384)**	**(182,934)**	**(2,159)**	**(185,093)**
Earnings per share						
Basic	(0.14)		(0.15)	(0.17)		(0.17)
Diluted	(0.14)		(0.15)	(0.17)		(0.17)

	Consolidated financial statements			Separate financial statements		
	As reported	Adjustment	Restated	As reported	Adjustment	Restated
			(in thousand Baht)			
Statements of cash flows						
for the three-month period ended 31 March 2010						
Cash flows from operating activities						
Loss for the period	(157,102)	(4,193)	(161,295)	(182,934)	(2,159)	(185,093)
Current service cost of employee	-	2,731	2,731	-	1,718	1,718
Finance costs	123,388	2,065	125,453	106,341	1,054	107,395
Income tax expense	(25,416)	(1,284)	(26,700)	(58,226)	(925)	(59,151)
Share of profit of associate	(36,714)	355	(36,359)	-	-	-
Loss on non-controlling interest	915	(4)	911	-	-	-
Accrued expenses	(73,269)	330	(72,939)	(40,888)	312	(40,576)
Net cash from operating activities	**1,091,661**	-	**1,091,661**	**647,781**	-	**647,781**

The changes in the financial statements for the three-month period ended 31 March 2011 (current period), which are impacted from applying the new accounting policy

	Consolidated financial statements			Separate financial statements		
	Before recognition	Recognised	After recognition	Before recognition	Recognised	After recognition
			(in thousand Baht)			
Statements of financial position						
As at 31 March 2011						
Assets						
Non-current assets						
Investments in subsidiaries, jointly-controlled entities and associate	440,785	(19,136)	421,649	830,200	-	830,200
Deferred tax assets	1,123,985	38,824	1,162,809	1,057,275	26,991	1,084,266
Total non-current assets	**22,474,749**	**19,688**	**22,494,437**	**18,699,044**	**26,991**	**18,726,035**
Liabilities						
Current liabilities						
Accrued expenses	214,197	4,457	218,654	94,557	4,108	98,665
Total current liabilities	**3,710,319**	**4,457**	**3,714,776**	**1,087,512**	**4,108**	**1,091,620**
Non-current liabilities						
Long-term employee benefit obligations	-	150,098	150,098	-	85,862	85,862
Total non-current liabilities	**7,690,137**	**150,098**	**7,840,235**	**7,110,522**	**85,862**	**7,196,384**
Total liabilities	**11,400,456**	**154,555**	**11,555,011**	**8,198,034**	**89,970**	**8,288,004**
Equity						
Unappropriated retain earnings	4,190,205	(134,777)	4,055,428	2,602,161	(62,979)	2,539,182
Non-controlling interests	45,859	(90)	45,769	-	-	-
Total equity	**14,551,310**	**(134,867)**	**14,416,443**	**12,797,692**	**(62,979)**	**12,734,713**

	Consolidated financial statements			Separate financial statements		
	Before recognition	Recognised	After recognition	Before recognition	Recognised	After recognition
			(in thousand Baht)			
Statements of income						
for the three-month period ended 31 March 2011						
Share of profit of associate	44,503	(352)	44,151	-	-	-
Administrative expenses	(319,304)	3,059	(316,245)	(164,908)	4,113	(160,795)
Directors and management benefit expenses	(12,865)	(162)	(13,027)	(12,740)	(162)	(12,902)
Finance costs	(117,860)	(2,119)	(119,979)	(100,973)	(1,208)	(102,181)
Income tax	15,248	(481)	14,767	31,654	(823)	30,831
Loss for the period	**(166,366)**	**(55)**	**(166,421)**	**(112,226)**	**1,920**	**(110,306)**
Loss attributable to						
Owners of the Company	(167,037)	(50)	(167,087)	(112,226)	1,920	(110,306)
Non-controlling interests	671	(5)	666	-	-	-
	(166,366)	**(55)**	**(166,421)**	**(112,226)**	**1,920**	**(110,306)**
Loss per share						
Basic	(0.15)		(0.15)	(0.10)		(0.10)
Diluted	(0.15)		(0.15)	(0.10)		(0.10)

	Consolidated financial statements			Separate financial statements		
	Before recognition	Recognised	After recognition	Before recognition	Recognised	After recognition
			(in thousand Baht)			
Statements of cash flows						
for the three-month period ended 31 March 2011						
Cash flows from operating activities						
Loss for the period	(167,037)	(50)	(167,087)	(112,226)	1,920	(110,306)
Current service cost of employee	-	3,103	3,103	-	2,049	2,049
Finance costs	117,860	2,119	119,979	100,973	1,208	102,181
Income tax expense	(15,248)	481	(14,767)	(31,654)	823	(30,831)
Share of profit of associate	(44,503)	352	(44,151)	-	-	-
Loss on non-controlling interest	671	(5)	666	-	-	-
Defined benefit obligations paid	-	(6,000)	(6,000)	-	(6,000)	(6,000)
Net cash from operating activities	**729,802**	**-**	**729,802**	**650,482**	**-**	**650,482**

4 Related party transactions and balances

Enterprises and 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. Associates 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 Shin Corporation Public Company Limited ("Shin") (incorporated in Thailand), which owns 41.14% (*31 December 2010: 41.14%*) of the Company's shares. Transactions with Shin Group, Cedar Group, Aspen Group, and Temasek 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. Consulting and management services were charged at an agreed percentage of assets. Transactions between the Company and Codespace, Inc. were conducted based on hourly rates plus reimbursement of actual expenses.

Significant transactions for the three-month periods ended 31 March 2011 and 2010 with related parties were as follows:

	Consolidated financial statements		Separate financial statements	
	2011	2010	2011	2010
	(in thousand Baht)			
Sales				
Sales and services income				
Subsidiaries	-	-	217,024	304,011
Associate	2,555	2,222	2,520	2,190
Jointly-controlled entities	3,658	8,732	267	1,781
Related parties under common control	16,138	16,843	12,980	14,041
Other related party	273	327	-	-
Other income				
Subsidiaries	-	-	13,548	15,986
Jointly-controlled entities	295	252	603	515
Total	**22,919**	**28,376**	**246,942**	**338,524**
Expense				
Purchases of goods and services				
Subsidiaries	-	-	9,627	10,387
Associate	4,417	2,276	4,374	2,276
Jointly-controlled entities	963	978	1,965	1,995
Related parties under common control	97	10	6	10
Other related party	9,348	8,117	3,421	3,651
Selling and administrative expenses				
Subsidiaries	-	-	272	1,226
Associate	642	664	502	530
Jointly-controlled entities	27	-	56	-
Related parties under common control	3,003	8,478	2,404	4,423
Other related party	-	317	-	-
Director and management benefit expenses	12,865	10,299	12,740	10,171
Total	**31,362**	**31,139**	**35,367**	**34,669**

Balances as at 31 March 2011 and 31 December 2010 with related parties were as follows:

	Consolidated financial statements		Separate financial statements	
	31 March 2011	31 December 2010	31 March 2011	31 December 2010
	(in thousand Baht)			
Trade accounts receivable and accrued income - related parties				
Trade accounts receivable - related parties				
Subsidiaries	-	-	369,144	37,683
Associate	899	-	899	-
Jointly-controlled entities	23,378	20,973	2,480	2,309
Related parties under common control	8,758	7,495	4,673	4,551
Other related party	658	520	-	-
Total	**33,693**	**28,988**	**377,196**	**44,543**
Accrued income - related parties				
Subsidiaries	-	-	10,746	199,215
Associate	799	2,487	799	2,487
Jointly-controlled entities	993	1,372	-	1,478
Related parties under common control	4,797	4,476	4,257	4,287
Total	**6,589**	**8,335**	**15,802**	**207,467**
Total trade accounts receivable and accrued income from related parties	**40,282**	**37,323**	**392,998**	**252,010**
Amounts due from related parties				
Parent	32	98	32	98
Subsidiaries	-	-	39,079	37,486
Associate	62,525	924	-	924
Jointly-controlled entities	1,992	458	87,900	84,473
Total	**64,549**	**1,480**	**127,011**	**122,981**
Other current assets - related parties				
Subsidiaries	-	-	4,869	11,771
Jointly-controlled entities	-	186	-	313
Related parties under common control	11	16	-	16
Total	**11**	**202**	**4,869**	**12,100**
Long-term loans and advances to subsidiary	**-**	**-**	**209,584**	**208,540**

As at 31 March 2011, the short-term loan to a subsidiary bears interest at the rate of 6.00-6.73% per annum (*31 December 2010: 6.00 – 6.73% per annum*) and is repayable within three months.

Movements during the three-month periods ended 31 March 2011 and 2010 of long-term loans and advance to a subsidiary were as follows:

	Consolidated financial statements		Separate financial statements	
	2011	2010	2011	2010
	(in thousand Baht)			
At 1 January	-	-	208,540	334,076
Decrease	-	-	-	(5,295)
Unrealised loss on exchange rate	-	-	1,044	(9,032)
At 31 March	-	-	**209,584**	**319,749**

	Consolidated financial statements		Separate financial statements	
	31 March 2011	31 December 2010	31 March 2011	31 December 2010
	(in thousand Baht)			
Trade accounts payable - related parties				
Subsidiaries	-	-	16	726
Associate	13,692	11,546	13,664	11,518
Jointly-controlled entities	291	274	332	332
Related parties under common control	6,832	7,974	242	417
Total	**20,815**	**19,794**	**14,254**	**12,993**
Amounts due to related parties				
Subsidiaries	-	-	50,026	49,469
Jointly-controlled entities	106	82	217	167
Related parties under common control	3,196	887	2,667	879
Other related party	2,702	2,666	2,081	2,063
Total	**6,004**	**3,635**	**54,991**	**52,578**
Advance receipts from customers - related parties				
Associate	-	46	-	-
Related parties under common control	-	11	-	-
Total	**-**	**57**	**-**	**-**

	Consolidated financial statements		Separate financial statements	
	31 March 2011	31 December 2010	31 March 2011	31 December 2010
	(in thousand Baht)			
Accrued expenses - related parties				
Subsidiaries	-	-	12,523	33,952
Associate	1,170	268	1,170	268
Jointly-controlled entities	298	890	609	1,815
Related parties under common control	237	710	89	303
Total	**1,705**	**1,868**	**14,391**	**36,338**
Other current assets - related parties				
Subsidiaries	-	-	151	58
Related parties under common control	160	160	160	160
Total	**160**	**160**	**311**	**218**
Other non - current liabilities jointly-controlled entities	**40**	**40**	**54**	**54**

Key management personnel compensation

Key management personnel compensation comprised:

	Consolidated financial statements		Separate financial statements	
Three-month period ended 31 March	2011	2010	2011	2010
	(in thousand Baht)			
Short-term employee benefits	12,865	10,299	12,740	10,171
Long-term benefits				
- Current service costs, included in administrative expenses	162	154	162	154
- Interest on obligation, included in finance costs	162	147	162	147
Total	**13,189**	**10,600**	**13,064**	**10,472**

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 other Group employees or customers.

Warrants of Shin Corporation Public Company Limited granted to directors which are management of the Company

Shin Corporation Public Company Limited ("Shin"), the parent company, issued warrants which are in registered form, are non-transferable and have no offering price, to directors who are management of the Company. The term of the warrant is not exceeding five years. As at 31 March 2011, the details were as follows:

	Issued date	Issued *(units)*	Exercise ratio *(unit : share)*	Exercise price *(Baht/share)*	Exercise period First	Last
ESOP - Grant I	27 March 2002	18,336,300	1 : 1.06942	16.645	Expired on 26 March 2007	
ESOP - Grant II	30 May 2003	12,222,100	1 : 1.13918	11.999	Expired on 29 May 2008	
ESOP - Grant III	31 May 2004	8,823,100	1 : 1.20475	30.222	Expired on 30 May 2009	
ESOP - Grant IV	31 May 2005	8,329,800	1 : 1.29043	32.367	Expired on 30 May 2010	
ESOP - Grant V	31 July 2006	7,823,000	1 : 1.32042	28.536	31 July 2007	30 July 2011

Directors' remuneration

The directors' remuneration represent monthly compensation, annual remuneration, and meeting fees whereas the directors benefit approved by the shareholders of the Company at their Annual General Meetings. The directors' remuneration is as part of directors and management benefit expenses presented in the statement of income.

Commitments with related parties

As at 31 March 2011, the Company had issued letters of comfort to the bankers of subsidiaries. Under the terms of the letters of comfort, the Company must hold its interests in its subsidiaries at the ratio as specified in the letters. The Company also confirms to the banks that the Company will provide necessary financial support to these subsidiaries to ensure that these subsidiaries will be able to meet their repayment obligations under their related loan agreements.

Significant agreements with related parties

a. The Company had entered into an agreement with an associated company, under which the associate was committed to provide uplink data service for a period of approximately five years. The Company was committed to pay for the service in respect of the agreements at approximately Baht 14.69 million *(31 December 2010: approximately Baht 16.79 million).*

b. The Company had entered into an agreement with a jointly-controlled entity, under which the jointly-controlled entity was committed to responsible for ensuring the IPSTAR gateway system perform in accordance with the industry standard and provide maintenance service in Cambodia for a period of approximately five years. The Company was committed to pay for the service in respect of the agreements at approximately USD 0.34 million *(31 December 2010: approximately USD 0.40 million).*

c. The Company and subsidiary had entered into agreements with subsidiaries, under which the Company and subsidiaries were committed to pay royalty fee 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 IPSTAR bandwidth.

d. The Company had entered into agreements with subsidiaries, associate and jointly-controlled entities, under which the Company was committed to provide transponder service, IPSTAR bandwidth service and advisory service. Subsidiaries, associate and jointly-controlled entities were committed to pay the Company for the service of the agreements at approximately USD 130.53 million and Baht 5.04 million *(31 December 2010: approximately USD 134.75 million and Baht 7.56 million).* The service fees of some contracts vary to the actual used or number of installed user terminal at the rate stated in the contract.

5 Trade accounts receivable and accrued income

	Note	Consolidated financial statements		Separate financial statements	
		31 March 2011	31 December 2010	31 March 2011	31 December 2010
		(in thousand Baht)			
Trade accounts receivable					
Related parties	*4*	33,693	28,988	377,196	44,543
Other parties		1,168,135	1,189,904	576,659	637,604
Total		**1,201,828**	**1,218,892**	**953,855**	**682,147**
Accrued income					
Related parties	*4*	6,589	8,335	15,802	207,467
Other parties		86,218	85,947	80,567	76,877
Total		**92,807**	**94,282**	**96,369**	**284,344**
Total trade accounts receivable and accrued income		**1,294,635**	**1,313,174**	**1,050,224**	**966,491**
Less allowance for doubtful accounts		(301,575)	(290,432)	(186,725)	(193,848)
Net		**993,060**	**1,022,742**	**863,499**	**772,643**
Bad and doubtful debts expense for the three-month period ended 31 March		**26,627**	**3,302**	**7,744**	**5,434**

Aging analysis for trade accounts receivable were as follows:

	Consolidated financial statements		Separate financial statements	
	31 March 2011	31 December 2010	31 March 2011	31 December 2010
	(in thousand Baht)			
Within credit terms	509,216	483,600	461,051	277,359
Overdue:				
Less than 3 months	204,007	242,573	220,831	105,846
3 - 6 months	81,147	91,644	57,991	75,169
6 - 12 months	60,766	86,555	24,095	28,528
over 12 months	346,692	314,520	189,887	195,245
Total	**1,201,828**	**1,218,892**	**953,855**	**682,147**
Less allowance for doubtful accounts	(301,575)	(290,432)	(186,725)	(193,848)
Net	**900,253**	**928,460**	**767,130**	**488,299**

The normal credit term for general customers were granted by the Group ranging 30 - 60 days.

6 Investments in subsidiaries, jointly-controlled entities and an associate

	Consolidated financial statements		Separate financial statements	
	2011	2010	2011	2010
	(in thousand Baht)			
At 1 January	439,868	400,530	830,200	813,500
Share of net profits of investments in associate - equity method	44,151	36,359	-	-
Unrealised gain from decrease in shareholding in an associate	155	28	-	-
Dividend income	(62,525)	-	-	-
At 31 March	**421,649**	**436,917**	**830,200**	**813,500**

Investments in subsidiaries, jointly-controlled entities and associate as at 31 March 2011 and 31 December 2010, and dividend income from those investments for the three-month periods ended 31 March 2011 and 2010 were as follows:

	Consolidated financial statements													
	Ownership interest		Paid-up capital		Cost method		Equity method		Impairment		At equity - net		Dividend income for three months ended	
	31 March 2011	31 December 2010	31 March 2011	31 December 2010	31 March 2011	31 December 2010	31 March 2011	31 December 2010	31 March 2011	31 December 2010	31 March 2011	31 December 2010	31 March 2011	31 March 2010
	(%)				*(in million Baht)*									
Associate														
CS Loxinfo Public Company Limited	42.16	42.19	148	148	1,482	1,482	422	440	-	-	422	440	63	-
Total					**1,482**	**1,482**	**422**	**440**	**-**	**-**	**422**	**440**	**63**	**-**

	Separate financial statements											
	Ownership interest		Paid-up capital		Cost method		Impairment		At cost - net		Dividend income for three months ended	
	31 March 2011	31 December 2010	31 March 2011	31 December 2010	31 March 2011	31 December 2010	31 March 2011	31 December 2010	31 March 2011	31 December 2010	31 March 2011	31 March 2010
	(%)				*(in million Baht)*							
Subsidiaries												
DTV Service Company Limited	100.00	100.00	Baht 399 million	Baht 399 million	399	399	-	-	399	399	-	-
Spacecode LLC	70.00	70.00	USD 4 million	USD 4million	119	119	-	-	119	119	-	-
iPSTAR Company Limited	99.94	99.94	USD 2 million	USD 2million	152	152	-	-	152	152	-	-
Star Nucleus Company Limited	70.00	70.00	-	-	-	-	-	-	-	-	-	-
IPSTAR International Pte Limited	100.00	100.00	SGD 20,000	SGD 20,000	1	1	-	-	1	1	-	-
IPSTAR Global Services Company Limited	100.00	100.00	USD 20,000	USD 20,000	1	1	-	-	1	1	-	-
Cambodian DTV Network Company Limited	100.00	100.00	USD 600,000	USD 600,000	21	21	-	-	21	21	-	-
Jointly-controlled entity												
Shenington Investments Pte Limited	51.00	51.00	SGD 15 million	SGD 15 million	137	137	-	-	137	137	-	-
Total					**830**	**830**	**-**	**-**	**830**	**830**	**-**	**-**

Significant movements in investments in subsidiaries, jointly controlled entities and an associate for the three-month period ended 31 March 2011 were as follows:

Jointly-controlled entity

a) Dividend payment of Lao Telecommunications Company Limited ("LTC")

During 2010, the shareholders meetings of LTC approved the dividend from 2009 operation of USD 35 million. The dividend of USD 22.5 million was paid during 2010 and 2011.

On 15 February 2011, at the Annual General Meeting of the shareholders, the shareholders approved the appropriation of dividend from 2010 operation of USD 15 million.

Associate

b) Dividend payment of CS Loxinfo Public Company Limited ("CSL")

At the Annual General Meeting of the shareholders of CSL held on 30 March 2011, the shareholders approve the appropriation of dividend payment of the CSL of Baht 0.25 per share, amounting to Baht 148 million. The dividend was paid on 25 April 2011.

c) Increase and reduction of Share Capital of CS Loxinfo PublicCompany Limited ("CSL")

Increase of Share Capital

At the annual general meeting of the shareholders of CSL held on 30 March 2011, a resolution was passed to approve the issuance of 750,000 additional ordinary shares to reserve for the change in the exercise ratio, equivalent to 0.13% of the total issued and paid-up share capital of CSL. As a result of the proposed dividend payment, the exercise ratio of the warrants issued under ESOP-Grant IV and ESOP Grant V has been affected. CSL has registered the increased share capital to the Ministry of Commerce on 22 April 2011.

Reduction of Share Capital

At the Annual General Meeting of the shareholders of CSL held on 30 March 2011, the shareholders approve the reduction the ordinary shares because the warrant of CSL for ESOP-Grant II and ESOP-Grant III expired on 30 April 2010 and on 30 May 2010 respectively , in number of 21,518,736 shares, equivalent to 3.63% of the total issued and paid-up shares capital of CSL. CSL has registered the decreased share capital to the Ministry of Commerce on 21 April 2011.

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 2021.

7 Capital expenditure and commitments

	Consolidated financial statements			
	Property and equipment	Property and equipment under agreements for operation	Deferred charges	Intangible assets
	(in thousand Baht)			
Transactions during the three-month period ended 31 March 2011				
Opening net book value	5,262,646	14,177,126	41,053	1,103,078
Additions	217,186	698	18,513	1,768
Disposal, net	(383)	-	-	-
Write-offs, net	(7,248)	-	-	-
Depreciation / amortisation charges	(264,907)	(333,067)	(4,652)	(24,853)
Foreign currency translation adjustments	11,182	-	-	432
Closing net book value	**5,218,476**	**13,844,757**	**54,914**	**1,080,425**
As at 31 March 2011				
Cost	10,852,978	21,138,873	634,236	1,660,194
Less accumulated depreciation / amortisation	(5,605,910)	(7,294,116)	(579,322)	(579,769)
Less accumulated impairment loss	(28,592)	-	-	-
Net book value	**5,218,476**	**13,844,757**	**54,914**	**1,080,425**

The gross amount of the Group's fully depreciated property, plant and equipment that was still in use as at 31 March 2011 amounted to Baht 2,506.97 million *(31 December 2010: Baht 2,363.32 million).*

As at 31 March 2011 the accumulated impairment loss of Baht 28.6 million *(31 December 2010: Baht 28.6 million)* comprised an impairment loss for analogue mobile telephone network of a jointly controlled entity which ceased its operation in 2005 amounting to Baht 16.2 million and an impairment loss for rural telephone network of another jointly controlled entity amounting to Baht 12.4 million.

As at 31 March 2011, property and equipment includes property and equipment under agreements of operation of a jointly-controlled entity, Mfone Company Limited ("Mfone"), of approximately Baht 2,227.41 million *(31 December 2010: Baht 2,317.96 million)*. According to the agreement, Mfone must transfer its ownership of the property and equipment to the government of Cambodia on the expiration date of the agreements of operation, on 4 March 2028 (Note 14b).

	Separate financial statements			
	Property and equipment	Property and equipment under agreements for operation	Deferred charges	Intangible Assets
	(in thousand Baht)			
Transactions during the three-month period ended 31 March 2011				
Opening net book value	1,089,280	14,177,126	38,942	947,955
Additions	92,024	698	18,440	1,632
Disposal, net	(373)	-	-	-
Write-offs, net	(307)	-	-	-
Depreciation / amortisation charges	(87,073)	(333,067)	(4,437)	(22,352)
Closing net book value	**1,093,551**	**13,844,757**	**52,945**	**927,235**
As at 31 March 2011				
Cost	3,887,329	21,138,873	600,350	1,455,013
Less accumulated depreciation / amortisation	(2,793,778)	(7,294,116)	(547,405)	(527,778)
Net book value	**1,093,551**	**13,844,757**	**52,945**	**927,235**

The gross amount of the Company's fully depreciated property, plant and equipment that was still in use as at 31 March 2011 amounted to Baht 1,986.16 million *(31 December 2010: Baht 1,863.68 million)*.

Capital expenditure commitments

Capital expenditure contracted but not provided for at the reporting date were as follows:

		Consolidated financial statements		Separate financial statements	
	Currency	31 March 2011	31 December 2010	31 March 2011	31 December 2010
		(in thousand)			
THAICOM 4 Project	USD	188	270	188	270
Telephone network	USD	4,328	12,296	-	-
Total	USD	4,516	12,566	188	270
Total equivalent to Thai Baht		**137,453**	**380,692**	**5,734**	**8,169**

8 Employee benefit obligations

The Group and the Company adopted TAS 19 – Employee Benefits with effect from 1 January 2011; the effect on the financial statements is discussed in note 3 (i).

The statement of financial position obligation was determined as follows:

	Consolidated financial statements		Separate financial statements	
	31 March 2011	31 December 2010	31 March 2011	31 December 2010
	(in thousand Baht)			
Present value of unfunded obligations	150,098	150,876	85,862	88,604
Statement of financial position obligation	**150,098**	**150,876**	**85,862**	**88,604**

Movement in the present value of the defined benefit obligations:

	Consolidated financial statements		Separate financial statements	
Three-month period ended 31 March	2011	2010	2011	2010
	(in thousand Baht)			
Defined benefit obligations at 1 January	150,876	131,691	88,604	77,515
Benefits paid by the plan	(6,000)	-	(6,000)	-
Current service costs of employee and interest on obligation	5,222	4,796	3,258	2,772
Defined benefit obligations at 31 March	**150,098**	**136,487**	**85,862**	**80,287**

Expense recognised in profit or loss:

	Consolidated financial statements		Separate financial statements	
Three-month period ended 31 March	2011	2010	2011	2010
	(in thousand Baht)			
Current service costs of employee	3,103	2,731	2,049	1,718
Interest on obligation	2,119	2,065	1,209	1,054
Total	**5,222**	**4,796**	**3,258**	**2,772**

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

	Consolidated financial statements		Separate financial statements	
	31 March 2011	31 December 2010	31 March 2011	31 December 2010
	%			
Discount rate at	4.98	4.98	5.00	5.00
Future salary increases	6.00	6.00	6.00	6.00

9 Interest-bearing liabilities

	Consolidated financial statements		Separate financial statements	
	31 March 2011	31 December 2010	31 March 2011	31 December 2010
	(in thousand Baht)			
Current				
Current portion of long-term borrowings				
Loans from financial institutions	235,878	190,214	-	-
Loans from others	904,360	664,260	5,116	5,444
Total current portion of long-term borrowings	1,140,238	854,474	5,116	5,444
Non-current				
Long-term borrowings				
Loans from financial institutions	415,610	459,725	-	-
Loans from others	49,905	100,445	24,169	21,575
Total long-term borrowings	465,515	560,170	24,169	21,575
Long term bond	6,985,223	6,983,709	6,985,223	6,983,709
Total non-current	7,450,738	7,543,879	7,009,392	7,005,284
Total	**8,590,976**	**8,398,353**	**7,014,508**	**7,010,728**

Long-term debentures were as follows:

As at 31 March 2011, the Company issued 2 tranches of Baht 7,000 million, with a par value of Baht 1,000 each, unsubordinated and unsecured with having registered and bond holders representative debentures as follow:

Issue date	No. of units (Million)	Amount (Million Baht)	Interest rate (per annum)	Term of interest payment	Principal payment term	Outstanding balance as at 31 March 2011 *(in million Baht)*
6 November 2009	3.3	3,300	5.25%	Quarterly	Entirely redeemed on 6 November 2012	3,300
6 November 2009	3.7	3,700	6.15%	Quarterly	Entirely redeemed on 6 November 2014	3,700
Total debentures						7,000
Less bond issuing cost						(15)
Net						**6,985**

Under the terms and conditions of the debentures, the Company has to comply with certain restrictions and maintain certain financial ratios

The movements in the borrowings can be analysed as follows:

	Consolidated financial statements	Separate financial statements
	(in thousand Baht)	
For the three-month period ended 31 March 2011		
Opening net book value	8,398,353	7,010,728
Proceeds from long-term borrowings, net of financial costs	3,528	3,528
Repayment of long-term borrowings	(1,315)	(1,262)
Amotisation of finance costs	1,514	1,514
Increase from change in status from accounts payable - property and equipment	183,941	-
Loss on exchange rate	4,955	-
Closing net book value	**8,590,976**	**7,014,508**

Credit facilities

As at 31 March 2011, available credit facilities for loans from local and oversea banks are Baht 799 million and USD 26 million (*31 December 2010: Baht 799 million and USD 26 million*).

10 Share capital and warrants

	Par value per share (Baht)	2011 Number	2011 Amount	2010 Number	2010 Amount
		(thousand shares / thousand Baht)			
Authorised capital					
At 31 March					
ordinary shares	*5*	**1,132,082**	**5,660,412**	**1,132,082**	**5,660,412**
Issued and paid up					
At 1 January					
ordinary shares	*5*	1,095,938	5,479,688	1,095,938	5,479,688
At 31 March					
ordinary shares	***5***	**1,095,938**	**5,479,688**	**1,095,938**	**5,479,688**

Warrants

As at 31 March 2011, the Company has five ESOP schemes allocated to directors and employees of the Company and its subsidiaries. The warrants are in registered form, are non-transferable and have no offering price. The terms of the warrants do not exceed five years. The exercise price and period are detailed below:

	Issued date	Issued *(million units)*	Exercise ratio *(unit : share)*	Exercise price *(Baht/share)*	Exercise period First	Last
ESOP - Grant I	27 March 2002	8.00	1 : 2.04490	13.081	Expired on 26 March 2007	
ESOP - Grant II	30 May 2003	4.40	1 : 2.04490	6.279	Expired on 29 May 2008	
ESOP - Grant III	31 May 2004	5.89	1 : 1.02245	13.913	Expired on 30 May 2009	
ESOP - Grant IV	31 May 2005	7.56	1 : 1.02245	16.441	Expired on 30 May 2010	
ESOP - Grant V	31 May 2006	10.03	1 : 1.00000	11.870	31 May 2007	30 May 2011

Movements in the number of warrants outstanding for the three-month period ended 31 March 2011 are as follows:

	Balance at 1 January 2011	Issue during the period	Exercise during the period	Expired during the period	Balance at 31 March 2011
			(in thousand unit)		
ESOP - Grant V					
Directors	1,099	-	-	-	1,099
Employees	8,934	-	-	-	8,934
Total	**10,033**	**-**	**-**	**-**	**10,033**
Grand Total	**10,033**	**-**	**-**	**-**	**10,033**

Compensation costs related to the warrants are not recognised in these financial statements for the fair value of the non-exercised warrants granted.

11 Other comprehensive income

The component of other comprehensive income is as follows:

	Consolidated financial statements		Separate financial statements	
	2554	2553 (Restated)	2554	2553 (Restated)
	(in thousand Baht)			
For the three-month period ended 31 March				
Currency translation differences	39,480	(74,183)	-	-
Tax related to the component of other comprehensive income	-	-	-	-
Total other comprehensive income for the period, net of tax	**39,480**	**(74,183)**	**-**	**-**

The tax impact to the component of other comprehensive income is as follows:

	Consolidated financial statements					
	2011			2010		
	Amount before tax	Tax income (expense)	Net of tax	Amount before tax	Tax income (expense)	Net of tax
	(in thousand Baht)					
For the three-month period ended 31 March						
Foreign currency translation differences	39,480	-	39,480	(74,183)	-	(74,183)
Total other comprehensive Income for the period	**39,480**	**-**	**39,480**	**(74,183)**	**-**	**(74,183)**

12 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 in Cambodia and the Lao People's Democratic Republic.
Segment 4	Others

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 and printing and publishing of business telephone directories services. Cambodia and Lao PDRs' main activities are sales and services relating to telephone network business and satellite business services. Australia main activities are sales and services relating to satellite business.

The Group comprises the following main geographic segments:

Segment 1	Thailand
Segment 2	Cambodia
Segment 3	The Lao People's Democratic Republic
Segment 4	Australia
Segment 5	China
Segment 6	India
Segment 7	Others

Revenue and results, based on business segments, in the consolidated financial statements for the three-month periods ended 31 March 2011 and 2010 were as follows:

	Satellite business services		Internet services and media		Telephone network		Others		Consolidation eliminations		Consolidated financial statements	
	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010
						(in thousand Baht)						
Revenues	1,157,097	1,211,013	91,553	145,108	338,829	441,603	-	-	(17,389)	(13,965)	1,570,090	1,783,759
Shares of profit of associate	-	-	44,151	36,359	-	-	-	-	-	-	44,151	36,359
Cost of sales and services	(892,661)	(1,064,557)	(96,593)	(118,095)	(330,127)	(353,715)	-	-	13,129	11,100	(1,306,252)	(1,525,267)
Selling and administrative expenses	(260,962)	(239,670)	(18,279)	(25,251)	(66,700)	(69,146)	(22,217)	(25,085)	1,479	1,880	(366,679)	(357,272)
Segment results	3,474	(93,214)	20,832	38,121	(57,998)	18,742	(22,217)	(25,085)	(2,781)	(985)	(58,690)	(62,421)
Other income											11,351	29,773
Net foreign exchange loss											(13,870)	(28,983)
Loss before interest expenses and income tax											(61,209)	(61,631)
Finance costs											(119,979)	(125,453)
Operating loss											(181,188)	(187,084)
Income tax											14,767	26,700
Non-controlling interests											(666)	(911)
Net loss											**(167,087)**	**(161,295)**

Revenue and results, based on geographical segments, in the consolidated financial statements for the three-month periods ended 31 March 2011 and 2010 were as follows:

	2011	2010
	(in thousand Baht)	
Segment revenue		
Thailand	688,248	677,125
Cambodia	215,020	300,334
Lao PDR	154,485	191,770
Australia	183,921	307,994
China	3,644	11,341
India	61,808	32,405
Others	307,115	299,149
Total	**1,614,241**	**1,820,118**
Segment results		
Thailand	351,338	285,863
Cambodia	(110,738)	(45,647)
Lao PDR	17,632	56,036
Australia	23,991	36,735
China	(122,071)	(108,755)
India	(45,289)	(79,931)
Others	(173,553)	(206,722)
Total	**(58,690)**	**(62,421)**

13 Loss per share

Basic loss per share

The calculation of basic loss per share for the three-month periods ended 31 March 2011 and 2010 was based on the loss for the period attributable to equity holders of the Company and the number of ordinary shares outstanding during each period as follows:

	Consolidated financial statements		**Separate financial statements**	
Three-month period ended 31 March	2011	2010 Restated	2011	2010 Restated
	(in thousand Baht / thousand shares)			
Loss attributable to ordinary shareholders of the Company(basic)	**(167,087)**	**(161,295)**	**(110,306)**	**(185,093)**
Number of ordinary shares outstanding	**1,095,938**	**1,095,938**	**1,095,938**	**1,095,938**
Loss per share (basic) ***(in Baht)***	**(0.15)**	**(0.15)**	**(0.10)**	**(0.17)**

Diluted loss per share

The calculation of diluted loss per share for the three-month periods ended 31 March 2011 and 2010 was based on the loss for the period attributable to equity holders of the Company and the number of ordinary shares outstanding during the period after adjusting for the effects of all dilutive potential ordinary shares as follows:

	Consolidated financial statements		Separate financial statements	
Three-month period ended 31 March	2011	2010 Restated	2011	2010 Restated
	(in thousand Baht / in thousand shares)			
Loss attributable to ordinary shareholders of the Company(diluted)	**(167,087)**	**(161,295)**	**(110,306)**	**(185,093)**
Number of ordinary shares outstanding (basic)	1,095,938	1,095,938	1,095,938	1,095,938
Effect of shares warrants on issue	-	-	-	-
Number of ordinary shares outstanding (diluted)	**1,095,938**	**1,095,938**	**1,095,938**	**1,095,938**
Loss per share (diluted) ***(in Baht)***	**(0.15)**	**(0.15)**	**(0.10)**	**(0.17)**

14 Commitments with non-related parties

a) 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 Information Communication and Technology ("MICT").

Under the aforementioned agreement, the Company must pay an annual fee to MICT based on a percentage of certain service incomes or at the minimum level specified in the agreement, whichever is higher. As at 31 March 2011, the remaining minimum fee is Baht 792 million *(31 December 2010: Baht 806 million).* In addition, the Company, according to the aforementioned agreement, must transfer its ownership of all satellites, and monitoring stations and other operating equipments to MICT on the date of completion of construction and installation.

b) Assets transfer commitment under telephone network agreement in Cambodia

Mfone Company Limited ("Mfone"), a jointly-controlled entity in Cambodia, has obtained agreements for operation from the Directorate of Posts and Telecommunications of Cambodia to operate a domestic telephone network under an agreement dated 4 March 1993 and an amendment thereto dated 4 March 1997, for a period of 35 years. Under the agreement, Mfone will transfer its ownership of all fixed assets to the Government of Cambodia on the expiration date of the agreement in 2028 (Note 7).

c) Shareholder agreement

Lao Telecommunications Company Limited ("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 and 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 Company Limited, which is a joint venture of the Company, owns 49% of LTC's registered shares. At the end of the 25th year, in 2021, the Group has to transfer all of LTC's shares to the Government of the Lao People's Democratic Republic without any charges (Note 6). 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. As at 31 March 2011, LTC has remaining additional investment of approximately USD 79.82 million *(31 December 2010: USD 81.45 million)*.

d) Agreements for operation of a subsidiary company and associated company for the satellite uplink-downlink and Satellite Internet services and Internet services in Thailand

CS Loxinfo Public Company Limited ("CSL"), which is an associate of the Company, entered into agreements for operation with CAT Telecom Public Company Limited ("CAT") for a period of 22 years from 9 August 1994 to 8 August 2016 to provide satellite uplink-downlink and internet services.

Currently, the National Telecommunications Commission ("NTC") is responsible for granting licenses to provide internet access services in Thailand. DTV Service Company Limited, the Company's subsidiary, and CSL operate the business to provide internet and telecommunication services under licenses granted by NTC as follow:

Type of license	Issued Date	Period
License of DTV Service Company Limited		
Internet Operation License Type I	18 October 2009	5 years
Telecom Operation License Type I	19 July 2010	5 years
Licenses of CSL		
Internet Operation License Type II	26 April 2007	5 years
Internet Operation License Type I	8 September 2009	5 years
Telecom Operation License Type I	11 October 2009	5 years
Telecom Operation License Type III	20 December 2007	15 years

e) Obligation under "Financing and Project Agreement"

Lao Telecommunications Company Limited ("LTC") entered into a "Financing and Project Agreement" with the government of the Lao People's Democratic Republic ("government") and an organisation in Germany (KfW, Frankfurt am Main) on 25 October 2004 of an amount not exceeding Euro 6.5 million (approximately Baht 278.57 million) for the procurement and installation of Phase VI of a rural telecommunication network. Under the agreement, the ownership of network assets will be transferred to LTC through loan at 30% of the network assets' value excluding consulting services project and interest rate of loan 4% per year. At 31 March 2010, LTC has recognised the network assets relating to Phase VI and the related portion of the loan in the amount of Baht 70.1 million in last year. LTC has paid loan repayment for the loan of Phase IV & V in the amount of Baht 14.6 million.

f) Capital commitment

At 31 March 2011, Shennington Group has capital commitment according to the percentage of share hold by the Group amount of USD 4.3 million (approximately Baht 132 million) *(31 December 2010: USD 12.3 million; approximately Baht 373 million).*

g) Obligation from shares buy back options

On 23 October 2003, the Company and Codespace Inc. entered into a "Memorandum of Agreement", which provides Codespace Inc. an option to sell 2.2 million shares of iPSTAR Co., Ltd. to the Company, with the condition that the Company has the first option to purchase these shares. If the offered price per share is greater than the higher of USD 1 or fair market value at offering date, the Company has the right to refuse. If the offered price per share is equal to the higher of USD 1 or fair market value at offering date, the Company has to purchase those shares from Codespace Inc. The Company believes that Codespace Inc. will not exercise the option because according to the result of the financial analysis of the Company, the value per share of iPSTAR Co., Ltd.'s shares is higher than USD 1. Therefore, the Company does not recognise this obligation as its liabilities in these interim financial statements. As of 31 March 2011, the remaining share option was 0.12 million shares *(31 December 2010: 0.12 million shares)*.

h) Operating lease commitments

As at 31 March 2011 and 31 December 2010, the Group has future aggregate minimum lease payments under non-cancellable operating leases are as follows:

		Consolidated financial statements		Separate financial statements	
		31 March 2011	31 December 2010	31 March 2011	31 December 2010
	Currency	*(in thousands)*			
Within one year	THB	41,586	41,323	41,586	41,323
	YEN	362	362	362	362
	USD	6,839	7,306	5,189	5,713
	Rupee	3,875	4,622	3,875	4,622
	Rupiah	24,500	39,500	24,500	39,500
	Ringgit	97	116	97	116
	PHP	2,690	2,977	2,690	2,977
	AUD	89	89	-	-
Total equivalent Baht		258,471	272,220	205,456	221,222
After one year but within five years	THB	33,803	43,201	33,803	43,201
	YEN	362	453	362	453
	USD	8,906	10,731	2,836	4,582
	Rupee	3,626	4,532	3,626	4,532
	Ringgit	43	67	43	67
	KIP	848	614	-	-
	PHP	821	1,970	821	1,970
	AUD	63	86	-	-
Total equivalent Baht		310,620	376,431	123,902	187,477
After five years	THB	15,673	16,559	15,673	16,559
	USD	2,133	2,389	-	-
	KIP	196,790	187,009	-	-
Total equivalent Baht		81,329	89,640	15,673	16,559
Grand total equivalent Baht		**650,420**	**738,291**	**345,031**	**425,258**

i) Other commitments

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

		Consolidated financial statements		Separate financial statements	
		31 March 2011	31 December 2010	31 March 2011	31 December 2010
	Currency	*(in thousands)*			
Minimum operating agreement fee payable to Ministry of Information Communication and Technology	THB	222,000	222,000	222,000	222,000
IPSTAR equipment sales	THB	502	522	502	522
Satellite space leasing by customers	USD	1,438	1,442	1,438	1,442
	THB	487,000	487,000	487,000	487,000
IPSTAR Gateway	USD	-	379	-	379
Forward contracts	AUD	3,297	2,318	-	-
	THB	734,042	730,702	734,042	730,702
Letters of credit	USD	250	472	-	222
Others	THB	3,497	3,405	3,322	3,322

15 Contingent liabilities

Assessment for income tax in India

The Tax Authority in India ('the said 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 incomes are not taxable in India.

The Tax Authority has raised the tax demand including surcharge and education cess aggregating to Rs. 612.1 million (approximately Baht 444 million) exclusive of interest amounting to Rs. 92.7 million (approximately Baht 67 million) against the said payment received by it from the customers for the Assessment Year ('AY') 1998-99 to 2005-06 (1 April 1997 to 31 March 2005). Further, the said Authority has also levied penalty of Rs.324.9 million (approximately Baht 236 million) for AY 1998-99 to 2001-02.

From Authority's letter dated 22 August 2008, the Authority had asked for payment of the said income tax including interest for late payment amounting to Rs. 83.2 million (approximately Baht 60 million) (calculated up to the end of August 2008). Also from Authority's letter dated 3 December 2008, the Authority raised the tax demand for AY 2006-07 including related interest amounting to Rs. 22.6 million (approximately Baht 16 million). And from Authority's letter dated 30 September 2010, the authority raised the tax demand for AY 2007-08 amounting to Rs. 32.2 million (approximately Baht 23 million.) and the Company paid such tax in November 2010.

Furthermore, the Authority sent the notices dated 29 March 2010 to the Company tax agent in India that the penalty was assessed against the Company for the AY 2003-2004 and AY 2004-2005 in the amount of Rs. 88.4 million (approximately Baht 64 million) and Rs. 89.4 million (approximately Baht 65 million) respectively and requiring the Company to make payment for the said penalty within 30 days from the date of receipt of the notices (30 March 2010). The Company filed appeals against the penalty for the AY 2003-2004 and AY 2004-2005 with Commissioner of Income Tax (Appeals) (CIT (A)) on 26 April 2010.

The Company had received Withholding Tax Certificates ('WTC') from its Customers until AY 2007-2008 net amounting to Rs. 487.9 million (approximately Baht 354 million). The Company had also deposited Rs. 460.2 million (approximately Baht 334 million). The Company presents the deposit as non-current assets in the Statements of financial position.

Since the management and Tax Advisor in India are of the opinion that the income from the TPS is not subject to Tax in India, the Company did not make any provision for the liability against the balance amount of Rs. 397.5 million (approximately Baht 288 million), payable to the said Authority.

On 16 October 2009, the Income Tax Appellate Tribunal ('ITAT') (Special Bench) pronounced its decision on the Company's appeal against the order of the Income Tax Authority of India and CIT (A) on the issue whether the income from transponder service is a royalty or a business income that the income from transponder service is a royalty and subject to withholding tax at the rate prescribed by law, and the use of transponder service constitutes the use of a process. However, the decision related to the income tax and interest thereon only, and did not include the issue of penalty and interest thereon, which is still pending before ITAT. The ITAT scheduled the hearing of the Company's appeal for the issue on penalty and interest on 18 January 2011. ITAT postponed the hearing of the request of the Revenue Authority.

However, the Company's tax consultant in India is of the opinion that the decision of the ITAT (Special Bench) is likely to be incorrect as it is not in accordance with the decision of the High Court of Delhi on telecom service which can be used as precedent by analogy and the decision in the PanAmSat International Systems Inc. case and should be challenged before the High Court, and the Company filed an appeal against the ITAT (Special Bench) decision with the High Court in December 2009 which is within the period of 120 days presented by laws. The High Court of Delhi has scheduled the hearing on whether or not to accept the Company's appeal on 29 November 2010.The High Court of Delhi postponed the hearing of the request of the Revenue Authority. Therefore, the Company's management takes the view that the Company's income is not taxable in India and the case will be decided in the Company's favour on appeal.

On 31 January 2011 the High Court of Delhi delivered its judgment on the AsiaSat's appeal against the order of ITAT that the incomes received by AsiaSat from non-residual customers are not subject to tax in India as such incomes do not constitute a royalty but such incomes are fees for transmission services, and on 17 February 2011 the High Court of Delhi ordered that the Company's appeal be sent back to ITAT for decision in the light of its judgment in the AsiaSat's case.

On 4 March 2011 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. As for the demand for interest and penalty made by the Revenue Department of India, such demand should be without effect. However, it is likely that appeal will be made to the High Court of Delhi and further to the Supreme Court.

If the Supreme court decides finally that the Company's income is taxable in India, the total tax liability demanded by the said Authority of Rs. 779.5 million (approximately Baht 566 million) which will be charged as expense immediately, but the Company will not be required to make any additional tax payment as the amount of WTC and the deposit made by the Company fully cover the tax demand. This, however, does not include the Penalty and the interest related to the Penalty already assessed in the amount of Rs. 566.1 million (approximately Baht 411 million) which will be charged as expenses if there is a final judgement that the Company is liable for Penalty and interest related to such Penalty, which the Company has already placed deposit against part of the Penalty and interest related to such Penalty leaving the total liability for Penalty and interest related to such Penalty in the amount of Rs. 397.5 million (approximately Baht 288 million) as stated in the preceding paragraphs together with interest at the maximum rate not exceeding one (1) percent per month as from the date of receipt of the Demand Notice until the date the payment.

Further to ITAT decision as stated in the preceding paragraphs, the Company is in the process of requesting the refund of deposit and withholding tax.

16 Other events

a) 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.

b) On 19 April 2007, Mr. Supong Limthanakul brought legal actions against the National Telecommunications Commission ("NTC"), the office of the NTC and 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

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

17 Reclassification of accounts

Certain accounts in the statements of financial position as at 31 December 2010 and the statements of income for the three-months period ended 31 March 2010 have been reclassified to conform to the presentation in the 2011 interim financial statements as follows:

	2010					
	Consolidated financial statements (Restated)			Separate financial statements (Restated)		
	Before reclass.	Reclass.	After reclass.	Before reclass.	Reclass.	After reclass.
	(in thousand Baht)					
Statement of financial position						
Accrued expenses	261,448	7,425	268,873	-	-	-
Other current liabilities	171,007	(7,425)	163,582	-	-	-
		-			-	
Statements of cash flows						
Interest paid	(125,586)	125,586	-	(109,522)	109,522	-
Cash flows from operating activities	**1,091,661**	**125,586**	**1,217,247**	**647,781**	**109,522**	**757,303**
Interest paid	-	(125,586)	(125,586)	-	(109,522)	(109,522)
Cash flows from financing activities	**(52,840)**	**(125,586)**	**(178,426)**	**(72,794)**	**(109,522)**	**(182,316)**

The reclassifications have been made because, in the opinion of management, the new classification is more appropriate to the Company's business.