Thaicom Public Company Limited and its Subsidiaries

Interim financial statements
and
Independent Auditor's Report
on Review of Interim Financial Information

For the three-month and nine-month periods ended
30 September 2012

Independent Auditor's Report on Review of Interim Financial Information

To the Board of Directors of Thaicom Public Company Limited

I have reviewed the accompanying consolidated and separate statements of financial position of Thaicom Public Company Limited and its subsidiaries, and of Thaicom Public Company Limited, respectively, as at 30 September 2012; the consolidated and separate statements of income and comprehensive income for the three-month and nine-month periods ended 30 September 2012 and 2011, and the related statements of changes in equity and cash flows for the nine-month periods ended 30 September 2012 and 2011; and condensed notes ("interim financial information"). Management is responsible for the preparation and presentation of this interim financial information in accordance with Thai Accounting Standard 34, "Interim Financial Reporting". My responsibility is to express a conclusion on this interim financial information based on my review.

Scope of Review

I conducted my review in accordance with the Thai Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Thai Standards on Auditing and consequently does not enable me to obtain assurance that I would become aware of all significant matters that might be identified in an audit. Accordingly, I do not express an audit opinion.

Conclusion

Based on my review, nothing has come to my attention that causes me to believe that the accompanying interim financial information is not prepared, in all material respects, in accordance with Thai Accounting Standard 34, "Interim Financial Reporting".

The comparative consolidated and separate statement of financial position as at 31 December 2011

I have previously audited the consolidated and separate financial statements of Thaicom Public Company Limited and its subsidiaries, and of Thaicom Public Company Limited, respectively, for the year ended 31 December 2011 in accordance with Thai Standards on Auditing and expressed an unqualified opinion on those financial statements in my report dated 14 February 2012. The consolidated and separate statements of financial position as at 31 December 2011, which are included in the accompanying interim financial information for comparative purposes, are components of those financial statements. I have not performed any auditing procedures since the date of my audit report.

(Winid Silamongkol)
Certified Public Accountant
Registration No. 3378

KPMG Phoomchai Audit Ltd.
Bangkok
12 November 2012

Thaicom Public Company Limited and its Subsidiaries

Statements of financial position

As at 30 September 2012 and 31 December 2011

		Consolidated financial statements		Separate financial statements	
Assets	*Note*	30 September 2012 (Unaudited)	31 December 2011	30 September 2012 (Unaudited)	31 December 2011
		(in thousand Baht)			
Current assets					
Cash and cash equivalents		4,053,657	2,865,910	2,599,840	1,826,977
Trade and other accounts receivable	*4*	1,148,153	1,348,032	1,080,355	1,200,716
Amounts due from related parties	*3*	4,351	3,165	458,268	121,027
Short-term loan to a jointly-controlled entity	*3*	112,779	78,943	230,162	161,109
Inventories		334,197	241,325	176,719	157,557
Prepaid insurance		49,491	46,549	48,112	43,477
Other current assets		102,605	94,743	23,883	24,384
Non-current assets held for sale	*5*	1,817,102	-	-	-
Total current assets		**7,622,335**	**4,678,667**	**4,617,339**	**3,535,247**
Non-current assets					
Long-term loan to a subsidiary	*3*	-	-	18,372	28,352
Investments in subsidiaries	*6*	-	-	1,665,383	693,815
Investments in jointly-controlled entity	*6*	-	-	137,639	137,639
Investments in associate	*6*	434,492	451,457	-	-
Property and equipment	*7*	5,621,363	6,611,264	3,860,244	2,645,391
Property and equipment under operating agreement	*7*	11,821,037	12,828,228	11,821,037	12,828,228
Deferred charges	*7*	96,894	105,470	96,023	104,218
Intangible assets	*7*	937,098	1,012,335	798,038	862,029
Deferred tax assets		725,359	838,407	607,607	701,395
Other non-current assets		766,126	689,733	731,747	665,026
Total non-current assets		**20,402,369**	**22,536,894**	**19,736,090**	**18,666,093**
Total assets		**28,024,704**	**27,215,561**	**24,353,429**	**22,201,340**

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

Thaicom Public Company Limited and its Subsidiaries

Statements of financial position

As at 30 September 2012 and 31 December 2011

		Consolidated financial statements		Separate financial statements	
Liabilities and equity	*Note*	30 September 2012 (Unaudited)	31 December 2011	30 September 2012 (Unaudited)	31 December 2011
		(in thousand Baht)			
Current liabilities					
Trade and other accounts payable	*3*	664,015	727,875	376,667	345,477
Accounts payable - property and equipment		228,584	465,593	198,868	39,722
Amounts due to related parties	*3*	12,402	2,258	534,977	4,110
Short-term loan from other related party	*3*	113,285	79,295	-	-
Current portion of long-term loans	*9*	3,414,926	4,626,120	3,305,400	3,302,284
Advance receipts from customers		541,534	328,265	421,260	91,267
Accrued operating agreement fee		41,599	264,616	41,599	205,167
Income tax payable		135,719	146,268	-	-
Other current liabilities		94,673	140,796	62,919	81,106
Liabilities of non-current assets classified as held for sale	*5*	1,817,102	-	-	-
Total current liabilities		**7,063,839**	**6,781,086**	**4,941,690**	**4,069,133**
Non-current liabilities					
Long-term loans	*9*	6,095,641	5,651,249	5,953,568	5,359,051
Employee benefits liabilities	*8*	175,432	167,308	98,676	95,542
Deferred tax liabilities		-	119,535	-	-
Other non-current liabilities		392,135	319,936	381,329	308,591
Total non-current liabilities		**6,663,208**	**6,258,028**	**6,433,573**	**5,763,184**
Total liabilities		**13,727,047**	**13,039,114**	**11,375,263**	**9,832,317**

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

Thaicom Public Company Limited and its Subsidiaries

Statements of financial position

As at 30 September 2012 and 31 December 2011

	Consolidated financial statements		Separate financial statements	
Liabilities and equity	30 September 2012 (Unaudited)	31 December 2011	30 September 2012 (Unaudited)	31 December 2011
	(in thousand Baht)			
Equity				
Share capital:				
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 ordinary shares	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	3,782,446	3,732,489	2,782,635	2,173,492
Other components of equity	283,611	211,349	-	-
Equity attributable to owners of the Company	**14,261,588**	**14,139,369**	**12,978,166**	**12,369,023**
Non-controlling interests	36,069	37,078	-	-
Total equity	**14,297,657**	**14,176,447**	**12,978,166**	**12,369,023**
Total liabilities and equity	**28,024,704**	**27,215,561**	**24,353,429**	**22,201,340**

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 30 September 2012 and 2011 (Unaudited)

	Note	Consolidated financial statements		Separate financial statements	
		2012	2011	2012	2011
		(in thousand Baht)			
Income	*3*				
Revenues from sale of goods and rendering of services		1,914,133	1,968,440	1,299,682	1,303,320
Net foreign exchange gain		56,501	-	25,333	-
Other income		39,168	18,507	370,408	19,774
Total income		**2,009,802**	**1,986,947**	**1,695,423**	**1,323,094**
Expenses	*3*				
Cost of sale of goods and rendering of services		1,121,305	1,273,820	677,295	861,022
Operating agreements fee		191,561	154,912	186,693	149,825
Selling expenses		30,267	38,973	16,114	17,479
Administrative expenses		367,539	325,802	153,296	179,089
Directors and management benefit expenses		30,508	25,208	30,378	25,082
Net foreign exchange loss		-	22,801	-	38,829
Impairment losses on non-current assets held for sale		209,874	-	-	-
Finance costs		116,304	118,703	105,533	105,275
Total expenses		**2,067,358**	**1,960,219**	**1,169,309**	**1,376,601**
Share of profit of associate		42,112	31,834	-	-
Profit (loss) before income tax expense		**(15,444)**	**58,562**	**526,114**	**(53,507)**
Income tax expense		(91,942)	(39,945)	(47,283)	8,502
Profit (loss) for the period		**(107,386)**	**18,617**	**478,831**	**(45,005)**
Profit (loss) attributable to:					
Owners of the Company		(107,386)	16,035	478,831	(45,005)
Non-controlling interest		-	2,582	-	-
Profit (loss) for the period		**(107,386)**	**18,617**	**478,831**	**(45,005)**
Earnings (loss) per share *(in Baht)*	*11*				
Basic		(0.10)	0.01	0.44	(0.04)
Diluted		(0.10)	0.01	0.44	(0.04)

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 30 September 2012 and 2011 (Unaudited)

	Consolidated financial statements		Separate financial statements	
	2012	2011	2012	2011
	(in thousand Baht)			
Profit (loss) for the period	**(107,386)**	**18,617**	**478,831**	**(45,005)**
Other comprehensive income				
Foreign currency translation differences	48,601	(56,325)	-	-
Other comprehensive income for the period, net of income tax	**48,601**	**(56,325)**	**-**	**-**
Total comprehensive income for the period	**(58,785)**	**(37,708)**	**478,831**	**(45,005)**
Total comprehensive income attributable to:				
Owners of the Company	(57,618)	(41,101)	478,831	(45,005)
Non-controlling interests	(1,167)	3,393	-	-
Total comprehensive income for the period	**(58,785)**	**(37,708)**	**478,831**	**(45,005)**

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

Thaicom Public Company Limited and its Subsidiaries

Statements of income

For the nine-month periods ended 30 September 2012 and 2011 (Unaudited)

	Note	Consolidated financial statements		Separate financial statements	
		2012	2011	2012	2011
		(in thousand Baht)			
Income	*3*				
Revenues from sale of goods and rendering of services		5,746,487	5,400,336	3,759,844	3,376,106
Net foreign exchange gain		22,155	-	13,689	-
Other income		92,651	59,084	493,778	61,623
Total income		**5,861,293**	**5,459,420**	**4,267,311**	**3,437,729**
Expenses	*3*				
Cost of sale of goods and rendering of services		3,484,570	3,720,045	2,144,654	2,315,962
Operating agreements fee		573,982	430,471	556,969	413,894
Selling expenses		116,934	126,885	54,913	54,541
Administrative expenses		908,397	974,122	441,127	505,797
Directors and management benefit expenses		53,418	49,603	52,969	49,226
Net foreign exchange loss		-	45,473	-	28,436
Impairment losses on non-current assets held for sale	*5*	250,874	-	-	-
Finance costs		347,204	359,380	313,748	310,989
Total expenses		**5,735,379**	**5,705,979**	**3,564,380**	**3,678,845**
Share of profit of associate	*6*	125,501	118,872	-	-
Profit (loss) before income tax expense		**251,415**	**(127,687)**	**702,931**	**(241,116)**
Income tax expense		(201,458)	(41,292)	(93,788)	42,874
Profit (loss) for the period		**49,957**	**(168,979)**	**609,143**	**(198,242)**
Profit (loss) attributable to:					
Owners of the Company		49,957	(175,610)	609,143	(198,242)
Non-controlling interests		-	6,631	-	-
Profit (loss) for the period		**49,957**	**(168,979)**	**609,143**	**(198,242)**
Earnings (loss) per share *(in Baht)*	*11*				
Basic		0.05	(0.16)	0.56	(0.18)
Diluted		0.05	(0.16)	0.56	(0.18)

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

Thaicom Public Company Limited and its Subsidiaries

Statements of comprehensive income

For the nine-month periods ended 30 September 2012 and 2011 (Unaudited)

	Consolidated financial statements		Separate financial statements	
	2012	2011	2012	2011
	(in thousand Baht)			
Profit (loss) for the period	**49,957**	**(168,979)**	**609,143**	**(198,242)**
Other comprehensive income				
Foreign currency translation differences	71,163	67,959	-	-
Other comprehensive income for the period, net of income tax	**71,163**	**67,959**	**-**	**-**
Total comprehensive income for the period	**121,120**	**(101,020)**	**609,143**	**(198,242)**
Total comprehensive income attributable to:				
Owners of the Company	122,129	(109,421)	609,143	(198,242)
Non-controlling interests	(1,009)	8,401	-	-
Total comprehensive income for the period	**121,120**	**(101,020)**	**609,143**	**(198,242)**

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 nine-month periods ended 30 September 2012 and 2011 (Unaudited)

		Consolidated financial statements									
				Retained earnings		Other components of equity					
	Note	Issued and paid-up share capital	Share premium	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		**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**
Transactions with owners, recorded directly in equity											
Unrealised gain from decrease in shareholding in an associate	*6*	-	-	-	-	351	-	351	351	-	351
Total transactions with owners, recorded directly in equity		**-**	**-**	**-**	**-**	**351**	**-**	**351**	**351**	**-**	**351**
Comprehensive income for the period											
Profit (loss) for the period		-	-	-	(175,610)	-	-	-	(175,610)	6,631	(168,979)
Other comprehensive income		-	-	-	-	-	66,189	66,189	66,189	1,770	67,959
Total comprehensive income for the period		**-**	**-**	**-**	**(175,610)**	**-**	**66,189**	**66,189**	**(109,421)**	**8,401**	**(101,020)**
Balance at 30 September 2011		**5,479,688**	**4,301,990**	**413,853**	**4,046,905**	**334,181**	**(187,331)**	**146,850**	**14,389,286**	**53,274**	**14,442,560**

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 nine-month periods ended 30 September 2012 and 2011 (Unaudited)

		Consolidated financial statements									
				Retained earnings		Other components of equity					
	Note	Issued and paid-up share capital	Share premium	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 2012		**5,479,688**	**4,301,990**	**413,853**	**3,732,489**	**331,366**	**(120,017)**	**211,349**	**14,139,369**	**37,078**	**14,176,447**
Transactions with owners, recorded directly in equity											
Unrealised gain from decrease in shareholding in an associate	*6*	-	-	-	-	90	-	90	90	-	90
Total transactions with owners, recorded directly in equity		**-**	**-**	**-**	**-**	**90**	**-**	**90**	**90**	**-**	**90**
Comprehensive income for the period											
Profit for the period		-	-	-	49,957	-	-	-	49,957	-	49,957
Other comprehensive income		-	-	-	-	-	72,172	72,172	72,172	(1,009)	71,163
Total comprehensive income for the period		**-**	**-**	**-**	**49,957**	**-**	**72,172**	**72,172**	**122,129**	**(1,009)**	**121,120**
Balance at 30 September 2012		**5,479,688**	**4,301,990**	**413,853**	**3,782,446**	**331,456**	**(47,845)**	**283,611**	**14,261,588**	**36,069**	**14,297,657**

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 nine-month periods ended 30 September 2012 and 2011 (Unaudited)

	Separate financial statements				
			Retained earnings		
	Issued and paid-up share capital	Share premium	Legal reserve	Unappropriated	Total equity
			(in thousand Baht)		
Balance at 1 January 2011	**5,479,688**	**4,301,990**	**413,853**	**2,649,488**	**12,845,019**
Comprehensive income for the period					
Loss for the period	-	-	-	(198,242)	(198,242)
Total comprehensive income for the period	**-**	**-**	**-**	**(198,242)**	**(198,242)**
Balance at 30 September 2011	**5,479,688**	**4,301,990**	**413,853**	**2,451,246**	**12,646,777**
Balance at 1 January 2012	**5,479,688**	**4,301,990**	**413,853**	**2,173,492**	**12,369,023**
Comprehensive income for the period					
Profit for the period	-	-	-	609,143	609,143
Total comprehensive income for the period	**-**	**-**	**-**	**609,143**	**609,143**
Balance at 30 September 2012	**5,479,688**	**4,301,990**	**413,853**	**2,782,635**	**12,978,166**

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

Thaicom Public Company Limited and its Subsidiaries

Statements of cash flows

For the nine-month periods ended 30 September 2012 and 2011 (Unaudited)

	Note	Consolidated financial statements		Separate financial statements	
		2012	2011	2012	2011
		(in thousand Baht)			
Cash flows from operating activities					
Profit (loss) for the period		49,957	(175,610)	609,143	(198,242)
Adjustments for					
Depreciation of property and equipment	*7*	810,620	821,527	193,670	266,846
Amortisation of property and equipment under operating agreements	*7*	1,011,559	1,010,355	1,011,559	1,010,355
Amortisation of deferred charges	*7*	29,463	21,484	29,083	20,765
Amortisation of intangible assets	*7*	77,079	74,984	67,365	67,567
Impairment loss on non-current assets held for sale	*5*	250,874	-	-	-
Current service costs of employee	*8*	9,631	9,368	6,321	6,146
Interest income		(72,094)	(31,911)	(56,247)	(23,599)
Dividend income	*6*	-	-	(319,966)	-
Finance costs		347,204	359,380	313,748	310,989
(Gain) loss on exchange rate		(26,020)	56,276	(38,366)	33,784
Amortisation of borrowing costs	*9*	11,953	5,386	4,596	5,386
Write-off finance lease liabilities	*9*	(1,643)	(794)	(1,643)	(794)
(Reversal) allowance for doubtful accounts	*4*	(6,696)	44,464	(12,160)	272
Profit on non-controlling interest		-	6,631	-	-
Allowance for obsolete inventory		1,402	31,171	1,468	32,457
(Gain) loss on disposal of property and equipment		(115)	(739)	345	(38,030)
Write-off property and equipment		-	10,065	2,213	535
Write-off intangible assets		107	-	107	-
Share of profits of associate	*6*	(125,501)	(118,872)	-	-
Income tax expense		91,942	41,291	93,788	(42,874)
		2,459,722	2,164,456	1,905,024	1,451,563
Changes in operating assets and liabilities					
Trade and other accounts receivable		201,146	(187,685)	131,433	(361,245)
Amounts due from related parties		(4,930)	(1,603)	(19,726)	(27,323)
Inventories		(73,862)	152,783	(1,753)	43,073
Prepaid insurance		(3,119)	(1,237)	(4,636)	(1,799)
Other current assets		14,557	(6,580)	13,263	3,938
Other non-current assets		(103,768)	8,104	(2,170)	8,522
Trade and other accounts payable		116,504	(17,732)	33,283	(30,559)
Amounts due to related parties		12,014	(1,283)	126,758	(41,198)
Advance receipts from customers		259,860	(38,427)	329,994	117,119
Accrued operating agreement fee		(182,232)	(97,050)	(163,568)	(92,265)
Other current liabilities		(42,072)	56,217	(18,186)	34,561
Other liabilities		72,770	62,875	72,739	63,414
Defined benefit obligations paid	*8*	(7,086)	(6,091)	(7,086)	(6,091)
Interest received		65,655	28,011	44,390	21,644
Cash generated from operating activities		2,785,159	2,114,758	2,439,759	1,183,354
Income tax paid		(178,462)	(237,123)	(60,978)	(56,892)
Net cash from operating activities		**2,606,697**	**1,877,635**	**2,378,781**	**1,126,462**

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

Thaicom Public Company Limited and its Subsidiaries

Statements of cash flows

For the nine-month periods ended 30 September 2012 and 2011 (Unaudited)

	Note	Consolidated financial statements		Separate financial statements	
		2012	2011	2012	2011
		(in thousand Baht)			
Cash flows from investing activities					
Dividends received		142,556	130,052	-	-
Net cash outflow on acquisition of subsidiary		-	-	(566,221)	-
Purchase of property and equipment		(1,698,499)	(1,493,621)	(1,387,648)	(1,262,718)
Purchase of property and equipment under operating agreements		(4,368)	(1,859)	(2,974)	(1,859)
Sale of property and equipment		2,497	1,565	120,009	137,316
Short-term loans to joinly-controlled entity	*3*	(36,608)	(28,805)	(74,710)	(58,786)
Long-term loans to related company		-	-	9,263	(4,931)
Payments for deferred charges		(20,888)	(93,149)	(20,888)	(93,068)
Purchase of intangible assets		(4,428)	(4,713)	(3,624)	(4,427)
Sale of intangible assets		-	249	-	249
Net cash used in investing activities		**(1,619,738)**	**(1,490,281)**	**(1,926,793)**	**(1,288,224)**
Cash flows from financing activities					
Proceeds from short-term loans from financial institutions		-	1,782,276	-	1,782,276
Repayments of short-term borrowings		-	(780,768)	-	(780,768)
Proceeds from long-term borrowings		651,212	3,038	646,789	3,038
Repayments of long-term borrowings	*9*	(118,094)	(174,933)	(4,101)	(4,001)
Proceeds from other related party	*3*	36,869	28,935	-	-
Interest paid		(340,829)	(346,430)	(313,181)	(304,586)
Net cash from financing activities		**229,158**	**512,118**	**329,507**	**695,959**
Net increase in cash and cash equivalents		**1,216,117**	**899,472**	**781,495**	**534,197**
Cash and cash equivalents at 1 January		2,865,910	1,271,920	1,826,977	518,439
Effect of non-current assets classified as held for sale		(19,738)	-	-	-
Effects of exchange rate changes on balances held in foreign currencies		(8,632)	(5,165)	(8,632)	(5,165)
Cash and cash equivalents at 30 September		**4,053,657**	**2,166,227**	**2,599,840**	**1,047,471**
Non-cash transactions					
Acquisition of property and equipment by issuance of debt		223,783	58,306	192,870	401,841

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 and nine-month periods ended 30 September 2012 (Unaudited)

Note	Contents
1	General information
2	Basis of preparation of the interim financial statements
3	Related parties
4	Trade and other accounts receivable
5	Non-current assets held for sale
6	Investments in subsidiaries, jointly-controlled entity and an associate
7	Capital expenditure and commitments
8	Employee benefit obligations
9	Interest-bearing liabilities
10	Segment information
11	Earnings (loss) per share
12	Commitments with non-related parties
13	Contingent liabilities
14	Other events
15	Reclassification of accounts

These notes form an integral part of the interim financial statements.

The interim financial statements issued for Thai regulatory reporting purposes are prepared in the Thai language. These English language financial statements have been prepared from the Thai language statutory financial statements, and were approved and authorised for issue by the Board of Directors on 12 November 2012.

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 (41.14% shareholding) which is incorporated in Thailand.

The Company, its subsidiaries, jointly controlled entity, and associate (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 entity as at 30 September 2012 and 31 December 2011 were as follows:

Name of the entity	Type of business	Country of incorporation	Ownership interest (%)	
			30 September 2012	31 December 2011
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 Thaicom 4 transponder services	The British Virgin Islands	99.96	99.96

Name of the entity	Type of business	Country of incorporation	Ownership Interest (%)	
			30 September 2012	31 December 2011
Star Nucleus Company Limited	Providing broadband technological services via Thaicom 4 satellite	The British Virgin Islands	100	100
Spacecode LLC	Providing engineering and development services, technology and electronics	The United States of America	70	70
IPSTAR International Pte Limited	Providing Thaicom 4 transponder services	Singapore	100	100
IPSTAR Global Services Company Limited	Providing Thaicom 4 transponder services	Mauritius	100	100
Cambodian DTV Network Limited	Sale of direct television equipment	Cambodia	100	100
IPSTAR Australia Pty Limited	Sale of user terminal of Thaicom 4 and providing Thaicom 4 transponder services in Australia.	Australia	100	100
Indirect subsidiary				
Subsidiary of iPSTAR Company Limited				
IPSTAR New Zealand Company Limited	Sale of user terminal of Thaicom 4 and providing Thaicom 4 transponder services in New Zealand	New Zealand	100	100
Jointly-controlled entity				
Shenington Investments Pte Limited	Holding company for investment in international telecommunications	Singapore	51	51
Subsidiary of Shenington Investments Pte Limited				
Mfone Company Limited	Providing fixed line, mobile phone and Internet services	Cambodia	51	51
Jointly-controlled entity 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 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); and applicable rules and regulations of the Thai Securities and Exchange Commission.

The interim financial statements are prepared to provide an update on the financial statements for the year ended 31 December 2011. 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 2011.

The accounting policies and methods of computation applied in these interim financial statements are consistent with those applied in the financial statements for the year ended 31 December 2011.

(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.

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.

Allowance

The calculation of the allowance for doubtful accounts of trade accounts receivable, allowance for obsolete and damaged inventories and others are related to the assumptions on analysis of payment histories and future expectations of customer payments, slow-moving information of inventories and recoverable amounts.

Utilisation of assets

The assumption of the useful lives and residual value of plant and equipment, assets under the Agreements for operations and intangible assets are reviewed on an ongoing basis.

3 Related parties

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 ("Intouch") (incorporated in Thailand), which owns 41.14% (*31 December 2011: 41.14%*) of the Company's shares. Transactions with Intouch 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 30 September 2012 and 2011 with related parties were as follows:

	Consolidated financial statements		**Separate financial statements**	
Three-month period ended 30 September	2012	2011	2012	2011
	(in thousand Baht)			
Sales				
Sales and services income				
Subsidiaries	-	-	362,925	487,990
Jointly-controlled entity	299	1,420	-	-
Associate	2,520	2,588	2,520	2,520
Related parties under common control	10,455	12,382	13,076	12,696
Other related party	45	222	-	-
Other income				
Subsidiaries	-	-	336,340	8,404
Jointly-controlled entity	1,169	464	2,386	947
Related parties under common control	-	(5)	-	-
Total	**14,488**	**17,071**	**717,247**	**512,557**

	Consolidated financial statements		Separate financial statements	
Three-month period ended 30 September	2012	2011	2012	2011
	(in thousand Baht)			
Expenses				
Purchases of goods and services				
Subsidiaries	-	-	13,598	14,471
Jointly-controlled entity	623	905	1,265	1,847
Associate	5,342	5,665	5,342	5,622
Related parties under common control	476	220	47	10
Other related party	20,131	10,583	3,425	3,284
Selling and administrative expenses				
Subsidiaries	-	-	325	620
Jointly-controlled entity	23,024	11	-	23
Associate	809	712	783	656
Related parties under common control	1,609	5,438	1,515	1,985
Director and management benefit expenses	30,687	25,370	30,557	25,244
Total	**82,701**	**48,904**	**56,857**	**53,762**

Significant transactions for the nine-month periods ended 30 September 2012 and 2011 with related parties were as follows:

	Consolidated financial statements		Separate financial statements	
Nine-month period ended 30 September	2012	2011	2012	2011
	(in thousand Baht)			
Sales				
Sales and services income				
Subsidiaries	-	-	1,098,881	989,166
Jointly-controlled entity	890	8,589	-	354
Associate	7,620	7,674	7,560	7,560
Related parties under common control	44,688	44,398	39,095	38,418
Other related party	140	745	-	-
Other income				
Subsidiaries	-	-	420,377	31,191
Jointly-controlled entity	3,101	1,055	6,328	2,152
Related parties under common control	158	(5)	158	-
Total	**56,597**	**62,456**	**1,572,399**	**1,068,841**

	Consolidated financial statements		Separate financial statements	
Nine-month period ended 30 September	2012	2011	2012	2011
	(in thousand Baht)			
Expenses				
Purchases of goods and services				
Subsidiaries	-	-	41,059	34,501
Jointly-controlled entity	2,490	2,762	5,013	5,634
Associate	16,037	15,473	16,037	15,345
Related parties under common control	1,411	525	236	25
Other related party	27,196	23,464	10,435	10,174
Selling and administrative expenses				
Subsidiaries	-	-	1,553	1,373
Jointly-controlled entity	23,026	38	77	78
Associate	2,211	2,311	2,086	2,039
Related parties under common control	21,930	12,497	10,839	8,223
Other related party	1,921	-	-	-
Directors and management benefit expenses	53,956	50,089	53,507	49,712
Total	**150,178**	**107,159**	**140,842**	**127,104**

Balances as at 30 September 2012 and 31 December 2011 with related parties were as follows:

	Consolidated financial statements		Separate financial statements	
	30 September 2012	31 December 2011	30 September 2012	31 December 2011
	(in thousand Baht)			
Trade accounts receivable and accrued income - related parties				
Trade accounts receivable				
Subsidiaries	-	-	289,937	219,790
Jointly-controlled entity	-	29,306	-	3,455
Associate	899	899	899	899
Related parties under common control	6,155	8,635	4,539	4,487
Other related party	-	158	-	-
Total	**7,054**	**38,998**	**295,375**	**228,631**
Accrued income				
Subsidiaries	-	-	762	252,714
Jointly-controlled entity	-	339	-	-
Associate	10,080	2,520	10,080	2,520
Related parties under common control	4,433	4,463	4,321	4,343
Total	**14,513**	**7,322**	**15,163**	**259,577**
Total trade accounts receivable and accrued income - related parties	**21,567**	**46,320**	**310,538**	**488,208**
Amounts due from related parties				
Subsidiaries	-		359,205	27,103
Jointly-controlled entity	4,351	3,165	99,063	93,924
Total	**4,351**	**3,165**	**458,268**	**121,027**
Short-term loan to a jointly-controlled entity	**112,779**	**78,943**	**230,162**	**161,109**

As at 30 September 2012, the short-term loan to a jointly-controlled entity bears interest at the rate of 2.87% - 3.41% per annum *(31 December 2011: 3.04% - 3.55%)* and is repayable at call.

Movements during the nine-month periods ended 30 September 2012 and 2011 of short-term loan to a jointly-controlled entity were as follows:

	Consolidated financial statements		Separate financial statements	
	2012	2011	2012	2011
	(in thousand Baht)			
At 1 January	78,943	-	161,109	-
Increase	36,608	27,964	74,710	57,069
Unrealised gain (loss) on exchange rate	(2,772)	841	(5,657)	1,717
At 30 September	**112,779**	**28,805**	**230,162**	**58,786**

	Consolidated financial statements		Separate financial statements	
	30 September 2012	31 December 2011	30 September 2012	31 December 2011
	(in thousand Baht)			
Other current assets - related parties				
Subsidiaries	-	-	306	357
Jointly-controlled entity	2,922	621	5,962	1,267
Total	**2,922**	**621**	**6,268**	**1,624**
Long term loan to a subsidiary	**-**	**-**	**18,372**	**28,352**

As at 30 September 2012, the long-term loan to a subsidiary bearing interest at the rate of 5.75% per annum *(31 December 2011: 6.27% - 6.33%).*

Movements during the nine-month periods ended 30 September 2012 and 2011 of long-term loans to a subsidiary were as follows:

	Consolidated financial statements		Separate financial statements	
	2012	2011	2012	2011
	(in thousand Baht)			
At 1 January	-	-	28,352	208,540
Decrease	-	-	(9,263)	-
Gain (loss) on exchange rate	-	-	(717)	7,003
At 30 September	**-**	**-**	**18,372**	**215,543**

	Consolidated financial statements		Separate financial statements	
	30 September 2012	31 December 2011	30 September 2012	31 December 2011
	(in thousand Baht)			
Trade accounts payable - related parties				
Subsidiary	-	-	664	201
Jointly-controlled entity	249	328	332	332
Associate	5,536	5,547	5,521	5,533
Related parties under common control	215	7,882	195	263
Total	**6,000**	**13,757**	**6,712**	**6,329**
Amounts due to related parties				
Subsidiaries	-	-	534,643	1,234
Jointly-controlled entity	-	1,248	-	2,547
Related parties under common control	11,751	379	335	329
Other related party	651	631	-	-
Total	**12,402**	**2,258**	**534,977**	**4,110**
Advances receipts from customers - related parties				
Subsidiary	-	-	214,327	29,684
Jointly-controlled entity	-	261	-	-
Related party under common control	6	6	-	-
Total	**6**	**267**	**214,327**	**29,684**
Accrued expenses - related parties				
Subsidiary	-	-	17,320	4,129
Jointly-controlled entity	-	936	-	1,910
Associate	1,071	1,070	1,071	1,070
Related parties under common control	176	452	229	422
Other related party	11,697	2,837	2,168	2,228
Total	**12,944**	**5,295**	**20,788**	**9,759**
Other current liabilities - related parties				
Subsidiary	-	-	10	2,031
Related parties under common control	160	144	160	144
Total	**160**	**144**	**170**	**2,175**
Short-term loan from other related party	**113,285**	**79,295**	-	-

Movements during the nine-month periods ended 30 September 2012 and 2011 of short-term loan from other related party was as follows:

	Consolidated financial statements		Separate financial statements	
	2012	2011	2012	2011
	(in thousand Baht)			
At 1 January	79,295	-	-	-
Increase	36,869	27,307	-	-
Unrealised (gain) loss on exchange rate	(2,879)	1,628	-	-
At 30 September	**113,285**	**28,935**	**-**	**-**

As at 30 September 2012, the short-term loan from other related party bear interest at the rate of 2.87% - 3.41% per annum *(31 December 2011: 3.04% - 3.55%)* and is repayable at call.

Key management personnel compensation

Key management personnel compensation comprised:

	Consolidated financial statements		Separate financial statements	
Three-month period ended 30 September	2012	2011	2012	2011
	(in thousand Baht)			
Short-term employee benefits	30,338	25,046	30,208	24,920
Long-term benefits				
- Current service costs, included in administrative expenses	170	162	170	162
- Interest on obligation, included in finance costs	179	162	179	162
Total	**30,687**	**25,370**	**30,557**	**25,244**
Nine-month period ended 30 September				
Short-term employee benefits	52,908	49,117	52,459	48,740
Long-term benefits				
- Current service costs, included in administrative expenses	510	486	510	486
- Interest on obligation, included in finance costs	538	486	538	486
Total	**53,956**	**50,089**	**53,507**	**49,712**

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.

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 for related parties

The Company had issued letters of comfort to the bankers of a subsidiary of jointly-controlled entity. Under the terms of the letters of comfort, the Company must hold its interests in its subsidiaries of jointly-control entity at the ratio as specified in the letters until the loans are fully repaid. The Company also confirms to the banks that the Company will provide necessary financial support to these subsidiaries of jointly-controlled entity to ensure that these subsidiaries of jointly-controlled entity will be able to meet their repayment obligations under their related loan agreements.

As at 30 September 2012, the Company had commitment from issuing the letter of comfort to the bankers of a subsidiary of jointly-controlled entity in the amount of USD 1.32 million *(31 December 2011: USD 2.2 million).*

Significant agreements with related parties

a. The Company 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 43.99 million *(31 December 2011: approximately Baht 8.39 million).*

b. The Company 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. As at 30 September 2012, the Company was not committed to pay *(31 December 2011: approximately USD 0.16 million).*

c. The Company and subsidiary 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 entered into agreements with subsidiaries, jointly-controlled entity and associate, under which the Company was committed to provide transponder service, IPSTAR bandwidth service and advisory service. Subsidiaries, jointly-controlled entitiy and associate were committed to pay the Company for the service of the agreements at approximately USD 104.37 million *(31 December 2011: approximately USD 115.94 million and Baht 7.56 million)*. The service fees of contracts vary to the actual used or number of installed user terminal at the rate stated in the contract.

e. The Company had entered into agreements with a certain related party, under which the related party was committed to maintain accounting program service for a period of one year with an option to renew. The Company was committed to pay for services in respect of the agreements at approximately Baht 0.94 million per year *(31 December 2011, the Company was not committed to pay).*

f. The Company entered into an agreement with an associated company, under which the Company was committed to provide satellite uplink equipment for a period of approximately three years and seven months. An associated company was committed to pay for rental fee in respect of the agreements at approximately Baht 23.41 million.

4 Trade and other accounts receivable

	Note	Consolidated financial statements		Separate financial statements	
		30 September 2012	31 December 2011	30 September 2012	31 December 2011
		(in thousand Baht)			
Trade accounts receivable					
Related parties	*3*	7,054	38,998	295,375	228,631
Other parties		977,835	1,248,340	581,340	661,734
		984,889	**1,287,338**	**876,715**	**890,365**
Accrued income					
Related parties	*3*	14,513	7,322	15,163	259,577
Other parties		153,751	133,066	151,876	122,680
		168,264	**140,388**	**167,039**	**382,257**
Other accounts receivable					
Prepaid expenses		87,307	69,250	28,576	9,427
Advance payments		91,702	50,799	83,798	36,272
Others		20,386	78,539	19,650	5,810
		199,395	**198,588**	**132,024**	**51,509**
Total trade accounts receivable accrued income and other accounts receivable		**1,352,548**	**1,626,314**	**1,175,778**	**1,324,131**
Less allowance for doubtful accounts		(204,395)	(278,282)	(95,423)	(123,415)
Net		**1,148,153**	**1,348,032**	**1,080,355**	**1,200,716**

	2012	2011	2012	2011
	(in thousand Baht)			
(Reversal of) bad and doubtful debts expenses for the nine-month period ended 30 September	**(6,696)**	**44,464**	**(12,160)**	**272**

Aging analyses for trade accounts receivable were as follows:

	Consolidated financial statements		Separate financial statements	
	30 September 2012	31 December 2011	30 September 2012	31December 2011
	(in thousand Baht)			
Within credit terms	307,897	480,365	427,053	328,315
Overdue:				
Less than 3 months	302,352	272,420	189,713	309,383
3 - 6 months	123,248	105,149	88,534	56,847
6 - 12 months	56,338	110,336	54,560	53,535
Over 12 months	195,054	319,068	116,855	142,285
	984,889	**1,287,338**	**876,715**	**890,365**
Less allowance for doubtful accounts	(204,395)	(278,282)	(95,423)	(123,415)
Net	**780,494**	**1,009,056**	**781,292**	**766,950**

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

5 Non-current assets held for sale

On 12 November 2012, the Board of Directors approved the sale of share in a foreign subsidiary. The sale and purchase agreement contains conditions that both parties shall fulfill within 60 days from the agreement date. Accordingly, the Company had re.

The Group has classified the financial position of the subsidiary and recognised an impairment loss of approximately Baht 251 million in the financial statements for the nine-month period ended 30 September 2012. Net loss from the subsidiary of approximately Baht 397.9 million is included in the financial statements for the nine-month period ended 30 September 2012.

The Group had classified assets and liabilities of non-current assets classified as held for sale to reflect the financial position as at 30 September 2012.

Details of the assets and liabilities of a foreign subsidiary are as follows:

	Consolidated financial statements 30 September 2012 ***(in thousand Baht)***
Assets	
Cash and cash equivalents	19,738
Trade and other receivable	152,979
Amounts due from, advances and loans to related parties	865
Inventories	7,472
Property and equipment	1,712,925
Deferred tax assets	45,264
Other non-current assets	19,845
Less impairment loss	(141,986)
Assets of non-current assets classified as held for sale	**1,817,102**
Liabilities and equity	
Trade and other payables	196,240
Current portion of long-term borrowings	1,463,167
Accrued operating agreement fee	40,786
Income tax payable	292
Long term borrowings	20,964
Deferred tax liabilities	95,653
Liabilities of non-current assets classified as held for sale	**1,817,102**

6 Investments in subsidiaries, a jointly-controlled entity and an associate

	Consolidated financial statements		Separate financial statements	
	2012	2011	2012	2011
	(in thousand Baht)			
Nine-month period ended 30 September				
At 1 January	451,457	439,868	831,454	830,200
Acquisition	-	-	971,568	-
Share of net profits of equity-accounted associate	125,501	118,872	-	-
Unrealised gain from decrease in shareholding in an associate	91	351	-	-
Dividend income	(142,557)	(130,052)	-	-
At 30 September	**434,492**	**429,039**	**1,803,022**	**830,200**

Investments in subsidiaries, a jointly-controlled entity and an associate as at 30 September 2012 and 31 December 2011, and dividend income from those investments for the nine-month periods ended 30 September 2012 and 2011 were as follows:

	Consolidated financial statements													
	Ownership interest		Paid-up capital		Cost		Equity		Impairment		Equity - net of impairment		Dividend income for the nine-month period ended	
	30 September 2012	31 December 2011	30 September 2012	31 December 2011	30 September 2012	31 December 2011	30 September 2012	31 December 2011	30 September 2012	31 December 2011	30 September 2012	31 December 2011	30 September 2012	30 September 2011
	(%)				*(in million Baht)*									
Associate														
CS Loxinfo Public Company Limited	42.07	42.07	148	148	1,482	1,482	434	451	-	-	434	451	143	130
Total					**1,482**	**1,482**	**434**	**451**	**-**	**-**	**434**	**451**	**143**	**130**

	Separate financial statements											
	Ownership interest		Paid-up capital		Cost		Impairment		Cost - net of impairment		Dividend income for the nine-month ended	
	30 September 2012	31 December 2011	30 September 2012	31 December 2011	30 September 2012	31 December 2011	30 September 2012	31 December 2011	30 September 2012	31 December 2011	30 September 2012	30 September 2011
	(%)				*(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 4 million	118	118	-	-	118	118	-	-
iPSTAR Company Limited	99.96	99.96	USD 2 million	USD 2 million	154	154	-	-	154	154	-	-
Star Nucleus Company Limited	100.00	100.00	-	-	-	-	-	-	-	-	-	-
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	-	-
IPSTAR Australia Pty Limited	100.00	-	AUD 6.95 million	-	971	-	-	-	971	-	320	-
Total					**1,665**	**694**	**-**	**-**	**1,665**	**694**	**320**	**-**
Jointly-controlled entity												
Shenington Investments Pte Limited	51.00	51.00	SGD 15 million	SGD 15 million	**138**	**138**	**-**	**-**	**138**	**138**	**-**	**-**

Significant movements in investments in subsidiaries, jointly controlled entity and an associate for the nine-month period ended 30 September 2012 were as follows:

Subsidiary

a) Acquisition of additional ordinary shares in IPSTAR Australia Pty Limited ("IPA")

On 23 February 2012, the Company acquired all the ordinary shares of IPA from iPSTAR Co., Ltd., totaling of 6.95 million shares, equivalent to 100% shareholding, at the price of USD 4.6 per share, totaling of USD 31.97 million. As a result of this acquisition, there was no impacted on the consolidated financial statements of the Company. Also IPA has changed the status from an indirect subsidiary to a direct subsidiary of the Company.

b) Dividend payment of IPSTAR Australia Pty Limited ("IPA")

At the Board of Directors' meeting of IPA held on 21 September 2012, the directors passed a resolution to approve the interim dividends totaling of AUD 10 million.

Associate

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

At the annual general meeting of the shareholders of CSL held on 29 March 2012, the shareholders approved the appropriation of dividend of Baht 0.27 per share, amounting to Baht 160 million. The dividend was paid to shareholders on 24 April 2012.

At the Board of Directors' meeting of CSL held on 10 August 2012, the directors passed a resolution to approve the interim dividends of Baht 0.30 per share, totaling Baht 178 million. The dividend was paid to shareholders on 6 September 2012.

d) Increase of share capital and reduction of share capital of CS Loxinfo Public Company Limited ("CSL")

Increase of share capital

At the annual general meeting of the shareholders of CSL held on 29 March 2012, a resolution was passed to approve the issuance of 175,000 additional ordinary shares to support the change in the exercise ratio, equivalent to 0.03% 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 V has been affected. CSL has registered the increased share capital to the Ministry of Commerce on 23 April 2012.

Reduction of share capital

At the annual general meeting of the shareholders of CSL held on 29 March 2012, a resolution was passed to reduce the ordinary shares because the warrant of CSL for ESOP-Grant IV expired on 30 May 2011, in number of 2,311,557 shares, equivalent to 0.39% of the total issued and paid-up shares capital of CSL. CSL has registered the decreased share capital to the Ministry of Commerce on 20 April 2012.

e) ***Assets classified as held for sale of CS Loxinfo Public Company Limited ("CSL")***

On 10 August 2012 the Board of Directors of CSL approved the sale of 120,000 ordinary shares in Watta Classifieds Company Limited ("Watta"), representing 60% of the total issued and paid-up share capital in Watta, at a price of Baht 0, due to continuing losses and poor future prospect from the operations of the subsidiary.

An impairment loss of Baht 9.5 million on the remeasurement of Watta to the lower of its carrying amount and its fair value less costs to sell has been recognised in administrative expenses in the consolidated statement of comprehensive income for the three-month and nine-month periods ended 30 September 2012. Watta contributed a loss of Baht 8.5 million before income tax expense to the consolidated profit before income tax expense for the nine-month period ended 30 September 2012.

The disposal of subsidiary was subsequently completed on 16 October 2012, and accordingly Watta has ceased to be a subsidiary of CSL.

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 Lao Telecommunications Company Limited ("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 nine-month period ended 30 September 2012				
Opening net book value	6,611,264	12,828,228	105,470	1,012,335
Additions	1,698,499	4,368	20,887	4,428
Disposal, net	(2,382)	-	-	-
Transfer, net	(21,475)	-	-	-
Write-offs, net	(6,409)	-	-	(107)
Depreciation / amortisation charges	(810,620)	(1,011,559)	(29,463)	(77,079)
Foreign currency translation adjustments	(134,589)	-	-	(2,479)
Less transferred to assets of non-current asset classified as held for sale	(1,712,925)	-	-	-
Closing net book value	**5,621,363**	**11,821,037**	**96,894**	**937,098**
As at 30 September 2012				
Cost	14,464,460	21,146,655	729,915	1,669,529
Less accumulated depreciation / amortisation	(7,101,580)	(9,325,618)	(633,021)	(732,431)
Less accumulated impairment loss	(28,592)	-	-	-
Less transferred to liabilities of non-current asset classified as held for sale	(1,712,925)	-	-	-
Net book value	**5,621,363**	**11,821,037**	**96,894**	**937,098**

The gross amount of the Group's fully depreciated property and equipment that was still in use as at 30 September 2012 amounted to Baht 2,315.02 million *(31 December 2011: Baht 2,653.68 million).*

As at 30 September 2012 the accumulated impairment loss of Baht 28.6 million *(31 December 2011: Baht 28.6 million)* comprised an impairment loss for analogue mobile telephone network of Mfone Company Limited ("Mfone") 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 30 September 2012, net book value of property and equipment includes property and equipment under agreements for operation of Mfone Company Limited ("Mfone"), of approximately Baht 1,650.52 million *(31 December 2011: Baht 1,997.73 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. The Group reclassified these assets to non-current asset held for sale in full amount. (Note 5).

	Separate financial statements			
	Property and equipment	Property and equipment under agreements for operation	Deferred charges	Intangible assets
	(in thousand Baht)			
Transactions during the nine-month period ended 30 September 2012				
Opening net book value	2,645,391	12,828,228	104,218	862,029
Additions	1,549,824	4,368	20,888	3,624
Disposal, net	(120,915)	-	-	(143)
Transfer, net	(18,877)	-	-	-
Write-offs, net	(1,509)	-	-	(107)
Depreciation / amortisation charges	(193,670)	(1,011,559)	(29,083)	(67,365)
Closing net book value	**3,860,244**	**11,821,037**	**96,023**	**798,038**
As at 30 September 2012				
Cost	6,538,631	21,146,655	698,841	1,460,806
Less accumulated depreciation / amortisation	(2,678,387)	(9,325,618)	(602,818)	(662,768)
Net book value	**3,860,244**	**11,821,037**	**96,023**	**798,038**

The gross amount of the Company's fully depreciated property and equipment that was still in use as at 30 September 2012 amounted to Baht 2,080.31 million *(31 December 2011: Baht 2,049.28 million).*

Borrowing costs for the nine-month period ended 30 September 2012 in the amount of Baht 47.94 million *(31 December 2011: Baht 11.28 million)*, arising on financing specifically entered into for assets under construction.

As at 30 September 2012, property and equipment included a project in progress of Baht 3,127.54 million *(31 December 2011: Baht 1,720.64 million)* relating to the Thaicom 6 project. The Thaicom 6 project will be fully operational with the launch of Thaicom 6 satellite within 2013. According to the operating agreement made with the Ministry of Information Communication and Technology ("MICT"), the Company must transfer its ownership of the Thaicom 6 satellite to MICT on the date of completion of construction and installation.

Capital expenditure commitments

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

		Consolidated financial statements		Separate financial statements	
	Currency	30 September 2012	31 December 2011	30 September 2012	31 December 2011
		(in thousand)			
THAICOM 4 Project	USD	26	26	26	26
THAICOM 6 Project	USD	41,482	85,274	41,482	85,274
120°E Project	USD	171,000	171,000	171,000	171,000
Telephone network	USD	3,556	7,601	-	-
Total	USD	216,064	263,901	212,508	256,300
Total equivalent to Thai Baht		**6,690,733**	**8,400,472**	**6,580,604**	**8,158,513**

The Company signed a cooperation agreement to preserve the orbital location of 120 degrees East by cooperating investment with Asia Satellite Telecommunications Company Limited in the total amount of approximately USD 171 million for 15 years for the whole project.

8 Employee benefit obligations

The Group and the Company operate defined benefit plans based on the requirement of Thai Labour Protection Act B.E. 2541 (1998) to provide retirement benefits to employees based on pensionable remuneration and length of service.

The statement of financial position obligation was determined as follows:

	Consolidated financial statements		Separate financial statements	
	30 September 2012	31 December 2011	30 September 2012	31 December 2011
	(in thousand Baht)			
Present value of unfunded obligations	175,432	167,308	98,676	95,542
Statement of financial position obligation	**175,432**	**167,308**	**98,676**	**95,542**

Movement in the present value of the defined benefit obligations:

	Consolidated financial statements		Separate financial statements	
Nine-month period ended 30 September	2012	2011	2012	2011
	(in thousand Baht)			
Defined benefit obligations at 1 January	167,308	150,876	95,542	88,604
Benefits paid by the plan	(7,086)	(6,091)	(7,086)	(6,091)
Current service costs of employee and interest on obligation	16,979	15,780	10,220	9,772
(Profit) loss on exchange rate	(1,769)	2,389	-	-
Defined benefit obligations at 30 September	**175,432**	**162,954**	**98,676**	**92,285**

Expense recognised in profit or loss:

	Consolidated financial statements		Separate financial statements	
Nine-month period ended 30 September	2012	2011	2012	2011
	(in thousand Baht)			
Current service costs	9,631	9,368	6,321	6,146
Interest on obligation	7,348	6,412	3,899	3,626
Total	**16,979**	**15,780**	**10,220**	**9,772**

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

	Consolidated financial statements		Separate financial statements	
	30 September 2012	31 December 2011	30 September 2012	31 December 2011
	%			
Discount rate	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	
	30 September 2012	31 December 2011	30 September 2012	31 December 2011
	(in thousand Baht)			
Current				
Current portion of long-term borrowings				
Loans from financial institutions	103,960	111,335	-	-
Loans from others	11,324	1,217,885	5,758	5,384
Total current portion of long-term borrowings	115,284	1,329,220	5,758	5,384
Current portion of long-term debentures	3,299,642	3,296,900	3,299,642	3,296,900
Total current	3,414,926	4,626,120	3,305,400	3,302,284
Non-current				
Long-term borrowings				
Loans from financial institutions	2,362,450	1,913,893	2,237,074	1,642,717
Loans from others	38,388	44,408	21,691	23,386
Total long-term borrowings	2,400,838	1,958,301	2,258,765	1,666,103
Long-term debentures	3,694,803	3,692,948	3,694,803	3,692,948
Total non-current	6,095,641	5,651,249	5,953,568	5,359,051
Total interest-bearing liabilities	**9,510,567**	**10,277,369**	**9,258,968**	**8,661,335**

As at 31 December 2011, major borrowings from others in the consolidated financial statements are borrowings of subsidiary of jointly-controlled entity of Baht 1,206.38 million for the purpose of the telecommunication project. The weighted average interest rate is 4.73% per annum. As at 30 September 2012, such borrowing was transferred to liabilities on non-current assets held for sale in full amount (Note 5).

Long-term debentures were as follows:

As at 30 September 2012, 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** *(in million Baht)*	**Interest rate per annum**	**Term of interest payment**	**Principal payment term**	**Outstanding balance as at 30 September 2012** *(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						(6)
Net						**6,994**

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 30 September 2012		
At 1 January 2012	10,277,369	8,661,335
Proceeds from long-term borrowings, net of financial costs	651,213	651,213
Repayment of long-term borrowings	(118,094)	(4,101)
Decrease from write-off finance lease liabilities	(1,643)	(1,643)
Amotisation of finance costs	11,953	4,596
Increase from change in status from accounts payable - property and equipment	272,672	-
Gain (loss) on exchange rate	(98,772)	(52,432)
Less transfer to liabilities of non-current assets held for sale (Note 5)	(1,484,131)	-
At 30 September 2012	**9,510,567**	**9,258,968**

Some subsidiaries have to maintain the financial ratios restricted in the long-term loan agreements.

Credit facilities

As at 30 September 2012, available credit facilities for loans from local and oversea banks are Baht 1,468 million (*31 December 2011: Baht 798 million and USD 20 million*).

Facility agreement in relation to the financing of the Thaicom 6 satellite project

The Company entered into a Loan Agreement with a local bank on 29 August 2011 for USD 137 million, for the purpose of the Thaicom 6 satellite project. The term of the loan is 10 years with the interest rate based on margins over the London Inter-Bank Offer Rate ("LIBOR"). In addition, the Company must comply with the conditions in the Loan Agreement in respect of maintaining certain financial ratios, dividend payment policy, guarantee, sale or transfer of assets and investment.

10 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	Japan
Segment 8	Others

Revenue and results, based on business segments, in the consolidated financial statements for the three-month and nine-month periods ended 30 September 2012 and 2011 were as follows:

	Satellite business services		Internet services and media		Telephone network		Others		Consolidation eliminations		Consolidated financial statements	
Three-month period ended 30 September	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011
						(in thousand Baht)						
Revenues	1,599,096	1,576,962	58,593	128,584	265,549	277,011	-	-	(9,105)	(14,117)	1,914,133	1,968,440
Shares of profit of associate	-	-	42,112	31,834	-	-	-	-	-	-	42,112	31,834
Cost of sale and services	(950,108)	(1,018,782)	(58,297)	(116,203)	(314,946)	(315,978)	-	-	10,485	22,231	(1,312,866)	(1,428,732)
Selling and administrative expenses	(333,545)	(294,113)	(14,209)	(22,598)	(63,658)	(65,215)	(18,357)	(10,484)	1,455	2,427	(428,314)	(389,983)
Segment results	315,443	264,067	28,199	21,617	(113,055)	(104,182)	(18,357)	(10,484)	2,835	10,541	215,065	181,559
Other income											39,168	18,507
Profit (loss) on foreign exchange											56,501	(22,801)
Impairment losses on non-current assets classified as held for sale											(209,874)	-
Profit before finance cost and income tax											100,860	177,265
Finance costs											(116,304)	(118,703)
Operating income profit (loss)											(15,444)	58,562
Income tax											(91,942)	(39,945)
Non-controlling interests											-	(2,582)
Net profit (loss)											**(107,386)**	**16,035**

	Satellite business services		Internet services and media		Telephone network		Others		Consolidation eliminations		Consolidated financial statements	
Nine-month period ended 30 September	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011
						(in thousand Baht)						
Revenues	4,675,039	4,211,136	253,184	366,383	846,245	871,925	-	-	(27,981)	(49,108)	5,746,487	5,400,336
Shares of profit of associate	-	-	125,501	118,872	-	-	-	-	-	-	125,501	118,872
Cost of sale and services	(2,904,256)	(2,908,643)	(227,877)	(323,979)	(958,429)	(969,412)	-	-	32,010	51,518	(4,058,552)	(4,150,516)
Selling and administrative expenses	(764,048)	(854,740)	(60,613)	(60,874)	(226,715)	(198,564)	(32,252)	(41,350)	4,879	4,918	(1,078,749)	(1,150,610)
Segment results	1,006,735	447,753	90,195	100,402	(338,899)	(296,051)	(32,252)	(41,350)	8,908	7,328	734,687	218,082
Other income											92,651	59,084
Profit (loss) on foreign exchange											22,155	(45,473)
Impairment losses on non-current assets classified as held for sale											(250,874)	-
Profit before finance costs and income tax											598,619	231,693
Finance costs											(347,204)	(359,380)
Operating income profit (loss)											251,415	(127,687)
Income tax											(201,458)	(41,292)
Non-controlling interests											-	(6,631)
Net profit (loss)											**49,957**	**(175,610)**

Revenue and results, based on geographical segments, in the consolidated financial statements for the three-month and nine-month periods ended 30 September 2012 and 2011 were as follows:

	Three-month periods ended 30 September		Nine-month periods ended 30 September	
	2012	2011	2012	2011
	(in thousand Baht)			
Segment revenue				
Thailand	849,186	711,045	2,431,174	2,102,633
Cambodia	140,789	187,316	467,101	630,652
Lao PDR	181,925	160,021	552,504	453,307
Australia	257,808	316,677	806,594	804,687
China	4,116	4,675	13,235	11,843
India	69,295	58,582	232,360	221,909
Japan	214,158	322,984	624,529	651,470
Others	238,968	238,974	744,491	642,707
Total	**1,956,245**	**2,000,274**	**5,871,988**	**5,519,208**
Segment results				
Thailand	455,773	324,197	1,281,556	977,864
Cambodia	(198,781)	(108,197)	(386,751)	(299,462)
Lao PDR	23,218	25,945	98,554	44,746
Australia	80,536	132,625	290,488	238,963
China	(128,730)	(110,937)	(456,068)	(360,739)
India	(57,886)	(39,500)	(153,598)	(124,354)
Japan	105,714	97,611	289,259	152,840
Others	(64,779)	(140,185)	(228,753)	(411,776)
Total	**215,065**	**181,559**	**734,687**	**218,082**

11 Earnings (loss) per share

Basic earnings (loss) per share

The calculation of basic earnings (loss) per share for the three-month and nine-month periods ended 30 September 2012 and 2011 was based on the profit (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 30 September	2012	2011	2012	2011
	(in thousand Baht / thousand shares)			
Profit (loss) attributable to ordinary shareholders of the Company (basic)	**(107,386)**	**16,035**	**478,831**	**(45,005)**
Number of ordinary shares outstanding	**1,095,938**	**1,095,938**	**1,095,938**	**1,095,938**
Earnings (loss) per share (basic) *(in Baht)*	**(0.10)**	**0.01**	**0.44**	**(0.04)**

Nine-month period ended 30 September	Consolidated financial statements 2012	Consolidated financial statements 2011	Separate financial statements 2012	Separate financial statements 2011
	(in thousand Baht / thousand shares)			
Profit (loss) attributable to ordinary shareholders of the Company(basic)	**49,957**	**(175,610)**	**609,143**	**(198,242)**
Number of ordinary shares outstanding	**1,095,938**	**1,095,938**	**1,095,938**	**1,095,938**
Earnings (loss) per share (basic) *(in Baht)*	**0.05**	**(0.16)**	**0.56**	**(0.18)**

Diluted earnings (loss) per share

The calculation of diluted earnings (loss) per share for the three-month and nine-month periods ended 30 September 2012 and 2011 was based on the profit (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:

Three-month period ended 30 September	Consolidated financial statements 2012	Consolidated financial statements 2011	Separate financial statements 2012	Separate financial statements 2011
	(in thousand Baht / in thousand shares)			
Profit (loss) attributable to ordinary shareholders of the Company(diluted)	**(107,386)**	**16,035**	**478,831**	**(45,005)**
Number of ordinary shares outstanding (basic)	1,095,938	1,095,938	1,095,938	1,095,938
Effect of exercise of shares options	-	-	-	-
Number of ordinary shares outstanding (diluted)	**1,095,938**	**1,095,938**	**1,095,938**	**1,095,938**
Earnings (loss) per share (diluted) *(in Baht)*	**(0.10)**	**0.01**	**0.44**	**(0.04)**

Nine-month period ended 30 September	Consolidated financial statements 2012	Consolidated financial statements 2011	Separate financial statements 2012	Separate financial statements 2011
	(in thousand Baht / in thousand shares)			
Profit (loss) attributable to ordinary shareholders of the Company(diluted)	**49,957**	**(175,610)**	**609,143**	**(198,242)**
Number of ordinary shares outstanding (basic)	1,095,938	1,095,938	1,095,938	1,095,938
Effect of exercise of shares options	-	-	-	-
Number of ordinary shares outstanding (diluted)	**1,095,938**	**1,095,938**	**1,095,938**	**1,095,938**
Earnings (loss) per share (diluted) *(in Baht)*	**0.05**	**(0.16)**	**0.56**	**(0.18)**

12 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 income or at the minimum level specified in the agreement, whichever is higher. As at 30 September 2012, the remaining minimum fee is Baht 700 million *(31 December 2011: Baht 747 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) 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, the former name of Shin Corporation 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 jointly-controlled entity 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 30 September 2012, LTC has remaining additional investment of approximately USD 98.94 million *(31 December 2011: USD 108.5 million)*.

c) Agreements for operation of the Company, 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 Broadcasting and Telecommunications Commission ("NBTC") (previously termed "the National Telecommunications Commission ("NTC") is responsible for granting licenses to provide telecommunication services and internet access services in Thailand. The Company, DTV Service Company Limited, a 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 the Company		
Telecom Operation License Type I	16 August 2011	5 years
Telecom Operation License Type III	26 September 2012	20 years
License of DTV Service Company Limited		
Internet Operation License Type I	18 October 2009	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

d) 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 258.99 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. As at 30 September 2012, LTC has recognised the network assets relating to Phase VI and the related portion of the loan in the amount of Kip 18.44 billion (approximately Baht 71.91 million) and has paid loan repayment for the loan in the amount of Kip 1.84 billion (approximately Baht 7.19 million).

e) 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. As of 30 September 2012, the remaining share option was 0.08 million shares *(31 December 2011: 0.08 million shares)*.

f) Operating lease commitments

As at 30 September 2012 and 31 December 2011, the Group has future aggregate minimum lease payments under non-cancellable operating leases are as follows:

		Consolidated financial statements		Separate financial statements	
	Currency	30 September 2012	31 December 2011	30 September 2012	31 December 2011
		(in thousands)			
Within one year	THB	15,731	19,567	15,731	19,567
	YEN	17,269	4,347	2,174	4,347
	USD	4,667	6,740	4,415	5,441
	Rupee	5,652	5,352	5,652	5,352
	Rupiah	22,500	40,500	22,500	40,500
	Ringgit	9	54	9	54
	KIP	257,446	147,994	-	-
	PHP	564	2,061	564	2,061
	AUD	156	164	-	-
Total Baht equivalent		170,673	247,481	157,453	200,219
After one year but within five years	THB	33,294	16,418	33,294	16,418
	YEN	16,380	1,087	-	1,087
	USD	8,378	12,784	7,549	6,405
	Rupee	2,139	6,153	2,139	6,153
	Ringgit	-	4	-	4
	KIP	329,144	689,103	-	-
	AUD	517	633	-	-
Total Baht equivalent		294,377	451,114	268,389	224,738
After five years	THB	10,360	13,017	10,360	13,017
	USD	2,551	4,830	2,551	3,416
	YEN	7,400	-	-	-
	KIP	307,871	134,235	-	-
Total Baht equivalent		93,530	167,292	89,358	121,747
Grand total Baht equivalent		**558,580**	**865,887**	**515,200**	**546,704**

g) 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	
	Currency	30 September 2012	31 December 2011	30 September 2012	31 December 2011
		(in thousands)			
Minimum operating agreement fee payable to Ministry of Information Communication and Technology	THB	65,000	62,000	65,000	62,000
IPSTAR equipment sales	USD	166	-	166	-
	THB	552	644	552	644
Satellite space leasing by customers	USD	2,008	2,398	2,008	2,398
	THB	91,167	492,198	91,167	492,198
Forward contracts	THB	431,664	-	431,664	-
Letters of credit	USD	250	250	-	-
Others	THB	3,332	3,332	3,322	3,322

13 Contingent liabilities

Assessment for income tax in India

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

The Tax Authority still insists on its consideration and has raised the tax demand including surcharge, education cess and interest aggregating to Rs. 779.5 million (approximately Baht 455 million) against the said payment received by it from the customers and also levied penalty of Rs. 566.1 million (approximately Baht 330 million) for the Assessment Year ('AY') 1998-1999 to 2007-2008 (1 April 1997 to 31 March 2007).

So far, the Company had received Withholding Tax Certificates ('WTC') from its customers until Assessment Year ('AY') 2007-2008 net amounting to Rs. 487.6 million (approximately Baht 284 million), in which part of the amount is substituted and paid by the customer on behalf of the Company. The Company had also deposited Rs. 460.2 million (approximately Baht 268 million). The deposit is presented as non-current assets in the statements of financial position.

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

As the consequence, the Company does not have to pay interest and penalty imposed by the Revenue Department of India, and ITAT also decided that the demand for penalty for the assessment year 1998-99, 1999-00, 2000-01, 2001-02 and 2002-03 made by the Revenue Department of India against the Company be cancelled. The Revenue Department of India did not appeal against the ITAT's decision on penalty for the said assessment years to the High Court of Delhi and the ITAT's decision on penalty was final. On 30 December 2011, the Tax authority notified the partial return of deposit placed by the Company against the penalty for the Assessment Year ('AY') 1998-1999 to 2001-2002 and interest, aggregating to Rs. 162.4 million (approximately Baht 95 million.)

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

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

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 455 million) will be charged as expense immediately, but the Company will not be required to make any additional tax payment as the amount of withholding tax and the deposit made by the Company fully cover the tax demand.

14 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. On 10 September 2011, CAC has dismissed the verdict.

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

15 Reclassification of accounts

Certain accounts in the statements of cash flows for the nine-month period ended 30 September 2011 have been reclassified to conform to the presentation in the 2012 interim financial statements as follows:

	2011					
	Consolidated financial statements			Separate financial statements		
	Before reclass.	Reclass.	After reclass.	Before reclass.	Reclass.	After reclass.
	(in thousand Baht)					
Statement of cash flows						
Trade and other accounts receivable	(210,909)	23,224	(187,685)	(411,094)	49,849	(361,245)
Other current assets	16,644	(23,224)	(6,580)	53,787	(49,849)	3,938
Trade and other accounts payable	(49,979)	32,247	(17,732)	(41,900)	11,341	(30,559)
Accrued expenses	8,469	(8,469)	-	(15,847)	15,847	-
Other current liabilities	79,995	(23,778)	56,217	61,749	(27,188)	34,561
Cash flows from operating activities		-			-	

The reclassifications have been made in accordance with the Announcement of Department of Business Development dated 28 September 2011.