

TO BE A GLOBAL LEADER IN BROADBAND SATELLITE COMMUNICATIONS AND A REGIONAL LEADER IN SATELLITE TELEVISION BROADCASTING

VISION



Financial Highlights

[Consolidated Financial Statement]

Thaicom Plc

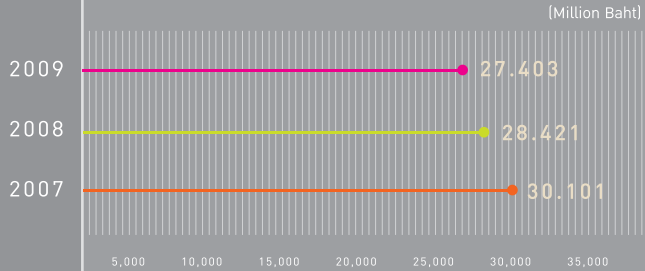
In million Baht, except per share values in Baht

	2009	2008	2007
Operating result			
Total Revenue	7,685	7,081	12,694
Service and Sales Revenue	7,188	7,013	6,435
Gross Profit	1,060	1,247	858
Operating Profit (Loss)	(117)	(113)	(397)
Net Profit (Loss)	(471)	(713)	3,040
EBITDA	2,656	2,422	2,246
Financial Position			
Total Assets	27,403	28,421	30,101
Total Liabilities	11,777	12,318	13,417
Shareholders' Equity	15,626	16,103	16,684
Financial Ratio			
Current Ratio	0.98	0.86	0.93
Debt to Equity Ratio	0.56	0.58	0.59
Gross Profit Margin	15%	18%	13%
Operating Profit Margin	(2%)	(2%)	(6%)
EBITDA Margin	37%	35%	35%
Net Profit Margin	(6%)	(10%)	24%
Return on Asset	(2%)	(2%)	10%
Return on Shareholders' Equity	(3%)	(4%)	20%
Earning per share	(0.43)	(0.65)	2.78
Book Value per Share	14.22	14.65	15.24

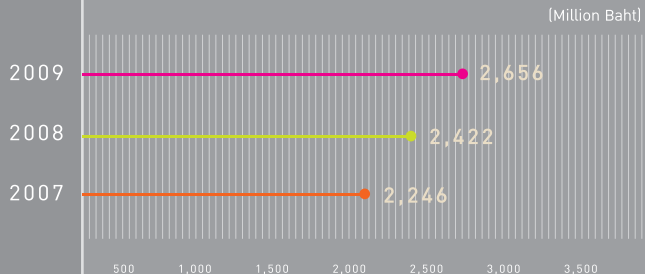


As of December 31st, 2009

Total Assets



EBITDA



**Book Value
per Share**





“our director’s commitment to run the Company through good corporate governance practices, as we have consistently done throughout the years.”

Message from the Chairman of the Board of Directors

Dear Shareholders,

I would like to thank you for supporting THAICOM throughout the years and having confidence in our management team and staff, even during tough and challenging periods. I would like to reaffirm our directors' commitment to run the Company through good corporate governance practices, as we have consistently done throughout the years. In recognition of our efforts, THAICOM was named as one of the listed companies with "Excellence Corporate Governance Scoring" according to the Corporate Governance Report of Thai Listed Companies 2009 by the Stock Exchange of Thailand (SET) and the Thai Institute of Directors (IOD).

The performance of THAICOM in 2009 continues to see continued growth, especially in providing services through our THAICOM-4 (IPSTAR) satellite, with total revenues from sales of goods and rendering of services of Baht 7.188 billion. In 2010, our plan is to continue to aggressively expand our IPSTAR products and services and the Company's directive is to complete all gateways in 14 countries throughout the Asia-Pacific Region. In addition, we have made great strides in many markets such as India, Japan, the Philippines and Malaysia with new business partners to market our services. These partners will help expand the IPSTAR service in those countries this year. Revenues from the IPSTAR bandwidth increased by Baht 271 million due to the growth of services in Australia, Indonesia, New Zealand, China, Cambodia and Malaysia. Revenues from transponder leasing service and related service of THAICOM-1A, 2 and 5 was reported to be Baht 2.338 billion, an increase of 1.6% from 2008. This was mainly due to the continued growth of the satellite broadcasting business. Moreover, the DTV satellite dish business in Thailand, Cambodia and Laos showed a significant growth in accordance with the current and future satellite television trends.



The growth in our telephone businesses and Internet and media businesses was 11.4% and 6.4%, respectively. Mfone Co., Ltd. of Cambodia and Lao Telecommunications Co., Ltd. acquired a total number of 2,217,094 million subscribers, an increase of 17.6% from 2008. According to 2009 performances, both Lao Telecommunications Co., Ltd. and CS LOXINFO Plc declared dividends to their shareholders.

With the continued growth of the Company's business operations in various markets, this may enable the Company to declare dividends to the shareholders in the near future, barring any unforeseen negative impacts from the recovery of both the domestic and international economies.

In the globalization era which we live in today, the Company places utmost importance to its stakeholders: our customers, shareholders, staff, partners and vendors. Furthermore, the Company is also responsible for the environment that we operate in therefore it is vital that we incorporate all these elements in accomplishing our goals.

For many years, THAICOM has continued to contribute to society, especially in “education”. Confident in the growth of business operations, the Company initiated a new CSR project, in addition to other CSR Projects of the Company called “THAI KIDS THAICOM”. The objective is to donate the DTV satellite dishes and televisions to 999 rural schools for educational purposes. Until now, we have donated to 362 schools in more than 25 provinces. I myself have personally supported the Company’s CSR initiative since I strongly believe that our children are the country’s most valued assets. Satellite communications is the efficient medium to disseminate information, news, knowledge, and teaching and learning methods for education of children and people in rural areas. They will be an important resource in the future development of the country. The Company’s “THAI KIDS THAICOM” program supports staff participation which enables them to give back to society.

Lastly, I would like to ensure to you, our shareholders, our utmost commitment in maintaining good corporate governance by our directors, management team and staff in continuing to grow THAICOM and secure our position as one of the leading satellite operators in the Asia-Pacific Region.



Paron Israsena

Chairman of the Board of Directors



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we would like to thank you for your continued trust and support in our management and staff. We always have and continue to run our businesses with utmost transparency and through good corporate governance to maximize shareholder benefits.

”

Message from CEO

Dear Shareholders,

I would like to take this opportunity to thank you for your continued confidence in THAICOM throughout the years. Our Company celebrated our 18th year anniversary since our beginnings back in 1991. Since then, we have developed into one of the most experienced satellite operator in Asia and recognized as one of the leading and innovative satellite operators in the region. This year is expected to be a prosperous year for the Company since we will have completed an important IPSTAR project milestone in setting up all 18 IPSTAR gateways in 14 countries across Asia-Pacific. We plan to complete the gateways in India and in Taiwan by 2010. Our strategy for IPSTAR was to place more emphasis on the IPSTAR bandwidth service. Revenues from IPSTAR bandwidth service in 2009 increased 29.7% with approximately 189,000 IPSTAR User Terminals has been delivered across the Asia-Pacific region.

In our THAICOM video business, we continue to see an increase in demand especially from Thai TV broadcasters, which is a healthy sign for the Thai TV broadcasting industry. In 2009, we increased the number of TV channels on THAICOM to 283 channels. The industry is coming up with more varieties of channels catered to specific target groups in various genders such as news, music and entertainment. In January 2010, THAICOM-1, Thailand's first national satellite, successfully de-orbited as planned after 16 years in service. Despite THAICOM-1 being decommissioned, THAICOM-5 has sufficient capacity to support the current demand. To feed the current

demand of DTH services in Thailand, Cambodia and Laos, our DTV business units have seen significant growth in sales of the DTV satellite dish with total sales of 592,886 units in 2009, an increase of 246,274 units from the previous year.

In terms of our telephone businesses in Lao and Cambodia, as of the end of 2009, the total number of mobile subscribers in both countries reached more than 2 million subscribers. Even though new competitors entered the market, we have full confidence in our business strategy by emphasizing what we do best - provide the best products and services using the most established and comprehensive network in the market. This has resulted in us maintaining the number one market share in Lao and number two in Cambodia.

Financially, the past years have seen a slowdown in the global economy as a hole. Fortunately, this has not significantly impacted the telecommunications industry and the Company has continued to expand during this challenging period. Last November, we issued 3 year and 5 year Senior Unsecured Debentures offered to individual investors and institutions totaling THB 7 billion. The proceeds of these debentures were used to repay our foreign debt incurred from THAICOM 4 and THAICOM 5. The benefits in offering the debentures are that the Company will have more flexibility in the management of the business, a reduction in uncertainty resulting from currency rate fluctuations as well as reducing the cost of fund.

Lastly, we would like to thank you for your continued trust and support in our management and staff. We always have and continue to run our businesses with utmost transparency and through good corporate governance to maximize shareholder benefits. The Company was one of the companies with Excellent Corporate Governance Scoring according to the Corporate Governance Report of Thai Listed Companies 2009 by the Stock Exchange of Thailand (SET) and Thai Institute of Directors (IOD). THAICOM will continue to provide innovative products and services to serve telecommunications needs in Thailand and the region.



Arak Chonlatanon

CEO

Report of the Audit Committee

Dear Shareholders of Thaicom Plc.

The Audit Committee was appointed by a resolution from the Board of Directors on April 9, 2009, was composed of three independent directors. Professor Hiran Radeesri was appointed as the chairman on April 9, 2009. Mrs. Charintorn Vongspootorn was appointed as committee member on April 9, 2008. Mr. Samrieng was appointed as committee member on April 9, 2009. Mr. Sivaraks Phinicharomna, the Vice President - Internal Auditing of the Company was the secretary to Audit Committee.

In 2009, the Audit Committee conducted 12 meetings to consider and provided opinions on the following issues.

1. Reviewed quarterly and yearly financial statements before proceeding to the Board of Directors to insure conformity with generally accepted accounting principles as well as disclosure properly of related parties and connected transactions including transactions that might have conflict of interests in nature. And, there was a meeting between Audit Committee and auditor without management attending, therefore; the Audit Committee could rest assure on independence and audit performance.

2. Reviewed internal control systems and followed up corrective actions through the 3 years risk base audit plan to cover all risks and all activities of the Company and found that management had taken actions in accordance with audit recommendations. Thus, the Audit Committee could assure that the company had sufficient internal control systems. In addition, the Audit Committee overviewed auditing activities to assure its performing in according with risk based audit plan and developing its activities on the continuous basis.

3. Reviewed the result of risk management from Risk Management Committee and it was confirmed that the process was sufficient and improved continuously.

4. Reviewed whether the Company had followed the best practices of corporate governance issued by the Stock Exchange of Thailand, and complied with other official rules and regulations.

5. Reviewed and provided opinions on connected transactions and those that might have conflict of interests with regarded to its correctness and adequate disclosure.

6. Reviewed auditor independence and recommended annual appointment as well as compensation.

7. Provide opinion on the Vice President of Internal Auditing regarding appointment, assignment and performance evaluation.

8. The Audit Committee had conducted self-evaluation on performance for the year 2009. They were satisfied with the result and reported it to the Board of Directors.

The Audit Committee had unlimited access to the company information. They could request advices and discussed matters with management, internal and external auditor and outside consultant without restriction. The Audit Committee had opinion that the financial statements were accurate and completed per principle of materiality in accordance with the generally accepted accounting principles and disclosed information adequately, the internal control systems of the company were sufficient with no significant weaknesses; the rules and regulations of security exchange commission and stock exchange of Thailand were properly complied as well as other related laws; connected transactions that might lead to conflict of interest were actual transactions carried out during a normal course of business, the consideration was done according to its appropriateness and to the most benefit of the company. Besides, the company had continuous development on the good corporate governance as well.

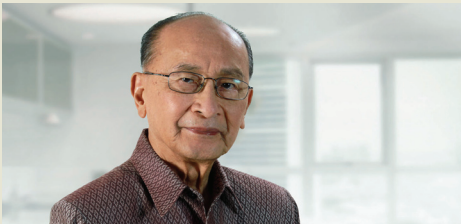
In 2009, the Audit Committee had satisfied with result of independent evaluation and appropriateness of the auditor. Therefore, recommended the Board of Directors to appoint Mr. Supot Singhasaneh, Certified Public Accountant No. 2826 or Mr. Winid Silamongkol, Certified Public Accountant No. 3378 or Ms. Somboon Supasiripinyo, Certified Public Accountant No 3731 and Mr. Charoen Phosamritert, Certified Public Accountant No. 4068 from KPMG Phoomchai Audit Co., Ltd., to be the company's auditors for another year. The appointment has been preceded to the shareholders' meeting for approval.

On behalf of the Audit Committee



[Prof. Hiran Radeesri]
Chairman of the Audit Committee
10 February 2010

Board of the Directors



01 Mr. Paron Israsena
Chairman of the Board of Directors



02 Prof. Hiran Radeesri
Independent Director and
Chairman of the Audit Committee



03 Mrs. Charintorn Vongspootorn
Independent Director and
Member of the Audit Committee



04 Mr. Samrieng Mekkiengkrai
Independent Director and
Member of the Audit Committee



05 Mr. Somprasong Boonyachai
Chairman of the Executive
Committee - Thaicom



06 MR. YONG LUM SUNG
Director



07 Ms. Nidchanun Santhavesuk
Director



Management Team



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01	Mr. Somprasong Boonyachai	Chairman of the Executive Committee
02	Mr. Arak Chonlatanon	Chief Executive Officer
03	Dr. Nongluck Phinaintisart	President
04	Mr. Paiboon Panuwattanawong	Chief Technical Officer
05	Mr. Yongsit Rojsrivichaikul	Executive Vice President - Marketing and Sales - China



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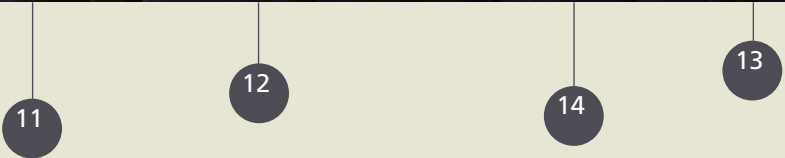
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06	Mr. Atip Rittaporn	Managing Director - International
07	Mr. Tanadit Charoenchan	Chief Financial Officer
08	Mr. Kamonmit Vudhijumnonk	Vice President - Legal
09	Mr. Trairat Kaewkerd	Vice President - Business Development
10	Mr. Makin Petplai	Vice President - Marketing and Sales - Southeast Asia 1

Management Team



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|----|-------------------------------|--|
| 11 | Mr. PRADEEP UNNI | Vice President - Marketing and Sales - India |
| 12 | Mr. Teerayuth Boonchote | Vice President - IPSTAR Operations |
| 13 | Mr. Sivaraks Phinicharomna | Vice President - Internal Audit |
| 14 | Mr. Theerawat Kusalangoorawat | Vice President - Management Information System |



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| 15 | Mr. Pramook Chaiwongwutthikul | Vice President - Human Resources |
| 16 | Mr. Somnuk Reantragoon | Vice President - Human Resources |
| 17 | Dr. Sakon Kittivatcharapong | Vice President - IPSTAR System Engineering |
| 18 | Mr. Patompob Suwansiri | Vice President - Marketing and Sales - Southeast Asia 2 |

Profile of the directors and managements team

(as of 25 January 2010)

Name	Age	Title	Percentage of Shareholding ¹⁾ (31/12/2007)	Relationship with Management	Highest Education
Mr. Paron Israsena	82	Chairman of the Board of Directors	None	None	Master of Engineering (SM_ME), Massachusetts Institute of Technology, U.S.A.

Governance Training (e.g. DCP and DAP of IOD)	Experience	Illegal Recordi n past 10 years
Role of The Compensation Committee 2006 The Characteristics of Effective Directors 2006 Improving the Quality of Financial Reporting 2006 The Board's Role in setting Effective Compensation Policy DAP:Directors Accreditation Program Class 4/2003	2006 - Present Director, Arsomsilp Institute of the Art 2004 - Present Director, The National Science and Technology Development Board 2004 - Present Chairman of the Audit Committee, The Thai Red Cross Society 2000 - Present Chairman, Shinawatra University Council 1996 - Present Director, Chiang Mai University Council 1996 - Present Director and Member of the Audit Committee, Padaeng Industry Plc. Director and Chairman of the Audit Committee, Sammakorn Plc. 1995 - Present Chairman of the Board of Directors, Thaicom Plc. 1990 - Present Honorary Council member of Chulalongkorn University 1986 - 1989 Chairman, The Federation of Thai Industries 1996 - 2002 Director, Shin Corporation Plc. 1993 - 2006 Chairman of the Board of Directors, Seamico Securities Plc. 1992 - 1996 Chairman, Committee on Economic and Industry of the Senate 1985 - 1995 President and Chief Executive Officer, The Siam Cement Plc. 1969 - 1975 Director and Member of the Audit Committee, The Siam Cement Plc.	None

Profile of the directors and managements team (as of 25 January 2010)

Name	Age	Title	Percentage of Shareholding (31/12/2007)	Relationship with Management	Highest Education
Professor Hiran Radeesri	80	Independent Director and Chairman of the Audit Committee	None	None	Honorary Doctorate Degree in Accounting, Thammasat University

Governance Training (e.g. DCP and DAP of IOD)	Experience	Illegal Recording past 10 years
DCP: Directors Certification Program Class 2000	<p>Present</p> <p>Independent Director and Chairman of the Audit Committee, Easy Buy Plc.</p> <p>Independent Director and Chairman of the Audit Committee, Navakit Insurance Plc.</p> <p>Independent Director and Chairman of the Audit Committee, Thaicom Plc.</p> <p>Independent Director and Chairman of the Audit Committee, Dusit Thani Plc.</p> <p>Chairman-Thai Institute of Directors Association</p> <p>Chairman-Corporate Governance Centre, The Stock Exchange of Thailand</p> <p>Chairman - Tax Auditor Examination Committee, Revenue Department</p> <p>Qualified Member University Council, Thammasat University</p> <p>กรรมการในคณะกรรมการกำกับดูแลการประกอบวิชาชีพบัญชี กระทรวงพาณิชย์</p> <p>กรรมการในคณะกรรมการจัดทำบัญชีรายชื่อกรรมการในรัฐวิสาหกิจ กระทรวงการคลัง</p> <p>Past</p> <p>Chairman, Price Waterhouse Co., Ltd.</p> <p>Member, the Board of Directors of The Stock Exchange of Thailand</p> <p>Chairman of the Audit Committee, The Stock Exchange of Thailand</p> <p>Director, Thailand Securities Depository Co., Ltd.</p> <p>Governor, State Railway of Thailand</p> <p>Chairman of the Board of Directors, Mass Rapid Transit Authority of Thailand</p> <p>Qualified Member, Accounting Profession Supervision Council</p>	None

Profile of the directors and managements team (as of 25 January 2010)

Name	Age	Title	Percentage of Shareholding (31/12/2007)	Relationship with Management	Highest Education
Mrs. Charintorn Vongspootorn	63	Independent Director and Member of the Audit committee	None	None	Master of Business Administration, Creighton University, U.S.A.
Mr. Samrieng Mekkiengkrai	56	Independent Director and Member of the Audit Committee	None	None	LL.M. form University of Miami, U.S.A. Thai Bar for Thai Bar Council.

Governance Training (e.g. DCP and DAP of IOD)	Experience	Illegal Record in past 10 years
MIA: Monitoring the Internal Audit Function 2/2008 MFR: Monitoring the Quality of Reporting 5/2007 MIR: Monitoring the System of Internal Control and Risk Management 2 /2007 DCP: Refresher Class 1/2005 ACP: Audit Committee Program Class 1/2004 DCP: Directors Certification Program Class 8/2001	2009 - Present Advisor of Chief Executive Officer, KT ZMICO Securities Company Limited 2008 - Present Advisor of the Board, Seamico Asset Financial Management Company Limited 1999 - Present Independent Director and Member of the Audit Committee, Thaicom Plc. 2001 - 2002 Independent Director and Member of the Audit Committee, Advanced Info Service Plc. 1997 - 1999 Director, Thai Equity Fund Senior Executive Vice President, MFC	None
DCP: Directors Certification Program 96/2007 ACP: Audit Committee Program 20/2007	2007 - Present Director, Independent Director and Member of Audit Committee, Thaicom Plc. 1990 - Present Researcher of Law and Organization, Chulalongkorn University. 1975 - Present Associated Professor Level 9, Faculty of Law, Chulalongkorn University. 1989 - 1992 Legal Advisor, Boonchoo, VIP-Ava & Glickman Lawyers Ltd. 1988 - 1989 Legal Advisor, Siam Legal & Business Consultant Offices Ltd. 1986 - 1988 Legal Advisor, Montri & Associates Law Offices Ltd. 1984 - 1986 Legal Advisor, Natee International Law Offices Ltd. 1979 - 1984 Legal Advisor, Ruam Siam Law Offices Ltd. 1975 - 1977 Assistant Legal Advisor, Fairmont State Ltd. 1973 - 1975 Lawyer, Somsak Wiriyabutr Law Offices Ltd.	None

Profile of the directors and managements team (as of 25 January 2010)

Name	Age	Title	Percentage of Shareholding (31/12/2007)	Relationship with Management	Highest Education
Mr. Somprasong Boonyachai Authorized Director	54	Director and Chairman of the Executive Committee	0.0000%	None	Master of Engineering, Asian Institute of Technology (AIT)
Mr. Yong Lum Sung ²¹	60	Director and Member of the Executive Committee	None	None	Master in Electrical Engineering, University of Singapore Graduate Diploma, Accounting and Finance, Chartered Association of Certified Accountants, UK Advanced Management Programme, Harvard Business School, U.S.A.

Governance Training (e.g. DCP and DAP of IOD)	Experience	Illegal Recordi n past 10 years
DCP: Directors Certification Program Class 65/2005 DAP: Directors Accreditation Program Class 30/2004 RCP: Role of the Chairman Program Class 21/2009	2009 - Present Chairman of the Executive Committee, THAICOM Plc. 2007 - Present Director and Chairman of the Group Executive Committee, Shin Corporation Plc. 2008 - Present Vice Chairman, Advanced Info Service Plc. Chairman of the Executive Committee, Shin Corporation Plc. 2007 - Present Director, Shin Corporation Plc. 2007 - Present Director and Chairman of the Executive Committee, Shin Corporation Plc. 2006 - Present Director, Thaicom Plc. 2004 - Present Director, Praram 9 Hospital Co., Ltd. 2002 - Present Independent Director, Power Line Engineering Plc. 1999 - Present Director - Advanced Info Service Plc.	None
DAP: Directors Accreditation Program class 74/2008	2009 - Present Director, Singex TEDA International Pte Ltd 2009 - Present Director, Muvee Technologies Pte Ltd 2009 - Present Consultant, Exploit Technologies Pte Ltd 2008 - Present Director and Executive Committee Member, THAICOM Plc. 2008 - Present Corporate Advisor, Temasek Holdings Ltd 2007 - Present Director, Singex Global (ME) Pte Ltd 2007 - Present Director, Tianjin Binhai Convention & Exhibition Ptd Ltd 2007 - Present Director, Golden Donuts Pte Ltd 2007 - Present Director & Audit Committee Member, Singapore Cruise Centre Pte Ltd 2007 - Present Director & Audit Committee Member, Singex Venues Pte Ltd 2007 - Present Director & Audit Committee Member, Singex Exhibiton Ventures Pte Ltd	None

Profile of the directors and managements team (as of 25 January 2010)

Name	Age	Title	Percentage of Shareholding (31/12/2007)	Relationship with Management	Highest Education
Mr. Arak Chonlatanon ³⁾ Authorized Director	58	Director, Member of the Executive Committee and Chief Executive Officer	0.0045%	None	Bachelor Degree in Electronic Engineering, Chulalongkorn University
Ms. Nidchanun Santhavesuk ⁴⁾ Authorized Director	44	Director and Member of the Executive Committee	None	None	Master of Business Administration, Thammasat Thammasat University

Governance Training (e.g. DCP and DAP of IOD)	Experience	Illegal Record in past 10 years
	2007 - Present Director & Audit Committee Member, Singex Exhibitions Pte 2002 - 2006 Chief Operations Officer, StarHub Ltd 1998 - 2002 President, StarHub Cable Vision Ltd (formerly Singapore Cable Vision Ltd) 1991 - 1998 General Manager, ST Mobile Data Pte Ltd 1991 - 1998 General Manager, ST Mobile Data Pte Ltd	
DCP: Directors Certification Program class 106/2008	2009 - Present Member of the Executive Committee, Advanced Info Service PLC. Director, Member of the Executive Committee and Chief Executive Officer, THAICOM Plc. Director and Chairman of the Executive Committee, CSL 2007 - Present Director, Member of the Executive Committee and Chairman of the Executive Committee-Media&New Business, Shin Corporation PLC. Director, Matchbox Co., Ltd. Director, I.T. Applications and Services Co., Ltd. 1998 - Present Member of the Executive Committee, Shin Corporation PLC.	None
DCP: Directors Certification Program class 105/2551 DAP: Directors Accreditation Program Class 66/2007	2009 - Present Director, Matchbox Co., Ltd. 2009 - Present Director, I.T. Applications and Services Co., Ltd. 2007 - Present Member of the Executive Committee and President, Shin Corporation Plc. 2007 - Present Director and Member of the Executive Committee and President, Thaicom Plc. 2007 - Present Member of the Executive Committee, Advance Info Service Plc. 2007 - 2008 Director, Advance Info Service Plc. 2002 - 2007 Vice President - Portfolio Management Department, Shin Corporation Plc.	None

Profile of the directors and managements team (as of 25 January 2010)

Name	Age	Title	Percentage of Shareholding (31/12/2007)	Relationship with Management	Highest Education
Dr. Nongluck Phinainitisart	50	President and Member of the Executive Committee	0.0062%	None	Doctorate Degree in Electrical Engineering, Chulalongkorn University
Mr. Paiboon Panuwattanawong	49	Chief Technical Officer	0.0522%	None	Master of Engineering, Carnegie Mellon University, Pittsburgh, U.S.A.
Mr. Yongsit Rojsrivichaikul	45	Executive Vice President of Marketing & Sales - China	None	None	Master of Business Administration, California State University, U.S.A.

Governance Training (e.g. DCP and DAP of IOD)	Experience	Illegal Recording past 10 years
DCP: Directors Certification Program Class 71/2006 DAP: Directors Accreditation Program Class 4/2003	2009 - present Independent director, Khon Kaen Sugar Industry Plc. 2007 - Present Member of the Executive Committee, Thaicom Plc. 2006 - Present President, Asia-Pacific Satellite Communications Council (APSCC) 2007 - 2008 Director, Thaicom Plc. 2000 - Present President, Thaicom Plc. 2000 - 2006 Member of the Executive Committee, Thaicom Plc. 1995 - 2006 Director, Thaicom Plc. 1999 - 2000 Executive Vice President, Thaicom Plc. 1995 - 1998 Vice President, Thaicom Plc. 1991 - 1995 General Manager, Thaicom Plc. 1982 - 1991 Telecommunications Engineer Planning, Post and Telegraph Department 1986 - 1987 Telecommunication Engineer, Operations Division, International Telecommunication Satellite Organization ("INTELSAT"), Washington D.C., U.S.A.	None
DCP: Director Certification Program 2009	2004 - Present Chief Technical Officer, Thaicom Plc. 2000 - 2004 Vice President - Advanced Satellite Systems, Thaicom Plc. 2000 - 2000 Vice President - Product Engineering, Thaicom Plc. 1997 - 2000 Assistant Vice President - Product Engineering, Thaicom Plc. 1996 - 1996 Senior Manager, Thaicom Plc. 1995 - 1996 General Manager, Thaicom Plc.	None
R-CDC: Charter Directors Class 3/2551 DCP: Directors Certification Program class 89/2550 Directors Diploma Examination	2007 - Present Director and Member of the Executive Committee, CS LoxInfo Plc. 2007 - Present Member of the Electronic Transaction Committee, Ministry of Information and Communication Technology	None

Profile of the directors and managements team (as of 25 January 2010)

Name	Age	Title	Percentage of Shareholding (31/12/2007)	Relationship with Management	Highest Education
Mr. Tanadit Charoenchan	42	Chief Financial Officer	0.0406%	None	Master of Business Administration, Sloan School of Management, Massachusetts Institute of Technology Master of Science (Computer), Chulalongkorn University

Governance Training (e.g. DCP and DAP of IOD)	Experience	Illegal Recording past 10 years
class 22/2550	2004 - Present Executive Vice President of Marketing & Sales - China, Thaicom Plc. 1991 - 2004 Vice President - Marketing, Thaicom Plc. Vice President - Marketing & Sales, Thaicom Plc. Vice President - International Sales, Thaicom Plc. Assistant Vice President - Marketing & Sales, Thaicom Plc. Assistant Vice President - International Sales, Thaicom Plc. Marketing & Sales - Manager, Thaicom Plc. Business Development - Manager, Shin Corporation Plc.	
DCP: Directors Certification Program Class 110/2551 DAP: Directors Accreditation Program Class 66/2007	2008 - Present Chief Financial Officer, Thaicom Plc. 2007 - Present Director and Member of the Executive Committee, CS LoxInfo Plc. 2004 - 2008 Acting General Manager, DTV Service Co., Ltd. 2002 - 2008 Vice President - Finance and Accounting, Thaicom Plc. 2000 - 2001 Assistant Vice President - Finance and Accounting, Thaicom Plc. 1995 - 1999 Department Manager - Finance and Accounting, Thaicom Plc. 1992 - 1995 Accounting Manager, IBC Plc. 1989 - 1992 Senior Auditor, SGV Na - Thalang & Co., Ltd.	None

Note: 1) Includes holding by spouse and minor children

2) Mr.Yong Lum Sung, appointed to be Director on May 13, 2008.

3) Authorized Director

4) Authorized Director and resigned on March 1, 2010.

*The name change of Thaicom Plc, formerly Shin Satellite Plc, was registered with the Ministry of Commerce on April 10, 2008.

The name change of DTV Service Co., Ltd., formerly Shin Broadband Internet (Thailand) Co., Ltd., was registered with the Ministry of Commerce on April 23, 2008.

Information of Directors and Managements of Major shareholder, Subsidiaries, Associated and Related Companies

Company Name / Director and Management Team	Company	Holding Company	Subsidiaries													
	THCOM	SHIN	DTV	SHEN	IPSTAR	STAR	SPACE	IPI	IPG	MFONE	IPA	IPN	IPB ¹⁾	NTU	CDN	
1. Mr. Paron Israsena	X	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
2. Professor Hiran Radeesri	/	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
3. Mrs. Charintorn Vongsbootorn	/	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
4. Assoc. Prof. Samrieng Mekkriengkrai	/	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
5. Mr. Arak Chonlatanon	/, //	//	X	/, //	/	/	/	/	/	X	-	-	-	/	-	
6. Mr. Somprasong Boonyachai	/, //	//	-	-	-	-	-	-	-	-	-	-	-	-	-	
7. Mr. Yong Lum Sung ²⁾	/, //	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
8. Ms. Nidchanun Santhavesuk ³⁾	/, //	//	-	-	-	-	-	-	-	-	-	-	-	-	-	
9. Dr. Nongluck Phinainitisart	//	-	/	-	-	-	-	/	-	-	-	-	-	-	-	
10. Mr. Pailoon Panuwattanawong	-	-	/	-	/	/	/	/	/	-	/	/	-	-	-	
11. Mr. Yongsit Rojsrivichaikul	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
12. Mr. Tanadit Charoenchan	-	-	/	/, //	/	/	/	/	/	/	/	/	-	/	/	

X = Chairman / = Director // = Member of the Executive Committee

- Note 1) On process of set up and register the Company
2) Mr.Yong Lum Sung, appointed to be director in substitution of Dr.Nongluck Phinainitisart, as of May 13, 2008.
3) Resigned on March 1, 2010.

Companies Name	ACC	Advanced Contact Center Co., Ltd.	DTV	DTV Services Company Limited
	ADC	Advanced Datanetwork Communications Co., Ltd.	(formerly named as Shin Broadband Internet (Thailand) Co., Ltd.)	
	ADV	AD Venture Public Company Limited	HUNSA	Hunsadotcom Company Limited
	ADVANC	Advanced Info Service Plc.	IPA	IPSTAR Australia Pty Limited
	AIN	AIN Global Comm Co., Ltd.	IPB ¹⁾	IPSTAR DO BRASIL
	AM	Artware Media Co., Ltd.	IPG	IPSTAR Global Services Limited
	AMC	Advanced Magic Card Co., Ltd.	IPI	IPSTAR International Pte Limited
	AMP	Advanced Mpay Co., Ltd.	IPN	IPSTAR New Zealand Limited
	AWN	Advanced Wireless Network Co., Ltd.	IPSTAR	IPSTAR Company Limited
	CDN	Cambodian DTV Network Limited	ITAS	I.T. Application and Service Co., Ltd.
	CSL	CS LoxInfo Public Company Limited	ITV	ITV PLC.
	DPC	Digital Phone Co., Ltd.	LTC	Lao Telecommunications Company Limited
			MB	Matchbox Co., Ltd.

	Associated Companies								Related Companies															
	CSL	TMC	ADV	SHINEE	HUNSA	SODAMAG	WATTA	LTC	ITAS	ITV	AM	MB	ADVANC	MFA	ADC	DPC	ACC	AMP	AMC	AWN	SBN	AIN	WDS	
	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
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	-	-	-	-	-	-	-	-	/	-	-	/, //	/, //	/	X, //	/, //	X, //	X	/, //	X	X	X	-	
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	/, //	/, //	-	-	-	-	-	/	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	

(as of 31 December 2009)

MFA Mobile from Advance Co., Ltd.

Mfone Mfone Co., Ltd
(formerly named as Cambodia Shinawatra Co., Ltd.)

NTU N.T.U. (Thailand) Limited

SBN Super Broadband Network Co., Ltd.

SHEN Shenington Investments Pte Limited

SHIN Shin Corporation Plc

SHINEE Shineedotcom Company Limited

SODAMAG Sodamag Corp Company Limited

SPACE Spacecode LLC

STAR Star Nucleus Company Limited

THCOM Thaicom Public Company Limited
(formerly named as Shin Satellite Plc)

TMC Teleinfo Media Public Company Limited

WATTA Watta Classifieds Company Limited

WDS Wireless Device Supply Co., Ltd.

Directors' Shareholding in the Company and its Subsidiaries of the Year 2009

Directors		Position
Mr. Paron	Israsena	Chairman of the Board of Directors
Prof. Hiran	Radeesri	Independent Director and Chairman of the Audit Committee
Mrs. Charintorn	Vongspootorn	Independent Director an Member of the Audit Committee
Mr. Samrieng	Mekkriengkrai	Independent Director and Member of the Audit Committee
Mr. Arak	Chonlatanon ¹⁾	Director
Mr. Somprasong	Boonyachai	Director
Mr. Yong Lum Sung		Director
Ms. Nidchanun	Santhavesuk ³⁾	Director

Note 1) Became a director in substitution of Dr. Dumrong Kasemset, as of May 14, 2009.

2) Shareholding includes that of spouse and children who have not yet reached majority, as of December 31, 2009.

3) Resigned on March 1, 2010.

THAICOM Plc.		DTV Service Co., Ltd.		Shenington Investments Pte Ltd.		IPSTAR Co., Ltd.	
Ordinary Shares ²¹		Ordinary Shares		Ordinary Shares		Ordinary Shares	
2009	2008	2009	2008	2009	2008	2009	2008
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
50,000	50,000	2	2	-	-	-	-
200	200	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-

Directors’ Shareholding in the Company and its Subsidiaries of the Year 2009

Directors		Position
Mr. Paron	Israsena	Chairman of the Board of Directors
Prof. Hiran	Radeesri	Independent Director and Chairman of the Audit Committee
Mrs. Charintorn	Vongspootorn	Independent Director an Member of the Audit Committee
Mr. Samrieng	Mekkriengkrai	Independent Director and Member of the Audit Committee
Mr. Arak	Chonlatanon ¹⁾	Director
Mr. Somprasong	Boonyachai	Director
Mr. Yong Lum Sung		Director
Ms. Nidchanun	Santhavesuk ³⁾	Director

Note 1) Became a director in substitution of Dr. Dumrong Kasemset, as of May 14, 2009.
 2) Shareholding includes that of spouse and children who have not yet reached majority, as of December 31, 2009.
 3) Resigned on March 1, 2010.

[illegible]

Directors’ Shareholding in the Company and its Subsidiaries of the Year 2009

Directors		Position
Mr. Paron	Israsena	Chairman of the Board of Directors
Prof. Hiran	Radeesri	Independent Director and Chairman of the Audit Committee
Mrs. Charintorn	Vongspootorn	Independent Director an Member of the Audit Committee
Mr. Samrieng	Mekkriengkrai	Independent Director and Member of the Audit Committee
Mr. Arak	Chonlatanon ¹⁾	Director
Mr. Somprasong	Boonyachai	Director
Mr. Yong Lum Sung		Director
Ms. Nidchanun	Santhavesuk ³⁾	Director

Note 1) Became a director in substitution of Dr. Dumrong Kasemset, as of May 14, 2009.
 2) Shareholding includes that of spouse and children who have not yet reached majority, as of December 31, 2009.
 3) Resigned on March 1, 2010.

[illegible]

41.14%

SHIN CORPORATION PUBLIC
COMPANY LIMITED
450,870,934 Shares

0.92%

STATE STREET BANK
AND TRUST COMPANY
FOR LONDON
10,033,400 Shares

0.85%

MR. TEERASAK
SAWEKPUN
9,356,850 Shares

0.95%

MR. KATAPOL
KANOKPRUK
10,400,200 Shares

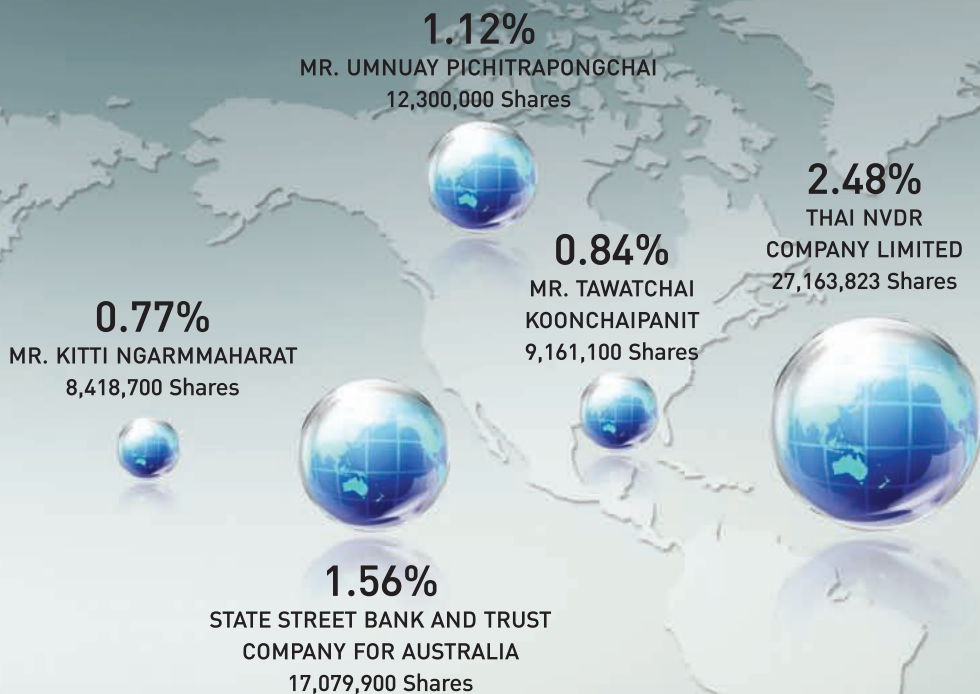
2.16%

MR. SIRISAK SONSOPHON
23,766,400 Shares

Total **52.79%** 578,551,307 Shares

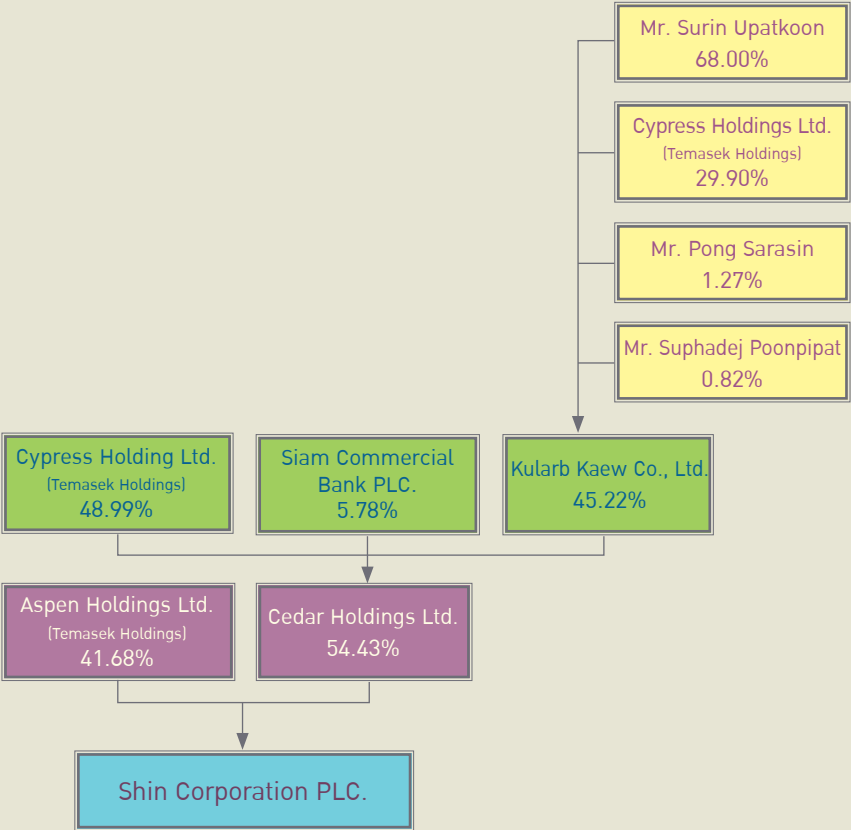
Major Shareholders

List of the first top 10



Source: Major Shareholders as of September 25, 2009 prepared by Thailand Securities Depository Co., Ltd.
The investors can find for more information in website: www.set.or.th before Annual General Shareholders Meeting for the year 2010 date.

The shareholding structure of Shin Corporation Public Company Limited is as follow:

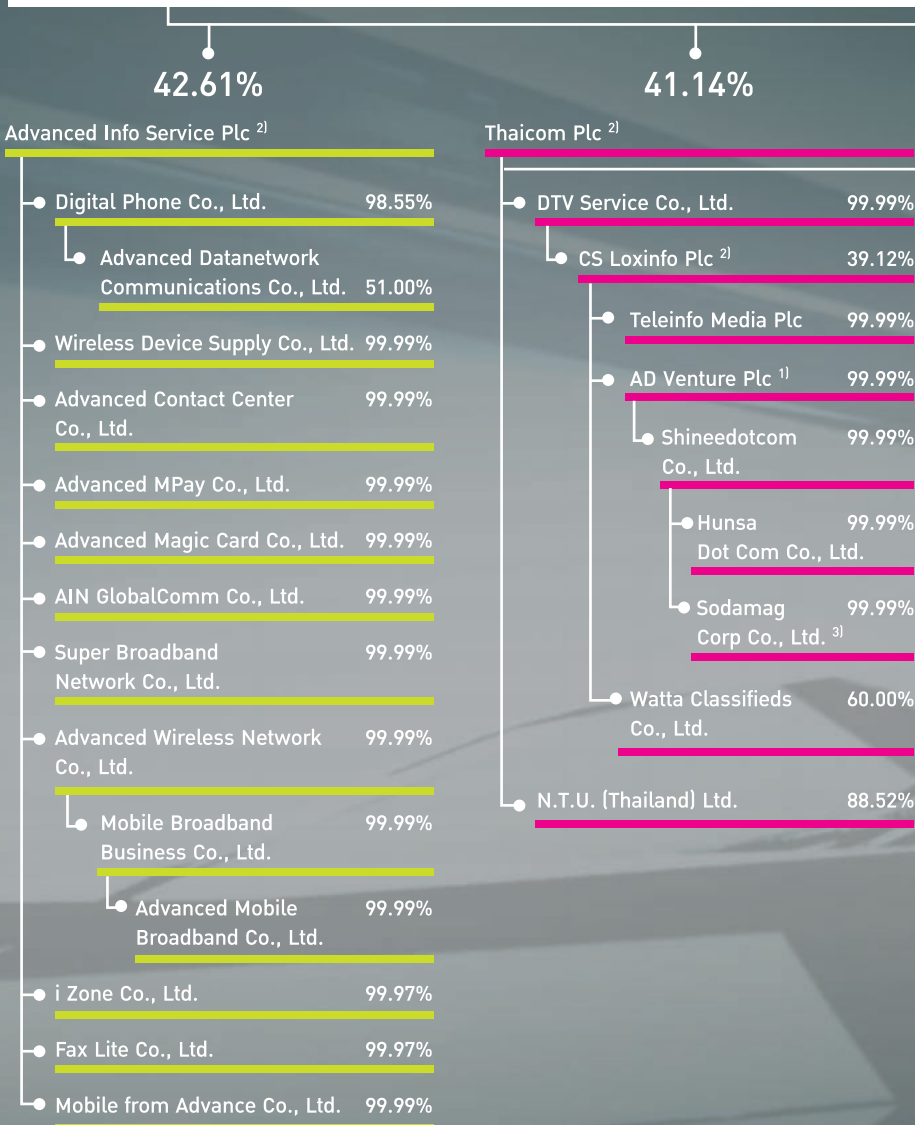


As of January 13, 2010

POWER
to continuously learn

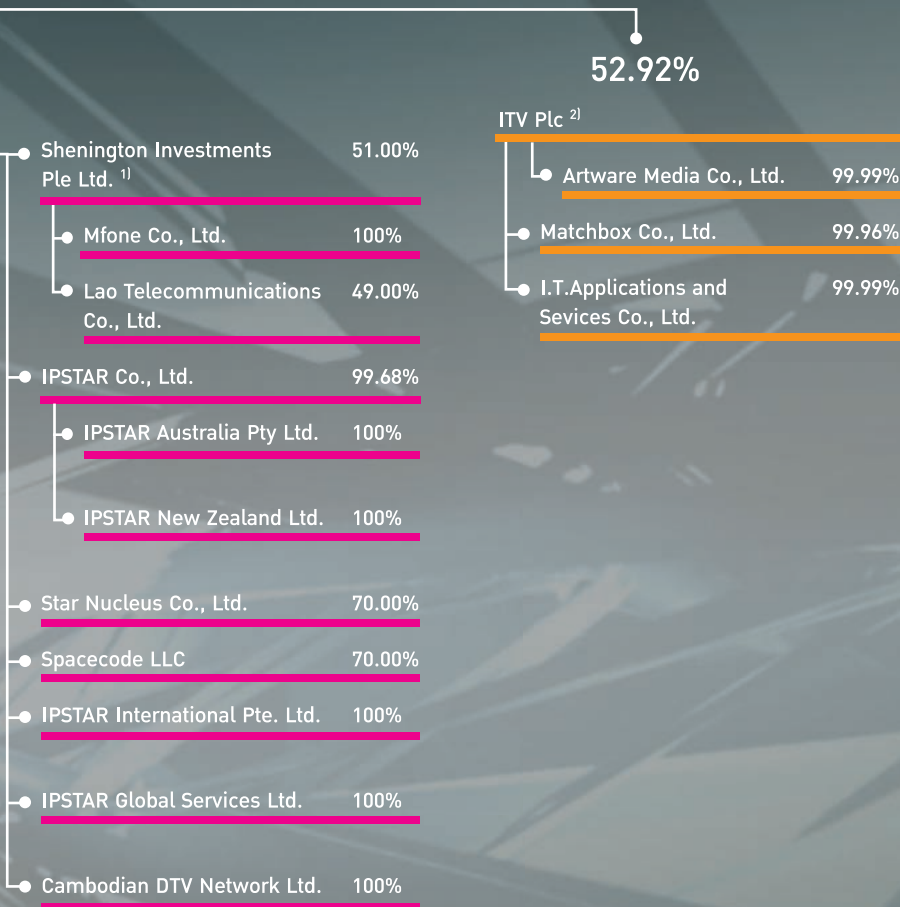


Shin corporation Plc ^{1), 2)}



INVESTMENT STRUCTURE OF SHIN CORPORATION GROUP

(As of January 8, 2010)



1) Holding company

2) Listed company on the stock Exchange of Thailand

3) On process of liquidation

Subsidiaries and Associate Companies

Thaicom Public Company Limited (“THCOM”)	
Head Office	414 Phaholyothin Road, Samsennai, Phayathai, Bangkok 10400
Telephone	(662) 299 5000
Fax	(662) 299 5252
Branch 1	41/103 Rattanathibet Road, Muang, Nonthaburi 11000
Telephone	(662) 591 0736
Fax	(662) 591 0705
Branch 2	50 Moo 1 Bor-ngern, Ladlumkaew, Pathumthani 12140
Telephone	(662) 599 3000
Fax	(662) 599 3000 Ext. 712
Website	www.thaicom.net
Type of Business	Providing satellite transponders services for telecommunications and broadcasting
Registered Capital	1,132.08 Million Shares
Par Value	Baht 5
Paid Up Capital	Baht 5,479.69 Million

DTV Service Company Limited (“DTV”)

Head Office	41/103 Rattana Thibet Road, Muang, Nonthaburi 11000
Telephone	(662) 591 0736
Fax	(662) 591 0705
Type of Business	Providing television services and sale of direct television equipment, and related telecommunication services
Registered Capital	39.88 Million Shares
Par Value	Baht 10
Paid Up Capital	Baht 398.79 Million
% of Investment	99.99%

Shenington Investments Pte. Limited (“SHEN”)

Office	1 Temasek Ave., # 27-01, Millenia Tower, Singapore 039192
Telephone	(65) 338 1888
Fax	(65) 337 5100
Type of Business	Holding Company
Registered Capital	15 Million Shares
Par Value	SGD 1
Paid Up Capital	MSGD 14.66
% of Investment	51%

Mfone Co., Ltd. (“Mfone”) ¹⁾

Office	721 Preah Monivong Blvd., Sangkat Boeng Keng Kang 3, Khan Chamkamon, Phnom Penh City, Kingdom of Cambodia
Telephone	(855) 23 300 467, (855) 23 301 217
Fax	(855) 23 365 913
Type of Business	Providing fixed phone and mobile phone services in Cambodia
Registered Capital	24 Million Shares
Par Value	USD 1
Paid Up Capital	MUSD 24
% of Investment	100%

Lao Telecommunications Company Limited (“LTC”) ¹⁾

Office	Lanexang Avenue 0100, Vientiane, Lao People’s Democratic Republic
Tel	(856) 21 216 465-6
Fax	(856) 21 219 690
Type of Business	Providing fixed phone and mobile phone services, international facilities, internet, and paging services in Lao
Registered Capital	96.84 Million Shares
Par Value	USD 1
Paid Up Capital	MUSD 96.84
% of Investment	49.00%

Cambodian DTV Network Limited ("CDN")

Office	111, Street 500, Sangkat Phsar Doeum Thkov, Khan Chamkar Morn, Phnom Penh, Kingdom of Cambodia
Telephone	(855) 23 355 990
Fax	(855) 23 994 669
Type of Business	Providing product and service of DTV, a low-cost Ku-band satellite dish set in Cambodia
Registered Capital	1,000 Shares
Par Value	USD 100
Paid Up Capital	MUSD 0.1
% of Investment	100%

IPSTAR Company Limited ("IPSTAR")

Office	Trident Chambers, P.O. Box 146, Road Town, Tortola, British Virgin Islands
Type of Business	Provider of IPSTAR capacity
Registered Capital	200 Million Shares
Par Value	USD 0.01
Paid Up Capital	MUSD 2
% of Investment	99.68%

IPSTAR Australia Pty Limited ²⁾	
Office	Unit 13, Artarmon Central, 12-18, Clarendon Street, Artarmon, NSW 2064, AUSTRALIA
Type of Business	Providing IPSTAR services in Australia
Registered Capital	6.95 Million Shares
Par Value	AUD 1
Paid Up Capital	MAUD 6.95
% of Investment	100%
IPSTAR New Zealand Limited ²⁾	
Office	13/22-24 Caloola Road, Wentworthville NSW 2145, New Zealand
Type of Business	Providing IPSTAR services in New Zealand
Registered Capital	8.51 Million Shares
Par Value	NZD 1
Paid Up Capital	MNZD 8.51
% of Investment	100%
IPSTAR DO BRASIL ²⁾	
(In the process of setting up the company)	
Type of Business	-
Registered Capital	0.1 Million Shares
Par Value	USD 1
Paid Up Capital	-
% of Investment	100%

Star Nucleus Company Limited ("STAR")

Office	Trident Chambers, P.O. Box 146, Road Town, Tortola, British Virgin Islands
Type of Business	Licensor of IPSTAR technology
Registered Capital	0.05 Million Shares
Par Value	USD 1
Paid Up Capital	USD 10
% of Investment	70.00%

Spacecode LLC ("SPACE")

Office	8695 Zumwalt Road, Monmouth, OR 97365 U.S.A.
Type of Business	Research and development of IPSTAR technology
Registered Capital	-
Par Value	-
Paid Up Capital	4.29 MUSD
% of Investment	70.00%

IPSTAR International Pte Limited

Office	1 Temasek Avenue # 27-01, Millenia Tower, Singapore 039192
Telephone	(65) 6338 1888
Fax	(65) 6337 5100
Type of Business	Providing IPSTAR broadband services
Registered Capital	0.1 Million Shares
Par Value	SGD 1
Paid Up Capital	MSGD 0.02
% of Investment	100%

IPSTAR Global Services Limited

Office	Intercontinental Trust Limited Suite 802, St. James Court, St. Denis Street, Port Louis, Mauritius
Telephone	(230) 213 9800
Fax	(230) 210 9168
Type of Business	Providing IPSTAR broadband services
Registered Capital	0.02 Million Shares
Par Value	USD 1
Paid Up Capital	0.02 MUSD
% of Investment	100%

CS LoxInfo Public Company Limited (“CSL”) ³⁾

Head Office	414 Phaholyothin Road, Samsennai, Phayathai, Bangkok 10400
Branch	90 CyberWorld Tower A, 17 th - 20 th Floor, Ratchadapisek Road, Huai Khwang, Bangkok 10310
Telephone	(662) 263 8000
Fax	(662) 263 8132
Website	www.csloxinfo.com
Type of Business	Internet data center services, Internet access and satellite uplink- downlink service for domestic and international communications
Registered Capital	674.54 Million Shares
Par Value	Baht 0.25
Paid Up Capital	Baht 159.83 Million
% of Investment	39.74%

Teleinfo Media Public Company Limited ("TMC")⁴⁾

Head Office	414 Phaholyothin Road, Samsennai, Phayathai, Bangkok 10400
Branch 1	273 Soi Sang U-thai, 50 Sukkhumvit Road, Phakhanong, Klongtoey, Bangkok
Branch 2	25 th - 28 th Floor, Vanit Bldg. 2, 1126/2 New Phetchaburi Road, Makkasan, Ratchathewi, Bangkok 10400
Telephone	(662) 262 8888
Fax	(662) 262 8899
Website	www.teleinfomedia.net
Type of Business	Publishing telephone directories and advertising
Registered Capital	17.35 million shares
Par Value	Baht 10
Paid-up Capital	Baht 173.53 million
Percent of Investment	100%

AD Venture Public Company Limited ("ADV")⁴⁾

Head Office	414 Phaholyothin Road, Samsennai, Phayathai, Bangkok 10400
Branch Office	Room 2101, 21 st Floor, 1126/2 Vanit Bldg. 2, New Phetchaburi Road, Makkasan, Ratchathewi, Bangkok 10400
Telephone	(662) 262 8888
Fax	(662) 262 8889
Type of Business	ADV derives all of its profits from the operational performance of SHINEE
Registered Capital	1.07 million shares
Par Value	Baht 10
Paid-up Capital	Baht 10.07 million
Percent of Investment	100%

Shineedotcom Company Limited (“SHINEE”) ⁵⁾

Head Office	414 Phaholyothin Road, Samsennai, Phayathai, Bangkok 10400
Branch Office	Room 2101, 21 st Floor, 1126/2 Vanit Bldg. 2, New Phetchaburi Road, Makkasan, Ratchathewi, Bangkok 10400
Telephone	(662) 262 8888
Fax	(662) 262 8889
Website	www.shinee.com
Type of Business	Provider of mobile contents, community portal services, and other internet related businesses
Registered Capital	4.2 million shares
Par Value	Baht 10
Paid-up Capital	Baht 42.6 million
Percent of Investment	100%

Hunsadotcom Company Limited (“HUNSA”) ⁶⁾

Head Office	414 Phaholyothin Road, Samsennai, Phayathai, Bangkok 10400
Branch Office	Room 2101, 21 st Floor, 1126/2 Vanit Bldg. 2, New Phetchaburi Road, Makkasan, Ratchathewi, Bangkok 10400
Telephone	(662) 262 8888
Fax	(662) 262 8889
Website	www.hunsa.com

Type of Business	Provider of mobile contents, community portal services, and other internet related businesses
Registered Capital	0.8 million shares
Par Value	Baht 10
Paid-up Capital	Baht 8 million
Percent of Investment	100%

Sodamag Corp Company Limited (“SODAMAG”) ⁶¹

Head Office	414 Phaholyothin Road, Samsennai, Phayathai, Bangkok 10400
Branch Office	Room 2101, 21 st Floor, 1126/2 Vanit Bldg. 2, New Phetchaburi Road, Makkasan, Ratchathewi, Bangkok 10400
Telephone	(662) 262 8888
Fax	(662) 262 8889
Website	www.sodamag.net
Type of Business	Provider of mobile contents, community portal services, and other internet - related businesses
Registered Capital	2.18 million shares
Par Value	Baht 5
Paid-up Capital	Baht 10.90 million
Percent of Investment	100%

Note Registration of its liquidation with the MOC on August 31, 2009. Currently, the company is in the process of liquidation.

Watta Classifieds Company Limited (“WATTA”) ⁴⁾

Head Office	71/30 Boromratchonnee Road, Arun-amarin, Bangkoknoi, Bangkok 10700
Branch Office	71/36 Boromratchonnee Road, Arun-amarin, Bangkoknoi, Bangkok 10700
Telephone	(662) 422 8011
Fax	(662) 884 7575
Website	www.watta.co.th
Type of Business	Provides sub-advertisement and classified services in its own publications publishes and sells various publications such as newspapers, magazines, pocket books and others.
Registered Capital	0.2 million shares
Par Value	Baht 100
Paid-up Capital	Baht 20 million
Percent of Investment	60.00%

N.T.U. (Thailand) Limited ³⁾

Head Office	19/1-2 Wangdek2 Building 1 st Floor Viphavadi-Rangsit Rd. Jompol, Jatujak, Bangkok 10900
Telephone	(662) 272 2540-2
Fax	(662) 272 2543-4
Website	www.ntuthailand.com
Type of Business	Providing training network services
Registered Capital	0.12 million shares
Par Value	Baht 100
Paid-up Capital	Baht 7.5 million
Percent of Investment	88.52%

As of January 14, 2010

- 1) Holds shares through Shenington Investment Pte. Limited
 - 2) Holds shares through IPSTAR Company Limited
 - 3) Holds shares through DTV Service Company Limited
 - 4) Holds shares through CS LoxInfo Public Company Limited
 - 5) Holds shares through AD Venture Company Limited
 - 6) Holds shares through Shineedotcom Company Limited
-

Dividend Policy

(a) Dividend policy of the Company

The board of director of the company may recommend annual dividends, subject to the approval of the company's shareholders, at an annual general meeting. From time to time, the Company's board of directors may declare interim dividends. The current policy of the board of directors of the company is to recommend to our shareholders a dividend of not less than 40% of net profits, subject to our financial needs or unless the payment of dividends would materially affect our operations.

(b) Dividend policy of the subsidiaries and associated companies

The company's subsidiaries and associated has dividend policy in line with the company and the board of subsidiaries and associated will consider and propose to shareholders meeting approval, subject to its investment plan and financial needs or unless the payment of dividends would materially affect our operations.



General Background and Major Developments



The Company was founded on November 7th, 1991 by Shin Corporation Plc. (“SHIN”), which was granted a 30 year Agreement for the operation of Domestic Communication Satellite from the Ministry of Transport and Communications (currently transferred to the Ministry of Information and Communication Technology – the “MICT”) to operate the national satellite project. The concession expires in 2021. The Company has the right to build, launch and operate the Thaicom satellite project throughout the concession period. Under the concession, the Company is required to pay the Ministry of Information and Communication Technology an agreed percentage of the Company’s annual gross revenue earned from the transponder business, or a minimum remuneration, whichever is higher. Moreover, the Company must transfer to MICT the ownership of the satellites, satellite control station (Telemetry, Tracking, Command & Monitoring - TTC&M), and all related operational equipment once the construction and installations are complete.

His Majesty the King Bhumibol Adulyadej has officially given a name to the satellites of this project, “THAICOM,” as a symbol of the linkage between Thailand and modern communications technology.

The Company became a listed company on the Stock Exchange of Thailand on January 18th, 1994. Moreover, the Company expanded to Internet and telephone, and DTV satellite television dish sales businesses in 1997, 2000, and 2007, respectively. As of December 31, 2009, Shin Corporation Plc., which is the Company's major shareholder, holds 41.14% of shares in the Company.

Progress and Major Developments during the Past Five Years

2005

June

The Company successfully raised more than Baht 3,182 million from a public offering of 208 million new shares to institutional and retail investors. The Company offered the new shares at Baht 15.30 per share. Institutional investors were allocated 110 million shares with 98 million shares for retail investors. After the PO process, THCOM increased its paid-up capital from Baht 4,387 million to Baht 5,427 million. The total number of ordinary shares offered to the public accounted for 19% of the new amount of total paid up capital.

July

Shenington Investments Pte ("Shenington") increased its investment in Mfone Co., Ltd. ("Mfone") (formerly Cambodia Shinawatra Co., Ltd. ("CamShin")) by USD 2.2 million of Mfone's issued and paid-up share capital (2,200,000 shares at USD 1 per share) Currently, Mfone has 19.2 million USD of issued and paid-up capital.

August

THAICOM 4 (IPSTAR), the world's largest commercial broadband satellite and the first broadband satellite in Asia-Pacific, was launched successfully from the Spaceport at Kourou, French Guiana, in South America.

December The Company has commenced the IPSTAR service to TOT Public Company Limited ("TOT"), which is appointed to be the National Service Operator (NSO) of IPSTAR in Thailand.

2006

April The Company has reached an agreement with China Satellite Communications Corporation ("China Satcom") to cooperate in launching IPSTAR broadband services in China.

May The Company successfully launched the THAICOM 5 satellite. THAICOM 5 has a global beam footprint covering Asia, Australia, Europe and Africa and it is mainly used for broadcasting services such as Direct-to-Home ("DTH") and High Definition Television ("HDTV"), and other telecommunication services.

The Company inaugurated the IPSTAR Gateway in Beijing, China. Beijing gateway, the first true broadband satellite gateway in the country is able to provide IPSTAR services to the northern part of China.

October THAICOM 3 Satellite was deorbited from 50.5 degrees East as the satellite experienced a power loss to such an extent that it could not provide further service. The deorbit of the THAICOM 3 Satellite, however, has no adverse effect on the customers because the Company has transferred all THAICOM 3's customers to the THAICOM 5 Satellite since July 2006.

2007

March The Company has signed an exclusive contract with Bay City Communications Limited as the IPSTAR National Service Operator (NSO) for the continued growth and expansion of IPSTAR services in New Zealand.

April

The 2007 general shareholders' meeting of CSL approved the increase of its registered capital from 649,020,074 shares, at par value of 1 Baht per share to 660,849,474, reserved for its ESOP Grant I to V programs.

CSL acquired 0.12 million common shares of Watta Classifieds Company Limited ("Watta"), a Print Classifies Directories Business, equivalent to 60% of share capital of Watta at the total price of Baht 88 million.

July

The Company sold a 49 percent stake in Shenington Investments Pte Ltd ("Shenington") to Asia Mobile Holdings Pte Ltd ("AMH") for consideration value of US\$ 200 million. This transaction was completed on July 25th, 2007.

August

The CSL Board of Directors' meeting passed a resolution to approve the shares repurchase program for financial management purpose (Treasury Stock Program) at the maximum amount not exceeding Baht 225 million.

October

Mfone (formerly CamShin) officially launched the first 3G Mobile System in Cambodia.

November

The Board of Directors' meeting approved the establishment of a new subsidiary, Cambodian DTV Network Co., Ltd. ("CDN") in Cambodia.

CSL repurchased its shares in the total of 51.7 million shares (at a par value of 1 Baht per share) or equal to 8.3% of total paid-up capital of the Company at the amount of Baht 222.1 million. After this share repurchase program, CSL shares increase from 40.02% to 43.48%.

2008

March The Company has signed two five-year contracts with Myanmar Posts and Telecommunications (“MPT”) for the additional bandwidth capacities on the Thaicom 4 (IPSTAR) broadband satellite and on the Thaicom 5 satellite for a total contract value of US\$ 5 million.

April At the Annual General Meeting of the Company shareholders, a resolution was passed approving the name change of the Company from “Shin Satellite Public Company Limited” to “Thaicom Public Company Limited”, which was registered with the Ministry of Commerce on April 10, 2008. The Company has used the new symbol on the Stock Exchange of Thailand (SET), “THCOM”.

Shin Broadband Internet (Thailand) Company Limited changed its name to “DTV Service Company Limited” (“DTV”), which was registered with the Ministry of Commerce on April 23, 2008.

October Lao Telecommunications Co., Ltd. (“LTC”), the largest telecommunication operator in Laos, officially launched the first 3G Mobile System.

November The Company has inaugurated its eleventh IPSTAR Gateway in Manila, the Philippines.

December The Company has signed a contract with Vietnam Telecom International (“VTI”), a subsidiary company of Vietnam Posts and Telecommunications (“VNPT”). The total contract value is worth US\$ 3.45 million over 3 years.

The Company has signed a renewal 10 Year contract with the Distance Learning Education via Satellite Foundation of Thailand (DLF) for three-quarters of one Ku-band transponder on the THAICOM 5 satellite to broadcast DLTV channels.

2009

January

Cambodia Shinawatra Co., Ltd. ("CamShin"), a subsidiary of Shenington (51% of its shares held by Thaicom), changed its name to "Mfone Co., Ltd" ("Mfone") on January 12, 2009 and increased registered capital from US\$ 19,200,000 to US\$ 24,000,000; 24,000,000 ordinary shares at US\$ 1 each.

April

The Company has officially inaugurated the 14th IPSTAR Gateway located in Japan on April 17, 2009

The Company increased its investment in Cambodian DTV Network Ltd., ("CDN") by USD 500,000 of CDN's issued and paid-up share capital (5,000 shares at USD 100 per share). Currently, CDN has USD 0.6 million of issued and paid-up capital.

May

The Company's Board of Directors has appointed Mr. Arak Chonlatanon as THAICOM Plc's Chief Executive Officer (CEO), effective from May 13, 2009 onwards.

June

The Company has inaugurated its 15th IPSTAR Gateway located in Jakarta, Indonesia.

IPSTAR Company Limited increased its investment in IPSTAR New Zealand Ltd., ("IPNZ") by NZD 6,014,133.00 of IPNZ's issued and paid-up share capital. (6,014,133 shares at NZD 1 per share). Currently, IPNZ has NZD 8.51 million of issued and paid-up capital.

November

The Company has issued 3 year and 5 year senior debentures to individuals and institutional investors at a total amount of Baht 7 billion with the interest rates of 5.25% and 6.15% per annum

respectively. TRIS Rating Co., Ltd. rates the Company and its debentures as “BBB+” with “stable” prevailing trend, reflecting its stable cash flow from the satellite business. The Company applied the proceeds to repay its IPSTAR and Thaicom 5 loan of USD 224 million, so that the Company will have more flexibility in the management of the business, a reduction in uncertainty resulted from currency rate fluctuations as well as lower cost of fund.

December

After the demonstration of NBN grade services in Canberra, the Company was already in discussions with NBN Co about employing Thaicom 4 (IPSTAR)’s bandwidths to provide high speed broadband internet in rural areas of Australia for the National Broadband Network Project, (“NBN”), supported by Australian Government for the purpose of encouraging peoples in rural areas to use the high speed broadband internet.

2010

January

On January 12, 2010, THAICOM 1A¹ Satellite was deorbited from 120 degrees East since it reached its end of life in Year 2009, The company has finished transferring all THAICOM 1A’s customers to THAICOM 2 and THAICOM 5 since May 2009.

¹ “Thaicom 1”, Thailand’s first satellite, was launched into orbit at 78.5 degree east on 18 December 1993 (Thailand Time). Later in May 1997, THAICOM 1 was drifted to a new orbital position at 120 degree east and renamed “ THAICOM 1A”.



Business Overview



Thaicom Public Company Limited operates four types of businesses - satellite transponder leasing and related services, telephone services, Internet and media services, and publishing telephone directories and print classified directories services. Investment in all these businesses is considered long-term. The investment decision is based mainly on the fundamentals of the business to be invested, including future business trends. Moreover, the Company's investment policy is to be the major shareholder in its investments (whenever possible). The aim is to have overall management authority and to set the business direction of its subsidiaries and associated companies.

1. Satellite Transponder Leasing and Related Services

Thaicom has a 30 year Agreement for the operation of Domestic Communication Satellite with the Ministry of Information and Communication Technology ("MICT"), expiring in 2021, to operate the national satellite communications project. So far, the Company launched Thaicom 1A, Thaicom 2, Thaicom 3, Thaicom 4 (IPSTAR), and

Thaicom 5 into orbit. The Thaicom 3 satellite was deorbited in October, 2006. The Thaicom 1A satellite reached its end of life in May 2009 and was deorbited in January 12, 2010. Currently, the Company operates three satellites. Moreover, it established subsidiaries, associates, and joint ventures as follows:

Name	Business
IPSTAR Company Limited	Providing IPSTAR transponder services
Spacecode LLC (70% and 30% of its shares held by THCOM and Code Space respectively, while Code Space is not related with THCOM)	Providing engineering and development services, technology and electronics
IPSTAR International Pte Limited	Providing IPSTAR transponder services
IPSTAR Australia Pty Limited	Sale of user terminal of IPSTAR and providing IPSTAR transponder services in Australia
IPSTAR New Zealand Limited	Sale of user terminal of IPSTAR and providing IPSTAR transponder services in New Zealand
Star Nucleus Company Limited (70% and 30% of its shares held by THCOM and Code Space respectively, while Code Space is not related with THCOM)	Providing engineering and development services, technology and electronics
IPSTAR Do Brasil ⁽¹⁾	Sale of user terminal of IPSTAR and providing IPSTAR transponder services in Brazil
IPSTAR Global Services Company Limited	Providing IPSTAR transponder services
CS Loxinfo Public Company Limited (39.12% of its shares held by THCOM through DTV)	Providing satellite uplink-downlink services with a concession from the Communications Authority of Thailand ("CAT") granting it the exclusive license to provide television transponder services via satellite and internet via satellite for 22 years, expiring in 2016.

(1) On process of set up and register the Company

2. Telephone Services

Thaicom is a provider of telephone services through an investment in Shenington Investments Pte Ltd. (“Shenington”), which is a holding company. Its main objective is to invest in international telecommunications. Currently, Shenington has invested in two companies:

Name	Business
Mfone Company Limited (formerly, Cambodia Shinawatra Co., Ltd.) (51% of its shares held by THCOM through Shenington)	Being granted a 35-year concession from the Cambodia Government, expiring in 2028, to provide mobile telephone digital GSM 900/1800 MHz and 3G 2100 MHz services, CDMA services, and international telecom services service (i.e. VoIP).
Lao Telecommunications Company Limited (24.99% of its shares held by THCOM through Shenington)	A joint venture company between the Government of Lao P.D.R (51%) and Shenington Investments (49%). It has a 25-year license, expiring in 2021, to provide cellular phone, 3G service, fixed line telephone through the Public Switched Telephone Network (“PSTN”), fixed wireless telephone CDMA 2000 1X 450 MHz, public telephone service, international roaming service, international telecom services (i.e. VoIP), and value added services.

3. Internet and Media Services

Thaicom provides internet and media businesses through its subsidiaries/ associated companies /joint venture companies.

Name	Business
DTV Service Co., Ltd. (formerly, Shin Broadband Internet (Thailand) Co., Ltd.) (99.99% of its shares held by THCOM)	Providing system integration consultancy service for broadband network, broadband content service, and DTV satellite dish sales service, and being granted a 5-year period license (Type I ²) to operate internet access services from 18 October 2009 to 17 October 2014
Cambodian DTV Network Ltd.	DTV satellite dish sales
Mfone Company Limited (formerly, Cambodia Shinawatra Co., Ltd.) (51% of its shares held by THCOM through Shenington)	Providing Internet services in Cambodia
Lao Telecommunications Company Limited (24.99% of its shares held by THCOM through Shenington)	Providing Internet services in Lao P.D.R.
CS LoxInfo Public Company Limited (39.12% of its shares held by THCOM through DTV)	Being granted a concession from CAT to provide commercial internet service access services via landline and satellites for a period of 10 years ending 2007 under the name of "CS Loxinfo" and a renewed 5-year period license (Type I) to operate internet access services from 8 September 2009 to 7 September 2014.
AD Venture Company Limited (a holding company which owned 99.99% in Shineedotcom Co., Ltd. ("SHINEE"), 99.99% of ADV's shares held by CSL)	Providing mobile content and web portal services
NTU (Thailand) Co., Ltd. (88.52% of its shares held by THCOM through DTV)	Providing distance meetings, trainings/seminars service via satellites.

² Type I License means Internet Service Providers who give a service without own network, i.e. internet service or other service as the National Telecommunications Commission (NTC) think a proper.

4. Publishing Telephone Directories and Print Classified Directories Services

Name	Business
Teleinfo Media Public Co., Ltd. ["TMC"] (99.99% of its shares held by CSL)	Providing media service for business through Yellow Pages Telephone Directory and other media services, telephone subscribers profile, and call center for general and entertainment information
Watta Classifieds Co., Ltd. ¹⁾ (60% of its shares held by CSL)	Providing print classifieds directories services

Note: 1) CSL had held 60% stake in Watta since Q2/2007 and further acquired its shareholding in ADV from 60% to 99.99% since Q4/2006.

Income Structure

Income structure of Thaicom and subsidiaries from 2007-2009.

Unit : Million Baht

Type of Business	Operating Company	% held by THCOM	2007		2008		2009	
			Revenue	%	Revenue	%	Revenue	%
Satellite and related services	Thaicom and IPSTAR Group	-	3,980	34.18	4,583	64.72	4,506	58.63
Internet and media services	DTV Service	99.99	243	2.09	503	7.10	535	6.96
	Shenington	51.00						
	Investments Group ¹⁾							
	N.T.U.	88.52						
Telephone services	Shenington Investments Group ¹⁾	51.00	2,212	19.00	1,927	27.21	2,147	27.94
Gain on sales of investment			5,127	44.03	-	-	-	-
Net foreign exchange gain			-	-	-	-	465	6.05
Other revenue			82	0.70	68	0.96	32	0.42
Total revenue			11,644	100.00	7,081	100.00	7,685	100.00

Sales and services income by geography from 2007 - 2009

Unit : Million Baht

Country	2007	2008	2009
Thailand	2,313	2,672	2,318
Cambodia	1,364	1,393	1,625
Lao P.D.R.	1,035	795	774
Australia	962	1,183	1,311
Others	761	970	1,160
Total	6,435	7,013	7,188

Note: 1) THCOM has decreased in its stake in Shenington from 100% to 51% since 25 July 2007.

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Industry Outlook and Competition



1. Satellite Communications and Related Services

Nature of Service

Conventional Satellite Transponder Services

THCOM offers leasing service of the conventional satellite transponder, the communication satellite's channel that receives the signal from an earth station (transmitting station), amplifies, and retransmits the signal on a different frequency to another earth station (receiving station) anywhere under the satellite's footprint - allowing telecommunication operators, service providers and broadcasters to benefit from the satellite's nationwide and cross-regional coverage.

Video Broadcasting Services

Video broadcasting is THCOM's core business. Whether for DTH, cable head-end or global digital TV programming distribution, THAICOM satellites serve as the gateway into Asia, Australia, Africa and Europe for many of the world's leading broadcasters through THAICOM Teleport and DTH Center. THCOM's video broadcasting services include Direct-To-Home (DTH), Channel Distribution for operators that require broadcasting their TV programs to cable providers or signal repeaters located throughout the coverage area of the satellite, Global Digital Television and Satellite News Gathering (SNG).

IPSTAR System Services

THCOM began the marketing of the IPSTAR service in 2001 with the introduction of the first generation IPSTAR gateway and IPSTAR User Terminal that is compatible with THAICOM and other conventional satellites. THAICOM 4 (IPSTAR) uses beehive wave distribution technology, thus enabling efficient frequency reuse with massive bandwidth capacity of up to 45 Gbps - 20 times that of conventional satellites. The technology has enabled THCOM to cater millions of high speed Internet users, from individual subscribers to corporate users, including Internet and telecommunication service providers. IPSTAR broadband service provides efficient use of the satellite bandwidth and thus reduces the cost of service.

IPSTAR Products & Services

- *Satellite News Gathering Service (SNG)* - The use of SNG continues to be popular in the Asia Pacific market environment. SNG allows for its users to be mobile and utilize the broadcasting equipment freely within the large IPSTAR coverage areas. In the year 2009, two Cambodian national broadcasters as well as

a top Indonesian broadcaster committed in the purchasing of IPSTAR SNG packages, varying in use and business model, this demonstrates ability for IPSTAR to adapt to the need and the requirements of the customers and market conditions. Moreover, during 2009, a number of successful trials and demonstrations were carried out in the Philippines, Indonesia and Vietnam, to demonstrate the capabilities of the IPSTAR platform. In 2010, Thaicom plans to continue discussions with a number of potential broadcasters to expand IPSTAR's SNG customer base.

- *IPSTAR delivers ADSL backhaul solution or 'IPSTAR Mini-ADSL' service*

that helps Internet Service Providers (ISP) to substantially reduce investment capital and operational expenditure. The Mini-ADSL system can utilize a single IPSTAR network as backhaul - allowing Internet subscribers to share the operational cost and enabling service providers to surpass revenue margin. Being essential to information-sharing and economic growth, governments of many countries provide USO programs - such as the Australian Broadband Guarantee - that grant subsidies to ISPs to deliver broadband connection in rural areas. Starting 2009, IPSTAR is working closely with both service providers and government sectors of Australia, New Zealand, China, Thailand, Philippines, Indonesia and Malaysia.

- *IPSTAR IPTV Solution* enables telcos to distribute video contents

nationwide. Using the IPSTAR satellite to deliver IPTV service is fundamental in overcoming the greatest shortcoming of IPTV over terrestrial cables - the speed of connection. IPSTAR IPTV provides users with the experience of high quality broadcast channels i.e. High Definition (HD) content (4-5 times the quality of SD video) and Push video on demand (VOD) to the TV set. With one time delivery to multiple consumers, cost-effectiveness and reliability, IPSTAR IPTV solution creates a new business opportunity for telcos to customize their existing services by enabling a wide range of

mass market and niche vertical applications, such as HDTV, and training and education services. IPSTAR, through various service partners, has successfully tested IPTV solution for training and educational programs in Thailand and China. Currently, IPSTAR is working closely with service partners to commercially launch IPTV service in Thailand, Australia and China by 2010.

- *IPSTAR satellite backhaul* also opens up new opportunities for mobile phone carriers to deliver wireless telephony service to areas with limited access to telecommunication infrastructure. This solution is now serving mobile phone carriers in Thailand, Laos and Cambodia. Additionally, IPSTAR is looking forward for significant business opportunities in the emerging rural mobile communication markets of China, India, Indonesia and Vietnam.

Aside from macro cell backhauling, IPSTAR also supports femtocell applications. Femtocell is a cellular access point that connects a mobile operator's network through the use of residential broadband connection. This application has been developed to work with a range of different cellular standards, including CDMA, GSM and UMTS. The targeted markets for 2010 will include China, Japan, Thailand, Australia and New Zealand.



Furthermore, as IPSTAR is switching to Open Access Platform, many VSAT operators will ultimately benefit from IPSTAR's massive bandwidth, coverage areas in 14 Asia Pacific countries, competitive costing and spot beam technology.

System Integration, Engineering Consultancy and Training Services

With over 10 years of experience and expertise in satellite communication business, THCOM maintains its internal engineering resources to provide consulting, training, and implementation services for satellite network design, system integration, installation, operations and maintenance of satellite application networks and facilities. THCOM offers services to customers, such as earth station construction, traffic transfer, engineering support, and extensive and advanced training programs. THCOM is renowned for its success in constructing satellite earth stations and teleports in the region by using state of the art technology, which has drawn customers' trust and reliance on its offered quality services.

Industry Outlook & Competition

Conventional Satellite

Conventional Satellite Industry Outlook

As broadcast business forms the core revenue and dominates the current conventional satellite market, the industry is experiencing significant challenges as broadcasters have been severely hit by the economic downturn. However, satellite operators believe that this situation would be dissolved soon. Despite the World's economic crisis, the Ku-band direct-to-home (DTH) market is still very strong in the Asia Pacific region and becoming a very important business driver for satellite operators. Moreover, the demand for satellite communications transmitted under the

standard C-band frequency has been increasing throughout the region, resulting to higher yield per transponder. In addition, satellite operators indicate that other growth drivers for satellite capacity demand may include the growth in High Definition (HD) channels, new 3D video format and data communication for enterprise and government sectors.

In Thailand, the new Broadcasting Act B.E.2551/C.E.2008 has already been imposed since 2008 and the National Telecommunication Committee (NTC) has just announced the rule for application of temporary TV license to open and legalize the market. THCOM expects that the number of Thai TV operators and channels will increase dramatically as a result of the legislation. With regards to the foreign market, THCOM considers the Indochina, South Asian (except India) and African regions as the emerging satellite markets, with high potential of growth for direct-to-home (DTH) and channel distribution services - segments that are expected to grow massively within 1 to 2 years.

Conventional Satellite Competition in Asia Pacific

In general, each communication satellite is designed to address on specific markets due to certain limitations such as an orbital slot, frequency coordination, regulation, investment budget, etc. A satellite operator has to scope its target markets before finalize the satellite design. For example, THAIKOM 5's C-band was planned to emphasize on Indochina and South Asia regions while its Ku-band was designed to target only Thailand and Indochina countries. As a result, not all satellites in Asia Pacific directly compete with each others, but only few that are on neighboring orbital slots or are from neighboring countries. However, an exception may be made for a satellite with global footprints that can cover many regions.

In the Asia Pacific region, THCOM's major competitors include Asia Satellite Telecommunications (Asiasat), APT Satellite (Apstar) and Asia Broadcast Satellite (ABS) from Hong Kong, Measat Satellite Systems (Measat) from Malaysia, SES World Skies Satellites (NSS) from Netherlands and Vietnam Posts and Telecommunications (Vinasat) from Vietnam. During the past year, THCOM has faced intense competitions from these satellite operators especially in the broadcast business. However, as one of the established satellite operators in this region, THCOM believe that the effect from the competitions will be minimized due to its long-term reputation, relationship with the customers and the selective neighborhood channels on THAIKOM satellites.

THCOM's Conventional Satellite Strategies

THCOM positions itself as a 'Hot Bird' for having the prime orbital slot at 78.5 degrees East and strategically places itself as a key player in Asia's broadcasting industry - in terms of the number of viewers and TV channels under the satellite platform. In 2009, THCOM focuses on both domestic and international broadcasting markets, resulting to a dramatic business growth. Currently, the total number of TV channels under the conventional satellite platform has increased from 264 channels in 2008 to 283 channels at the end of 2009.

In 2009, THCOM's key customers in the broadcasting business are still the local Free-to-Air (FTA) and Pay TV broadcasters and channel/content operators. Through its subsidiary, Cambodian DTV Network Limited (CDN), THCOM has deployed the company-developed Integrated Receiver Decoders (IRD) for receiving free TV channels in Cambodia and Laos. This strategic move is aimed to strengthen THCOM's Ku-band DTH platform in Indochina. With regards to the C-band channel distribution segment, THCOM focuses in Indochina and South Asia regions. The company has the largest market share in Indochina and is one of the top satellite operators in South Asia. Moreover, the company has developed business models with

its teleport partners from Europe and South Asia to provide competitive broadcast services in Asia, Africa, Australia and Europe.

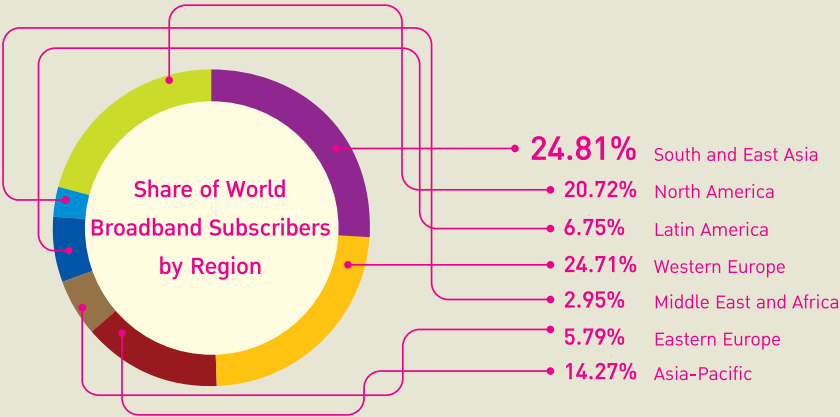
By 2010, THCOM will focus on providing end-to-end satellite TV solutions to customers, and strengthening and adding value to its existing services in order to cope with the competitions. In addition, THCOM will explore opportunities in new markets such as Africa.

Broadband Satellite

Asia-Pacific Broadband Industry Overview

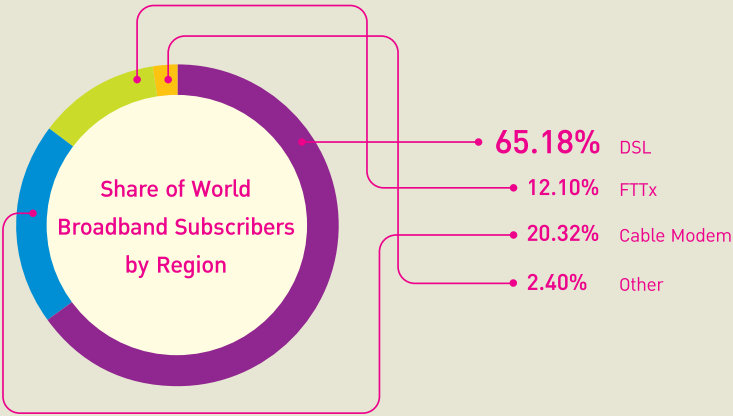
Asia-Pacific is the world's leading region in terms of telecommunication infrastructure, and Information and Communication Technology (ICT) development. The region continues to show strong growth in the global mobile market, with five of the world's ten largest mobile markets - China, India, Indonesia, Japan and Pakistan. The number of telephone lines in the region had increased by 70% from 2000 to 2007. In 2009, Asia-Pacific has an estimated total of 2.6 billion phone subscribers, with 2 billion of these are mobile phone subscribers while the remaining 630 million users are fixed line. In terms of fixed line deployment, there are more than 365 million subscribers in China, representing more than half of the total regional subscriber base.

Share of World Broadband Subscribers by Region in Q3/2009



Source: www.point-topic.com

Total Broadband by Technology in Q3/2009



Source: www.point-topic.com

In terms of broadband access, Asia-Pacific had also made remarkable progress in the past few years with the number of broadband subscribers grew almost fivefold in 5 years, from 27 million in 2003 to 133 million at the beginning of 2008. Towards Q3 of 2009, the number of subscribers has increased to 177 million.

In Asia-Pacific, people living in developed countries can easily avail a high speed and low cost broadband connection, and enjoy an Internet penetration rate of 18.5%. However, broadband access in developing countries is limited only to urban areas, and has low or negligible penetration rate. But in Q3 2009 with 99.3 million broadband subscribers living in China, accounting over half of Asia-Pacific and almost 90% of the developing countries' total subscribers, the number of broadband subscribers in developing countries outnumbers those in the region's developed countries.

On average, 70% of the population in developing countries lives in the rural area. At present, satellites are primarily used for broadcasting service, most especially in providing communication links to rural and remote areas where no network infrastructure is available. A widening digital divide gap between urban and rural areas still exists in some countries, like in the case of China, where there is a lack of both economic feasibility and political urgency for the government to provide telephone and broadband services nationwide. However, due to the region's fast-growing population, economy and Internet penetration, service providers in countries like Malaysia, Philippines, Vietnam and Myanmar are now expanding telephony and broadband services to remote and isolated areas.

The growth of mobile cellular subscribers had been impressive, with a year-on-year growth average of 26% since 2000. In early 2009, China and India alone has over 670 and 347 million mobile phone subscribers, respectively. And towards the end of 2009, the figure has increased to 764 and 427 million, representing a quarter of the world's total subscribers. With a regional penetration rate approaching to 55%, almost 3 out of 5 people living in Asia-Pacific enjoy the benefits of mobile telephony today. This success is set to continue, with connection forecasts to exceed 3 billion by 2013.

Thailand

In 2005, THCOM had chosen the Telephone Organization of Thailand (TOT), the current largest telecommunication service provider in the country, as the National Service Operator (NSO) for IPSTAR - making TOT the exclusive partner of IPSTAR and providing TOT a long-term contract to lease 50% of the satellite's bandwidth capacity in Thailand. Aside from TOT, other major service providers in the country include Acumen, CS Loxinfo, Samart Telcoms and CAT Telecom. Today, TOT has utilized IPSTAR in many governmental, Universal Service Obligation (USO) and non-governmental vertical projects in Thailand - such as rural telephony, SchoolNet, Ministry of Education Network (MoENet), IPSTAR Mini-ADSL and the Internet Tambon project.

IPSTAR bandwidth usage in the country is growing rapidly, especially in support of TOT's expansion project in the northeastern and northern parts of Thailand. In addition, TOT has started utilizing the platform for IPSTAR Mini-ADSL applications within the retail market, because it can be deployed faster and can provide broadband service in un-served or blind spot areas - making capital investment more justifiable in terms of financial returns when compared with territorial infrastructure investment.

China

As of June 2009, China Internet Network Information Center (CNNIC) reports that China has 338 million Internet users and has 25.5% Internet penetration rate, up 13.4% from late 2008 - slightly higher than the average global rate of 23.8%. The US financial crisis of 2008 had little impact on China's Internet sector, where the first half of 2009 has seen steady increase in the number of Internet users. Towards the end of 2009, the number of Internet users has continuously risen, though relatively slower than other developing countries. Until now, China is slow in terms of Internet penetration because the country has not yet taken full advantage of network informatization. But once this is adopted - together with the fast growth of the country's economy and network infrastructure - the internet penetration rate will ultimately pick up more rapidly.

In terms of Internet access, broadband is by far the most common method of online access in China - totaling up to 94.3% out of the 338 million Internet users. At present, the number of users surfing the Internet through their mobile phone has increased to 155 million, up 32.1% in just six months - showing a fast growth momentum. According to the 2009 CNNIC report, there were a total of 95.65 million internet subscribers in rural areas, an increase of 13.1% from the same period of 2008. Despite such significant increase in Internet usage, there still remains a wide digital divide gap between the urban and rural areas in China. Due to the large geographic region which China covers, the slow deployment of Internet infrastructure in rural areas has not been properly addressed by the government. Therefore, China's rural population presents a huge market potential for IPSTAR, since satellite communications can provide a cost-effective alternative to prohibitive, unavailable land-based Internet infrastructures. (Source: www.cnnic.cn).

Since January 2007, IPSTAR has commenced commercial services in China with its partner, China Satellite Communications Corporation (“China Satcom”), a major satellite provider in the country. However, towards the end of 2008, a new policy was issued to shift the partnership to IPSTAR’s current service partner China Telecom Corporation Limited. The partnership is expected to further accelerate IPSTAR deployment in China. Today, IPSTAR is marketed in the country primarily for vertical projects. The IPSTAR satellite was also utilized in disaster and emergency relief operations, for example during the Sichuan earthquake.

THCOM has been working from ground up with local telecom partners to further commercialize IPSTAR services in the country, and in the process, to build a group of distribution channels in China. Moreover, IPSTAR has been working in close collaboration with its local partners to convey the importance of developing and launching a successful Universal Service Obligation (USO) program in the country.

India

India’s current telecommunication sector is a reflection of the government’s successful liberalization of the industry. Prior to 2001, Videsh Sanchar Nigam Ltd. (“VSNL”) was the only private telecom company in the country - aside from state-run companies Bharat Sanchar Nigam Ltd. (“BSNL”) and Mahanagar Telephone Nigam Ltd. (“MTNL”). But today, the Indian market is open to both domestic and international telecom service providers.

From 2004 to 2005, India experienced large scale ADSL rollout throughout the country. Since then, the country’s broadband penetration rate has seen two-digit growth. From March 2007 to March 2008, the number of broadband subscribers had grown to approximately 67%. In September 2009, the total number of internet subscribers has reached 14.63 million, with 7.21 million are broadband users [Source: www.trai.gov.in]

Mobile phone subscription growth has also surpassed fixed line service, with India's mobile phone segment added up 8.22 million new subscribers in December 2007 alone. In September 2009, the total number of wireless subscribers including GSM, CDMA and WLL (F) has reached 471.73 million - making India the second country with the largest wireless network [Source: www.point-topic.com]. Meanwhile, the fixed line sector had experienced a decrease in subscription from 2006 to early 2008 - from 41 million subscribers to 39 million. Moreover, the number of fixed line subscribers has decreased to 37 million in late 2009. [Source: www.trai.gov.in].

With India's growing demand for broadband connectivity, service providers can utilize the IPSTAR as backhaul for various government and customer-based solutions - such as rural telephony, mobile network backhaul and high speed Internet.

Australia and New Zealand

The household penetration of Internet is relatively high in developed countries, such as Australia and New Zealand. The high availability of computers among households and the high priority placed by the governments on the policies that promote broadband Internet access serve as driving factors for the increased use of Internet in both countries.

IPSTAR Australia Pty. Ltd. (IPA), a wholly-owned subsidiary of THCOM, is the National Service Operator (NSO) of IPSTAR in Australia. Today, several IPSTAR service providers in the country - such as the Australian Private Networks Pty Ltd. (APN), Broadband Wireless Pty. Ltd., SkyMesh Pty. Ltd., Westnet Pty. Ltd. and Westvic Broadband Pty. Ltd. - have been authorized by the government to support the Australian Broadband Guarantee (ABG), a program that provides subsidies to Internet service providers to deliver broadband to underserved, rural areas in the country. An increasing numbers of IPSTAR user terminals have been installed through these service providers.

IPSTAR New Zealand Limited (IPNZ), another wholly-owned subsidiary of THCOM, was set up to provide IPSTAR services in New Zealand. Its main target markets in the country are the farming industry and the rural households. During mid-2008, IPSTAR's NSO in New Zealand, BayCity Communications Ltd., had launched the new satellite broadband Internet service, called 'Rocket Broadband'. Moreover, Voice Link, a value-added Voice over IP (VoIP) service to Rocket Broadband, was also offered by BayCity. Today, over 13,000 IPSTAR user terminals have been deployed nationwide by various service providers across New Zealand.

Myanmar

In 2009, the number of Internet users has increased to 108,900. This figure represents approximately 0.2% of the country's population of 48.1 million [Source: www.intetnetworldstats.com]. Now, Myanmar Posts and Telecommunications (MPT), the National Service Operator (NSO) of IPSTAR and a state-governed telecommunication regulator, is in the process of selecting the main service provider of IPSTAR in Myanmar. Currently, MPT has 3 service partners in Myanmar, namely GlobalNet, MMG Technologies and Myanmar World Distribution. The main IPSTAR services deployed in Myanmar are Voice over IP (VoIP) with a total of 1,600 subscribers, and broadband Internet with a total of 512 subscribers. Currently, there are more than 2,300 user terminals deployed in the country. By 2010, IPSTAR is planning to accelerate IPSTAR deployment in Myanmar by providing effective service plans to both service providers and end users.



Cambodia

As of 2009, the total population of Cambodia has reached 15.5 million. From this figure, approximately 74,000 are Internet users. Internet penetration rate in the country is a mere 0.5% in 2009. But compared to the previous year, the number of Internet users has grown by 75% (Source: www.Internetworldstats.com).

Since April 2007, IPSTAR's second generation service was launched in the country, with Mfone Co., Ltd. ("Mfone") as the IPSTAR gateway operator. Today, a total of 2,400 IPSTAR user terminals have been deployed nationwide by service providers, Mfone, Cogetel and Telecom Cambodia. To continually increase the number of distribution channels, THCOM intends to find and closely collaborate with local partners. In late 2009, several service providers with experience in USO projects, especially relating to rural telephony, have been appointed by THCOM. Through these providers, IPSTAR expects to launch a nationwide rural telephony service by the first quarter of 2010.

Lao P.D.R.

Laos is one of the countries in Asia with the lowest telecom penetration rate, with approximately 130,000 Internet users. This is primarily due to the country's limited infrastructure, economy and geographical barriers. However, with Lao Telecommunications' rural connectivity projects, IPSTAR has been deployed in far-flung, remote areas to deliver not only broadband Internet, but also Voice over IP (VoIP) and mobile network backhaul services. As a result, there is a considerable potential for IPSTAR in the country. But as there is no satellite footprint covering Laos, IPSTAR's present strategy is to focus mainly on the marketing of user terminals while utilizing the first generation gateway. As a result, IPSTAR can support Laos' rural telephony projects which provides low cost, high quality voice services throughout the country.

Vietnam

Vietnam is considered as one of the fastest growing broadband Internet markets in Asia, having a total of 21.9 million Internet users - constituting to almost 25% of the country's population (Source: www.internetworldstats.com). The Vietnamese government supports rural connectivity projects that help bridge the digital divide in the country and plans to use IPSTAR for future government projects.

In December 2008, THAICOM closed a contract with Vietnam Telecom International (VTI) for an additional IPSTAR capacity of 76 Mbps. The signed agreement further enables VTI to offer and boost IPSTAR services - such as broadband Internet, mobile backhaul and rural telephony - throughout the country.

Malaysia

Malaysia has a population of 28.3 million. According to the Malaysian Communications and Media Commission (MCMC), the number of Internet users in the country has reached 16.9 million in 2009, higher than the previous year's 14.9 million users and 59.0% penetration rate. Currently, the country's penetration rate is at 65.7% (Source: www.internetworldstats.com).

The Malaysian government presently implements the Universal Service Provision (USP) with the prime objective of minimizing the digital divide in the country. USP is divided into 3 major phases. The objective of Phase 1 is to provide basic telephony service to underserved areas in 89 districts, where Public Switched Telephone Network (PSTN) subscriber penetration rate falls below 20%, while the emphasis of Phase 2 is on the provision of satellite broadband Internet for 87 districts in the country. Meanwhile, Phase 3 enables the government to provide Internet connection to libraries and USP communication centers nationwide.

In 2007, THCOM had formed a strategic partnership with Time dotCom (TdC), an established telecommunication company with well-developed distribution networks in Malaysia, to provide service for various market segments - such as the enterprise and SME markets, and those of the USP-based government projects.

South Korea

South Kore has one of the world's highest numbers of broadband users per capita. In early 2009, over 30% of the population or nearly 85% of households are broadband subscribers. Today, South Korea's broadband penetration has reached 95%. The country also has the highest fiber penetration rate, with nearly 14%, among the Organization for Economic Cooperation and Development (OECD) countries. In early 2009, fiber technology is accounted for 43% of all broadband subscribers in South Korea. [Source: www.physorg.com, www.budde.com.au].

IPSTAR's market opportunity in South Korea lies in the provision of cost-effective satellite backhaul for Digital Video Broadcast (DVB) service. With the Ministry of Information and Communication and the Korean Broadcasting Commission's future plan to shift 1.9 million analog subscriber lines to digital platform by 2012, IPSTAR still has a huge market potential in providing DVB service throughout South Korea.

THCOM has formed a partnership with OCL Solution Inc., a leading VSAT operator in the country, to establish South Korea's IPSTAR gateway in May 2008. THCOM, along with OCL, is now delivering DVB headend, Direct-To-Home (DTH) broadcasting and backup services with the help from various local service providers, including TV stations and broadcasters such as LG Dacom Corporation, STN Ltd. and Cudo. Currently, IPSTAR is looking forward to expand its market to other potential service providers in South Korea.

Japan

Japan - a country where telecommunication infrastructure is extremely advanced, Internet penetration rate is relatively high and broadband subscription price is continuously decreasing. In June 2009, the household penetration rate of Internet in the country has grown to 64% [Source: www.liberal.org.au]. In addition, Japan is also one of the countries with the most well-established Fiber-To-The-Home (FTTH) connections, with a growth of 7.1% from the previous year - accounting to 15.9 million subscribers or 51.4% of all household Internet connections, and exceeding that of DSL's deployment rate since June 2008 which fell to 35%. [Source: www.websiteoptimization.com].

In well-developed countries where only specialized market opportunity exists for service providers, IPSTAR can only provide targeted services, such as rural connectivity and disaster management. Currently, IPSTAR is looking towards expanding its market to other potential service providers in Japan.

The Philippines and Indonesia

In the Philippines, the Internet penetration rate in 2009 is at 24.5%, higher compared with Indonesia's 12.5% rate. In contrast with other countries in Asia, the Philippines' Internet utilization rate has been increasing steadily, making it the sixth country with the most Internet users in Asia (www.internetworldstats.com). Meanwhile Indonesia is forecasted to have 50 million Internet users by 2010 [Source: <http://comm215.wetpaint.com>].

Consisted of geographically isolated groups of islands with limited access to reliable network infrastructures, the Philippines and Indonesia provide IPSTAR the opportunity to deliver and expand broadband satellite service in both markets - the most efficient and cost-effective solution in connecting remote and rural areas to high speed Internet.

Previously, IPSTAR had been using its first generation gateway in Taiwan to deliver high speed Internet access to the Philippines. Subsequently in 2007, IPSTAR had entered into an agreement with TNRI, a telecommunication service provider in the Philippines, to offer broadband service in the country by using the IPSTAR satellite - launched into orbit in August 2005. The IPSTAR gateway in the Philippines is now completed and fully operational, with the inauguration event took place in Manila in November 2008.

With commercial deals signed in Q4 2008 with the service provider WIT, IPSTAR had successfully launched the new retail broadband Internet package in the Philippines, called 'IPSTAR BigSky' In addition, with more partnerships gained throughout 2009, the growth and expansion of IPSTAR business in the Philippines will be anticipated by 2010.

Meanwhile, IPSTAR has sealed a partnership in 2008 with PT Infracom Telesarana ("Infracom"), an IT solution provider in Indonesia. This partnership has since launched retail broadband services and established local distribution partners nationwide to accelerate IPSTAR roll-out and to provide customer service in Indonesia. With ongoing market developments, further growth can be expected by 2010.

Broadband Satellite Marketing Strategy

In 2009, IPSTAR has successfully launched services in countries under the satellite's footprint, except in India and Taiwan. The IPSTAR Indian gateways installation is delayed due to the government's rules and regulations. However, the installation process is progressing well and expected to be completed in early 2010. The IPSTAR Taiwanese gateway is also planned to be completed by 2010 which will complete the IPSTAR coverage of serving 14 countries in the Asia-Pacific region.

For 2010, THAICOM has placed several key strategic directions to enhance the commercialization of IPSTAR's services within the region. THCOM will concentrate on increasing bandwidth sales through the new IPSTAR Open Access Platform. This strategy will allow other platforms to utilize the IPSTAR satellite bandwidth and will open the opportunity for new services. An example of this is the utilization of the DVB platform for broadcasting services, which will enable VSAT platform providers to use the IPSTAR bandwidth.

In addition, THCOM will emphasis on 5 core segments including:

- Through consumer broadband and IPTV applications, THAICOM plans to establish retail markets through partnerships with local service providers. IPSTAR consumer broadband and IPTV are targeted for consumers/SMEs.
- Meanwhile, Universal Service Obligation (USO) projects, rural telephony and cellular backhaul are aimed at providing basic telecommunications infrastructure to remote villages and households. As part of THCOM's broadband strategy, the company plans to continue engaging with key government ministries to help support USO initiatives. THCOM's aim is to primarily target countries with USO funding available, such as Australia, New Zealand, China, India, Indonesia, Malaysia, Vietnam, Thailand and Japan.

- Under the government and enterprise network segment, THCOM will target solution providers and system integrators who require bandwidth-demanding applications, such Virtual Private Network (VPN).
- In the cellular backhaul segment, THCOM will help incumbent mobile operators planning to expand their rural network coverage with IPSTAR's cellular backhaul solution. IPSTAR is now partnering with key mobile network vendors, such as Huawei Technologies Co., Ltd. and ZTE Corporation in China, to deploy cellular systems like 3G-UMTS and CDMA-EVDO. Moreover, for markets such as India, where THCOM's partners are large telecommunication operators, the company's strategy will be to help them expand the coverage of their 2G and 3G networks in the rural area.
- Lastly with the broadcasting segment, THCOM aims to provide viable and proven solutions for DVB services, especially for Satellite News Gathering (SNG).

In highly regulated markets, such as China and Vietnam, THCOM's key strategy will be to pursue closer business cooperation through joint partnership ventures. Therefore the Company will have an opportunity to expand its distribution channels and strategies as well as to differentiate products and services of IPSTAR.

Business Privileges and Limitations

1) Business Privileges under concession agreement

THCOM has been granted a 30 year concession for domestic satellite communications business from the Ministry of Information and Communication Technology (MICT) starting from September 11, 1991. Under the concession, THCOM is required to transfer the ownership of all satellites to the MICT after they have been launched into orbit and passed the functional test. The gateways and related

equipments will become the assets of the MICT following the installation and efficiency test (except for those installed abroad) and the MICT will grant the said assets in possession of THCOM for further business operation. THCOM is also required to pay the MICT a minimum remuneration totaling Baht 1,415 millions throughout the 30 year concession period. The current remuneration rate paid to the Ministry of Communications is 17.5% of gross revenue. The contract also requires SHIN Corporation Public Company Limited to hold a minimum 40% stakes of THCOM.

2) BOI Investment Promotion Certificate

THCOM has been granted a BOI promotional privilege for THAICOM 1A and THAICOM 2 under 7.5 category: Satellite Telecommunications Business with privileges as specified by the Board of Investment. For example, THCOM has been exempted from import tax of raw materials e.g. master tape etc. imported for its business provided for customers abroad.

On November 19, 2003 THCOM was granted promotional privileges from the Board of Investment for IPSTAR project with an 8 year corporate tax exemption for net profits earned from services provided to customers in foreign countries starting from the commencement date of earnings from the promoted business operation which is October 26, 2006.

Satellite Communications Service and its Related Services by CS LOXINFO Public Company limited

CS LOXINFO Public Company Limited ("CSL") provides an integrated uplink/downlink service at its Ladlumaew, THAICOM Teleport and DTH Center. Services comprise TV signal uplinks/downlinks, live broadcast, tape playback both in analog and digital systems. The services are provided both on a full-time basis with 24-hour operating staff, which is suitable for exact broadcasting schedule programs, and on

an occasional basis, which is suitable for the broadcasting of live programs, news, or a seasonal sports competition. The service is provided in cooperation with THAICOM Public Co., Ltd. CSL has been licensed for uplink/downlink and Internet via satellite services under a 22 year concession starting from August 9, 1994 ending August 8, 2016.

2. Internet Access and Related Services

Nature of Products and Services

Internet Access Service by CS LOXINFO Public Company Limited (“CSL”)

(See more details from CSL’s 2009 Annual Registration Statements 2009 (Form 56-1) available for download at www.sec.or.th)

Internet Software Development and Information & Entertainment Services via Mobile Phone System by AD Venture Co., Ltd.

Ad Venture Co., Ltd. (“ADV”) is a holding company 99.99% shared by CSL. ADV operates holding business with investment in Shineedotcom Co., Ltd. where ADV holds 99.99% stakes.

(See details of ADV from CSL’s 2009 Annual Registration Statements 2009 (Form 56-1) available for download at www.sec.or.th)



Internet Access and Related Services by DTV Service Co., Ltd. (“DTV”)

Nature of Products or Services

1) DTV Satellite Dish Sales and Service

The service includes sales of KU Band dish to receive signals from THAICOM 5 satellite, available both in full set or IRD Box. The dish, with compact size at reasonable price offers viewers with clear viewing of TV programs especially free-to-air TV and education channels. Sales is made through satellite installation shops, electrical appliance shops, TV sets shops, etc. nationwide. The sales are for equipment only or inclusive of installation fee.

The Company keeps on giving significance to substituting the fish bone antenna with small satellite dish in upcountry market enabling clear viewing of all TV channels and solving the previous problems while offering other programs i.e. movies, cartoons and a variety of education channels. In addition, the Company will continue to develop new devices with suitable application thus further facilitating customers for expansion of customer group and building up of customer satisfaction.

Various forms of TV receiver dish are available in the current market e.g. satellite dish and antenna thereby forcing fierce competition in price, coverage channel, and specification while new models of satellite dish are also introduced. Nevertheless, DTV remains competitive in respect of price.

2) Web Development Service

This service includes web design and development for web customers or general customers. Multimedia technology is applied in the creation of work with an emphasis on data presentation technique to captivate and draw attention of website visitors.

To date, DTV offers services to current customers only without expanding the market or increasing the sales due to the recent severe competition by smaller or individual rivals which has put DTV into a price disadvantaged position.

3) System Integration Service

The service starts from acquiring customers' needs and bringing them into effect with an emphasis on services using IPSTAR broadband applications and other Internet media. This service also offers network and software services to meet customers' demand for network connection to transfer varieties of data contents.

Currently, there are several operators providing system integration service, each of which has particular technical expertise. DTV has put its emphasis on IP File Transfer technology especially via satellite broadband or CSL's IPSTAR service for in-house training.

4) Platform Service

This service includes selling and leasing of platforms or systems developed by DTV such as IPTV Channel (Internet network TV channel), or Multimedia Streaming Platform used for broadcasting video or audio content via Internet network e.g. TV, radio broadcast via Internet, etc.

At present, DTV keeps providing services to current customer group with earnings from existing equipments while customer base has not been much expanded. Besides, similar platform services are widely spread with low investment cost where customers have alternatives to choose the available services, make their own investment or do it by themselves.

Meeting/Training/Seminar Center Services by NTU (Thailand) Co., Ltd. ("NTU")

NTU (Thailand) Co., Ltd. ("NTU") offers meeting, training, seminar center services for efficient personnel development of organizations using distance learning technology via satellite as a medium to broadcast the on-air lecture live to educational centers and enterprises both in government and private sectors nationwide.

Currently, domestic distance learning service is still limited in educational institutions, foundations, or associations. Such service is rather a fixed-by-provider type than a Precision Programming as currently provided by NTU. The media used to send the knowledge to target groups are radio, cassette tape, CD, TV, videoconference, website (www) or e-learning, documents and printed materials.

In addition, there are several distance learning service providers, i.e. educational organizations and private enterprises that deploy such tools as e-learning virtual classroom or virtual campus, and videoconference (using Internet as a medium to transmit data and a PC to receive data) and are regarded as NTU's major competitors because the media used is a two-way communication with colorful techniques that will draw better interest than using TV. Nevertheless, there are some limitations in accessing target groups e.g. a PC with sufficient capacity and users must have a good knowledge, understanding, and skill in computer. In the case of e-Learning and Video Conference, a venue for installation of expensive videoconference equipments which are of high price is necessary.

Consequently, NTU's service employing its existing technology is regarded as a more advantageous method than others. After installation of signal receiving devices and switching TV on, viewers will be able to view NTU programs. Moreover,

the number of videoconference service providers in Thailand is still limited and their operation cost is much higher than that of NTU since NTU network enables access to its network alliances in every province thus greatly lowering its operation cost.

However, it is necessary that NTU expand its network to meet the diverse demand of users and also intro extend their services to provide more alternatives to customers e.g. to expand videoconference service utilizing the existing network.

3 Telephone Business Service

THCOM offers telephone business service by investing in Shenington Investments Pte Ltd. (“Shenington”), a holding company registered in Singapore. To date, there are 2 subsidiaries, Mfone Co., Ltd; and Lao Telecommunications Co., Ltd.

Mfone Co., Ltd. (“Mfone”)

Mfone Co., Ltd., formerly known as Cambodia Shinawatra Co., Ltd., has officially changed its name to Mfone Co., Ltd. to correspond with its product name to further lift up to international level the company’s image along with its products and services. “Mfone” will be used for marketing and sales activities of all products.

Nature of Products or Services

Mfone operates telecom business as described below:



- Cellular phone under digital phone services GSM 900MHz, and GSM 1800 MHz, and UMTS or 3G 2100 MHz systems. In Cambodia, Mfone has consistently expanded its network until present with its ready capability to serve over 1,050,000 subscribers. At 2008 yearend, the number of 3G and 2G customers nationwide totals 630,000 and 255,000 respectively.
- Fixed-line phone service under CDMA 450 system using wireless signal transmission capable of transmitting and receiving voice and data signals at the maximum speed of 153.6 Kb. This service covers 24 provinces nationwide with up to 30,000 subscribers.
- Internet services: WiFi, ADSL, IPSTAR
- VOIP international calling service, an economical service pack via Internet for cellular and fixed-line phone users available since October 2006.

Industry Outlook and Competition

The telecom market competition in Cambodia is relatively high. With an approximate population of 14 million, Cambodia's telephone penetration rate is still at 27% due to its less developed fixed-line phone system. Most people use cellular phones for communication. The number of cellular phone users accounts for 97% of the total figure. Prepaid service accommodates 99% of the total. As of 2008 end, the number of subscribers totals 3.0 million, a 79% growth rate in 2008.

Cambodia is a developing country with a relatively high business growth rate especially during 2007-2008 onwards, a contributing factor to its elevated growth rate in telecom business in 2007 at 59% which increased to 79% in 2008.

Today, there are totally 9 telephone service providers in Cambodia. The competition within the industry therefore rests upon network expansion to cover those areas in demand. At present, Mfone's market share ranks second while its major competitor, CamGSM (Mobitel) ranks top and TMIC (Telecom Malaysia International Cambodia) ranks third. As at 2008 end, Mfone operates a total of 707 base stations. Mfone has projected to extend service coverage to cover a greater area under the condition that such business should yield highest returns. By the end of 2009, Mfone expects to install and develop network to supply to over 1,600,000 subscribers and increase the number of base stations to 1,007. Furthermore, Mfone has delivered high speed Internet service via IPSTAR satellite after IPSTAR gateway in Cambodia started up service in 2007.

Mfone intends to stress on expansion of network coverage nationwide along with quality service. Customer Service and Call Centers have been set up, and service centers have been extended to provincial areas for customers' convenience in using Mfone products and services. Compelled by present fiercer competition, Mfone has periodically launched sales promotion campaigns to both users and upcountry distributors to boost sales figures in addition to its product and service development.

In 2008, Mfone concentrated on strengthening customers' confidence on its network and services by dispatching sales team to promote sales activities both in metropolitan and provincial areas. In 2009, Mfone has a plan to increase at least 1,000 distributing outlets nationwide and renovate its Phnom Penh sales office in order to cope with the rapidly increasing customers. In 2010, Mfone will emphasize Segmentation Marketing in which the Company will provide a variety of services to meet the customers' demand in various segments,

Lao Telecommunications Co., Ltd. (“LTC”)

Nature of products or services

LTC has been granted a license to operate telecommunication services in Laos as follows:

- Digital Phone Service (GSM 900/1800, WCDMA 2100)
- Public Switched Telephone Network (PSTN)
- CDMA-450 Wireless Local Loop 20001X
- Public Telephone
- Broadband internet, HSPA, Wifi Zone, dial-up, ADSL and Prepaid internet and leased line service
- International Roaming Service
- VOIP International Telephone Service
- Value added services for mobile phones

Industry and Competitive Status

LTC’s exclusivity rights expired in 2001. There are currently 3 fixed-line operators in Laos, namely LTC, ETL, and LAT (Star Telecom); 4 cellular phone operators, namely LTC, ETL, Millicom and STAR TELECOM. LTC’s market share ranks top while ETL ranks second and Millicom ranks third. ETL is 100% owned by the Government. LAT, a JV between Government & Viettel. Millicom is a private company owned by the Russian group of companies. The five major Internet service providers are LTC, ETL, Planet Online, Lanexang Internet, and Sky telecom with LTC holding over 50% market share.

The telecommunication system in Laos has developed extensively during past few years using up-to-date technology following global trend in telecommunication technology development to provide superb service to consumers. In particular, Laos is the first country in the world to implement IPSTAR TRUNKING system with GSM 900 phone in rugged areas. LTC is first mobile operator providing 3G cellular phone system in LAO P.D.R. which was commercially launched during 3rd quarter 2008. LTC has planned to expand the 3G network to cover all provinces in Laos. In the last quarter of year 2009, LTC already provides services in 15 provinces upcountry in the North and the South of LAO P.D.R. As of the end of Q4/2009, LTC's total phone subscriber was 1,357,005.

To date, the total number of mobile phone subscribers is approximately 2.3 million with a growth rate of 59% in 2009. Mobile phone market in Laos has greatly expanded especially among major handset sellers where competition is extensive. Diverse models using modern technology are introduced and gain wide popularity. The diversified promotion campaigns launched continuously has actively stimulated the market with a huge increase in customers. Over 99% of total mobile phone subscribers are in prepaid system.

LTC has been prepared to cope with tougher competition with an emphasis on proper network expansion plan to extend the service area and network to cover all portions of the country. A quality service is also LTC's focus with an introduction of CRM and PRM systems. Customer Service and Call Centers are established to facilitate customers and distributors. Consecutive sales promotion campaigns and activities are arranged for the benefit of customers.

Localized marketing strategy, direct sales and creating brand loyalty are used continuously to maintain its top ranking in market share and to achieve a quality service in accordance with the international standards, and to build customers' satisfaction, LTC has strived consistently and has been awarded ISO 9001-2000 certification.

4. Advertising Business via Telephone Directories and Classified Ads.

[See details of Teleinfo Media Co., Ltd. ("TMC") and Watta Classified Co., Ltd. ("Watta") from CSL's 2009 Annual Registration Statements 2009 (Form 56-1) available for download at www.sec.or.th]



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Risk Factors



The Company's business operation is subject to various risks, both general and specific ones. Investors wishing to invest in the Company's securities should therefore take careful consideration on risk factors stated herein including other risks currently unknown to the Company or risks presently viewed by the Company as not materially affecting the Company's business operation. Where such risk factors become real, the Company's business, financial status and operation result may be adversely affected thus possibly resulting in the falling price of the Company's ordinary shares as well as the Company's debenture price and will led to investors' losses.

Besides, there are risk factors involving the Company's Internet business that investors may study from the Annual Registration Statement (Form 56-1) of CS Loxinfo Public Company Limited.

Risk associated with the provision of Satellite Service

Technology and Operating Risks

In-Orbit Failure

The satellite is state of the art technology and engineering. Once launched into orbit, the satellite will be under some risks such as a system failure, solar discharges or a collision with other objects in space. These damages will affect the Company's service to the customers. It will degrade, temporarily or permanently, the satellite's performance to uplink and downlink the signals. The Company may lose the current customers and/or may not acquire new customers while replacing the damaged satellite. However, all satellites are designed to some extents withstand a certain amount of damages. The probability of satellites suffering a severe damage to the point of complete failure is very rare. Thaicom maintains a contingency plan to minimize the adverse effects to the customers in the case of a severe damage to the satellite. These include transferring the customers as many as possible to the available transponders on the remaining Thaicom satellites. The Company has also made the agreements with other satellite operators on a temporary leasing of its transponders until the launch of the replacement satellite. Normally, the construction period of a new satellite will take approximately 24 - 30 months depends on the complexity and size of the satellite.

The Company is aware of the potential risks of satellites in geo-stationary orbit; therefore, it minimizes such risks by fully insuring the Thaicom satellites. Under the Agreement for the operation of Domestic Communication Satellite, the Ministry of Information and Communication Technology (“MICT”) and Thaicom are co-beneficiaries. MICT is the owner of the satellite assets while the Company owns the right to operate them. The insurance policy is for full coverage with partial loss, meaning that the Company can immediately make a claim when the satellite is partially damaged. The insured value equals to the satellite’s book value on the insured date. However, the insured value does not cover a compensation for the loss of revenue, to the Company or its customers, owing to the satellite’s damage. This could possibly affect the Company’s operational performance.

Insured Value Project

Satellite	Insured value (Million USD)	Period
Thaicom 2	3.44	June 2009 - May 2010
Thaicom 4 (IPSTAR)	250	August 2009 - August 2010
Thaicom 5	80.69	May 2009 - May 2010

However, the insurance policy shall not cover the damages to/or the loss of the satellite caused by/or resulting from:

1. War, invasion, defence, acts leading to war made by the government, or military action
2. Anti-satellite equipment, atomic-bomb, or nuclear-related equipment
3. Rebellion, uprising, riot, strike, revolution, civil war, or terrorism
4. Seizure by government agencies

5. Nuclear reaction, radiation by radioactive waste, which, directly or indirectly, causes loss/damage to the satellite, but except for radiation naturally occurring in the space environment
6. Electromagnetic or radio frequency interference
7. Intentional or wilful acts of the insured or the authorized person (s) that cause loss of or failure of the Satellite.

Technological Changes

Satellite broadcasting and telecommunications technologies change quickly, and often leads to reduce the investment costs. However, the conventional satellite technology has not changed that much. Therefore its changes will have less impact on the customers' decisions to select Thaicom or other satellites. Certainly the competency of the operators is an important factor in winning the trust, and for a long term business relationship with the customers. The Company has continually developed and followed up the satellite broadcasting technology trends in order to prepare for the launch of the future satellite.

Considering the Broadband satellite technology, Thaicom 4 (IPSTAR) when its first operate is the most advanced satellite and operate with the lowest cost per transponder. Currently, there are other Broadband satellite service providers who have developed the space as well as ground technologies that can compete with Thaicom 4 (IPSTAR). This will allow the competitive advantages of Thaicom 4 (IPSTAR) decreased and led to a drop in profit margin of both bandwidth and ground equipment.

However, the Thaicom 4 (IPSTAR) is the only broadband satellite in Asia-Pacific and the Company continues to develop the new technologies for the ground system to be more cost-effective in order to maintain its competitive edges.

Service Lives of Satellites

Although satellites generally have 12-16 years of service life, there are some factors that will be shortened their life expectancies. This takes into account the quality of the spacecraft, the sturdiness and the durability of its components, the launch vehicle, the efficiency of the launch process, the satellites' fuel consumption and the operator skills in controlling the satellites under different conditions. The Company might lose its customers and revenues if the Thaicom satellite has shorter service lives than expected and the Company cannot launch any replacement satellite in time.

Thaicom satellite engineering team will regularly perform a calculation process for the remaining service lives of the satellites. If the remaining service life of a satellite is less than 5 years, the involved departments will be informed to deliberate on such issues as the budget for the construction of the replacement satellite, the source of financing and the return from investment.

Reservation of Satellite Orbit and Frequency Coordination

When the Company has a plan to launch a satellite into a new orbital slot, it will not be allowed to use the new orbit position until the orbital slot reservation is filed with the International Telecommunications Union ("ITU") through the Administration of Thailand and the right to use the orbital slot has been approved by the Administration of Thailand which the Administration will consider the necessity of the assignment. As the positions for satellites in geo-stationary orbit are limited, both reservation and frequency coordination are very important and come under the organization of a United Nation's agency - the International Telecommunications Union ("ITU"), of which Thailand is a member. The Ministry of Information and Communication

Technology ("MICT") and the National Telecommunications Commission ("NTC") are acting as an agent to negotiate and coordinate with others. Priority will be accorded to those who apply for orbit reservation first. Those Companies must launch their satellites within 7 years upon receiving approval. The limited orbital slots call for efficient use of resources through coordination of frequency. Such endeavour has become more and more complicated and time-consuming as transponder demand has risen, resulting in an increase in the number of geo-stationary satellites and their proximity of location. Therefore, the elimination or minimization of signal interference may require modification to the satellite design, changes to the service region, or modification to the ground equipment. These will cause technical limitations in some service areas or frequencies as referred to the Agreement on the Frequency Coordination.

Operating Risk

The satellite operation requires technical know-how and expertise of the engineering employees. The Company provides a comprehensive training process to ensure its employee has required skills and abilities to control and operate the satellites. However, the satellite operations are performed by human, there could be some risks of making an error. Therefore, to avoid any error in the operation particularly when sending the command to the satellites, the engineers have to check to ensure that there is no mistake in sending the commands. In case there is an error when sending the command to the satellite, the Company has a procedure and contingency plan in place for any corrective action.

Business Risk

Changes in laws, rules, regulations and Government policy

Thaicom was incorporated and registered in Thailand to operate satellite telecommunications in the country under the Agreement for the operation of Domestic Communication Satellite. There is a business risk from the rise in competition due to the changes in the Government's rules and regulations on satellite telecommunications license, as well as related telecommunications liberalization policies. In addition, other changes in laws, rules, regulations and policy of the Government can have significant impact, either directly or indirectly, on the Company's businesses.

Legal and Regulations Risks in Countries where Thaicom Operates

At present, the globalization trend has created a more liberalized telecommunications landscape around the world. It has enabled Thaicom to expand the satellite telecommunications services to many countries. The Company strictly abides by the Rules, Regulations, Government Policy, or International Agreement as well as Telecommunications Law of the countries where it operates. The satellite telecommunications business in each country is strictly controlled by its Government and any changes to its policy and regulations including any change in the policy to providing supporter subsidy to the telecom industry may affect the Company's license



standing and business strategy. In addition, the changes in the policy and regulations of the ITU International Agreement, the Agreement in Asia-Pacific and the countries where the Company serves, can significantly impact the Company's business opportunities, financial status, and performance. These changes can increase the operating cost and limit the Company's business activities. Additionally, the Company may have a tax exposure arising from the change in tax law or the interpretation of tax law in each country. Whenever necessary, the Company hires and consults law firms in those countries for proper legal process and advice.

Potential Loss of Major Customers

Major source of the Company's revenue comes from major customers who provide telecommunication services. In 2009, Company's revenue from three major customers was 20.2% of the total revenues from the Company's sales and services.

In case one of these major customers have cancelled their services, not renewed the Contract, or renewed the Contract with additional terms and conditions whereas suffering the Company business. For example, they may reduce the service costs in the new Contract. Major customers may have financial problem that will delay their payment to the Company. These factors will affect the Company's business.

However, the major customer has never defaulted on payments to the Company as their television broadcasting programs must be on-air for the viewers. In addition, to change to other satellites service will bring technical hurdles as it requires to relocate or reposition the customer's antennas from the Thaicom satellites. The change to other satellites would be very cost prohibitive as well. These are important factors that the customers will not switch to use other satellites.

The Increasing Demand of Satellite Service slower than forecasted

The expansion of the Company's conventional satellite business depends on the demand for television broadcasting services and development, which may not materialize as planned. However, the development on the television technology and high definition television services will increase demand for satellite services.

In addition, the expansion of the broadband satellite or Thaicom 4 (IPSTAR) business; for instance, the development of IP communications services including data and multimedia, will depend on the growth of the demand of Internet Protocol (IP) communications as well as high-speed Internet access which may not materialize as forecasted. An insignificant increase in such demand is likely to create a negative impact on the Company's cash flow, or ability to repay debt in the future. The Company may also be challenged by other terrestrial communications services.

Competition from Other Satellite Operators and Terrestrial Network Operators

Even though the Company is the only satellite service operator in Thailand at present, the Authority may grant the same license to other satellite operators in the future. The Company's major international customers are from Indochina and South Asia. In Indochina, major satellite competitors include such as AsiaSat, Intelsat, Apstar, New Skies, ABS and Measat. Some of these competitors have large footprint coverage areas and have a tremendous source of funds than the Company. In addition, some competitors are the operators in those countries, they will have the advantages on the laws and regulations and other related issues. The merger and acquisition of the satellite operators has also affected the Company. It will cause a highly competition in the market and lead to a price war of the transponder leasing services.

The Company has also competed with terrestrial network operators such as fiber optic, DSL, microwave, VHF/UHF broadcasting, digital data services, value-added broadband services, etc. Normally, the terrestrial network services have charged lower than the satellite services. The competition with these terrestrial network operators will limit the Company's price setting. Therefore the Company may lose the existing customers to terrestrial services or it will be difficult to get new customers. However, satellite services provide low cost and quickly deployment to remote and less density areas. The satellite also enhances the terrestrial network expansion.

Risk Resulting from Allegations of Breach of the Terms of the Satellite Agreement for the operation of domestic communication satellite

Thaicom provides the satellite telecommunications services under the Agreement for the operation of Domestic Communication Satellite, that may be terminated, if the Company breaches or violates any material Conditions of the Agreement for the operation of domestic communication satellite. This will incur a significant impact of the Company's business opportunities, financial status, and performance. In 2006, Thaicom has been accused of breaching the Satellite Agreement for the operation of domestic communication satellite as follow.

The Issue of the Shareholding Percentage:

According to the necessity that the Company needed to raise its capital by Public Offering (PO) of new shares and Shin Corp's proportional percentage of shareholding would be less than 51%, the Satellite Agreement for the operation of domestic communication satellite was amended in 2004 to lower the percentage of shareholding in Thaicom Plc. that Shin Corporation was required to own from 51% to 40%. Moreover, MICT submitted the matter to the Cabinet for consideration but the

Secretary General of the Cabinet notified the Ministry that the matter was not required to be submitted to the Cabinet. Later on the Council of State gave its opinion and advice that under the Private Sector State Business Participation Act, any change in the Agreement for the operation of domestic communication satellite required the Cabinet's approval and therefore the amendment to the Satellite Agreement for the operation of domestic communication satellite may have to be approved by the Cabinet or if may have been considered void. The Company may be accused of breaching the Satellite Agreement for the operation of domestic communication satellite prior to the amendment and MICT has requested the opinion of the Juridical Council (the Council of State) on this issue, but the Juridical Council notified MICT that this issue is being considered by the Supreme Court and the Juridical Council could not give any opinion on the issue.

Risk from the ambiguities from the interpretation of the laws relating to compliance with the Agreement for the operation of domestic communication satellite

The Issue of Back-up Satellite:

Under the Satellite Agreement for the operation of domestic communication satellite, Thaicom is required to provide a back-up satellite to each main satellite that it launched into orbit. There is a query whether or not the Thaicom 4 (IPSTAR) satellite should be considered as a backup for Thaicom 3 since the technical specifications are not the same with the Thaicom 3 Satellite. MICT requested the opinion of the Juridical Council (the Council of State) on this issue but the Juridical Council notified MICT that this issue is being considered by the Supreme Court and the Juridical Council could not give any opinion on the issue.

The Issue of the Thaicom 3's Insurance Proceeds:

As a result of the damage of the Thaicom 3 satellite, the Company received insurance proceeds amounting of US\$33.0 million which was placed in an escrow account outside Thailand. The Company subsequently used all of the insurance proceeds as partial payment for the construction and launch of Thaicom 5 and for the interim lease of transponder capacity until the launch of Thaicom 5.

Under the Budgetary Procedure Act of 1959, all money received by the government agencies shall be delivered to the Ministry of Finance. The Ministry of Information and Communication Technology is a co-beneficiary of the insurance proceeds under the insurance policy. By depositing the insurance proceeds in an escrow account outside Thailand, the Company may not be acting in compliance with the provision of the Budgetary Procedure Act 1959. MICT requested the opinion of the Juridical Council (the Council of State) on this issue, but the Juridical Council notified MICT that this issue is being considered by the Supreme Court and the Juridical Council could not give any opinion on the issue.

The issue of the obligation to replace the expired satellite:

Thaicom 1A satellite has reached the end of the working life and been de-orbited and Thaicom 2 satellite will reach the end of its working life in 2010. The Company is unable to launch a new satellite to replace them before Thaicom 2 expires. It proposed to the Ministry of Information and Communication Technology ("MICT") to lease transponder capacities from other satellite operators to provide services to customers for a temporary period and to launch a new satellite into orbit in 2012 at the earliest and 2014 at the latest. As the new satellite will have a working life of 15 years which is 6-8 years beyond the term of the Agreement for the operation of Domestic Communication Satellite, the Company requested MICT to consider extending the Agreement for the operation of Domestic Communication Satellite

Period and to adjusting the License Fee of the new satellite to make the New Satellite Project feasible.

The Coordinating Committee of MICT considered the Company's proposal and was of the opinion that as the Agreement for the operation of Domestic Communication Satellite does not provide for the lease of transponder capacities, MICT has to amend the Agreement for the operation of Domestic Communication Satellite to permit the lease of transponder capacities by the Company. MICT and the Coordinating Committee also took the view that because the Company fails to launch the new satellite in time upon the expiring of Thaicom 1A & 2 satellite, there is an issue to be considered whether such failure constitutes a breach of the Agreement for the operation of Domestic Communication Satellite and the opinion on this issue be requested from the Office of the Attorney demand. On this issue, the Company's view is that it has already fully complied with the obligations under the Agreement for the operation of Domestic Communication Satellite as Attachment 3 to the Agreement requires the Company to launch only two sets of main and back-up satellites which the Company has already done so The Company has no contractual obligation to launch the new satellite but it considers the new satellite to be a good business opportunity to expand and strengthen the Thaicom Satellite Project which is the National Project which will also benefit the country.

Actions that may be taken by government agencies pursuant to the judgement of the Supreme Court, Criminal Division for Political Office Holders in the Assets Seizure Case against the former Prime Minister given on February 26, 2010.

The judgment of the Supreme Court, Criminal Division for Persons Holding Political Positions, rendered on February 26, 2010, concerns Thaicom (the "Company") in some aspects. With regard to such aspects, 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 ruling or analysis on the result, the validity or invalidity of the actions already taken, nor does it contain any order indicating that the Company or relevant government agencies shall take any actions.

Accordingly, there is no reason for the Company to take any action as the judgment of the Supreme Court is binding only the parties in the case and not on the Company. Moreover, the Company believes that it took all actions in good faith and in accordance with the provisions of the existing agreements. Whether the relevant government agencies will take any action in this regard, no notice of any further action has been given to the Company. Nevertheless, the legal teams of the Company have considered the matter and view that if any proceeding concerning the Company is to be initiated by related parties, such proceeding shall be in accordance with the agreement law and justice. No proceeding can be improperly concluded or dictated by a single party. The Company has every right available under the law and agreements to provide the facts to prove its innocence and good faith; and the outcome of this controversy will be fair to all related parties who are acting in good faith.

Risk from the change of the Company's status to be an alien under the Foreign Business Act

The Foreign Business Act (the "FBA") is an act to regulate the level of permitted foreign shareholdings in Thai companies. A definition of "foreigner" defined in the FBA also applies in the Telecommunications Business Act (the "TBA") as regards qualifications of applicants for licenses under type 2 and 3. There is a provision under FBA prohibiting Thais to act as nominees for foreigner carrying on businesses which require permission.

In 2006, the Ministry of Commerce investigated shareholding on behalf of foreigners in companies including major shareholders in Kularb Kaew Co., Ltd. (“Kularb Kaew”), a Thai company holding shares in Cedar Holding Co., Ltd. (“Cedar”), which holds majority of the shares in Shin Corporation Public Co., Ltd. The issue is whether a major Thai shareholder of Kularb Kaew holds shares on behalf of foreigner. The Ministry of Commerce has summarized the case and referred to the competent official. The case is under the process by competent official.

If Kularb Kaew is found under a final court decision to be a “foreigner,” then Cedar could be deemed to be a “foreigner” resulting in Shin Corporation being a foreigner under the FBA. In such case, the other foreigner shareholders of the Company can hold shares in the Company together only up to 8.85% to enable the Company to maintain its status as a Thai company and with no effect on the Agreement for the operation of domestic communication satellite.

On December 31, 2009, the Company had the foreign shareholder 5.91%, therefore, although Kularb Kaew is found under a final court decision to be a “foreigner,” the status of the Company still as a Thai company.

Risk on litigation to which the Company is not a party but may result in a revocation of Agreement for the operation of domestic communication satellite.

On March 20, 2006, Mr. Satra To-Orn submitted a complaint to the Central Administrative Court (the “CAC”) against the Ministry of Information and Communications Technology (MICT), the Ministry of Transportation (the “Transport Ministry”), requesting the court to (i) order the defendants to terminate the Agreement for the operation of domestic communication satellite entered into with AIS and the Company; and (ii) grant a temporary injunction preventing new shareholders of Shin Corporation from taking any action or receiving any benefit under such the Agreement for the operation of Domestic Communication Satellite.

Mr. Satra claims that the defendants should have terminated the Agreement for the operation of domestic communication satellite following the transfer of Shin Corporation's shares to new shareholders which results in material shareholding structure and in control of operation of the Company that carries on the business which is a Thai national resource that must be owned and operated for the benefit of the Thai people under applicable Thai law. The CAC ruled that Mr. Satra had no right standing as he had not been a party to the Agreement for the operation of domestic communication satellite. However, Mr. Satra appealed to the Supreme Administrative Court on 12 September 2006 which later ruled that Mr. Satra has standing citing his public interest on the ground that if the Company business were under control of alien, it would cause damage or result in national security and unavoidably affected Mr. Satra. Accordingly the Supreme Administrative Court ordered the CAC to accept the complaint which is now in the process of hearing. On 17 November 2006, CAC ordered not to accept Mr. Satra's order of provisional remedial measure before delivery of judgment because CAC desire that the cause of the case is not sufficient to pursue Mr. Satra's request and this case concerns to examination of the Agreement for the operation of Domestic Communication Satellite which has the provision and liability to response. The order of CAC would be final. In case of such complaint is still in the procedure of CAC.

The Company should not be affected in so far as there is no decision to the extent that shareholders of the Company are under control of alien. In addition, whether or not the Agreement for the operation of domestic communication satellite could be revoked shall be considered under the terms and conditions of the Agreement for the operation of domestic communication satellite.

On April 19, 2007, Dr.Supong Limthanakul submitted a complaint to the Central Administrative Court (the “CAC”) against the Ministry of Information and Communications Technology (the “MICT”), the National Telecommunications Commission (the “NTC”), claiming that such government authorities failed to discharge their duties in not carrying out an inspection whether the business operation of the Company is contrary to the provision of the law after the sales of Shin Corporation’s shares to the new shareholder.

On April 28, 2009, the CAC issued an order making the Company the 4th respondent in the case and the Company filed the reply to the petition together with supporting evidence with the CAC in July 2009.

Risk on the Company’s ability to acquire sufficient transponder capacity for continued service

As a satellite generally has a limited useful life of around 12 - 16 years and satellite project requires high capital investment and generally take at least 2-3 years for construction and launch. Thaicom 2 satellite will reach its end-of-life in 2010. If the Company cannot acquire an additional transponder capacity to sufficiently and continuously replace the nearly-expired satellite, some of the Company’s foreign customers may move to other satellites,

The Company is under negotiation and carrying out a feasibility study on the acquisition of transponder capacity to replace the capacity on the satellite which is nearing the end of life.

Risk from the possibility of retroactive income tax from Thaicom 3's insurance proceeds

As a result of the damage of Thaicom 3 satellite in the year 2003, the Company received insurance proceeds in the amount of USD 33 million. The Company and the MICT was co-beneficiary of insurance proceeds. In the year 2004, the MICT turns over the insurance proceeds to the Company for use in the construction of Thaicom 5 to replace Thaicom 3. The Company recognized insurance proceeds as revenue and included it in income tax computation for the year 2005. In the year 2005, the Company requested the ruling from the Revenue Department whether the insurance proceeds should be treated as revenue in income tax computation, and the Revenue Department gave its ruling in 2006 that the insurance proceeds should not be treated as revenue for income tax computation. Therefore, the Company filed tax return requesting the refund of the tax on insurance proceeds already paid and received the refund from the Revenue department in the same year.

Afterward, there has been reported in the newspaper that the Assets Examination Committee has instructed the Revenue department to demand income tax on the insurance proceeds from the Company as in its opinion, the insurance proceeds constitutes the Company's and subject to income tax. However, the Company has not yet received any demand from the Revenue department.

Risk from depending on sole vendor

The major capital expenditure for satellite operator is the satellite and launch cost. Presently, there are a few experienced satellite manufacturers and launch service providers in the market. Moreover, parts of IPSTAR user terminal are the intellectual property which belongs to key manufacturer.

To mitigate the risk from depending on sole vendor, the Company has sought for other qualified manufactures that provide the services at the reasonable price. Moreover, there are a number of new satellite manufacturers in the market and this will help reducing the risk from depending on sole manufacturers.

Financial Risks

Risk from Currency Exchange Rate Fluctuations

Since the satellite business is directly involved in overseas technology, the Company can not avoid foreign currency expenditure. In 2009, the proportion of revenue based on foreign currency is at 86% of revenue from sales and services. The Company manages exchange rate fluctuations by proportionately adjusting its loans to revenue ratio in US dollars and Thai Baht (natural hedge). To mitigate the effect of the exchange rate fluctuation and to reduce the risk from currency exchange rate fluctuations and interest rates, the Company and its subsidiaries use widely accepted methods such as “swap” and “forward” deals in financial markets.

As of December 31, 2009, the Thaicom group of companies has total assets and debts in foreign currency of Baht 2,240.84 million and Baht 3,278.92 million respectively, after the preventive of risk. The Company recorded gain on foreign exchange of Baht 465.1 million in 2009, most of which were realized following the prepayment of USD 224 million dollars loan by using the proceeds from the issuance of debenture.

Risk from the effects of the global economic recession towards liquidity in local capital market

The world financial crisis caused by the non-performing “subprime” loans in the USA, which erupted at the end of 2007 and has had an impact on the global economy, has required many governments to extend financial rescue and stimulus

packages to curb the severity of the resulting economic recession and its impact on social well-being. There is speculation that the world economy, including Thailand, will begin to recover in 2010 from the trough it reached in 2009. However, the situation is still very fragile as can be seen from the latest debt moratorium granted to Dubai at the end of last year. This is a clear indicator that the recovery is not yet very strong and may be less than expected in Thailand this year. Although there is a good likelihood the Thai economy will expand in 2010, the growth may be lower than earlier forecasted as the global economy, especially in the USA and Europe, is still in the early phase of recovery and its sustainability is still in question. In addition to this, political instability in Thailand could undermine economic growth, causing a decline in local consumption and private-sector investment. These factors might have a negative impact on the revenue of companies in the group.

Both the external and internal factors mentioned above might cause a fluctuation in foreign exchange and interest rates. In addition, the global capital market has become highly volatile from the movement of funds by foreign investors and the liquidation of investment funds. Mutual funds and foreign investors in Thailand might reduce their liquidity risk by transferring funds to low-risk investment alternatives.

This might have an impact on the country's liquidity including the cost and availability of funds for the investment needs of the group. However, the group has prudently managed its own liquidity by diversifying its source of fund, maintaining sufficient excess cash to support operations and investments, and appropriately managing the foreign exchange and interest rate risks.

Risk from delay collection

Since Thaicom's main markets for satellite services are Indo-China and South Asia, which some countries in these regions employ the foreign exchange control. Customers located in the countries with the foreign exchange control or lack of foreign currency liquidity such as India, Myanmar and Vietnam have to request for

an approval from relevant government agency to purchase the foreign currency, as a result the long approval process may caused a delay in making the payment to Thaicom. This may create a negative impact on the Company's cash flow, or ability to repay debt in the future.

Risk from Interest Rate Fluctuations

Following the prepayment of IPSTAR and Thaicom 5 loan by using the proceeds from the debenture issuance, Thaicom Plc's borrowing is fixed-interest rate loan. However, the borrowings of our subsidiaries, accounted for 20% of total borrowing, are still floating-rate loan. Thus, an increase in market interest rate would have an effect on the Company's cash flow and resulted in a rising in financial cost. To prevent the exposure from the fluctuation of interest rate, the Company closely monitors the change in the market interest rate to ensure that the proper financial instruments are efficient adopted at the right time.

Risk from failure by the Company to successfully comply with the covenants required in the Loan Agreements and Terms and Conditions of the debenture

On November 6, 2009, the Company issued debentures in the total amount of Baht 7 billion and applied the proceeds to repay IPSTAR and Thaicom 5 loan of USD 224 million, as a result the covenants under such agreement were released. However, Thaicom still has to comply with the terms and conditions of the debenture. Moreover, the subsidiaries of the Company have also agreed to a number of covenants in the loan agreement.

The breach of the terms and condition of the debenture as well as the covenants of the loan will be considered as a default and the Lenders have the right to accelerate the repayment. Therefore, the breach of covenants may adversely affect on the Company's cash flow and financial status.

Management Risk

Loss of Specialized Experts in Management

Satellite technology-related operations, including telecommunications, require highly qualified personnel with thorough knowledge and good skill in high technology as one of the factors in the operations' success. Presently, there are a limited number of people with thorough knowledge and skill, especially in telecommunications technology in Thailand. Moreover, the Company has expanded its operation to many countries the Company require the personnel having knowledge and experience in each locality. Therefore, the loss of employees working at the executive or management level, such as high-rank executives in satellite engineering division, and lack of experienced staffs might adversely affect the Company's operations. For this reason, the Company regularly sends its executives at every level to training and observation tours abroad as well as rewarding them with proper benefits.

Risk from the use of Information Technology

The current company business necessitates the use of internet-connected computer system in order to keep the business transaction up-to-date and compete in the market with efficiency. This IT business nature exposes the Company to risk if its computer system and information data receive threat which can be detrimental to its business. In light of this, the Company finds it appropriate to lay down policy and issue regulations controlling the use of information technology. This aims to reduce possible threat on risk exposure. The Company has a clear policy to continually educate its employees on the use of computer system and data with safety and maximum effectiveness. This education places emphasis on risk associated with the computer system by strict control and compliance with the applicable law. The Company policy also realizes the legitimate private right of users on the basis of accuracy of information and the ability to provide employees with the service of computer information system so that they can perform their

function with efficiency. In addition, the Company makes an investment on computer and computer network equipment as a backup for the Company information technology system.

Risks Associated with the provision of Telephone Communications Service Business

Technological and Operational Risks

Risks from Technological Changes

The technological development in communications and telecommunications businesses emerges quickly enhancing business growth and competitive potentiality. Businesses that fail to adjust themselves to keep pace with new technologies with cost competitiveness will lose customers to their rivals. In anticipation of the significance of and technological effects on communications and telecommunications businesses, the Company has studied and developed new technologies to strengthen its competitiveness to match the global communications technologies. Yet, the rapid scientific and technological progress of the world in modern era could result in the Company's loss of competitiveness or higher cost for the adaptation and development of new technologies which may impact the Company's future performance.

Risks Involving Frequency Allocation for Mobile Business Operation

In providing mobile business service, the Company requires communications frequency allocation from concerned government agencies. Since a frequency has a limited capacity to cater service users, the frequency allocation will influence the expansion of subscriber base and the competitiveness as well. If, in the future,

a new frequency is developed and put into service and the Company is not allocated with such frequency, it is likely that the Company's business performance will be affected. However, the Company is certain that with its extensive experience and potentiality, it is possible for the Company to be granted with allocation of new frequency, if any, in the future.

Operational Risks

The Company operates telephone communications business which comprises services of fixed-line telephone, cellular phone, international calls, and other value-added services via a massive telecommunications network with a vast serviced area. There is, then, a possibility of problems arising from the malfunction of equipments, communications, or computer systems, which may affect the functionality of network system, for instance, problems in signal receiving and transmission or data transmission, which will affect the Company's service quality and popularity among subscriber groups. Adequately equipped, however, with a testing and monitoring process for the network and computer systems and the equipments and a risk management system under the supervision of the Risk Management Committee and the Company's Management to analyze, monitor, and evaluate the risk reduction activities, the Company has the confidence that it will help decrease the possibility of problems arising out of network malfunction.

Risks in Business Operation

Risks Resulting From Overseas Business Operation

The Company has always recognized the risks of political stability in conducting telephone communications business overseas as there are more political risks doing business in developing countries than in developed ones. Incidents of political instability in a country may adversely affect the Company's income and business

thereof. Nevertheless, the Company has never experienced such effect since Cambodia and Laos have remained politically stable which has contributed to the Company's smooth business operation.

Risks Involving Laws and Government Regulations

The Company is subject to comply with applicable laws and regulations of the countries where it operates. Changes relevant to laws, regulations and government policies may adversely affect the Company's income and business operation as well as future growth, for example, changes of rules in granting operating license, frequency allocation, etc. of which the consequences could not be predicted to positively or negatively affect the Company's performance, and to what extent. However, it is the Company's belief that changes of laws or rules are generally based on sound commercial logic. In addition, in the course of the Company's business operation and expansion as well as development of new technology, the Company has always been extremely prudent in abiding by applicable laws of each country in order to maintain good relationship and enable smooth business run.

Risks Relevant to Market Situation and Competition

The Company provides telephone communications service business in Cambodia and Lao PDR. The number of local telephone subscribers in both countries is relatively low when compared with the total population figure. This has provided an opportunity for telephone communications business to create new subscriber base. Also, the economy of Cambodia and Lao PDR tends to expand continually as a result of foreign investment and thus giving an opportunity for communications and telecommunications business to benefit from the national economic growth as well as provoking a trend of fiercer combat in telephone communications business, the cellular phone market, in particular. Currently, the number of mobile phone service providers in Cambodia and Lao PDR is 9 and 4 respectively.

The telephone communications business in Cambodia in the past year confronted a tough price war in an effort to capture market segments from competitors while the communications technology in Lao PDR advanced rapidly introducing modern technology of good quality. Therefore, those entrepreneurs who fail to swiftly react against the competition may be adversely affected.

In anticipation of possible tougher competition, the Company has continuously strived to develop and expand the network and service area, improve service quality, and map out new market strategy to fight off future competitions.

Risks Relevant to Contract Renewal of Telecommunications Service Providing in Cambodia and Laos.

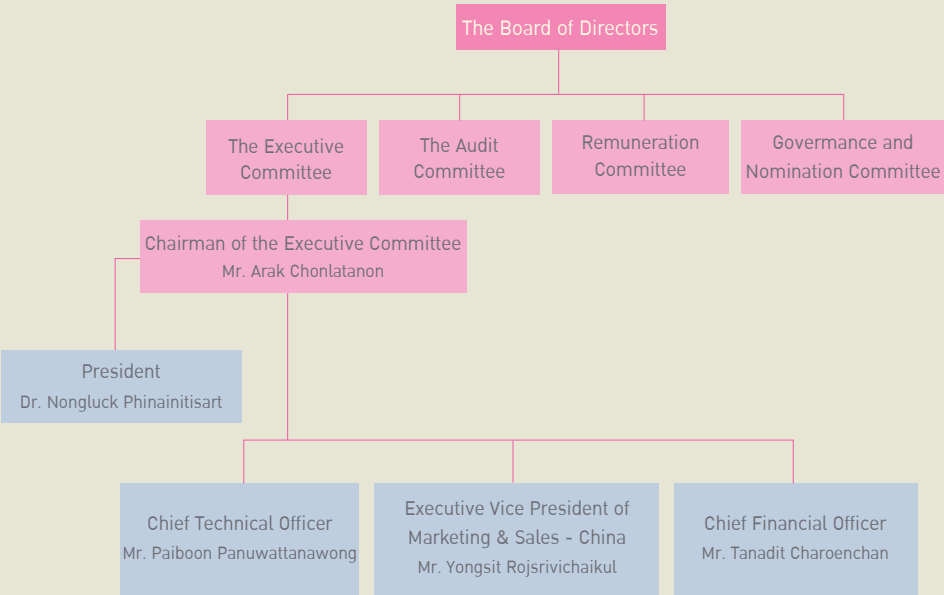
The telephone communications business in Cambodia and Lao PDR is due to expire in 2028 and 2021 respectively. In the event of the Company's failure in negotiating with the Governments for contract renewal, the Company is subject to transfer all assets to Cambodian Government and its joint venture stakes to Lao Government without any remuneration. In such case, the Company will lose its revenue earned from the business, which will naturally impact the Company's performance. However, the Company is confident that its potentiality, promptness and experience in telecommunications business, will contribute to the Company's success in renewing the contract to provide services in Cambodia and Lao PDR.



Good Corporate Governance and Management



Management Structure and Nominating the Board of Directors



Corporate Governance Policy

The Board of Directors believes that the Principles of Good Corporate Governance are essential factors in maximizing long-term earnings to stakeholders. The Board therefore prescribed and approved the Company's Corporate Governance Policy to promote transparency in the management of business affairs, protect the rights of minority shareholders and other stakeholders, encourage the shareholders' participation in the supervision of the management of the Company's affairs, manage the risks to ensure the stability and security of the Company's business, lay down the business' philosophy and ethics to take into account the social responsibility in the conduct of business. The first Corporate Governance Policy of the Company was made on November 12, 2002 and implemented until 2005 when it was first revised. The Board of Directors was entrusted with the task of reviewing and revising the Company's Corporate Governance Policy on an annual basis to ensure that it is in accord with the rapidly changing circumstances. In the year 2008, the Board of Directors reviewed and approved the amendments of the Corporate Governance Policy at its meeting no.2/2009 on 19th February 2009, the material changes are as follows:

1. To amend the qualifications of independent directors and the term of the independent directors
2. To amend the term of the independent directors who are members of the Audit Committee, the Governance and Nomination Committee and the Compensation Committee
3. To amend the powers and duties of the Audit Committee the Governance and Nomination Sub-Committee and the Compensation Sub-Committee to be in line with those specified in their Charters respectively, and
4. To amend the composition and powers and duties of the Executive Committee so as to be in line with those specified in the Charter.

The Board of Directors

Names of Directors	Title	Number of Shares Held ¹⁾	Number of Debenture Held ²⁾
1. Mr. Paron Israsena	Chairman and Independent Director	-0-	-0-
2. Prof. Hiran Radeesri	Director, Chairman of the Audit Committee and Independent Director	-0-	-0-
3. Mrs. Charintorn Vongsbootorn	Director, Member of Audit Committee and Independent Director	-0-	-0-
4. Mr. Samrieng Mekkiengkrai	Director, Member of Audit Committee and Independent Director	-0-	-0-
5. Mr. Somprasong Boonyachai	Director and Chairman of Executive Committee	200	-0-
6. Dr. Dumrong Kasemset ³⁾	Director and Chairman of Executive Committee	4,000,086	n/a
7. Mr. Arak Chonlatanon	Director and Member of Executive Committee	50,000	-0-
8. Mr. Yong Lum Sung	Director and Member of Executive Committee	-0-	-0-
9. Miss Nidchanun Santhavesuk ⁴⁾	Director and Member of Executive Committee	-0-	-0-

Note:

- 1) As of December 31, 2009, except Dr.Dumrong Kasemset - as of September 25, 2009
 - 2) As of December 31, 2009
 - 3) Resigned from the Board and appointed Mr. Arak Chonlatanon as a replacement director on May 13, 2009 and the registration of change of director was made at the Ministry of Commerce on May 14, 2009, and appointed Mr. Somprasong Boonyachai as a replacement Chairman of Executive Committee on May 13, 2009
 - 4) Resigned from the Board and Member of the Executive Committee on March 1, 2010 and the registration of change of director was made at the Ministry of Commerce on March 2, 2010
- Mr. Kamonmit Vudhijumnong is the Company Secretary.

Composition and Independence

The Company's Board of Directors comprises 5 experienced directors covering various fields of business experience. One third of the board and at least 3 is Independent Director. At least half of the directors are non-executive directors to balance power between oversight and management functions. The authorized directors are Mr. Arak Chonlatanon or Mr. Somprasong Boonyachai or Miss Nidchanun Santhavesuk. Two of the three directors are required to sign on behalf of the Company together with the Company's seal affixed.

Definition of Independent Director

1.1 Independent directors shall have all the qualifications stipulated by the Capital Market Supervisory Board. Independent directors have a duty to protect the interests of every shareholder in a fair and impartial manner in order to avoid any conflict of interests that may arise. They shall be able to attend board meetings and independently express their comments and opinions.

Independent directors shall have the following qualifications:

1.1.1 Holds no more than 0.5% of total voting stocks of the Company, its parent company, its subsidiaries, its associated companies, major shareholder or controlling persons who may have conflicts of interest, including stocks held by connected persons of the independent director;

1.1.2 Is not or has not ever been an executive director, employee, staff, advisor who receives salary of a controlling person of the Company, its parent company, its subsidiaries, its associated companies, same-level subsidiaries, a major shareholder or controlling persons who may have conflicts of interest unless the foregoing status has ended for more than 2 years before the date of appointment as independent director;

1.1.3 Is not a person related by blood or legal registration, such as father, mother, spouse, sibling and child, including spouse of the children, management, major shareholders, controlling persons, or persons to be nominated as management or controlling person of the Company or its subsidiaries;

1.1.4 Has not or has not had a business relationship with the Company, its parent company, its subsidiaries, its associated companies or controlling persons who may have conflicts of interest, in the manner that may interfere with his independent judgment, or is not or has not ever been a major shareholder or controlling persons of any person having business relationship with the Company, its parent company, its subsidiaries, its associated companies a major shareholder or controlling persons who may have conflicts of interest unless the foregoing relationship has ended for more than 2 years appointment as independent director;

The term 'business relationship' aforementioned under paragraph one includes any normal business transaction, rental or lease of immovable property, transaction relating to assets or services or grant or receipt of financial assistance through receiving or extending loans, guarantee, providing assets as collateral, including any other similar actions, which result in the applicant or his counterparty being subject to indebtedness payable to the other party in the amount of 3 percent or more of the net tangible assets of the applicant or 20 million Baht or more, whichever is lower. The amount of such indebtedness shall be calculated according to the calculation method for value of connected transactions under the Notification of Capital Market Supervisory Board concerning Rules on Connected Transactions. The combination of such indebtedness shall include indebtedness taking place during the course of 1 years prior to the date on which the business relationship with the person commences;

1.1.5 Is not or has not ever been an auditor of the Company, its parent company, its subsidiaries or its associated companies who may have conflicts of interest and is not a major shareholder, or partner of an audit firm which employs

auditors of the Company, its parent company, its subsidiaries, its associated companies, a major shareholder or controlling persons who may have conflicts of interest unless the foregoing relationship has ended for more than 2 years appointment as independent director;

1.1.6 Is not or has not ever been any professional advisor including legal or financial advisor who receives an annual service fee exceeding 2 million Baht from the Company, its parent company, its subsidiaries, its associated companies, a major shareholder or controlling persons who may have conflicts of interest, and is not a major shareholder, controlling persons or partner of the professional advisor unless the foregoing relationship has ended for more than 2 years appointment as independent director;

1.1.7 Does not represent a the Company's or its major shareholder's board member or a shareholder who is related to the Company's major shareholder;

1.1.8 Is not an entrepreneur in any business similar to or material competing with the Company or its subsidiaries or not being the material partner in partnership, executive director, employee, staff, advisor who receives salary or holds no more than 1% of total voting stocks of the company similar to or material competing with the Company or its subsidiaries;

1.1.9 Has not any characteristics which make him incapable of expressing independent opinions with regard to the Company's business.

1.2 After having been appointed as Independent Director with qualifications complying with the criteria under 1.1.1 to 1.1.9 mentioned above, the Independent Director may be assigned by the Board of Directors to take part in the business decision of the Company, its subsidiary, affiliate, same-level subsidiary or juristic person who may have conflicts of interest on the condition that such decision must be a collective one.

1.3 The Company may appoint a person who has a business relationship or provides a professional service described in Item Nos. 1.1.4 or 1.1.6 above if the Board carefully considers the business relationship or service provided and concludes that the appointment will not interfere with the exercise of independent judgment in the independent director's responsibilities. The Company must disclose the following information in the item regarding the appointment of independent directors on the agenda of the shareholders' meeting:

1.3.1 The nature of the business relationship or professional service that excludes the nominated independent director from the standard requirements.

1.3.2 The reason or need to retain or appoint this person as an independent director.

1.3.3 The Board's opinion on proposing the appointment of this person as an independent director.

Leadership and Vision of the Board of Directors

The Board of Directors as representatives of the shareholders has the duty to oversee that the management will perform in accordance with company's objectives, policies, procedures, rules, regulations and resolutions from the shareholders' meeting with honesty, loyalty and meticulously takes care of shareholders' interest including other stakeholders. To conduct their duties, the board participates in review process of vision, mission, strategies, target setting, business plan and budget of the Company. The Board has agreed with segregation of duties and responsibilities among The Board, the Audit Committee, the Committees and management. In addition, the board has mechanisms to oversee and follow up management operation and management control in an appropriate and timely fashion.

Responsibilities

In the Board of Directors meeting no. 3/2006 on March 21, 2006, the Directors have revised their duties and responsibilities, in writing, as follows:

- To establish the policies, assign the business direction for the Company and subsidiaries including exercise authority over management to assure operating efficiency and effectiveness in order to maximize benefit to shareholders and continuous improvement.
- To consider and decide upon significant issues on business operation of the Company and subsidiaries, such as policies, business plan, asset acquisition and disposal, project investments, level of authorities and other issues required by law.
- To monitor performance of management in terms of efficiency for the best interest of the Company and subsidiaries by establishing accounting systems, reliable financial reporting and auditing, including evaluation process for effectiveness and efficiency of internal control systems, risk management and appropriate follow up procedures.
- To ensure no conflicts of interest among stakeholders through a process review of related party transactions.
- To ensure business operation is in accordance with good corporate governance and ethics.
- To review the corporate governance policy and evaluate compliance with corporate governance policy at least once a year.
- To have Board of directors conduct performance self-evaluation annually.

- The Board may delegate power to any individual to conduct business on specific cases or other matters. The delegation of power shall not include power to execute conflict of interest or transactions in the Company or subsidiaries as prescribed in the Company's Articles of Association or as regulated by the Securities and Exchange Commission or the Stock Exchange of Thailand except in the cases which are in compliance with the policy or the criteria approved by the Board.

The Board also prescribed the procedure for directors and management to report their stock-holding in the company including those of their spouse and minor children, in accordance with the rules and regulations of the Securities and Exchange Commission and Stock Exchange of Thailand in the format of Form 59-1 within the period presented under the SEC Notification No. Sor Jor 14/1997.

The Company also has a policy to have an annual review of corporate governance policy by Directors in order to comply with the Stock Exchange of Thailand and international practice of The Organization for Economic Co-Operation and Development (OECD).

Appointing the Board of Directors

The Board should be qualified based on experience according to company requirements, having no prohibited conditions according to the Public Company Limited Act or other related laws. The Board shall have sufficient time to devote its knowledge and ability to work for the Company. The Board of Directors has assigned a governance and nomination committee that will be responsible for director selection and propose their appointment at the Shareholders' Meeting. The Company has a policy requiring the director to hold office of director in not more than five other companies and the term of the director is three years. However, the independent directors shall not hold office continuously for more than 3 consecutive terms or 9 years, whichever is longer unless the Board of Directors considers it necessary for such independent directors to continue in office, it can extend the term of one year each time.

According to the Articles of Association, the term of one third of the directors shall end every Annual General Meeting of Shareholders. The longest serving directors shall be due first, and may be re-elected to resume duty. In case of vacancy (ies) due to other reasons, the Board, by a vote in which three fourths of its members agree, shall elect someone who has qualifications and no prohibited conditions according to clause 68 of the Public Companies Act, B.E. 2535 (1992). The Board can thereby appoint him/ her a director in the next Meeting. An exception is the case of a term with less than 2 months remaining, where the term of the newly appointed director shall expire at the same time as the preceding director. The Company has a Governance and Nomination Committee to select a new director for appointment.

The Company does not limit the maximum times a director may be re-elected. Neither is their age an issue, but rather their working capability.

The Company has a policy of supporting the participation of directors in seminars and training courses organized by concerned bodies such as SET or IOD which are useful for the performance of duties of directors. New directors will be provided with documents and information on the Company's business to enable the new director to perform his/her duties efficiently.

The Chairman of the Board and the Chairman of the Executive Committee

The Company has a policy on segregation of duties between the Chairman of the Board, and the Chairman of the Executive Committee, that they shall not be the same person, in order to maintain a balance of power between direction and management functions.

- ***The Chairman of the Board*** is leader of directors and is responsible for monitoring and supervising management functions of the Executive Committee in accordance with the approved business plan. The Chairman also acts as the chairman of the Board of Directors' and at Shareholders' meetings.
- ***The Chairman of the Executive Committee*** is the head of the Company's management team, responsible to the Board to achieve the approved business plan and reports the business performance to the Board.

Board Meetings

Meeting schedule is determined in advance to be held six times in a year. Additional meetings may be held as required. At the meeting, the Chairman of the Board will allocate sufficient time for management to provide document and information for discussion on significant issues. All directors are open to discuss and provide opinions including initiating meeting agenda(s). The secretary of the Board is responsible for making arrangement for the meeting, preparing adequate document and information attached to the meeting invitation and send to the directors at least seven days in advance. This will allow the director to have sufficient knowledge of the concerned agenda. The meeting normally takes three hours and it has formal minutes in writing that are always available to the directors for their review. The director who has an interest in the transactions cannot be in the meeting.

In year 2009, the Board held regular meetings 6 times and special meetings 4 times, with the participation of the following directors.

Directors	Regular Meetings		Special Meetings	
	Meeting	Participation	Meeting	Participation
Mr. Paron Israsena	6	6/6	4	4/4
Prof. Hiran Radeesri	6	6/6	4	4/4
Mrs. Charintorn Vongsbootorn	6	6/6	4	4/4
Mr. Samrieng Mekkiengkrai	6	6/6	4	2/4
Mr. Somprasong Boonyachai	6	6/6	4	4/4
Mr. Yong Lum Sung	6	6/6	4	4/4
Dr. Dumrong Kasemset ¹⁾	4	3/4	1	-
Mr. Arak Chonlatanon	2	2/2	3	3/3
Miss Nidchanun Santhavesuk ²⁾	6	5/6	4	3/4

Note:

- 1) Resigned from the Board and appointed Mr. Arak Chonlatanon as a replacement director on May 13, 2009 and the registration of change of director was made at the Ministry of Commerce on May 14, 2009.
- 2) Resigned from the Board and Member of the Executive Committee on March 1, 2010 and the registration of change of director was made at the Ministry of Commerce on March 2, 2010

The Committee

The Board of Directors has established three Committees which are the Audit Committee, the Compensation Committee and the Governance and Nomination Committee.

In year 2009, the Audit Committee held meetings 12 times, with the participation of the following directors.

Audit Committee

Members	Position	Meeting	Participation
1. Prof. Hiran Radeesri	Chairman of the Audit Committee and Independent Director	12	12
2. Mrs. Charintorn Vongsbootorn	Member of Audit Committee and Independent Director	12	12
3. Mr. Samrieng Mekkiengkrai	Member of Audit Committee and Independent Director	12	12

All three members of the Audit Committee are independent directors and one must have experience in Finance and Accounting. The Audit Committee must be independent according to the Announcement of the Stock Exchange of Thailand. The term of office is three years and may be re-appointed but not more than three consecutive terms unless the Board of Directors considers otherwise. In 2009, the Audit Committee held 12 meetings and conducted meetings in accordance with the following duties and responsibilities:

- To ensure that the company has accurate, complete and credible financial reports
- To ensure that the Company has appropriated and effective internal control system and internal auditing activities, the Audit Committee shall consider the independence of the internal audit department, including consent to the appointment, rotation, promotion, and termination of the department head and others who are responsible for internal audit activities.
- To ensure that the Company complies the Security Exchange of Thailand (SET) and the Security and Exchange Commission (SEC) as well as all rules and regulations related to the Company's business.
- To select and propose independent person who will be the Company's external auditor and propose his or her compensation, the Audit Committee also conducts meeting with the external auditor without management attending at least once a year.
- To consider connected transaction or transaction that may lead to conflict of interests whether it complies with all rules and regulations of the SET and SEC and ensure the transactions are appropriate and provided the best interest to the Company.
- To assure that the company has appropriate and effective risk management process.
- To prepare Audit Committee's report and discloses in the Company's annual report. The report must be signed by the Chairman of the Audit Committee and included at least the following comments:
 1. Accurateness, completeness and credibility of the Company's Financial Report.
 2. Adequacy of the Company's internal control system

3. Compliance with laws of SEC's, SET's laws and regulations and other law relevant to the Company's business.
 4. Suitability of the external auditor
 5. Transaction that may cause conflict of interest
 6. Number of committee meetings and attendance of each member
 7. Other concerns that have arisen as the audit committee performed its duties as defined in the committee's charter
 8. Anything else which should be made available to shareholders and general investors within the scope of duties and responsibilities assigned by the Board.
- To report activities of the Audit Committee to the Board of Directors at least 4 times a year.
 - To have authority to hire independent consultant or professional when needed.
 - To have authority to invite executive, manager or employee to attend meetings for discussion or answers the Audit Committee's questions.
 - To review scope, authority and responsibility and conduct self-evaluation on the annual basis.
 - To carry out any assignment by the Board of Directors that is agreed upon by the Audit Committee.
 - In carry out the Audit Committee duties and responsibilities, if there are unusual transactions or the following activities which may have material impact to the financial position and operation result of the Company, the Audit Committee must report the Board of Directors to take corrective action within a reasonable period of time.
 1. Conflict of interest transaction
 2. Fraud or unusual transaction or significant deficiency in the internal control system
 3. Violation under the laws of SEC's, SET's laws and regulations or other law relevant to the Company's business.

Any Audit Committee’s member may report such transactions or activities to the SEC and SET if the director or manger fails to take corrective action within a reasonable period of time,

- In case the auditor discovers any suspicious circumstance that the director, manager or any person responsible for the operation of such juristic person commit an offense under the law, and informed such circumstance to the Audit Committee to continue the inspection without delay and the Audit Committee shall report the preliminary inspection to the SEC office and the auditor within 30 days from the notification date of the auditor. The circumstance that shall be informed and the procedures for acquiring the fact related to such circumstance shall be complied with the notification of the Capital Market Supervisory Board.

The members of the Audit Committee also holds meeting among themselves exclusively to consider important problems relating to the management of the Company and notify the Chief Executive Officer and the Board of the results of the meeting.

The Audit Committee conducted self-evaluation and reported the result to the Board of Directors in the Board of Directors’ meeting no.2/2010 on February 19, 2010.

Compensation Committee

- | | |
|---------------------------------|---------------------------|
| 1. Mr. Paron Isarasena | Chairman of the Committee |
| 2. Mrs. Charintorn Vongspootorn | Member |
| 3. Mr. Somprasong Boonyachai | Member |

The Compensation Committee comprises of 3 members of which the chairman is the independent Director. The 2 members are one non-executive director and one independent director. The members of the Committee shall hold office for a term of 3 years and may be re-appointed, but shall not be more than three consecutive terms unless the Board considers it necessary for the members to continue in office. The Committee’s scope of work and responsibilities are:

- Fix appropriate remuneration both monetary and non-monetary in order to be an incentive for members of the Board, the Committee and high level executives to remain with the Company and submit its recommendation to the Board of Directors for approval;
- Consider and approve the EV Bonus Plan (Economic Value Bonus Plan) and prescribe criteria for implementation of EV Bonus Plan including consider and the allocation of annual EV Bonus to the Company's executives and submit its recommendation to the Board of Directors for approval;
- Supervise the implementation of EV Bonus Plan and to give final determination in case there are problems or controversies in the implementation of EV Bonus Plan and report to the Board of Directors;
- consider and approve the annual remuneration of directors and submit its recommendation to the Board of Directors and for the Shareholders' Meeting for approval;
- prescribe criteria and policy for determining the remuneration of the Board for the Board's or the Shareholders' consideration, as the case may be;
- The Committee is responsible to the Board and has a duty to provide reason/ answer relating to the remuneration of directors at the Shareholders' Meeting;
- consider and approve the evaluation of performance for determining the annual EV Bonus of the Company's CEO and submit its recommendation to the Board of Directors for approval;
- Engage consultant or independent person to give opinion or advice as necessary and in accordance with the Company's regulations;
- Review and assess the adequacy of the Charter of the Compensation Committee and recommend to the Board if any change or amendment is needed;

- Report the performance of important tasks to the Board on a regular basis and the important issues for the Board’s knowledge;
- Require the management, executives or concerned persons to give opinion, information or to participate in the meeting;
- Carry out any other duties assigned by the Board.

In 2009, the Compensation Committee took into account the business performance of the Company and the industry-wide standard of directors’ remuneration in recommending the directors’ remuneration to the Shareholders’ meeting, which was within the total amount approved by the Annual General Meeting for the year 2009.

Governance and Nomination Committee

1. Mr. Paron Israsena	Chairman of the Committee
2. Mrs. Charintorn Vongspootorn	Member
3. Mr. Somprasong Boonyachai	Member

The Governance and Nomination Committee comprises of three members of which the chairman is the independent director. The two members are one non-executive director and one independent director. The members of the Committee shall hold office for a term of 3 years and may be re-appointed, but shall not be more than three consecutive terms unless the Board considers it necessary for the members to continue in office. The Committee’s scope of work and responsibilities are:

- Lay down policy on compliance with good corporate governance, review annually the Company’s Corporate Governance Policy and recommend any amendments or revisions for the Board’s consideration;
- Prescribe the criteria and policy on the nomination of members of the Board and of the Board’s committees;

- Consider the nomination of directors from qualified candidates and recommend to the Board or the Shareholders, as the case may be;
- Nominate qualified person for the post of Executive Chairman in the case of vacancy and consider the criteria for succession with regard to high level executive positions;
- Nominate qualified persons to the posts of members and chairman of the Board's committee for the Board's consideration;
- Nominate qualified persons to be appointed as directors of the subsidiaries, affiliates and joint ventures;
- Carry out the annual evaluation of the performance of the Board, the Board's committees (including its own's performance) and of each member of the Board, review the result of the evaluation of each of the Board's committees and report to the Board;
- Engage consultant or independent person to give opinion or advice as necessary and in accordance with the Company's regulations;
- Review and assess the adequacy of the charter of the Governance and Nomination Committee and recommend to the Board if any change or amendment is needed;
- Report the performance of important tasks to the Board on a regular basis and the important issues for the Board's knowledge;
- Carry out any other duties assigned by the Board.

In 2009, the Governance and Nomination Committee selected and nominated qualified persons for the position of director and submitted to the Board for consideration and approval to recommend to the Annual General Meeting for the year 2009 for appointment as the Company's directors.

In the year 2009, the Compensation Committee held 3 meetings and the Governance and Nomination Committee held 2 meetings. The Chairman and two members attended all the meetings.

Selecting and Appointing the Board of Directors

The Company has appointed the Governance and Nomination Committee to select qualified persons who has appropriated educations and experiences. In case there is a vacancy, the Governance and Nomination Committee will review qualification of the persons before nominating a number of them to the Board of Directors. The Board will review and select a nominee director to fit the vacancy and propose at the shareholders' meeting for approval in accordance with rules and regulations specified in the Articles of Association of the Company as follows:

1. Each shareholder shall have a number of votes equal to the number of shares held.
2. Each shareholder may exercise all the votes he/she has under item 1 to elect one or several persons as director or directors. If several persons are to be elected as directors, the shareholder may not allot his/her votes to any person in any number.
3. The candidates shall be ranked in order descending from the highest number of votes received to the lowest, and shall be appointed as directors in that order until all of the director positions are filled. Where the votes cast for candidates in descending order are tied, which would otherwise cause the number of directors to be exceeded, the Chairman is entitled to a casting vote.

In the selection of an appropriate director, the Governance and Nomination Committee and the Board of Directors shall select a person who has the qualifications and who possesses no prohibited characteristics under Section 68 of Public Company Limited Act B.E.2535 and the notifications of the Securities and Exchange Commission and the Stock Exchange of Thailand. In addition, the Board also considers

competence, knowledge, experience and their managerial skills to assure that the nominee shall be of the best advantage to the Company's business.

The Board of Directors' Self-Evaluation

At the meeting of Board of Directors no.2/2010 on February 19, 2010, the Board of Directors conducted its self-evaluation using the form of the Stock Exchange of Thailand. The Board is of the opinion that its self-evaluation is an important step in the development of good corporate governance and the result of the self-evaluation has been forwarded to the Governance and Nomination Committee for use in the next selection of directors.

Executive Committee

- | | |
|---|---|
| 1. Mr. Somprasong Boonyachai | Chairman of the Executive Committee ¹⁾ |
| 2. Mr. Yong Lum Sung | Member |
| 3. Mr. Arak Chonlatanon | Member |
| 4. Miss Nidchanun Santhavesuk ²⁾ | Member |
| 5. Dr. Nongluck Phinainitisart | Member |

1) Dr. Dumrong Kasemset resigned and appointed Mr. Somprasong Boonyachai as a replacement Chairman of the Executive Committee on May 13, 2009.

2) Resigned from the Board and Member of the Executive Committee on March 1, 2010 and the registration of change of director was made at the Ministry of Commerce on March 2, 2010

The Executive Committee comprises the Executive Chairman of the Satellite and International Business Line, the Executive Chairman of the Wireless Business Line, the President, and/or the appropriate person(s), as approved by the Board of Directors. The Board has agreed to their scope of duties and responsibilities in writing at its meeting no.5/2000 on November 13, 2000 amended at its meeting no.2/2005 on February 17, 2005, meeting no. 3/2006 on March 21, 2006, and meeting no. 8/2008 on August 13, 2008 as follows:

- Formulate the Company's strategic direction, management structure, and annual business plan and budget for the Board's approval;
- Manage the Company's business operations in order to achieve the planned objectives and targets;
- Supervise and monitor the operating results and financial standing of the Company and report the business performance together with the remedial actions to be taken in the case the business performance of the Company fails to meet the target to the Board of Directors every month;
- Identify and evaluate new business opportunities;
- Review and make recommendations to the Board regarding the Company's dividend policy;
- Review and approve all transactions concerning investments and disposal of assets, human resource management, finance and treasury, general administration and any other transaction related to the Company's business within the limits of delegated approval authority granted by the Board;
- Review matters that require the Board's approval and make appropriate recommendations with the exception of activities that have been delegated to other Board sub-committees;
- Consider and review the Company's risk management and control system;
- The Committee may delegate its authority to any member of the management or staff as it deems appropriate. However, such authority does not permit the Committee or appointed persons to approve any transaction between them or related persons having mutual benefits or conflicts of interest (as prescribed in the Company's articles of association and Notifications of the Securities Exchange Commission). The approval for transactions shall be in accordance with the policies and principles already determined by the Board and regulatory bodies;

- Engage consultants or independent persons to provide opinions or advice if necessary;
- The Committee may ask members of the management or other persons to attend its meetings or provide pertinent information as necessary;
- Report to the Board on a monthly basis regarding the material actions taken by the Committee under the CEO Report agenda;
- Annually review its own performance and assess the adequacy of the charter of the Executive Committee, which may be done in conjunction with the annual evaluation of the Board and its other committees, conducted under the oversight of the Governance and Nomination Sub-Committee ; and
- Take any other action or assume any other powers and responsibilities that may from time to time be assigned or delegated to the Committee by the Board.
- The Executive Committee has the authority to approve financial transactions up to Baht 400 million. This includes general expenses in normal business operations, project investment, capital asset or fixed asset investments. Exceptions to this are transactions of borrowings, lending, credit line facilities, debt instrument offerings, guarantees, loans or credit guarantees, money deposits and withdrawal, and foreign exchange and interest rate risk hedging instruments. The limits on its authority to approve these issues per each transaction are set at Baht 1 billion and Baht 800 million, respectively. However, in the acquiring or selling of asset, or any financial aids to related company, it must act as prescribed in the Announcement of the Stock Exchange of Thailand.

The Executive Committee may delegate power to managerial employees to approve one or more such financial transactions according to the Executive Committee's discretion.

The delegation shall not include power to execute conflict of interest or transactions in the Company or subsidiaries as prescribed in the Company’s Articles of Association or as regulated by the Securities and Exchange Commission or the Stock Exchange of Thailand, except in the cases which are in compliance with the policy or criteria approved by the Board.

Management Team

1. Mr. Arak Chonlatanon	Chief Executive Officer
2. Dr. Nongluck Phinainitisart	President
3. Mr. Paiboon Panuwattanawong	Chief Technical Officer
4. Mr. Yongsit Rojsrivichaikul	Executive Vice President of Marketing & Sales - China
5. Mr. Tanadit Charoenchan	Chief Financial Officer

Note : Mr. Atip Rittaporn, Managing Director - International Business, is not a member of the Management team of the Company since he receives remuneration from the subsidiaries.

The Management of the Company has the duty to implement the policy laid down by the Board of Directors, be responsible for the overall business performance, control the expenses and investment in accordance with the Board of Directors’ direction specified in the annual business plan, implement human resources policy, solve the problems or conflicts that may affect the organization, maintain effective communications with persons concerned and to carry out any other tasks assigned by the Board of Directors and the Executive Committee.

The Chief Executive Officer has the authority to improve financial transactions up to Baht 100 million. This includes general expenses in normal business operations, project investment, capital asset or fixed asset investments up to Baht 100 million. Exceptions to this are transactions of borrowings, lending, credit line facilities, debt instrument offerings, guarantees, loans or credit guarantees, money deposits and withdrawal, and foreign exchange and interest rate at risk hedging instruments. The limits on its authority to improve these issues per each transaction are set at Baht 700 million and Baht 500 million, respectively. However, in the acquiring or selling of asset or any financial aids to related company, it must act as prescribed in the Announcement of the Stock Exchange of Thailand.

Remuneration of Directors

1. Directors' Remuneration

The Company established a compensation policy of the Board of Directors at a fair level by comparing it with the survey conducted by the Thai Institute of Directors and adjusted accordingly when there is change. Besides, the Board also considers additional compensation when directors have more duties and responsibilities at the sub committee level.

The monetary remuneration of 5 members of the Board of Directors in year 2009 was 7,700,000 Baht, composed of monthly allowance, bonus, and meeting allowance. The directors nominated by Shin Corporation and directors who are executives are not entitled to remuneration as director/executive director.

Name of Directors	Board of Director				Committee						Total Compensation 2009
	Monthly Allowance	Bonus	Meeting Allowance	Total (Baht)	Meeting Allowance					Total (Baht)	
					Audit Committee	Executive Committee	Governance & Nomination Committee	Compensation Committee	Non-Executive		
Mr. Paron Israsena	1,800,000	350,000	-	2,150,000	-	-	-	-	-	-	2,150,000
Prof. Hiran Radeesri	600,000	550,000	250,000	1,400,000	300,000	-	-	-	-	300,000	1,700,000
Mrs. Charintorn Vongsbootorn	300,000	450,000	250,000	1,000,000	300,000	-	50,000	50,000	-	400,000	1,400,000
Mr. Samrieng Mekkiengkrai	300,000	450,000	200,000	950,000	300,000	-	-	-	-	300,000	1,250,000
Mr. Yong Lum Sung	225,000	450,000	175,000	850,000	-	350,000	-	-	-	350,000	1,200,000
Total	3,225,000	2,250,000	875,000	6,350,000	900,000	350,000	50,000	50,000	-	1,350,000	7,700,000

* Monthly Allowance and Meeting Allowance paid between January - December 2009, except for Bonus paid in February 2010 (Recorded as an accrual basis)

2. Management Remuneration

The remuneration of 5 members of the management in year 2009 was baht 35,906,497 (excluding the remuneration of Mr. Arak Chonlatanon, the Chief of Executive Officer, who receives the remuneration from Shin Corporation, the parent company). Management remuneration was composed of salary, bonus, provident fund, and other fringe benefits. Such remuneration was based on the business performance of the Company and the performance of each executive.

3. Other Remuneration

The Company has an Employee Stock Option Plan (ESOP) planned for a period of five years as a means of motivating and rewarding employees. (Please see more details under “Capital Structure” section)

Name list of Directors and Employee Who Receive Warrant

Name	Grant I Number of Issues and Offers 8,000,000 Units		Grant II Number of Issues and Offers 4,400,100 Units		Grant III Number of Issues and Offers 5,894,200 Units	
	No. of Unit	Percentage	No. of Unit	Percentage	No. of Unit	Percentage
1. Dr. Dumrong Kasemset ¹⁾	2,436,400	30.46	1,235,200	28.07	1,154,200	19.58
2. Dr. Nongluck Phinainitisart	1,692,800	21.16	637,100	14.48	600,000	10.18
3. Mr. Yongsit Rojsrivichaikul	700,000	8.75	209,800	4.77	550,000	9.33
4. Dr. Avudh Ploysongsang ²⁾	204,300	2.55	100,000	2.27	160,000	2.71
5. Mr. Kamonmit Vudhijumnonk	203,600	2.55	72,700	1.65	140,000	2.38
6. Mr. Tanadit Charoenchan	162,000	2.03	218,000	4.95	240,000	4.07
7. Mr. Paiboon Panuwattanawong	399,900	5.00	527,300	11.98	700,000	11.88
8. Mr. Makin Petplai	173,800	2.17	209,800	4.77	400,000	6.79
9. Mr. Pradeep Unni	260,700	3.26	209,800	4.77	400,000	6.79
10. Mr. Sivaraks Phinicharomna	221,400	2.77	107,000	2.43	140,000	2.38
11. Mr. Teerayuth Boonchote	218,900	2.74	113,200	2.57	240,000	4.07
12. Mr. Theerawat Kusalanggoorawat	379,300	4.74	171,400	3.90	240,000	4.07
13. Others	946,900	11.84	588,800	13.38	930,000	15.78
Total Warrants issued	8,000,000	100.00	4,400,100	100.00	5,894,200	100.00

Note: Proportion of warrants under Grant I and Grant II equal to 1 warrant to 2.04490 common stock.

Proportion of warrant Grant III equal 1 warrant to 1.02245 common stock. The warrants under Grant I, Grant II and Grant III expired on March 26, 2007, May 29, 2008 and May 30 2009 respectively.

1. Resigned from the Company on May 13, 2009.

2. Resigned from the Company on July 1, 2006.

The Annual General Meeting of Shareholders for the year 2005 on March 31, 2005 approved the employees Stock Option Plan, Grant IV (ESOP; Grant IV) to the total amount of 7,562,100 units, and the Annual General Meeting of shareholders for the year 2006 held on April 24, 2006 approved the Employee Stock Option Plan, Grant V (ESOP: Grant V) in the total amount of 10,058,800 units.

The list of directors and employees entitled to receive warrants under ESOP: Grant V and Grant V are given below:

Name	Grant IV Number of Issues and Offers 7,562,100 Units		Grant V Number of Issues and Offers 10,058,800 Units	
	No. of Unit	Percentage	No. of Unit	Percentage
1. Dr. Dumrong Kasemset ¹	929,900	12.30	1,099,800	10.93
2. Dr. Nongluck Phinainitisart	500,000	6.61	900,000	8.95
3. Mr. Yongsit Rojsrivichaikul	440,000	5.82	800,000	7.95
4. Dr. Avudh Ploysongsang ²	140,800	1.86	50,000	0.50
5. Mr. Kamonmit Vudhijumnonk	105,900	1.40	150,000	1.49
6. Mr. Tanadit Charoengan	250,000	3.31	300,000	2.98
7. Mr. Paiboon Panuwattanawong	900,000	11.90	1,100,000	10.94
8. Mr. Makin Petplai	400,000	5.29	600,000	5.96
9. Mr. Pradeep Unni	350,000	4.63	440,000	4.37
10. Mr. Sivaraks Phinicharomna	136,100	1.80	150,000	1.49
11. Mr. Teerayuth Boonchote	250,000	3.31	350,000	3.48
12. Mr. Teerawat Kusalangoorawat	225,000	2.98	300,000	2.98
13. Mr. Atip Rittaporn	400,000	5.29	450,000	4.48
14. Mr. Komsan Sereepapong	70,000	0.93	n/a	n/a
15. Mr. Jiroj Srinamwong	70,000	0.93	150,000	1.49
16. Mr. Pramook Chaiwongwutthikul	n/a	n/a	170,000	1.69
17. Other employees	2,394,400	31.66	3,049,000	30.31
Total Warrants Issued	7,562,100	100	10,058,800	100

Note: Proportion of warrants under Grant IV equal to 1 warrant to 1.02245 common stocks.

Proportion of warrants under Grant V equal to 1 warrant to 1 common stock.

1. Resigned from the Company on May 13, 2009.

2. Resigned from the Company on July 1, 2006.

The Rights and Equitable Treatment of Shareholders and Stakeholders

The Rights and Equitable Treatment of Shareholders

The Company has a policy to conduct shareholders' meetings according to the laws and guidelines prepared by regulatory authorities. In 2009, there were 2 shareholders' meetings of the Company, the Annual General Meeting of Shareholders for the year 2009, held at the Auditorium Meeting Room, Shinawatra Tower 3, 9th Floor, no.1010, Vipavadee Rangsit Road, Chatuchak, Bangkok and the Extraordinary General Meeting of Shareholders No. 1/2009, held at Lert Wanalai Ballroom, Swissotel Nai Lert Park Bangkok, No.2 Wireless Road, Pathumwan, Bangkok 10330. The agendas of the annual general meeting and the extraordinary general meeting of shareholders were announced in the Company's website on the date the Board of Director approved the calling of the meeting and the agenda to enable the shareholders to know of the date and the agenda of the meeting even before the notice for the meeting was sent. The invitation letter to the meeting, together with information on the meeting agenda, was distributed to shareholders approximately 21 days before the meeting date. This meeting was attended by the Chairman of the Board of Directors, Chairman of the Audit Committee, Chairman of the Governance and Nomination Committee, Chairman of the Compensation Committee, Directors, and members.

In each shareholder meeting, every shareholder has rights, including equitable treatment in acknowledging the information, rendering opinions and questioning according to the meeting agenda and issues under discussion. The Chairman of the meeting shall allocate sufficient time for each matter as well as promote queries and discussion. The shareholders will receive the agenda for the meeting and other documents for the meeting in advance both by post and via the Company's website.

In each shareholder meeting, the Company shall appoint at least one independent director to be the proxy for shareholders who cannot attend the meeting, and inform earlier on the invitation letter. The Company also educates shareholders to understand their roles and encourages them to exercise their rights to protect their interests by distributing the pamphlet from the Stock Exchange of Thailand regarding “Good Shareholder Practice”. The pamphlet contains various important topics for shareholders such as the role of shareholders in overseeing the performance of the Board and Management, approving the financial statements, the appointment of the Company’s auditors, the appointment of directors, and fixing their remuneration, approving the increase in the Company’s registered capital and connected transactions, the voting process and the questioning of directors and management, including demanding remedy in case their rights are violated and forming an association to protect shareholders’ rights.

To promote the rights of the Shareholders, on November 12, 2009, the Company has announced on the website inviting the minority shareholders to propose a qualified person to be appointed as the director of the Board of the Company and propose the meeting agenda for consideration of the annual general meeting of shareholders.

The Rights and Equitable Treatment of Stakeholders

The Company takes account of the right of other stakeholders and considers the importance of the stakeholders’ support in creating the Company’s competitiveness and profitability and in building Company’s long term business success. The Company, therefore has policy to take care and look after the interest of all stakeholders, they are, the stakeholders inside the organization such as shareholders, employees, and the stakeholders outside the organization such as suppliers, customers, competitors and the public, and encourages the co-operation between and among stakeholders in accordance with their roles and responsibilities to ensure that the running of Company’s business can proceed smoothly, securely and in the interest of all stakeholders, for instance.

Shareholders : the Company intends to run the business for shareholder satisfaction by maintaining the Company's profitability, adequate information disclosure, reliability and equitability.

Employees : the Company aims to develop a culture and work environment which is conducive to open-mindedness and respect for each individual's ideas to achieve the same objective and vision, which is to create new innovations and improve existing products.

Customers : the Company has acquired ISO 9000 Certification to assure customer satisfaction that products and services are of international quality.

Suppliers : the Company's business partnerships are made while considering its effect on the Company, compliance with laws and regulations, and fair trade. These relationships were made to benefit the value chain to the customers.

Competitors : the Company's policies support fair trade and free trade. The Company does not try to force a monopoly through its partners.

Society : the Company's objective does not only include profit-making. The Company realizes its obligation to society, thus it tries to open opportunities for everyone to participate in activities that will be beneficial to everyone concerned both here and abroad. In addition, the Company promotes the environment and natural preservation activities, and has the policy to select and promote the use of the environment friendliness products.

The Company has provided channels for stakeholders to communicate their opinions including to report the cases of finding, or receipt of unfair treatment due to, illegal acts or acts in violation of business ethics of officers or employees of the Company, by making report or complaint in writing and sending it to any one or more independent directors of the Company. Apart from that, the Company also

makes available to the stakeholders inside the organization channels of communications through Internet Webboard, and the stakeholders outside the organization through website www.thaicom.net /telephone/e-mail to the Investors Relation Department/Corporate Communications Department or the Internal Audit Department. The Internal Audit Department shall investigate the facts alleged in the complaint and report to the Audit Committee and the Board of Directors and notify the Company to take corrective actions required for such complaint, and if the Company find that its employees/officers committed illegal acts or acts in violation of the Company's business ethics, the Company shall proceed to impose appropriate punishment on the wrong does.

Conflict of Interest

Acceptance of money or other benefits

The directors, executives or employees having interests which may compromise them in the performance of their duties and affects the interests of customers and the Group shall comply with the followings.

1. The directors, executives and employees shall not accept personally money, gift or other things from customers, suppliers or other persons due to the fact that he or she is acting in the name of the Company. In the case they are offered gifts, or things not in the form of cash by customers, suppliers or third parties, they may accept such gifts, interests or things if such giving are in accordance with the custom or the events provide that such gifts or things are appropriate to the occasions and have a value not exceeding Baht 5,000. In case he or she has to accept gifts or things worth more than Baht 5,000, he or she shall report to his/her superior for consideration.

2. The directors, executives and employees shall not borrow money or ask for donation from customers or persons doing business with the Company except borrowing money from the banks or financial institutions as their customer.

3. The directors, executives and employees may accept invitation to a business party in the Company's business interest but should avoid the invitation if such business party is inappropriate considering the relationship such person has or may have in the future with the Company.

4. The directors, executives, and employees may accept invitation for training, observation tour or seminar the expenses for which are paid by the customer/supplier of the Company, provide that it is strictly for the Company's business interest and approved by the superior and there is no other money or gifts given.

5. The Company has no policy to second the executives to be director of any company outside the Group. The executives ranking PG 13 and above must receive approval from appropriate superior for becoming a director of other companies except in non-profit charitable organizations and the holding of such directorship will not constitute a breach of the Laws or Regulations concerning the Company's business and shall not be for the purpose of using his/her position with the Company to promote other business interest. To be a director of a company outside the Group, the executives ranking PG 13-15 must receive approval from the Executive Chairman, the executives ranking UC must receive approval from the Executive Committee and the executives who are the President, the Executive Chairman or the director of the Company must receive approval from the Board of Directors.

Information Disclosure and Transparency

The Company values accurate, complete, thorough, and timely disclosure of financial, operational, and other relevant information for investors and concerned persons to use in investment decisions. This disclosure is made through communication channels via the Stock Exchange of Thailand (SET), the Securities and Exchange Commission (SEC), and the Company's Internet web site. The Company has also established an Investors Relations Department to be responsible for communicating useful information to shareholders, investors, analysts, as well as preparing policies

and handbooks for investor relations activities and information disclosure to the Stock Exchange in order to ensure that the Company fully complies with laws, rules and regulations.

Other than information disclosure according to the law, the Company also holds quarterly Mini Info Meetings to disclose operational performance to investors, analysts, fund managers, and interested persons, by a member of the Executive Committee to give explanations and reply to queries as they arise. Interested persons can contact and request information from the Investors Relations Department, tel. 02-596-5072-3, or search the website www.thaicom.net/ir.

In the year 2009, the Company used such Web to notify the shareholders of the agenda of the AGM and relevant information more than one month before the actual meeting.

Internal Control, Internal Auditing Activities and Risk Management

Internal Control and Internal Auditing Activities

The company has established Internal Control systems according to the standards set by the SET and the Committee of Sponsoring Organizations of the Treadway Commission or COSO. The Internal Control Framework consists of five components:

1. Control Environment

The Company has set up internal control systems in the areas of finance, accounting, operation, organization, and human resources including power of authority and finance authority based on the Good Corporate Governance policy of Shin Corporation.

2. Risk Assessment

The Company has formed a Risk Management Committee and developed a risk management system based on recommended Enterprise Risk Management activities of COSO, customized to align with the Company's business and its continuing development.

3. Control Activities

The Company has created control mechanisms for management and executives by adopting the Quality Management System of the ISO to align operations with the customer's vision and other control activities which emphasize information reliability, asset safeguarding, and compliance with the rules and regulations of the Company and outside authorities and to strengthen information security.

4. Information and Communication

The Company realizes the importance of its information system and the distribution of information to both inside and outside through its intranet and website. A culture of openness is promoted to emphasize communication between all levels.

5. Follow-up and Monitoring

The Company conducts performance assessment of employees two times a year and reports financial performance quarterly through a meeting with investors and other interested parties.

In the Board of Directors' Meeting no. 2/2009 on February 19, 2009 with the Audit Committee also attending, the sufficiency of the control of internal control system were evaluated with five different measures, including organizational control and environment, risk management, management control activities, information systems and communication, and monitoring systems. The evaluation concluded that the Company has sufficient control of important document and internal control system, especially management control, to enable the Company, to safeguard assets from unauthorized persons and business transactions are conducted in accordance with approved level of authority, including being properly recorded to ensure reliability

and accuracy of financial statements. The Company maintains documentary systems to make it available in a timely fashion for auditing process by external auditors and government authorities. Besides, there is a continuous development of the appropriate risk management system.

The Company has an independent Internal Audit Office with approved charter from the Audit Committee and Management by reporting functionally to the Audit Committee and administratively to the CEO particularly on the day to day administrative transactions. The Internal Audit Office has unlimited access to information, personnel and all departments to achieve auditing activities and reports its result to the Audit Committee and CEO to activate corrective and preventive actions as well as continuous improvement on the timely fashion.

In 2009, the Internal Audit Office adopted the results from risk management activities as information based to prepare its risk based audit plan from 2009-2011. The plan covered reliable of information on accounting and finance, efficiency and effectiveness of operation, compliance with rules and regulations, development of information technology and communication and development of quality management systems under ISO requirements. The Office also developed non-audit activities such as consulting on internal control of operation on newly business line. In addition, the Office had encouraged and trained internal auditors in modern internal auditing of the Institute of Internal Auditors for their learning and growth.

The Internal Audit Office and PricewaterhouseCoopers ABAS Co., Ltd. did not find any material non-conformance of the control of important document and internal control systems in 2009.

Risk Management

The Company practiced risk management in accordance with the Risk Management Handbook and Guidelines of Shin Corporation Public Co. Ltd., by educating the staff, as well as conducting workshops and established a Risk Management Committee comprised of the President and management at different levels.

The Committee designed various steps of risk management concurrently with guidelines from the Stock Exchange of Thailand and typical management procedures which starts from analysis of internal and external environment, vision, mission and objective setting, strategies and measurement, risk identification and impact evaluation, prevent and lessen its impact through the business plan and internal control activities including, regularly reporting its results to the Board of Directors. Therefore, risk management of the Company becomes a continuous process supported by all levels.

Corporate Philosophy and Code of Conduct

In order to maintain operational standards and business ethics, the Company has established a written philosophy and code of conduct in order to become a leading company at both local and international levels that is recognized as responsible to employees, shareholders, customers, competitors, partners, creditors, and society, including the use of information, information disclosure, conflict of interest, safeguarding of company assets, participation in political activities, legal and regulatory compliance, good corporate governance, and reliable reporting.

The Company designs reporting channels for management and employees to identify transactions that may conflict with the above standards independently through an Ethical Hotline on the internal website of the Company.

The Company also prepares a program to build awareness on business ethics for management and employees through various steps as follows:

1. Provide basic knowledge of Ethics such as in the orientation for new employees.
2. Provide continuous knowledge of Ethics such as presentation of motion picture and ethical information in the Company intranet.
3. Stimulate ethical behavior in practice such as questionnaire distribution to all employees, result disclosure and maintain statistical surveys for progressive analysis of the program.

Inside Information

The Company is committed to ethics, integrity, and honesty in carrying out business with customers, partners, and shareholders and has Code of Conduct as a guideline for management and employees to adhere to. Disclosure of inside information by employees or management to others or for their own interests or involvement in activities that may lead to conflict of interest is considered severe misconduct and subjected them to the highest disciplinary action.

In addition, the Company prohibits employees and management who work in the department or business unit that know inside information to buy or sell the Company's marketable securities during a month before disclosure of financial statements to the public.

The Company also educates directors and management of duties to report, his or her as well as their close relatives, the holding or changes in holding of Company's securities to the Securities Exchange Commission (SEC) in accordance with Section 59 of the Securities and Exchange Act B.E. 2535 and the SET regulations.

Regarding supporting data or document within the group of companies, data rules have been issued to prevent leaked information e.g. requesting letter of confidentiality and prohibiting of photo copies without permission.

Employees

As of 31 December 2009, the Company and its affiliated companies have 2,943* employees divided by type of business as follows:

Company	Permanent Employees	Temporary Employees
Thaicom Public Company Limited	552	23
<i>Engineering</i>	254	10
<i>Marketing and Sales</i>	147	1
<i>Others</i>	151	12
Cambodian DTV Network Ltd.	18	-
DTV Service Company Limited	75	14
NTU (Thailand) Company Limited	9	-
Mfone Company Limited*	507	111
Lao Telecommunications Company Limited*	1,509	86
IPSTAR Australia Pty Limited	33	3
IPSTAR New Zealand Limited	2	1
Total	2,705	238

* Total employees but the Company recognizes employee compensation of LTC and Mfone according to stakeholder proportion (24.99% and 51% respectively) in the Financial Statement.

The compensation for employees of the Company and its subsidiaries includes salary, pension fund, and other benefits. In 2009, the compensation paid to the Company's employees was Baht 625 million (including employee compensation of LTC and Mfone according to stakeholder proportion: 24.99% and 51% respectively).

The Company has employee development programs which aim to balance employees needs and the Company's benefits in general. Employee development courses are designed and employees at all levels are encouraged to be trained systematically and continuously so that they can carry out their current duties efficiently and ready for higher responsibilities in the future. The Company has in-house training and also sends employees for external training both locally and internationally.

POWER

to boost your community



Related Transactions

During the year 2009, the Company and its subsidiaries have the following list of related transactions as stated in the Notes to the Financial Statements by the Auditor as follows:

Related Companies/ Relationship	Transaction	Value of Related Transactions at December 31, 2009 (Mil. Baht)	Reason and Necessity of Transaction
		Consolidated	
Advanced Info Service (Public) Company Limited ["AIS"] / SHIN holds 42.65% shares with joint directors - Provides mobile phone service business	1. Revenues		
	- The Company leased transponders on THAICOM satellite.	56.66	The Company is the sole service provider of transponder leasing in the country under ordinary course of business. Service fee was charged under normal contracts and trade conditions on an arm's length basis.
	- Web design service	3.83	DTV, a subsidiary offered Web design service to general public under ordinary course of business. Service fee was charged on an arm's length basis.
	- International Roaming service	10.40	LTC and Mfone, the jointly-controlled entities offered International Roaming Service in Laos and Cambodia under ordinary course of business. Service fee was charged based on market price on an arm's length basis.
	2. Expenses		
	- The Company paid for mobile phone expenses of its executives and employees.	6.91	The Company Group used mobile phone services to support the ordinary course of business. AIS network covered overall service areas. Service fee was based on market price on an arm's length basis.

Related Companies/ Relationship	Transaction	Value of Related Transactions at December 31, 2009 (Mil., Baht)	Reason and Necessity of Transaction
		Consolidated	
	3. Trade - accounts receivable and accrued income	12.07	
	4. Trade accounts payable and other accrued expenses	1.38	
CS LoxInfo Public Company Limited ("CSL") / The Company's subsidiary holds 42.56% shares (after deducting treasury stock) with joint directors	1. Revenues - The Company leased transponders on THAICOM satellite, provided TV signal uplink services and sold IPSTAR user terminals.	10.23	The Company is the country's sole service provider of transponder leasing and the distributor of IPSTAR user terminals. Service fee was charged under normal contracts and conditions on an arm's length basis.
- Provides Internet and TV signal uplink/ downlink services	2. Expenses - The Company paid for uplink and Internet service charges.	15.54	The Company used uplink and Internet services under ordinary course of business. Service fee was charged under normal contracts and trade conditions on an arm's length basis.
	3. Trade - accounts receivable and accrued income	4.24	
	4. Trade accounts payable and other accrued expenses	22.18	

Related Companies/ Relationship	Transaction	Value of Related Transactions at December 31, 2009 (Mil. Baht)	Reason and Necessity of Transaction
		Consolidated	
SC Matchbox Co., Ltd. ["SMB"] / SHIN holds 99.96% shares. - Conducts advertising broker, agency business through all advertising media.	1. Expenses - DTV hired SMB for advertising and public relations services such as printed and advertising media.	11.14	The Company used advertising and public relations services, which supported the ordinary course of business. Service fee was charged under normal contracts and trade conditions on an arm's length basis.
	2. Trade accounts payable and other accrued expenses	8.15	
IT Applications and Services Co., Ltd. ["ITAS"] / SHIN holds 99.99% shares. - Provides management software package with related software and consultancy services.	1. Expenses - The Company used software service for accounting data processing.	8.63	The Company used software programs for accounting data processing, which supported the ordinary course of business but without reference notional value. Service fee was charged at prices closed to those of other companies that conduct the same nature of business.
	2. Trade accounts payable and other accrued expenses	1.46	
Singapore Telecommunications / Major shareholders jointly hold the Company's shares.	1. Expenses - The Company used transponder leasing service.	0.17	The Company used transponder leasing service in providing services to customers, which supported the ordinary course of business. Service fee was charged under normal contracts and trade conditions on an arm's length basis.

Related Companies/ Relationship	Transaction	Value of Related Transactions at December 31, 2009 (Mil. Baht)	Reason and Necessity of Transaction
		Consolidated	
<p>Codespace Inc / The Company and Codespace Inc jointly hold shares in Spacecode LLC at 70% : 30%.</p> <p>- Provides engineering and development services on communication technology and electronics.</p>	1. Expenses - The Company hired Codespace for development of products for IPSTAR project.	19.73	Such transactions supported the ordinary course of business without reference notional value. Service fee was charged at an hourly rate plus actual expenses.
	2. Trade accounts payable and others	3.62	
<p>Shenington Investments Pte Ltd ["SHEN"] / The Company and Asia Mobile Holdings Pte Ltd. (AMH) jointly hold shares in SHEN at 51% : 49%.</p> <p>- A holding company investing in telecom service business</p>	1. Other income - The Company provided consultancy services. SHEN paid consultancy and service fees on a monthly basis. Service fee was charged based on the cost of executives and employees providing the service in order to support business course of its subsidiaries.	0.84	This is the Company's supervision policy on subsidiaries to enable maximum benefits over the supervision.
	2. Other receivables	0.84	

Related Companies/ Relationship	Transaction	Value of Related Transactions at December 31, 2009 (Mil.. Baht)	Reason and Necessity of Transaction
		Consolidated	
Mfone Co., Ltd. ("Mfone")/ SHEN holds 100% shares. - Provides telecom services in Cambodia.	1. Revenues - The Company leased transponders on THAICOM and IPSTAR satellites and sold IPSTAR User terminals.	15.81	The Company provided transponder leasing service and distributed IPSTAR user terminals which supported the ordinary course of business. Service fee was charged under normal contracts and trade conditions on an arm's length basis.
	2. Expenses - The Company paid for gateway operating fee and maintenance service fee	3.62	
	3. Trade accounts receivable and accrued income	7.77	
	4. Other receivables	0.15	
	5. Trade accounts payable and other accrued expenses	0.66	
Lao Telecommunication Co., Ltd ("LTC")/SHEN and Lao People's Democratic Republic jointly hold shares at 49% : 51%. - Provides telecom services in Lao People's Democratic Republic.	1. Revenues - The Company leased transponders on THAICOM and IPSTAR satellites and sold IPSTAR user terminals.	8.50	The Company provided transponder leasing service and distributed IPSTAR user terminals which supported the ordinary course of business. Service fee was charged under normal contracts and trade conditions on an arm's length basis.
	2. Trade accounts receivable and accrued income	2.14	
	3. Other receivables	0.11	
	4. Trade accounts payable and other accrued expenses	0.47	

Related Companies/ Relationship	Transaction	Value of Related Transactions at December 31, 2009 (Mil. Baht)	Reason and Necessity of Transaction
		Consolidated	
Asia Mobile Holdings Pte Ltd. ("AMH") and the Group / Major shareholders jointly hold the Company's shares.	1. Revenue - International Roaming Service	1.01	Mfone, the jointly-controlled entities offered Airtime International Roaming Service in Cambodia under ordinary course of business. Service fee was charged based on market price on an arm's length basis.
	2. Expenses - SHEN hired AMH to provide executives with marketing expertise for Mfone.	3.98	The competition in Cambodia's telecom (mobile phone) market being severe, Mfone was in need for executives with marketing expertise. AMH provided executives with the said qualifications for Mfone in order to increase Mfone's mobile phone market share. Service fee was charged based on the cost of executives providing the consultation plus actual expenses.
	3. Other accounts payable	0.96	
Other related parties	1. Expenses	0.65	The Company used the services which supported the ordinary course of business. Service fee was charged under normal contract and trade conditions under an arm's length basis.
	2. Trade accounts receivable and accrued income	0.78	
	3. Trade accounts payable and other accrued expenses	0.15	

Necessity and Justification of Transactions

In 2009, Thaicom Plc. and its subsidiaries ("the Company") had related transactions as shown in Note 4 of the 2009 audited financial statements. The auditor's remarks on related transactions stated that those transactions which the Company had undertaken with SHIN group and Temasek Group e.g. its subsidiaries, associated companies, jointly-controlled entities, executives and other businesses on which SHIN and Temasek and the Company had significant influence, whether directly or indirectly, were shown as related transactions.

The Company set the sale and purchase prices for goods and services with related parties under normal contracts and trade conditions on an arm's length basis. Crucial transactions required to adhere to the rules set forth by the Securities Exchange Commission (SEC) and the Stock Exchange of Thailand (SET) had been examined and approved of justification and necessity to the Company by the Audit Committee.

Methods of Related Transactions

Thaicom Plc. is a listed company in the Stock Exchange of Thailand. Its business target is to create maximum benefits to its shareholders with a policy to sufficiently disclose information to investors and abide by the rules, regulations and laws of the country where the Company undertakes business. To enable transparent proceedings on related transactions, lessen conflicts of interest and conform with good governance principles as well as the laws, rules and regulations of such related supervisory units as the Stock Exchange of Thailand (SET) and the Office of the SEC in order to provide sufficient information for investment decision, the Company has set up criteria for related transactions as follows:

The Company proceed the related transactions between the Company and its subsidiaries on an arm's length basis for the Company's maximum interest under fair prices and business conditions which shall not create conflicts of interest. Where there is doubt whether related prices are based on an arm's length basis or not, the Company is required to submit such transactions to the Audit Committee for approval prior to the proceeding.

The Company has authorized its executives a certain limit of budget for endorsement in accordance with their ranks. Nevertheless, the approval authority is prohibited to those directors and executives who have stakes or may have personal conflicts of interest over the transactions. Additionally, these directors and executives,

having no voting right shall not attend meetings related to the transactions. The Audit Committee shall examine the related transactions between the Company and its subsidiaries and related parties to ensure the conformity with the rules and regulations of the Stock Exchange of Thailand. However, the related transactions between the Company and related parties with less than 10% of shares will not be examined by the Audit Committee pursuant to the Notification of the Stock Exchange of Thailand Re: Disclosure of Information of Related Transactions.

The related transactions shall be conducted as usual since they are practiced under normal course of business and in accordance with trade conditions on an arm's length basis with prices or remuneration fees within the rate approved in accordance with the Company's financial practices. The vendor selection process is required to be regularly reviewed to ensure fair competition from outside vendors who may offer greater benefits to the Company and also serve as external sources for comparison of price and trading terms.

The Company discloses information on related transactions in compliance with Article 47 of the Thai Generally Accepted Accounting Principles regarding disclosure of information on related parties, and in accordance with the regulations of the Office of the Securities Exchange Commission and the Stock Exchange of Thailand. The Legal and Compliance Department and the Accounting Department shall submit the related transactions or those which may cause conflicts of interest to the Audit Committee for examination and comments on necessity and justification for the Company's maximum benefits before forwarding to the Board of Directors. In addition, related transactions shall be submitted by the Accounting Department on a monthly basis to comply with the rules and regulations of the Stock Exchange of Thailand (SET) and the Office of the Securities Exchange Committee (SEC).

Future Policy or Trends of Related Transactions

In the future, the Company may have to do related transactions through both customary and non-customary business transactions under reasonable prices and conditions that yield maximum benefits to the Company. Further, the Company will fully abide by the laws on securities and stock exchange, as well as rules, notifications, orders or regulations of the Stock Exchange of Thailand (SET) including regulations and practices relevant to disclosure of related transactions, acquisition or disposal of major assets of listed companies and subsidiaries. The related transactions will be disclosed in the notes to the financial statements audited by the auditor.

Board of Directors' Responsibility for Financial Reporting

The Board of Directors is responsible for Thaicom Public Company Limited's financial statements and Thaicom Public Company Limited and its subsidiaries' consolidated financial statements, including the financial information presented in this annual report. The aforementioned financial statements are prepared in accordance with generally accepted accounting principles, on consistent basis, using careful judgment and their best estimation. Important information is adequately and transparently disclosed in the note to financial statements to the Company's shareholders and investors.

The Board of Directors has provided and maintained risk management system and appropriate and efficient internal controls to ensure that accounting records are accurate, with integrity and adequate to protect its assets and uncover weaknesses in order to prevent fraud or materially irregular operation.

In this regard, the Audit Committee is responsible for reviewing the accounting policy and financial reports, internal controls, internal audit and risk management systems. Comments on these issues have been included in the Audit Committee Report which is presented in this annual report.

The financial statements of the Company and the consolidated financial statements of Company and its subsidiaries have been examined by an external auditor, KPMG Phoomchai Audit Ltd. In conducting their audit and to express an opinion in accordance with generally accepted auditing standards, the Company has supported them with all of the Company's records and related data. The auditor's opinion is presented in the auditor's report as part of this annual report.

The Board of Directors believes that the Company's overall internal control system has functioned up to a satisfactory level and rendered credibility and reliability to Thaicom Public Company Limited's financial statements and the consolidated financial statements of Thaicom Public Company Limited and its subsidiaries for the year ended 31 December 2009, that they have been prepared and present fairly according to generally accepted accounting principles and related regulations.



Mr. Paron Israsena
Chairman of the Board of Directors



Mr. Arak Chonlatanon
Director and Chief Executive Officer

Audit Report of Certified Public Accountant

To the shareholders of Thaicom Public Company Limited

I have audited the accompanying consolidated and separate balance sheets as at 31 December 2009 and 2008, and the related statements of income, changes in equity and cash flows for the years then ended 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 express an opinion on these financial statements based on my audits.

I conducted my audits in accordance with generally accepted auditing standards. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. I believe that my audits provide a reasonable basis for my opinion.

In my opinion, the consolidated and separate financial statements referred to above present fairly, in all material respects, the financial positions as at 31 December 2009 and 2008 and the results of operations and cash flows for the years then ended of Thaicom Public Company Limited and its subsidiaries, and of Thaicom Public Company Limited, respectively, in accordance with generally accepted accounting principles.



(Winid Silamongkol)

Certified Public Accountant

Registration No. 3378

KPMG Phoomchai Audit Ltd.

Bangkok

19 February 2010

Thaicom Public Company Limited and its Subsidiaries

Balance sheets

As at 31 December 2009 and 2008

	Note	Consolidated financial statements		Separate financial statements	
		2009	2008	2009	2008
		(in Baht)			
Assets					
Current assets					
Cash and cash equivalents	5	797,638,777	1,173,334,744	158,252,974	620,544,092
Trade accounts receivable and accrued income	6	1,046,554,872	917,861,985	882,331,498	849,701,474
Amounts due from related parties	4	1,102,376	70,878,988	100,684,581	84,579,767
Short-term loans and advance to subsidiaries	4	-	-	334,075,920	168,804,735
Inventories	7	431,125,212	543,671,024	274,918,812	343,818,356
Prepaid insurance		103,384,880	139,262,486	100,552,164	136,388,480
Other current assets	8	266,832,992	218,067,654	90,910,635	118,014,457
Total current assets		2,646,639,109	3,063,076,881	1,941,726,584	2,321,851,361
Non-current assets					
Investments in subsidiaries, jointly - controlled entities and associate	9	418,505,173	380,790,978	813,500,645	795,788,595
Long-term loan to another company	10	-	10,701,690	-	10,701,690
Property and equipment	11	6,045,849,391	5,515,249,408	1,235,904,614	1,405,718,442
Property and equipment under operating agreements	12	15,527,787,930	17,069,059,662	15,527,787,930	17,069,059,662
Deferred charges	12	57,465,742	10,064,887	55,117,006	8,458,123
Intangible assets	12	1,208,068,765	1,281,313,510	1,031,265,654	1,087,058,754
Deferred tax assets	13	868,080,777	569,776,054	763,183,772	439,250,230
Other non-current assets	14	630,883,725	521,226,492	598,705,233	490,340,891
Total non-current assets		24,756,641,503	25,358,182,681	20,025,464,854	21,306,376,387
Total assets		27,403,280,612	28,421,259,562	21,967,191,438	23,628,227,748

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

Thaicom Public Company Limited and its Subsidiaries

Balance sheets (Cont'd)

As at 31 December 2009 and 2008

	Note	Consolidated financial statements		Separate financial statements	
		2009	2008	2009	2008
		(in Baht)			
Liabilities and equity					
Current liabilities					
Short-term loans from financial institutions	15	81,337,973	296,201,798	73,819,689	-
Trade accounts payable	16	462,049,412	517,059,794	267,388,162	300,080,163
Accounts payable - property and equipment		152,078,107	215,771,027	21,817,849	12,512,777
Amounts due to related parties	4	7,006,628	5,931,869	44,422,326	25,474,421
Current portion of long-term loans	15	635,848,976	1,292,422,169	2,369,376	1,134,913,275
Advance receipts from customers		197,059,208	193,765,223	44,467,097	42,850,084
Accrued operating agreement fee		646,054,457	559,545,080	545,652,570	474,984,745
Accrued expenses		232,547,234	242,902,049	143,775,427	160,922,845
Income tax payable		111,220,668	69,394,844	-	-
Other current liabilities	17	169,122,324	149,933,979	81,488,649	83,795,795
Total current liabilities		2,694,324,987	3,542,927,832	1,225,201,145	2,235,534,105
Non-current liabilities					
Long-term accounts payable					
- property and equipment		761,252,273	816,746,710	-	-
Long-term loans	15	8,072,038,517	7,721,405,388	6,982,051,488	6,868,278,472
Deferred tax liabilities	13	145,589,152	139,530,863	-	-
Other non-current liabilities		104,265,578	97,404,453	87,660,724	81,468,859
Total non-current liabilities		9,083,145,520	8,775,087,414	7,069,712,212	6,949,747,331
Total liabilities		11,777,470,507	12,318,015,246	8,294,913,357	9,185,281,436

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

Thaicom Public Company Limited and its Subsidiaries

Balance sheets (Cont'd)

As at 31 December 2009 and 2008

	Note	Consolidated financial statements		Separate financial statements	
		2009	2008	2009	2008
		(in Baht)			
Liabilities and equity					
Equity					
Share capital	18				
Authorised share capital		5,660,411,500	5,660,411,500	5,660,411,500	5,660,411,500
Issued and paid-up share capital		5,479,687,700	5,479,687,700	5,479,687,700	5,479,687,700
Additional paid-in capital					
Premium on ordinary shares	19	4,301,989,672	4,301,989,672	4,301,989,672	4,301,989,672
Unrealised profit on changes on shareholding					
in a subsidiary and an associate		349,347,698	346,224,720	-	-
Currency translation differences		(108,967,271)	(101,247,548)	-	-
Retained earnings					
Appropriated					
Legal reserve	19	413,853,344	413,853,344	413,853,344	413,853,344
Unappropriated		5,146,786,449	5,618,015,334	3,476,747,365	4,247,415,596
Total equity attributable to equity					
holders of the Company		15,582,697,592	16,058,523,222	13,672,278,081	14,442,946,312
Minority interests		43,112,513	44,721,094	-	-
Total equity		15,625,810,105	16,103,244,316	13,672,278,081	14,442,946,312
Total liabilities and equity		27,403,280,612	28,421,259,562	21,967,191,438	23,628,227,748

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

Thaicom Public Company Limited and its Subsidiaries

Statements of income

For the years ended 31 December 2009 and 2008

		Consolidated financial statements		Separate financial statements	
	Note	2009	2008	2009	2008
		(in Baht)			
Revenues	4				
Revenues from sale of goods and rendering of services		7,188,364,004	7,012,968,141	3,972,418,178	4,285,313,402
Dividend income		-	-	83,941,277	-
Other income	21	31,623,391	67,992,778	91,020,252	120,843,953
Net foreign exchange gain		465,108,917	-	337,625,387	-
Total revenues		7,685,096,312	7,080,960,919	4,485,005,094	4,406,157,355
Expenses	4				
Cost of sale of goods and rendering of services		5,589,273,470	5,279,772,551	3,518,574,146	4,010,132,357
Operating agreements fee		538,625,427	485,731,245	476,126,911	425,220,009
Selling expenses		224,380,281	242,198,137	75,003,458	116,501,880
Administrative expenses		908,560,914	1,006,808,902	450,510,310	759,808,639
Directors and management benefit expenses		44,142,251	111,180,676	43,606,497	110,650,000
Net foreign exchange loss		-	369,311,152	-	280,321,740
Total expenses		7,304,982,343	7,495,002,663	4,563,821,322	5,702,634,625
Share of profit of associates	9	124,627,213	67,204,519	-	-
Profit (loss) before finance costs and income tax expense		504,741,182	(346,837,225)	(78,816,228)	(1,296,477,270)
Finance costs		(1,087,395,748)	(625,949,490)	(1,015,785,545)	(549,112,244)
Loss before income tax expense		(582,654,566)	(972,786,715)	(1,094,601,773)	(1,845,589,514)
Income tax expense	24	111,732,540	261,216,625	323,933,542	404,753,002
Loss for the year		(470,922,026)	(711,570,090)	(770,668,231)	(1,440,836,512)
Profit (loss) attributable to:					
Equity holders of the Company		(471,228,885)	(713,186,307)	-	-
Minority interests		306,859	1,616,217	-	-
Loss for the year		(470,922,026)	(711,570,090)	(770,668,231)	(1,440,836,512)
Loss per share	26				
Basic		(0.43)	(0.65)	(0.70)	(1.32)
Diluted		(0.43)	(0.65)	(0.70)	(1.32)

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 years ended 31 December 2009 and 2008

	<i>Note</i>		Additional paid-in capital	Unrealised surpluses (deficits)
		Issued and paid-up Share capital	Share premium	Cumulative gain on dilution of investment in a subsidiary
Balance at 1 January 2008		5,461,094,470	4,297,233,530	346,224,720
Translation gain relating to financial statements of foreign operations		-	-	-
Net income recognised directly in equity		-	-	-
Profit (loss) for the year		-	-	-
Total recognised income and expense		-	-	-
Issue of ordinary shares	18	18,593,230	4,756,142	-
Balance at 31 December 2008		5,479,687,700	4,301,989,672	346,224,720

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

Consolidated financial statements

		Retained earnings		Total equity attributable to equity holders of the Company	Minority interests	Total equity
	Currency translation differences	Legal reserve	Unappropriated			
(in Baht)						
	(207,203,715)	413,853,344	6,331,201,641	16,642,403,990	41,768,816	16,684,172,806
	105,956,167	-	-	105,956,167	1,336,061	107,292,228
	105,956,167	-	-	105,956,167	1,336,061	107,292,228
	-	-	(713,186,307)	(713,186,307)	1,616,217	(711,570,090)
	105,956,167	-	(713,186,307)	(607,230,140)	2,952,278	(604,277,862)
	-	-	-	23,349,372	-	23,349,372
	(101,247,548)	413,853,344	5,618,015,334	16,058,523,222	44,721,094	16,103,244,316

Thaicom Public Company Limited and its Subsidiaries

Statements of changes in equity (Cont'd)

For the years ended 31 December 2009 and 2008

	<i>Note</i>		Additional paid-in capital	Unrealised surpluses (deficits)
		Issued and paid-up Share capital	Share premium	Cumulative gain on dilution of investment in a subsidiary
Balance at 1 January 2009		5,479,687,700	4,301,989,672	346,224,720
Unrealised gain from decrease in shareholding in an associate		-	-	3,122,978
Translation loss relating to financial statements of foreign operations		-	-	-
Net income (expense) recognised directly in equity		-	-	3,122,978
Profit (loss) for the year		-	-	-
Balance at 31 December 2009		5,479,687,700	4,301,989,672	349,347,698

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

Consolidated financial statements

		Retained earnings		Total equity attributable to equity holders of the Company	Minority interests	Total equity
	Currency translation differences	Legal reserve	Unappropriated			
(บาท)						
	(101,247,548)	413,853,344	5,618,015,334	16,058,523,222	44,721,094	16,103,244,316
	-	-	-	3,122,978	-	3,122,978
	(7,719,723)	-	-	(7,719,723)	(1,915,440)	(9,635,163)
	(7,719,723)	-	-	(4,596,745)	(1,915,440)	(6,512,185)
	-	-	(471,228,885)	(471,228,885)	306,859	(470,922,026)
	(108,967,271)	413,853,344	5,146,786,449	15,582,697,592	43,112,513	15,625,810,105

Thaicom Public Company Limited and its Subsidiaries

Statements of changes in equity (Cont'd)

For the years ended 31 December 2009 and 2008

Separate financial statements					
Note	Issued and paid-up share capital	Additional paid in capital	Retained earnings		Total equity attributable to equity holders of the Company
		Share premium	Legal reserve	Un-appropriated	
(in Baht)					
Balance at 1 January 2008	5,461,094,470	4,297,233,530	413,853,344	5,688,252,108	15,860,433,452
Loss for the year	-	-	-	(1,440,836,512)	(1,440,836,512)
Total recognised expense	-	-	-	(1,440,836,512)	(1,440,836,512)
Issue of ordinary shares	18 18,593,230	4,756,142	-	-	23,349,372
Balance at 31 December 2008	5,479,687,700	4,301,989,672	413,853,344	4,247,415,596	14,442,946,312

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

Thaicom Public Company Limited and its Subsidiaries
Statements of changes in equity (Cont'd)

For the years ended 31 December 2009 and 2008

Separate financial statements

Note	Issued and paid-up share capital	Additional paid in capital	Retained earnings		Total equity attributable to equity holders of the Company
		Share premium	Legal reserve	Un-appropriated	
(in Baht)					
Balance at 1 January 2009	5,479,687,700	4,301,989,672	413,853,344	4,247,415,596	14,442,946,312
Loss for the year	-	-	-	(770,668,231)	(770,668,231)
Balance at 31 December 2009	5,479,687,700	4,301,989,672	413,853,344	3,476,747,365	13,672,278,081

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

Thaicom Public Company Limited and its Subsidiaries

Statements of cash flows

For the years ended 31 December 2009 and 2008

	Note	Consolidated financial statements		Separate financial statements	
		2009	2008	2009	2008
		(in Baht)			
Cash flows from operating activities					
Loss for the year		[471,228,885]	[713,186,307]	[770,668,231]	[1,440,836,512]
Adjustments for					
Depreciation of property and equipment	11	1,102,348,637	700,768,236	373,194,838	348,644,549
Amortisation of property and equipment under operating agreements	12	1,541,525,781	1,712,453,116	1,541,525,781	1,712,453,116
Amortisation of deferred charges	12	13,913,891	3,663,734	12,692,993	2,309,139
Amortisation of intangible assets	12	114,476,240	118,300,129	101,584,591	100,647,693
Interest income	21	[18,665,373]	[50,974,654]	[18,118,454]	[50,764,131]
Finance cost		592,700,493	516,493,076	521,090,290	439,655,830
Unrealised (gain) loss on exchange rate		103,846,624	240,844,553	[41,803]	299,518,992
Realised gain on exchange rate		[401,652,661]	[952,320]	[382,997,033]	[952,320]
Amortisation of borrowing costs	15	494,695,255	109,456,414	494,695,255	109,456,414
(Reversal of) allowance for doubtful accounts	6	[86,813,678]	150,724,490	[108,342,142]	127,550,092
Profit (loss) on minority interest		306,859	[1,616,217]	-	-
Allowance for obsolete inventory		23,870,136	28,302,705	25,019,665	18,433,953
Gain on disposal of property and equipment		[15,616,383]	[943,236]	[1,370,842]	[943,229]
Write-off property and equipment	11	15,562,619	20,562,782	662,771	715,945
Write-off deferred changes	12	7,884,202	6,636,651	7,884,202	6,636,651
Share of profits of associate	9	[124,627,213]	[67,204,519]	-	-
Investment value adjustment	9	-	-	-	121,373,338
Income tax expense	24	[111,732,539]	[261,216,625]	[323,933,542]	[404,753,002]
		2,780,794,005	2,512,112,008	1,472,878,339	1,389,146,518
Changes in operating assets and liabilities					
Trade accounts receivable and accrued income		[41,879,209]	[137,179,524]	75,712,118	[194,723,427]
Amounts due from related parties		2,249,615	[54,303,711]	[16,104,814]	[6,379,476]
Inventories		105,828,203	[32,261,490]	20,884,000	14,182,231
Prepaid insurance		35,877,607	11,723,205	35,836,316	12,693,758
Other current assets		5,376,174	57,800,049	75,503,848	54,102,535
Other non-current assets		[85,391,668]	[28,350,109]	[84,098,776]	[51,619,856]

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

Thaicom Public Company Limited and its Subsidiaries
Statements of cash flows (Cont'd)
For the years ended 31 December 2009 and 2008

	Consolidated financial statements		Separate financial statements	
	2009	2008	2009	2008
Note	(in Baht)			
Trade accounts payable	(55,010,382)	3,170,582	(32,692,001)	(50,536,685)
Amounts due to related parties	1,074,759	(7,807,857)	18,947,905	4,906,869
Advance receipts from customers	21,296,369	16,027,406	1,617,013	(52,863,900)
Accrued operating agreement fee	86,509,378	29,749,999	70,667,825	18,624,575
Accrued expenses	(8,465,971)	40,286,734	(17,276,528)	(3,121,564)
Other current liabilities	1,185,961	(45,060,552)	(2,307,147)	(44,213,268)
Other non-current liabilities	6,862,076	11,956,926	6,191,868	3,404,556
Interest received	20,874,797	90,028,899	26,069,363	86,741,444
Interest paid	(577,919,681)	(536,672,600)	(504,291,524)	(459,188,861)
Income tax paid	(219,304,572)	(174,496,339)	(80,616,501)	(74,647,252)
Net cash provided by operating activities	2,079,957,461	1,756,723,626	1,066,921,304	646,508,197
Cash flows from investing activities				
Dividends received from associate 9 f), m)	157,562,994	107,542,993	-	-
Payment of property and equipment (1,105,574,460)	(754,299,096)	(200,945,945)	(180,325,038)	
Payment for property and equipment under operating agreements (140,282)	-	(140,282)	-	
Proceeds from sale of property and equipment 22,560,263	1,080,573	3,298,785	1,080,573	
Income tax paid from gain on sale of investment -	(1,289,998,110)	-	(1,289,998,110)	
Short-term loans and advance to related company -	-	(164,685,116)	28,126,042	
Payments for deferred charges (42,037,544)	(1,016,295)	(40,074,674)	-	
Purchase of intangible assets (46,631,492)	(91,494,914)	(45,791,492)	(27,407,092)	
Net cash outflow on acquisition of subsidiaries 9 a), g), j)	-	-	(17,712,050)	(12,100,870)
Receipts from sale of long-term investment 9 h), m)	-	187,574,993	-	-
Net cash used in investing activities	1,014,260,521	(1,840,609,856)	(466,050,774)	(1,480,624,495)

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

Thaicom Public Company Limited and its Subsidiaries

Statements of cash flows (Cont'd)

For the years ended 31 December 2009 and 2008

	Note	Consolidated financial statements		Separate financial statements	
		2009	2008	2009	2008
		(in Baht)			
Cash flows from financing activities					
Proceeds from issue of ordinary shares	18	-	23,349,372	-	23,349,372
Proceeds from short-term borrowings	15	90,869,123	130,261,258	73,350,839	-
Proceeds from long-term borrowings, net of finance cost	15	7,269,612,987	298,138,738	6,977,344,918	3,084,112
Repayments of short-term borrowings	15	[303,961,630]	[185,118,714]	-	-
Repayments of long-term borrowings	15	[8,497,837,971]	[1,431,154,615]	[8,113,781,989]	[652,165,988]
Net cash used in financing activities		[1,441,317,491]	(1,164,523,961)	(1,063,086,232)	[625,732,504]
Net decrease in cash and cash equivalents					
		[375,620,551]	(1,248,410,191)	[462,215,702]	(1,459,848,802)
Cash and cash equivalents at end of year		1,173,334,744	2,428,508,905	620,544,092	2,087,156,864
Effects of exchange rate changes on balance held in foreign currencies		[75,416]	[6,763,970]	[75,416]	[6,763,970]
Cash and cash equivalents at end of year	5	797,638,777	1,173,334,744	158,252,974	620,544,092
Supplementary information for cash flows					
Income tax paid		219,304,572	1,464,494,449	80,616,501	1,364,645,362
Non-cash transactions					
Acquisition of property and equipment by issue of debt		696,251,499	943,465,404	17,984,757	3,577,325
Dividend income		-	-	83,941,277	-

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

Thaicom Public Company Limited and its Subsidiaries
Notes to financial statements
For the years ended 31 December 2009 and 2008

These notes form an integral part of the financial statements.

The financial statements were authorised for issue by the directors on 19 February 2010

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 shareholder was Shin Corporation Public Company Limited (41.14% shareholding) which is incorporated in Thailand.

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 iSTAR, 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 expire in 2021.

1 General information (Cont'd)

Details of the Company’s subsidiaries and jointly controlled entities as at 31 December 2009 and 2008 were as follows:

Name of the entity	Type of business	Country of Ownership	Ownership Interest (%)	
			2009	2008
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	99.68	99.68
Star Nucleus Company Limited	Providing broadband technological services via iPSTAR satellite	The British Virgin Islands	70	70
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

1 General information (Cont'd)

ชื่อกิจการ	ลักษณะธุรกิจ	ประเทศที่ กิจการจัดตั้ง	บริษัทถือหุ้น ร้อยละ	
			2552	2551
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 financial statements

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

The financial statements are prepared in accordance with Thai Accounting Standards (“TAS”) and Thai Financial Reporting Standards (“TFRS”) including related interpretations and guidelines promulgated by the Federation of Accounting Professions (“FAP”) and with generally accepted accounting principles in Thailand.

On 15 May 2009, the FAP announced (Announcement No. 12/2009) the re-numbering of TAS to the same numbers as the International Accounting Standards (“IAS”) on which the TAS/TFRS are based.

The Group has adopted the following revised TAS/TFRS and accounting guidance which were issued by the FAP during 2008 and 2009 and effective for annual accounting periods beginning on or after 1 January 2009:

TAS 36 (revised 2007)	Impairment of Assets
TFRS 5 (revised 2007)	Non-current Assets Held for Sale and Discontinued Operations (formerly TAS 54)

Framework for the Preparation and Presentation of Financial Statements (revised 2007) (effective on 26 June 2009)

Accounting Guidance about Leasehold Right (effective on 26 June 2009)

Accounting Guidance about Business Combination under Common Control

The adoption of these revised TAS/TFRS and accounting guidance does not have any material impact on the consolidated or separate financial statements.

2 Basis of preparation of the financial statements (Cont'd)

The FAP has issued during 2009 a number of new and revised TAS/TFRS which are not currently effective and have not been adopted in the preparation of these financial statements. These new and revised TAS/TFRS are disclosed in note 32.

The financial statements are presented in Thai Baht, rounded in the notes to the financial statements to the nearest thousand unless otherwise stated. They are prepared on the historical cost basis except as stated in the accounting policies.

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

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which estimates are revised and in any future periods affected.

Information about significant areas of estimation uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amount recognised in the financial statements is as follows:

- The allowance for doubtful accounts is assessed primarily on analysis of payment histories and future expectations of customer payments (note 6).
- Net realisable value of inventory is estimated by the expected selling price, less relevant expenses (note 7).
- The estimated useful lives of fixed assets including building, property and equipment, property and equipment under operating agreements and intangible assets are based on future economic benefits of assets or, if it is shorter, the lease term (note 11 and 12).

2 Basis of preparation of the financial statements (Cont'd)

- The measurement of the recoverable amounts of building, property and equipment, property and equipment under operating agreements and intangible assets containing goodwill is assessed by the net present value of estimated future cash flow that occur from continuing to use such assets or the asset's selling price less relevant expenses, whichever is higher (note 11 and 12).
- Lease classification where the Group assumes substantially all the benefits and risks of ownership are transferred to lessee is classified as finance leases. While leases not transferring a significant portion of the risks and rewards of ownership are classified as operating leases (note 11).
- The utilisation of deferred tax assets derived from tax losses are recognised to the extent that it is probable that future taxable profit will be available against such deferred tax assets which can be utilized (note 13).
- Provisions and contingencies are recognised when there is a probability that the Group's resources will be required to settle. Provisions are measured at present value at the reporting date. (note 28 and 29).
- The measurement of fair values of financial derivative; foreign currency forward contracts are determined by using forward exchange market rates at the reporting date. The fair values of cross currency and interest rate swap contracts are determined by using reference rate from commissioner at the reporting date (note 27).

3 Significant accounting policies

(a) Basis of consolidation

The consolidated financial statements relate to the Company and its subsidiaries and jointly-controlled entities (together referred to as the “Group”) and the Group’s interests in associates.

Subsidiaries

Subsidiaries are entities controlled by the Group. Control exists when the Group has the power, directly or indirectly, to govern the financial and operating policies of an entity so as to obtain benefits from its activities. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases. The accounting policies of subsidiaries have been changed where necessary to align them with the policy adopted by the Group.

Jointly-controlled entities

Jointly-controlled entities are those entities over whose activities the Group has joint control, established by contractual agreement and requiring unanimous consent for strategic financial and operating decisions. The consolidated financial statements include the Group’s proportionate share of the entities’ assets, liabilities, revenue and expenses combined with items of a similar nature on a line by line basis, from the date that joint control commences until the date that joint control ceases.

Associates

Associates are those entities in which the Group has significant influence, but not control, over the financial and operating policies. Significant influence is presumed to exist when the Group holds between 20% and 50% of the voting power of another entity. The consolidated financial statements include the Group’s share of the income,

3 Significant accounting policies (Cont'd)

expenses and equity movements of associates, from the date that significant influence commences until the date that significant influence ceases. When the Group's share of losses exceeds its interest in an associate, the Group's carrying amount is reduced to nil and recognition of further losses is discontinued except to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate.

Transactions eliminated on consolidation

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

Gain (loss) on dilution from investment

Dilution gains or losses that arise on shares issued by subsidiaries, jointly-controlled entities or associates to third parties are recognised in a separate component of equity as an unrealised gain (loss) on dilution of investment.

(b) Foreign currencies

Transactions denominated in foreign currencies are translated into Thai Baht at the rate of exchange prevailing on the transaction dates. Monetary assets and liabilities at the balance sheet date denominated in foreign currencies are translated into Thai Baht at the rate of exchange prevailing at the report date. Gains and losses resulting from the settlement of foreign currency transactions and from the translation of monetary assets and liabilities denominated in foreign currencies are recognised in the income statements.

3 Significant accounting policies (Cont'd)

Statements of income and cash flows of foreign entities are translated into the Group's reporting currency at the weighted average exchange rates for the year and balance sheets are translated at the exchange rates ruling on the balance sheet date. Currency translation differences arising from the retranslation of the net investment in foreign entities are taken to equity. On disposal of a foreign entity, accumulated currency translation differences are recognised as part of the gain or loss on sale.

Goodwill and fair value adjustments arising on the acquisition of foreign entities are stated at exchange rates ruling on the balance sheet date.

(c) Derivative financial instruments

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

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

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

3 Significant accounting policies (Cont'd)

(d) Cash and cash equivalents

Cash and cash equivalents in the statements of cash flows comprise cash balances, call deposits and highly liquid short-term investments with original maturities of three months or less. Bank overdrafts that are repayable on demand are a component of operating activities for the purpose of the statement of cash flows.

(e) Trade and other accounts receivable

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

The allowance for doubtful accounts is assessed primarily on analysis of payment histories and future expectations of customer payments. Bad debts are written off when incurred and recognised in the statement of income as administrative expenses.

(f) Inventories

Inventories are stated at the lower of cost or net realisable value.

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

Net realisable value is the estimated selling price in the ordinary course of business, less the costs of completion and selling expenses. Allowance is made, where necessary, for obsolete, slow-moving and defective inventories.

3 Significant accounting policies (Cont'd)

(g) Investments

Investments in subsidiaries, jointly-controlled entities and associates

Investments in subsidiaries, jointly-controlled entities and associates in the separate financial statements of the Company are accounted for using the cost method. Investments in associates in the consolidated financial statements are accounted for using the equity method.

(h) Property and equipment

All property and equipment is initially recorded at cost, and subsequently stated at historical cost less accumulated depreciation and loss from impairment. Depreciation is calculated using the straight-line method to write off the cost of each asset to its residual values over its estimated useful life as follows:

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

The Group does not provide depreciation on assets under construction.

Borrowing costs to finance the construction of property and equipment are capitalised during the period of time that is required to complete and prepare the property and equipment for its intended use as part of the cost of the asset. The borrowing cost includes interest on bank overdrafts, short-term and long-term borrowings, amortisation of discounted bills of exchange, amortisation of deferred financial expenses and related taxes.

3 Significant accounting policies (Cont'd)

Where the carrying amount of an asset is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount. The estimated recoverable amount is the higher of the anticipated, discounted cash flows from the continuing use of the asset and the amount obtainable from the sale of the asset, less any cost of disposal.

Gains and losses on disposal of property and equipment are determined by reference to their carrying amount and are taken into account in determining in operating profit.

Repair and maintenance expenses are charged to the income statements during the financial year in which they are incurred. The cost of major renovations is included in the carrying amount of the asset when it is probable that future economic benefits in excess of the originally assessed standard of performance of the existing asset will flow to the Group. Major renovations are depreciated over the remaining useful life of the related assets.

(i) Property and equipment under agreements for operation

Property and equipment under agreements for operation comprises satellites, commanding and monitoring stations, and other operational equipment, where title has been transferred to the Government agency. They are amortised using the straight-line method over the shorter of the estimated useful lives of satellites and other related assets, or the operation period, ranging from 5 to 27.5 years. Property and equipment under agreements for operation is not revalued. Its carrying amount is reviewed annually and adjusted for impairment where it is considered necessary.

Where the carrying amount of an asset is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount. The estimated recoverable amount is the higher of the anticipated, discounted cash flows from the continuing use of the asset and the amount obtainable from the sale of the asset, less any cost of disposal.

3 Significant accounting policies (Cont'd)

(j) Deferred charges

Deferred charges principally represent rights to the use of equipment and costs of equipment provided to certain overseas customers in connection with the utilisation of transponder services. The rights to the use of the equipment is amortised using the straight-line method over 5 years. The cost of equipment provided to certain overseas customers in connection with the utilisation of transponder services, which is a transfer of equipment to customers at the end of the service agreement, is amortised on the straight-line basis over the period of each service agreement.

(k) Intangible assets

Goodwill

Goodwill in a business combination represents the excess of the cost of acquisition over the fair value of the Group's share of the identifiable net assets acquired. Negative goodwill in a business combination represents the excess of the fair value of the Group's share of the identifiable net assets acquired over the cost of acquisition. The Group has changed its accounting policy for goodwill with effect from 1 January 2008 as follows.

Acquisitions prior to 1 January 2008

Goodwill represents the amount recognised under the Group's previous accounting policy under which goodwill and negative goodwill was stated at cost less accumulated amortisation and impairment losses

Acquisitions on or after 1 January 2008

Goodwill is stated at cost. Negative goodwill is recognised immediately in the statement of income.

3 Significant accounting policies (Cont'd)

Subsequent measurement

Goodwill is measured at cost less impairment losses. In respect of equity accounted investments, the carrying amount of goodwill is included in the carrying amount of the investment.

Other intangible assets

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

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

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

Research expenditure is recognised as an expense as incurred. Costs incurred on development projects (relating to the design and testing of new or improved products) are recognised as intangible assets when it is probable that the project will be a success considering its commercial and technological feasibility, and only if the cost can be measured reliably. Other development expenditure is recognised as an expense as incurred. Development costs previously recognised as an expense are not recognised as an asset in a subsequent period. Development costs that have been capitalised are amortised from the commencement of the commercial production of the product on a straight-line method over the period of their expected benefit, not exceeding 20 years.

3 Significant accounting policies (Cont'd)

(i) Impairment

The carrying amounts of the Group's assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the assets' recoverable amounts are estimated.

Goodwill and other intangible assets with indefinite useful lives, and intangible assets not yet available for use, are tested for impairment annually and as and when indicators of impairment are identified.

An impairment loss is recognised whenever the carrying amount of an asset or its cash generating unit exceeds its recoverable amount. The impairment loss is recognised in the statement of income.

Calculation of recoverable amount

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

Reversals of impairment

An impairment loss in respect of an asset is reversed if the subsequent increase in recoverable amount can be related objectively to an event occurring after the impairment loss was recognised. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised. An impairment loss in respect of goodwill is not reversed.

3 Significant accounting policies (Cont'd)

(m) Long-term lease agreements

Leases - where the Group is the lessee

Leases of property and equipment where the Group assumes substantially all the benefits and risks of ownership are classified as finance leases. Finance leases are capitalised at the inception of the lease at the lower of the fair value of the leased assets or the present value of the minimum lease payments. Each lease payment is allocated to the principal and to the finance charges so as to achieve a constant rate on the finance balance outstanding. The corresponding rental obligations, net of finance charges, are included in other payables. The interest element of the finance charge is charged to the income statements over the lease period. The property and equipment acquired under finance leasing contracts are depreciated over the shorter of the estimated useful life of the assets or the lease term. However, if there is reasonable certainty that the lessee will obtain ownership by the end of the lease term, depreciation is calculated over the estimated useful life of the assets.

Leases not transferring a significant portion of the risks and rewards of ownership to the lessee are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the income statements on a straight-line basis over the period of the lease.

When an operating lease is terminated before the lease period has expired, any payment required to be made to the lessor by way of penalty is recognised as an expense in the period in which the termination takes place.

Leases - where the Group is the lessor

Assets leased out under operating leases are included in property and equipment in the balance sheet. They are depreciated over their expected useful lives on a basis consistent with similar fixed assets. Rental income is recognised on a straight-line basis over the lease term.

3 Significant accounting policies (Cont'd)

(n) Interest-bearing liabilities

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

(o) Trade and other accounts payable

Trade and accounts payable are stated at cost.

(p) Employee Benefit

The Group operates a provident fund, which is a defined contribution plan. The assets of which are held in a separate trust fund which is managed by external fund manager. The provident fund is funded by payments from employees and by the relevant Group companies. Contributions to the provident fund are charged to the statements of income in the year to which they relate. However, the Group does not provide for employment benefits payable to employees under the Thai Labour Law.

Warrants granted to directors and employees of the Group are recognised when they are exercised.

(q) Provisions

Provisions are recognised when there is a probability that the Group's resource will be required to settle. Provisions are measured at the present value at the reporting date.

3 Significant accounting policies (Cont'd)

Warranties

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

(r) Revenue

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

Sale of goods and services rendered

Revenue is recognised in the statement of income when the significant risks and rewards of ownership have been transferred to the buyer. No revenue is recognised if there is continuing management involvement with the goods or there are significant uncertainties regarding recovery of the consideration due, associated costs or the probable return of goods. Service income is recognised as services are provided.

Revenue and cost of sales of gateway equipment with installation are recognised using the percentage of completion method. The stage of completion is measured by reference to the related contract costs incurred for work performed to date compared with the estimated total costs for the contract. When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognised as an expense immediately.

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

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

3 Significant accounting policies (Cont'd)

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

Interest and dividend income

Interest income is recognised in the statement of income as it accrues. Dividend income is recognised in the statement of income on the date the Group's right to receive payments is established.

(s) Expenses

Operating leases

Payments made under operating leases are recognised in the statement of income on a straight line basis over the term of the lease. Contingent rentals are charged to the statement of income for the accounting period in which they are incurred.

Finance costs

Interest expenses and similar costs are charged to the statement of income for the period in which they are incurred, except to the extent that they are capitalised as being directly attributable to the acquisition, construction or production of an asset which necessarily takes a substantial period of time to be prepared for its intended use or sale. The interest component of finance lease payments is recognised in the statement of income using the effective interest rate method.

(t) Income tax

Income tax on the profit or loss for the year comprises current and deferred tax. Income tax is recognised in the statement of income except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

3 Significant accounting policies (Cont'd)

Current tax

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

Deferred tax

Deferred tax is recognised using the liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The amount of deferred tax provided is based on tax rates enacted or substantially enacted at the reporting date.

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

4 Related 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.

4 Related party transactions and balances (Cont'd)

The Company is controlled by Shin Corporation Public Company Limited ("Shin") (incorporated in Thailand), which owns 41.14% (2008: 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 years ended 31 December 2009 and 2008 with related parties were as follows:

	Consolidated financial statements		Separate financial statements	
	2009	2008	2009	2008
	<i>(in thousand Baht)</i>			
Revenues				
Revenues from sale of goods and rendering of services				
Subsidiaries	-	-	1,141,086	950,024
Associate	10,226	4,885	9,713	4,844
Jointly-controlled entities	24,312	40,752	18,030	54,031
Related parties under common control	70,892	59,790	56,643	51,888
Other related party	1,011	-	-	-
Other income				
Subsidiaries	-	-	76,293	65,840
Jointly-controlled entities	840	1,424	1,714	2,493
Total revenue	107,281	106,851	1,303,479	1,129,120

4 Related party transactions and balances (Cont'd)

	Consolidated financial statements		Separate financial statements	
	2009	2008	2009	2008
	<i>(in thousand Baht)</i>			
Expenses				
Purchases of goods and services				
Subsidiaries	-	-	30,683	43,972
Associate	13,168	23,502	11,211	17,980
Jointly-controlled entities	4,153	4,492	8,475	9,167
Related parties under common control	494	835	486	835
Other related party	19,907	15,164	15,316	15,164
Selling and administrative expenses				
Parent company	98	-	-	-
Subsidiaries	-	-	2,409	1,229
Associate	2,374	5,019	2,295	4,720
Jointly-controlled entities	(532)	1,719	(1,114)	3,508
Related parties under common control	26,742	21,301	18,333	14,796
Other related party	3,977	-	-	-
Directors and management benefit expenses	44,142	111,181	43,606	110,650
Total expenses	114,523	183,213	131,700	222,021

4 Related party transactions and balances (Cont'd)

Balance as at 31 December 2009 and 2008 with related parties were as follows:

	Consolidated financial statements		Separate financial statements	
	2009	2008	2009	2008
<i>(in thousand Baht)</i>				
Trade accounts receivable and accrued income - related parties				
Trade accounts receivable - related parties				
Subsidiaries	-	-	146,050	206,606
Associate	1,355	3,665	1,352	3,636
Jointly-controlled entities	8,883	11,757	4,394	5,750
Related parties under common control	7,600	3,645	5,062	-
Other related party	780	-	-	-
Total	18,618	19,067	156,858	215,992
Accrued income - related parties				
Subsidiaries	-	-	255,240	135,031
Associate	2,880	15,205	2,880	15,205
Jointly-controlled entities	1,029	2,303	117	3,187
Related parties under common control	4,470	2,280	4,470	-
Total	8,379	19,788	262,707	153,423
Total trade accounts receivable and accrued income - related parties	26,997	38,855	419,565	369,415
Amounts due from related parties				
Subsidiaries	-	-	14,612	79,023
Associate	-	68,601	-	1,074
Jointly-controlled entities	1,102	2,278	86,072	4,483
Total	1,102	70,879	100,684	84,580

4 Related party transactions and balances (Cont'd)

	Consolidated financial statements		Separate financial statements	
	2009	2008	2009	2008
<i>(in thousand Baht)</i>				
Other current assets - related parties				
Subsidiaries	-	-	1,733	7,748
Related parties under common control	4	281	4	281
Total	4	281	1,737	8,029
Short-term loans and advance to a subsidiary and an associate				
Subsidiary	-	-	334,076	168,805
Total	-	-	334,076	168,805

As at 31 December 2009, the short-term loan to a subsidiary bears interest at the rate of 3.76-6.73% per annum (2008: 5.14-6.58 % per annum) and is repayable within three months.

Movement of short-term loan and advance to a subsidiary for the years ended 31 December 2009 and 2008 were as follows:

	Consolidated financial statements		Separate financial statements	
	2009	2008	2009	2008
<i>(in thousand Baht)</i>				
At 1 January	-	-	168,805	200,255
Increase	-	-	228,215	172,129
Decrease	-	-	(50,736)	(200,255)
Unrealised loss on exchange rate	-	-	(12,208)	(3,324)
At 31 December	-	-	334,076	168,805

4 Related party transactions and balances (Cont'd)

	Consolidated financial statements		Separate financial statements	
	2009	2008	2009	2008
<i>(in thousand Baht)</i>				
Trade accounts payable - related parties				
Subsidiaries	-	-	2,110	10,165
Associate	21,978	25,234	21,525	17,574
Jointly-controlled entities	250	249	332	332
Related parties under common control	4,743	9,065	4,610	492
Other related party	2,284	4,306	2,284	4,306
Total	29,255	38,854	30,861	32,869
Amounts due to related parties				
Subsidiaries	-	-	41,348	18,812
Jointly-controlled entities	333	2,845	670	5,807
Related parties under common control	4,377	1,743	1,063	855
Other related party	2,297	1,344	1,341	-
Total	7,007	5,932	44,422	25,474
Account payable - property and equipment - related parties				
Subsidiaries	-	-	4,428	-
Total	-	-	4,428	-
Advances receipts from customers - related parties				
Subsidiaries	-	-	36,236	-
Associate	185	-	-	-
Jointly-controlled entities	171	-	336	-
Related parties under common control	26	27,345	-	27,345
Total	382	27,345	36,572	27,345

4 Related party transactions and balances (Cont'd)

	Consolidated financial statements		Separate financial statements	
	2009	2008	2009	2008
<i>(in thousand Baht)</i>				
Accrued expenses - related parties				
Subsidiaries	-	-	27,825	-
Associate	21	26	21	26
Jointly-controlled entities	328	-	670	-
Related parties under common control	1,835	691	548	515
Total	2,184	717	29,064	541
Other current liabilities				
- related parties				
Related parties under common control	160	160	160	160
Total	160	160	160	160
Other non-current liabilities				
- related parties				
Jointly-controlled entities	40	40	54	54
Total	40	40	54	54

4 Related party transactions and balances (Cont'd)

Warrants of Shin Corporation Public Company Limited granted to an executive director of the Company

Shin Corporation Public Company Limited, 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 December 2009, the details were as follow:

	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: 1.11410	12.269	Expired on	30 May 2008
ESOP - Grant III	31 May 2004	8,823,100	1: 1.11410	32.681	Expired on	30 May 2009
ESOP - Grant IV	31 May 2005	8,329,800	1: 1.09950	37.981	31 May 2006	30 May 2010
ESOP - Grant V	31 July 2006	7,823,000	1: 1.06582	35.353	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 December 2009, 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

4 Related party transactions and balances (Cont'd)

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 a related party, under which the related party was committed to maintain accounting program service for a period of approximately one year to five years with an option to renew. As at 31 December 2009, the Company was no committed to pay the related party for services in respect of the agreements *(2008: approximately Baht 7.32 million per year)*.
- b. 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 10.03 million *(2008: approximately Baht 16.15 million)*.
- c. The Company had entered into an agreement with a jointly-controlled entity, under which the jointly-controlled entity was committed to be responsible for ensuring the IPSTAR gateway System perform in accordance with the industry standard and provide maintenance service for a period of approximately five years. The Company was committed to pay for the service in respect of the agreements at approximately USD 0.64 million *(2008: approximately USD 0.88 million)*.
- d. The Company and subsidiaries 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.

4 Related party transactions and balances (Cont'd)

- e. 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 147.43 million and Baht 7.56 million (2008: approximately USD 66.08 million). The service fees of some contracts vary to the actual used or installed user terminal at the rate stated in the contract.

5 Cash and Cash equivalents

	Consolidated financial statements		Separate financial statements	
	2009	2008	2009	2008
	<i>(in thousand Baht)</i>			
Cash on hand	48,580	45,733	27,324	32,877
Current accounts and saving deposits				
held at call with banks	568,008	622,278	130,929	212,379
Fixed deposits	181,051	505,324	-	375,288
Total	797,639	1,173,335	158,253	620,544
The weighted average interest rate				
of deposit held banks and fixed				
deposits	1.41%	0.57%	0.25%	0.79%

6 Trade accounts receivable and accrued income

		Consolidated financial statements		Separate financial statements	
	Note	2009	2008	2009	2008
(in thousand Baht)					
<i>Trade accounts receivable</i>					
Related parties	4	18,618	19,067	156,858	215,992
Other parties		1,229,709	1,353,115	534,141	780,251
Total		1,248,327	1,372,182	690,999	996,243
<i>Accrued income</i>					
Related parties	4	8,379	19,788	262,707	153,423
Other parties		214,816	100,827	180,661	96,882
Total		223,195	120,615	443,368	250,305
Total trade accounts receivable					
and accrued income		1,471,522	1,492,797	1,134,367	1,246,548
<i>Less allowance for doubtful</i>					
accounts		(424,967)	(574,935)	(252,036)	(396,846)
Total		1,046,555	917,862	882,331	849,702
(Reversal of) bad and doubtful					
debts expenses for the year		(86,814)	150,724	(108,342)	127,550

6 Trade accounts receivable and accrued income (Cont'd)

Aging analyses for trade accounts receivable were as follows:

	Consolidated financial statements		Separate financial statements	
	2009	2008	2009	2008
	<i>(in thousand Baht)</i>			
Within credit terms	245,926	354,467	112,382	210,892
Overdue:				
Less than 3 months	492,785	174,509	337,561	231,437
3 - 6 months	108,105	191,821	41,408	79,828
6 - 12 months	68,730	94,176	28,328	80,549
Over 12 months	332,781	557,209	171,320	393,537
Total	1,248,327	1,372,182	690,999	996,243
Less allowance for doubtful accounts	(424,967)	(574,935)	(252,036)	(396,846)
Net	823,360	797,247	438,963	599,397

The normal credit terms were granted by the Group ranging 30 days to 60 days.

As at 31 December 2009, 40% of the total trade accounts receivable of the Company is the government sector (2008: 35%).

7 Inventories

	Consolidated financial statements		Separate financial statements	
	2009	2008	2009	2008
<i>(in thousand Baht)</i>				
Raw material and supplies	71,055	71,689	63,777	66,124
Work in process	7,497	11,807	-	-
Finished goods	326,967	468,317	164,874	310,227
Goods in transit	83,254	44,583	86,112	1,238
	488,773	596,396	314,763	377,589
Less allowance for obsolete inventories	(57,648)	(52,725)	(39,844)	(33,771)
Total	431,125	543,671	274,919	343,818

8 Other current assets

	Consolidated financial statements		Separate financial statements	
	2009	2008	2009	2008
<i>(in thousand Baht)</i>				
VAT receivable	4,120	7,917	-	-
Prepaid expenses	73,393	89,854	11,562	39,475
Advance payments	61,382	45,595	38,234	18,208
Deposits	20,040	33,977	10,148	24,129
Others	110,377	47,592	30,967	36,202
	269,312	224,935	90,911	118,014
Less impairment of assets	(2,479)	(6,867)	-	-
Total	266,833	218,068	90,911	118,014

9 Investments in subsidiaries, jointly-controlled entities and associates

	Note	Consolidated financial statements		Separate financial statements	
		2009	2008	2009	2008
		(in thousand Baht)			
At 1 January		380,791	676,232	795,788	882,059
Share of net profits of					
investments - equity method		124,627	67,204	-	-
Acquisition of ordinary shares		-	-	17,712	62,223
Unrealised gain from decrease					
in shareholding in an associate		3,123	-	-	-
Dividend income	9 f), m)	(90,036)	(175,070)	-	-
Decrease from reduction of					
share capital of a subsidiary					
and an associate	9 h), m)	-	(187,575)	-	(148,494)
At 31 December		418,505	380,791	813,500	795,788

9 Investments in subsidiaries, jointly-controlled entities and associates (Cont'd)

Investments in subsidiaries, jointly-controlled entities and associate as at 31 December 2009 and 2008 and dividend income from those investments for the years ended 31 December 2009 and 2008 were as follows:

Consolidated financial statements													
Ownership interest		Paid-up capital		Cost method		Equity method		Impairment		At equity-net		Dividend income	
2009	2008	2009	2008	2009	2008	2009	2008	2009	2008	2009	2008	2009	2008
[%]		(in million Baht)											
Associate													
CS Loxinfo Public													
Company Limited													
and its subsidiaries		42.56	43.48	159.84	157.35	1,481.52	1,481.52	418.51	380.79	-	-	418.51	380.79
Total				159.84	157.35	1,481.52	1,481.52	418.51	380.79	-	-	418.51	380.79
												90.04	175.07

9 Investments in subsidiaries, jointly-controlled entities and associates (Cont'd)

Separate financial statements

	Ownership interest		Paid-up capital		Cost method		Impairment		At equity-net		Dividend income	
	2009	2008	2009	2008	2009	2008	2009	2008	2009	2008	2009	2008
	[%]		(in million Baht)									
Subsidiaries												
DTV Service Company Limited	100.00	100.00	Baht 398.79 million	Baht 398.79 million	398.79	398.79	-	-	398.79	398.79	-	-
Spacecode LLC	70.00	70.00	USD 4.29 million	4.29 USD million	118.65	118.65	-	-	118.65	118.65	-	-
iPSTAR Company Limited	99.68	99.68	USD 2.00 million	2.00 USD million	136.23	136.23	-	-	136.23	136.23	-	-
Star Nucleus Company	70.00	70.00	-	-	-	-	-	-	-	-	-	-
IPSTAR International Ptd Limited	100.00	100.00	SGD 20,000	SGD 20,000	0.45	0.45	-	-	0.45	0.45	-	-
IPSTAR Global Services Company Limited	100.00	100.00	USD 20,000	USD 20,000	0.69	0.69	-	-	0.69	0.69	-	-
Cambodia DTV Network Company Limited	100.00	100.00	USD 600,000	UDS 100,000	21.05	3.34	-	-	21.05	3.34	-	-
Jointly-controlled entities												
Shenington Investments Pte Limited	51.00	51.00	SGD 14.66 million	SGD 14.66 million	137.64	137.64	-	-	137.64	137.64	-	-
Total					813.50	795.79	-	-	813.50	795.79	83.94	-

9 Investments in subsidiaries, jointly-controlled entities and associates (Cont'd)

The following summarised financial information on associated companies which have been accounted for using the equity method.

	Ownership	Current assets	Non-Current assets	Total assets	Current liabilities	Non-current liabilities	Total liabilities	Total revenues	Total expenses	Net profit/(loss)
	(%)	(in million Baht)								
2009										
CS Loxinfo Public Company Limited and its subsidiaries	42.56	309.55	534.30	843.85	[294.34]	[103.42]	[397.76]	1,112.53	[946.05]	122.99
Total		309.55	534.30	843.85	[294.34]	[103.42]	[397.76]	1,112.53	[946.05]	122.99
2008										
CS Loxinfo Public Company Limited and its subsidiaries	43.48	430.16	524.83	954.99	[419.68]	[124.72]	[544.40]	1,158.47	[1,025.76]	67.20
Total		430.16	524.83	954.99	[419.68]	[124.72]	[544.40]	1,158.47	[1,025.76]	67.20

9 Investments in subsidiaries, jointly-controlled entities and associates (Cont'd)

The following amounts represent 51% share of the assets, liabilities, revenues and net profit of the Shenington group which include share of Mfone Company Limited and Lao Telecommunications Company Limited of 51% and 24.99%, respectively which have been included in the consolidated financial statements.

	Ownership	Current assets	Non-Current assets	Total assets	Current liabilities	Non-current liabilities	Total liabilities	Total revenues	Total expenses	Net profit/(loss)
		(in million Baht)								
		(%)								
2009										
Group of Shenington Investments Pte Limited	51	588.46	4,724.01	5,312.47	[1,413.02]	[1,490.94]	[2,903.96]	[2,243.44]	[1,943.45]	214.42
Total		588.46	4,724.01	5,312.47	[1,413.02]	[1,490.94]	[2,903.96]	[2,243.44]	[1,943.45]	214.42
2008										
Group of Shenington Investments Pte Limited	51	576.39	4,043.48	4,619.87	[828.41]	[1,416.97]	[2,245.38]	1,995.78	[1,339.72]	512.09
Total		576.39	4,043.48	4,619.87	[828.41]	[1,416.97]	[2,245.38]	1,995.78	[1,339.72]	512.09

9 Investments in subsidiaries, jointly-controlled entities and associates (Cont'd)

Significant movements in investments in subsidiaries, jointly-controlled entities and associates during the year ended 31 December 2009 were as follows:

Subsidiaries

a) Increase of share capital of Cambodian DTV Network Company Limited

On 10 April 2009, Cambodian DTV Network Company Limited ("CDN") registered additional capital with the Ministry of Commerce of Cambodia for Cambodian Riel 2,000 million (USD 500,000) from registered share capital Cambodian Riel 400 million (USD 100,000), divided into 1,000 shares of Cambodian Riel 400,000 each (USD 100) to be registered share capital of Cambodian Riel 2,400 million (USD 600,000), divided into 1,000 shares of Cambodian Riel 2,400,000 each (USD 600).

b) Additional share capital of IPSTAR New Zealand Company Limited

In June 2009, at the board of directors' meeting and the extraordinary shareholders meeting of IPSTAR New Zealand Company Limited passed the resolution to approve the increase of share capital of USD 4 million (approximately NZD 6.01 million) from registered share capital NZD 2.5 million to be registered share capital NZD 8.51 million, divided into 8,514,133 shares of NZD 1 each. The additional share capital was registered with the Ministry of Commerce of New Zealand on 21 August 2009.

Jointly-controlled entities

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

At the Annual General Meeting of the shareholders of LTC held on 3 February 2009, the shareholders approved the appropriation of dividend from 2008 operation of USD 25 million which including interim dividend of USD 10 million, approved at the Extraordinary General Meeting of shareholders 1/2008 held on 26 July 2008. The final dividend of USD 15 million was paid on 13 February 2009 and 17 February 2009.

9 Investments in subsidiaries, jointly-controlled entities and associates (Cont'd)

At the Extraordinary General Meeting of the shareholders No. 1/2009, held on 14 July 2009, of LTC, the shareholders approved the appropriation of interim dividend from 2009 operation of USD 10 million

d) Additional share capital of Mfone Company Limited

On 8 January 2009, Mfone Company Limited ("Mfone") registered additional share capital with the Ministry of Commerce of Cambodia. The board of director passed a resolution to approve the increase of ordinary share of USD 4.8 million from USD 19.2 million to USD 24 million, comprise of 24 million ordinary shares at USD 1 each.

e) Dividend payment of Shenington

On 3 March 2009, the Board of Directors of Shenington Investments Pte Limited passed the circulation of resolution to approve the appropriation of interim dividends of SGD 0.4844 per share, amounting to SGD 7.1 million in respect of the Company's operation in 2008.

Associates

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

At the Annual General Meeting of the shareholders of CSL held on 8 April 2009, the shareholders approved the appropriation of dividend payment for the last seven-month operation of 2008 of the Company of Baht 0.22 per share, amounting to Baht 127 million. The dividend was paid on 6 May 2009.

On 11 August 2009, the Board of Directors' meeting of CSL passed a resolution to approve the interim dividends of Baht 0.14 per share, totaling amount of Baht 81.62 million. CSL paid dividend to shareholders on 8 September 2009.

Significant movements in investments in subsidiaries, jointly-controlled entities and associates during the year ended 31 December 2008 were as follows:

9 Investments in subsidiaries, jointly-controlled entities and associates (Cont'd)

Subsidiaries

g) Cambodian DTV Network Limited

On 14 November 2007, at the board of directors' meeting of the Company, the board of directors passed a resolution to approve the incorporation of Cambodian DTV Network Limited ("CDN") in Cambodia. On 30 January 2008, CDN registered with the Ministry of Commerce of Cambodia with registered capital of Cambodian Riel 4 million (USD 1,000).

On 28 May 2008, CDN registered additional capital of Cambodian Riel 400 million (USD 100,000), divided into 1,000 shares of Cambodian Riel 400,000 each (USD 100).

h) DTV Service Company Limited

Shin Broadband Internet (Thailand) Company Limited changed its name to "DTV Service Company Limited" ("DTV"), which was registered with the Ministry of Commerce on 23 April 2008.

On 8 September 2008, the extraordinary shareholders' meeting of DTV Service Company Limited passed a resolution to approve the decrease of registered capital from Baht 947,285,000 to Baht 398,791,470 by reducing the 54,849,353 ordinary shares at Baht 10 each, in the proportion of shares held by the Company. As the result, registered capital of DTV is Baht 398,791,470, comprise 39,879,147 ordinary shares at Baht 10 each. The capital reduction of DTV was registered with the Ministry of Commerce on 3 November 2008.

i) Acquisition of additional ordinary shares in NTU (Thailand) Company Limited

On 28 August 2008, DTV Service Company Limited ("DTV") acquired an additional 19,999 ordinary shares in NTU (Thailand) Company Limited ("NTU") from Shin Corporation Public Company Limited at Baht 7 per share, equivalent to 16.67%

9 Investments in subsidiaries, jointly-controlled entities and associates (Cont'd)

of the paid-up share capital of NTU, at a total price of Baht 139,993. As a result of this acquisition, DTV owns interest in NTU 88.52%.

j) Acquisition of additional ordinary shares in IPSTAR Company Limited

In 2008, the Company acquired an additional 885,878 ordinary shares in IPSTAR Company Limited ("IPST") at USD 1 per share, equivalent to 0.44% of the paid-up share capital of IPST, at a total price of USD 885,878. As a result of this acquisition, the Company owns interest in IPST 99.68%. Goodwill recognised from the acquisition of ordinary shares of Baht 57.7 million is included in intangible assets in the consolidated financial statements (note12)

Jointly-controlled entities

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

At the Annual General Meeting of the shareholders of LTC held on 19 February 2008, the shareholders approved the appropriation of dividend from 2007 operation of USD 12 million.

At the Extraordinary General Meeting of the shareholders of LTC held on 26 July 2008, the shareholders approved the appropriation of interim dividend of USD 10 million.

Associates

l) Acquisition of ordinary shares in Shineedotcom Company Limited

On 31 January 2008, AD Venture Company Limited ("ADV") acquired 2.4 million ordinary shares in Shineedotcom Company Limited ("Shinee") at Baht 6.29 per share, equivalent to 30% of the paid-up share capital of Shinee, at a total price of Baht 15.1 million. As a result of this acquisition, ADV increased its interest in Shinee from 70% to 100%.

9 Investments in subsidiaries, jointly-controlled entities and associates (Cont'd)

m) Reduction in par value per share and dividend payment of CS Loxinfo Public Company Limited

At the annual general meeting of the shareholders of CS Loxinfo Public Company Limited ("CSL"), held on 9 April 2008, the shareholders passed a resolution to approve the decrease of paid-up capital from Baht 629,387,302 to Baht 157,346,825.50 and decrease of registered capital from Baht 660,849,474 to Baht 165,212,368.50 by reducing the par value of the CSL's shares from Baht 1 per share to Baht 0.25 per share. The capital reduction of Baht 0.75 per share was registered with the Ministry of Commerce on 30 June 2008. The amount to be returned to shareholders of Baht 433,265,476.50 (net of treasury shares), was paid on 10 July 2008.

At the annual general meeting of the shareholders of CSL held on 9 April 2008, the shareholders approved the appropriation of dividends of Baht 0.20 per share, amounting to Baht 115.04 million. CSL paid dividend to shareholders on 2 May 2008.

At the Board of Directors of CSL meeting, held on 12 June 2008, a resolution was passed to approve the interim dividend payment for the first five-months of 2008 (January - May 2008) of Baht 0.23 per share totaling Baht 132.86 million. The interim dividend was paid on 10 July 2008.

At the Board of Directors of CSL meeting held on 9 December 2008, a resolution was passed to approve special interim dividend payment which derived from gain on liquidation of Loxley Information Services Company Limited and interim dividend of Teleinfo Media Public Company Limited of Baht 0.27 per share, amounting to Baht 155.98 million. The interim dividend was paid on 7 January 2009.

9 Investments in subsidiaries, jointly-controlled entities and associates (Cont'd)

n) Loxley Information Services Company Limited

At the extraordinary shareholders' meetings No. 1/2008 and No. 2/2008, on 6 May 2008 and 21 May 2008 respectively, of Loxley Information Services Company Limited, a subsidiary of CS Loxinfo Public Company Limited, passed a resolution to approve the liquidation of Loxley Information Service Company Limited. It was registered with the Ministry of Commerce on 29 May 2008. Loxley Information Services Company Limited was completed and registered the liquidation with the Ministry of Commerce on 15 December 2008.

Commitment

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.

10 Long-term loan to another company

The long-term loan to another company is unsecured and bears fixed interest rate; however the accumulated interest amount charged on this loan cannot exceed the amount specified in the agreement. The Company has already stopped charging the interest and recognising interest income because the accumulated interest charge reached the maximum interest charge as specified in the agreement. The loan will be settled by offsetting with the royalty fees that the Company is required to pay to the other company until the principal and interest of the loan is fully repaid and the loan is fully offsetted in 2009.

11 Property and equipment

Consolidated financial statements					
	Leasehold land & building	Equipment	Motor vehicles & Office equipment	Assets under construction	Total
	<i>(in thousand Baht)</i>				
As at 31 December 2008					
Cost	335,410	7,120,733	433,874	1,230,355	9,120,372
<i>Less</i> accumulated depreciation	(105,707)	(3,197,606)	(273,218)	-	(3,576,531)
<i>Less</i> accumulated impairment loss	-	(28,592)	-	-	(28,592)
Net book value	229,703	3,894,535	160,656	1,230,355	5,515,249
Transactions during the year ended 31 December 2009					
Opening net book value	229,703	3,894,535	160,656	1,230,355	5,515,249
Additions	49,606	187,633	89,831	1,503,899	1,830,969
Disposals, net	-	(242)	(6,702)	-	(6,944)
Write-offs, net	(2,619)	(412)	(6,663)	(5,869)	(15,563)
Transfers, net	-	1,623,040	8,018	(1,675,486)	(44,428)
Depreciation charges	(36,790)	(1,001,354)	(64,204)	-	(1,102,348)
Foreign currency translation adjustment	32,660	(126,288)	(703)	(36,755)	(131,086)
Closing net book value	272,560	4,576,912	180,233	1,016,144	6,045,849

11 Property and equipment (Cont'd)

Consolidated financial statements					
	Leasehold land & building	Equipment	Motor vehicles & Office equipment	Assets under construction	Total
	(in thousand Baht)				
As at 31 December 2009					
Cost	426,933	8,700,471	506,598	1,016,144	10,650,146
Less accumulated depreciation	(154,373)	(4,094,967)	(326,365)	-	(4,575,705)
Less accumulated impairment loss	-	(28,592)	-	-	(28,592)
Net book value	272,560	4,576,912	180,233	1,016,144	6,045,849
Net book value					
Owned assets	229,703	3,894,535	151,307	1,230,355	5,505,900
Assets under finance leases	-	-	9,349	-	9,349
At 31 December 2008	229,703	3,894,535	160,656	1,230,355	5,515,249
Owned assets	272,560	4,576,912	170,393	1,016,144	6,039,009
Assets under finance leases	-	-	9,840	-	9,840
At 31 December 2009	272,560	4,576,912	180,233	1,016,144	6,045,849

As at 31 December 2009 the accumulated impairment loss of Baht 28.6 (2008: 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.

Effective from 1 January 2009, Mfone Company Limited ("Mfone") has revised its accounting estimate on the useful lives of network assets from 15 years to 5 - 10 years. The change in depreciation rate was applied prospectively, results in an increase in depreciation for the year ended 31 December 2009 in the consolidated financial statements in the amount of Baht 197.95 million.

11 Property and equipment (Cont'd)

As at 31 December 2009, property and equipment includes property and equipment under agreements for operation of a jointly-controlled entity, Mfone Company Limited ("Mfone"), of approximately Baht 2,972.61 million (2008: Baht 1,409 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 for operation, on 4 March 2028 (Note 28 b).

Separate financial statements					
	Leasehold land & building	Equipment	Motor vehicles & Office equipment	Assets under construction	Total
	<i>(in thousand Baht)</i>				
As at 31 December 2008					
Cost	64,348	3,290,782	192,782	3,801	3,551,713
Less accumulated depreciation	(40,324)	(1,961,060)	(144,611)	-	(2,145,995)
Net book value	24,024	1,329,722	48,171	3,801	1,405,718
Transactions during the year ended 31 December 2009					
Opening net book value	24,024	1,329,722	48,171	3,801	1,405,718
Additions	940	176,394	30,603	2,314	210,251
Disposals, net	-	(216)	(1,712)	-	(1,928)
Write-offs, net	-	(412)	(251)	-	(663)
Transfers, net	-	(4,165)	(114)	-	(4,279)
Depreciation charges	(4,692)	(346,512)	(21,990)	-	(373,194)
Closing net book value	20,272	1,154,811	54,707	6,115	1,235,905
As at 31 December 2009					
Cost	65,288	3,428,070	211,638	6,115	3,711,111
Less accumulated depreciation	(45,016)	(2,273,259)	(156,931)	-	(2,475,206)
Net book value	20,272	1,154,811	54,707	6,115	1,235,905

11 Property and equipment (Cont'd)

Separate financial statements					
	Leasehold land & building	Equipment	Motor vehicles & Office equipment	Assets under construction	Total
	(in thousand Baht)				
Net book value					
Owned assets	24,024	1,329,722	40,243	3,801	1,397,790
Assets under finance leases	-	-	7,928	-	7,928
At 31 December 2008	24,024	1,329,722	48,171	3,801	1,405,718
Owned assets	20,272	1,154,811	45,958	6,115	1,227,156
Assets under finance leases	-	-	8,749	-	8,749
At December 2009	20,272	1,154,811	54,707	6,115	1,235,905

Capital expenditure commitments

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

		Consolidated financial statements		Separate financial statements	
		2009	2008	2009	2008
Currency		(in thousand Baht)			
IPSTAR Project	USD	432	693	432	693
	AUD	245	324	-	-
Telephone network	USD	11,323	15,393	-	-
Total	USD	11,755	16,086	432	693
	AUD	245	324	-	-
Total equivalent to Thai Baht		401,351	572,227	14,484	24,315

12 Property and equipment under agreements for operation, deferred charges, and intangible assets

Consolidated financial statements					
	Property and equipment under agreement for operation,	Deferred charges	Goodwill	Other intangible assets	Total intangible assets
<i>(in thousand Baht)</i>					
As at 31 December 2008					
Cost	26,566,514	47,260	57,743	1,561,952	1,619,695
Less accumulated amortisation	(9,497,454)	(37,195)	-	(338,382)	(338,382)
Net book value	17,069,060	10,065	57,743	1,223,570	1,281,313
Transactions during the year ended 31 December 2009					
Opening net book value	17,069,060	10,065	57,743	1,223,570	1,281,313
Additions	140	42,038	-	46,631	46,631
Write-off	-	(7,884)	-	-	-
Transfers, net	114	27,161	-	-	-
Amortisation charges for the year	(1,541,526)	(13,914)	-	(114,476)	(114,476)
Foreign currency translation adjustment	-	-	-	(5,399)	(5,399)
Closing net book value	15,527,788	57,466	57,743	1,150,326	1,208,069
As at 31 December 2009					
Cost	26,567,212	102,917	57,743	1,602,097	1,659,840
Less accumulated amortisation	(11,039,424)	(45,451)	-	(451,771)	(451,771)
Net book value	15,527,788	57,466	57,743	1,150,326	1,208,069

12 Property and equipment under agreements for operation, deferred charges, and intangible assets (Cont'd)

	Separate financial statements		
	Property and equipment under agreement for operation,	Deferred charges	Intangible assets
	<i>(in thousand Baht)</i>		
As at 31 December 2008			
Cost	26,566,514	10,623	1,395,957
Less accumulated amortisation	[9,497,454]	[2,165]	[308,898]
Net book value	17,069,060	8,458	1,087,059
Transactions during the year ended 31 December 2009			
Opening net book value	17,069,060	8,458	1,087,059
Additions	140	40,075	45,791
Write-off	-	[7,884]	-
Transfers, net	114	27,161	-
Amortisation charges for the year	[1,541,526]	[12,693]	[101,584]
Closing net book value	15,527,788	55,117	1,031,266
As at 31 December 2009			
Cost	26,567,212	67,774	1,441,748
Less accumulated amortisation	[11,039,424]	[12,657]	[410,482]
Net book value	15,527,788	55,117	1,031,266

13 Deferred tax

Deferred tax assets and liabilities determined after appropriate off-setting are included in the balance sheets as follows:

	Consolidated financial statements		Separate financial statements	
	2009	2008	2009	2008
	<i>(in thousand Baht)</i>			
Deferred tax assets	868,081	569,776	763,184	439,250
Deferred tax liabilities	(145,589)	(139,531)	-	-
Net	722,492	430,245	763,184	439,250

Deferred tax assets for tax loss carried forward are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

The subsidiaries have tax loss carried forward to offset future taxable income, which is not recognised in the consolidated financial statements as follows:

	2009	2008
	<i>(in thousand Baht)</i>	
Year expired		
2009	-	87,767
2010	42,007	42,007
2011	62,064	62,064
2012	43,629	43,629
2013	608	608
2014	16,285	-
No expire date	124,536	93,879
Total	289,129	329,954

13 Deferred tax (Cont'd)

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

Consolidated financial statements			
Charged/(credited) to:			
At 1 January 2009	Statement of income (Note 24)	Equity	At 31 December 2009
(in thousand Baht)			
Deferred tax liabilities			
Deferred charges	558	(558)	-
Amortisation assets under agreements for operation	139,531	11,699	(5,641)
Depreciation/amortisation	2,754	(217)	-
Gain on foreign exchange	(20,690)	115	(3,630)
Others	17,378	4,286	4
Total	139,531	15,325	(9,267)
Deferred tax assets			
Cumulative deficit	402,262	321,830	-
Allowance for doubtful accounts	27,139	6	(1,566)
Allowance for obsolete inventory	14,555	1,832	(1,878)
Depreciation	20,167	(1,132)	(7,537)
Deposits	24,169	4,045	-
Interest expense	14,084	5,097	(788)
Advance receipts from customers	3,310	3,962	(101)
Others	64,090	(18,116)	(7,349)
Total	569,776	317,524	(19,219)
Net	430,245	302,199	(9,952)

13 Deferred tax (Cont'd)

Consolidated financial statements				
Charged/(credited) to:				
	At 1 January 2008	Statement of income (Note 24)	Equity	At 31 December 2008
	(in thousand Baht)			
Deferred tax liabilities				
Deferred charges	602	(44)	-	558
Amortisation assets under agreements for operation	79,772	55,521	4,238	139,531
Depreciation/amortisation	2,971	(217)	-	2,754
Gain on foreign exchange	6,445	(7,875)	(19,260)	(20,690)
Others	19	17,369	(10)	17,378
Total	89,809	64,754	(15,032)	139,531
Deferred tax assets				
Cumulative deficit	-	402,262	-	402,262
Allowance for doubtful accounts	18,570	2,487	6,082	27,139
Allowance for obsolete inventory	9,776	2,337	2,442	14,555
Depreciation	20,600	(89)	(344)	20,167
Deposits	21,252	2,917	-	24,169
Interest expense	10,538	4,739	(1,193)	14,084
Allowance for receipts from customers	13,705	(3,454)	(6,941)	3,310
Others	21,211	35,636	7,243	64,090
Total	115,652	446,835	7,289	569,776
Net	25,843	382,081	22,321	430,245

13 Deferred tax (Cont'd)

Separate financial statements

Charged/(credited) to:

	At 1 January 2009	Statement of income (Note 24)	Equity	At 31 December 2009
	<i>(in thousand Baht)</i>			
<i>Deferred tax liabilities</i>				
Deferred charges	558	(558)	-	-
Depreciation/amortisation	2,754	(217)	-	2,537
Total	3,312	(775)	-	2,537
<i>Deferred tax assets</i>				
Cumulative deficit	402,262	321,830	-	724,092
Allowance for obsolete inventory	10,131	1,822	-	11,953
Deposits	24,169	4,045	-	28,214
Others	6,000	(4,538)	-	1,462
Total	442,562	323,159	-	765,721
Net	439,250	323,934	-	763,184

13 Deferred tax (Cont'd)

Separate financial statements

Charged/(credited) to:

	At 1 January 2008	Statement of income (Note 24)	Equity	At 31 December 2008
	<i>(in thousand Baht)</i>			
Deferred tax liabilities				
Deferred charges	602	(44)	-	558
Depreciation/amortisation	2,971	(217)	-	2,754
Total	3,573	(261)	-	3,312
Deferred tax assets				
Cumulative deficit	-	402,262	-	402,262
Allowance for obsolete inventory	8,778	1,353	-	10,131
Deposits	21,252	2,917	-	24,169
Others	8,040	(2,040)	-	6,000
Total	38,070	404,492	-	442,562
Net	34,497	404,753	-	439,250

14 Other non-current assets

	Consolidated financial statements		Separate financial statements	
	2009	2008	2009	2008
	<i>(in thousand Baht)</i>			
Withholding taxes receivable	325,272	227,174	322,205	225,162
Tax assessment's deposits	300,125	288,779	300,125	288,780
Accounts receivable - others	44,416	44,202	15,304	15,328
	669,813	560,155	637,634	529,270
Less accumulated impairment loss	(38,929)	(38,929)	(38,929)	(38,929)
Total	630,884	521,226	598,705	490,341

15 Interest-bearing Liabilities

	Consolidated financial statements		Separate financial statements	
	2009	2008	2009	2008
	<i>(in thousand Baht)</i>			
Current				
<i>Short-term borrowings</i>				
Loans from financial institutions	7,518	296,202	-	-
Trust Receipts	73,820	-	73,820	-
Total short-term borrowings	81,338	296,202	73,820	-
<i>Current position of long-term borrowings</i>				
Loans from financial institutions	178,053	1,219,222	-	1,132,464
Loans from other	457,796	73,200	2,369	2,449
Total current portion of long-term borrowings	635,849	1,292,422	2,369	1,134,913

15 Interest-bearing Liabilities (Cont'd)

	Consolidated financial statements		Separate financial statements	
	2009	2008	2009	2008
	<i>(in thousand Baht)</i>			
Non-current				
<i>Long-term borrowings</i>				
Loans from financial institutions	623,466	7,426,485	-	6,862,091
Loans from others	471,003	294,920	4,482	6,187
Total long-term borrowings	1,094,469	7,721,405	4,482	6,868,278
<i>Long-term debentures</i>	6,977,570	-	6,977,570	-
Total non-current of long-term borrowings	8,072,039	7,721,405	6,982,052	6,868,278
Total	8,789,226	9,310,029	7,058,241	8,003,191

As at 31 December 2009, the short-term borrowings are borrowings of subsidiaries from a commercial bank of USD 8.5 million, bearing interest based on margins over the U.S. Dollar London Inter-Bank Offer Rate ("USD LIBOR") per annum. The principal will be repayable on six monthly basis. The Company had issued a letter of comfort to the bank to provide financial support (Note 4).

As at 31 December 2008, the short-term borrowings are borrowings of subsidiaries from a commercial bank of USD 8.5 million, bearing interest based on margins over the Singapore Inter-Bank Offer Rate ("SIBOR") per annum. The principal will be repayable within six months. The Company had issued a letter of comfort to the bank to provide financial support (Note 4).

15 Interest-bearing Liabilities (Cont'd)

As at 31 December 2008, the long-term borrowings from financial institutions are secured as discussed in the facility agreements in relation to the financing of the iPSTAR satellite and the Thaicom 5 satellite projects below. Loans from others are unsecured.

On 16 November 2009, the Company early repaid of long-term loan in relation to the financial of the iPSTAR satellite and the Thaicom 5 satellite projects. The details are as follows:

	Principal (thousand USD)
iPSTAR satellite project	
- US Ex-IM Bank Facility Agreement	98,670.47
- COFACE Facility Agreement	43,848.49
- Commercial Loan Facility Agreement	23,612.72
Thaicom 5 satellite project	
- COFACE Facility Agreement	58,121.79
Total	224,253.47

The early prepayment fund stem from the issuance of debenture and cash flow from operations

15 Interest-bearing Liabilletd (Cont'd)

As at 31 December 2009, 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 December 2009
6 November 2009	3.3	3,300	5.25%	Quarterly	Entirely redeemed on 6 November 2012	3,300
6 November 2009	3.3	3,700	6.15%	Quarterly	Entirely redeemed on 6 November 2014	3,700
Total debentures						7,000
Less bond issuing cost						[23]
Net						6,977

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

15 Interest-bearing Liabilities (Cont'd)

The movements in the borrowing can be analysed as follows:

Note	Consolidated financial statements		Separate financial statements	
	2009	2008	2009	2008
<i>(in thousand Baht)</i>				
For the year ended 31 December				
Opening net book value	9,310,029	9,844,627	8,003,191	8,254,054
Proceeds from short-term borrowings	90,869	130,261	73,351	-
Proceeds from finance leases	717	4,731	717	3,084
Proceeds from long-term borrowings, net of financial costs	292,268	293,408	-	-
Repayment of long-term debentures	6,976,628	-	6,976,628	-
Repayment of short-term borrowings	(303,962)	(185,119)	-	-
Repayment of long-term borrowings	(8,497,838)	(1,431,155)	(8,113,781)	(652,166)
Amortisation of finance costs	22 494,695	109,456	494,695	109,456
Increase from change in status from accounts payable - property and equipment	844,582	236,407	-	-
(Gain) loss on exchange rate	(418,762)	307,413	(376,560)	288,763
Closing net book value	8,789,226	9,310,029	7,058,241	8,003,191

15 Interest-bearing Liabilities (Cont'd)

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

	Consolidated financial statements		Separate financial statements	
	2009	2008	2009	2008
	<i>(in thousand Baht)</i>			
Total borrowings:				
- at fixed rates	7,077,903	3,960,193	7,058,241	3,639,807
- at floating rates	1,711,323	5,349,836	-	4,363,384
Total	8,789,226	9,310,029	7,058,241	8,003,191
Weighted average interest rates:				
- Loans from financial institutions	2.25%	3.88%	-	3.88%
- Debentures	5.73%	-	5.73%	-

The carrying amounts and fair value of interest-bearing liabilities are as follows:

	Consolidated financial statements		Separate financial statements	
	Carrying amount	Fair value	Carrying amount	Fair value
	<i>(in thousand Baht)</i>			
As at 31 December 2009				
Loans	1,811,656	1,796,432	80,671	80,671
Long-term debentures	6,977,570	7,014,905	6,977,570	7,014,905
As at 31 December 2008				
Loans	9,310,029	8,994,683	8,003,191	8,119,154

15 Interest-bearing Liabilities (Cont'd)

The fair value of non-current borrowing is estimated using discounted cash flows based on the Group's incremental borrowing rates for similar types of borrowings.

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

	Consolidated financial statements		Separate financial statements	
	2009	2008	2009	2008
	<i>(in thousand Baht)</i>			
Later than 1 year but not later than 2 year	568,232	1,994,041	1,778	1,759,896
Later than 2 years but not later than 5 years	7,498,134	4,923,963	6,980,274	4,413,666
Later than 5 years	5,673	803,401	-	694,716
Total	8,072,039	7,721,405	6,982,052	6,868,278

Credit facilities

As at 31 December 2009 available credit facilities for loans from local and overseas banks are Baht 1,292 million and USD 17 million (2008: Baht 1,344.8 million and USD 22.5 million).

16 Trade accounts payable

		Consolidated financial statements		Separate financial statements	
Note		2009	2008	2009	2008
(in thousand Baht)					
Related parties	4	29,255	38,854	30,861	32,869
Other parties		432,794	478,206	236,527	267,211
Total		462,049	517,060	267,388	300,080

17 Other current liabilities

		Consolidated financial statements		Separate financial statements	
Note		2009	2008	2009	2008
(in thousand Baht)					
Deposits from customers		42,735	45,212	29,752	31,469
Other taxes		45,209	45,629	14,569	15,802
Other payables		81,178	59,093	37,168	36,525
Total		169,122	149,934	81,489	83,796

18 Share capital, premium on share capital and warrants

Registered capital	Par value per share (Baht)	Number of shares	Amount
		(thousand shares / thousand Baht)	
At 31 December 2009 and 2008			
Ordinary shares	5	1,132,082	5,660,412

	<i>Par value per share (Baht)</i>	<i>Number of shares</i>	<i>Amount</i>	<i>share premium</i>	<i>Total</i>
		<i>(thousand shares / thousand Baht)</i>			
Issued and paid up					
At 1 January 2008					
Ordinary shares	5	1,092,219	5,461,094	4,297,234	9,758,328
Issue of new shares	5	3,719	18,594	4,756	23,350
At 31 December 2008					
Ordinary shares	5	1,095,938	5,479,688	4,301,990	9,781,678
Issued and paid up					
At 1 January 2009					
Ordinary shares	5	1,095,938	5,479,688	4,301,990	9,781,678
Issue of new shares	5	-	-	-	-
At 31 December 2009					
Ordinary shar	5	1,095,938	5,479,688	4,301,990	9,781,678

18 Share capital, premium on share capital and warrants

(Cont'd)

Warrants

As at 31 December 2009, the Company had five ESOP schemes for the directors and employees of the Company and its subsidiaries. The warrants are in registered form and are non-transferable. The terms of the warrants do not exceed five years and there is no offering price. The exercise price and period are detailed below:

	Issued date	Issued (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	31 May 2008
ESOP - Grant III	31 May 2004	5:80	1: 1.02245	13.913	Expired on	31 May 2009
ESOP - Grant IV	31 May 2005	7:56	1: 1.02245	16.441	31 May 2006	31 May 2010
ESOP - Grant V	31 July 2006	10:03	1: 1.00000	11.870	31 July 2007	31 May 2011

18 Share capital, premium on share capital and warrants (Cont'd)

Movements in the number of warrants outstanding for the years ended 31 December 2009 are as follows:

	Opening balance 1 Jan 09	Issue during the year	Exercise during the year	Expired during the year	Closing Balance 31 Dec 09
	<i>(in thousand Unit)</i>				
ESOP - Grant III					
Directors	1,754	-	-	(1,754)	-
Employees	4,140	-	-	(4,140)	-
Total	5,894	-	-	(5,894)	-
ESOP - Grant IV					
Directors	2,967	-	-	-	2,967
Employees	4,595	-	-	-	4,595
Total	7,562	-	-	-	7,562
ESOP - Grant V					
Directors	1,099	-	-	-	1,099
Employees	8,934	-	-	-	8,934
Total	10,033	-	-	-	10,033
Grand Total	23,489	-	-	(5,894)	17,595

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

19 Additional paid-in capital and reserves

Share premium

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

Currency translation changes

The currency translation changes recognised in equity relate to foreign exchange differences arising from translation of the financial statements of foreign operations to Thai Baht.

Legal reserve

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

20 Segment information

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

20 Segment information (Cont'd)

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 Others

20 Segment information (Cont'd)

Business segment results

	Satellite business services		Internet services and media		Telephone network		Others		Consolidation eliminations		Consolidated financial statements	
	2009	2008	2009	2008	2009	2008	2009	2008	2009	2008	2009	2008
<i>(in thousand Baht)</i>												
Revenues	4,548,178	4,664,112	543,517	500,479	2,146,602	1,930,327	-	-	(49,933)	(81,950)	7,188,634	7,012,968
Shares of net results from associate	-	-	124,627	67,205	-	-	-	-	-	-	124,627	67,205
Allocated costs and expenses	(5,018,634)	(5,401,257)	(640,587)	(533,333)	(1,637,784)	(1,229,292)	(60,551)	(51,962)	52,574	90,152	(7,304,982)	(7,125,692)
Segment results	(470,456)	(737,145)	27,557	34,351	508,818	701,035	(60,551)	(51,962)	2,641	8,202	8,000	(45,519)
Other income											31,623	67,993
Gain (loss) on foreign exchange											465,109	(369,311)
Gain (loss) before interest expenses and income tax											504,741	(346,837)
Finance cost											(1,087,396)	(625,950)
Operating loss											(582,655)	(972,787)
Income Tax											111,733	261,217
Minority interests											(307)	(1,616)
Net loss											(471,229)	(713,186)
Segment assets	23,038,708	24,357,678	270,903	302,223	5,049,477	4,322,054	275,842	181,096	(1,650,154)	(1,122,582)	26,984,776	28,040,469
Associated											418,505	380,791
Total assets											27,403,281	28,421,260

20 Segment information (Cont'd)

	Satellite business services		Internet services and media		Telephone network		Others		Consolidation eliminations		Consolidated financial statements	
	2009	2008	2009	2008	2009	2008	2009	2008	2009	2008	2009	2008
<i>(in thousand Baht)</i>												
Segment liabilities	2,554,165	2,269,299	132,664	124,286	1,855,660	1,700,644	6,034	5,972	(1,560,279)	(1,092,215)	2,988,244	3,007,986
Borrowings											8,789,226	9,310,029
Total											11,777,470	12,318,015
Depreciation	409,082	375,451	23,854	20,694	669,413	304,623	-	-	-	-	1,102,349	700,768
Amortisation	2,159,973	1,943,133	4,678	3,479	-	261	-	-	-	-	2,164,611	1,943,873
Total depreciation and amortisation	2,569,055	2,315,584	28,492	24,173	669,413	304,884	-	-	-	-	3,266,960	2,644,641

20 Segment information (Cont'd)

Revenue and results, based on geographical segments, in the consolidated financial statements for the years ended 31 December 2009 and 2008 were as follows:

	2009	2008
	<i>(in thousand Baht)</i>	
Segment revenue		
Thailand	2,318,077	2,671,676
Cambodia	1,516,858	1,392,860
Lao PDR	882,379	795,518
Australia	1,311,307	1,182,797
Others	1,159,743	970,117
Total	7,188,364	7,012,968
Segment results		
Thailand	(204,182)	(874,778)
Cambodia	(103,209)	495,021
Lao PDR	306,817	231,320
Australia	233,489	111,322
Others	(224,906)	(8,404)
Total	8,009	(45,519)
Fixed assets		
Thailand	17,030,155	18,745,525
Cambodia	3,107,481	2,709,940
Lao PDR	1,491,341	1,233,108
Australia	199,656	175,378
Others	1,010,539	1,011,736
Total	22,839,172	23,875,687

21 Other income

	Consolidated financial statements		Separate financial statements	
	2009	2008	2009	2008
	<i>(in thousand Baht)</i>			
Consulting and management fees	-	-	66,686	57,594
Interest income	18,665	50,975	18,118	50,764
Gain on sale of equipment	415	1,116	1,069	915
Others	12,543	15,902	5,147	11,571
Total	31,623	67,993	91,020	120,844

22 Expenses by nature

Significant expenses by nature are as follows:

	Consolidated financial statements		Separate financial statements	
	2009	2008	2009	2008
	<i>(in thousand Baht)</i>			
Depreciation of property and equipment	1,102,349	700,769	373,194	348,644
Amortisation of property and equipment under the agreements for operations, deferred charges and intangible assets	1,669,916	1,834,416	1,655,803	1,815,409
Amortisation of finance costs	494,695	109,456	494,695	109,456
Staff costs	896,388	719,686	554,362	489,771

23 Provident funds

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

24 Income tax expense

		Consolidated financial statements		Separate financial statements	
		2009	2008	2009	2008
Note		(in thousand Baht)			
Current tax expense		190,466	120,864	-	-
Deferred tax expense	13	(302,199)	(382,081)	(323,934)	(404,753)
Total		<u>(111,733)</u>	<u>(261,217)</u>	<u>(323,934)</u>	<u>(404,753)</u>

24 Income tax expense (Cont'd)

Reconciliation of effective tax rate

	Consolidated financial statements		Separate financial statements	
	31 December 2009	31 December 2008	31 December 2009	31 December 2008
	<i>(in thousand Baht)</i>			
Loss before tax	(582,655)	(972,787)	(1,094,602)	(1,845,590)
Tax rate	30%	30%	30%	30%
The result of the accounting loss multiplied by the income tax rate	(174,796)	(291,836)	(328,381)	(553,677)
Share of net results from investments - equity method	(37,388)	(20,162)	-	-
Effect of the different basis of income tax calculation or tax rates in other countries	(54,091)	(86,085)	-	-
Tax profits (losses) not recognised as deferred tax asset	9,608	(36,030)	-	-
Tax on dividend received from a subsidiary	(27,011)	(52,521)	-	-
Effect of the income recognised in different periods for accounting and tax purposes	54,218	42,765	7,232	(7,082)
Effect of the non-deductible tax expense and expense recognised in different periods for accounting and tax purposes	117,727	182,652	(2,785)	156,006
Total	(111,733)	(261,217)	(323,934)	(404,753)

24 Income tax expense (Cont'd)

Income tax reduction rate

Royal Decree No. 387 B.E. 2544 dated 5 September 2001 grants companies listed on the Stock Exchange of Thailand a reduction in the corporate income tax rate from 30% to 25% for taxable profit not exceeding Baht 300 million for the five consecutive accounting periods beginning on or after enactment.

Royal Decree No. 475 B.E. 2551 dated 6 August 2008 grants companies listed on the Stock Exchange of Thailand a reduction in the corporate income tax rate from 30% to 25% for taxable profit not exceeding Baht 300 million for the three consecutive accounting periods beginning on or after 1 January 2008.

25 Promotional privileges

The Company was granted promotional privileges under the Investment Promotion Act (B.E. 2520) by the Board of Investment (BOI) in respect of earnings derived from rendering telecommunication services of Thaicom 3 satellite project to customers outside Thailand. Promotional privileges include exemption from corporate income tax for a period of 8 years commencing from December 1997, when its revenue was first earned from the promoted business. The Company must comply with certain terms and conditions required for the promoted industries.

On 19 November 2003, the Company was granted promotional privileges under the Investment Promotion Act (B.E. 2520) as amended by the Investment Promotion Act (No. 3) B.E. 2544 by the BOI in respect of earnings derived from rendering telecommunication services of iSTAR satellite project to customers outside Thailand. Promotion privileges include exemption from corporate income tax for a period of 8 year, when its revenue was first earned from the promoted business. The Company must comply with certain terms and conditions required for the promoted industries. In 2009 the company has revenue from promoted Baht 419 million (2008: Baht 184 million)

26 Loss per share

Basic loss per share

The calculations of basic loss per share for the years ended 31 December 2009 and 2008 were based on the loss for the years attributable to equity holders of the Company and the weighted average number of ordinary shares outstanding during the years as follows:

	Consolidated financial statements		Separate financial statements	
	2009	2008	2009	2008
	<i>(in thousand Baht /thousand shares)</i>			
Loss for the year	(471,229)	(713,186)	(770,668)	(1,440,837)
Loss attributable to equity holders of the Company (basic)	(471,229)	(713,186)	(770,668)	(1,440,837)
Number of ordinary shares outstanding at 1 January	1,095,938	1,092,219	1,095,938	1,092,219
Effect of shares issued during the year	-	2,525	-	2,525
Weighted average number of ordinary shares outstanding (Basic)	1,095,938	1,094,744	1,095,938	1,094,744
Loss per share (Basic) (in Baht)	(0.43)	(0.65)	(0.70)	(1.32)

26 Loss per share (Cont'd)

Diluted loss per share

The calculations of diluted loss per share for the years ended 31 December 2009 and 2008 were based on the loss for the years attributable to equity holders of the Company and the weighted average number of ordinary shares outstanding during the years after adjusting for the effects of all dilutive potential ordinary shares as follows:

	Consolidated financial statements		Separate financial statements	
	2009	2008	2009	2008
	<i>(in thousand Baht /thousand shares)</i>			
Loss attributable to equity holders of the Company (basic)	(471,229)	(713,186)	(770,668)	(1,440,837)
Loss attributable to equity holders of the Company (diluted)	(471,229)	(713,186)	(770,668)	(1,440,837)
Weighted average number of ordinary shares outstanding (basic)	1,095,938	1,094,744	1,095,938	1,094,744
Effect of shares warrants on issue	-	-	-	-
Weighted average number of ordinary shares outstanding (diluted)	1,095,938	1,094,744	1,095,938	1,094,744
Loss per share (diluted) (in Baht)	(0.43)	(0.65)	0.70)	(1.32)

27 Financial instruments

Financial risk management policies

The principal financial risks faced by the Group are interest rate risk and exchange rate risk. The Group borrows at fixed and floating rates of interest to finance its operations. Sales, purchases and a portion of borrowings are translated in foreign currencies. In order to manage the risks arising from fluctuations in exchange rates and interest rates, the Group makes use of derivative financial instruments.

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

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

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

27 Financial instruments (Cont'd)

Foreign currency risk

As at 31 December, the Group had outstanding foreign currency assets and liabilities after foreign currency forward contracts and foreign currency options as follows:

Consolidated financial statements				
2009		2008		
Foreign currency	Baht	Foreign currency	Baht	
<i>(in million)</i>				
Assets				
US Dollars	38.56	1,280.92	56.79	1,976.72
Australian Dollars	15.71	463.15	13.04	311.21
KIP	39,381.45	153.59	54,708.53	224.30
New Zealand Dollars	6.57	155.21	4.73	94.93
Singapore Dollars	0.01	0.34	0.02	0.59
India Rupee	269.88	183.45	291.59	198.02
Yen	8.68	3.11	5.00	1.91
Indonesia Rupee	313.64	1.07	-	-
Total		2,240.84		2,807.69
Liabilities				
US Dollars	69.14	2,317.20	301.92	10,592.03
Australian Dollars	17.88	537.25	14.78	360
KIP	90,418.76	361.68	50,385.22	206.58
New Zealand Dollars	1.02	24.71	4.38	89.92
Singapore Dollars	0.16	3.82	0.13	3.14
India Rupee	45.12	34.09	60.70	46.62
Yen	0.43	0.16	-	-
Indonesia Rupee	2.41	0.01	-	-
Total		3,278.92		11,298.70

27 Financial instruments (Cont'd)

Foreign currency assets mainly represent cash in bank and accounts receivable. Foreign currency liabilities mainly represent trade accounts payable, accounts payable - property and equipment and borrowings.

Credit risk

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

Liquidity risk

The Group monitors its liquidity risk and maintains a level of cash and cash equivalents deemed adequate by management to finance the Group's operations and to mitigate the effects of fluctuations in cash flows.

Fair values

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

The carrying amount of cash and cash equivalents, short-term investments, trade receivables, amounts due from related parties, short-term loans and advances to related parties, trade creditors, accounts payable-property and equipment, amounts due to related parties, and borrowings are assumed to approximate their fair value due to the short maturities of these instruments. The fair values of long-term borrowings and debentures are provided in Note 15.

28 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 December 2009, the remaining minimum fee is Baht 864 million (2008: Baht 934 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 11].

28 Commitments with non-related parties (Cont'd)

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 Laos 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 9). According to the shareholder agreement, LTC is required to invest at least USD 400 million in the projects specified in the agreement within 25 years. As at 31 December 2009 LTC has remaining additional investment of approximately USD 113.26 million (2008:USD 149 million).

d) Agreements for operation of a subsidiary company and associated companies for the satellite uplink-downlink and 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:

28 Commitments with non-related parties (Cont'd)

Type of license	Issued Date	Period
License of DTV Service Company Limited		
Internet Operation License Type I	18 October 2009	1 year
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 322.5 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. However, LTC has not yet recognised the network assets relating to Phase VI and the related portion of the loan in these financial statements because the project has not commenced yet.

28 Commitments with non-related parties (Cont'd)

f) Capital commitment

On 31 December 2009, Shennington Group has capital commitment according to the percentage of share hold by the Group amount of USD 11.3 million (approximately Baht 379 million) (2008: USD 15.4 million; approximately Baht 540 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 financial statements. As of 31 December 2009, the remaining share option was 0.63 million shares (2008: 0.63 million shares).

h) Operating lease commitments

As at 31 December 2009 and 2008, the Group has future aggregate minimum lease payments under non-cancellable operating leases are as follows:

28 Commitments with non-related parties (Cont'd)

		Consolidated financial statements		Separate financial statements	
		2009	2008	2009	2008
Currency		<i>(in thousand)</i>			
Within one year	THB	25,660	95,818	25,660	95,818
	USD	8,130	6,542	6,402	5,048
	KIP	-	14,043	-	-
	PHP	1,970	-	1,970	-
Total equivalent Baht		299,595	325,400	241,667	272,927
After one year but within five years	THB	28,920	26,206	28,920	26,206
	USD	11,898	10,986	5,538	5,561
	KIP	2,455	44,557	-	-
	PHP	3,940	-	3,940	-
Total Baht		430,577	411,789	217,419	221,302
After five years	THB	19,837	29,499	19,837	29,499
	USD	3,387	3,709	-	-
	KIP	722,241	198,747	-	-
Total equivalent Baht		136,241	160,432	19,837	29,499
Grand equivalent Baht		866,413	897,621	478,923	523,728

29 Contingent liabilities

a) Bank guarantees and letters of credit

The Group had contingencies with banks, whereby the banks issued letters of guarantee, letters of credit and other guarantees in respect of business contracts as at 31 December, for the following amounts:

		Consolidated financial statements		Separate financial statements	
		2009	2008	2009	2008
Currency		(in thousand)			
Minimum operating					
agreement fee payable					
to Ministry of Information					
Communication and					
Technology	THB	137,000	80,000	137,000	80,000
IPSTAR equipment sales	THB	338	27,482	338	27,482
Satellite space leasing					
by customers	USD	212	281	212	281
	THB	487,358	487,000	487,000	487,000
IPSTAR Gateway	USD	379	379	379	379
Standby letters of credit	USD	3,233	43,584	3,233	43,584
Letters of credit	USD	250	-	-	-
Others	THB	3,552	3,322	3,322	3,322

29 Contingent liabilities (Cont'd)

b) 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 462 million) exclusive of interest amounting to Rs 92.7 million (approximately Baht 70 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 245 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 63 million) (calculated up to the ended of August 2008). And 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 17 million)

The Company had received Withholding Tax Certificates ('WTC') from its Customers until AY 2007-08 net amounting to Rs.487.96 million (approximately Baht 369 million). The Company had also deposited Rs.405.3 million (approximately Baht 306 million). In February 2009, the Company paid additional deposit Rs. 22.6 million (approximately Baht 17 million). As the result, deposit is totally Rs. 427.9 million (approximately Baht 323 million). The Company presents the deposit as non-current assets in the Balance Sheet.

29 Contingent liabilities (Cont'd)

Since the management and the 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.219.6 million (approximately Baht 166 million), payable to the said Authority.

On 16 October 2009, the 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.

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 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. 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.

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. 747.2 million (approximately Baht 565 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

29 Contingent liabilities (Cont'd)

assessed in the amount of Rs. 388.3 million (approx. Baht 293 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. 219.6 million (approx. Baht 166 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.

However, even though it has been decided that the income from transponder service is a Royalty, if the Company did not conceal any income or intentionally declared incorrect amount of income in its income tax returns, the Penalty and interest imposed on the Company may be set aside.

30 Other event

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

30 Other event (Cont'd)

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.

31 Events after the reporting period

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

At the shareholders' meeting of LTC held on 9 February 2010, the shareholders passed a resolution to approve the dividend payment of USD 30 million in respect of the operations of LTC in 2009 which including interim dividend from 2009 operation of USD 10 million.

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

At the Board of Directors' meeting of the CSL held on 17 February 2010, the directors passed a resolution to approve the appropriation of dividends of Baht 0.27 per share, amounting to Baht 158.67 million. The proposed dividends must be approved by the shareholders at their meeting.

During 2009, the Board of Directors' meeting of CSL passed resolutions to approve the interim dividends of Baht 0.14 per share, totalling Baht 81.62 million (Note 9f). Consequently, total dividends paid for operation of 2009 is Baht 0.41 per share, totalling Baht 240.29 million.

31 Events after the reporting period

c) Increase of Share Capital and Reduction of Share Capital shares of CS Loxinfo Public Limited ("CSL")

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

At the Board of Directors' meeting of CSL on 17 February 2010, a resolution was passed to approve the issuance of 2,750,000 additional ordinary shares to support the change in the exercise ratio, equivalent to 0.43% of the total issued and paid-up share capital of CSL. As a result of the the proposed dividend payment on note 31 (b), the exercise ratio of the warrants issued under ESOP Grant II, Grant III, Grant IV and Grant V has been affected. The Board of Directors will propose this to the shareholders for approval.

Reduction of Share Capital of CS Loxinfo PublicCompany Limited ("CSL")

At the Board of Directors' meeting of CSL on 17 February 2010, a resolution was passed to reduce the ordinary shares because the warrant of CSL for ESOP-Grant I expired on 13 May 2009 in number of 5,678,038 shares, equivalent to 0.89.% of the total issued and paid-up shares capital of CSL. The Board of Directors will propose this to the shareholders for approval.

32 Thai Accounting Standards (TAS) and Thai Financial Reporting Standards (TFRS) not yet adopted

The Group has not adopted the following new and revised TAS/TFRS that have been issued as of the reporting date but are not yet effective. The new and revised TAS/TFRS are anticipated to become effective for annual financial periods beginning on or after 1 January in the year indicated.

32 Thai Accounting Standards (TAS) and Thai Financial Reporting Standards (TFRS) not yet adopted (Cont'd)

TAS/TFRS	Topic	Year effective
TAS 20 (revised 2009)	Accounting for Government Grants and Disclosures of Government Assistance	2012
TAS 24 (revised 2009)	Related Party Disclosures (formerly TAS 47)	2011
TAS 40 (revised 2009)	Investment Property	2011

33 Reclassification of accounts

Certain accounts in the 2008 financial statements have been reclassified to conform to the presentation in the 2009 financial statements as follows:

33 Reclassification of accounts (Cont'd)

2008						
Consolidated financial statements			Separate financial statements			
Before reclass.	Reclass.	After reclass.	Before reclass.	Reclass.	After reclass.	
(in thousand Baht)						
Statement of income						
Cost of sale of goods and rendering of services	5,294,481	(14,708)	5,279,773	4,024,841	(14,709)	4,010,132
Selling and administrative expenses	1,513,692	(1,513,692)	-	1,134,862	(1,134,862)	-
Selling expenses	-	242,198	242,198	-	116,502	116,502
Administrative expenses	-	1,006,809	1,006,809	-	759,809	759,809
Directors and management benefit expenses	7,776	103,405	111,181	7,245	103,405	110,650
Finance costs	-	625,949	625,949	-	549,112	549,112
Interest expenses	499,961	(449,961)	-	379,257	(379,257)	-
	-			-		

The reclassifications have been made to comply with the classification set out in the Pronouncement of the Department of Business Development Re: Determination of items in the financial statements B.E. 2552 dated 30 January 2009.



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Management's Discussion and Analysis: THCOM



I. Overview

Thaicom Plc ("the Company")'s total revenue from sale of goods and rendering of services for 2009 was Baht 7,188 million, up by Baht 175 million compared to 2008, due to revenue growth from IPSTAR service for bandwidth usage, conventional satellite service, telephone service, and Internet and media service. As a result of such revenue growth and 13.5% lower SG&A expenses, earnings before interest, taxes, depreciation, and amortization (EBITDA) for 2009 grew 9.6% from 2008. Net cash inflow from operating activities for 2009 rose by Baht 322 million or 18% from 2008.

A gain on foreign exchange of Baht 465 million, offset by an increase in finance costs according to a fully amortized borrowing cost associated with IPSTAR and Thaicom 5 loans after the prepayment of these loans, led to a net loss for 2009 of Baht 471 million. However, such amortization was a non-cash item and did not affect the Company's cash flow. The net loss decreased by Baht 242 million from 2008 due to a loss on foreign exchange of Baht 369 million reported in 2008.

CS LoxInfo Plc (“CSL”) declared it would pay a dividend for 2009 of Baht 0.41 per share, including an interim dividend of 0.14 Baht per share already paid to its shareholders.

Lao Telecommunications (“LTC”) announced it would pay a dividend of USD 30 million for the performance of 2009.

II. Business Summary

Transponder leasing and related business

Presently, the Company’s broadcasting business has 283 television channels with various contents from all over Asia, Europe, and Australia on both C and Ku band beams. On January 12, 2010, the Thaicom 1A Satellite was deorbited from geostationary earth orbit since it reached its end of life in May, 2009.

The demand for IPSTAR user terminal has continuously grown in Australia. This is the result of the Australian Government’s decision to continue the Internet subsidy program, known as the Australian Broadband Guarantee (ABG). In December 2009, IPSTAR Australia Pty Ltd (“IPA”), the Company’s subsidiary, was already in discussions with NBN Co about solving the rural broadband issue by committing its satellite capacity to National Broadband Network (NBN) and also highlighted long term capacity requirements along with the challenges.

In 2009, IPSTAR has successfully launched services in countries under the satellite’s footprint, except in India and Taiwan. The IPSTAR service launch in India is expected in early year 2010 while the Company plans to launch the IPSTAR service in Taiwan within 2010 to accomplish its service milestone in 14 countries.

Telephone business

A growth of the telephone business in both Cambodia and Lao PDR yielded an increase in telephone subscribers, especially in prepaid mobile phone service. As of the end of Q4/2009, Lao Telecommunications Co., Ltd. (“LTC”) and Mfone Company Limited (“Mfone”)’s total phone subscribers were 1,357,005 and 860,089, increased by 14.8% and 5.5% respectively from 1,181,550 and 815,363 at the end of the previous quarter.

Internet and media business

In 2009, DTV Service Co., Ltd. (“DTV”), the Company’s subsidiary, had a continued growth of DTV sales volume. The total number of DTV satellite television dish sets sold thus far by DTV was 592,886 sets as of the end of 2009.

CS LoxInfo Plc (“CSL”) reported a 19% year-on-year growth in net profit in 2009. This was due to the growth of the Voice Info Services and Mobile Content business, which resulted from an increase in its customers due to an efficient marketing plan. In addition, revenue from leased line services had continuously grown.

III. Consolidated Operating Results

Selected financial information on THCOM

Unit : MBt	Amount		Change YoY (%)
	2009	2008	
Revenue from sale of goods and rendering of services	7,188	7,013	2.5%
Share of profits of associate	125	67	86.6%
Cost of sale of goods and rendering of services	6,128	5,766	6.3%
SG&A expenses	1,177	1,360	-13.5%
EBIT*	-117	-113	-3.5%
EBITDA**	2,655	2,422	9.6%
Net profit	-471	-713	33.9%
EPS (Baht)	-0.43	-0.65	33.8%

* EBIT = Sales and service income - Cost of sales and service - SG&A

** EBITDA = EBIT + Depreciation and Amortization

n.m. = not meaningful

Sales and service income

Consolidated revenue from sale of goods and rendering of services in 2009 was Baht 7,188 million, an increase of Baht 175 million or 2.5% compared to Baht 7,013 million in 2008 due to increases in revenue from the telephone business and in revenue from the Internet access and media business, offset by a decrease in revenue from the satellite business.

Revenue from sale of goods and rendering of services	2009	2008	%YoY
Satellite and related services	4,506	4,583	-1.7%
Telephone services	2,147	1,927	11.4%
Internet and media services	535	503	6.4%
Total	7,188	7,013	2.5%

Satellite transponder leasing and related services

Revenue from satellite transponders and related services in 2009 was Baht 4,506 million, a decrease of Baht 77 million or 1.7% compared to Baht 4,583 million in 2008.

Satellite and related services	2009	2008	%YoY
Thaicom 1A, 2, 5 and related services	2,338	2,302	1.6%
IPSTAR services	2,168	2,281	-5.0%
<i>Sales</i>	986	1,370	-28.0%
<i>Services</i>	1,182	911	29.7%
Total	4,506	4,583	-1.7%

- Revenue from the Thaicom conventional satellite business for 2009 was Baht 2,338 million, an increase of Baht 36 million or 1.6% from Baht 2,302 million in 2008 mainly due to a growth of transponder lease from the broadcasting business.
- IPSTAR service revenue was Baht 2,168 million in 2009, down by Baht 113 million or 5.0% from Baht 2,281 million in 2008 because of a UT sales drop of Baht 384 million or 28.0%, offset by an increase of Baht 271 million or 29.7% in IPSTAR service revenue following increased bandwidth usage mainly in Australia, Indonesia, New Zealand, China, Cambodia, and Malaysia.

Telephone services

The Company's revenue from the telephone service business in 2009 was Baht 2,147 million, an increase of Baht 220 million, or 11.4% compared to Baht 1,927 million in 2008. The continued growth of telephone subscribers in Lao PDR, especially in prepaid mobile phone service, resulted in a 40.7% increase in LTC's subscribers from 964,518 subscribers at the end of 2008 to 1,357,005 subscribers at the end of

2009. Mfone had 860,089 subscribers at the end of 2009, a 6.6% decrease from 921,205 subscribers at the end of 2008. However, Mfone had a 6.3% year-on-year increase in revenue per minute.

Internet and media services

Revenue from the Internet access and media business in 2009 was Baht 535 million, rose by Baht 32 million or 6.4% from Baht 503 million in 2008, mainly due to a DTV sales increase. As at the end of 2009, accumulated DTV sales volume was 592,886 sets, up 246,274 sets from the end of 2008. Revenue from Internet service in both Cambodia and Lao PDR increased year-on-year because of higher average revenue per unit of subscribers.

Cost of sales and service

The Company reported total cost for 2009 of Baht 6,128 million, an increase of Baht 362 million or 6.3% compared to Baht 5,766 million in 2008, due to increases in cost of sales and services from the telephone business and the Internet and media business, offset by a decrease in cost from the satellite business. The cost accounted for 85.3% of sales and service income in 2009, going up from 82.2% in 2008.

Cost of sale of goods and rendering of services	2009	2008	%YoY
Satellite and related services	4,231	4,384	-3.5%
Telephone services	1,447	965	49.9%
Internet and media services	450	417	7.9%
Total	6,128	5,766	6.3%

Cost of satellite transponder leasing and related services

Cost relating to transponder leasing and related services in 2009 was Baht 4,231 million, a decrease of Baht 153 million or 3.5% from Baht 4,384 million in 2008.

Satellite and related services	2009	2008	%YoY
Thaicom 1A, 2, 5 and related services	1,280	1,247	2.6%
IPSTAR services	2,951	3,137	-5.9%
Total	4,231	4,384	-3.5%

- Cost relating to the Thaicom conventional satellite and related business was Baht 1,280 million, an increase of Baht 33 million or 2.6% from Baht 1,247 million in 2008 mainly due to increases in transponder rental as a group of customers were transferred from the Thaicom 1A satellite to the Vinasat satellite, and in cost of sales, offset by decreases in depreciation as the Thaicom 1A satellite had been fully depreciated since February 2009, and in cost of in-orbit insurance.
- Cost of providing IPSTAR services was Baht 2,951 million, a decrease of Baht 186 million or 5.9% from Baht 3,137 million in 2008, mainly due to a decrease in cost of UT sales corresponding to lower UT sales volume, offset by increases in gateway operation expenses, and in operating agreement fee following the revenue growth from higher bandwidth usage.

Cost of telephone services

Cost relating to the telephone business for 2009 amounted to Baht 1,447 million, an increase of Baht 482 million or 49.9% from Baht 965 million in 2008. Mfone reported an increase in depreciation cost for the expanded phase 9 & 10 project in

Cambodia, whereas LTC reported increases in depreciation cost for the expanded phase 15 & 16 telephone network in Lao PDR, and in cost of inter-roaming.

Cost of Internet access and media services

Cost relating to the Internet access and media business in 2009 was Baht 450 million, up by Baht 33 million or 7.9% from Baht 417 million in 2008 due to an increase in cost of DTV sales corresponding to the sales growth in Thailand, Cambodia, and Lao PDR, and a rise in cost of providing internet via satellite service in Lao PDR.

Selling and administrative expenses

SG&A expenses, including directors' remuneration, were Baht 1,177 million in 2009, a decrease of Baht 183 million, or 13.5%, compared to Baht 1,360 million in 2008. This was due to the write-back of doubtful debt provision 2009 as the debt was paid off, and a decrease in marketing expenses for the satellite business, offset by increases in staff expenses, and in marketing expenses from Mfone's promotion campaign and LTC's advertising.

Finance cost

Finance cost was Baht 1,087 million in 2009, up by Baht 461 million, or 73.6%, compared with Baht 626 million in 2008 due to an increase of Baht 385 million in amortization of finance costs (non-cash item and did not affect the Company's cash flow), and a breakage cost for the early repayment of long-term loans for the Thaicom 4 and Thaicom 5 projects in November 2009, offset by a decrease in interest expenses from the loan repayments for the Thaicom 4 and Thaicom 5 projects and for DTV in 2009.

Gain on exchange rate

As the Thai Baht had appreciated, the Company reported a gain of Baht 465 million on foreign exchange for 2009, compared to a loss on exchange of Baht 369 million in 2008. Most of the gain and loss on exchange rate were realized as a result of the loan repayments.

Share of net results from investment - equity method

The share of net results from investment in 2009 was Baht 125 million, increased by Baht 58 million or 86.6% from Baht 67 million in 2008, due to a 19% increase in CSL's net profit over 2008 mainly caused by an increase in revenue from the Voice Info Services and Mobile Content business resulting from its efficient marketing plan and more various products and services, together with lower SG&A expenses as a result of more efforts to reduce its expenses in order to be consistent with the economic downturn situation.

Income tax expense

The Company recognized the future benefit arising from losses carried forward that reduced the future tax base as an income tax receivable of Baht 112 million in 2009, down by Baht 149 million from Baht 261 million in 2008.

IV. Financial Position

At the end of 2009, the Company reported total assets of Baht 27,403 million, a decrease of Baht 1,018 million or 3.6% from Baht 28,421 million at the end of 2008. This was mainly because of the depreciation and amortization of PP&E under operating agreements, offset by an increase in PP&E arose from phase 9 & 10 telephone network expansion in Cambodia and phase 15 & 16 telephone network expansion in Lao PDR.

THCOM's asset components

Assets	December 31, 2009		December 31, 2008	
	Amount (Bt mn)	% of Total assets	Amount (Bt mn)	% of Total assets
Current assets	2,647	9.7	3,063	10.8
Investment in associates	419	1.5	381	1.3
PP&E, net	6,046	22.1	5,515	19.4
PP&E under the concession agreement, net	15,528	56.7	17,069	60.1

Liquidity

At the end of 2009, the Company had a current ratio of 0.98 times, up from 0.86 at the end of 2008 due to a decrease of Baht 657 million in the current portion of long-term loans.

Investments

Investment in CSL was presented as "investment in subsidiaries, jointly controlled entities and associate" item. At the end of 2009 the Company's investment in an associate was Baht 419 million, an increase of Baht 38 million or 10% from Baht 381 million at the end of 2008, reflecting a proportionate recognition of CSL's net profit for 2009 amounting to Baht 125 million, an unrealized gain of Baht 3 million

from a decrease in shareholding in CSL, offset by a dividend paid to the Company of Baht 90 million.

Property, plant and equipment

Property, Plant and Equipment (PP&E) at the end of 2009 was Baht 6,046 million, an increase of Baht 531 million or 9.6% from Baht 5,515 million at the end of 2008. This was mainly due to the purchase of assets of Baht 1,831 million in 2009 most of which were assets for the expansion of telephone network in Cambodia and Lao PDR, offset by a depreciation and amortization of PP&E of Baht 1,118 million. PP&E at the end of 2009 also included the assets under operating agreements of Mfone of approximately Baht 2,973 million, up Baht 1,564 million from Baht 1,409 million at the end of 2008.

PP&E under operating agreements

PP&E under operating agreements at the end of 2009 was Baht 15,528 million, a decrease of Baht 1,541 million from Baht 17,069 million at the end of 2008 mostly due to depreciation and amortization expenses in 2009.

Borrowings and Shareholders' equity

The Company's net borrowings at the end of 2009 were Baht 8,789 million, a decrease of Baht 521 million from Baht 9,310 million at the end of 2008. This was mainly due to the loan repayments for the Thaicom 4 and Thaicom 5 projects in May 2009 and the early repayment in November 2009, and the repayments of long-term borrowings made by Mfone and DTV, offset by debentures issued in 2009.

The Company's shareholders' equity at the end of 2009 was Baht 15,626 million, a decrease of Baht 477 million from Baht 16,103 million at the end of 2008, reflecting a net loss for 2009 of Baht 471 million, a translation loss relating to financial statements of foreign operations of Baht 10 million, offset by an unrealized gain of Baht 3 million from a decrease in shareholding in an associate.

With lower net borrowings and shareholders' equity for the year ended December 31, 2009, the ratio of net borrowings to equity at the end of 2009 was 0.56 times, down from 0.58 times at the end of 2008.

Cash flow

The Company's net cash inflow from operating activities for 2009 was Baht 2,080 million, up by Baht 323 million or 18.4% from 2008. Net cash outflow from investing activities was Baht 1,014 million, mainly due to payments of Baht 1,106 million for the satellite equipment and the expansion of telephone network. The Company had net cash outflows from financing activities of Baht 1,441 million mainly due to long-term loan repayments of Baht 8,498 million including the loan repayments for the Thaicom 4 and Thaicom 5 projects and the expansion of telephone network in Cambodia, and the loan repayments made by DTV, offset by the proceeds from the issue of Baht 7,000 million debentures.

The Company had ending cash of Baht 798 million on December 31, 2009.

This document contains certain forward-looking statements. They refer to future events and to the future financial performance of the Companies. Forward-looking statements generally can be identified by the use of forward-looking terminology such as "may," "will," "expect," "intend," "estimate," "anticipate," "believe" or "continue." Although the Companies believe that the expectations reflected in such forward-looking statements are reasonable at this time, it can give no assurance that such expectations will prove to be correct. Given these uncertainties, readers are cautioned not to place undue reliance on such forward-looking statements.



Social Contributions



THAICOM believes that, as a socially responsible corporation, it should encourage the development of society and play an active role in the development. The Company's social contribution theme is "education". That is, the Company aims to contribute to society by helping to further the development of education. One of the current projects is "Thai Kids Thaicom" which is a brand new CSR, or Corporate Social Responsibility scheme of the Company. The CSR concept has been adopted around the world and has become an international standard for many leading companies, among them large telecommunications companies. CSR is a concept to integrate business as part of the whole society, as part of the surrounding environment and world that we live in. Businesses need to foster relationships with employees, customers, vendors, shareholders, investors and other related stakeholders.

THAI KIDS THAICOM Project-CSR Pilot Project of THAICOM

A donation of a DTV satellite dish set with TV, to 999 remote schools in Thailand

THAI KIDS THAICOM is the latest corporate social responsibility project of THAICOM, launched in September 2009. The project aims to promote education and closing the educational gap between the students in the city and remote areas of Thailand. We encourage the use of THAICOM satellite as the educational source. Every student wherever they are in Thailand can watch the education channels to develop their knowledge.

Under the THAI KIDS THAICOM project, THAICOM will donate a DTV - satellite TV dish set with a television set to 999 schools across the country in the remote areas where there are lack of teachers and matches with the Company's criteria. We are targeting the completion of the project within 2013. Presently, the Company has already donated and installed DTV sets to 362 schools in many provinces such as Nonthaburi, Phra Nakhon Si Ayutthaya, Chachuoengsao, Prachuap Khiri Khan, Nakhon Nayok, Chiang Mai, Chiang Rai, Lamphun, Mae Hong Son, Nakhon Ratchasima, Ubon Ratchathani, Chumphon, Phetchaburi, Ranong, Khon Kaen, Phetchabun, Lampang, Phayao, Uttaradit, Nan, Kalasin, Roi Et, Chon Buri, Pattani, Phitsanulok, Saraburi, and Rayong.



In addition, the Company is encouraging its employees to be involved in the project activities on the voluntary basis at first and then to expand the concept to allocate CSR responsibilities of a particular province to a department. THAICOM aims to enhance the employees' perception to be a good citizenship of society. The involvement of the employees in the project will begin from selecting the desired province (s), which can be their hometown, and then to coordinate with the local government agencies such as Education Service Area Office in each province, City Hall, and Local District Office in order to select the schools in their areas. THAICOM employees will have a chance to perform CSR activities with some of these selected schools.

Even though the THAI KIDS THAICOM project has only begun six months ago, THAICOM has successfully accomplished its goal. The Company is able to provide opportunities and enhance education via satellite to remote schools and the participation of its employees.

All selected schools can watch the education channels, "DLTV", which currently broadcasts a total of 15 educational channels from Kraikangwon Palace School, at Hua-Hin district, Prachuap Khirikhan province of Thailand. DLTV provides not only the Thai standard educational programs (Grade 1-12), but also the vocational training channel (Tailor, Hair-dresser, Technician, Cooking) to the general public. Under the THAI KIDS THAICOM project, the Company will also support other educational programs, such as science and technology programs, as well as tutorial programs for the students. THAICOM aims to enhance children to grown up to be good and valuable citizens for our society.

In the second half of 2010, THAICOM plans to have drawing competitions among the schools under THAI KIDS THAICOM Project for education funds.

Promotion of Science Education

Since 1994, the Company founded the Satellite Museum at the THAICOM Satellite Station in Nonthaburi to disseminate knowledge on the history and development of satellite telecommunications. Every year, THAICOM Satellite station receives to more than 30 groups of the visitors (ranging from 10-150 persons per group) from schools, universities, educational institutes, Government Agencies, Military, private companies, etc. from Bangkok, other provinces and overseas. The Company provides a satellite station facilities tour and gives information on satellites and related fields by experts from THAICOM satellite engineers. These activities are free of charge.

THAICOM's intention has always been to provide knowledge regarding the satellite field. THAICOM has produced a book named "Knowledge about the Satellite" to give away to children and general public free of charge. This book contains information such as explaining what a satellite is, how satellites work, how to control satellites and about satellite launchers with graphics to help explain. The second edition of this book is now available for general public.

Supporting Children's Day

During the Children's Day every year, THAICOM has distributed many essential items such as books, pencils, pencil cases, or bags to students in many schools and some government agencies, military in Bangkok, Nonthaburi, Pathumthani, and other provinces. These gifts will be used for their Children's Day activities.

Science Book Corner in School Library Project: THAICOM CORNER

This THAICOM project was initiated in 2007 with the objective to donate “THAICOM Corner” book shelves filled with science books to many school libraries throughout the country. Regarding the project, THAICOM integrates a collection of science books that are of interest for different age groups and placed them in a specifically designed shelf called “THAICOM Corner”. Together with the “THAICOM Corner” book shelf, THAICOM also donates a Ku-band DTV satellite dish set and a television set to these schools in order for students to be able to watch Distance Learning Education Channels (DLTV).

The main objective of the project is to promote and urge Thai students to self-learn about space, satellites, new sciences and technologies outside their classrooms. The school’s library is the nearest and cheapest source of information to all students. However, there are many schools, even in the greater Bangkok area, that still lack of science books. THAICOM’s goal is for new generation of students to become interested in science and technology and be an important part in driving technological development in Thailand.

Social Assistance in Lao PDR

Lao Telecommunications Co., Ltd. (“LTC”), of which Sherington Investments Pte Ltd. holds 49%, contributes to the society on a regular basis. In 2009, LTC has adopted CSR, Corporate Social Responsibility, in the company in order to provide aids and support to society. LTC will then be a part of the development of economic, community and society at large. The examples of CSR activities are, to build a school, to provide educational fund to bright or excellence students and to support and help organize the national conference and national (government) events.

In 2009, LTC supported society through these events:

Education

- Sponsored the construction of secondary schools in the Southern provinces, valued at 845 million Kips
- Sponsored a recreational “Sala” for the students at the National University of Lao PDR., valued at 251 million Kips
- Supported many educational activities and teacher development programs, valued at 85 million Kips

Sport Activities

- Co-Sponsored the 25th Sea Games where Laos was hosting the event for the first time, valued at 24,845 million Kips
- Sponsored the Lao sportsmen who received medals at the 25th Sea Games, valued at 2,010 million kips



Major events for Government Agencies

- Supported soldiers, Military, and National Police, valued at 648 million Kips
- Supported the 2009 Asian Telecommunications Conference, valued at 90 million kips

Total LTC social contribution for the year 2009 was 28,744 million Kips or equivalent to 115 million Baht

Social Contribution in Cambodia

Mfone Company Limited (“Mfone”) (formerly named Cambodia Shinawatra), a subsidiary of Shenington Investments Pte Ltd, has continued to support a charity called Japan Relief for Cambodia with IPSTAR service, and the construction of IPSTAR Internet networks for telemedicine and education in many remote schools of Cambodia. Mfone also provided many activities for its social contributions in Cambodia.



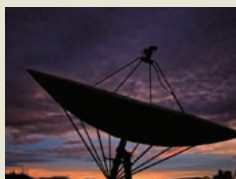
An aerial photograph of a sandy beach. The sand is dark and textured. A map of Europe is carved into the sand, showing the outlines of the continents. The map is light-colored, contrasting with the dark sand. The text 'POWER to manage disasters' is overlaid on the map. The word 'POWER' is in white, and 'to manage disasters' is in a smaller, lighter font. The background of the entire page is an aerial view of a beach with waves breaking on the shore.

POWER

to manage disasters



Glossary



Analog

A variable signal continuous in both time and amplitude.

Asymmetric Digital Subscriber Line (ADSL)

ADSL is a form of DSL, a data communications technology that enables fast data transmission over copper telephone lines. The volume of data flow is greater in the “download” direction than the “upload” direction.

ASIC (Application Specific Integrated Circuit)

An Integrated Circuit (“IC”) is designed for a particular application. For example, the ASIC chip built by connecting existing circuit building blocks in new ways that is designed to decode digital signals.

Asymmetric

A type of data transmission that has a different (or asymmetric) downstream and upstream rate.

Bandwidth

A range of frequencies occupied by an electronic signal. Bandwidth also refers to data (information) transmission rates when communicating over certain media or devices. Any digital or analog signal has a bandwidth. Bandwidth is measured in Megabits per second.

Bit

A binary digit. The smallest unit of information that can take on one of two values, such as true or false or zero or one.

Broadband

A type of high-speed data transmission through Internet Protocol ("IP").

Broadcast Beam

A group of transponders aimed at the Earth's surface as a result of combining of a number of SPOT Beams. The level of combining may vary according to the service area. It is mostly used in one-way communication.

Byte

The unit of digital storage that is larger than a "bit", typically consists of eight bits.

C-band

The frequency range from 4-8 GHz, covers large footprint. C-band needs a large dish to receive signals. It is suitable for general telecommunications services such as audio, video or data transmission.

Cable Modem

A type of modem that provides access to a data signal sent over the cable television infrastructure. It can achieve up to 4 Mbps. Everyone in the neighborhood shares the bandwidth therefore, the more people using the Internet, the slower it becomes.

Compression	A way of squeezing more data through a transponder.
Compressed Video	A digital transmission process used to transmit a video signal. When the vast amount of information in a video transmission is compressed into a fraction of its former bandwidth by a codec, the resulting compressed video can be transmitted more economically and through existing phone lines. While compressed video requires less bandwidth, signal quality may be reduced. For Example, picture quality is generally not as good as full-motion video. Quick motions often appear somewhat blurred. This quality issue is becoming less of a concern as more and more playback systems for compressed video.
Digital	A type of data stored in two statuses (i.e., opened or closed status, or number 0 or 1).
Digital Broadcasting	Converting TV pictures to numbers when transmitting and re-converting them to pictures when they are received.
Digital Direct-to-Home (DTH)	Digital signals transmitted directly to the customer's home.
Digital Subscriber Line (DSL)	A technology that provides digital data transmission over the wires of a local telephone network. Typically, the download speed of consumer DSL services ranges from 256 kilobits per second (Kbps) to 24,000 Kbps, depending on DSL technology, line conditions and service level implemented. Customers must be within 5 kilometers from the telephone exchanges. DSL is suitable for densely populated towns.
Digital Video Broadcast (DVB)	A suite of internationally accepted, open standards for digital television.

Dish	An earthbound dish-shaped antenna used for receiving satellite signals. Also referred to as downlink dish and ground receiving dish.
Downlink	After a ground station send the signal to the satellite, the antenna on the spacecraft will transmit data and voice signals and repeat to the desired location on Earth within the footprint coverage, called "Downlink".
Downloading	A procedure for transferring or retrieving a file from a distant computer.
Encryption	The process of obscuring information to make it unreadable without special knowledge or proper equipment sometimes referred to as scrambling.
Fiber Optics	A technology that uses glass (or plastic) threads (fibers) to transmit data. Fiber optic cables are high-cost to install and more fragile than wire and difficult to splice.
Free-to-Air	A term used to describe television (TV) and radio broadcasts which are broadcast "Encryption" unencrypted and may therefore be picked up via any suitable receiver.
Frequency	The rate of change of phase of a sinusoidal waveform.
Gateway	Two meanings: 1) In Networking: a gateway is a medium of data transmission from one network to other networks. 2) In a satellite system (including IPSTAR), a gateway is a main earth station that links the satellite system to the ground system (i.e. the Internet).

Geostationary Earth Orbit (GEO)	A geostationary orbit mostly used for communication purposes, directly above the Earth's equator (0° latitude), at an altitude of approximately 35,786 km above ground. In geostationary orbits, a satellite rotates around the Earth with an angular velocity equal to the Earth's rotation so that the satellite appears stationary with respect to a fixed point on the rotating Earth. GEO takes only three or four satellites to cover the Earth's surface (except the area around the North and South Pole).
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Hertz (Hz)	A unit of frequency, equal to one cycle per second of a sound wave or electromagnetic wave. 1 Gigahertz (GHz) = 1,000,000,000 Hertz 1 Megahertz (MHz) = 1,000,000 Hertz
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High Definition Television (HDTV)	An improved television system which provides approximately twice the vertical and horizontal resolution of existing television standards. It also provides audio quality approaching that of compact discs. HDTV provides the resolution of 2 million pixels (1,920 x 1,080 active lines). That is four (4) times that of traditional TV formats such as NTSC, SECAM, PAL.
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Inter Broadcast	International television broadcaster.
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Integrated Services Digital Network (ISDN)	A circuit-switched telephone network system, designed to allow digital transmission of voice and data over ordinary telephone copper wires, resulting in better quality and higher speeds than that available with the PSTN system. Data travels at 64 - 128K bits per second.
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Internet Protocol Television (IPTV)

A system where a digital television service is delivered using packets over a network infrastructure. For residential users, IPTV is often provided in conjunction with Video on Demand and may be bundled with Internet services such as Internet access and VoIP. Despite its name, IPTV typically does not come to consumers over the Internet, but over carrier owned fiber optic, or coaxial cables. IPTV is provided by cable TV companies, telephone companies, and soon by electric utilities using BPL.

IPSTAR-1 Satellite

The Thaicom 4 satellite.

Ka-band

The frequency range from 18-31 GHz covers a very small foot print. Small dishes are enough to receive signals from the satellite for home users. It is normally used in communicating to and from the satellite, such as transmissions from the IPSTAR gateway to the THAICOM 4 (IPSTAR) satellite.

Ku-band

The frequency range from 12-18 GHz, suitable for DTH video broadcasting services. Ku-band is also an ideal for satellite broadband Internet applications, allowing users to access web pages, video and other multimedia data at high speed, direct from the satellite network to internet users.

Leased Line

A symmetric telecommunications line connecting two locations together.

Local Multipoint Distribution Service (LMDS)

A broadband wireless access technology that uses microwave signals operating between the 26GHz and 29GHz bands. LMDS is a point-to-multipoint, fixed wireless technology for the last mile.

Low Earth Orbit (LEO)	An orbit within the locus extending from the Earth's surface up to an altitude of 2,000 km. The commonly accepted definition for LEO is between 200 - 2,000 km. above the Earth's surface. LEO satellite can circle the Earth in about an hour and a half but require at least 32 satellites to cover the Earth.
Medium Earth Orbit (MEO)	The region of space around the Earth above low Earth orbit (2,000 km) and below geostationary orbit (35,786 km), requiring 10-20 satellites to cover the Earth.
Microwave	Electromagnetic waves with wavelengths approximately in the range of 30 cm (frequency = 1 GHz) to 1 mm (300 GHz).
Modulate	To transform data to the suitable format before sending to any communication mean such as modulating a digital signal to be transmitted to a satellite.
Multi-Channel Multipoint Distribution Service (MMDS)	A wireless telecommunications technology, used for general-purpose broadband networking or, more commonly, as an alternative method of cable television programming reception. The MMDS band uses microwave frequencies from 2 GHz to 3 GHz in range.
Multi-Channel Per Carrier (MCPC)	A type of data transmission by blending multiple channels into a common carrier, as in blending television signals into a common carrier to be transmitted to a satellite.
Multimedia	Systems that support the interactive use of text, audio, still images, video, and graphics. Each of these elements must be converted in some way from analog to digital before they can be used in a computer application. Thus, the distinction of multimedia is the convergence of previously diverse systems.

Point-to-Multipoint

A specific type of multipoint link which consists of a central connection endpoint (CE) that is connected to multiple peripheral CEs. Any transmission of data that originates from the central CE is received by all of the peripheral CEs while any transmission of data that originates from any of the peripheral CEs is only received by the central CE.

Point-to-Point

A dedicated link that connects exactly two communications facilities.

Quarter TV

Broadcasts of approximately one quarter of the normal quality. Most often used by customers for in-house training courses.

Radio Frequency (RF)

Frequencies between 100 KHz and 20 GHz.

Shaped Beam

A satellite signal that is modified to have a suitable shape for different geographical area coverage. Mostly used in two-way communication service in an opened and less populated area.

Spot Beam

A satellite signal that is specially concentrated in power so that it will cover only a limited geographic area. When seen from the satellite, the Spot Beam covers the service areas in multiple, narrowed, circular-shaped footprints connected in the shape of a cellular network. It is a suitable beam type for two-way communications services over a densely populated area.

Streaming

Playing video or sound in real time as it is downloaded over the Internet. Data is decompressed and played (by use of a web browser plug-in) as it is transferred to your computer over the World Wide Web. Streaming requires a powerful computer and fast connection since the file is not stored on your computer.

Teleport	A teleport (telecommunications port) is an earth station providing a comprehensive range of television and radio broadcasting and telecommunications services, including networking service and high quality internet service to user in remote area.
Terminal	The end point of a network. In the IPSTAR system, it refers to the satellite modem (internal unit) and the satellite dish, including cables (external unit).
Transponder	An electronic device, inside a satellite, that uses the satellite dish to receive signals from the teleport, lower the signals' frequency, amplifies them, then retransmits them to a ground teleport. Two or three transponders aimed at a target area are called a beam, hence "India Beam" for a group of transponders that cover India.
Turnaround Service	The act of receiving signals from other satellites and re-sending them to a Thaicom satellite.
Turnkey Service	An integrated service that is readily usable by buyer.
TTC & M	The abbreviation of Telemetry, Tracking, Command and Monitoring, which is an operation system for satellite control.
Uplink	The act of transmitting a signal up to a satellite. The communications satellite is act as a repeater to a ground station. The ground station will sent a signal through the microwave up to the satellite. The link from a satellite a ground station is called "Uplink".

Uploading

A transfer of copies of files from one computer to a remote database or another computer. It is a reverse of "Downloading".

Very Small Aperture Terminal (VSAT)

A system that provides sound, data and pictures by sending and receiving computer data and other telecommunication data via satellite.

3G - Third Generation

An advanced cell phone system (which GSM was the second generation system) that includes the availability of broadband on cell phones.

WiFi

A broadband transmission system that transmits over the air at frequencies of 2.4 GHz or 5GHz. This frequency is considerably higher than the frequencies used for cell phones, walkie-talkies and televisions. The higher frequency allows the signal to carry more data. WiFi transmits and receives in short distances of about 100 feet (30.48 m.)

WiMAX

WiMAX is a wireless broadband transmission system known as IEEE 802.16e. Unlike WiFi which has a maximum range of about 100 feet, WiMAX may reach three miles or more. With new chips WiMAX may be accessed by cell phones and laptops.

Other References

Ordinary Share Registrar

Thailand Securities Depository Company Limited

The Stock Exchange of Thailand Building,
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Fax : (66) 2359 1259

Capital Market Academy Building, The Stock Exchange of Thailand

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